

**United States Attorney's Office
Southern District of Florida**



NEWS BRIEFING

To:

- [REDACTED] United States Attorney
- [REDACTED], First Assistant
- [REDACTED], Executive Assistant
- [REDACTED], Special Counsel
- [REDACTED], Chief, Criminal Division
- [REDACTED], Deputy Chief, Criminal Division
- [REDACTED], Managing AUSA for the North
- [REDACTED], Chief, Appellate Division
- [REDACTED], Chief, Asset Forfeiture Division
- [REDACTED], Chief, Civil Division
- [REDACTED], Chief, PINS
- [REDACTED], Chief, Narcotics
- [REDACTED], Chief, Economic and
Environmental Crimes Section
- [REDACTED], Chief, Major Crimes Section
- [REDACTED], Chief, Special Prosecutions
- [REDACTED], Deputy Chief, Ft. Lauderdale
- [REDACTED], Deputy Chief, West Palm Beach
- [REDACTED], Deputy Chief, Ft. Pierce

From:

[REDACTED]

August 3, 2010

The United States Attorney's Office

Southern District of Florida

Press Release

U.S. ATTORNEY'S OFFICE ANNOUNCES SAFETY INITIATIVE AT LOCAL SCHOOLS TO HELP COMBAT CHILD EXPLOITATION

August 8, 2010

FOR IMMEDIATE RELEASE

Miami-Dade and Broward School Districts Agree to Participate

Wifredo A. Ferrer, United States Attorney for the Southern District of Florida, and members the South Florida Internet Crimes Against Children Task Force (SFL-ICAC), today announce, a local initiative to conduct internet safety training at Miami-Dade and Broward Schools. The training will begin this fall. Today's announcement is part of the Department of Justice's Strategy to Combat Child Exploitation, the details of which were announced earlier today by Attorney General Eric Holder.

At a noon press conference in Washington, D.C., Attorney General Eric Holder announced the Department of Justice's first National Strategy for Child Exploitation Prevention and Interdiction. The strategy also provides the first ever comprehensive threat assessment of the dangers facing children from child pornography, online enticement, child sex tourism, commercial sexual exploitation, and sexual exploitation in Indian Country, and outlines a blueprint to strengthen the fight against these crimes. The strategy builds upon the department's accomplishments in combating child exploitation by establishing specific, aggressive goals and priorities and increasing cooperation and collaboration at all levels of government and the private sector.

As part of the overall strategy, the U.S. Marshals Service is launching a nationwide operation targeting the top 500 most dangerous, non-compliant sex offenders in the nation. Additionally, the department will create a national database to allow federal, state, tribal, local and international law enforcement partners to deconflict their cases with each other, engage in undercover operations from a portal facilitated or hosted by the database, share information and intelligence and conduct analysis on dangerous offenders and future threats and trends.

"Although we've made meaningful progress in protecting children across the country, and although we've brought a record number of offenders to justice in recent years, it is time to renew our commitment to this work. It is time to intensify our efforts," said Attorney General Holder. "This new Strategy provides the roadmap necessary to do just that - to streamline our education, prevention and prosecution activities; to improve information sharing and collaboration; and to make the most effective use of limited resources. Together, we are sending an important message - that the U.S. government, and our nation's Department of Justice, has never been more committed to protecting our children and to bringing offenders to justice."

Since FY 2006, the Department of Justice has filed 8,464 Project Safe Childhood (PSC) cases against 8,637 defendants. These cases include prosecutions of online enticement of children to engage in sexual activity, interstate transportation of children to engage in sexual activity, production, distribution and possession of child pornography, and other offenses. In the Southern District of Florida, the number of defendants charged in PSC cases increased significantly from 44 defendants in FY 2006 to 82 defendants in FY 2009.

The South Florida Internet Crimes Against Children Task Force works to combat child exploitation and is comprised of 64 federal, state, and local law enforcement affiliates throughout the district. These law enforcement agencies work closely with federal and state prosecutors to investigate and prosecute these cases aggressively. Each year, the Department of Justice recognizes the extraordinary efforts of the 59 nationwide ICAC task forces. In the past two years, the Southern District of Florida's ICAC Task Force has earned four awards for their outstanding work in PSC-related cases. A listing of all SFL-ICAC members is attached to this press release.

Part of the national strategy announced today includes a renewed commitment to public awareness and

community outreach. To this end, the U.S. Attorney's Office, in conjunction with its SFL-ICAC partners, will be implementing a local internet safety training program to be presented throughout Miami-Dade and Broward public schools. This hands-on innovative program will be delivered through training sessions in school computer labs in both school district. The goal of this program is to teach students to recognize and respond to deceptive or dangerous behavior occurring over the internet. The training will be led by the Law Enforcement/Community Coordinator and Community Resource Specialist for the U.S. Attorney's Office, with ICAC support.

