

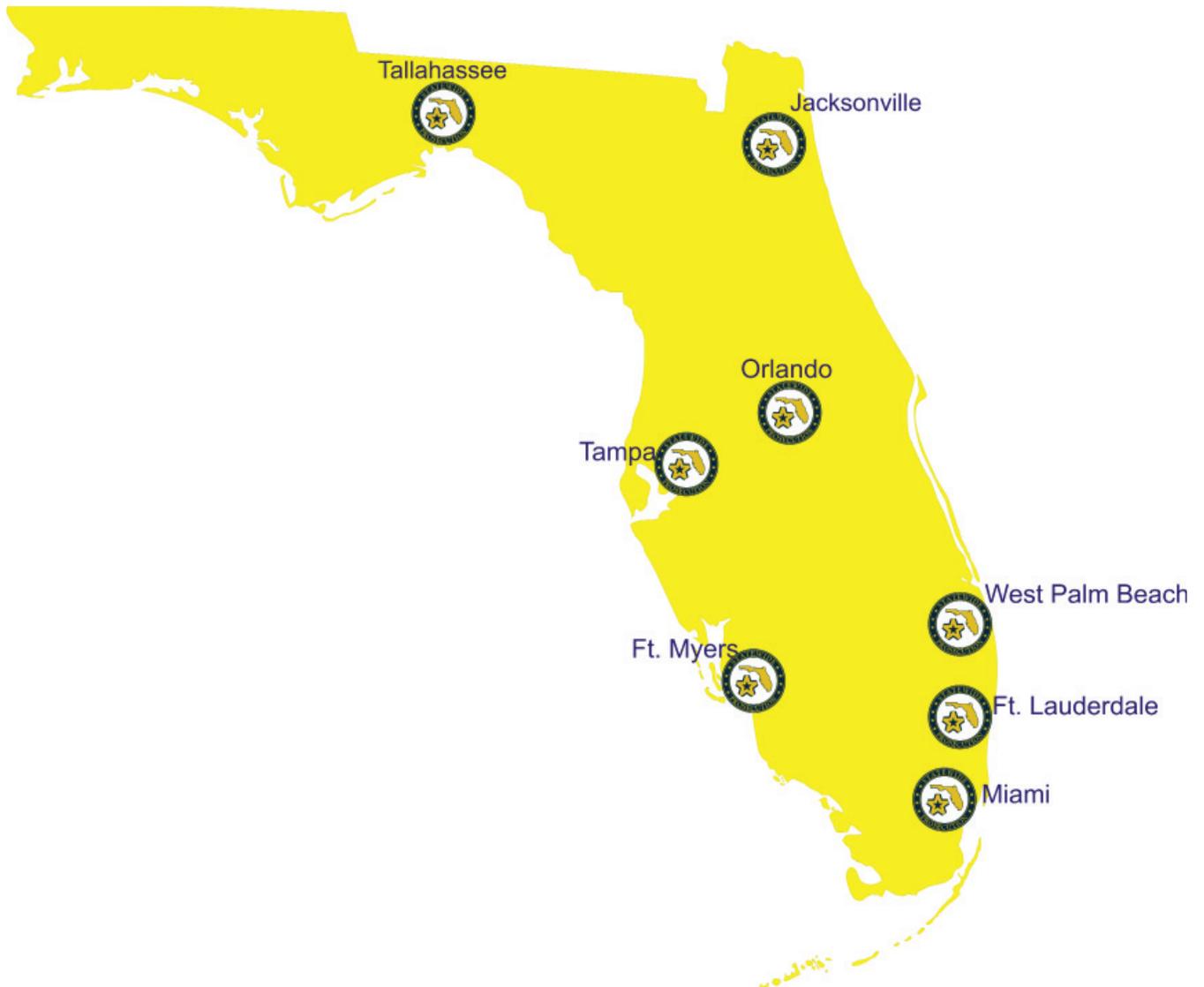
2013

# ANNUAL REPORT



**NICK COX**  
**STATEWIDE PROSECUTOR**

# Statewide Prosecution Offices



## **OVERVIEW OF THE OFFICE OF STATEWIDE PROSECUTION IN 2013**

Calendar year 2013 saw another successful year for the Office of Statewide Prosecution (OSP). Our primary effort for the last 3 years, the battle against pill mills and prescription drug abuse, continues and has seen very positive results. Likewise OSP has successfully continued its' initiatives against gangs, mortgage fraud, synthetic drugs, organized retail theft, and medicaid fraud. The fight against human trafficking has gained ground despite the difficulty of identifying and investigating these cases. And a new addition to the OSP priorities this year came in the form of one very large case involving illegal gaming. It has been a very busy 2013!

With the Statewide effort against prescription drugs by law enforcement, pill mills have essentially become extinct in Florida. While prescription drug abuse and trafficking continues, we have begun to notice an increase in the use of other drugs including heroin, cocaine, methamphetamine, and synthetic drugs. In response to this shift, OSP has increased its' efforts with law enforcement to immediately start investigating distribution of these drugs. One of our main tools in assisting law enforcement in these efforts continues to be the utilization of wiretaps. In 2013 the OSP obtained new wiretaps in 28 cases and extensions in 2 more. These wires are very labor intensive and take a great deal of effort to present at trial. However, our prosecutors continue to utilize them as an invaluable tool against drug distribution.

The gang initiative has also seen significant success over the years, but recently the federal government decided not to continue

the gang grant after several extensions and years of success. While we have continued to prosecute these cases as they are brought to us by law enforcement, the number of cases and convictions has slightly dropped. Yet, when we have taken these cases before a court for sentencing, the results continue to be impressive with the vast majority of these defendants getting significant prison sentences.

Cases involving fraud, including mortgage fraud and medicaid fraud, continue to be one of the main areas of our prosecutions. Financial recoveries ordered in these cases have been significant, and we saw a huge increase of over 500% in restitution this past year. Additionally, we have continued our close working relationship with the Attorney General's Medicaid Fraud Control Unit which has resulted in consistent increases in cases prosecuted, speed of their dispositions, and improvements in the size and quality of cases prosecuted as well as in the resulting sentences. Generally, fraud cases that continue to be brought to us by government agencies, officials, and the public at large, are very wide ranging and represent a significant amount of OSP's efforts.

