



# ANNUAL REPORT

2009



William N. Shepherd  
Statewide Prosecutor

# FOREWORD



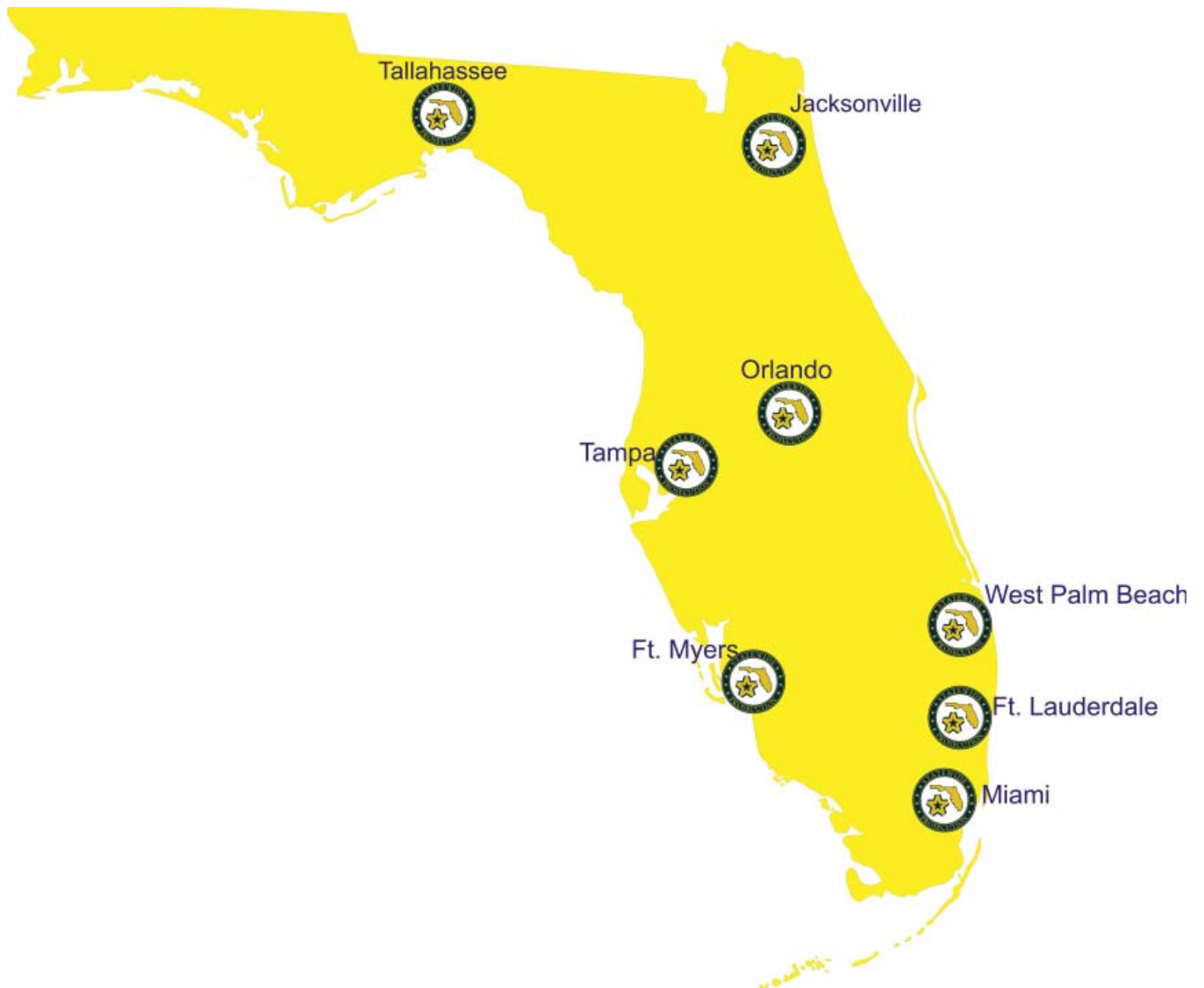
William Shepherd  
Statewide Prosecutor

I am proud to present this Annual Report that highlights my third year as Florida's Statewide Prosecutor and provides an overview of our office's achievements in 2009. With the help and support of Attorney General Bill McCollum, this past year has been an outstanding one for the office. The slowing economy and associated cuts to the budget and staff have not slowed our drive or the performance of our trial teams. Each guilty jury verdict has been the work of excellent staff, true partnerships with law enforcement, and the continued dedication of the men and women who serve our state as Assistant Statewide Prosecutors.

