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Legal papers: NXIVM officials probed finances of 6 federal judges, Senator Schumer, others

Ex-confidant of founder says group scanned fiscal records of six federal judges, Schumer and others

By Brendan J. Lyons Updated 9:30 pm, Monday, September 21, 2015

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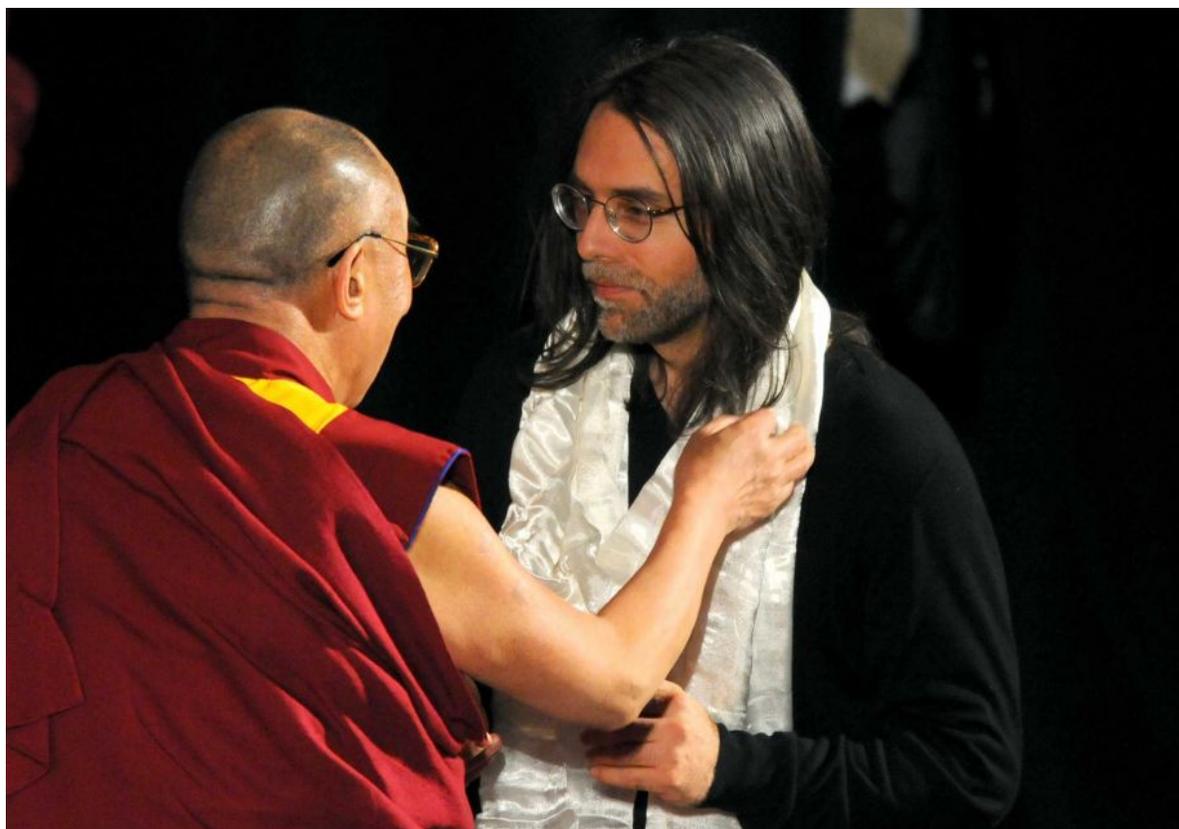


IMAGE 1 OF 8

Keith Raniere, right, the founder of NXIVM, meets the Dalai Lama at the Palace Theatre in 2009. Raniere has been accused by a former NXIVM insider of directing financial probes of federal judges and a U.S. ... [more](#)

Albany

A former close confidant of [Keith Raniere](#), founder of the NXIVM corporation, claims top officials in the secretive organization used a Canadian investigative firm or other means to

sift the financial records of six federal judges and U.S. Sen. **Charles E. Schumer**, D-N.Y., according to court records.

The former NXIVM insider, **Kristin M. Keeffe**, said that **Seagrams** heiress **Clare W. Bronfman** who oversees NXIVM's operations, ordered the financial probes at the direction of Ranieri, 55. The six judges whose financial records Keeffe alleges were analyzed have all presided over cases involving NXIVM or its perceived adversaries and critics.

The allegations by Keeffe, 45, are outlined in emails attributed to her that were filed recently in Albany County Court in a case involving **Barbara J. Bouchee**, a financial adviser and former NXIVM executive board member charged with hacking into the corporation's computer system. Bouchee has pleaded not guilty and is fighting the computer trespass charge, which her attorneys said is baseless.

