



INTELNET *News*

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Peter's Posting

by

Peter Psarouthakis
Executive Director, Intellenet



Dear Intellenet Members:

I am very happy to tell you that the Las Vegas conference had the highest turnout ever.

Our conference in Las Vegas is now well behind us and summer is upon us. A successful conference takes many people helping to accomplish it. I would like to say a special thank you to the following: **George Michael Newman** who put together an incredible speaker lineup, **Robert Dudash** for helping organize and getting the continuing education credits in place for all attendees, **Ed Spicer** for getting conference shirts for us and being a sounding board throughout the process, **Peggy Centonze** (Intellenet Admin) for keeping everything organized and of course **Jim Carino** for always being there.

We now look toward 2016 in Toronto, Canada. Soon we will have the hotel set up for registrations. This conference will be taking place the second week in June. Once everything is set details will be posted on the listserv.

Membership renewal for 2015 has finally ended. It was a bit difficult this year to get timely renewals in from many members. We ask that in the future please pay your dues in a timely manner. We will continue to work on better and easier ways for the membership to pay their dues. Thank you for your cooperation on this.

As announced on the membership listserv, Intellenet is now a not-for-profit organization. This has been a long time coming. It will be most beneficial in our yearly taxes and will allow for other activities related to nonprofit organizations.

Membership recruitment is a necessary function of any association. While the management of Intellenet works on this daily, it is important that each individual member also help. I ask that each of you look within your own network for potential new members that fit the ten-year minimum

"While we have some work cut out for us, as always, your association is in a good financial position and our overall status as an organization is strong."

investigative experience requirement. We are seeing many retirements this year due to an aging membership. This is a fact that we must deal with and deal with now, if we are to keep Intellenet the premier organization it is. We traditionally have tried not to oversaturate areas

with members if possible. We have always done this to increase the likelihood of referrals to members in their areas. The policy is now changing some and we will be looking to add members to areas where we may have members already, but who are near full retirement age. If you have someone who you think would be a good candidate for membership, please send their contact information to me and Jim Carino and we will get them an application.

While we have some work cut out for us, as always, your association is in a good financial position and our overall status as an organization is strong.

I hope everyone has a great and prosperous summer. You can reach me at peter@ewiassociates.com.



Member News

Welcome New Members ...

Richard BROOKS—Brandon, MS
Dan COLEMAN — Morris Plains, NJ
Bill COUSINS — Lake Orion, MI
Maurice ELLIOTT — Stone Mountain, GA
Jim HOLOHAN — New York, NY
Alex KARAKOV — Minsk, Belarus
Anne LAJEUNESSE — El Segundo, CA
Dave LINKLETTER — New York, NY
Jim MATTOLA — Morris Plains, NJ
Mike MAYOTT—Billings, MT
Milton SHULL — Waltham, MA
Rick WINISTORFER — Rocklin, CA

These are our new members since we last published, introduced in an Info Brief and invited to send an email with a brief biography. Reminder: To update your membership listing, send info to intellenet@intellenetwork.org.

Rebranding in the Spotlight ...



BACKGROUND ITALIA
LOOKING BACK TO LOOK FORWARD

Alice Capiello of Milan, Italy has announced the rebranding of her company: “We are pleased to inform you that starting from 1 June 2015 - after 43 years of business - Euro Investigation Srl will change its name to **Back-**

ground Italia Srl. The increasing globalization of the world economy, new services in line with the current needs of the market, and a desire to renew the brand image – modernizing it – led to the choice of a new name and a new logo. Our email addresses will change to

@backgrounditalia.it. All the rest remains unchanged: Our address, VAT number, the management and our great staff. We take this opportunity to invite you to visit our new website www.backgrounditalia.it.”



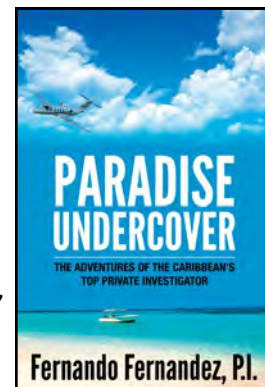
Alice is a recent addition to the Intellenet board of directors.