Statewide Prosecution's mission is to investigate and prosecute multi-circuit crime. We believe in taking an approach that puts us in investigations from first hunch through verdict. That was the strategy at the inception of our office over twenty years ago, it is the practice today, and it is the bedrock of every success.

In 2009 we finished the term of the Eighteenth Statewide Grand Jury focused on Gangs and Gang Violence and received the Order from Florida's Supreme Court to convene the Nineteenth Statewide Grand Jury focusing on Public Corruption. While the term of one grand jury has ended and another just begun, the work of the office continues to focus on prosecuting gangs, mortgage fraud, drug traffickers and those who seek to defraud our state or our citizens. This was an excellent year for the office, and we have an important mission for the year ahead.

# Statewide Prosecution Offices



# FIGHTING GANGS

The number one priority for the office in the last year remained our efforts against criminal gangs operating throughout our state. Using the new gang statutes enacted by the Legislature and signed into law by the Governor, we have enhanced prosecutions of gangs. Realizing that our own office alone would never be able to handle the volume of cases, we have worked with the Florida Department of Law Enforcement (FDLE) to offer over thirty classes to investigators and prosecutors around Florida to teach them the techniques we are using and the application of the new statute. This collaboration has allowed for a real exchange of ideas and local best practices. With each class and each newly filed case or jury verdict there are lessons learned to apply to the next case.

The lessons we have learned from enforcement and prosecution aid us in the prevention and intervention work of the state's anti-gang strategy. The Attorney General's Coordinating Council has worked with Sheriffs around the state to focus attention on what we can do together as communities to help young people find opportunities instead of gangs. The partnerships with nonprofit service providers vary around the state, but each program focuses on helping people become successful instead of a statistic in one of our future Annual Reports.

In the three years since we started our gang initiative, we have seen our efforts progress in phases. At the start up phase, we spent significant time working with officers to review files, meet with witnesses, and develop charging strategies to lead up to arrest. We have now charged 13 gang Racketeering (RICO) cases around the state (totaling almost 160 defendants) and convicted every defendant who has chosen to take his case to trial. The office is learning from each case and developing systems for working with agents to identify the next case and move it into our system for investigation, prosecution, and conviction. Our own learning curve has been matched by the increased investigative ability that FDLE and our state's Sheriffs



have brought to the fight.

While law enforcement success is often quantified in arrests and convictions, it is just as accurately measured by improved quality of life in our neighborhoods. From small towns in North Florida like Sawdust to urban areas of South Florida like Lake Worth, we have seen neighborhoods change overnight after the arrest of an entire gang. The 773 Boyz, from Sawdust, were charged with RICO for their criminal activities that spread from Orlando to Gadsden County. Those convictions freed a small town from an ongoing crime spree. The revival in Lake Worth has been a combined effort with the US Attorney and the State Attorney and has resulted in a significant change for the better. That change in Lake Worth was highlighted by the History Channel in its national program *Gangland* that focused on our RICO case against a gang called Top 6 - identified by the Palm Beach County Sheriff's Office as the most violent gang in the county's history. The efforts of the Palm Beach County Sheriff's Office, and the partnership with the Statewide Grand Jury, are being used as a model by the Department of Justice in their forthcoming best practices manual for communities tackling gang problems. Our combined efforts in Ft. Pierce have resulted in the arrest of Zoe Pound members on RICO charges and the virtual elimination of their gang from that region of Florida.

