

Judge: Man charged in Facebook fraud case apparently fled

March 10 2015, by Larry Neumeister

A New York man has apparently escaped his electronic monitoring bracelet and fled rather than face charges that he fraudulently claimed an ownership stake in Facebook, a judge said Tuesday as he revoked bail and questioned whether the escape had been planned for months.

Paul Ceglia dropped out of touch with his pretrial services officer and did not respond to attempts to reach him, Assistant U.S. Attorney Janis Echenberg said.

U.S. District Judge Vernon S. Broderick in Manhattan revoked Ceglia's \$250,000 bail two days after it was discovered that the businessman was no longer at his Wellsville home. Ceglia's lawyers said he failed to respond to messages sent by phone and email instructing him to appear at Tuesday's hearing.

The judge noted how difficult it is to tamper with a monitoring bracelet. He also questioned whether Ceglia had been planning to run for months, since the defendant had successfully requested in September that his bail be modified so that he could access some of real estate equity to hire lawyers.

Broderick said he now wondered whether Ceglia may be using some of the money "in connection with his flight." The judge added that freeing himself of the electronic bracelet and making a run for it "probably took a fair amount of planning."



Defense attorney Robert Fogg told Broderick that he believed that properties supporting the <u>bail</u> could not be sold because of the economic climate and because of the criminal charges.

"I can't say what his state of mind was. I don't know," he said. "And was it a plan from the beginning? I don't know."

Prosecutors say Ceglia doctored a contract he signed with Facebook founder Mark Zuckerberg in 2003 to make it seem he was part owner of the Menlo Park, California, company. Ceglia had pleaded not guilty to fraud charges.

In 2010, Ceglia filed a multibillion-dollar lawsuit claiming that the 2003 software development contract included a provision entitling Ceglia to half ownership of Facebook in exchange for startup money.

A <u>federal judge</u> in Buffalo threw out the lawsuit after a magistrate <u>judge</u> concluded that the contract was altered. Facebook lawyers have said the two had a <u>contract</u> but that references to Facebook were added for purposes of the lawsuit. Ceglia was criminally charged in 2012.

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