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## Search for swindler uses old, new methods

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*The Journal News*

Investigators looking for Samuel Israel III are almost certainly using high-technology electronic surveillance to detect his phone calls, e-mails and financial transactions, experts say.

But it's also a safe bet that they're using another technique, one that's simpler and older but can be just as effective: pressure. That heat is being applied to Israel's friends, family members, business associates and anyone else authorities think may be a candidate to have contact with Israel.

"Law enforcement will tell people, 'We will come back to you if we find out that you aided and abetted this guy,'" said Thomas G. Martin, a former Drug Enforcement Administration agent who now runs Martin Investigative Services in Newport Beach, Calif. "They will put pressure on like nobody else can, and they will come back."

Martin said investigators are sure to tell Israel's girlfriend, Debbie Ryan, and others close to him, "Do not get involved with any obstruction of justice and it might behoove you if you have contact with him to notify us."

Israel family members and friends may even be under physical surveillance, Martin and other experts said.

Israel, 48, has not been seen since June 9, the day he was supposed to have reported to a federal prison in Ayer, Mass., to serve a 20-year sentence for defrauding investors in the Stamford, Conn.-based Bayou hedge funds of more than \$450 million.

Police found Israel's GMC Envoy on the Bear Mountain Bridge that day with the words "Suicide is Painless" scrawled in dust on the hood. But authorities did not find a body in the Hudson River below and said Monday that they had ruled out suicide.

The U.S. Marshals Service and FBI now consider Israel a fugitive from justice.

Ryan, who lived with Israel in a modest Armonk home, reported to investigators that Israel told her the morning his vehicle was found that he was leaving for Ayer. Attempts by The Journal News and other news outlets to reach Ryan since Israel's disappearance have been unsuccessful.

Law enforcement sources have confirmed that video footage taken by cameras shows a car slowing down behind Israel's vehicle when it stopped on the bridge the day he disappeared. They identified the driver of the other vehicle by reviewing the video and E-ZPass records, a source said.

Authorities have searched area airports and posted information about Israel in a computer database that police throughout the country access.

It's routine for them to distribute a "red notice" to Interpol, an international law enforcement agency, that a person is wanted. If that person presents identification to go through a checkpoint to enter any of 180 countries, a computer should signal an alert and the suspect should be detained.

But the man on the loose in this case has a demonstrated ability to deceive.

Israel and two fellow executives at Bayou Group LLC put one over on hundreds of investors from 1996 to 2005 by inducing them to invest in the company's money-hemorrhaging hedge funds. The Bayou swindlers created a fictitious accounting firm and sent investors statements claiming the firm audited the funds and found them to be profitable.

While federal investigators lean hard on those close to Israel, their best chance of finding him is probably through monitoring his phone calls, Martin said.

"It's the No. 1 way (of catching fugitives) and second place is way down the road," he said.

Authorities can easily obtain a court order to monitor the phone activity of Israel, since he is wanted for committing a crime, Martin said. The court order could allow them to get records of calls to and from Israel's phones or it could go further and allow investigators to listen in on the calls.

They may even be able to obtain permission to tap the phones of people they suspect could speak with Israel, Martin said. To get at those phone calls, they would need to convince a judge that it's the only way to apprehend Israel and prevent him from harming himself or someone else, Martin said.

And there's good reason for anyone Israel contacts to tell authorities, said Robert Ray, a criminal defense lawyer in New York and former independent counsel who investigated President Clinton.

Offering Israel any advice, even an offhand suggestion as to where he should go, who he should contact or where he could get money, would make the person providing the advice guilty of aiding a fugitive, Ray said.

The massive amount of money involved in the fraud, the news coverage it has generated and the fact that Israel defied a federal judge's order that he report to prison mean the government will make finding him a priority, experts said.

"If the feds are involved, they're going to do some pretty high-tech things," said Tod Burke, a criminal justice professor at Radford University in Radford, Va., and a former police officer in Maryland. "And this is a high enough profile case that they're going to want to find this guy."

Burke said it's likely that investigators have already executed a search warrant at Israel's home and checked the Web sites he visited and e-mails he sent and received recently.

They're also watching his bank and credit card accounts, Burke said.

"They're going to check his credit card records and ATM activity because they know he's going to have to survive somehow," Burke said. "Even if he took \$400 million, he probably didn't have it all in cash."