*As a united team, our partnership has made our community a better place.*

*-Sheriff Brad Steube  
Manatee County Sheriff*

Our efforts against gangs span the state and include major initiatives in Tampa, Orlando, and Jacksonville. Prosecutors

in the Tampa Bureau have tried RICO gang cases against defendants in Manatee and Hillsborough counties. The Manatee RICO cases have shut down three major gangs in the last year and have been a real proving ground for our work. The early partnership and support we received from the Manatee Sheriff and his office have been an integral part of our success. Our Orlando trials have been lengthy matters that resulted in convictions and addressed major drug and violence-based gangs operating in Orlando and in North Florida. The 773 Boyz defendants were the first gang indicted by the Statewide Grand Jury indictment to go to trial. The Jacksonville RICO cases have not yet gone to trial, but have already resulted in a number of guilty pleas with remaining defendants set for trial shortly.

Although the term of the Eighteenth Statewide Grand Jury has expired, the focus on gang RICO cases will continue as long as there is a need. We have new cases under review around the State and resources are our only limit to increased prosecutions. Each case is a tremendous commitment for our office. It requires hundreds of man hours to prepare for trial, usually lasts two to three weeks, and requires an “all hands” approach from legal support staff and members from other Bureaus. Each win is a win for the entire office, but the lawyers who are really leading this charge for us around the state and who deserve special recognition are Tom Smith, Todd Weicholz, Jim Schneider, Dianne Croff, Dan Weisman, Mike Schmid, Anne Wedge McMillen, Stacey Ibarra, and Brian Fernandes. Their efforts have been tireless and a great sacrifice to themselves and their families – I am grateful and appreciative. The work of this group was formally recognized by the awarding of a 2009 Davis

Award unit commendation for the work of the office and the Eighteenth Statewide Grand Jury in our effort to fight gangs.

## FIGHTING FRAUD

White collar crime prosecution has long been a focus of Statewide Prosecution and as the headlines of recent days indicate, this will continue. In the last year, our efforts have focused primarily on mortgage fraud, but we have also continued to pursue cases against health care fraud, securities fraud, and large theft enterprises.

### Mortgage Fraud

Florida’s economy has been significantly impacted by the housing crisis and the resulting foreclosures. As our court system sees record foreclosure filings around the state, lenders are uncovering fraud as the root cause of many of the bad loans. Mortgage fraud cases are very “paper intensive” and require an experienced investigator who knows the lending process. We have found the best partners in investigators who have been assigned to work these cases exclusively so that they can develop that expertise and have the time to devote to these long term investigations.



The majority of our cases have focused on loan brokers or mortgage lenders who used straw purchasers to buy houses. These schemes have also sometimes involved appraisers, title agents, and attorneys. Brokers typically submitted false information to support the loan and then the borrower made a few payments, hoping to flip the home in an escalating market, only to find themselves unable to sell the property and unable to afford the loan. In Miami-Dade, Carlos Guzman, Laude McDonald, and Steve ImMasche have worked with the Miami-Dade Mortgage Fraud Task Force on cases that have led to the successful arrest of a number of members of these conspiracies. In Palm Beach, we have worked with the Department of Financial Services which has investigated these cases. One case was charged as RICO and went to trial in Stuart, Florida. The Defendant, a convicted felon who ran his mortgage fraud enterprise from his “church,” was convicted at trial and sentenced to twenty years in prison.

Because mortgage fraud has impacted our whole state, our Central Florida and North Florida Bureaus also have mortgage fraud cases in their dockets. Central Florida cases involving mortgage fraud have resulted in guilty verdicts and convictions, and North Florida cases being handled by John Wethington and Ed Iturralde are awaiting trial or have resulted in guilty pleas.