Organized retail theft has also continued as a prime area of interest for this office. In 2013 we saw investigations and filed cases from many different retail industries. Many of these cases have been filed as racketeering prosecutions, and the financial recoveries in these cases are often significant as well. The size and scope of these criminal organizations has often been shocking. We have seen most of our retail theft efforts in Southeast Florida.

Human trafficking is a major initiative of this office, and we have seen more success in investigating and charging these cases.

This office has instituted a policy that we will not refuse any referrals from law enforcement to explore any of these cases. In 2013 we saw the number of pending cases rise despite the difficulty of investigating these matters and obtaining the cooperation of the victims. Our prosecutors have often found themselves personally working with the victims and communicating with them on an almost daily basis in order to not only maintain the prosecution, but to assist the victim however we can. The human factor in these cases has proven more significant than normal, and our prosecutors who handle them are dedicated and very concerned for the welfare of the victims.

Finally, OSP was thrust into law enforcement efforts regarding gaming in 2013, particularly as it relates to internet cafes. One major case that was investigated for three years was brought to us for filing and prosecution. This was one of the largest investigations ever handled by OSP and saw a significant level of success and resulting impact on the illegal gaming industry. Beyond the obvious noteworthiness of this effort, the level of teamwork in this case with local, state and federal agencies was unprecedented. This case highlighted the efforts of this office to work with every agency possible and build the most positive relationships we can.

In 2013 OSP staff filed over 4000 charges against 444 criminal defendants. While this again was an increase in the number of persons charged, the number of charges filed increased 63%. Many of these charges may have been the result of one significant case filed in March, 2013, but it is also indicative of the increased size and complexity of the cases we are seeing in the last couple of years. The initiatives we have employed at the behest of the Attorney General have

resulted in the pursuit and dismantling of true criminal organizations, not just individuals.

The number of cases disposed of in 2013 increased from 358 in 2012 to 450 in 2013, a 25% increase. Additionally we have seen a massive increase on the financial recoveries for victims. While fines and investigative costs saw reductions, restitution assessments in 2013 reached over \$46,000,000 which represented a 548% increase from 2012. While one case was almost half of this total, many other cases also provided for significant amounts of restitution assessed for victims.

We also saw an increase of over 23% in the number of defendants convicted. The office saw shifts in sentencing structures. The sentencing numbers indicated a reduction in the total number of prison years, but a corresponding significant increase in jail time and other forms of sentencing, including a massive increase in the amount of restitution recovered for crime victims. This shift is being studied, but the initial findings suggest these 2013 trends may be the result of dispositions of a couple very large scale fraud and non-violent /non-drug cases, the use of significant resources for the gaming matter, the non-renewal of the federal gang grant, and an increase in white collar cases with significant restitution amounts.

Overall, Statewide Prosecutors continue to maintain a high conviction rate at 94% for 2013.

Finally, the Office of Statewide Prosecution has continued its excellent relationships with law enforcement at all levels, our State Attorneys, and the Florida Prosecuting Attorneys Association, where we maintain

our membership. Communication with the State Attorneys is outstanding and cross designations on both sides continue to be significant and helpful. Referrals and requests for assistance from State Attorneys is on the rise, as well as our ability to request the same of them, signaling a clear and significant improvement in those relationships over the past 3 years. We are very happy to report stronger than ever ties with all of the prosecutors in the State of Florida.

Our law enforcement relationships continue to be strong, but in 2013 we saw them expand more than ever with local law enforcement, and most notably with federal agencies. FDLE is still one of our primary investigative agencies as directed by Florida statute. However, as a result of our prescription drug efforts and willingness to pursue these cases, our involvement with federal law enforcement, particularly the Drug Enforcement Administration, has skyrocketed. These relations have also become enhanced in our human trafficking effort as well. This appears to have been the result of our efforts over the last couple years to assist even more of the law enforcement task forces relating to prescription drugs and human trafficking and our willingness to utilize complex and creative investigative techniques; most notably wiretaps and other electronic resources.

The Office of Statewide Prosecution continues focusing its' work prosecuting complex criminal matters involving criminal organizations. This focus has resulted in an office that has made significant impacts on criminal activity and citizen safety. As our office continues to grow, we will continue to respond to the priorities set by the Attorney General and law enforcement.

## PILL MILLS

OSP has been actively involved in the prosecution of “pill mills” around the State of Florida in a coordinated effort with State, local, and Federal law enforcement officials. These prosecutions have dramatically altered the landscape for prescription painkiller diversion in our state. While it is much too early to declare “victory” over this epidemic, it is now much more difficult for addicts and “sponsors” to receive prescriptions for medically unnecessary prescription drugs than it was at the start of the decade. On the ground, pain management clinics have been forced to adopt better recordkeeping and—most importantly—better *gatekeeping*, or face potential prosecution. At this point, the message is clear: Clinics that are not run in good faith will be shut down; owners, doctors, and even office workers who work at these clinics will be arrested and prosecuted for racketeering and drug trafficking.



(Pill mill storage room stocked with pills)

Because they operate under the guise of legitimate medical practices, “pill mills” create challenging targets for prosecution, and OSP has had to adjust to a diverse array of strategies designed to obfuscate the true

intent of the parties involved in these enterprises. For example, in 2010 it would have been rare for a pill mill doctor to perform a physical examination of a patient before prescribing painkillers, making it relatively easy to send in undercover agents and make a determination that the doctor was not prescribing in “good faith” as required under Florida law because he conducted no medical examination at all. As of 2013, it is now common practice in these pill mills to perform some kind of physical examination of each patient, and the argument for not prescribing in “good faith” now lies not in the fact that no examinations were conducted, but in the fact that the results of the examinations did not at all inform the doctor’s prescribing behavior.

In short, the prosecution of pill mill cases is an ever-evolving process that requires prosecutors to have a degree of expertise in medicine, finance, and, of course, law. OSP has been honing this expertise since the outset of this initiative and continues to evolve as the practices and procedures of “pill mills” evolve.



