

Money fund manager receives 7-1/2 years in prison

By Roderick C. Willis
Special to Sentinel-Voice
BALTIMORE (NNPA) - "With this crucifixion, there will be resurrections."

Those were the words of Nathan Chapman Jr., the high-flying money fund manager sentenced to 7-1/2 years in prison on Nov. 1 and ordered to pay \$5 million in restitution for defrauding the state retirement system and looting money from his investment company. At one point, Chapman had been considered one of the nation's top African-American investment bankers and money managers. In August, a federal jury found Chapman guilty of 23 counts of a 32-count indictment.

Chapman hobnobbed in the upper echelons of Maryland's social and politi-

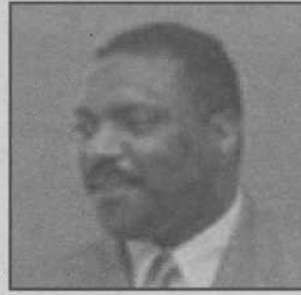
cal circles, and had a close relationship with former Gov. Parris N. Glendening. It was Glendening who championed Chapman becoming the chair of the board of regents for the University System of Maryland.

Chapman's firm managed more than \$100 million in funds for the state retirement system, and he managed the trustees between 1996 until the trustees fired him in 2002. The retirement system manages the pensions of more than 250,000 schoolteachers, police officers, firefighter and other government workers, and sits at \$29 billion.

"He did it because he could. He did it because he didn't think anybody would stop him," said U.S. Attorney Thomas DiBiagio after Chapman's conviction.

"With this crucifixion, there will be resurrections."

—Nathan Chapman Jr.



The sentence of 7-1/2 years is the same sentence given to John Rusnak, a Baltimore currency trader who pleaded guilty in 2002 in a banking scheme that cost Allfirst Financial \$691 million. Prosecutors sought 12 or more years for Chapman, while the defense team, led by William Martin, asked for 3-1/2. The federal jury found that Chapman cost the Maryland State Pension system more than \$5 million.

In his plea for leniency, Chapman's defense team argued that he did not personally benefit from the shareholders' losses and should not be penalized as if he had. They also asked for leniency under the theory that a shorter sentence would allow Chapman to better care for his three teenage daughters, his elderly mother and his wife, who has cancer.

In the end, Judge Quarles didn't buy the defense team's

arguments, noting that Chapman's wife's plea was "touching," but didn't necessarily hold water. "Of all the suffering she's done, a huge, huge part of it is directly from his own conduct," said Judge Quarles. Quarles did, however, set the sentence halfway between the prosecutor's request and that sought by the defense team.

"Until he was indicted, the 47-year-old investment banker had been viewed as a local success story. The high-profiled businessman was looked upon by many as a role model for aspiring businessperson who were looking for an African-American to shadow.

The 32-count indictment included mail fraud, wire fraud, securities fraud and a host of other crimes that re-

lated to the use of state retirement funds. The indictment also alleged that Chapman used the retirement system to revive his sagging stock in eChapman.com, an online investment company.

In a high-profiled securities fraud case, Chapman was a man who was humbled by the system. Allegations by the prosecutor pictured Chapman as a swashbuckling, high-rolling investment banker and money manager who led the "good life." One of the allegations asserted that he used "business development" checks to maintain a lifestyle that included his marriage, with mistresses on the side. The business development checks were allegedly earmarked to pay for a number of mistresses, which
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Partisanship puts Durham NAACP in IRS crosshairs

By Cash Michaels
Special to Sentinel-Voice

WILMINGTON, NC (NNPA) The now former president of the Durham NAACP may have given the Internal Revenue Service legitimate reasons for probing the nation's oldest civil rights organization, and possibly putting its tax exempt status at risk.

The IRS is already reportedly probing the national NAACP and several Black churches across the country, alleging that they engaged in partisan activities.

Joe Bowser, who is also an outgoing and controversial Durham County Commissioner, admittedly passed out fliers last month that read, "Joe Bowser, DURHAM BRANCH NAACP PRESIDENT, Recommends for Your Vote the Following Candidates. NO STRAIGHT DEMOCRATIC TICKET VOT-

ING."

With the exception of then Republican gubernatorial candidate Patrick Ballantine and a local GOP hopeful for the Durham County Commission Board, the rest of the candidates were Democrats.

Sources also confirm to *The Wilmington Journal* that Bowser represented Ballantine during the endorsement meeting of the Durham Committee on the Affairs of Black People several weeks ago. The committee did not follow his recommendation, but nor did it endorse Gov. Mike Easley either.

As of last week, at the request of State NAACP President Melvin "Skip" Alston, NAACP President/CEO Kweisi Mfume officially notified Bowser in writing that not only was he suspended as Durham Branch president, but his NAACP Life Membership was

also suspended, because he engaged in political campaigning using his position in the nonpartisan organization.

Bowser was not happy.

"It is not proper for him to jeopardize the NAACP and our reputation just because he is upset with the African-American community," Alston said, referring to Bowser's controversies in the Bull City.

Bowser has been a lightning rod for controversy and confrontation ever since he took over the Durham NAACP leadership.

His forceful style made one NAACP officer resign from the chairmanship of a committee, after writing Bowser saying he couldn't work with him anymore.

Published reports say Bowser was not going to run for reelection at the branch this month. As a Durham County Commissioner,

Bowser instigated the firing of the county manager several weeks ago. He's also been known to have public arguments with other elected officials and leaders.

Durham voters turned their backs on the two-term commissioner during the July primaries. He leaves office next month.

Per the national IRS probe of the NAACP, federal officials specifically cite NAACP Chairman Julian Bond's strident criticism of President Bush's policies at the organization's national convention last summer.

Bond said the NAACP has always criticized elected officials, without ever endorsing candidates. Bush was repeatedly invited to attend the NAACP Convention to give his views, but he refused.

Cash Michaels writes for the *Wilmington Journal*.

Bryant accuser might move lawsuit to Calif.

DENVER (AP) - Attorneys for the woman accusing Kobe Bryant of rape said Monday they might move her lawsuit to California because of Colorado's strict limits on financial damages.

Lin Wood, one of the attorneys representing the 20-year-old woman, said Colorado state law makes it difficult for a plaintiff to win more than \$733,000 in damages.

"California law would provide our client with a significantly greater opportunity to be fully compensated for the injuries she suffered," Wood said.

The accuser's attorneys expect to decide whether to move the trial by the end of November. An attorney for the Los Angeles Lakers star, Pamela Mackey, did not immediately return a call. The civil case accuses Bryant of raping the woman in his room at the Vail-area resort hotel where she worked in June 2003. A felony sexual assault charge against Bryant was dropped in September after the woman decided she could not participate in a criminal trial.

Wood said if the plaintiffs file a lawsuit in Orange County, Calif., where Bryant lives, they most likely would drop the suit filed in Denver federal court. The state law capping damages would still apply to a case heard in federal court.

A lawsuit can be filed either in the jurisdiction where the alleged harm occurred or where the defendant lives.

The woman's lawsuit seeks unspecified damages, and Wood said only that he thinks a fair amount would be "well in excess of the Colorado cap."

Law Firm of Timothy C. Williams

ATTORNEY AT LAW



TIMOTHY C. WILLIAMS

Timothy Williams is a member of the Nevada & Illinois State Bar, practicing primarily in personal injury cases.

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892-0000

844 E. Sahara Avenue
Las Vegas, Nevada

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