

EXHIBIT 118

From: DeLuca, Phillip A [phillip.a.deluca@jpmchase.com]
Sent: 1/10/2011 4:29:01 PM
To: Nichols, Nina A [nina.a.nichols@jpmchase.com]; Langford, William D [william.d.langford@jpmchase.com]
CC: Ryan, Maryanne X [maryanne.x.ryan@jpmchase.com]
Subject: FW: Jeffrey Epstein
Attachments: Rapid Response Team - Jeffrey Epstein 3r Mtg - Jan 2010-doc.zip; Redacted - Privileged

Here is the rapid response memo related to Epstein as well as Redacted - Privileged I'll be sending along several other emails as well but for the most part the attachments above may be the bulk of what you are looking for.

Phil

-----Original Message-----

From: Ryan, Maryanne X
Sent: Monday, January 10, 2011 11:03 AM
To: DeLuca, Phillip A
Subject: RE: Jeffrey Epstein

Here is the RR memo which includes I think everything you would want, or W would want. Let me know after you read it if there is more you would like to see.

Regards,

Maryanne Ryan, Vice President, AML Operations | JPMorgan Chase Bank, N.A. | Legal and Compliance Department | 194 Wood Avenue South, Floor 4, Iselin, NJ 08830-2710 | W: 732.452.8071

-----Original Message-----

From: DeLuca, Phillip A
Sent: Monday, January 10, 2011 10:42 AM
To: Ryan, Maryanne X
Subject: FW: Jeffrey Epstein

Maryanne,

Can you please begin to gather his info?

Thanks,
Phil

-----Original Message-----

From: Langford, William D
Sent: Monday, January 10, 2011 9:18 AM
To: DeLuca, Phillip A; Nichols, Nina A
Subject: RE: Jeffrey Epstein

Ok. Can you all assemble prior email on the facts and include any relevant press reports so we can get all the facts asap in advance of any meeting with Jes?

Thanks.

W

Sent with Good (www.good.com)

-----Original Message-----

From: DeLuca, Phillip A
Sent: Monday, January 10, 2011 07:50 AM Eastern Standard Time
To: Nichols, Nina A
Cc: Langford, William D
Subject: FW: Jeffrey Epstein

Nina,

Welcome! Sorry to start your day off with a crazy matter but I'm sure when you discuss this with William he'll provide some color around this matter. This fits into the never a dull moment category.



Please see below. I can also fill you in with additional details when we speak. In essence:

- JPMC maintains the Private Banking (PB) relationship for this individual, Jeffrey Epstein.
- He is alleged to be involved in the human trafficking of young girls and law enforcement is also allegedly investigating his involvement in this activity.
- He is also an alleged personal associate of the CEO of the Investment Bank (Jes Staley)
- AML Operations went to a PB risk meeting late last week requesting that we exit this relationship.
- The CEO of PB US (Catherine Keating) and PB General Counsel (Anne Verdon) suggest that William and PB management meet with Jes Staley to review our recent HT initiative with him.

I'm copying William as we have discussed this individual in the past and you may not have email set up yet. Maryanne Ryan's email below discusses the request as well as additional detail related to Epstein.

Please let me know when you have a few moments to discuss.

Thanks,

Phil

-----Original Message-----

From: Ryan, Maryanne X
Sent: Friday, January 07, 2011 7:33 PM
To: DeLuca, Phillip A
Cc: Middlemiss, Arthur
Subject: Jeffrey Epstein

Phil-

This email is a summary of the Rapid Response meeting regarding Jeffrey Epstein. It involves an ask of William so I am sending to you first.

The RR meeting attended by Catherine Keating, Ann Verdon, the current and former banker, Kevin, Jim and Bonnie Perry from Risk and Art and I.

Jeffrey Epstein is a friend of Jes S and Catherine feels that PB along with William should meet with him to explain the HT project and explain the banks recognition on the project and whether Epstein if further exposed could have a potential serious impact.