(Pill mill located right next to a gun shop and tattoo shop)

In 2013, OSP initiated 16 new pill mill investigations involving 74 targets in the state of Florida, and filed new charges on 8 cases against 96 targets. These cases, along

with 55 previously active cases involving 354 targets, were ongoing in 2013. Additionally, 42 targets in active cases were convicted of crimes relating to their conduct in pill mills in 2013. Although most of these cases are resolved by plea, they do also go to trial. Thomas Rodenberg, one of the doctors arrested in *Operation Oscar’s Backyard*—cited last year as an example—went to trial in early 2014 and was convicted on all offenses charged, which included Trafficking in Oxycodone, Delivery of Methadone, Hydrocodone, and Alprazolam, Conspiracy to Traffic in Oxycodone, Racketeering, and Conspiracy to Commit Racketeering. In May of 2014 he was sentenced to 18 years in state prison, followed by 18 months of community control and 10 years of probation. Several other cases, including *Operation Hoop Dreams* and *Operation Main Street Medical*, are currently slated for trial later this year in various circuits around the State of Florida.

Once again, although there are commonalities to all pill mill prosecutions, the facts of each case tend to differ. For example, in *Operation Hoop Dreams* a network of “sponsors” (who have since pled and are cooperating) gathered groups of patients and brought them to numerous pain clinics in the South Florida area to obtain prescriptions for Oxycodone. Further investigation uncovered evidence indicating: (1) the doctors, owners, and employees of at least one of those clinics, “Med One Care Center”, were directly involved in the conspiracy, receiving payments of \$5 per pill for Oxycodone; and (2) the owners and pharmacists of a pharmacy frequented by the “sponsors” and their patients, “Brothers Pharmacy”, were also part of the conspiracy. This prosecution is unusual in that it marks the first time our office has charged the employees of a pharmacy not directly

connected to a “pill mill”. It also reflects a change in the overall dynamic of “pill mill” culture affected by recent State laws: Small, unaffiliated, “Mom & Pop” pharmacies have stepped in to fill the illegal, high dosage scripts that used to be the provenance of clinics attached to the pill mills themselves. The case is expected to proceed to trial this summer.

In another active prosecution, *Operation Main Street Medical*, a receptionist at the target clinic, “J.W. Wellness”, assisted undercover agents in falsifying patient records prior to office visits with clinic doctors. One of the doctors, who has been charged with trafficking, intends to assert as a defense that he was not aware the records were falsified by the staff, and that he relied on the staff’s review of the records in making his diagnoses. The key to the prosecution of this case, which is expected to go to trial later this year, is establishing through expert testimony that even if the doctor believed the contents of the falsified records to be true, the information would not have justified the dosages and amounts he prescribed. Being able to understand this kind of nuanced argument and present it cogently in trial will be the key to future success in these types of cases.



(Pills seized from an active Pill Mill)

In an effort to further develop that expertise and assist in handling the influx of pill mill prosecutions, in 2013 the Florida Legislature funded the creation of two full-time “pill mill prosecutor” positions which are based out of OSP’s Miami & Orlando offices. The “pill mill prosecutors” are by no means be the only OSP lawyers working on these types of cases, but the addition of the positions allows OSP to better deal with the influx of “pill mill” investigation requests from federal, state and local law enforcement agencies, and eventually become a repository of knowledge appurtenant to these types of cases by virtue of the experience of the prosecutor in the position.

~ Jeremy Scott, ASP

## **SYNTHETIC DRUGS**

Attorney General Bondi has been at the forefront in the fight against synthetic drugs. Synthetic drugs are psychoactive substances that are produced to mimic the effects of banned substances such as marijuana, cocaine, and ecstasy. They are intentionally placed for sale in packages that are attractive to Florida’s youth, featuring playful images such cartoon characters, and bearing names like “Scooby Snax.” Synthetic drugs are sold over the counter at convenience stores and advertised as incense, potpourri, K2, spice, and bath salts. The chemicals used in synthetic drugs are often imported from Asia and then used in the manufacturing of synthetic cannabinoids in clandestine warehouses in the United States, including throughout Florida. The chemicals are designed to mimic the effects of traditional banned substances like THC. Dangerous elements, such as acetone, are often mixed with the imported chemicals in these clandestine production facilities. The users of synthetic drugs often suffer psychoactive

side effects including: seizures, hallucinations, suicidal tendencies, delusions, aggression, paranoia, heart attack and even death. The side effects of synthetic drugs are often much worse than the effects of traditional drugs they are intended to mimic, including those of marijuana.

The following pictures show some of the colorful and misleading packaging of these dangerous substances:



In 2012, the Attorney General along with the Florida Legislature added 92 synthetic substances to the schedule of controlled substances. The Florida Legislature also passed a law allowing the Attorney General to emergency schedule dangerous substances in Florida. Between December of 2012 and October of 2013 the Attorney General banned 26 substances making possession of these substances a third degree felony. The Attorney General has emergency scheduled substances that are yet to be federally designated, which has given the OSP the ability to be at the forefront of synthetic drug prosecutions. Attorney General Bondi has also had the foresight to propose legislation that would add three substances and their analogues to the trafficking statute, which would institute penalties that address the culpability of these synthetic drug trafficking organizations. The proposed bill would ameliorate the frustration of prosecutors whose investigations involve large volumes of substances, and yet under current drug statutes can only charge offenders with low-level felonies, such as Possession of a Controlled Substance, a third degree felony.

The Office of Statewide Prosecution has made the investigation and prosecution of the manufacturers and distributors of synthetic drugs a priority. Responding to the emerging phenomenon, multiple OSP offices are working with agents from the Drug Enforcement Administration, as well

as local law enforcement, to investigate major manufacturing and distribution networks of synthetic cannabinoids.

Many of these investigations commenced in 2013, and involve tracking manufacturers of the substances, as well as their distribution points. Search warrants have led to seizures of products, money and equipment. In a case out of Palm Beach County, 301.75 kilograms of synthetic cannabinoids with a street value of over \$603,000, was found pursuant to a search warrant. Those cannabinoids, and over \$24,000 in currency, was also seized. Additionally, law enforcement found and seized nearly 50,000 empty packets that were ready to be filled with the finished product. The number of targets in this investigation continues to grow and the financial portion of the investigation is ongoing.