The annual FAPI conference will be held September 17 -20 at the Altamonte Springs Hilton Hotel, a suburb of Orlando. **Harvey Morse** sent this note: “We have the Ferguson, Missouri prosecutor, the Casey Anthony prosecutor and Dr. Bruce Krell on the shooting analysis from Ferguson.” For conference details, go to www.myfapi.org.

Now Available ...

Fernando Fernandez's new book is available online, if you missed the book signing in Las Vegas. You can find a synopsis on the Intellenet web site's [Publications](#) page. Copies of the book are available at Amazon, and you can learn more from Fernando on his [Facebook](#) page.



“Trust is Good, Knowing is Better”

Yes, you've seen that before, on one of **Ed Spicer's** email signature lines. Ed sent us a note that his email address is now ed@oceanstatesinv.com. Ed is licensed throughout the New England States.

Remembering Ray ...

Earlier this year, we learned of the passing of longtime Intellenet member **Ray McGady**. As is customary a contribution was made in Ray's name to a charity of choice. Jim recently received a note from Ray's widow, **Judy McGady**. Jim shares her kind words ...

Dear Mr. Carino and Intellenet Members:

Your generous contribution to our church in Ray's memory is so appreciated. Ray would have been so pleased about your kind remembrance of him. He was proud to be a member of Intellenet and its professionalism. You have helped ease my feeling of loss with your gift to our church. Thank you and God Bless You.

Member News continues on next page ...

Member News continued ...



Associate member Dr. Frank L. Goldstein's new book, "The Last Reunion: A Salute to the Jimmy Doolittle Tokyo Raiders," debuted at the National Museum of the United States Air Force and sold out in two days. Frank brought a copy to our Las Vegas Intellenet Conference for some of us to see and review. The second printing is completed and copies are available. Frank will be happy to autograph copies and a percentage of the sales of the book go to the Jimmy Doolittle Tokyo Raider Education Foundation. The Foundation is a way for the spirit of the 80 Tokyo Raiders to continue inspiring young people around the world. If interested in a copy please contact Frank at Unit #18, #172, Fort Walton Beach, FL 32548 or preinftech@yahoo.com with the desired inscription and a return PayPal account will be provided or call Frank at 1-850-499-0296. The cost of the book plus taxes, shipping and handling is \$48.30. It's a great read and has over 338 pictures, some never previously published.

Phil and Yin Johnson have seen the future ...

And for them it involves social media. **JJ Associates International** is now heavily involved in social media, reaching across the investigative, security and law enforcement sectors, including 150 closed groups on Facebook and as part of the top 100 private investigators on Twitter. Phil sent this note: "You can view all our Social Media links on our website at www.jjassociatesinternational.com; it covers also Google+, LinkedIn, Foursquare, Naymz and many others. We are riding these capabilities into our current venture,

appearing as characters in the crime novel series, www.rcbridgestock.com."

Phil and Yin send their best to their Intellenet colleagues.



NALI Elects New Executive Council ...

At its annual conference in San Antonio in May, several Intellenet members were elected to the Executive Council of the National Association of Legal Investigators. NALI and Intellenet "share" several U.S. members who provide litigation support services to their clients. The new Executive Council assumes office on September 1, due to a recent change in NALI's constitution which allows the council flexibility in scheduling its annual conference, historically tied to a June setting. NALI and Intellenet each year strive to avoid close conference schedules.

NALI's incoming Executive Council for 2015-2016 includes the following Intellenet members: regional directors **Nicole Bocra**, **Harriet Gold**, **Anne LeJeunesse** and **Ken Shelton**; and NALI's executive officers, **Don C. Johnson**, National Director (*inset photo*), **Jayne McElfresh**, Assistant National Director; and **Andi Murphy**, National Secretary



(seen here in a photo from the Intellenet conference, right and left respectively).



Why Become a Board Accredited Investigator?

The Board Accredited Investigator (BAI) designation is simply the total commitment to professionalism that an investigator or security professional can make in their career. Maintaining your BAI will require the designee to be involved in a serious commitment to voluntary ongoing education and continuing education of both themselves and other practicing investigative professionals. We are looking to BAI's to become involved in the leadership of local, state, international, and specialty professional associations throughout the world.