Epstein was released in July from house arrest and the Palm Beach Post carried two articles saying DOJ may be investigating for child trafficking via a modeling agency he is part owner in. I think Catherine believes that after the briefing on HT that Jes would need to point blank ask Jeffrey the status of any criminal investigations. Catherine made sure we knew that no one on today's call was in favor of having retained him as a client. Seems it all is due to Jes's personal relationship. Note he has about 212 mil in the bank and some in JPMS (old Bear PCS)

I asked Legal and asked on the call about if we were ever subpoenaed and seems it is NO which I find very intereresting as Bear was. I also spent a good deal of time looking at his assistant or young lady he brought over from Prague(or some place like that) account. She was involved in some of the detailed escapades. She opened accounts in PB sponsored by him. Oh my were her debit transactions enlighting as

compared to countless stories related to his escapades. Lots of salon, lingerie shops, drug stores my palm beach and in st thomas (his places of residence). Plus lots of video like girls gone wild and some other shops not fit for my good catholic upbringing! The transactions are old 05 to 08. Besides frequent frequent spa like charges it has died down . Surprised she was never subpoenaed.

The one new concerning thing is the one article about the DOJ investigation is saying they brought under age girls to the US via a modeling agency M2 that is owned by a guy named Brunel. Turns out the banker said today we extended Epstein a loan in relation to this modeling agency. It appears to be a legit modeling agency. If girls were exploited via their contract or arrangement it would be hard for us to tell.

Bottom line we need W to meet with Jes to explain HT and then Jes could decide the next steps.

Typed on my bb so sorry for typos. I do have a PB rapid response memo I can forward as well.

Relationship List

Party Name:
Party PBU

				Mkt Value
	....DM	..JEFFREY E EPSTEIN 9710670708		
	....E	..116 EAST 65TH ST LLC 0220476439 (116 EAST 65TH ST LLC 7704690)		
		....000000739474235	DDA	116 EAST 65TH ST LLC 98,764.72
				CAS Market Value 98,764.72
	....E	..ARTS INTERESTS 9702082108 (ARTS INTERESTS 1472925)		
Closed		....C87104003	CUSTODY	ARTS INTEREST TRUST ACCOUNT 0.00
Closed		....C88279002	CUSTODY	ARTS INTEREST #2 0.00
				CAS Market Value 0.00
	....E	..ASW HOLDINGS INC 9707853608 (ASW HOLDINGS INC 2790149)		
Closed		....Q78859008	ASSET	ASW HOLDINGS, INC. 0.00
Closed		....X78859000	REPORTING	ASW HOLDINGS INC 0.00
Closed		....Q78859214	MARGIN	ASW HOLDINGS, INC. 0.00
Closed		....Q78859222	MARGIN	ASW HOLDINGS, INC. 0.00
Closed		....Q78859230	MARGIN	ASW HOLDINGS, INC. 0.00
				CAS Market Value 0.00
	....E	..COMMUNITY INTERESTS 9702082308 (COMMUNITY INTERESTS 1472941)		
Closed		....Q73749006	ASSET	COMMUNITY INTERESTS TRUST #2 0.00
Closed		....C87102007	CUSTODY	COMMUNITY INTEREST TRUST ACCOUNT 0.00
				CAS Market Value 0.00
	....E	..DARREN INDYKE 0221165201 (DARREN INDYKE 9213184)		
		....W22278001	ASSET	DARREN K. INDYKE IRA ROLLOVER 242,144.10
				CAS Market Value 242,144.10
	....E	..DARREN K INDYKE PLLC 0220795317 (DARREN K INDYKE PLLC 8974010)		
		....000000799789193	DDA	DARREN K INDYKE PLLC 9,421.43
		....000000811113828	DDA	DARREN K INDYKE PLLC ATTY TR ACCT- CLIE- 0.00
		....000002747988125	MMIA	LSJ LLC,DARREN K. INDYKE PLLC -CLIENT FU 30,176.76
				CAS Market Value 39,598.19
	....E	..FAMILY INTERESTS LP 0106438908 (FAMILY INTERESTS, LP 5028906)		
Closed		....Q39483005	ASSET	FAMILY INTERESTS, LP 0.00
Closed		....X39483007	REPORTING	FAMILY INTERESTS, LP 0.00
Closed		....Q39483211	MARGIN	FAMILY INTERESTS, LP 0.00
Closed		....Q39483229	MARGIN	FAMILY INTERESTS, LP 0.00
Closed		....Q39483237	MARGIN	FAMILY INTERESTS, LP 0.00
				CAS Market Value 0.00

