

**U.S. Department of Justice**

*Gregory R. Miller  
United States Attorney  
Northern District of Florida*

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FOR IMMEDIATE RELEASE**

**FOR MORE INFORMATION  
CONTACT: ALAN SPROWLS  
(850) 942-8430**

**FORMER EXECUTIVE DIRECTOR OF THE CORRECTIONAL PRIVATIZATION  
COMMISSION INDICTED ON FRAUD AND MONEY LAUNDERING CHARGES**

**TALLAHASSEE** – Gregory R. Miller, United States Attorney for the Northern District of Florida and Guy Tunnell, Commissioner of the Florida Department of Law Enforcement announced today that a Federal Grand Jury has returned an indictment charging ALAN BROWN DUFFEE, the former executive director of Florida's Correctional Privatization Commission, with three counts of wire fraud, one count of mail fraud and two counts of money laundering. If convicted, the maximum penalty is twenty years imprisonment and a fine of \$250,000.00.

The indictment charges that while Duffee was the executive director of the Correctional Privatization Commission, he opened a bank account at the People's First Bank in the name of the Correctional Privatization Commission which was not authorized by the Commission and over which he arranged to have sole signatory authority. According to the Indictment, Duffee then caused \$224,972.92 to be transferred from State controlled bank accounts into the Correctional Privatization account he had set up in the People's First Bank and converted all of those funds to his personal use by using them to, among other things, purchase real and personal property for himself and his friends.

This investigation was conducted by the Department of Law Enforcement and was aided by the Internal Revenue Service.

An indictment is merely a formal charge that a person has committed a violation of federal criminal law. Everyone accused of crime is presumed innocent until, and unless, proven guilty beyond a reasonable doubt.

**IN THE UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF FLORIDA  
TALLAHASSEE DIVISION**

**UNITED STATES OF AMERICA**

**v.**

**INDICTMENT**

**ALAN BROWN DUFFEE**  
\_\_\_\_\_ /

**THE GRAND JURY CHARGES:**

**COUNTS ONE THROUGH THREE**

**A. Introduction**

At all times pertinent to this Indictment:

1. The Correctional Privatization Commission (“CPC”) was an entity created by the Florida legislature for the purpose of overseeing the establishment and operation of private correctional institutions in the State of Florida.
2. The CPC was comprised of five members who were appointed by the Governor of Florida to serve four year terms. The CPC also had a staff, led by an Executive Director, which handled the administrative functions of the CPC and monitored the operation of the private correctional institutions.
3. **ALAN BROWN DUFFEE** served as interim Executive Director and then Executive Director of the CPC from on or about May 2, 2002, until on or about June 4, 2004.

4. There were five private correctional institutions for which the CPC had oversight responsibilities: Bay Correctional Institution; South Bay Correctional Institution; Moore Haven Correctional Institution; Lake City Correctional Institution; and, Gadsden Correctional Institution. The vendors for these institutions were GEO Group Corporation and Corrections Corporation of America.

5. The funding for these institutions was appropriated through the Florida Department of Corrections (DOC) budget. The contract between the State and the vendors for four of the private correctional institutions (excluding the Gadsden Correctional Institution) required that the vendor set up a Major Maintenance and Repair Fund ("MMRF") at the Wachovia Bank in Jacksonville, Florida. That account was to be funded by a percentage of the monthly payment received by the vendor from the DOC.

6. The MMRF Account was established to provide a source of funds for expenditures in excess of \$5,000 made at the private correctional institutions. If one of the institutions suffered damage in excess of \$5,000, the vendor would pay for the repair and forward a request for reimbursement to the Executive Director of the CPC. If the expense was approved, the Executive Director would send a written authorization to Wachovia Bank to transfer funds to the appropriate institution.

#### **B. The Charge**

7. That between on or about May 1, 2003, and on or about June 4, 2004, in the Northern District of Florida and elsewhere, the defendant,

**ALAN BROWN DUFFEE,**

did knowingly and willfully devise, and intend to devise, a scheme and artifice to defraud, and to obtain money and property by means of material false and fraudulent pretenses, representations and promises, and for the purpose of executing said scheme, did transmit and cause to be transmitted wire communications.

**C. The Scheme**

It was part of the scheme to defraud that:

8. While Executive Director for the CPC, **ALAN BROWN DUFFEE**, did open and cause to be opened account number 4055703 in the name of the "Correctional Privatization Commission" at the People's First Bank in Tallahassee, Florida.

9. **ALAN BROWN DUFFEE** arranged to have sole signatory authority on the People's First account, which was opened without the knowledge or consent of the CPC or its members.

10. **ALAN BROWN DUFFEE** thereafter directed the Wachovia Bank to make a total of approximately \$224,972.92 in withdrawals via check and wire transfer from the MMRF accounts at the Wachovia Bank.

11. **ALAN BROWN DUFFEE** then caused the approximately \$224,972.92 in funds withdrawn from the MMRF accounts to be deposited in the CPC account at People's First Bank.