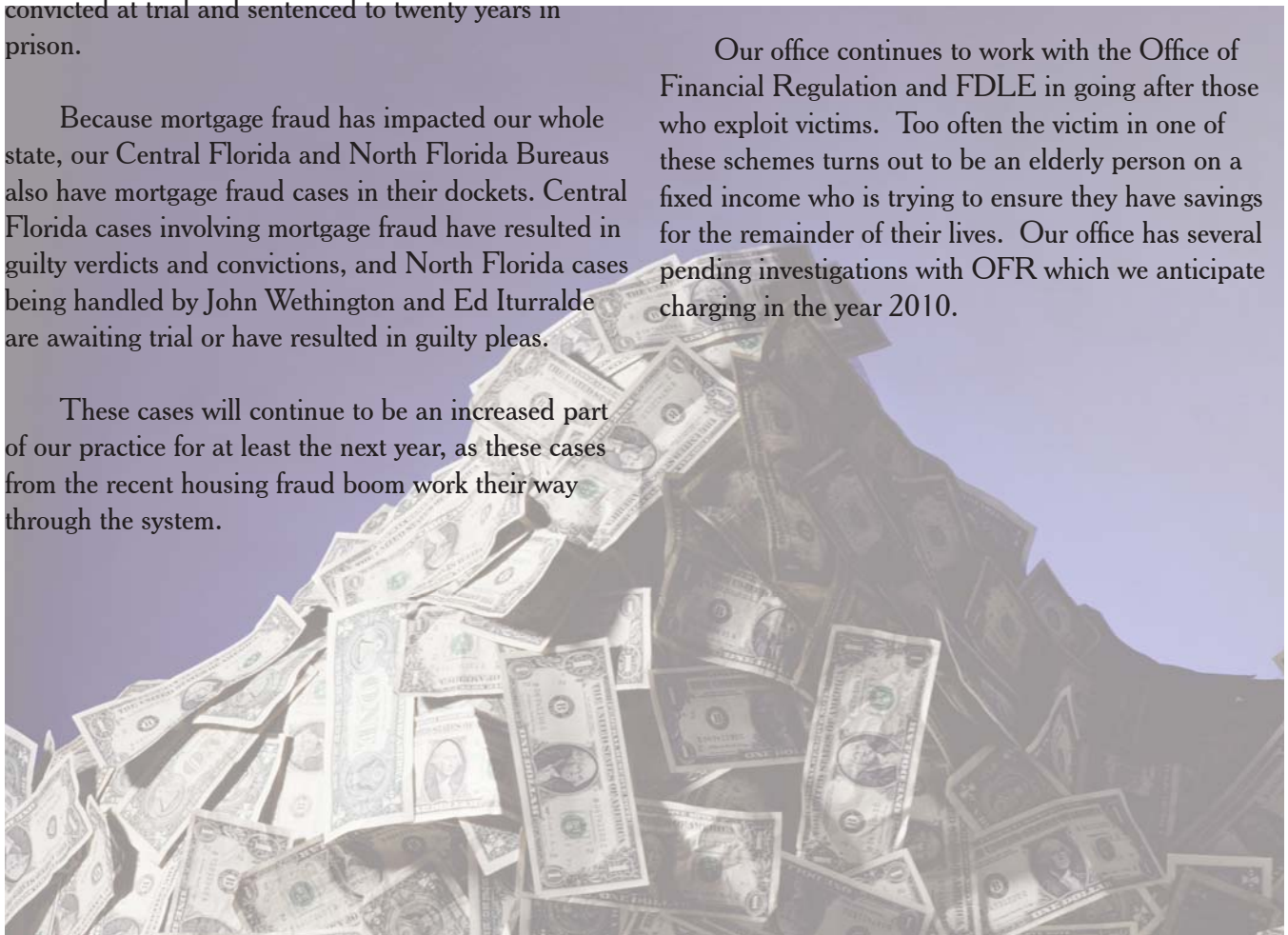
These cases will continue to be an increased part of our practice for at least the next year, as these cases from the recent housing fraud boom work their way through the system.

## Securities Fraud

Securities fraud is not just the mega million dollar losses that take up today’s headlines. It is also a story we have seen around Florida on a smaller scale but no less devastating to its victims. This year we tried and convicted a man who swindled seven million dollars from victim investors who put their money in a company whose purported business plan was renting luxury touring buses. They received no legitimate return, the money instead going to the conman.

Another securities fraud case resulted in prison this year when a broker sold would-be investors a “sure thing.” He made off with millions of dollars, and they ended up with triplexes in foreclosure. As a result of our work, these defendants ended their scheme in a Florida State Prison.

