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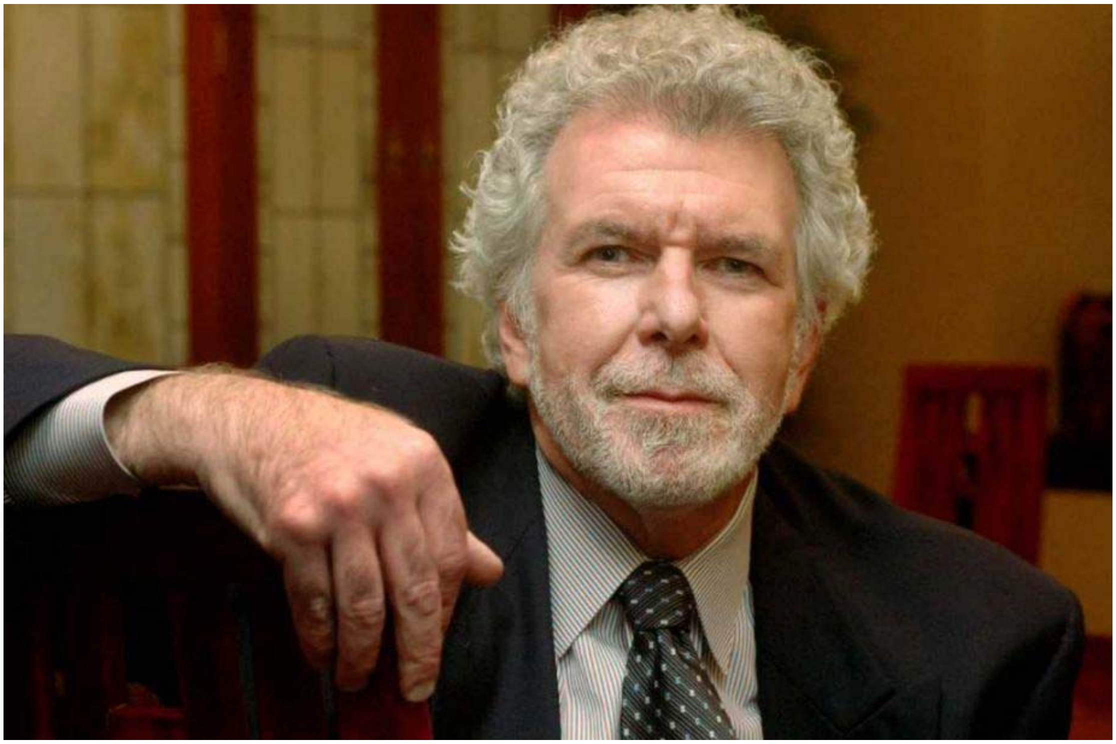
NXIVM foe indicted in Texas

Joseph O'Hara maintains that he's innocent, prepares for his trial

By James M. Odato Updated 12:56 pm, Tuesday, February 28, 2012



Joseph O'Hara in 2005. (Michael P. Farrell / Albany Times Union)

ALBANY --— NXIVM critic **Joseph J. O'Hara**, who has sued the personal growth company, is facing legal challenges himself, including a federal indictment in Texas accusing him of conspiracy in a bribery and kickback scheme.

O'Hara also confronts a motion in federal court here to force him to repay more than $2 million to Sara and **Clare Bronfman**, the Seagram's heiresses who are major supporters of NXIVM. That $2 million sum had been the backdrop for O'Hara's indictment in Albany County in 2007, a charge that was dismissed for lack of evidence but that now figures in his claims against NXIVM.

More Information

The separate problems for the Colonie attorney stem from his business in the middle part of the las decade, when he was a paid consultant of NXIVM and ran his own national business selling service to public school districts.

An adviser to NXIVM and its conceptual founder, **Keith Raniere**, from 2003 to early 2005, O'Hara had secured $2 million in loans from the Bronfmans as financing for his own real estate or business projects, according to court records. The two sisters are seeking principal plus interest from O'Hara.

O'Hara filed for bankruptcy, listing the debt as worth $2.5 million, but the Bronfmans challenged O'Hara's bankruptcy claim. Last year, a judge agreed with the Bronfmans and refused to discharge O'Hara's debt. O'Hara is appealing.

In his order, Judge **Robert Littlefield** noted that O'Hara invoked his Fifth Amendment right against self-incrimination when asked in a deposition about his account with an online payment service often used by Internet gamblers. The judge also wrote that O'Hara refused to answer questions from the Bronfmans' lawyer about whether he used $150,000 to satisfy foreign gambling debts; that O'Hara could not provide financial records demanded by the Bronfmans; and declared O'Hara to have engaged in "egregious conduct."

Another legal matter pits the 63-year-old businessman, who once owned local sports teams, against federal prosecutors accusing him of crimes. H is set for a trial on felony charges in El Paso, Texas, for allegedly bribing a member of the school board. Prosecutors say he used a $5,000 campaig contribution to help win a computer services contract.

A federal grand jury indicted O'Hara in November 2010. He and a former associate were accused of bribing the now ex-associate superintendent of the El Paso Independent School District and a former district school board member. O'Hara's company, which no longer operates, had received a multimillion-dollar contract with the district to manage **Medicare** and Medicaid reimbursements, a service O'Hara's company provided to hundreds of school districts.

O'Hara's former colleague, **Gary Lange**, of Okemos, Mich., pleaded guilty to conspiracy to commit mail fraud, according to the FBI. The former school administrator, Tomas Gabaldon, pleaded guilty to a charge of conspiracy to commit mail fraud. A fourth man caught up in the bribery case former school board member **Salvador Marcos Mena** Jr., pleaded guilty to a count of conspiracy to commit mail and a count of wire fraud.

Daryl Fields, a spokesman for the U.S. Attorney's Office, said O'Hara's is one of three trials pending from about two dozen cases developed in a sweeping corruption probe begun in 2004 by the FBI in the Mexican border area of El Paso. He said nine indictments and 13 federal informations resulted in numerous charges against public and private officials leading to 17 guilty pleas. Also, three people have been convicted by juries. O'Hara's trial was scheduled for this month but is expected to be moved several months ahead, his lawyer, **Albert Weisenberger** said.

He said he expects O'Hara's former associate, Lange, to be a government witness. Lange pleaded guilty in February 2009. O'Hara, he said, did not deliver funds to anyone. "He did not intentionally provide any funds that were given to either of these individuals," Weisenberger said. "When we go to trial I expect my client will be vindicated."

O'Hara said Lange was his company's on-site project director and, as he learned later, had a past business relationship with Gabaldon for which Gabaldon was owed compensation and Lange was paying him the back wages on his own. O'Hara said the $5,000 check was from a **Political Action Committee** his company set up for contributions in jurisdictions it did business. Lange and Gabaldon could not be reached.

Strategic Governmental Solutions received some $4 million from the El Paso district between 2003 and 2007. O'Hara's alleged crimes occurred between 2003 and 2005, or about the time he was working for NXIVM.

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