Keeffe was a legal liaison for NXIVM and for many years was part of Ranieri's inner circle at the Albany-based corporation, which specializes in "human development" training, according to federal court records.

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The judges whose financial records that Keeffe claims were targeted include four federal judges in Albany: U.S. District Chief Judge **Gary L. Sharpe**; U.S. **Magistrate Randolph F. Treece**; U.S. Bankruptcy Judge **Robert E. Littlefield Jr.**, and U.S. Senior

Judge **Thomas J. McAvoy**. The judges all have presided over cases in which NXIVM was a party or had an interest in the litigation. Keeffe did not say in her email when the alleged searches took place.

Keeffe alleges the corporation also conducted financial research on two federal judges in New Jersey: U.S. District Judge **Dennis M. Cavanaugh** and U.S. Magistrate Mark Falk, both of whom have presided over a pending lawsuit filed in 2006 by NXIVM against **Rick Ross**, a self-described cult tracker. NXIVM's lawsuit accuses Ross of publishing — without authorization — protected materials from its training programs. NXIVM has denied it is a

cult.

In the New Jersey case, Ross has fought back against NXIVM and, in court filings, accused the corporation of hiring a New York investigative and security firm, **Interfor**, to conduct background checks on Ross, including obtaining details of his banking records and personal relationships. A report attributed to Interfor, whose president, Juval Aviv, is a former Israeli intelligence officer, was filed in U.S. District Court in connection with the litigation. The nine-page report includes Ross's **Social Security** number, date of birth, medical and psychological history and details from his personal checking account and telephone records.

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It's unclear how the banking information listed in Interfor's report was obtained. In her email, Keeffe alleged that a small Canadian investigative firm, Canaprobe, was hired to conduct a "bank sweep" on Ross. A telephone listing for a company called **Canaprobe Investigation** in Montreal was disconnected. The company's owner could not be reached for comment.

"The long and short of it is that there has never been any definitive proof or determination about how exactly they came to get it," said **Peter L. Skolnik**, a New Jersey attorney who represents Ross, referring to the banking records listed in Interfor's report. "They haven't denied going through Ross' garbage, but on the other hand Ross had testified that he never threw any of those phone bills or banking records into his garbage."

In court filings, NXIVM has accused Interfor of going beyond the scope of their agreement in investigating Ross. Interfor, in court filings, said that it did not use illegal tactics to investigate Ross and that NXIVM officials, including Keeffe, were aware of what was being done. The company also said NXIVM officials did not object when Interfor provided two detailed reports on Ross in 2004 and 2005. Interfor also noted that NXIVM initially paid Interfor's legal fees to fight a subpoena that Ross served on the investigative firm in August 2006, after NXIVM had received Interfor's reports on Ross.

Keeffe "closely supervised Interfor's investigation of Ross through numerous telephone calls and frequent meetings," according to a response by Interfor that's filed in U.S. District Court in New Jersey. "No action on the Ross investigation was taken by Interfor without Keeffe's express approval."

Keeffe, in the email attributed to her in Albany County Court files, claims that NXIVM also obtained the financial records of **George R. Hearst III**, publisher and CEO of the **Times Union**; **Rex Smith**, the newspaper's editor and vice president, and **James M. Odat**, a former Times Union reporter who wrote numerous stories about NXIVM. The Times Union has extensively covered NXIVM, and in 2012 published a series — "Secrets of NXIVM" — which included one expert describing NXIVM as an "extreme cult."

Bronfman, 36, declined to comment on Keeffe's allegations. Raniere did not return a telephone call seeking comment.

Keeffe broke away from NXIVM in February 2014 and is in hiding, according to correspondence and conversations attributed to her in court records filed in Albany County. She initially went to a domestic violence shelter with the assistance of a **State Police** investigator, **Rodger Kirsopp**, who built criminal cases against four people accused of illegally hacking into NXIVM's computer system, according to court records.

Keeffe used an encrypted email system to send information about her allegations to NXIVM's attorneys and to her former NXIVM associates, including Bouchey. The criminal case against Bouchey relates to a nearly two-year State Police investigation that targeted four people: a NXIVM critic, Bouchey and two of her former NXIVM associates. They were all charged with low-level felonies for allegedly gaining unauthorized access to NXIVM's computer servers using accounts and passwords of two former NXIVM clients.

The state attorney general, Saratoga County district attorney and Albany County district attorney all declined to prosecute the case, which was eventually presented to a grand jury by a special prosecutor in Albany County.

Keeffe's defection from NXIVM signals the first time that someone at her level in the organization has turned on Raniere and shared information about the organization's alleged inner dealings. The February email attributed to Keeffe was initially sent to two of NXIVM's longtime attorneys, **Stephen R. Coffey** and **Pamela A. Nichols**, who are with the law firm O'Connell and Aronowitz in Albany.