Our office continues to work with the Office of Financial Regulation and FDLE in going after those who exploit victims. Too often the victim in one of these schemes turns out to be an elderly person on a fixed income who is trying to ensure they have savings for the remainder of their lives. Our office has several pending investigations with OFR which we anticipate charging in the year 2010.



## Health Care Fraud

Statewide continues to work closely with the Medicaid Fraud Control Unit lawyers who investigate those who steal from our Medicaid program. In addition to traditional cases involving fraud for services not rendered, Statewide Prosecution continues to lead the charge against prescription drug diverters. This type of health care fraud is a threat because not only do the drug diverters often get the pharmaceutical product at government expense from beneficiaries, they also turn around and sell the pills to pharmacies that then sell the same drugs back to government programs. This crime is a financial drain on the system and a risk to public health. Drug diverters pay no heed to the safety and storage of their stolen goods while unloading the drugs back into the health care pharmaceutical market. The Stone Cold Task Force led by Oscar Gelpi, Julie Hogan, and Steve ImMasche is a national leader in fighting these organizations.

## Insurance Fraud

In the last year, we have seen a drop in new cases brought to Statewide Prosecution for property insurance fraud and an increase of work from the Division of Insurance Fraud that has involved worker's



Margery Lexa, Assistant Statewide Prosecutor and Geoff Branch, Chief, Bureau of Workers' Compensation Fraud

compensation. These cases are labor intensive in the investigative phase and are handled by those investigators who are trained in the intricacies of this area of law. As an outgrowth of the work of the Eighteenth Statewide Grand Jury's review of illicit check cashing stores, our focus is on the



Special Agent Gary Venema, Bill Shepherd and Special Agent In Charge Amos Rojas announce the arrest of Miami drug diverters.

financial aspect of the cases where payroll is hidden through cashing checks by complicit check cashers who then support the payroll payment in cash. Of particular note is the work that Marjo Lexa has done on these cases over the year. Her work is recognized by the office and by investigators around the state who assist her on these cases. She was awarded the Worker's Compensation Fraud Prosecutor of the Year Award for 2009, and it is well deserved.

## Theft Rings

I just wanted to let you know that you and the staff at the Statewide Prosecutor's Office are among our greatest blessings in 2009. [We] have our company back because of you and our employees have their jobs because of you. Granted, we're struggling right now, but we have a fighting chance because of you, and I'm quite certain our company wouldn't still be around without your efforts.

- Thanksgiving Day message to ASP Dan Mosely from victim of embezzlement

Organized theft rings stealing merchandise and gift cards, or counterfeiting checks continue to be a problem for retailers around the country. This year we prosecuted several of these rings to guilty verdicts and conviction. We have focused on the point of loss and on the point of resale of the stolen goods. Our cases have taken us beyond the borders of our state as the web of these groups extends. They are difficult cases

to put together because of the layers of organization, but we have had some success over the last few years, particularly with the assistance of some of our largest retail victims. We will continue to work on these cases when our assistance can be helpful, because organized retail theft is a crime that hurts every consumer.

Tampa Assistant Statewide Prosecutor Cathy McKyton received a Sheriff's commendation for her RICO prosecution of a multi-million dollar retail theft ring which stole high end health and cosmetic merchandise throughout Central Florida. The case was featured on MSNBC and won an award from the National Retail Federation.

Retail theft is not the only type of organized theft that draws our attention. Kathy George, an Assistant Statewide Prosecutor in Ft. Lauderdale, has done a number of cases against home burglary rings, and this year was no exception. She tried and convicted a burglar who had returned to his craft after his release from prison. This new conviction and his lengthy sentence should end his burglary career. Some thieves still go straight to the source. In a low tech, but effective scheme, one group used backhoes to steal ATM machines around the state. Stacey Ibarra, from our West Palm Beach Bureau, has worked with FDLE to put together the pieces of those thefts and is preparing for trial in the coming year.