Relationship List

Party Name:
Party PBU

				Mkt Value
.....E	..FINANCIAL TRUST COMPANY INC 9707980808 (FINANCIAL TRUST COMPANY INC 2811138)			
.....	...Q78805001	ASSET	FINANCIAL TRUST COMPANY, INC.	1,984,470.75
.....	...Q30171005	ASSET	FINANCIAL TRUST COMPANY INC	13,488,713.44
.....	...W23560001	ASSET	FINANCIAL TRUST COMPANY INC	66,623,266.75
.....	...198458780	CREDIT	FINANCIAL TRUST COMPANY INC	0.00
.....	...198459885	CREDIT	FINANCIAL TRUST COMPANY INC	0.00
.....	...X78805003	REPORTING	FINANCIAL TRUST COMPANY INC	0.00
.....	...X30171007	REPORTING	FINANCIAL TRUST COMPANY INC	0.00
.....	...X23560000	REPORTING	FINANCIAL TRUST COMPANY INC	0.00
.....	...Q78805217	MARGIN	FINANCIAL TRUST COMPANY, INC.	0.00
.....	...Q78805225	MARGIN	FINANCIAL TRUST COMPANY, INC.	33.49
.....	...Q78805233	MARGIN	FINANCIAL TRUST COMPANY, INC.	0.00
.....	...Q30171211	MARGIN	FINANCIAL TRUST COMPANY INC	0.00
.....	...Q30171229	MARGIN	FINANCIAL TRUST COMPANY INC	0.00
.....	...Q30171237	MARGIN	FINANCIAL TRUST COMPANY INC	0.00
.....	...W23560217	MARGIN	FINANCIAL TRUST COMPANY INC	0.00
.....	...W23560225	MARGIN	FINANCIAL TRUST COMPANY INC	5,750,823.03
.....	...W23560233	MARGIN	FINANCIAL TRUST COMPANY INC	0.00
			CAS Market Value	87,847,307.46
.....E	..FREEDOM AIR INTERNATIONAL INC 0220476436 (FREEDOM AIR INTERNATIONAL INC 7704674)			
.....	...000000739474324	DDA	FREEDOM AIR INTERNATIONAL, INC.	3,136,623.64
			CAS Market Value	3,136,623.64
.....E	..HBRK ASSOCIATES INC 0220795242 (HBRK ASSOCIATES INC 8973947)			
.....	...000000799789169	DDA	HBRK ASSOCIATES INC	4,021.19
			CAS Market Value	4,021.19
.....E	..HEALTH & SCIENCE INTEREST II 9707122608 (HEALTH & SCIENCE INTEREST II 2668718)			
Closed	...Q31568001	ASSET	HEALTH & SCIENCE INTERESTS II TRUST	0.00
Closed	...X31568003	REPORTING	HEALTH & SCIENCE INTERESTS II TRUST	0.00
Closed	...Q31568217	MARGIN	HEALTH & SCIENCE INTERESTS II TRUST	0.00
Closed	...Q31568225	MARGIN	HEALTH & SCIENCE INTERESTS II TRUST	0.00
Closed	...Q31568233	MARGIN	HEALTH & SCIENCE INTERESTS II TRUST	0.00
			CAS Market Value	0.00
.....E	..HERITAGE INTERESTS 9702082208 (HERITAGE INTERESTS 1472933)			
Closed	...C87103005	CUSTODY	HERITAGE INTEREST TRUST ACCOUNT	0.00
			CAS Market Value	0.00
.....E	..HYPERION AIR INC 0220476583 (HYPERION AIR INC 7705530)			
.....	...000000739474332	DDA	HYPERION AIR INC	128,610.76
			CAS Market Value	128,610.76