"I am guessing Clare never disclosed to either of you the depths she went to, as directed by

Keith, to obtain financial records for leverage against every potential anti NX (NXIVM) party," Keeffe wrote in the email. "This included getting records for every Judge in every NX (NXIVM) related case."

In the email, Keeffe said that she also "forwarded all the Canaprobe transactions to a third party gmail account for safe keeping as they came in."

The email thread indicates Keeffe forwarded it on Feb. 26 to Bouchey, who has pleaded no guilty to the felony charge filed against her in February.

Reached Monday, Coffey, whose firm has represented NXIVM for years, said he was not familiar with the court filings that contain Keeffe's email, so the Times Union forwarded a copy of the documents to his office.

"Well, let me see, I may get back to you and say I'm not going to say anything," Coffey said on Monday. "I will tell you this — it's not a warning: Kristin Keeffe has some significant difficulties. Aside from the emails, there's some real issues with her."

On Wednesday, Coffey, after reviewing a copy of the email, said he would not comment further on the matter.

The emails were filed Sept. 9 in Albany County Court by attorneys for Bouchey, who was indicted Feb. 27 on one count of computer trespass. Bouchey's attorneys, including [Mark Sacco](#) of Schenectady, filed two motions recently seeking to have the indictment dismissed. One of the motions accuses Kirsopp, who consulted with NXIVM's attorneys numerous times during his criminal investigation, of distorting facts to build a case against Bouchey.

Kirsopp did not respond to a request for comment.

Sacco's court filings include an email from [Ben T. Myers](#), a computer technician and NXIVM contractor, that indicates Myers provided Bouchey with the sign-on and password information of a former NXIVM student, Svetlana Kotlin, and instructed Bouchey to use the information. The indictment against Bouchey accuses her of using Kotlin's sign-on information to access NXIVM's computer system without authorization on one occasion in January 2014.

The criminal case against Bouchey and another former NXIVM member, [Toni F. Foley](#), who was previously Raniere's girlfriend, is being prosecuted by [Holly Trexler](#), a former Albany

County assistant district attorney serving as special prosecutor. Felony computer trespass charges also are pending against **Joseph J. O'Hara**, an imprisoned NXIVM critic who once did consulting work for the organization. In an unrelated criminal case, O'Hara was sentenced in July 2013 to three years in federal prison for his conviction in a bribery case involving a public school district contract in El Paso, Texas. He is serving his sentence at a federal prison in Brooklyn.

A fourth defendant in the computer trespassing case, **John J. Tighe**, 58, of Milton, pleaded guilty last November to felony computer trespass charges. Tighe, who once published a blog called Saratoga in Decline that included critical postings about NXIVM, is serving five years and 10 months in federal prison on child pornography charges. The illegal materials were discovered on Tighe's computer after State Police seized it during their investigation of the computer trespassing allegations. In the state case, Tighe was sentenced to a year in jail and is serving that term concurrently with his federal sentence.

Bouchev and Foley have pleaded not guilty to the charges. It's unclear whether O'Hara has been arraigned. Trexler, the special prosecutor, did not return a telephone call seeking comment.

More than a year after the criminal probe began, NXIVM filed a federal lawsuit in October 2013 alleging unauthorized access of its confidential information by O'Hara, Tighe, Foley, Odatto and another journalist, Suzanna Andrews, who writes for Vanity Fair magazine.

The federal lawsuit was thrown out last Thursday by a U.S. District Court judge in Albany.

Attorneys for the defendants asked a federal judge to dismiss the case on the basis that the complaint was not filed within the required two-year period after NXIVM discovered the alleged unauthorized access. In last week's ruling, U.S. District Senior Judge Lawrence E. Kahn said that Bronfman, a member of NXIVM's executive board, acknowledged during testimony in an unrelated bankruptcy case — more than two years before the lawsuit was filed — that NXIVM suspected intrusions of its computer servers, including by Tighe.

NXIVM's lawsuit accused Tighe, a vocal critic of the corporation, of using the computer access to gain information about NXIVM's private events, such as annual picnics and training seminars, and that he would show up and harass its members. During his guilty plea in Albany County Court last November, Tighe admitted trespassing on NXIVM's server "50 to 60" times, he told the judge.

Ranieri has described himself as the "philosophical founder" of NXIVM, according to a

State Police report. He founded NXIVM in 1998, shortly after Consumers' Buyline, his multimillion-dollar discount buying club in Halfmoon, collapsed under allegations it was a pyramid scheme. Raniere admitted no wrongdoing and paid the state about \$40,000 in settlement fees after an investigation by the state attorney general's office.

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