## FIGHTING DRUG TRAFFICKERS

We continue to work long term cases with Sheriffs' offices and federal agencies involved in narcotics investigations. Our institutional expertise in these types of investigations and our knowledge base in electronic surveillance makes us an integral part in these operations. We continue to work effectively with Florida's High Intensity Drug Trafficking Area (HIDTA) teams on wire intercept cases and prosecutions. Many of our cases from last year continued to spin off new leads into this year's efforts, particularly in the area of marijuana grow houses. The



cases in that area continue, but we have had good success in arresting and eliminating entire grower organizations. On the cocaine trafficking front, we have made a number of large scale arrests and seizures. North Florida has seen a number of lengthy wire tap trials that have resulted in convictions and mandatory sentences. Shannon MacGillis, an Assistant Statewide Prosecutor detailed to North Florida HIDTA, serves as a statewide leader on many of these cases and Kelley Eckley, another Assistant Statewide Prosecutor, has handled a number of these trials in the last year. In Southwest Florida, our Ft. Myers Bureau has been particularly active and Owen Kohler has tried a number of trafficking cases to guilty verdicts. Although cocaine continues to be prevalent, our office docket has seen an increase in the number of heroin cases and investigations. Heroin will undoubtedly be an area of focus in the coming year.

In addition to the trafficking in illegal narcotics, we still see a rise in the trafficking of illegal pharmaceutical narcotics. With an increased effort by law enforcement on pill mills that have proliferated South Florida, it is likely that in cases where multi-circuit jurisdiction exists, we will see an increase in these cases at Statewide Prosecution. There is no question that these drugs pose a serious problem for all of Florida and we stand ready to assist in this concerted effort.





## FIGHTING CHILD PORNOGRAPHY

Online child predators and child pornographers continue to pose a serious threat to the safety and well being of our children. That is why Statewide Prosecution continues to aggressively pursue these cases in coordination with the Attorney General's Child Predator CyberCrime Unit. In the last year, Statewide has handled a number of "traveler" cases that fit into our multi-circuit jurisdiction. In these cases, predators meet children online, solicit them for sex, and then travel to meet them in person. Instead of an innocent child victim, they meet detectives who make the arrest. In addition to working these individual cases, John Roman, Orlando Bureau Chief, is active in the Central Florida ICAC and is a regular presenter on internet crime legal issues.



## FIGHTING PUBLIC CORRUPTION

As 2009 drew to a close, the Supreme Court granted the Governor's Petition to empanel the Nineteenth Statewide Grand Jury. The focus of this new project will be public corruption investigations and prosecutions. As we did with the Eighteenth Statewide Grand Jury, we will focus on specific cases but also look at systemic changes that can be made to address shortcomings. It is more than a "perceived" culture of corruption in public life when over 30 Florida officials have been removed from office with a number of them currently incarcerated. Because good government is important at every level and in every aspect of public service, Statewide Prosecution looks forward to working with Florida's US Attorneys and State Attorneys to serve as a force multiplier in this important effort. Because of our multi-circuit jurisdictional limitation, there will undoubtedly be many instances of local corruption that do not fall within our grasp, but our effort in public corruption will be a key focus of the coming year.



A town hall on public corruption featured a Federal Judge, former US Attorney, FBI's Special Agent In Charge, two State Attorneys and two Sheriffs along with the Statewide Prosecutor.

In addition to the work represented in the individual cases of each Assistant in the Office, our lawyers are very involved in a number of associations for the betterment of the legal profession. The lawyers within the Office were members of the following criminal justice associations in 2009:

- ◆ American Bar Association
- ◆ The Florida Bar
- ◆ Florida Prosecuting Attorneys Association
- ◆ National District Attorneys Association
- ◆ National Association of Attorneys General
- ◆ League of Prosecutors
- ◆ Florida Intelligence Unit

### ***Gangs and Violence***

- ◆ Florida Gang Investigators Association
- ◆ Florida Violent Crime Drug Control Council
- ◆ Multi-Agency Gang Task Force
- ◆ South Florida Human Trafficking Task Force

### ***Narcotics Investigations***

- ◆ Central Florida High Intensity Drug Trafficking Area
- ◆ North Florida High Intensity Drug Trafficking Area
- ◆ Metropolitan Bureau of Investigation (Orlando)
- ◆ Multi-jurisdictional Counterdrug Task Force (FI National Guard)
- ◆ Prescription Drug Diversion Response Team
- ◆ Prescription Drug Task Force
- ◆ South Florida High Intensity Drug Trafficking Area