The most dedicated and experienced professional investigators on a worldwide basis will be involved in this program. BAI's will set the standard for an investigator's professional excellence which will be recognized by clients and the legal community. The BAI credential provides objective proof of professional knowledge and experience combined with the highest level of ethics.

Why Choose an Intellenet Certification?

Intellenet is the first international professional investigative association to offer a credential specifically for professional investigators and Investigative agency management. Developed by practitioners for practitioners, Intellenet BAI certification provides a technical and financial edge.



Benefits ...

- Demonstrable proof of experience and professional competence.
- Expanded professional network and opportunities to showcase your expertise at professional and global events.
- Increased fee potential - certified practitioners fees are up to 30% more than non-certified professionals.
- Independent validation of an individual's knowledge, skills, and experience.
- Backing of the world's most respected association of investigative professionals.
- Continuing education requirements for certification offer assurance that practitioners will remain current with best practices.
- Certification indicates mastery/competency as measured against a defensible set of standards, usually by application or exam.

Intellenet has assumed oversight of the Board Accredited Investigator's (BAI) program. This program has been in an initial development phase

until now, and below you can read about the history of how this program has evolved. At our annual conference this year in Las Vegas, the Intellenet board of directors unanimously voted in favor of taking over this program, which will be available to all, as a voluntary participation program to members and non-members. While the BAI program will run as a separate entity, it will still report to the Intellenet Board of Directors. Initially there will be a grandfather phase that all current Intellenet members are qualified to participate in due to our association's high standards for membership. Information regarding required procedures to be grandfathered into the program is covered below. On May 15, 2016 the grandfathering phase will come to an end and the testing phase will commence. The testing will include an online test, a "white" paper, in-person peer review, and ongoing continuing education requirements.

This is an exciting new venture for Intellenet that gives our association the opportunity to promote professionalism not only within our ranks but throughout the profession worldwide. Review the information on the next page and if you have any questions regarding the program please direct them to the program chair, [Reggie Montgomery](#) . ♦♦♦

BAI News Continues ...

◇ Joint BAI Announcement ◇

The Board Accredited Investigator designation program (BAI) has really taken off. We are almost at 75 designees, each of whom is a well-respected, well-seasoned professional investigator, and we are growing daily.

The BAI program was started by FAPI (Florida Association of Private Investigators) in 2008. At that time, our hopes were that it would be taken over by another and larger body such as COAL (Coalition of Association Leaders) to manage and administer within a few years. Although FAPI and COAL remain extremely close, the leaderships of both have decided that BAI needs to exist in a more structured setting with an international organization, as it is universal in scope.

In May, the Board of Directors of Intellenet, together with the Board of the BAI, agreed to have Intellenet host the BAI program. That is a huge advancement. Intellenet members will offer expertise in overseeing testing, and they will assist the BAI Board with benefits, coordinating voluntary education and professional development with other Associations worldwide, creation of a newsletter, managing the BAI list-serve, and so **forth. This affiliation will open many doors for BAI's**, both in promoting the profession and continuing their accreditation.

BAI is an incorporated not-for-profit corporation. Its goal is to provide recognition to those who engage in professional development and voluntary ongoing education, and whose desire it is to improve the image and professional standing of private investigations worldwide.

If you are interested in becoming a charter BAI designee, now is the time to join prior to the standard's threshold being set at an even higher bar. There is a onetime initiation fee of \$50, and annual dues of \$50. Those who are approved will receive a charter pin, a printed certificate, a press release for clients and your local media, inclusion in the BAI list-serve, discounts for events and trainings, admission to private BAI only seminars and functions, participation in advertisements encouraging the hiring of a BAI investigator, use of the BAI logo and designation, and peer recognition to name but a few of the benefits. Professional development and continuing training may be acquired at any state investigative association, recognized national and international associations, approved seminars, and online training. Testing is on the horizon which will consist of an online examination in addition to a face-to-face peer interview for new members, and a minimum of ten (10) years of investigative experience is necessary.