Relationship List

Party Name:				Mkt Value
Party PBU				
Closed				
.....E	..I CORRECT COM LLC 0220537699 (I CORRECT COM LLC 7975864)			
Closed	.....	...000000695238154	DDA	I-CORRECT COM LLC
				<u>CAS Market Value</u> 0.00
				0.00
.....E	..INSTITUTIONAL INTERESTS 9702082008 (INSTITUTIONAL INTERESTS 1472917)			
Closed	.....	...C86721005	CUSTODY	INSTITUTIONAL INTEREST-HYPERION
Closed	.....	...C86812002	CUSTODY	INSTITUTIONAL INTEREST - GENERAL
Closed	.....	...C88177008	CUSTODY	INSTITUTIONAL INTERESTS #3
				<u>CAS Market Value</u> 0.00
				0.00
.....E	..J EPSTEIN FOUNDATION 9702023708 (J EPSTEIN FOUNDATION 1456792)			
	.....	...000000000138912	DDA	EPSTEIN INTERESTS
				<u>CAS Market Value</u> 108,913.03
				108,913.03
.....E	..JEFFREY E EPSTEIN 9710670708 (JEFFREY E EPSTEIN 1405152)			
Closed	.....	...Q79961001	ASSET	JEFFREY EPSTEIN
	.....	...400664956	CREDIT	JEFFREY E EPSTEIN
	.....	...C87261001	CUSTODY	JEFFREY EPSTEIN
	.....	...000000739110438	DDA	JEFFREY E EPSTEIN
	.....	...000000739470663	DDA	JEFFREY EPSTEIN
				<u>CAS Market Value</u> 252,343.64
				56,749.91
				0.00
				0.00
				187,065.22
				8,528.51
.....E	..JEGE INC 0220476622 (JEGE INC 7705808)			
	.....	...000000739474340	DDA	JEGE INC
				<u>CAS Market Value</u> 67,333.64
				67,333.64
.....E	..LESLIE H WEXNER AS TRUSTEE OF THE WEXNER CHILDREN'S 9704574408 (LESLIE H WEXNER AS TRUSTEE OF THE WEXNER CHILDREN'S TRUST U/A 1/24/96 2111950)			
Closed	.....	...Q70676004	ASSET	WEXNER CHILDRENS TRUST U/A 01/24/96
				<u>CAS Market Value</u> 0.00
				0.00
.....E	..LSJ LLC 0220977979 (LSJ LLC 9041941)			
	.....	...000002747988125	MMIA	LSJ LLC,DARREN K. INDYKE PLLC -CLIENT FU
				<u>CAS Market Value</u> 30,176.76
				30,176.76
.....E	..LYN & JOJO LLC 0220410635 (LYN & JOJO LLC 7448732)			
	.....	...000000739413856	DDA	LYN & JOJO LLC
				<u>CAS Market Value</u> 22,726.38
				22,726.38
.....E	..MAX FOUNDATION 0221136343 (MAX FOUNDATION 9167456)			
	.....	...000921501283465	DDA	MAX FOUNDATION
				3,774.01

Relationship List

Relationship List

Party Name:				Mkt Value
Party PBU				
<hr/>				
			CAS Market Value	253.37
	E	..THE C O U Q FOUNDATION INC 0122518408 (THE C O U Q FOUNDATION INC 5356814)		
Closed		...Q44552000	ASSET	THE C.O.U.Q. FOUNDATION, INC. 0.00
		...000921501931565	DDA	THE C O U Q FOUNDATION INC 53,671.21
				<hr/>
			CAS Market Value	53,671.21
	E	..THE HAZE TRUST 0221477308 (THE HAZE TRUST 9468523)		
		...000000849162839	DDA	THE HAZE TRUST 0.00
		...000002950492518	MMIA	THE HAZE TRUST 20,108,048.10
				<hr/>
			CAS Market Value	20,108,048.10
	E	..ZORRO TRUST 9702689308 (ZORRO TRUST 1642332)		
		...000000000119024	DDA	ZORRO TRUST 1,536.18
				<hr/>
			CAS Market Value	1,536.18
				<hr/>
			UCAS Market Value	112,407,181.39
<hr/>				
PBU Market Value				112,407,181.39