U.S. Attorney Wifredo Ferrer stated, "The internet is a powerful tool that unites and educates all of us, but – in the wrong hands – can be used as the weapon of choice for child pornographers and sexual predators. I commend the Miami-Dade and Broward School Districts for joining the Department of Justice in this crucial program to help educate our children about the dangers that lurk behind a computer screen. If even one child's life is saved, this internet safety training program will be a success."

Additionally, the U.S. Attorney's Office, in partnership with the SFL-ICAC Task Force, will host a Federal Crimes Against Children Symposium. The two-day Symposium, scheduled for September 2010, will provide training to approximately 175 federal, state, and local law enforcement officers on internet child pornography, child abductions, the Sex Offender Registration Act, child prostitution, the international human trafficking of minors, and sex tourism.

As part of its public outreach efforts, the department today re-launched www.ProjectSafeChildhood.gov, the Project Safe Childhood (PSC) public website. PSC is a department initiative launched in 2006 that aims to combat the proliferation of technology-facilitated sexual exploitation crimes against children. Led by U.S. Attorneys' Offices and the Criminal Division's Child Exploitation and Obscenity Section, PSC marshals federal, state, tribal and local resources to better locate, apprehend and prosecute individuals who exploit children via the Internet, as well as to identify and rescue victims. For more information regarding the National Strategy for Child Exploitation Prevention and Interdiction, please visit: www.projectsafchildhood.gov/docs/natstrategyreport.pdf.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

Technical comments about this website can be e-mailed to the Webmaster. PLEASE NOTE: The United States Attorney's Office does not respond to non-technical inquiries made to this website. If you wish to make a request for information, you may contact our office at 305-961-9001, or you may send a written inquiry to the United States Attorney's Office, Southern District of Florida, 99 NE 4th Street, Miami, FL 33132.

The Miami Herald

Posted on Mon, Aug. 02, 2010

DOJ report says child porn on the rise

The Associated Press

The spread of child pornography, fueled by technology and the Internet, is outpacing efforts to combat it, the Justice Department said Monday in a report to Congress that promises more arrests, prosecutions and better coordination among federal, state and local authorities.

Attorney General Eric Holder said the distribution of child pornography, the number of images being shared online and violence against child victims all have increased. "Tragically, the only place we've seen a decrease is in the age of victims," Holder said in a speech at the National Center for Missing and Exploited Children in Alexandria, Va.

The report, ordered by Congress in legislation approved two years ago, concedes that the market for child pornography continues to grow rapidly and determining its size is impossible. "The number of offenders accessing the images and videos and the quantity of images and videos being traded is unknown," the report said.

Creating or possessing images that depict the sexual abuse of children is illegal. There is no First Amendment protection for child pornography.

In announcing a national strategy for preventing child exploitation, Holder laid out several steps that he said would help authorities make progress:

- The U.S. Marshals Service will target the "top 500 most dangerous" sex offenders who have not registered with authorities in the states where they live.
- The Justice Department is creating a database intended to increase cooperation among authorities at all levels of government that investigate child porn cases.
- Thirty-eight new prosecutors will be hired for child porn cases.

The increased attention to fighting child pornography already has led to record numbers of prosecutions and tips. More than 8,600 people have been prosecuted at the federal level since October 2006. State and local authorities focused on the use of the Internet in child sexual exploitation reported that documented complaints of online enticement of children more than tripled from 2004 to 2008 and complaints of child prostitution rose more than 10 times.

The Miami Herald

Posted on Mon, Aug. 02, 2010

Justice lawyers plan crackdown on sex offenders

By LAUREN FRENCH
McClatchy Newspapers

The Department of Justice released its first-ever national strategy to combat child exploitation and abuse Monday, which calls for a crackdown on the most dangerous sex offenders in the country.

The National Strategy for Child Exploitation Prevention and Interdiction will assess the threats that children face - including child pornography, online enticement, child sex tourism and commercial sexual exploitation - and outline ways for the federal government to quell abuse.

"Although we've made meaningful progress in protecting children across the country, and although we've brought a record number of offenders to justice in recent years, it is time to renew our commitment to this work. It is time to intensify our efforts," Attorney General Eric Holder said.

Part of the strategy calls for the U.S. Marshals Service to launch a nationwide operation to target the 500 most dangerous, noncompliant sex offenders.

"Together, we are sending an important message: that the U.S. government, and our nation's Department of Justice, has never been more committed to protecting our children and to bringing offenders to justice," Holder said.

According to federal statistics, a report of child abuse is made every 10 seconds, with almost five children dying every day because of abuse.

The 280-page report outlines the steps the department hopes to take and highlights work by federal and state authorities to crack down on abusers. One of the investigations - Operation Cybersafe - identified more than 200 children who were victimized by a group whose members often competed with one another for access to victims. One of the defendants, unnamed in the report, said he'd had sex with more than 500 children.