To join now, submit a 1,000 word white paper on any investigative subject, with your CV, to: Reggie Montgomery at reggie@njinvestigator.com. Upon approval, you will be billed as stated above and upon receipt of your check, your package will be mailed .

FAPI, Intellenet and the BAI program are very excited about this alliance, as the BAI's have an affiliation of sorts with one of the most prestigious international investigative groups. We hope you will consider becoming a BAI and joining the ranks of an elite group of professionals. See the current roster on the next page.

◇◇◇



For FAPI: Mike Thompson, President
For Intellenet: Peter Psarouthakis, Executive Director

For the BAI Program:
Harvey E. Morse, Founder
Reginald Montgomery, Chair



Board Accredited Investigators

First	Middle	Last	Email	Intellenet Member
Peter		Psarouthakis	peter@ewiassociates.com	Y
Nicole		Bocra Gray	nicole@infinityinvestigative.com	Y
Robert		Dudash	isipi@msn.com	Y
Bruce		Hulme	specialinvestigations@att.net	Y
George	Michael	Newman	tacticalgmn@sbcglobal.net	Y
Alphonse	V.	Ristuccia	alristuccia@sbcglobal.net	Y
Jeffrey		Stein	jstein@elvspda.com	Y
Michelle		Stuart	snoop@jaginvestigations.com	Y
Jeffrey	A.	Williams	jwilliams@osi.com.ph	Y
Thomas	A.	Cseh	tcseh@vance.com.mx	Y
Harvey	E.	Morse	harvey@probate.com	Y
Reginald		Montgomery	reggie@njinvestigator.com	Y
Ari	S.	Morse	ari@probate.com	Y
Jeff		Aleman	jaleman@rmaadjusters.com	
Ruth		Alvarez	ralvarez@rmaadjusters.com	
William		Blake	billblake2@aol.com	Y
E'lyn		Bryan	bocaforensic@aol.com	
James		Carino	intelnet@verizon.net	Y
William		Davis	wbdavis@tecoenergy.com	
Miriam		Ettisch-Enchelmaier	Ettisch@ettisch-enchelmaier-gmbh.de	
Leroy		Everhart	leroy@case-closed.net	
Mark		Feegel	mark@feegel.com	
Fernando		Fernandez	covertintelligence@yahoo.com	Y
Judy		Fox	judy@judyfox.org	
John		Gaspar	jgaspar@afipi.com	
Marcia		Goldstein	marcia@groups-travel.com	
David		Gonzalez	info@apacheinvestigations.com	
Larry		Gould	larry.gould@gmail.com	
Troy		Grieco	troygrieco@trvst.com	
Dave		Hariton	adhariton@cfl.rr.com	
Hal		Humphreys	hal@storyboardemp.com	
Robert		Jenkins		
Don	C.	Johnson	doncjohnson@comcast.net	Y
Remi		Kalacyan	remi@spyvip.com	Y
Carrie		Kerskie	ck@kerskie.com	Y
Russell		Kolins	legalagent@aol.com	Y
Ana	Carolina	Lanuzza	ana@leverageinvestigationinc.com	
John		McGovern	mcgovernjm78@gmail.com	
Jimmie		Mesis	jim@pimagazine.com	Y
Catherine		Olen	oleninvestigations@yahoo.com	
Ahsan		Naqvi	anaqvi@hotmail.com	Y

Continued on page 19

Becoming a Successful Investigator

By Alan Kaplan

What does it take to become a successful investigator?

Over the years we have been asked about the *personal qualities of a good investigator*. Our answer has been consistent. A good investigator must have:

1. Integrity
2. Initiative
3. Aggressiveness
4. An inventive imagination
5. Persistence
6. Flexibility
7. An ability to empathize with the person we are investigating.

Please note that we have been talking about the *personal qualities of a good investigator* -- as differentiated from the *assets of a successful investigator*. Regarding assets, a successful investigator has three additional ingredients in the mix.