Trending topics INNOVATION GET AMERICA BACK TO WORK ELECTION ORACLE FASHION BELTWAY BEAST



U.S. NEWS

Epstein Faces Sex-Traffic Probe

by *Conchita Sarnoff*



TEXT SIZE PRINT

The Justice Department is investigating Jeffrey Epstein for child trafficking. The Daily Beast has learned—and has widened the scope of its probe to include a famous modeling agency.

Hedge-fund manager Jeffrey Epstein completed his sentence for soliciting prostitution with a minor last week. But it appears his problems may not be over. Now The Daily Beast has learned that:

- **Federal investigators continue to investigate Epstein's activities, to see whether there is evidence of child trafficking—a far more serious charge than the two in his non-prosecution agreement, the arrangement between Epstein and the Department of Justice allowing him to plead guilty to lower-level state crimes. Trafficking can carry a 20-year sentence.**
- **The FBI is also investigating Epstein's friend Jean Luc Brunel, whose MC2 modeling agency appears to have been a source of girls from overseas who ended up on Epstein's private jets.**



Jeffrey Epstein, PatrickMcMullan.com / Newscom

Because Epstein's predatory habits stretch back many years and involved dozens of young-looking girls, there may well be more evidence to uncover.

Under the concept of double jeopardy, Epstein can no longer be prosecuted for any of the charges covered by his non-prosecution agreement, in which he agreed to serve a short term of incarceration, fund the civil suits of named victims, and register as a sex offender. The victims who accepted cash settlements in these civil suits agreed not to testify against him or speak publicly about the case. However, new evidence developed by the Department of Justice on other offenses not covered by the agreement, including allegations by additional victims who come forward, could lead to new

charges. There is no statute of limitations in the federal sex-trafficking law, which was also enacted by the state of Florida in 2002. Because his predatory habits stretch back many years and involved dozens of young-looking girls, there may well be more evidence to uncover. (Several young women who claim to be Epstein victims have recently contacted a Ft. Lauderdale lawyer, but to date no new civil complaints have been filed.)

- Conchita Sarnoff: The Billionaire Pedophile's Sex Den
- Billionaire Pedophile Goes Free

These new developments come one week after the publication of two articles in The Daily Beast about Epstein's pattern of sexual contact with underage girls, which Palm Beach police began investigating in 2005 and the U.S. Attorney's office then settled in a 2007 plea deal. The first article quoted a

deposition by then-Palm Beach Chief of Police Michael Reiter, in which he stated that Epstein, a billionaire with many powerful friends, had received special treatment in both his plea deal and the terms of his incarceration. Although federal investigators at one point produced a draft 53-page indictment against Epstein, he was eventually allowed to plead guilty to only two relatively minor state charges and receive a short term of incarceration: 13 months in the county jail, during which he went to the office every day, and one year of community control, during which he traveled frequently to New York and his private island in the Virgin Islands.

The Daily Beast has now discovered another instance in which Epstein apparently received special consideration: As a convicted sex offender, he is required by law to undergo an impartial psychological evaluation prior to sentencing and to receive psychiatric treatment during and after incarceration. This is because child molesters tend to be repeat offenders with high rates of recidivism. According to a source in law enforcement, however, Epstein was allowed to submit a report by his private psychologist, Dr. Stephen Alexander of Palm Beach, Florida, whose phone has since been disconnected with no forwarding information.

The Daily Beast's second article provided details about Epstein's systematic abuse of underage girls at his Palm Beach mansion, where members of his staff allegedly recruited and paid a parade of teenagers, most of them 16 or younger, to perform daily massages that devolved into masturbation, groping, and sometimes full-blown sexual contact. It also revealed a monetary relationship between Epstein and Jean Luc Brunel a frequent visitor to whom he gave \$1 million around the same time that Brunel was starting his MC2 modeling agency. Some of the young girls MC2 recruited from overseas—often from Eastern Europe and South America—are known to have been passengers on Epstein's private jets.

