

EMIL BOVE THROWING GOLD BARS OFF THE TITANIC

As multiple outlets have reported, the woman appointed to lead the DC US Attorney's Office Criminal Division, Denise Cheung, resigned yesterday after refusing orders from Ed Martin and Emil Bove to order a bank to freeze appropriated EPA funds based on probable cause (as opposed to just the possibility) that a crime was committed.

As Reuters reported, Cheung was asked to open a criminal investigation, and then asked to freeze funds based on probable cause that a crime was committed. When she refused, she was ordered to resign.

Denise Cheung, who supervised criminal cases at the U.S. Attorney's Office in Washington, said she had been ordered to open a probe into a contract that she did not identify and that she believed the request was not supported by evidence, in a letter reviewed by Reuters.

When she declined to launch a grand jury investigation citing a lack of evidence, she said she was ordered instead to pursue an asset seizure to prevent the recipient of the contract from drawing down the government funds.

[snip]

"When I explained that the quantum of evidence did not support that action, you stated that you believed that there was sufficient evidence," she wrote.

"Based upon the evidence I have reviewed, I still do not believe there is sufficient evidence to issue the letter you described, including

sufficient evidence to tell the bank there is probable cause to seize the particular accounts identified.”

Cheung said in her letter she was ordered to resign. She announced her departure early Tuesday.

Effectively, she was ordered to chase Lee Zeldin’s conspiracy theories, in turn based on a Project Veritas video of a single staffer who was almost certain inebriated (even before you consider PV’s practice of misleadingly editing videos).

Politico’s trade outlet (subscriptions to which are being cut everywhere as a purported cost-savings) explains what really happened, including that *Zeldin* may be the one violating the law in attempting to clawback appropriated funds.

[I]f Zeldin tries to claw back money from the Greenhouse Gas Reduction Fund without cause, it could put the government at risk of breaching its contracts with some or all the green bank participants, experts say. And that could cost taxpayers more in damages than the sum Zeldin hopes to recover.

“If the government abrogates the contract without legal justification, then it will eventually owe damages to these people when they sue, but will not be getting the services that are under contract here,” said David Super, a professor of law and economics at Georgetown University Law Center.

During the Biden administration, EPA officials worked with the Treasury Department to contract Citibank as the financial agent for two grant programs – the \$14 billion National Clean Investment Fund, or green bank, and the

\$6 billion Clean Communities Investment Accelerator program, which seeks to build green lending capacity at institutions that serve low-income communities.

That means the money is in accounts at Citibank in the names of the eight awardees for those two programs. The money and income from any interest belongs to the grantees to be used for purposes consistent with their award agreements with EPA. But Citibank reports extensively to Treasury and EPA on any transactions.

People familiar with the contract between Citibank and Treasury and granted anonymity to discuss a private contract say it has provisions to allow EPA and Treasury to exercise a security interest on those accounts if it discovers the awardees have engaged in conduct that meets official definitions of waste, fraud and abuse.

In those instances, the federal government could freeze accounts or recover funds. But Zeldin did not reference any specific instances of misconduct when he announced his plans for the green bank program Wednesday on the social media site X. He also stated that EPA had found no evidence of “any wrongdoing” on the part of Citibank.

Click through for further explanation that there is oversight in place – or would be, if not for Trump’s firing spree.

In a functioning bureaucracy, DOJ would tell Zeldin that *he’s* the one out of order, unless and until more evidence than a Project Veritas video is developed.

But that’s not what happened. In her resignation letter, Cheung describes that she first reached out to the FBI and then spent much of a day

engaged in a good faith effort to assess the allegations.

Earlier yesterday. I was asked to review documentation supplied by the Office of the Deputy Attorney General (ODAG) to open a criminal investigation into whether a contract had been unlawfully awarded by an executive agency before the change in Administration and to issue grand jury subpoenas pursuant to this investigation. I was told that there was time sensitivity and action had to be taken that day because there was concern that contract awardees could continue to draw down on accounts handled by the bank handling the disbursements. I conferred with others in the Office, all of whom have substantial white collar criminal prosecution experience, and reviewed documentation provided by ODAG, in determining whether the predicate for opening such a grand jury investigation existed. Despite assessing that the existing documents on their face did not seem to meet this threshold, an ODAG representative stated that he believed sufficient predication existed, including in the form of a video where statements were made by a former political appointee of the executive agency in question.

