JPMorgan kept Epstein on as a client despite internal warnings

By Emily Flitter and Jessica Silver-Greenberg
The New York Times

When compliance officers at JPMorgan Chase conducted a sweep of their wealthy clients a decade ago, they recommended that the bank cut its ties to the financier Jeffrey E. Epstein because his accounts posed unacceptable legal and reputational risks.

Yet Epstein, who had been charged with sex crimes and pleaded guilty in 2008 to solicitation of prostitution, remained a JPMorgan client until 2013.

The main reason, according to six former senior executives and other bank employees familiar with the matter, was that Mary C. Erdoes, one of JPMorgan's highest-ranking executives, intervened.

Part of her rationale was that Epstein played a lucrative role recruiting new customers to JPMorgan's private-banking division, which caters to ultrawealthy people and families, the six employees said. That made him an especially coveted client.

The episode is another example of how powerful institutions and individuals, eager to profit from Epstein and his network of wealthy acquaintances, looked past his criminal history and sex offender status. As a result, he managed to retain crucial business connections even as, prosecutors said in a federal indictment last month, he engaged in the sexual trafficking of girls as young as 14.

After being expelled by JPMorgan, Epstein moved his business to Deutsche Bank, where he opened dozens of accounts. Compliance officers at the German bank raised concerns about Epstein and transactions that they regarded as suspicious, and they tried to get the bank to end its relationship with him.

Executives overruled their concerns.

Deutsche Bank stopped doing business with Epstein in June 2019.

Erdoes, who joined JPMorgan in 1996, remains in charge of the asset-management division, which has more than $2 trillion in assets. She also has a seat on JPMorgan's powerful operating committee.

Kate Kelly and Emily Steel contributed reporting.

EPSTEIN

From Page A1

Epstein did not respond to Wexner's new accusations. In a letter to L Brands employees last month, Wexner, 81, said he was "NEVER aware of the illegal activity charged in the indictment."

Wexner used his letter on Wednesday, addressed to the "Wexner Foundation Community" and distributed to the press, to cast himself as an unwitting victim of his former adviser's financial impropriety, after weeks of questions about his deep ties to Epstein.

The New York Times reported last month that company executives in the mid-1990s had learned that Epstein was trying to pitch himself as a recruiter for Victoria's Secret models.

In the same article, the Times reported that Wexner had given Epstein wide powers over his finances, philanthropy and private life.

"I first met Mr. Epstein in the mid-1980s, through friends who vouched for and recommended him as a knowledgeable financial professional," Wexner wrote in the letter to the foundation. "Mr. Epstein represented that he had various well-known and respected individuals



In this Sept. 19, 2014 file photo, retail mogul Leslie Wexner, right, and his wife Abigail tour the "Transfigurations" exhibit at the Wexner Center for the Arts in Columbus, Ohio. The retail titan behind Victoria's Secret says the financier Jeffrey Epstein misappropriated "vast sums" of his fortune while managing his personal finances. [AP PHOTO/JAY LAPRETE/THE ASSOCIATED PRESSFILE]

both as his financial clients and in his inner circle. Based on positive reports from several friends, and on my initial dealings with him, I believed I could trust him."

That trust included a so-called power of attorney, which enabled Epstein to hire people, sign checks, buy and sell properties, and borrow money — all on Wexner's behalf.

Wexner defended his decision to give Epstein power of attorney, calling it "common in that context" and saying, "He had wide latitude to act on my behalf with respect to my personal finances."

Before the separation, Wexner-backed entities financed a charity called C.O.U.Q., which Epstein controlled.

That foundation accepted an $11.2 million donation from the Wexner Children's Trust in 2002 and $10 million from the Leslie H. Wexner Charitable Fund in 2004.

In the letter sent Wednesday, Wexner said he had been "able to recover some of the funds" that he said were misappropriated by Epstein.

That included a transfer of about $46 million worth of securities from C.O.U.Q. and a Virgin Island business controlled by Epstein to a foundation run by Wexner's wife, Abigail, according to tax documents.

Wexner pegged that sum as a "portion of the returned monies." "All of that money — every dollar of it — was originally Wexner family money," he added.

"I am embarrassed that, like so many others, I was deceived by Mr. Epstein," he wrote. "I know now that my trust in him was grossly misplaced, and I deeply regret having ever crossed his path."

The relationship between the two men has posed a potentially grave problem for L Brands, a publicly traded company that has been trying to distance itself from the scandal involving Epstein.

The company has said it hired outside lawyers "to conduct a thorough review" into the relationship.

L Brands has struggled to find its footing as retailers move away from sexualized marketing in the era of #MeToo. This week, Wexner told employees that Ed Razek, its longtime chief marketing officer, was retiring. Razek was instrumental in developing eroticized campaigns for Victoria's Secret, as well as its annual fashion show.