"You don't understand. You have your work, your hobbies and your family. My thoughts are occupied with kids and sex. When I'm at work I'm looking online for kids; when I get off work at 5:00 (p.m.), I'm online looking for kids for sex; when I wake up in the morning, I'm online looking for sex with kids," the defendant said at a U.S. attorney's office in Illinois.

The department will create a national database to allow authorities on the federal, state, tribal, local and international levels to share intelligence on dangerous offenders. The report also calls for an additional 38 assistant U.S. attorney positions to work on child exploitation cases.

James Hmurovich, the president and CEO of Prevent Child Abuse America, applauded Holder's efforts but said he'd like to see more preventive measures in the strategy.

"I think it's a great enforcement initiative, but what we would like to see, and what we would be willing to help with, is the prevention part," Hmurovich said. "It would be better if (the abuse) never happened."

Hmurovich noted that it costs the United States \$104 billion a year to rehabilitate victims of abuse and, often, abuse victims go on to commit crimes or fail to finish their primary education.

"We as a nation have to start realizing that when a child is abused, our country is hurt," he said. "We have to get to a place where there is a national attitude that it is unacceptable to abuse a child."

© 2010 Miami Herald Media Company. All Rights Reserved.
<http://www.miamiherald.com>

sun-sentinel.com/news/nationworld/sns-ap-us-child-porn-justice,0,2001086.story

South Florida Sun-Sentinel.com

Attorney general says child porn problem increasing, despite efforts to fight it

By Associated Press

2:36 PM EDT, August 2, 2010

WASHINGTON (AP) — The spread of child pornography, fueled by technology and the Internet, is outpacing efforts to combat it, the Justice Department said Monday in a report to Congress that promises more arrests, prosecutions and better coordination among federal, state and local authorities.

Attorney General Eric Holder said the distribution of child pornography, the number of images being shared online and violence against child victims all have increased. "Tragically, the only place we've seen a decrease is in the age of victims," Holder said in a speech at the National Center for Missing and Exploited Children in Alexandria, Va.

The report, ordered by Congress in legislation approved two years ago, concedes that the market for child pornography continues to grow rapidly and determining its size is impossible. "The number of offenders accessing the images and videos and the quantity of images and videos being traded is unknown," the report said.

Creating or possessing images that depict the sexual abuse of children is illegal. There is no First Amendment protection for child pornography.

In announcing a national strategy for preventing child exploitation, Holder laid out several steps that he said would help authorities make progress:

— The U.S. Marshals Service will target the "top 500 most dangerous" sex offenders who have not registered with authorities in the states where they live.

— The Justice Department is creating a database intended to increase cooperation among authorities at all levels of government that investigate child porn cases.

— Thirty-eight new prosecutors will be hired for child porn cases.

The increased attention to fighting child pornography already has led to record numbers of prosecutions and tips. More than 8,600 people have been prosecuted at the federal level since October 2006. State and local authorities focused on the use of the Internet in child sexual exploitation reported that documented complaints of online enticement of children more than tripled from 2004 to 2008 and complaints of child



The Miami Herald

Posted on Tue, Aug. 03, 2010

Debbie Wasserman Schultz helps launch sex offender probe

Sun-Sentinel

South Florida Congresswoman Debbie Wasserman Schultz -- who sponsored legislation to intensify and finance a nationwide child-pornography investigation targeting the 500 most dangerous sex offenders -- praised the Justice Department's implementation on Monday of the law passed by Congress in 2008.

Speaking at a press conference in Alexandria, Va., Wasserman Schultz praised the move, which comes with a progress report to Congress that indicates child pornography via the Internet is more widespread than previously known.

"Just three years ago, we believed that child pornography was being traded over approximately 500,000 unique IP addresses in the U.S.," Wasserman Schultz said. "Thanks to this report, we now know that number is more than 20 times our original estimate."

Her bill -- sponsored in the Senate by then-Sen. Joe Biden -- authorized spending up to \$1.05 billion over eight years to hire hundreds of federal and state investigators. Wasserman Schultz, the mother of three, took up the cause as part of her legislative priority of looking after the needs of young people.

© 2010 Miami Herald Media Company. All Rights Reserved.
<http://www.miamiherald.com>

The United States Attorney's Office

Southern District of Florida

Press Release

TWO BROTHERS PLEAD GUILTY IN MIAMI HIV INFUSION MEDICARE FRAUD SCHEME

August 8, 2010

FOR IMMEDIATE RELEASE

Two brothers pleaded guilty today in U.S. District Court in Miami for participating in a \$13.7 million HIV infusion Medicare fraud scheme, announced the Departments of Justice and Health and Human Services (HHS).