After eight years of Republican insistence that one should never predicate an investigation solely on oppo research, and **less than two weeks after SDNY closed a criminal investigation into Project Veritas** based on suspicion they committed crimes in pursuit of political hit jobs, DOJ was pressuring prosecutors to open an investigation relying primarily on a Project Veritas video.

I contacted a supervisor at the Washington Field Office (WFO) of the FBI and provided him with the materials

received from ODAG and also referenced the possible existence of the video and statements made by the head of the executive agency. I further conveyed ODAG's desire to send out the freeze letter to the bank as soon as possible as to avoid subsequent payouts. The FBI-WFO supervisor forwarded links of these statements and the video, which I also reviewed. Despite the federal holiday yesterday, the FBI-WFO supervisor, as well as other FBI-WFO managers, spoke frequently throughout the day yesterday with me to discuss the matter, including what, if any, possible criminal charges might be applicable, as well as the sufficiency of the evidence of any criminal offense or the connection of any alleged crime to the accounts at issue.

During this period, I sent a draft freeze letter provided by the FBI-WFO supervisor to the PAUSA at 4:31 p.m. In an email sent at 4:46 p.m., the PAUSA conveyed suggested language "in case it [was] helpful" from the ODAG representative, which included language represented to be from the Second Circuit, including the phrase "the government has probable cause to believe that the funds on deposit in the above-referenced account(s) at [named bank] are subject to seizure and forfeiture to the United States based upon violations..." I subsequently informed the PAUSA that the suggested language was not appropriate to the matter at hand.

Despite expressing some concern about the current lack of evidence of any apparent crime and the need to send out any such freeze letter, FBI-WFO personnel were able to consult with necessary individuals, including legal counsel, at their office. I was told that if FBI-WFO was unwilling to send

out such a freeze letter, that you would direct someone from USAO-DC to send out such a correspondence to the bank. However, that contingency did not come to pass, as FBI-WFO determined that they were willing to send out the freeze letter, but asked that I first send them an email stating that, based on the evidence, there was possible evidence of certain criminal violations. I emailed them the following statement: "Based upon the information we received from ODAG and public-source materials, including a video of statements by a former [executive agency] official, USAO-DC believes that there may be conduct that constitutes potential violations of 18 U.S.C. Sec. 371 (conspiracy to defraud the United States) and 18 U.S.C. Sec. 1343 (wire fraud) that merits additional investigation."

After they received this email, FBI-WFO subsequently issued a letter to the bank recommending a thirty-day administrative freeze on certain assets. After this letter was issued at approximately 7:28 p.m. yesterday night, I received a call from the PAUSA and you shortly thereafter. You expressed your dissatisfaction about the adequacy of the FBI-WFO letter and criticized that the language merely "recommended" that a freeze of the accounts take place, notwithstanding that the same language was used in the draft I sent to the PAUSA earlier in the day. You also directed that a second letter be immediately issued to the bank under your and my name ordering the bank not to release any funds in the subject accounts pursuant to a criminal investigation being run out of USAO-DC. When I explained that the quantum of evidence did not support that action, you stated that you believed that there

was sufficient evidence. You also accused me about wasting five hours of the day “doing nothing” except trying to get what the FBI and I wanted, but not what you wanted. As I shared with you, at this juncture, based upon the evidence I have reviewed, I still do not believe that there is sufficient evidence to issue the letter you described, including sufficient evidence to tell the bank that there is probable cause to seize the particular accounts identified. Because I believed that I lacked the legal authority to issue such a letter, I told you that I would not do so. You then asked for my resignation.

By going public like this, Cheung alerts the magistrates who might approve such orders and Judge James Boasberg who would oversee any grand jury investigation that this investigation is being predicated without probable cause.

But she also makes clear that Martin and Bove are going to predicate criminal investigations off the flimsiest propaganda, perhaps, in part, as cover that Trump is the one breaking the law by violating the Impoundment Act. And if they need to get rid of career prosecutors with over two decades of experience to do that – the gold bars of the Department of Justice – they won’t hesitate.