An investigation out of Miami-Dade County is also targeting a large distribution ring, in which leaf-based synthetic cannabinoids are being clandestinely manufactured and then distributed via a network of retail stores. It is believed that the chemicals may in part be imported from China, and the leaf-based plant materials, namely Damania or mushroom leaf, imported from Mexico or Europe. It is also believed that these particular manufacturers are attempting to perfect the process of converting the powder chemicals into a liquid form, so that it can be put into cartridges for E-cigarettes. The use of synthetic drugs in E-Cigarettes is concerning. E-cigarettes are often accessible to teens and the vapor that they produce is often odorless, making detection by law enforcement difficult. Several prosecutors from the OSP who are currently working on synthetic drug investigations were invited to attend a nationwide conference sponsored by the DEA in

Washington DC. The purpose of the conference is to combine resources and collaborate on the investigation and prosecution of these cases.

~ Shireen Brueggeman, ASP  
& Jeremy Franker, ASP

## **DRUG DIVERSION**

Drug diversion prosecutions and investigations continued unabated in 2013, which saw significant multi-circuit and multi-state activity.

In 2013 OSP charged five more individuals with Trafficking in Contraband Prescription Drugs, Conspiracy to Traffic in Contraband Prescription Drugs, Organized Scheme to Defraud, and Money Laundering. In addition to the arrests, over \$250,000 in cash and property were forfeited to the state. Those individuals were involved in an organization active in New York, New Jersey, Connecticut, Michigan, Massachusetts, Tennessee, Puerto Rico and Florida, responsible for over \$30 million in sales of drugs primarily diverted from the Medicaid program.





As a further result of those arrests, OSP, working with FDLE, MFCU and FBI, are pursuing significant leads to other organizations.

OSP also cooperated with the FBI and the US Attorney's Office in New York and assisted in their investigation and prosecution of 42 individuals accused of defrauding Medicaid through drug diversion. Over a dozen of those arrested were in Florida, including existing targets and defendants in OSP cases.

OSP also cooperated with the New York Attorney General's Office and their MFCU investigators in a case involving three defendants from Florida, who shipped over \$250,000,000 in diverted pharmaceuticals to MOM's pharmacy in New York in one of the biggest cases of its kind.

In 2013 OSP also sentenced two defendants to prison, including one fugitive who had fled to Panama. Over \$400,000 in assets were recovered from the two as a result of their prosecutions.

OSP also received good news from the Fourth District Court of Appeal which affirmed, per curiam, the conviction and nine year sentence of Arturo Godinez, one

of the last drug diversion defendants to go to trial in the Carlow case in 2012.

As a result of significant cooperation agreements with both state and federal defendants, OSP expects 2014 to be much busier with anticipated charges of Trafficking in Contraband Prescription Drugs, Medicaid Fraud and Money Laundering.

~ Oscar Gelpi, Special Counsel

## **GANG REDUCTION EFFORTS**

During 2013, some of OSP's major, multi-defendant gang cases were brought to a conclusion, while others were initiated and are still ongoing. A snapshot of this activity and these cases is best set forth as follows:

### **Long-term Cases Brought to Conclusion in 2013:**

***Bradenton SUR-13 Gang-RICO  
(OSP 2007-0414-Tampa; Manatee County Circuit Court Case 11-CF-3074)***

In October of 2011, the Manatee County Sheriff's Office embarked upon an arrest operation that resulted in 11 members of Bradenton's set of the SUR-13 gang taken into custody. The OSP's Tampa Office ended up charging over 20 counts against these gang members, including RICO, RICO Conspiracy, Homicide, numerous Armed Robberies, and a number of gun charges and other offenses.

The gang was notorious for carrying firearms and for its willingness to engage in gunplay. The following photograph was taken during a search warrant in September of 2011 when law enforcement recovered a number of shotguns from one of the Defendants' houses:



In the following photograph of gang members throwing up gang signs, one of them is seen raising an assault rifle in the rear/middle of the photograph:



These Defendants were also very proud of their gang, and liked to express their allegiance to the gang through their tattoos.

Here are a couple of photos that epitomized what it means to be a member of Bradenton's set of the SUR-13 gang:



(A defendant with SUR SIDE on his face)



(And with "SURENO" on his chest, as well)

In any event, as stated above, a number of these gang members were taken into custody and were charged in a consolidated case with RICO, a number of other crimes, and a homicide. The homicide count was severed out for its own trial, which one of our Assistant Statewide Prosecutors tried alongside two local Assistant State Attorneys in 2012. The Defendant was convicted and received a sentence of life in prison.

The overall case continued to march its way through the court system in Bradenton, and in mid-2013, the last codefendant pled guilty. Ultimately, all 11 Defendants were convicted and were sentenced to just under 108 years in prison between them, plus the life sentence that came as a result of the homicide trial mentioned above.

***"Cross-Fletcher Hot Boys" Gang-RICO (OSP 2009-0020-Tampa; Hillsborough Circuit Court Case 10-CF-17846):***

In late 2010, 10 members of this violent, home-grown Tampa gang were taken into custody for RICO and RICO Conspiracy. A residential search warrant was carried out during the course of the arrest operation, and a firearm, a digital scale, a large amount of cash, and a letter with the phrase "Cross-Fletcher Hot Boys for Life" was seized.



(CFHB, for "Cross-Fletcher Hot Boys," across chest)



(CFHB across knuckles)

Due to the continuing criminal activity of the defendants, an Assistant Statewide Prosecutor from the Tampa Bureau charged these gang members with numerous counts of RICO, RICO Conspiracy, drug conspiracy and other narcotics violations, weapons offenses, perjury-related offenses, as well as charges of bail jumping and witness tampering.



Assault Rifle on Left Forearm

The Defendants had tattooed themselves heavily with evidence of their allegiance to the gang. These photographs show one Defendant who embodied the sort of tattoos that were typical of this gang:



"Born to Die" on Neck

Four Defendants went to trial in mid-2012, and were convicted after a three-week jury trial that three of our Assistant Statewide Prosecutors tried, with the assistance of one of our analysts. Five defendants pled guilty. The last defendant had cut off his ankle

monitor and fled from his bond when the 2012 trial date was approaching, and he was taken into custody during the trial, but since the jury had already been empanelled, he was set for trial separately in February of 2013. Rather than face trial at that time, he pled guilty.