Rolando Nogueira, 48, and his brother, **Jose Nogueira**, 52, pleaded guilty before U.S. District Court Judge Adalberto Jordan in the Southern District of Florida to one count of conspiracy to defraud the United States, to cause submission of false claims to Medicare, and to pay health care kickbacks; one count of conspiracy to commit health care fraud; and three counts of submitting false claims. Rolando and Jose Nogueira were originally charged in a March 2010 indictment. At sentencing, scheduled for Nov. 5, 2010, the Nogueiras each face a maximum penalty of five years in prison for the conspiracy to defraud the United States count and each false claims count, and 10 years in prison for the health care fraud conspiracy count.

According to plea documents, Rolando Nogueira was an owner and operator of T&R Rehabilitation Professional Corp., a Miami clinic that purported to provide expensive injection and infusion treatments to patients with HIV. Jose Nogueira worked at T&R. Rolando Nogueira admitted at his plea hearing that he agreed with his co-defendants and others to have them enlist patient recruiters and patients, among others, into a scheme to defraud Medicare. Rolando and Jose Nogueira admitted that they knew the patients at T&R did not need and/or did not receive the purported services, and that it would be necessary to pay kickbacks and bribes to the patients so that T&R could bill the Medicare program for the HIV infusion services that were not medically necessary and/or were not provided.

The defendants admitted that from approximately January 2003, through approximately July 2005, they and their co-defendants caused T&R to submit fraudulent claims to the Medicare program in the amount of approximately \$13.7 million. Medicare paid approximately \$4.1 million of these fraudulent claims.

Co-defendants Modesto and Victoria de la Vega pleaded guilty on July 23, 2010, and are scheduled to be sentenced on Nov. 5, 2010. Co-defendant Gladis Badia is awaiting trial.

Today's guilty pleas and sentences were announced by U.S. Attorney Wilfredo A. Ferrer of the Southern District of Florida; Assistant Attorney General Lanny A. Breuer of the Criminal Division; John Gillies, Special Agent-in-Charge of the FBI's Miami field office; and Special Agent-in-Charge Christopher Dennis of the HHS Office of Inspector General (HHS-OIG), Office of Investigations Miami office.

The cases were prosecuted by attorneys from the Criminal Division's Fraud Section, including Trial Attorneys N. Nathan Dimock, Joseph Beemsterboer, and former Trial Attorney Michael Padula. The cases were investigated by the FBI and HHS-OIG and were brought as part of the Medicare Fraud Strike Force, supervised by the Criminal Division's Fraud Section and the U.S. Attorney's Office for the Southern District of Florida.

Since its inception in March 2007, the Medicare Fraud Strike Force operations in seven districts have obtained indictments of more than 810 individuals and organizations that collectively have billed the Medicare program for more than \$1.85 billion. In addition, HHS's Centers for Medicare and Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

To learn more about the Health Care Fraud Prevention and Enforcement Action Team (HEAT), go to: www.stopmedicarefraud.gov

The Miami Herald

Posted on Tue, Aug. 03, 2010

Miami-Dade brothers plead guilty to Medicare fraud

Two Miami-Dade brothers who fled the United States to evade charges in a \$13.7 million Medicare fraud scheme pleaded guilty on Monday in Miami federal court to several counts of conspiracy to commit fraud, submitting false claims and paying healthcare kickbacks.

Rolando Nogueira, 48, and his brother Jose Nogueira, 52, owned and operated a Miami clinic, T&R Rehabilitation Professional Corp., catering to AIDS patients. They fled in April shortly after being indicted for billing the government for HIV-infusion and other medical services that were either not performed or needed. They were later apprehended.

The brothers face a possible maximum sentence of 30-40 years in prison, scheduled for Nov. 5.

-- RENE RODRIGUEZ

© 2010 Miami Herald Media Company. All Rights Reserved.
<http://www.miamiherald.com>

[Posts](#) | [Comments](#) | [E-mail](#) /

Monday, August 02, 2010

Search in site...

Submit Query



- [Home](#)
- [Canada](#)
- [World](#)
- [Arts & Entertainment](#)
- [Opinion](#)

Two Brothers Plead Guilty in Miami HIV Infusion Medicare Fraud Scheme

by: [USDOJ: Justice News](#) | Jul 30th, 2010

[Rick Scott and HCA](#)
Get the facts about Rick Scott and
Columbia/HCA hospitals

[Stop Online Fraud Dead](#)
Enterprise-Class Security Against Financial
Fraud. Only from ArcSight

Ads by Google

WASHINGTON – Two brothers pleaded guilty today in U.S. District Court in Miami for participating in a \$13.7 million HIV infusion Medicare fraud scheme, announced the Departments of Justice and [Health and Human Services](#) (HHS).