### ***Fraud and White Collar Crime***

- ◆ Association of Certified Fraud Examiners
- ◆ Big Bend Fraud Task Force
- ◆ Central Florida Fraud & Forgery Unit
- ◆ Division of Insurance Fraud/Special Investigation Unit

- ◆ Fraud Net - Florida Bankers' Association
- ◆ INFRAGARD
- ◆ National White Collar Crime Center
- ◆ Miami-Dade Mortgage Fraud Task Force

### ***Computer Crimes***

- ◆ FBI Cyber Crime Task Force
- ◆ Florida Association of Computer Crime

### ***Investigators***

- ◆ Miami Electronic Crimes Task Force
- ◆ North Florida ICAC (Internet Crimes Against Children)
- ◆ Secret Service High Technology Task Force

# Appendix

Below is a list of the Assistant Statewide Prosecutors assigned to each Office as of December 31, 2009. All Office Chiefs report directly to the Statwide Prosecutor.

Tallahassee	Jacksonville	Orlando	Tampa	Ft. Myers	Ft. Lauderdale	Miami	West Palm Beach
Office Chief	John Wethington Office Chief	John Roman Office Chief	Thomas Smith Office Chief	Office Chief	Julie Hogan Office Chief	Carlos Guzman Office Chief	Todd Weicholz Office Chief
Edward Iturralde	Kelly Eckley	Lawrence Collins	Harold Bennett	Owen Kohler	Jim Cobb	Stephen ImMasche	Brian Fernandes
	Jason Lewis	Robert Finkbeiner	Diane Croff		Oscar Gelpi Special Counsel	Laudelina McDonald	Stacey Ibarra
	Shannon MacGillis	David Gillespie	Cathy McKyton		Kathleen George		
		Anne Wedge-McMillen	Michael Schmid		Margery Lexa		
		Dan Mosley	Daniel Weisman		Priscilla Prado		
		Jim Schneider General Counsel	Michael Williams		Ed Pyers		

