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DAILY REPORT

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Ex-GC of Glock warns Smyrna he'll sue

PAUL JANNUZZO IS fifth person to file notice of intent to sue over criminal investigation tied to gunmaker

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WITH HIS RACKETEERING conviction overturned, a former top official for international gun manufacturer Glock Inc. is seeking civil damages from the city of Smyrna and its police department for launching an unwarranted criminal investigation of him at what he claims was Glock's behest.

Paul Jannuzzo—a former New Jersey prosecutor who was chief operating officer and general counsel of Glock's North American headquarters from 1991 to 2003—has notified the city that he intends to sue if he is not compensated for what he claims was a “wrongfully instituted” investigation done “at the best of a private individual and affiliated corporate entities.” Those references are to gun mogul Gaston Glock and the companies that make up his gun manufacturing empire, both Jannuzzo and his Atlanta lawyer confirmed last week. The notice of intent to sue was filed in January.

A lawyer hired to represent Smyrna said the city and its police department “did not act as a pawn” for Glock, adding that once arrests are made, it's up to prosecutors to decide whether to pursue a case.

A Cobb jury in 2012 convicted Jannuzzo of engaging in a racketeering scheme while he was a Glock executive to siphon corporate funds from the Glock Group, which includes at least two Glock companies in Georgia. Glock's North American headquarters is in Smyrna.

Jannuzzo was also convicted of stealing from Glock a gun that had been assigned to him, a charge integral to the racketeering charge. But Robert Glock, Gaston Glock's son, told the Daily Report shortly after Jannuzzo was convicted that the lawyer had attempted unsuccessfully to

return the gun in question shortly after leaving the company. The senior Glock had told his son that he would “take care of the matter” and no further action was needed, Robert Glock said.

Last July, the Supreme Court of Georgia overturned Jannuzzo's 2012 Cobb County conviction and seven-year prison sentence, finding that the statute of limitations on the racketeering and theft charges of which he had been convicted had expired long before a Cobb grand jury indicted him in 2009. In reversing Jannuzzo's conviction, the state Supreme Court noted that “contrary to the allegation in the indictment, no evidence showed that Jannuzzo ever denied having possession of the ... pistol after he left his employment with Glock.”

Cobb District Attorney Vic Reynolds, who was not in office when Jannuzzo was indicted, quickly decided not to pursue the case, finding that it was “beyond the point of repair.” Jannuzzo, who had been incarcerated since 2009, was released a week later.

Jannuzzo is the fifth man—and the third lawyer—to place the city of Smyrna and its police department on notice that he intends to sue if he is not adequately compensated for a criminal prosecution tied to Glock Inc. or its affiliated companies.

Former Assistant U.S. Attorney James Harper III, Atlanta attorney Jeffrey Pombert and Loganville businessman Jerry Chapman put the city of Smyrna and its police department, as well as Cobb County and the Cobb district attorney's office, on notice that they intend to sue for what they contend was a malicious and unwarranted racketeering prosecution that was also driven by Glock. Harper's accountant, Michael Stresser, who was named as an unindicted co-conspirator, also has filed a notice of intent to sue that makes similar



Harvey Gray

allegations. The Smyrna notices were filed by those four men last September. The Cobb notices were filed last month.

The charges against Harper, Pombert and Chapman stemmed from a three-year investigation that Harper conducted on behalf of Gaston Glock from 2000 to 2003 following a 1999 assassination attempt against Glock in Luxembourg. From 2000 to 2003, Harper led a team of 16 investigators, attorneys, accountants and former law enforcement officers who assisted him in tracing and reclaiming at least \$80 million in corporate funds that Gaston Glock had accused Charles Marie Joseph Ewert—who is serving a 20-year prison sen-

tence in Luxembourg for Glock's attempted murder—of misappropriating. Glock alleged that Harper and his team of lawyers and investigators had either overbilled legal fees, billed for services not rendered or used legal bills to cover allegedly illegal transfers of funds to and from lawyer trust accounts.

Last year, the state Supreme Court determined that the statute of limitations on the majority of the charges against the three men, like the charges against Jannuzzo, had long ago expired.

Jannuzzo's counsel, Atlanta attorney John Da Grosa Smith, told the Daily Report on Friday that he and Jannuzzo believe that Jannuzzo's prosecution "was advanced by a private interest and that the prosecutor, prosecution and police department ultimately outsourced their duties."

That private interest, he said, was Glock. Glock subsequently hired a retired FBI agent and Washington lawyer, Robert Core, to investigate Jannuzzo and Harper. "Mr. Core was actually present at counsel's table for years during Mr. Jannuzzo's prosecution and, at one point, the [assistant district attorney] prosecuting the case had actually asked for permission to have him remain at counsel's table," Smith said. "The ADA's request itself reflect the problem and the outsourcing we believe occurred. Mr. Core is not a police officer. He is not employed by Smyrna. His duty was not to uphold justice and investigate crimes. He is a paid lawyer out of Washington whose duty is to zealously advocated for his client, who is Glock and related entities."