Ultimately, all 10 defendants were convicted and sentenced to 119.33 years in prison.

***Latin Kings Gang-RICO  
(OSP 2009-0066-Orlando; Orange County  
Circuit Court Case 48-2010-CF-1462)***

In 2006, local and state law enforcement, in partnership with a DEA task force, began investigating the Latin Kings, a national gang with its origins in the Chicago area, regarding the gang's activities in central Florida and the Orlando area in particular. The Latin Kings follow a manifesto that states that "King" law is supreme to any national, state, or local laws. As a result of the investigation, in 2010 14 Defendants were charged with RICO, RICO Conspiracy, and other charges. Numerous predicate offenses were charged within the RICO counts. They included: First Degree Murder, Attempted First Degree Murder, Aggravated Assault with a Deadly Weapon, Aggravated Battery, Attempted Home Invasion Robbery, Burglary of a Dwelling with a Battery Therein, Shooting into a Dwelling, Kidnapping, and other offenses. As shown in the pictures below, these gang members often take photographs of themselves engaging in gang-related activity, which they memorialize for their own enjoyment and as a form of advertising in the community:



(Firearm discarded in a pond after it was used in an Attempted First Degree Murder.)

In September 2013 three of our Assistant Statewide Prosecutors from the Orlando Office obtained convictions following a three week jury trial. Due to this trial win and other convictions following from guilty pleas, the case has resulted in these gang members being sentenced to over 102 years in prison, with the perpetrator of the First Degree Murder sentenced to life.

**Cases that were Initiated in 2013**

***Norte-14 Gang-RICO***

***(OSP 2012-0277-Tampa; Hillsborough Circuit Court Case 13-CF-7841)***

On June 3, 2013, the Hillsborough County Sheriff's Office initiated the arrest phase of a case that resulted in the arrest of 11 members of Plant City's set of the Norte-14 criminal street gang. OSP's Tampa Office has charged what is currently a 12-count information charging RICO, Conspiracy to Commit RICO, Burglary, Battery on Law Enforcement, Felons in Possession of Firearms, Drug Conspiracy, and other crimes.

The following photographs were discovered both on Facebook and during the course of a search warrant, and are typical of the type of activities that the members of this gang engage in:



Pictures of shotguns posted to that Defendant's Facebook page.



And wearing his bandanna as a mask.

This case is ongoing in the Hillsborough Circuit Court, without a trial date set at the moment. All defendants, at this time, are in custody litigating Nebbia hearings and for bond reductions. OSP will continue to engage in appropriate litigation to attempt to ensure that these defendants remain in custody pending trial.

~ Diane Croff, CASP  
& Dan Weisman, ASP

**GENERAL FRAUD**



General fraud cases continue to represent a significant portion of the OSP case load. This is to be expected, given the broad jurisdictional authority granted to OSP for such crimes by Florida Statutes 16.56(1)(a)6 ["Any crime involving, or resulting in, fraud or deceit upon any person"], as well as the seemingly limitless creativity of those who would commit them. In working with local,

State, and Federal agencies from the outset of an investigation, OSP Prosecutors are frequently on the front end of emerging trends in criminal fraud cases. Although the accelerated pace of technology has proven to be a boon for fraudsters in recent years, the work of OSP and its law enforcement partners on such cases serves to both punish wrongdoers, as well as bring attention to the actions of those who, quite literally, invent new crimes and their implementation. In so doing, the entire criminal justice system and, ultimately, the State's citizenry are warned and educated about these dangers within a much reduced time frame.

A primary example of this dynamic is identity theft, a crime which, by its nature, typically impacts a large geographical area and therefore lends itself to prosecution by OSP. OSP was a major contributor to the drafting and passage of Florida's first Identity Theft statute in 1999. Subsequent years have seen the statute significantly expanded, and criminal activity of this nature—which once nearly defied description—has become much easier to report and prevent.

Although easier to recognize than it was two decades ago, identity theft is no less serious for its victims. As a result, OSP continues to be particularly committed to combating its spread. Within the past year a small sampling of significant identity theft cases from around the state include: a 20 year sentence for the leader of an ID theft ring targeting hospitals and convalescent centers [Orlando]; a scam encompassing clerk's offices in 16 counties and several hundred thousand dollars in losses [West Palm Beach]; extensive identity theft and credit card skimming activity [Jacksonville]; and recent arrests with 300 Identity theft victims [Orlando].

Similarly, an overview of recent fraud cases handled, or being handled, by OSP underscores their economic and geographic breadth, as well the impact imposed on the victims: forged warranty deeds on over 35 homes with a taxable value of over seven million dollars resulting in lost deposits and rental fees for good faith purchasers [West Palm Beach]; a 14 year sentence for the leader of a scheme in which loans were fraudulently obtained and intentionally defaulted upon [Tampa]; a 15 year sentence after trial for a supposed short-sale expert who defrauded investors [Tampa]; and a 15 year sentence in a securities fraud case which featured phony offerings for investment in iron ore commodities [Orlando]. Timeshares, home construction, and professional services are among the other most common realms from which fraud-based cases reach the Office.

While the cases referenced represent but a minute portion of the work in this area performed by OSP on a daily basis, they serve to reinforce an enduring reminder. Namely, Florida's climate, vast tourist offerings, transient population, and vulnerable demographics—particularly the elderly and non-native Americans—present abundant opportunities for those who seek to separate victims from their money by means of fraud. Whether perpetrated by conventional or newly-created means, such crimes will continue to command the vigilance and resources of each of the Statewide Prosecution offices in Florida.

