



U.S. Department of Justice

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NEWS RELEASE:

Three Plead Guilty in Multi-Million Federal Prison Sentencing Reduction Fraud Scheme

This month, three defendants pled guilty in the Southern District of Florida in connection with their participation in a \$4.4 million dollar federal prison sentencing scheme. The fraudulent scheme targeted federal inmates and their families in Miami-Dade County and elsewhere by promising them assistance in obtaining a Rule 35 sentencing reduction, in exchange for money. Rule 35 of the Federal Rules of Criminal Procedure allows the court, upon the government's motion, to reduce a defendant's sentence if the defendant is found to have provided substantial assistance in investigating or prosecuting another person. Neither the government nor the court system charges inmates or their relatives a fee for requesting a sentencing reduction when an inmate provides substantial assistance.

Benjamin G. Greenberg, Acting United States Attorney for the Southern District of Florida, Robert A. Bourbon, Special Agent in Charge, Department of Justice, Office of the Inspector General (DOJ-OIG), and Perrye K. Turner, Special Agent in Charge, Federal Bureau of Investigation (FBI), Houston Field Office, made the announcement.

"Sentencing reduction fraud schemes that prey on the desperation, vulnerability and trust of federal inmates and their families exploit both the victims and the justice system," stated Acting U.S. Attorney Benjamin G. Greenberg. "The U.S. Attorney's Office in South Florida and our federal partners across the nation will continue to target such schemes and prosecute the offenders."

"Conning relatives of federal inmates into thinking that they must pay money for their loved ones to receive a sentence reduction that is actually based solely on how much an inmate assists the government is an outrageous way to defraud innocent victims," said Special Agent in Charge Robert Bourbon. "Even more importantly, it runs the risk of soiling the reputation of our federal criminal justice system, which prides itself on delivering just results, regardless of an individual's wealth or access to those in power."

"If you are a victim, it is critical that you reach out to us," said FBI Special Agent in Charge Perrye K. Turner. "This case highlights that justice is blind and underscores the FBI's impartiality when investigating cases."

Colitha Patrice Bush, 36, and **Alvin James Warrick**, 40, both of Beaumont, Texas, as well as **Ronald Bennett Shepherd**, 32, of Houston, Texas, each pled guilty to a single count of conspiracy to commit mail fraud and wire fraud, in violation of Title 18, United States Code, Section 1349, in connection with their participation in the multi-year fraud scheme. In addition to the Southern District of Florida matter (Case No. 16-CR-20698-JAL)), Warrick and Bush also pled guilty to one count of conspiracy to commit wire fraud in a related case originally brought in the Eastern District of Texas, and subsequently transferred to Florida (Case No. 17-CR-20194-JAL).

Bush's sentencing for both cases is scheduled for June 7, 2017, at 3:00 p.m. before U.S. District Judge Joan A. Lenard. Warrick's sentencing is scheduled for May 31, 2017, at 3:00 p.m., and Shepherd's sentencing is scheduled for May 24, 2017, at 3:00 p.m., also before U.S. District Judge Joan A. Lenard. The defendants each face a statutory maximum penalty of 20 years in prison as to each count.

According to court documents, from 2009 through September 7, 2016, Warrick, Bush, Shepherd, and others held themselves out as owners and operators of Private Services, a company that reportedly worked with a network of informants and law enforcement personnel to identify and provide information and third party cooperation that could be credited to federal inmates in Rule 35 proceedings. Using aliases such as "Peter Candlewood," "Diane Lane," and "Diane Rice," the defendants targeted federal inmates and their families by promising that they could provide substantial assistance services, which would be used to help secure the early release of the inmates. In return, the defendants required relatives of the federal inmates to make periodic payments via cash, check, wire, and electronic fund transfer, in order for the third party cooperation process to supposedly be conducted. Overall, more than \$4.4 million was paid to the defendants by at least twenty-two victims.

As part of the scheme, Warrick and Bush also provided fake invoices and fraudulent documents allegedly showing agreements between various U.S. Attorney's Offices, including the Eastern District of New York and the Southern District of New York, and a company affiliated with Private Services. In fact, the agreements were fake, the prosecutors' signatures were forged, and no substantial assistance was provided on behalf of these inmates. Instead, Warrick, Bush and Shepherd simply received payments from relatives of federal inmates, and used the fraudulently obtained funds for their personal use and benefit, including the purchase of luxury automobiles, vacations, and gambling activities.

Mr. Greenberg commended the investigative efforts of the DOJ-OIG, the FBI, the Houston Police Department, and the U.S. Attorney's Offices in the Eastern District of New York, Northern District of New York, Southern District of New York, Eastern District of Texas, and Eastern District of Virginia, who provided significant and valuable support to this joint investigation. The Southern District of Florida case is being prosecuted by Assistant United States Attorney Anne P. McNamara. The Eastern District of Texas case is being prosecuted by Assistant United States Attorney Robert L. Rawls.

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 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 www.flsd.uscourts.gov or on <http://pacer.flsd.uscourts.gov>.