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Law

Stratton Oakmont Auditor Faces Charges Of Money Laundering

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NEW YORK -- Dennis M. Gaito, an accountant whose firm acted as an auditor for **Stratton Oakmont** Inc., faces money laundering charges filed Friday by federal prosecutors in Brooklyn.

The charges against Mr. Gaito, a principal in the Cranford, N.J., public accounting firm of **Moore Stephens**, P.C., arose out of a cooperation agreement between federal prosecutors in Brooklyn and Jordan Belfort, the former chairman of **Stratton Oakmont**, according to people familiar with the case. Stratton sought bankruptcy protection in January 1997, a month after regulators shut it down.

In a criminal complaint filed in Brooklyn federal court, investigators allege that Mr. Gaito, 55 years old, provided information to a cooperating government source on how to smuggle illicit profits out of the country. The source, who people familiar with the case identify as Mr. Belfort, recorded many conversations with Mr. Gaito about laundering the money that came from Mr. Belfort's brokerage firm in Lake Success, N.Y.

Ronald Fischetti, Mr. Gaito's lawyer, would not comment.

Thursday, federal judges unsealed the guilty pleas and cooperation agreements of Mr. Belfort and Daniel Porush, another former officer of **Stratton Oakmont**, with federal prosecutors in Brooklyn and Manhattan. The men had pleaded guilty to securities fraud, money laundering and other allegations several months ago.

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