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Subject: Emailing: Stanford drops \$7.2 bln suit vs. DoJ, SEC lawyers Reuters

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Stanford drops \$7.2 bln suit vs. DoJ, SEC lawyers Lawsuit accused government lawyers of abusive methods * Jailed financier has undergone anxiety treatment By Jonathan Stempel NEW YORK, March 24 (Reuters) - Allen Stanford, the Texas financier accused of running a massive Ponzi scheme,...

NEW YORK, March 24 (Reuters) - Allen Stanford, the Texas financier accused of running a massive Ponzi scheme, has dropped his \$7.2 billion lawsuit accusing government lawyers of engaging in abuse in pursuing their cases against him.

Stanford had claimed that lawyers and other employees at the Department of Justice, Securities and Exchange Commission and FBI violated his constitutional rights by using "unfair, abusive law enforcement methods and tactics" that left him broke and unable to properly defend himself.

The defendant is a one-time billionaire who filed his Feb. 16 lawsuit in Houston federal court. He turned 61 on Thursday.

U.S. District Judge Ewing Werlein this week granted a request by Stephen Cochell, one of Stanford's lawyers, to dismiss the lawsuit.

Stanford's claims "will be preserved" because the criminal case remains open, Cochell said in a court filing.

Prosecutors have accused Stanford of running a \$7 billion fraud centered on the sale of bogus certificates of deposit issued by his Antigua-based Stanford International Bank.

Stanford has pleaded not guilty to the 21-count indictment, which was announced in June 2009. The SEC filed a related civil lawsuit four months earlier in Dallas federal court.

Stanford sued the lead government lawyers in both cases against him. The Justice Department and the SEC were not sued.

Alisa Finelli, a Justice Department spokeswoman, declined to comment. SEC spokesman Kevin Callahan had no immediate comment.

Stanford was moved last month to a hospital at the Butner Federal Correctional Complex in North Carolina to undergo treatment for an addiction to medication to treat anxiety. The Butner complex also houses the swindler Bernard Madoff.

The case is Stanford v. Korotosh et al, U.S. District Court, Southern District of Texas, No. 11-00582. (Reporting by Jonathan Stempel in New York, editing by Dave Zimmerman)