~ Robert Finkbeiner, ASP

## MORTGAGE FRAUD



The initial steps begun last year toward a return to a more normal real estate market in Florida continued into this year. To perpetuate this healthy recovery after the devastating crash, the Office of Statewide Prosecution has remained vigilant in our watch for criminal activity in the real estate and/or mortgage market that could possibly retard this tentative and precarious recovery. To this purpose the OSP again this year prosecuted numerous instances of both mortgage fraud as well as other instances of fraud against property owners. As is usual in a state as large, diverse and vibrant as ours, criminals seize every opportunity afforded them to pursue illegal gains. This year saw more of their ingenuity and likewise more of our tenacity in charging activities that target our citizens.

In South Florida our office works primarily with the Miami Dade Police Department the Florida Department of Law Enforcement, and the Financial Crimes Investigators of the Florida Office of Financial Responsibility, as well as various federal authorities; however, as a statewide agency, we have cooperation with both federal and state agencies throughout Florida depending on the location of the crime. In addition, we continue to vigorously prosecute cases filed in previous years, securing numerous pleas

and winning verdicts which have led to significant prison sentences (12.5 years in a conviction in Ocala this last year) or community control and probation along with the recovery of ill-gotten gains. In addition, our arrests, prior to and aside from sentencing, frequently lead to cooperation from the targets that in turn lead to our learning of new methods of fraud which target the real estate and mortgage industry.

In the last year in Miami-Dade we have investigated and/or prosecuted cases ranging from sophisticated real estate trust schemes, to ponzi schemes where investors believe they are investing in property which the fraudster has no property interest in, to simply preying on unsophisticated citizens who hope to gain a foothold in the American dream of home ownership only to be fleeced of their hard-earned money by the most unscrupulous of the community.

In other counties and circuits the crimes that we have aggressively pursued have also run the gamut. In our West Palm Beach Office a case involving fraudulent quit claim deeds which effectively rob the legitimate owners of their property rights is being worked along with another involving mortgage trust fraud. In our Orlando Office we have a case against those who would defraud would-be sellers of their time-shares as well as a case of property management fraud. Our Tampa Office is pursuing those who have the temerity to sell property they don't even own. And, in what we foresaw and mentioned last year as a new area of possible criminal opportunity based on new economic circumstances, the Tampa Office has a case involving fraudulent activity in the short-sale market. In Tampa, as well, a case against schemers who rent properties they do not own is going forward. Our Fort Lauderdale Office has a case against an

individual who advertised properties he didn't own for sale; this thumbnail description doesn't come close to relating the sophisticated machinations the fraudster went to with the use of Ebay and massive filings of powers-of-attorney to perpetuate his fraud on would-be home buyers.

The breadth of our activity in pursuing these criminal enterprises shows two things. First, in a fragile and changing market, criminals take advantage of those things which are fairly new on the real estate and mortgage landscape, e.g., numerous absentee land owners and the relative weakness of the financial markets, to victimize the unsuspecting citizens of our State. Second, this breadth of prosecution shows that we will not be lulled into looking for only a single type of real estate/mortgage fraud that we have developed a template for in the past. We will continue over the next year to draw on our experience and our diligence to thwart the criminals who would interfere with the real property rights of our citizens.

~ Stephen ImMasche, ASP

### **MEDICAID FRAUD**

Criminal medicaid fraud cases have continued to see increased scrutiny and attention by the Office of Statewide Prosecution and the Medicaid Fraud Control Unit (MFCU). We utilize the resources of OSP as we have in the past, but we also continue to cross-designate MFCU Assistant Attorneys General to prosecute these matters. This has proven a very good relationship, and utilization of both OAG and OSP resources are maximized. This has resulted in less duplication of effort in moving the cases from MFCU to another prosecutor, more significant criminal prosecutions being brought, and more appropriate dispositions of these matters.



The director of the MFCU and the Statewide Prosecutor have built a strong working relationship over the past 3 years that has resulted in a significant increase in communication between the MFCU and OSP. There appears to have been an increase in the hiring of former prosecutors by the MFCU. As a result, we have utilized that experience base to follow their cases through prosecution. Since MFCU attorneys work their cases from very early on in the fraud investigation, it simply makes sense to cross-swear them as Assistant Statewide Prosecutors and have them follow any cases they wish through the criminal justice system. A process is in place to review the credentials of the attorney before being cross-sworn, as well as to provide OSP supervision for that lawyer. Supervision continues to be exercised criminally by the OSP Bureau Chief, Deputy Statewide Prosecutor, or the Statewide Prosecutor.

In the two years prior to the current administration employing this effort, MFCU cases were prosecuted routinely. However, since the start of this method and relationship with MFCU, we have seen an increase in MFCU pending cases every year, and the numbers of pending MFCU cases increase by about 20%.

Even more notable is that the quality of these cases appears to be improving as well. Instead of making simple theft or fraud

cases, we are seeing larger scale cases being investigated and prosecuted. In addition, many times what started as a fraud case turns into a health care or abuse prosecution. We have had numerous instances where the MFCU lawyers started with a simple overbilling or double billing investigation, but then discovered elder abuse or neglect of a disabled adult. But overall, the cases appear to be greater in scope and extent of the fraudulent activity. Charges are often upgraded at filing, and sentencing is often impacted. What may historically end up as a diversionary or probation sentence now sees greater scrutiny. Criminal forfeitures are a key component of the sentence as is restitution and we have seen greater financial recoveries for the program. In summary, empowering the MFCU attorneys to pursue their own cases criminally is working.

~ Nick Cox, SP

## **ORGANIZED RETAIL THEFT**

In 2012 Attorney General Bondi added the prosecution of retail theft rings to the list of priorities of this office.



The increasing number of mid level fences recruiting bottom rung thieves to steal everything from over the counter medications to hygienic products is

detrimental to Floridians who end up paying more at the registers. In addition to the economic impact, retail theft rings also threaten the health of Floridians. An example of this would be when stolen temperature sensitive products, such as premixed formulas, enter the stream of commerce making them less effective and often times spoiled unbeknownst to consumers. For these reasons OSP took proactive steps in 2013 to educate retailers and work with law enforcement to successfully prosecute retail theft rings. In July 2013 OSP took part in a Retail Theft Task Force meeting with members of the National Retail Federation, the world's largest retail advocacy organization with local and national retailers represented throughout Florida. OSP spoke with members of the NRF about small but effective changes necessary to assist law enforcement with tracking the origins of stolen property. One measure recommended by OSP was to affix additional UPC markers unique to each retailer's location since a hurdle in prosecuting retail theft rings is tracing the stolen product to a specific retailer. Furthermore, OSP encouraged law enforcement to bring cases of known midlevel recruiters and fences to this office for targeted investigations. Oftentimes boosters hit stores across the state, a scenario that gives OSP jurisdiction to investigate and prosecute a multi defendant ring in a single racketeering case rather than bogging down local state attorney's offices with multiple cases on a single booster.