Matthew Goldstein contributed reporting.

Lead U.S. prosecutor in '08 Epstein case resigns

By Julie K. Brown and Jay Weaver
The Miami Herald

A. Marie Villafaña, the lead federal prosecutor who helped negotiate a controversial plea deal for accused sex trafficker Jeffrey Epstein, has submitted her resignation to the Justice Department, the Miami Herald has learned.

Her departure comes amid a federal probe into the role she and other federal prosecutors, including her former boss, Alexander Acosta, had in sidelining a 53-page indictment against the wealthy New York investor in favor of a state plea to minor prostitution charges in 2008.

Epstein, 66, is now facing federal sex trafficking charges brought against him last month by prosecutors in the Southern District of New York.

The Justice Department's Office of Professional Responsibility (OPR) is examining whether Acosta, who resigned as secretary of labor last month — and others involved in the 2007-08 case — committed misconduct in negotiating the secret pact with Epstein.

A federal judge in February ruled that the deal was illegally negotiated because Epstein and prosecutors concealed it from his victims in violation of the Crime Victims' Rights Act.

The Herald has learned that several people involved in the case have been questioned by the DOJ in recent weeks as part of its OPR investigation.

Jonathan Biran, Villafaña's lawyer, confirmed her resignation Thursday, noting that she has long planned to transition to a legal career in health care, and now plans to join the Department of Health and Human Services.

Villafaña, 51, has worked in the Southern District of Florida, mostly based in West Palm Beach, for the past 18 years. She is the last member of the federal team that handled Epstein's case in 2008 still employed by the Department of Justice.

Recently released documents revealed that Villafaña strenuously objected to Epstein's work release, and wrote a letter to the Palm Beach Sheriff's Office in December 2008 pointing out that the crimes he committed were not accurately reflected in his work release paperwork and that those records contained "omissions" that should have disqualified him for the program.

She was overruled, however, and Epstein ultimately served 13 months before being released in 2009.

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Worth your time. Worth your support.
The Palm Beach Post

NOTICE OF COMPREHENSIVE LAND USE MAP CHANGE

The Village of Royal Palm Beach proposes to adopt the following Ordinances:

ORDINANCE NO. 992

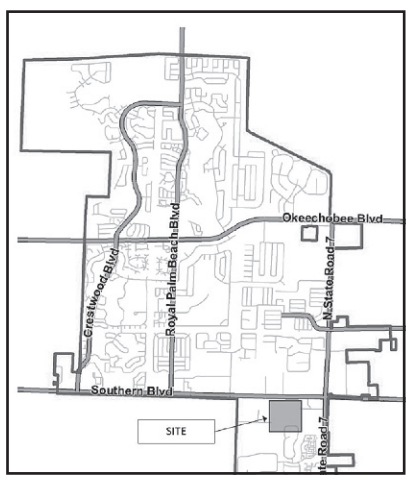
AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF ROYAL PALM BEACH, FLORIDA, ADOPTING AN AMENDMENT TO ITS COMPREHENSIVE DEVELOPMENT PLAN IN ACCORDANCE WITH THE MANDATES SET FORTH IN SECTION 163.3184, ET SEQ., FLORIDA STATUTES, PURSUANT TO A PRIVATELY INITIATED APPLICATION # 18-0078(LSCPA) WHICH PROVIDES FOR AN AMENDMENT TO THE VILLAGE LAND USE MAP DESIGNATING 13.144 ± ACRES, MORE OR LESS, OF REAL PROPERTY AS "OS—OPEN SPACE"; WHICH PROPERTY IS LOCATED ON THE SOUTH SIDE OF SOUTHERN BOULEVARD AND APPROXIMATELY 0.27 MILES WEST OF STATE ROAD 7 / US 441, INFORMALLY KNOWN AS THE "SOUTHERN BOULEVARD PROPERTIES POD 8 AND FPL EASEMENT AREA"; FURTHER PROVIDING FOR TRANSMITTAL TO THE STATE LAND PLANNING AGENCY; PROVIDING A CONFLICTS CLAUSE AND A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

An Adoption Public Hearing and Second Reading of the Ordinance referenced above amending the Comprehensive Land Use Plan by revising the Future Land Use Map will be held by the Village Council on August 15, 2019 at 6:30 p.m. or as soon thereafter as this item can be heard and continuing from time to time and place to place in the Village Council Chambers located at 1050A Royal Palm Beach Boulevard, Royal Palm Beach, Florida 33411.

A copy of the Comprehensive Land Use Plan map change amendment and Ordinance No. 992 which are proposed for the Adoption Public Hearing and Second Reading are available for inspection and copying in the office of the Village Planning and Engineering Department during normal business hours of 8:00 a.m. to 4:30 p.m., Monday through Friday. All interested persons are encouraged to come to the public hearing and be heard.