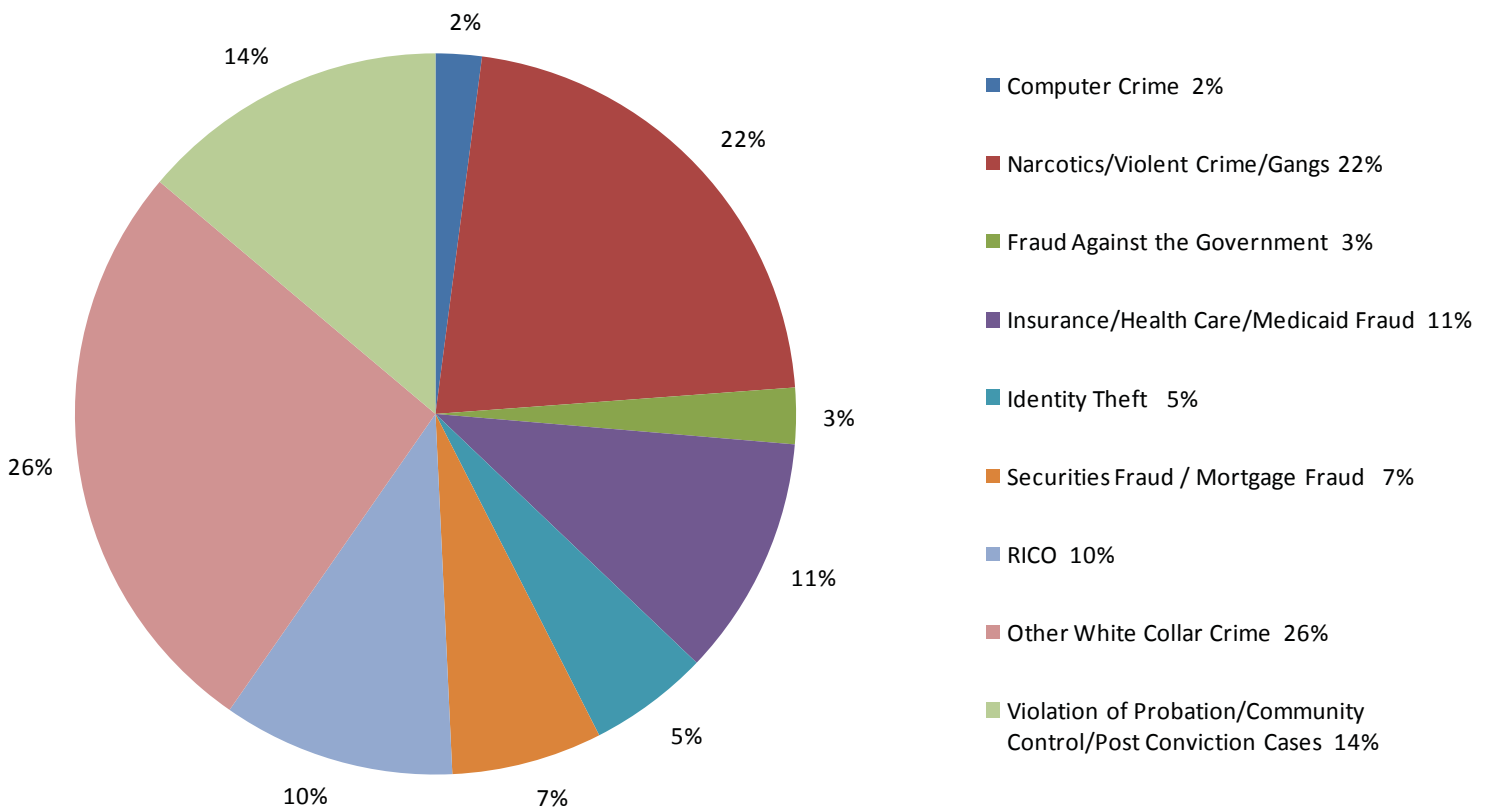
Below is a list of support staff assigned to each Office as of December 31, 2009.

Tallahassee	Jacksonville	Orlando	Tampa	Ft. Myers	Ft. Lauderdale	Miami	West Palm Beach
Jacqueline Perkins- McDaniel Executive Director	Christopher Floyd Criminal Financial Analyst	Sherrie Cheeks Criminal Financial Specialist	Delores Funes Criminal Financial Analyst	Rebecca Tyrrell Criminal Financial Analyst	Barbara Goodson Criminal Financial Analyst	Georgina Clinche Sr. Executive Secretary	Lisa Cushman Sr. Executive Assistant
Tammy Peterson Criminal Financial Specialist	Connie Bland Sr. Executive Secretary	Amy Romero Admin Assistant	Virginia Caswell Admin. Assistant	Dawn Andrews Executive Secretary	Thelma Alvarado Research Associate	Barbara Rodriguez OPS Secretary	Kavita Braun Executive Secretary
		Shirley Moton Executive Secretary	Debra Kersting Executive Secretary		Noemi Hernandez Admin. Assistant		
		Jessica Watkins Executive Secretary	Michele Stano Executive Secretary		Denise Greene Executive Secretary		
					Omarelis Jimenez Executive Secretary		

## Sentencing Data 2009

Annual Report Data	2009
Total Number of Years in Prison	1,684
Total number of Days in Jail	14,161
Total Number of Years on Probation	1,775
Total Number of Years on Community Control	50
Total Number of Hours on Community Service	1,982
Total Number of Defendants Charged	281
Total Number of Cases Filed	120
Total Number of Citizen Victims	285
Total Number of Government Victims	13
Total Amount of Restitution Ordered	\$17,336,905
Total Amount of Fines Ordered	\$ 4,041,379
Total Amount of Court Costs Ordered	\$ 138,083
Total Amount of Costs of Prosecution Ordered	\$ 1,383,100
Total Amount of Costs of Investigation Ordered	\$ 2,058,098
Total of All Monies Ordered	\$24,957,565

## Active Cases





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