In 2013 OSP continued its efforts to proactive prosecutions of retail theft rings; OSP opened 13 investigations against 44 targets and filed charges against 31 defendants. Although a slight decrease from the 2012 numbers, this can be attributed to an increased length in thorough

investigations which are necessary to successfully prosecute these crimes. Through increased investigations, OSP and officers have learned how far theft rings travel throughout the state committing their crimes against small and large business owners. One ring began in central Florida and navigated down to Dade County, recruiting new boosters along the way. OSP also included the Federal agents who focus on corporate fences who reach into Florida for cheap products that are the fruits of retail theft rings. As of 2014 a corporate fence is being charged in Federal court based upon coordinated efforts with our office.

Additionally OSP made strides to diversify its investigative techniques to keep pace with the sophisticated retail theft rings and those efforts have yielded stronger cases. In 2013, OSP worked with law enforcement to conduct more surveillance of retail theft “recruiters” and “fences” making it easier to connect these often large, multi level organizations which leads to more successful prosecutions. The use of a variety of new investigative techniques implemented by law enforcement also assisted OSP with better identifying boosters who are used to swipe the shelves of high value over the counter products. As a result of these efforts, loss prevention officers have been able to identify and follow known boosters and tip off nearby chains of their possible arrival. These combined efforts have increased apprehension rates of targets by law enforcement. OSP will continue in its efforts to safeguard retailers and prevent Floridians from paying the costs of large scale thefts that affect us all.

~ Dayna Baskette, ASP

## HUMAN TRAFFICKING



With human trafficking awareness rising and law enforcement training gaining traction, the Office of Statewide Prosecution continues to partner in investigations and spearhead prosecutions targeting this most vile crime.

In our ongoing investigations, our attorneys are proactive and aggressive partners to law enforcement— working together on search warrants, pen registers, tracking devices, and wire taps. Our various bureaus also work together seamlessly; allowing us, for example, to tap into the expertise of an assistant statewide prosecutor in Jacksonville while moving the case forward with the boots on the ground team in Tampa.

In the last year, in conjunction with a team composed of the excellent officers at the Clearwater Police Department, Largo Police Department, St. Petersburg Police Department, and the Florida Department of Law Enforcement, our Tampa office drafted and implemented a wiretap that broke a long term investigation into a violent and coercive group exploiting women in the greater Tampa Bay area. That case, which started when one brave victim told her story of systematic abuse, has culminated into two of the three defendants entering guilty pleas and agreeing to cooperate against the remaining defendant.

Officers with experience conducting human trafficking and prostitution related investigations continue to find that pimps utilize their cell phones to recruit and facilitate the exploitation of human trafficking victims, as well as to coordinate the sale and transportation of these victims for sex to consumers or “johns.” The amendment to Florida Statute section 934.07, which now permits wiretapping in the investigation of human trafficking, could not be more important. While we are mindful of the sanctity of privacy and vigilant in our efforts to exhaust every investigative tool before turning to the wiretap; when a wiretap is called for, it is remarkable what this tool allows us to accomplish. We can thank a well informed legislature and deeply passionate Attorney General Bondi for this legislative sword.

As our investigations mature, our office has grown to more deeply understand the breadth and depth of the services that trafficking victims need. This knowledge, and our deep empathy and respect for the bravery it takes for a victim to speak out on these crimes, moves us to continue to speak out ourselves on this topic. We have reached outside of our offices and investigations, speaking to law enforcement, nongovernmental, religious, and community advocacy groups about human trafficking; and in particular its force, fraud, and coercion element.

Our prosecutors sit on human trafficking task forces, investigator associations, and speaking panels across the state. Individually, we continue to seek out relevant trainings, education courses, reading materials, and relationships with our sister assistant state attorneys to better understand the human trafficking crimes and

complexities that our communities are facing.

We now regularly ask about human trafficking issues in our proffer sessions, and look deeper into matters that may previously have been overlooked. We also use all of the charging tools at our disposal to distance pimps and traffickers from the most vulnerable members of our communities. While Florida Statute 787.06 is the polestar of our cases, we use this tool in addition to charges ranging from racketeering to money laundering to deriving proceeds from prostitution.

In a word, we are fired up about sending the message that human trafficking will not be tolerated where we live and work. We know what tools we have at our disposal, we have relationships to implement those tools, and we are whole-heartedly committed to helping victims transition into better, fuller, freer lives.

~ Sasha Lohn-McDermott, ASP

### **INTERNET CAFÉ INITIATIVE**

In late 2011 we became involved in an investigation of the Allied Veterans of the World gaming activity. This three year investigation included law enforcement from local, state and federal agencies. The Office of Statewide Prosecution was asked to take over this matter very late in the game. After reviewing this case with the agencies involved, we proceeded with this case which resulted in the execution of 54 search warrants and 57 arrests in 23 different counties throughout Florida. Law enforcement also seized massive amounts of property with forfeiture warrants as well. This all resulted in the filing RICO and gaming charges in the 18<sup>th</sup> Judicial Circuit in Seminole County.

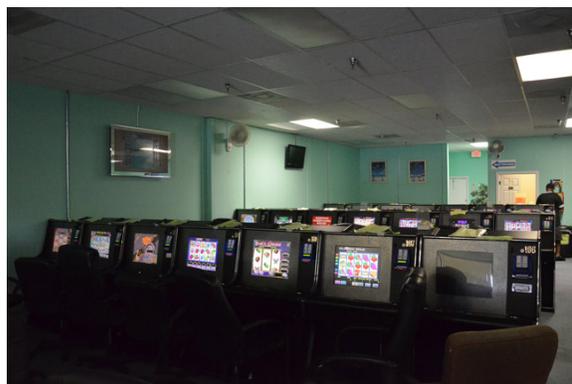
As the case proceeded, the Statewide Prosecutor himself took the lead role for the prosecution trial team made up of 5 Assistant Statewide Prosecutors and an Assistant General Counsel for the Seminole County Sheriff's Office. These types of gaming cases have historically been very difficult to prosecute as they have been defended by specialists in the gaming industry who had a huge head start over law enforcement and the prosecutors. The industry lawyers were adept at creative constitutional arguments, spinning the cases to make the prosecutor's job much more confusing and difficult, and redirecting the focus of attention to these cases.

