



PRESS RELEASE
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**FORMER SECRETARY OF FLORIDA DEPARTMENT OF
CORRECTIONS CHARGED ALONG WITH FORMER REGIONAL
DIRECTOR OF DEPARTMENT OF CORRECTIONS**

_____ Jacksonville, FL - James Vernon Crosby, Jr., former Secretary of Florida Department of Corrections, and Allen Clark, a former Regional Director of Florida Department of Corrections were charged today by federal authorities with accepting approximately \$135,000 in kickbacks related to the awarding of a state contract. Also, eight other current and former Florida Department of Corrections employees have been charged by state authorities related to their positions as correctional officers. Today's charges were announced by U.S. Attorney Paul I. Perez, Gerald M. Bailey, Florida Department of Law Enforcement Commissioner, and Nestor Duarte, Assistant Special Agent in Charge of the Federal Bureau of Investigation.

_____ Crosby and Clark are charged in separate Informations with corruptly accepting approximately \$135,000 from another person, intending to be influenced or rewarded in connection with official business of the Florida Department of Corrections. Crosby and Clark each face up to ten years' imprisonment and up to \$250,000 in fines. In addition

to the Information, plea agreements were filed as to both Crosby and Clark. Clark will be arraigned and is expected to enter a plea on Thursday, July 6, 2006 at 4:00 p.m. Crosby will be arraigned on Tuesday, July 11, 2006 at 2:30 p.m. and is expected to enter a plea at that time.

According to court documents, in 2003, Crosby, on behalf of the Florida Department of Corrections (FDOC) began to negotiate a contract to privatize FDOC's institutional canteens with Keefe Commissary Network ("Keefe Commissary") of St. Louis, Missouri, and two other private companies. After negotiating with each company, Crosby, on behalf of FDOC, entered into a written contract ("the Contract") with representatives of Keefe Commissary in October 2003. Under the Contract, Keefe Commissary assumed responsibility for operating FDOC's institutional canteens throughout the State of Florida. While the Contract originally provided that inmates could purchase items from institutional canteens by using a "cashless" debit card-like system, a November 2004 amendment to the Contract allowed Keefe Commissary to operate separate visiting park canteens where FDOC visitors could purchase items with cash.

As part of the Contract, Keefe Commissary agreed to pay FDOC a certain fee per day per inmate, which was anticipated to provide FDOC in excess of \$20 million per year in revenues. According to the terms of the Contract, Keefe Commissary could not utilize any subcontractor without prior approval of FDOC. Unless renewed by FDOC, the Contract and its amendments would expire in October 2006. As Secretary of FDOC, Crosby had the direct authority to enter into the Contract, to implement contractual amendments with Keefe Commissary and to renew the Contract with Keefe Commissary.

Crosby and Clark were acquaintances of an individual from the Gainesville, Florida area who had a preexisting business relationship with FDOC. In 2004, Crosby, Clark and this individual agreed that the individual would be introduced to representatives of Keefe Commissary to encourage Keefe Commissary to utilize the individual in opening and operating visiting parks canteens. While Clark and Crosby were aware that Keefe Commissary was interested in opening visiting park canteens, they also knew that Keefe Commissary did not want to collect and handle the cash generated by such canteens.

Crosby, Clark and the individual decided that if, based upon the recommendation and support of Crosby and Clark, Keefe Commissary used the individual as a subcontractor on the Contract, then the individual would kickback to Clark and Crosby a portion of the profits made by the individual.

In the Summer of 2004, Keefe and the individual reached an agreement calling for the individual to make approximately \$1.5 million per year in profits. The individual advised Clark that he (Clark) and Crosby would receive a 40% kickback.

In August 2004, a company owned by the individual was, at Crosby's direction, authorized by FDOC as an approved subcontractor on the Contract. In addition, the Contract, at Crosby's direction, was amended in November 2004 and broadened Keefe Commissary's responsibilities to include its operation of visiting park canteens. To facilitate the individual's work with Keefe Commissary and the visiting park canteens, FDOC personnel provided the individual and others working with him with identification badges that would allow access to, among other places, the New River Correctional Facility and the Florida State Prison in Starke, Florida.

Thereafter, Keefe Commissary reopened FDOC visiting park canteens throughout the State of Florida. Cash proceeds generated by Keefe Commissary's sales at FDOC visiting park canteens were collected by the individual's company. These proceeds were then delivered to the business in Gainesville, Florida.

After these proceeds were collected, the individual and/or others working with the individual would deliver cash kickbacks to Clark and/or others about once a month. Once Clark received a cash kickback, Clark would then deliver part of the kickback payment to Crosby. These kickback payments grew from approximately \$1,000.00 a month up to approximately \$12,000.00 a month and were made from about November 2004 through early 2006. The total amount of kickbacks paid by the Conspirator to Clark and Crosby during this scheme was approximately \$130,000.00.

Eight other individuals have been charged in state court:

1. Richard Allen Frye Jr., age 37, grand theft.
2. Paul Lamar Miller, age 33, grand theft.
3. Theodore J. Foray Jr., age 46, grand theft.
4. Lamar Edward Griffis, age 49, acceptance of unauthorized compensation.
5. Bryan Kim Griffis, age 36, grand theft.
6. Christopher Paul Taylor, age 34, grand theft.
7. Bobbie Dewane Ruise, age 41, grand theft.
8. Stephen Randall Parker, age 32, grand theft.

The charges filed against Crosby, Clark, and the other eight individuals bring the total number of former or current FDOC employees prosecuted in this ongoing investigation to 21. The previous prosecutions for the most part related to illegal steroid

distribution and use and receipt of kickbacks from a recycling program. The investigation is being handled by the Federal Bureau of Investigation (FBI), the United States Attorney's Office, the Florida Department of Law Enforcement (FDLE), and Florida Attorney General Charlie Crist's Office of Statewide Prosecution.

An information is merely a formal charge that a defendant has committed a violation of the federal criminal laws, and every defendant is presumed innocent unless, and until proven guilty.