

New clues in killings of stock promoters Divorce case sheds light on '99 slayings in manse  
Wednesday, October 27, 2004

BY TOM FEENEY

Star-Ledger Staff

A group of Russian émigrés threatened the lives of two penny stock promoters shortly before they were found slain in a Colts Neck mansion five years ago this week.

That threat and other details about the relationship between the murdered men and Russian businessmen are described in a sealed grand jury document that has become public in a Passaic County divorce case.

The document offers some insight into what prosecutors knew or suspected about the execution-style killings of Albert Alain Chalem and Maier Lehmann.

Prosecutors tried to force a close business associate of the two men to testify before a grand jury 10 months after the murders. But the associate, Joe T. Logan Jr., formerly of Clifton, refused, invoking his Fifth Amendment right against self-incrimination. A judge's ruling in that dispute contains many of the questions prosecutors had planned to ask Logan.

Logan was never a suspect, but prosecutors wanted to ask him what he knew about the Russian investors Chalem was dealing with at the time of the murders. And they wanted him to tell them more about the meeting at which the group of Russians threatened Chalem and Lehmann.

A confidential informant had told detectives that Chalem and Logan had had a conversation a week before the murders about someone they were afraid of. Prosecutors wanted Logan to identify that person.

They also wanted to ask if Chalem had told Logan about problems he'd had in the weeks before the murders with brothers Michael and Boris Vax. The Vaxes are Russian émigrés and convicted racketeers.

Barron's, the financial newspaper, reported shortly after the Colts Neck murders that Lehmann had approached the newspaper in December 1998 to complain that the brothers had threatened physical harm against investors in a venture connected to Ivana Trump, a charge the Vaxes denied. Calls to the Vaxes' homes this week were not returned.

Prosecutors also wanted to ask Logan about a visit the Vax brothers paid to his home. Their questions indicate the Vaxes discussed Chalem with Logan and that Chalem was angry with Logan when he learned about the meeting. The prosecutors had information that Chalem had punched Logan in the face two weeks before the murder, and they wanted to ask him why.

Neither Logan nor his attorney responded to requests for comment.

Monmouth County Prosecutor John Kaye declined to say during an interview this week whether the questions his office had hoped to ask Logan were ever answered.

"It's still an open case," Kaye said. "It's not a full-time job any more, but we still get leads and we still follow them up."

Federal authorities -- who have brought cases in recent months against two known business associates of Chalem and Lehmann -- also are continuing to investigate.

"We are still actively looking at possible motives on this," said Steve Kodak, spokesman for the FBI's Newark division. Like Kaye, Kodak declined to discuss specifics of the investigation.

Chalem, who lived in the Colts Neck mansion, was 41 at the time of his murder. Lehmann, who lived with his wife and five young children in Woodmere, N.Y., was 37. Both men had been involved in so-called "pump-and-dump" deals -- schemes to artificially inflate the value of cheap stocks by hyping them on the Internet and then selling them to unsuspecting investors before the value crashed.

Two theories emerged about the murders -- the first held that Chalem and Lehmann were slain by someone they had cheated in a stock deal; the other held that they were slain because one or both were cooperating with authorities investigating stock fraud.

The one clear thing about the murders was that they intended to send a message. Each man was shot many times at close range. Chalem was shot once in the chest, once in the nose, once in each ear and once in the forehead. Lehmann was shot once in the leg and three times in the left side of the head.

Investigators have believed from the beginning that the two men were murdered by professional killers, Kaye said.

The killer, or killers, left one significant clue behind in the sparsely furnished mansion -- a trail of blood. Investigators found droplets on the stairs and in every room and every closet, Kaye said.

They theorized that the gunman had cut a finger on the slide of one of the semiautomatic handguns used in the murders, Kaye said. As he walked through the house with the gun down at this side, blood dripped from the wound onto the floor.

Shortly after the murders, prosecutors had a prime suspect -- a career criminal with a history of violent offenses, Kaye said. Detectives found him one day in a delicatessen on Staten Island, and as they stood beside him in line they noticed that his hand was bandaged, suggesting a wound just like the one they had theorized.

"I thought the case was solved," Kaye said.

The suspect agreed to let the prosecutors test his DNA. He was released from custody after the test proved that the blood dripped in the mansion was not his.

Logan emerged early in the investigation as a key witness. Not only did he have close ties to the dead men, but he was with them in Colts Neck on the day they were murdered, prosecutors said. He also called them several times that night.

Logan's business dealings were the subject of a federal securities investigation at the time. His attorneys argued when he was called to testify in front of the Monmouth County grand jury in the Colts Neck case that his answers could have been used against him in the securities case. The prosecutor's office disputed his right to Fifth Amendment protection and tried to compel him to appear in front of the grand jury, but Superior Court Judge Lawrence M. Lawson sided with Logan.

Lawson's 11-page ruling was part of the sealed grand jury record in Monmouth County, but it was made public in Passaic County when Logan's now former wife included it in her motion for divorce in 2002.

Logan has not been charged with any offenses, but in April he was named an unindicted co-conspirator when an attorney with ties to Chalem pleaded guilty to securities fraud. The attorney, Allen Barry Witz, was charged with artificially inflating the value of stock in a tech company called Global DataTel Inc. Witz told investigators that he and Logan were silent partners in the company.

Another of the co-conspirators, Stuart Bockler of Marlboro, has since been indicted in the case. He pleaded not guilty at an arraignment last week. His trial is scheduled to begin Dec. 7.

Staff writer John Martin contributed to this report.