

U.S. Department of Justice

United States Attorney
Southern District of Florida

[REDACTED]
[REDACTED]
[REDACTED] 7
December 11, 2008

VIA HAND DELIVERY

Captain [REDACTED]
Palm Beach Sheriff's Office
Corrections Division
[REDACTED]
[REDACTED]

Re: Work Release Application of Jeffrey Epstein

Dear Captain [REDACTED]:

The U.S. Attorney's Office recently learned that Inmate Jeffrey Epstein applied for and was approved for participation in the Palm Beach Sheriff's Office's ("PBSO") work release program. Through a request for public records, I have received a copy of Mr. Epstein's work release file. After doing some internet research of public records and making a few telephone calls, I discovered some inaccuracies and omissions in Mr. Epstein's file that I wanted to bring to your attention. During a recent meeting, Roy Black, one of Mr. Epstein's attorneys, invited us to share our concerns with PBSO.

Eligibility for Participation

I understand that Mr. Epstein would be ineligible for participation in the work release program if he committed three violations of F.S.S. 796 within the past five years. Mr. Epstein has been charged with and convicted of a felony violation of F.S.S. 796.07. In order to be convicted of a felony violation of that statute, one must commit "a third or subsequent violation." In other words, Mr. Epstein has committed at least three violations of Section 796.07, and in his "Alternative Custody Program Placement Synopsis," Mr. Epstein's charges are described as "Recommit: Prostitution."

In addition to those three violations, Mr. Epstein also has been convicted of violating F.S.S. 796.03, procuring a person under the age of 18 for prostitution. Throughout his paperwork, this violation is referred to simply as "prostitution." The

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EFTA00176899

through 2/28/07).¹ These sworn filings show that Mr. Epstein worked for the Foundation for only one hour per week and earned no compensation. (See page 6 of each return.) All of these returns were signed under penalty of perjury by either Mr. Epstein or Darren Indyke, who is listed in Mr. Epstein's work release file as Mr. Epstein's "supervisor." Mr. Epstein's representations concerning his prior work duties and salary may violate the salary and employment verification requirements of C.O.P. #926.01(C)(7) and (8).

In response to your requirement of "a detailed work schedule," Mr. Indyke has provided the following two sentences:

[Mr. Epstein's] duties will require him to work six days a week, Monday through Saturday, at the Foundation's office located at [REDACTED] from the hours of 8:00 A.M. to 8:00 P.M.

As President of the Foundation, Mr. Epstein will be responsible for the general oversight and management of the Foundation, and particularly, to seek out, evaluate and determine worthy charitable causes to which the Foundation may make contributions.

Mr. Indyke did not disclose that Mr. Epstein only worked one hour per week prior to his incarceration and has provided no explanation of why Mr. Epstein could perform these duties in one hour per week before he was incarcerated but now needs to spend 72 hours each week to do the same job. Again, this appears to be inconsistent with C.O.P.

¹The returns are available online at the following public websites:

FY2006:

<http://www.guidestar.org/FinDocuments/2007/133/996/2007-133996471-0391c8db-F.pdf>

FY2005:

<http://www.guidestar.org/FinDocuments/2006/133/996/2006-133996471-02c9625e-F.pdf>

FY2004:

<http://www.guidestar.org/FinDocuments/2005/133/996/2005-133996471-02056acf-F.pdf>

FY2003: <http://www.guidestar.org/FinDocuments/2004/133/996/2004-133996471-1-F.pdf>

FY 2002: <http://www.guidestar.org/FinDocuments/2003/133/996/2003-133996471-1-F.pdf>

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CAPTAIN [REDACTED]
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Request for Notification

As I had previously asked of Colonel [REDACTED], I would appreciate if you would keep me informed of any changes to Mr. Epstein's release status so that I may fulfill my obligations to keep the victims identified through the federal investigation informed of Mr. Epstein's status. I have informed all of the known victims of Mr. Epstein of the change in his incarceration status and that you are the contact person if they have any questions. Some may ask that their locations be amongst the "Exclusionary Zones" programmed into Mr. Epstein's GPS unit. If you need their addresses, please let me know.

Please feel free to contact me with any questions or concerns.

Sincerely,

[REDACTED]
United States Attorney

By:

[REDACTED]
Assistant United States Attorney

cc: Colonel [REDACTED]
[REDACTED], Northern Division I

EFTA00176901

U.S. Department of Justice

United States Attorney
Southern District of Florida

(561) 820-8711
Facsimile: (561) 820-8777

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charge is not a solicitation of prostitution charge, it is a procurement of a minor to engage in prostitution. Florida courts have defined the offense as "inducing a victim to engage in sexual activity" for money and "persuading, inducing, or prevailing upon a person to do something sexual" for financial gain. In other words, the statute addresses the recruiting of minors who have not previously been involved in prostitution to engage in sexual activity for commercial gain to a recruiter or "pimp"/"madame." The Florida Legislature has acknowledged the significant difference between solicitation under F.S.S. 796.07 and procurement of minors under F.S.S. 796.03 by requiring persons convicted of violating F.S.S. 796.03 to register as sex offenders. The distinction may be meaningful to the victims of Mr. Epstein's offenses, who could feel that they are being stigmatized as "prostitutes."