The U.S. Attorney General's Office in Florida says that it is against policy to confirm or deny the existence of an investigation. Jeffrey Epstein's lawyer, Jack Goldberger, says he has no knowledge of an ongoing probe, and he told The Daily Beast, "Jeffrey Epstein has fully complied with all state and federal requirements that arise from the prior proceedings in Palm Beach. There are no pending civil lawsuits. There are not and should not be any pending criminal investigations, given Mr. Epstein's complete fulfillment of all the terms of his non-prosecution agreement with the federal government."

Conchita Sarnoff has developed multimedia communication programs for Fortune 500

Article 3

Listen to Article

A SECTION

EPSTEIN PLEADS GUILTY, GIVEN 18 MONTHS IN JAIL

By WILLIAM KELLY Daily News Staff Writer

653 words

3 July 2008

Palm Beach Daily News

FINAL

A1

English

Copyright 2008 The Palm Beach Daily News. All Rights Reserved.

Jeffrey Epstein (mug)

Taken into custody.

Palm Beach billionaire Jeffrey Epstein pleaded guilty Monday in Palm Beach Circuit Court to felony charges that he solicited underage girls for prostitution.

Judge Deborah Dale Pucillo sentenced Epstein, 55, to 18 months at the Palm Beach County Jail, followed by 12 months of house arrest, during which he will be confined to his home on El Brillo Way and permitted to leave only for work or community service.

Epstein was taken directly into custody.

He was sentenced to 12 months in jail for solicitation of a prostitute and six months for procuring a person under age 18 for prostitution.

That will be followed by 12 months of house arrest, during which time he will be allowed no unsupervised contact with minors and no access to pornographic materials.

The State Attorney's Office would not say how many victims there were in the case, but the incidents occurred in 2004 and 2005.

In court Monday, Epstein wore a blue blazer, tennis shoes and blue jeans, and was accompanied by at least two attorneys, West Palm Beach lawyer Jack A. Goldberger and Miami attorney Guy Lewis.

Epstein responded politely when asked by the judge if he had read and fully understood the terms of his plea agreement.

As a condition of the agreement, Epstein will be registered as a sex offender for the rest of his life. But he will not be required to undergo treatment for his condition. His lawyer said Epstein has been seeing a psychiatrist.

After he leaves jail, Epstein will not be required to wear an electronic monitor, but will have to keep a daily log of his activities and maintain weekly contact with a probation officer. He will be allowed to leave his home for up to a half-hour while traveling to and from work or community service.

Goldberger would not comment on the case. But Epstein's spokesman, Howard J. Rubenstein, said in a statement that Epstein has now resolved the criminal case.

"Mr. Epstein accepted responsibility for the charges, relating to conduct that occurred several years ago," Rubenstein said.

A Manhattan investment banker, Epstein was scheduled to go to trial in July after being indicted in July 2006 on a felony charge of soliciting prostitution.

The indictment followed an 11-month investigation by Palm Beach Police, who said Epstein paid five underage girls for massages and sometimes sex at his El Brillo Way home.

Police turned the case over to State Attorney Barry Krischer's office with a probable cause affidavit that said Epstein should be arrested on four counts of unlawful sex acts with a minor and one count of lewd and lascivious molestation, all second-degree felonies.

But rather than arresting Epstein on those charges, Krischer's office took the case before a grand jury, which indicted him on one count of solicitation of prostitution, a third-degree felony.

Reiter, reportedly infuriated, called Krischer's treatment of the case "highly unusual," and requested and received an FBI investigation to determine whether any laws were broken.

Reiter would not comment for this story and has refused all media requests for comment on the plea agreement.

Epstein also faces five lawsuits in federal and state courts from women who claim that he sexually assaulted them when they were younger than 18. The lawsuits claim Epstein procured the underage girls, through a Palm Beach Community College student, to come to his El Brillo Way home and give him massages.