However, as OSP was created to address criminal organizations and complex criminal litigation, we made a significant dedication of resources to this case. With a half dozen lawyers and several support staff handling this prosecution, along with dedicated law enforcement from different agencies led by the Seminole County Sheriff, we were able to learn the gaming law in detail, educate ourselves about the technology that internet cafes have historically used, as well as the "tricks of the trade" they would employ in an effort to deceive government and law enforcement into believing their operations were legal. By dedicating several lawyers to this effort, we were able to overcome the defense attacks and not be misled by misinterpretations of the law.

Charges were filed and arrests made of 57 persons. While many were negotiated, many others were "flipped" to cooperate with us and law enforcement in learning more about the operations and cooperate against the main targets of the investigation. Following these arrests, over 1500 internet cafes across the State of Florida closed, and the Florida Legislature acted quickly in

formulating and passing legislation that essentially criminalized these operations in Florida. The law enforcement dedication of resources at all levels of government was outstanding.

As the case progressed, the primary target of the investigation, an attorney from Duval County, insisted on his right to a speedy trial. As a result, and following a great deal of hard work, we proceeded to trial with his case in approximately 6 months. After a month of trial, he was convicted of Racketeering, and over 50 counts of Illegal Lottery and Possession of Illegal Slot Machines, and was sentenced to 6 years in prison.



(Typical internet café)



(Gaming computer)

This effort by law enforcement, OSP and the Florida Legislature has had a significant impact on the illegal gaming industry in Florida. The key to this operation was the

teamwork that took place between each law enforcement agency, state and federal, and the prosecutors of OSP. While a few scofflaws have continued to try to operate such businesses, the internet café industry has been all but eliminated in Florida. In 2014 we have continued to investigate and charge individuals who have ignored the law and the enforcement effort and have attempted to continue to violate these gaming laws. This effort will continue in conjunction with local prosecutors.

Following the convictions in this matter, OSP has been called upon to assist our colleagues at the State Attorneys Offices and local law enforcement. What we learned and employed in our efforts to prosecute the Allied Veterans of the World case can be utilized statewide. A task force was formed by the Florida Department of Law Enforcement, of which OSP is a key member, to continue to pursue such illegal gaming cases. This effort will attempt to assist and empower county and state authorities to pursue these cases at the local level.

OSP was recognized by law enforcement, and the Seminole County Sheriff awarded commendations to each member of the prosecution team. But in the end, the law as intended and passed by the Legislature was

upheld, and a very significant dent was made in the illegal gaming industry in Florida.

~ Nick Cox, SP

## **CONCLUSION**

The Office of Statewide Prosecution saw some significant advances in 2013 in terms of focus and result-oriented prosecution. However, we still hope to improve in several areas in 2014, including continuing to address human trafficking prosecutions, increasing criminal financial assessments, enhancing medicaid fraud efforts and fighting the new drug activity that is attempting to take the place of law enforcement's success in battling prescription drug abuse.

This office continues to accomplish a great deal with limited resources, as do all prosecutors.

With the large scale and complex cases we handle, we are very proud of each member of our team who exhibit a great deal of professionalism, ethics, and determination everyday to punish criminals. We look forward to a successful 2014.

Nicholas B. Cox  
Statewide Prosecutor

# Appendix

Below is a list of the Assistant Statewide Prosecutors assigned to each Office as of December 31, 2013.

Jacksonville	Orlando	Tampa	Ft. Myers	Ft. Lauderdale	Miami	West Palm Beach
John Wethington Office Chief	John Roman Office Chief	Diane Croff Office Chief		Julie Hogan Deputy Statewide Prosecutor		
Kelly Eckley	Diane Checchio	Sasha Lohn-McDermott	Michael-Anthony Pica	Oscar Gelpi Special Counsel	Stephen ImMasche	Stephanie Tew
Shannon MacGillis	Robert Finkbeiner	Paul Dontenville	Michael Nieman	Kathleen George	Jeremy Franker	Sarah Willis
	David Gillespie	John Maceluch		Ed Pyers	Shireen Brueggeman	
	Nicole Pegues	Julie Sercus		Margery Lexa		
	Jim Schneider General Counsel	Joseph Spataro		Priscilla Prado		
	Lisa Acharekar	Daniel Weisman		Jeremy Scott		
		Michael Williams		Dayna Baskette		

Below is a list of support staff assigned to each Office as of December 31, 2013.

Tallahassee	Jacksonville	Orlando	Tampa	Ft. Myers	Ft. Lauderdale	Miami	West Palm Beach
Tammy Wade Executive Director	Christopher Floyd Criminal Financial Specialist	Sherrie Elmahmoud Criminal Financial Analyst	Delores Funes Sr. Criminal Financial Analyst	Dawn Andrews Executive Secretary	Barbara Goodson Senior Criminal Financial Analyst	Georgina Clinche Senior Executive Secretary	Lisa Cushman Administrative Assistant
	Connie Bland Senior Executive Secretary	Amy Romero Administrative Assistant	Virginia Caswell Administrative Assistant		Thelma Alvarado Research Associate	Barbara Rodriguez, Executive Secretary	
		Rina Altamirano Executive Secretary	Debra Kersting Executive Secretary		Gladys Ramirez Administrative Assistant		
		Angelica Geremia Executive Secretary	Michele Stano Executive Secretary		Rhonda Greene Executive Secretary		
					Omarelis Jimenez Executive Secretary		



**ATTORNEY GENERAL**  
**PAM BOND**  
**FLORIDA OFFICE OF THE ATTORNEY GENERAL**