12. **ALAN BROWN DUFFEE** then converted the MMRF funds to his personal use and to the use of others not entitled thereto by making cash withdrawals, paying personal debts, purchasing real and personal property, and otherwise expending these funds for purposes unauthorized and wholly unrelated to the business of the CPC.

**D. The Wire Communications**

13. On or about the dates listed below, in the Northern District of Florida, the defendant, **ALAN BROWN DUFFEE**, for the purpose of executing the above described scheme to defraud and for obtaining money and property and attempting to do so, did knowingly transmit and cause to be transmitted money by means of wire communication in interstate commerce, namely the wire transfer of funds from accounts at Wachovia Bank to the CPC account at People's First Bank as more particularly set forth below:

<b>COUNT</b>	<b>DATE</b>	<b>AMOUNT</b>
ONE	May 29, 2003	\$100,000.00
TWO	September 17, 2003	\$20,000.00
THREE	October 2, 2003	\$54,972.92

All in violation of Title 18, United States Code, Sections 1343.

**COUNT FOUR**

**A. Introduction**

Part A of Counts One through Three is realleged and incorporated by reference as if fully set forth herein.

**B. The Charge**

In or about May, 2003, in the Northern District of Florida and elsewhere, the defendant,

**ALAN BROWN DUFFEE,**

did knowingly and willfully devise and intend to devise a scheme and artifice to defraud and to obtain money and property by means of material false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme, did cause to be deposited with and delivered by a private and commercial interstate carrier certain checks.

### **C. The Scheme**

Part C of Counts One through Three is realleged and incorporated by reference as if fully set forth herein.

### **D. The Mailing**

On or about May 9, 2003, in the Northern District of Florida and elsewhere, the defendant, **ALAN BROWN DUFFEE**, for the purpose of executing this scheme and artifice to defraud and for obtaining money and property and attempting to do so, did knowingly cause to be deposited with and delivered by a private and commercial interstate carrier, United Parcel Service, checks totaling \$50,000 made payable to “Florida Correctional Privatization Commission.”

All in violation of Title 18, United States Code Section 1341.

### **COUNT FIVE**

On or about May 13, 2003, in the Northern District of Florida and elsewhere, the defendant,

**ALAN BROWN DUFFEE,**

did knowingly engage and attempt to engage in a monetary transaction by, through, and to a financial institution, affecting interstate or foreign commerce, in criminally derived property, to-wit: United States currency of a value greater than \$10,000, which currency was derived from a

specified unlawful activity, that is, mail fraud and wire fraud in violation of 18 U.S.C. Sections 1341 and 1343; in that, the defendant withdrew \$27,597.93 from the CPC Account at People's First Bank in the form of a cashiers check, in violation of Title 18, United States Codes, Sections 1957 and 2.

### **COUNT SIX**

On or about May 30, 2003, in the Northern District of Florida and elsewhere, the defendant,

**ALAN BROWN DUFFEE,**

did knowingly engage, attempt to engage, and cause others to engage in a monetary transaction by, through, and to a financial institution, affecting interstate or foreign commerce, in criminally derived property, to-wit: United States currency of a value greater than \$10,000, which currency was derived from a specified unlawful activity, that is, mail fraud and wire fraud in violation of 18 U.S.C. Sections 1341 and 1343; in that, the defendant withdrew \$73,117.51 from the CPC Account at People's First Bank in the form of a cashiers check, in violation of Title 18, United States Codes, Sections 1957 and 2.

### **CRIMINAL FORFEITURE**

The allegations contained in Counts One through Six of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 982.

From his engagement in any or all of the violations alleged in Counts One through Six of this Indictment, the defendant,



**ALAN BROWN DUFFEE,**

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982 any and all of the defendant's right, title and interest in any property, real and personal, constituting, and derived from, proceeds traceable to such offenses including, but not limited to:

1. 1342 Pawnee Point Court, Tallahassee, Florida, more particularly described as: Lot 38, Block "F" VILLAGES OF MACLAY, according to the plat filed in Plat Book 12, Page(s) 16 at the office of the Circuit Court of Leon County, Florida.
2. 2003 Ford Focus, VIN No. 1FAFP34P73W229295.
3. \$224,972.92 in United States Currency.

If any of the property described above as being subject to forfeiture, as a result of acts or omissions of the defendant:

- I. cannot be located upon the exercise of due diligence;
- II. has been transferred, sold to, or deposited with a third party;
- III. has been placed beyond the jurisdiction of this Court;
- IV. has been substantially diminished in value; or
- V. has been commingled with other property which cannot be subdivided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property.

A TRUE BILL:

\_\_\_\_\_  
FOREPERSON

\_\_\_\_\_  
DATE

\_\_\_\_\_  
GREGORY R. MILLER  
United States Attorney

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THOMAS F. KIRWIN  
First Assistant United States Attorney