Lewis, who is representing him in the civil cases, has said the lawsuits are without merit and that the alleged victims lied about their ages.

Epstein was cuffed, fingerprinted and taken to jail. He will fulfill a 12-month community service requirement at his own nonprofit Florida science foundation.

- wkelly@pbdailynews.com

PHOTO (C)

Document PBDN000020080704e4730000c

More Like This

Related Factiva Intelligent Indexing™

+

Dow Jones Factiva

© 2008 Factiva, Inc. All rights reserved. Feedback | What's New | Privacy Policy 

Article 1

Listen to Article

OPINION

RICH MAN FOUGHT THE LAW -- AND HE MOSTLY WON

481 words

7 July 2008

The Palm Beach Post

FINAL

14A

English

Copyright 2008. The Palm Beach Post, All Rights Reserved.

Jeffrey Epstein

Two years after a grand jury indicted him on a felony charge of solicitation of prostitution, **Jeffrey Epstein** finally admitted that he lured a teenage girl to his \$8.5 million, 13,000-square-foot Palm Beach mansion for sex. A week ago, the 55-year-old investment banker began serving 18 months in jail.

But that plea deal -- guilty of felony solicitation of prostitution and procuring a person under the age of 18 for prostitution -- does not account for all five of the girls, one as young as 14, who alleged that Epstein sexually abused them. And why is Epstein serving his term in the overcrowded Palm Beach County Jail and not a state prison, where inmates are sent if their sentences are longer than one year?

The slow, dissatisfying resolution of the case sends a message to the public that there's a different system of justice for the wealthy who hire high-powered lawyers. Epstein's legal team included West Palm Beach defense attorney Jack Goldberger, Harvard Law School Professor Alan Dershowitz, who defended O.J. Simpson against murder charges, and Kenneth Starr, the prosecutor who pursued then-President Bill Clinton for lying about sex with young women.

Palm Beach police spent 11 months investigating Epstein before State Attorney Barry Krischer sent the case to a grand jury, instead of charging Epstein so the man who once boasted of accepting only billionaire clients could face a trial. The police had taken a high school transcript, class schedules and phone messages from Epstein's home that showed he knew the girls were underage. Yet Mr. Krischer was more swayed by Epstein's lawyers, who attempted to impugn the girls' character by showing they had chatted on myspace.com about smoking marijuana and drinking. He should have let a jury decide whether the victims -- and Epstein -- were credible.

Ultimately, one charge against Epstein finally reflected the age of one victim, and the plea agreement left Epstein labeled a sex offender. With that additional charge, if Epstein had been convicted at a trial, he could have been sentenced to anything from probation to 15 years in prison, Assistant State Attorney Lanna Belohlavek said, adding that the recommended guideline sentence was 21 months.

Epstein also won't have to certify to the court that he is receiving counseling, typically required of sex offenders, because he has a private psychiatrist. But without court supervision, who will ensure Epstein is in fact being treated?

The plea deal also drops a federal investigation of Epstein. If a federal investigation was warranted, how does dropping it before completion benefit the public?

Epstein preyed on girls and denied it. For three years, his wealth and the influence of his lawyers bought him the protection the state attorney owed to the victims.

PHOTO (B&W)

Document PMBP000020080708e4770000j

More Like This

Related Factiva Intelligent Indexing™

+

Dow Jones Factiva

© 2008 Factiva, Inc. All rights reserved. [Feedback](#) | [What's New](#) | [Privacy Policy](#) 

DOCUMENT WITHHELD FOR PRIVILEGE

Rapid Response Team
January 6, 2011
Existing Client – Jeffrey Epstein (Follow-up Rapid Response Mtg.)

Private Banker – Paul Morris – 212 464-0701
Senior Manager – Mary Casey – 212 464-0374

Nature of Existing Relationship

The Epstein relationship, which includes accounts for his personal investment company – Financial Trust Company, mainly consists of banking and asset accounts with balances totaling approximately \$112.4 million.