Rolando Nogueira, 48, and his brother, Jose Nogueira, 52, pleaded guilty before U.S. District Court Judge Adalberto Jordan in the Southern District of Florida to one count of conspiracy to defraud the United States, to cause submission of false claims to Medicare, and to pay [health care](#) kickbacks; one count of conspiracy to commit health care fraud; and three counts of submitting false claims. Rolando and Jose Nogueira were originally charged in a March 2010 indictment. At sentencing, scheduled for Nov. 5, 2010, the Nogueiras each face a maximum penalty of five years in prison for the conspiracy to defraud the United States count and each false claims count, and 10 years in prison for the health care fraud conspiracy count.

According to plea documents, Rolando Nogueira was an owner and operator of T&R Rehabilitation Professional Corp., a Miami clinic that purported to provide expensive injection and infusion treatments to patients with HIV. Jose Nogueira worked at T&R. Rolando Nogueira admitted at his plea hearing that he agreed with his co-defendants and others to have them enlist patient recruiters and patients, among others, into a scheme to defraud Medicare. Rolando and Jose Nogueira admitted that they knew the patients at T&R did not need and/or did not receive the purported services, and that it would be necessary to pay kickbacks and bribes to the patients so that T&R could bill the Medicare program for the HIV infusion services that were not medically necessary and/or were not provided.

The defendants admitted that from approximately January 2003, through approximately July 2005, they and their co-defendants caused T&R to submit fraudulent claims to the Medicare program in the amount of approximately \$13.7 million. Medicare paid approximately \$4.1 million of these fraudulent claims.

Co-defendants Modesto and Victoria de la Vega pleaded guilty on July 23, 2010, and are scheduled to be sentenced on Nov. 5, 2010. Co-defendant Gladis Badia is awaiting trial.

Today's guilty pleas and sentences were announced by Assistant Attorney General Lanny A. Breuer of the Criminal Division; U.S. Attorney Wifredo A. Ferrer of the Southern District of Florida; John Gillies, Special Agent-in-Charge of the FBI's Miami field office; and Special Agent-in-Charge Christopher Dennis of the HHS Office of Inspector General (HHS-OIG), Office of Investigations Miami office.

The cases were prosecuted by attorneys from the Criminal Division's Fraud Section, including Trial Attorneys N. Nathan Dimock, Joseph Beemsterboer, and former Trial Attorney Michael Padula. The cases were investigated by the FBI and HHS-OIG and were brought as part of the Medicare Fraud Strike Force, supervised by the Criminal Division's Fraud Section and the U.S. Attorney's Office for the Southern District of Florida.

Since its inception in March 2007, the Medicare Fraud Strike Force operations in seven districts have obtained indictments of more than 810 individuals and organizations that collectively have billed the Medicare program for more than \$1.85 billion. In addition, HHS's Centers for Medicare and Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

sun-sentinel.com/hoy-15283809aug02,0,6556447.story

South Florida Sun-Sentinel.com

Dos personas se declaran culpables de fraude por 13 millones dólares Medicare

August 2, 2010

Miami, 2 ago

Dos hispanos se declararon hoy culpables de conspirar para cometer fraude contra el programa federal de salud Medicare por 13,7 millones de dólares a través de falsas facturas de servicios a pacientes con el virus de inmunodeficiencia humana (VIH).

Rolando Nogueira, de 48 años, y su hermano José Nogueira, de 52, se declararon culpables ante un tribunal de Miami de cinco cargos en su contra: uno por "conspirar para defraudar a EE.UU. y pagar sobornos", otro por "fraude al cuidado de la salud" y tres más por "presentar falsas reclamaciones en facturas".

Cada uno de los hermanos podría ser condenado a un máximo de diez años de cárcel, señaló en un comunicado la Fiscalía Federal del distrito sur de Florida.

Según los documentos de la declaración de culpabilidad, Rolando Noguera era el propietario y operaba personalmente T&R Rehabilitation Professional Corp, una clínica que supuestamente proveía de tratamientos a pacientes con VIH en la que trabajaba también su hermano José.

Rolando Nogueira admitió en su declaración de culpabilidad que se puso de acuerdo con otros que captó para tramar una red de fraude al Medicare.

"Rolando y José Nogueira reconocieron que conocían que los pacientes de T&R no necesitaban o no recibían los tratamientos" presentados y que "pagaban sobornos a los pacientes para que la compañía pudiera facturar al Medicare por servicios de transfusiones por VIH que no eran necesarios o que no se realizaban", indicó la Fiscalía.

Los dos hermanos admitieron que, desde enero de 2003 hasta aproximadamente julio de 2005, ellos y otros compinches defraudaron al Medicare con falsas facturas por unos 13,7 millones de dólares. EFE

emi/esc

advertisement

OUR ADVERTISING SOLUTIONS
HAVE BEEN KNOWN
TO CAUSE PROBLEMS...