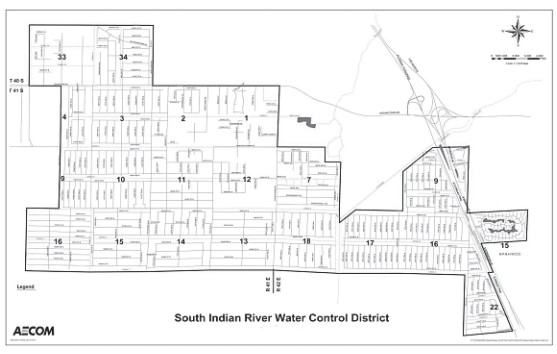
If a person decides to appeal any decision made by the Village Council with respect to any matter considered at this meeting or hearing, he or she will need to insure that a verbatim record of the proceedings is made, which record should include the testimony and evidence from which the appeal is to be based. The Village of Royal Palm Beach does not provide such a record.

The location of the properties subject to the map change is shown on the map below.



WP-0000502561-01

NOTICE OF PUBLIC HEARING ON THE PROPOSED BUDGET AND THE INTENTION TO ELECT THE UNIFORM METHOD OF COLLECTION OF NON-AD VALOREM ASSESSMENTS AND MEETING OF THE BOARD OF SUPERVISORS FOR SOUTH INDIAN RIVER WATER CONTROL DISTRICT



Notice is Hereby Given that the South Indian River Water Control District is proposing to adopt a Budget for the Fiscal Year 2019-2020. A Public Hearing to make a **Final Decision** on the Budget and Election the Uniform Method of Collection of Non-Ad Valorem Assessments for the Fiscal Year 2019-2020 to be adopted by the Board of Supervisors will be held at 6:00 p.m. on August 15, 2019, at the Jupiter Farms Park Pavilion, 16655 Jupiter Farms Road, Jupiter, Florida.

Notice is Further Given that a meeting of the Board of Supervisors of South Indian River Water Control District will be held on August 15, 2019, immediately after the Public Hearing.

The meeting will be for the purpose of:

1. Consideration of adoption of a resolution adopting the 2019-2020 Budget and election of the uniform method of collection of non-ad valorem assessments.
2. Discussion regarding steps to be taken in order to ensure that the District's website is compliant with the Americans with Disabilities Act.
3. Transacting any and all business pertaining to the affairs of the District.

If any person decides to appeal any decision made by the Board of Supervisors with respect to any matter considered, a record of the proceedings will be needed for such purpose, and said person will need to ensure that a verbatim record of the proceeding is made, which record shall include the testimony and evidence upon which any appeal is to be based.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in the Public Hearing and Board Meeting because of a disability or physical impairment should contact the District at (561) 747-0550.

Dated this 16th day of July, 2019.

South Indian River Water Control District

By: Stephen Hinkle
President, Board of Supervisors

William G. Capko, Esquire
Lewis, Longman & Walker, P.A.
Attorney for the District
515 North Flagler Drive, Suite 1500
West Palm Beach, FL 33401
Telephone (561) 640-0820

WP-0000498988-01

CITY OF STUART
NOTICE OF PUBLIC HEARING
AMENDMENT TO THE COMMUNITY REDEVELOPMENT PLAN TO EXTEND THE TERM OF STUART COMMUNITY REDEVELOPMENT AGENCY

NOTICE is hereby given that the City of Stuart Community Redevelopment Agency (CRA) Board will hold a public hearing on Monday, August 26, 2019 at 4:30 PM and the City Commission will conduct an adoption public hearing on Monday, September 9th at 5:30 PM in the City Commission Chambers at City Hall, 121 SW Flagler Avenue, to consider amendments to the Community Redevelopment Plan to extend the time certain of the Stuart Community Redevelopment Agency.

RESOLUTION No. 68-2019

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF STUART, FLORIDA AMENDING THE 2016 COMMUNITY REDEVELOPMENT PLAN PURSUANT TO SECTION 163.361 (1), FLORIDA STATUTES TO EXTEND THE TERM OF THE CITY OF STUART COMMUNITY REDEVELOPMENT AGENCY.

All interested parties are invited to attend and be heard. Copies of the items will be available at the Stuart City Hall. Written comments may be directed to Pinal Gandhi-Savdas, CRA Administrator, City of Stuart Community Redevelopment Agency at the following address: 121 SW Flagler Avenue, Stuart, FL 34994. For more information, contact the Community Redevelopment Agency at 772-283-2532.

In compliance with the Americans with Disabilities Act (ADA), anyone who needs a special accommodation for this meeting should contact the City's ADA coordinator at (772) 288-5306 at least 48 hours in advance of the meeting, excluding Saturday and Sunday.

STUART CITY COMMISSION
Mary Kindel, City Clerk

Publish August 9, 2019

WP-0000503288-01