Jannuzzo told the Daily Report on Friday that he is particularly interested in the extent of what appears to have been a "public/private partnership" among Glock's outside counsel, the Smyrna police detective who led the investigation and the lead Cobb County prosecutor, then Assistant District Attorney John Butters. Marietta lawyer Pat Head was the district attorney at the time.

"Was Gaston Glock directing this investigation via his minions? Or was it being directed by the man who had the obligation to see that justice was done – John Butters?" he said.

Butters could not be reached for comment.

Jannuzzo, who voluntarily resigned his Glock posts in 2003, said he believes he was targeted for two reasons, the first being Jannuzzo's relationship with another Glock employee who is now his wife.

Glock, he said, told Monika Jannuzzo, then Monika Bareczky, "that if she didn't take her friendship with him to 'the next level' that I was finished," Jannuzzo said. "There is no doubt in my mind that he meant it."

Jannuzzo also said that it was "quite obvious" to him from what he says was the Glock-instigated investigation and prosecution of Harper "that anyone who was privy to his [Glock's] financial scheming ... needed to be silenced."

Attorney Harvey Gray at Gray Rust St. Amand Moffett Brieske, who was hired to represent the city by its insurer, said that the notices to sue filed by Jannuzzo, Harper and Harper's co-defendants "are just allegations."

He said that "it is incredibly early in the process, and even though we have done a lot of review, we are still gathering documents and information."

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- Harvey Gray**

Gray said there are 50,000 to 70,000 documents related to the cases. "Frankly," he said, "Smyrna has not seen anything to suggest there was not probable cause to support the arrests or prosecutions."

The city and its police department, he added, "did not act as a pawn in doing whatever Glock wanted to do. The matter was presented to the district attorney who had independent prosecutorial discretion ... to decide whether to pursue the case."

The city "has no control over that once the arrests are made. It's for the district attorney to decide."

New York lawyer John Renzulli, longtime counsel for The Glock Group and CEO of Consultinvest Inc. (one of Glock's Georgia companies), could not be reached for comment. Renzulli, who actively participated in Cobb's criminal investigation of Harper and Jannuzzo, previously has not responded to multiple queries from the Daily Report about Glock's alleged involvement in the Cobb County prosecutions. Renzulli's partner, Christopher Renzulli, who serves as co-counsel on several Glock civil cases in Georgia, also could not be reached for comment.

Jannuzzo's sue notice identifies K.D. Harrison—a retired Smyrna police detective who was assigned to investigate Jannuzzo, Harper, Pombert and Chapman—and former Smyrna police Capt. J.W. Waldrop as having been involved in "the malicious instigation, investigation and pursuit of criminal charges" against Jannuzzo.

Smyrna's investigation, which dates back to 2007, was "wrongfully instituted ... without probable cause" and was "fraught with bribery, extortion, false and misleading testimony, tampering with evidence, and failure to examine or acknowledge exculpatory evidence," Jannuzzo's sue notice says.

Smith said the bribery and extortion allegations in the notice refer to accusations leveled against Gaston Glock by disbarred Dunwoody attorney Peter Manown in 2007 that he said Cobb prosecutors never investigated. Manown made the allegations during a proffer he gave to prosecutors about his own role in stealing corporate funds from Glock. Manown, a former Glock senior vice president, pleaded guilty to theft in 2008 in return for a probated sentence and his testimony at Jannuzzo's 2012 trial.

Smith said that neither the city nor the police department has responded to the notice, which was filed in January. "The response we've gotten from Smyrna to the notice is the same response we got when we raised these issues at trial, which is nothing," he said.

"Our hope would be that Smyrna would take this notice seriously, evaluate the claim, ... talk to us and make a determination of what the disposition should be," he continued. "My hope is that they simply don't take a 'sue me' attitude, that we could actually get someone to sit up and pay attention."

Jannuzzo's notice of intent to sue does not specify how much money Jannuzzo is seeking. But it says that Jannuzzo "incurred substantial legal fees and costs" in defending himself that he is entitled to recover. It also says Jannuzzo is entitled to compensation for four years of incarceration while he awaited his trial and then the outcome of his appeal and alleges claims for malicious prosecution, conspiracy, false arrest, false imprisonment, racketeering, defamation, slander and libel.

"Some of the damages Mr. Jannuzzo has suffered include his inability to work and earn a living; separation from his family and friends; physical deprivations, trauma, and injury; mental trauma and anguish, emotional trauma and distress; public humiliation and embarrassment and damage to his reputation," the notice says.