

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING APRIL 25, 2013

Successes for Week Ending April 25, 2013

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,026
 - Applications Approved: 1,013
 - Applications Denied/Withdrawn: 8

- Division of Consumer Finance
 - Applications Received: 377
 - Applications Approved: 405
 - Applications Denied/Withdrawn: 23

- Division of Financial Institutions
 - Applications Received: 4
 - Applications Approved: 2
 - Applications Denied/Withdrawn: 0

2. Enforcement Actions

Letourneau Holdings

On April 12, 2013, U.S. District Judge John Antoon, II sentenced Dustin Michael Letourneau to four years in federal prison for mail fraud and wire fraud. Letourneau was also ordered to serve a 3-year term of supervised release following his imprisonment, and to pay \$240,481 in restitution to his victims. On January 17, 2013, Letourneau pleaded guilty to one count of mail fraud and one count of wire fraud in connection with the operation of precious metals boiler rooms. Letourneau, the principal of Letourneau Holdings, Inc., opened and operated the company as a boiler room in Palm Beach Gardens, Florida in April 2010 and later relocated it to Mt. Dora, Florida. Letourneau learned the precious metals investment business when he worked for Jamie Company and Global Bullion Exchange. Company is currently serving 12 ½ years in federal prison for his precious metals investment fraud. It is estimated that through telemarketing, Letourneau took in approximately \$240,481 in a little over a year by claiming to offer investors an opportunity to invest in precious metals which would be held for them in a depository facility. Bank records revealed that there were no precious metals purchased and Letourneau spent investors' monies on personal expenditures. A cooperating defendant in an ongoing joint OFR-Federal

investigation recorded Letourneau admitting that he did not purchase precious metals. This case was worked jointly by OFR and the FBI.

OFR Assists Division of Insurance Fraud on 'Operation Dirty Money'

On April 12, 2013, John Diaz of Pinecrest, FL. was arrested for money laundering, organized scheme to defraud, multiple money service business statute violations, and two counts of workers' compensation fraud. His wife, Mercedes Avila-Diaz, was also arrested on two counts of workers' compensation fraud. A Workers' Compensation Fraud Task Force investigation revealed that a total of \$35 million in fraudulent transactions occurred at Diaz Supermarkets, a licensed money service business, owned and operated by Diaz since 2006. As a result of the search warrants executed in Miami-Dade County at four Diaz Supermarkets locations and one administrative office, a total of \$640,000 was seized in forfeiture along with three vehicles. The Office of Financial Regulation assisted the task force by providing financial data support and licensure information and has played an integral part in helping the task force put these criminals behind bars. The Miami-Dade County Police Department also assisted with arrests.

New Issues

1. Outreach Activities

On April 12, 2013, the Chief of Financial Investigations spoke on a panel in Miami regarding coordinating and leveraging investigative and regulatory resources as part of the U.S. Securities and Exchange Commission's Southeast Securities Conference.

On April 17, 2013 a member of the Division of Financial Institutions (DFI) represented the OFR on a regulatory panel at the Miami Airport Hilton Hotel for the South Florida Bankers Institute's event regarding the importance of complying with the Bank Secrecy Act, Anti Money Laundering and Office of Foreign Assets Control laws and regulations. There were 100 participants who included Senior Management, Risk Officers, BSA/Compliance Officers, Auditors, and Lawyers that came to the event to hear regulators speak regarding the important topics of BSA, AML and OFAC compliance.

2. Bureau Initiatives

The Bureau of Financial Investigations has begun to focus investigative resources on illegal activities occurring at registered and unregistered check cashers located in Florida. The OFR is concerned that check cashers are being used to "cash out" the proceeds of illegal activity. The Bureau, along with the Division of Consumer Finance, is focusing on ensuring compliance with the Bank Secrecy Act requirements and Anti-Money Laundering regulations.