Inaccuracies and Omission in Work Release Application and Related Documents

Throughout the records related to Mr. Epstein's work release placement, he is alternatively referred to as working for "The Florida Science Foundation" or "self-employed," and Mr. Epstein lists his salary as \$250,000. Mr. Epstein describes himself as "returning to work" and "eligible for re-employment" at The Florida Science Foundation. Please be advised that the only W-2 that Mr. Epstein provided is from Financial Trust Company, Inc., which shows that Mr. Epstein was employed in the U.S. Virgin Islands at a salary of \$180,785.62, not \$250,000.

Mr. Epstein provided to you no documentation regarding his pre-incarceration employment with "The Florida Science Foundation" or its corporate alter-ego, "The C.O.U.Q. Foundation, Inc." As you will see, the Foundation, its offices, and Mr. Epstein's purported job schedule were all created on the eve of Mr. Epstein's incarceration in order to provide him with a basis for seeking work release.

The Florida Science Foundation was not registered with the State of Florida and had no office space or telephone number until after Mr. Epstein was already incarcerated. The application filed with the State of Florida and signed under penalty of perjury by Richard Kahn lists Mr. Kahn's and the Foundation's telephone number as "561-659-8300." That is the telephone number of Atterbury, Goldberger and Weiss—one of the law firms representing Mr. Epstein. Richard Kahn is a partner at the law firm of Sullivan and Cromwell in New York and has no association with the Atterbury firm.

Checking public records available on the internet, I located the IRS returns of "The C.O.U.Q. Foundation, Inc." for fiscal years 1999 through 2006 (which covers the period

through 2/28/07).¹ These sworn filings show that Mr. Epstein worked for the Foundation for only one hour per week and earned no compensation. (See page 6 of each return.) All of these returns were signed under penalty of perjury by either Mr. Epstein or Darren Indyke, who is listed in Mr. Epstein's work release file as Mr. Epstein's "supervisor." Mr. Epstein's representations concerning his prior work duties and salary may violate the salary and employment verification requirements of C.O.P. #926.01(■)(C)(7) and (8).

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#926.01(V)(C)(7).

Mr. Indyke has signed the "Alternative Custody Unit Program Agreement" as Mr. Epstein's "employer." In that Agreement, Mr. Indyke promises to "notify the Alternative Custody Unit immediately if the Participant: (1) Fails to appear for work at the scheduled time; and (2) Leaves the place of employment prior to the scheduled time." Both in this form and in Mr. Indyke's letter in support of Mr. Epstein's application, Mr. Indyke neglects to inform the Sheriff's Office of two significant facts. First, Mr. Indyke lives and works in the New York metropolitan area. He likely will not be present at Mr. Epstein's workplace, so he may not know if Mr. Epstein "fails to appear for work" or "leaves the place of employment." In that event, Mr. Indyke also will not be able to supervise Mr. Epstein's actual work to determine whether he is truly doing the work of The Florida Science Foundation.² Second, Mr. Indyke does not "employ" Mr. Epstein. Instead, Mr. Epstein "employs" Mr. Indyke. Mr. Epstein is the President and founder of The Florida Science Foundation and Mr. Indyke is its Vice President. More importantly, Mr. Epstein is also the founder and President of the Financial Trust Company, his for-profit corporation. Mr. Indyke is Mr. Epstein's subordinate at that entity as well.

One of Mr. Epstein's attorneys has suggested that Mr. Epstein is using his time on work release to manage investments resulting in investment income of millions of dollars.

If that is true, then Mr. Epstein is acting outside of the scope of his employment with The Florida Science Foundation. Instead, that would be in keeping with Mr. Epstein's work for his for-profit corporation, which would inure to the benefit of Mr. Indyke. Because that work would result in a financial benefit to him, and because he is Mr. Epstein's subordinate at that corporation, Mr. Indyke may be reluctant to inform the Sheriff's Office of this violation of the terms of Mr. Epstein's Work Release contract.

The "references" listed by Mr. Epstein all appear to have the same conflict of interest. Mr. Epstein did not list any past or present co-workers, supervisors, or clients. Instead, he has listed four attorneys who are currently retained--and paid--by Mr. Epstein. Their attorney-client privilege obligations might further restrain them from notifying the Sheriff's Office if Mr. Epstein was not abiding by the work release rules.

As I previously mentioned to Colonel [REDACTED], the decision regarding work release

²On the application for registration of the Florida Science Foundation with Florida's Department of State, Mr. Indyke lists his true address in Livingston, New Jersey.

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Please feel free to contact me with any questions or concerns.

Sincerely,

[REDACTED]
United States Attorney

By:

A. Marie Villafañá
Assistant United States Attorney

cc: Colonel Michael [REDACTED]
[REDACTED], Northern Division I

