

## Confidential Due Diligence Report

Copyright 2008 The Palm Beach Newspapers, Inc.  
All Rights Reserved  
Palm Beach Post (Florida)  
July 1, 2008 Tuesday

**SECTION:** A SECTION; Pg. 1A

**LENGTH:** 974 words

**HEADLINE:** PALM BEACHER PLEADS IN SEX CASE

**BYLINE:** By LARRY KELLER Palm Beach Post Staff Writer

**DATELINE:** WEST PALM BEACH

**BODY:**

He lives in a Palm Beach waterfront mansion and has kept company with the likes of President Clinton, Prince Andrew and Donald Trump, but investment banker Jeffrey Epstein will call the Palm Beach County Jail home for the next 18 months.

Epstein, 55, pleaded guilty Monday to felony solicitation of prostitution and procuring a person under the age of 18 for prostitution. After serving 18 months in jail, he will be under house arrest for a year. And he will have a lifelong obligation to register as a sex offender. He must submit to an HIV test within 48 hours, with the results being provided to his victims or their parents.

As part of the plea deal, federal investigators agreed to drop their investigation of Epstein, which they had taken to a grand jury, two law enforcement sources said.

Epstein was indicted two years ago after an 11-month investigation by Palm Beach police. They received a complaint from a relative of a 14-year-old girl who had given Epstein a naked massage at his five-bedroom, 7,234-square-foot, \$8.5 million Intracoastal home.

Police concluded that there were several other girls brought in 2004 and 2005 to an upstairs room at the home for similar massages and sexual touching.

The indictment charged Epstein only with felony solicitation of prostitution. The state attorney's office later added the charge of procuring underage girls for that purpose.

Prosecutor Lanna Belohlavek said of the plea: "I took into consideration the length the trial would have been and witnesses having to testify" about sometimes embarrassing incidents.

Epstein may have made a serious mistake soon after he was charged. He rejected an offer to plead guilty to one count of aggravated assault with intent to commit a felony, according to police documents. He would have gotten five years' probation, had no criminal record and not been a registered sex offender, the documents indicate.

Epstein arrived in court Monday with at least three attorneys. He wore a blue blazer, blue shirt, blue jeans and white and gray sneakers. After Circuit Judge Deborah Dale Pucillo accepted the plea, he was fingerprinted. Epstein then removed his blazer and was handcuffed for the trip to jail while his attorneys tried to shield him from photographers' lenses.

When he eventually is released to house arrest, Epstein will have to observe a 10 p.m. to 6 a.m. curfew, have no unsupervised contact with anyone younger than 18 and neither own nor possess pornographic or sexual materials "that are relevant to your deviant behavior," the judge said.

Epstein will be allowed to leave home for work. The New York-based money manager told the judge he has formed the not-for-profit Florida Science Foundation to finance scientific research. "I'm there every day," Epstein said.

The foundation was incorporated in November. Epstein said he already has awarded money to Harvard and MIT.

When he is released from jail, there is a chance that Epstein will be forced to move. Sex offenders are not allowed to live within 1,000 feet of a school, park or other areas where children may gather. No determination has been made as to whether Epstein's home complies, but attorneys said it likely does.

**Confidential - This report is not to be disseminated or photocopied to any third party without the express consent of Global Security & Investigations.**

104749084A

65