[EMBED AcroExch.Document.7]

During the period of March 2010 to December 2010, there were eight large cash withdrawals totaling \$240,000 where Currency Transaction Reports were filed.

Source of Wealth

Jeffrey Epstein is a money manager for wealthy individuals. Press articles indicate that he owns what is said to be the Manhattan's largest private house and runs his business from a 100 acre private island in St. Thomas.

Recent Excerpts from press

- **The Palm Beach Post 8/1/10 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 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 girls. Epstein was known to fly young women from Eastern Europe to Palm Beach, where they'd massage him, among other services.

Because of double jeopardy rules, Epstein -- now a registered Florida sex offender -- can never be prosecuted again for crimes covered by the state charges. He pleaded guilty to felony solicitation of prostitution and procuring a person under 18 for prostitution, 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

[EMBED AcroExch.Document.7]

Palm Beach Daily News 7/18/10 House arrest nears home stretch for Epstein

Palm Beach billionaire sex offender Jeffrey Epstein will be a free man when his year of probation ends Wednesday for sex crimes he committed against under-aged girls.

CONFIDENTIAL – ATTORNEY CLIENT PRIVILEGE

Epstein has settled more than two dozen lawsuits and claims against him by teen-agers who say they were lured to his Palm Beach mansion to give him sexually charged massages and/or sex in exchange for money. The terms of all settlements are confidential.

The man described as a brilliant money manager and mathematician walks away with a lifelong label -- registered sex offender. From the deal he struck with state and federal prosecutors to his liberal probation, the word "unusual" is often used by those familiar with sex offender crimes to describe Epstein's case.

A secret deal with federal prosecutors revealed Epstein could have been charged with multiple federal counts of sexual exploitation of minors, resulting in much harsher penalties. But the feds deferred to two state charges that got him an 18-month sentence. Serving 13 months, segregated in a vacant wing of the county stockade, Epstein was let out on work release six days a week for up to 16 hours a day.

Palm Beach Daily News 9/19/10 Woman sues Epstein for \$50 M, alleging abuse as teen

A new federal lawsuit filed Friday against billionaire sex offender Jeffrey Epstein asks for more than \$50 million in damages for a woman who alleges repeated sexual abuse by Epstein at his El Brillo Way mansion when she was 16. The victim, [REDACTED], alleges she was coerced into prostitution as a minor by Epstein, assisted by his employee [REDACTED].

[REDACTED] alleges Epstein has transferred and is transferring his assets overseas and elsewhere to conceal them from her and to prevent [REDACTED] from obtaining those assets in any judgment she may receive against him.

She is asking Epstein to post a \$15 million bond to satisfy a potential judgment in the case. In addition, she wants an accounting of his "significant financial assets," an injunction against him transferring his assets elsewhere and the appointment of a receiver to take charge of his assets.

Prior Rapid Response information

Derogatory Information originally reported by Security Services (September, 2006)

The following derogatory information was identified by Security Services within related entity DDRs for Jeffrey Epstein:

- Several newspaper articles were found that detail the indictment of Jeffrey Epstein in Florida on felony charges of soliciting underage prostitutes.

Derogatory Information Update – July 2008

On July 3, 2008, Jeffrey Epstein was sentenced to 12 months in jail for solicitation of a prostitute and six months for procuring a person under age 18 for prostitution. His jail sentence will be followed by 12 months of house arrest.

[EMBED AcroExch.Document.7][EMBED AcroExch.Document.7]

Conclusion from 1st Rapid Response Meeting of 10/17/06

CONFIDENTIAL – ATTORNEY CLIENT PRIVILEGE

After internal discussions with Jes Staley, Mary Erdoes, Catherine Keating, John Duffy and Mary Casey, it was decided that we will keep Mr. Epstein solely as a banking client and on a 'reactive', client service basis. We will not proactively solicit new investment business from him.

Conclusion from follow-up Rapid Response of 7/15/08:
No change to relationship approach.

CONFIDENTIAL – ATTORNEY CLIENT PRIVILEGE