AND OUR CLIENTS
COULDN'T BE HAPPIER.

TRIBUNE365. WE DELIVER.

NATIONAL SOLUTIONS GROUP

sun-sentinel.com/news/broward/fl-rothstein-restitution-victims-20100802,0,4241578.story

South Florida Sun-Sentinel.com

259 victims of Rothstein fraud are owed \$279 million, prosecutors say

Disbarred lawyer's seized assets are far too little to cover restitution

By Peter Franceschina, Sun Sentinel

7:03 PM EDT, August 2, 2010

Federal prosecutors have determined Scott Rothstein had more than 250 victims of his massive investment fraud scheme who are entitled to upward of a quarter-billion dollars in restitution.

Whether investors who lost money in Florida's largest Ponzi scheme will ever recover a substantial share of their funds remains unclear — the legal process in bankruptcy court could go on for several years.

As far as restitution in Rothstein's criminal case, the sum of ill-gotten gains recovered so far by the government doesn't come anywhere near covering the amount prosecutors now say should be returned to his victims. Investors will still have a chance for recovering at least some of their money in the Rothstein Rosenfeldt Adler law firm bankruptcy case.

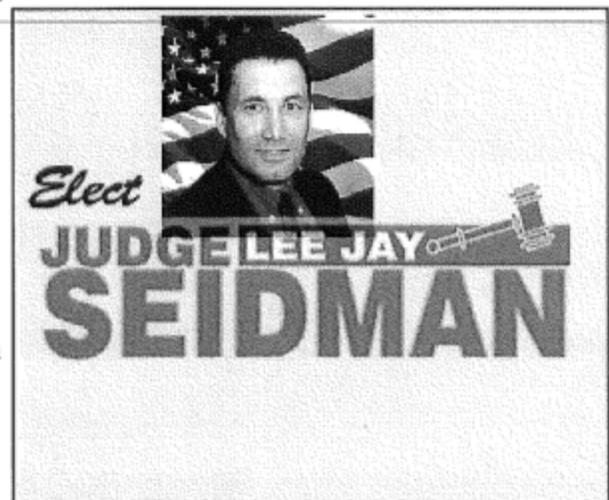
U.S. District Judge James Cohn, who is overseeing the staggeringly complex restitution operation, has said he hopes to complete the process by the end of this month. Prosecutors filed a report late Friday to update the judge on the status of the government's restitution efforts, and Cohn on Monday adopted the prosecution's guidelines for determining who will get restitution.

Prosecutors determined 97 potential victims — representing \$120 million in claims — aren't entitled to the amounts they claim, either because they don't qualify for restitution under federal law or they failed to provide sufficient documentation of their claim. Prosecutors will continue to review those claims and update the judge.

Another 116 potential victims could not be found, prosecutors reported. Some potential victims did not complete restitution paperwork or declined to participate in the restitution process, prosecutors said. Prosecutors are still reviewing a dozen claims.

The 259 people or corporate entities whose claims were approved in total or in part are entitled to \$279 million in restitution, prosecutors said.

advertisement



The investors are identified not by name in the court filings, but by a seven-digit identification number. Cohn ordered prosecutors to refile their report with the individual and corporate names by Friday.

"In calculating the recommended amount of pecuniary loss to be awarded as restitution to the investor-victims, the government has employed the 'cash-in/cash-out method,' whereby the total amount invested by a victim during the scheme is reduced by the amount which the victim received as payments during the scheme, thus yielding a net loss to the victim as the determined restitution amount," prosecutors wrote in their report.

The assets seized from Rothstein — his homes, luxury cars and yachts, cash, jewelry — are not worth anything near the \$279 million overall restitution figure, so victims will likely be getting pennies on the dollar. Rothstein's cars and yachts sold for \$5.8 million in June, and prosecutors are no longer trying to obtain title to four of his Fort Lauderdale properties because they were heavily mortgaged.

The law firm bankruptcy trustee and prosecutors have been wrangling over Rothstein's seized assets. Two dozen of Rothstein's investors and three dozen law firm clients have filed claims to those assets. Prosecutors said that law firm clients who lost funds held in escrow are as entitled to seek restitution as people or companies that lost money in Rothstein's investment swindle.

The judge will hold a series of hearings before entering final restitution payments to the victims. People who have disputed claims will have a chance to make their case before Cohn. Prosecutors did not say how much they have available to repay the victims.

Rothstein, 48, a disbarred Fort Lauderdale attorney, is serving a 50-year prison sentence after pleading guilty to racketeering, money laundering and fraud.

Peter Franceschina can be reached at pfranceschina@sunsentinel.com or 954-459-2255.

Copyright © 2010, [South Florida Sun-Sentinel](#)

The Miami Herald

Posted on Mon, Aug. 02, 2010

Feds say \$188M restitution due in Rothstein case

The Associated Press

Federal prosecutors have asked a judge to approve more than \$188 million in restitution for victims of the Ponzi scheme operated by former Florida attorney Scott Rothstein.

Prosecutors said in a filing last week that they have identified 218 people with legitimate claims. More can be added if they provide proper documentation of losses.

Assets including cash, real estate, houses, boats and jewelry have been seized from Rothstein. But officials say the value is far less than \$188 million, so victims will likely only get a portion of their money back. An Aug. 30 court hearing is scheduled to finalize the numbers.

Rothstein is serving a 50-year prison sentence after pleading guilty to charges of running a \$1.2 billion scheme in which he bilked investors using faked legal settlements.

© 2010 Miami Herald Media Company. All Rights Reserved.
<http://www.miamiherald.com>

Rothstein Fallout

Prosecutors outline restitution plan for Ponzi victims

August 02, 2010

By: John Pacenti

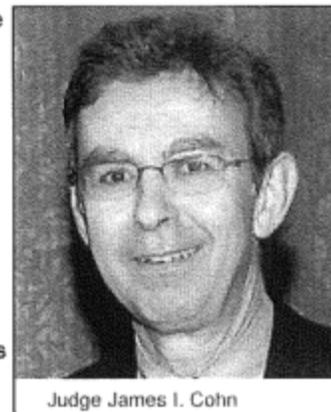
Federal prosecutors have outlined their restitution plan in Scott Rothstein's criminal case for 218 victims of his Ponzi fraud, saying they have legitimate claims totaling \$188 million.

The recovery percentage remains to be seen as the government culls what is left of the one-time power broker's fallen empire through confiscated cash and the sale of homes, cars, boats, jewelry and other luxury items.

U.S. District Judge James I. Cohn in Fort Lauderdale has set an Aug. 30 deadline for the restitution to victims of the \$1.2 billion Ponzi scheme. Rothstein is serving a 50-year prison sentence.

The government is certain to have far less than \$188 million to distribute, officials said.

Herbert Stettin, the court-appointed trustee for Rothstein's defunct Fort Lauderdale law firm, has criticized the government for insisting it be the main distributor of funds rather than the bankruptcy court.



Judge James I. Cohn

Attorney Paul Singerman, a Berger Singerman partner representing Stettin, said he wants to study the filing and exhibits. He said the trustee already has spent countless hours going over claims.

"I will be very interested to see the government's methodology," he said.

More people with legitimate claims may be added to the list, but prosecutors have excluded 97 people seeking restitution.

Restitution will be made through a cash-in/cash-out methodology accounting for investments and supposed earnings during the course of the fraud.

John Pacenti can be reached at (305) 347-6638.

Your Name:

Comments:

Type your comment here.

Search the [archive](#) for more stories.

Back To:

- [Today's top stories.](#)
- [More business stories.](#)
- [More legal stories.](#)

Incisive Media takes copyright infringement seriously. YOU MAY NOT DISTRIBUTE THIS STORY, ELECTRONIC OR OTHERWISE, WITHOUT OUR PERMISSION. You may print or purchase this story from our archives for your personal use only. In order to obtain reprint permission rights, please contact Sue Viera at 305-347-6621 or 800-777-7300 ext. 6621. If you need a subscription, please call 1--877-347-6682.

Epstein may be under new sex crime scrutiny from feds

Authorities may not be done with billionaire sexual deviant Jeffrey Epstein after all.

Epstein, 57, who recently fulfilled all the requirements of his slap-on-the-wrist sentence for diddling underage girls in his Palm Beach mansion, may be under investigation for other sex crimes, including child trafficking.

And this time, Epstein would be facing the feds — and 20 years in prison. According to the news website *The Daily Beast*, the feds are also checking whether a modeling agency run by a friend of the Wall Street investor Epstein fed his appetite for underage foreign



Epstein

prosecuted again for crimes covered by the state charges. He pleaded guilty to felony solicitation of prostitution and procuring a person under 18 for prostit-

tion, also a felony. Child trafficking, however, would offer two advantages to federal prosecutors: The charge would not be covered by double jeopardy, and there's no statute of limitations.

Epstein's criminal lawyer, Jack Goldberg, didn't return calls for comment. A Bill Clinton crony who once walked out of a deposition when questions about the shape of his penis arose, Epstein felt some heat from federal prosecutors early in his case, in 2007. The U.S. Department of Justice came in after former Palm Beach Police Chief Michael Becker, whose cops spent more than a year

investigating Epstein, complained that then-State Attorney Barry Krischer wasn't aggressive enough in his prosecution of the billionaire.

But Epstein hired a dream team of lawyers, including Harvard prof Alan Derstler and Whitewater prosecutor Ken Starr, who warded off federal authorities. As punishment for his guilty pleas, Epstein served a year in a county lockup (but only at night, because he got to go to his office every morning) and a year on probation that included trips to the Caribbean. For all the past stories about Epstein, log on to page2live.com.

sun-sentinel.com/news/opinion/editorials/fl-dlyons-editorial-ethics-0803-20100803,0,4134167.story

South Florida Sun-Sentinel.com

It takes real partners to battle public corruption

THE ISSUE: Law enforcement embrace anti-corruption efforts.

August 3, 2010

Public corruption reform is a big deal in Palm Beach County. How else to explain the embrace of new ethics initiatives, including the creation of an inspector general's office and the possibility of a November vote to give that office jurisdiction over municipal governments as well as county government?

Now comes local law enforcement with an ethics bureaucracy of its own.

State Attorney Michael McAuliffe recently announced the creation of a Public Corruption Task Force that would investigate elected officials suspected of criminal activities.

McAuliffe has the support of Sheriff Ric Bradshaw, who jarred many reform supporters by initially refusing to voluntarily submit his office to be under the oversight of the inspector general and, more recently, ordering his employees to skip the county's new ethics training courses.

Unfortunately, Bradshaw insists the new ethics code and training don't apply to him or his employees, which at best suggests a tone-deafness to a government reform that enjoys widespread support.

Palm Beach County, like its South Florida counterparts, has seen its share of elected officials charged and convicted of federal crimes. Unlike Broward and Miami-Dade counties, the grassroots push to enact major ethics reform caught fire and is now a political reality in Palm Beach County.

Bradshaw's sentiments aside, there is a crucial role law enforcement must play if ethics reform has a chance of working. The county inspector general's powers only go so far. Criminal investigations and prosecution clearly fall under the purview of the sheriff and state attorney, respectively.

A strong working relationship between the three agencies is essential. Clearly, the inspector general will need the help of law enforcement to put any real teeth into the program. McAuliffe and Bradshaw, on the other hand, can't wrap themselves within a new bureaucracy and run roughshod over the inspector general's efforts, either.

Ethics reform remains a work in progress in many parts of Florida. It would be a shame if the strides to bring ethics reform to Palm Beach County fall victim to bureaucratic infighting.

BOTTOM LINE: Law enforcement must work with inspector general to make reform work.

Copyright © 2010, South Florida Sun-Sentinel

advertisement

The advertisement is a dark rectangular box with white text. At the top, it says "advertisement". Below that, in large, bold, white letters, is the headline "It's Time for an Elected Mayor in Broward County". In the center, there are two buttons: a dark button with white text that says "TAKE ACTION NOW!" and a white button with dark text that says "Let the Voter's Decide". At the bottom, there is a hand pointing upwards towards the "Let the Voter's Decide" button, and the website address "www.LetBrowardDecide.com" is written in white text.

The Palm Beach Post

Print this page

Close

Obama to sign sentencing law over crack vs. powder cocaine

The Associated Press

Updated: 7:10 a.m. Tuesday, Aug. 3, 2010

Posted: 6:08 a.m. Tuesday, Aug. 3, 2010

After a series of morning briefings, President Barack Obama will sign the Fair Sentencing Act in the Oval Office on Tuesday.

The legislation narrows the disparity between sentences for crack cocaine possession and those for powder cocaine.

In the afternoon, the president will host a town hall meeting in the East Room. It's part of his Forum With Young African Leaders. The event brings 115 young leaders from more than 40 African countries to Washington to meet with their American counterparts and U.S. government officials.

Obama will discuss with them their vision for Africa for the next 50 years. He also will talk with them about partnerships that can be fostered between the U.S. and their countries.

August 03, 2010 06:08 AM EDT

Copyright 2010, The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Find this article at:

<http://www.palmbeachpost.com/news/nation/obama-to-sign-sentencing-law-over-crack-vs-837923.html>

Print this page

Close

2.9% Financing
on All 2010 Forester Models

[See All Offers](#)

2010 Forester®

Disclaimer



The Miami Herald

Posted on Tue, Aug. 03, 2010

Obama to sign sentencing law, hold town hall

The Associated Press

After a series of morning briefings, President Barack Obama will sign the Fair Sentencing Act in the Oval Office on Tuesday.

The legislation narrows the disparity between sentences for crack cocaine possession and those for powder cocaine.

In the afternoon, the president will host a town hall meeting in the East Room. It's part of his Forum With Young African Leaders. The event brings 115 young leaders from more than 40 African countries to Washington to meet with their American counterparts and U.S. government officials.

Obama will discuss with them their vision for Africa for the next 50 years. He also will talk with them about partnerships that can be fostered between the U.S. and their countries.

© 2010 Miami Herald Media Company. All Rights Reserved.
<http://www.miamiherald.com>