- **Reliable sources of information.**
- **Adequate funding.**
- **Control of the investigation**

Does that mean that a good investigator -- an individual with personal attributes which make him or her so admirably suited to the profession -- will not succeed without reliable sources of information, adequate funding and control of the investigation? Yes, that is exactly what I mean. I have seen isolated exceptions. But, far more often, I have seen otherwise competent investigators fail to conduct successful investigations because they lacked one or all of these key

ingredients. From a personal standpoint, I know that our least successful performances have occurred when we undertook investigations when one or more of those items was missing.

Now, let's revisit each of these ten items so that you can see how we apply them.



1 Integrity

First and foremost we prize our honesty and integrity. Should that be important to the client? We think so. We deal in information. Integrity and the ability to ferret out information is our stock in trade. If we were to compromise our honesty and integrity we would be selling our clients and ourselves down the river. We would be devaluing our work product. We have never done that and have no intention of starting now.

Having said that, we hasten to add that in pursuit of our clients' investigative objectives, we operate with *no holds barred*. If an investigative approach is legal and appropriate to the situation, we proceed without the slightest concern that we might be totally immersed in deception. *Our duty to the assigned mission is para-*

mount -- everything else is secondary.

I had a discussion about this with a California PI a few years ago. He maintained that it was "*unethical*" to use stealth and deception as investigative tools. I believe that the only thing that is "*unethical*" is to fetter oneself with artificial restrictions that impede or limit our ability to successfully accomplish the mission. We won't break the law, but there is a long way between committing a criminal act, and limiting ourselves to reviews of public records and interviews of willing witnesses. We spend much of our time operating in that middle, sometimes gray area, as well as the area that my colleague considered "*ethical*."

We have had a long standing policy of differentiating between "leads" and "investigation." We decline to run "leads." An "investigation," however, might consist of a single lead. Before we accept any assignment, we ask the client for the background and his investigative objectives. We, not the client, then decide what lead or leads should be run to accomplish those investigative objectives. In addition to controlling the investigation, that approach helps us to screen out stalkers and other "whackos."

2 Initiative

Many investigations are merely passive compilations of historic fact. But, many include ongoing activity. This

Continued on next page ...

To us "integrity" also means that we are going to decline certain assignments. Here are a few...

- ◆ Situations in which we believe that we are unable to help the client or do the job that is expected;
- ◆ Situations in which we believe that even under the best circumstances, the client lacks the financial resources that it would take to successfully address a significant part of his or her problem (*We are not talking about pro bono matters, which are taken on a very selective basis with our own funding*);
- ◆ Situations in which we have reason to believe that the potential client plans to use the results of our investigation to aid in the commission of a crime. Requests from stalkers are one of the items that fall into this category;
- ◆ Situations in which we can foresee physical harm of someone as being a possible outcome of a requested investigation;
- ◆ Situations in which we have reason to believe that our efforts will be used to support persons we be-

What Else Does Integrity Mean?

lieve to be, or to have been, in the illicit drug business. There can be no question that drugs have been, and continue to be, the most significant social problem of our time. People are rightly concerned by dramatic acts like school shootings and terrorist bombings. However in terms of loss of life's potential and damage to the fabric of American society, there is no

greater evil than the drug problem. I know of likable and talented PIs who have become very wealthy catering to that clientele. I pity them and have no desire to

join that group.

- ◆ Matters in support of ACLU actions. Although it may be argued that for the most part the American Civil Liberties Union is made up of loyal and thoughtful Americans, their approach to the Constitution and our country is so critically flawed as to make that organization a major destructive force in our society. They might consider a motto, "If it's bad for America, we support it!" Where else but in the ACLU can we see support for such "Great American Groups" as the Klan, the Communists and the Nazis? Or support for such laudable citizens as murderers, rapists and child molesters?

latter group sometimes gives us the opportunity to take control of an otherwise hopeless situation and save the day. In some situations we can use our initiative to take the initiative!

We often hear members of the media accused of "making news" rather than just "reporting news." If true, that is anything but laudable. On the other hand, we see as an integral part of every assignment a requirement to seize on every opportunity that is presented, to make the truth good news rather than bad. We see our job as going beyond reporting "just the facts," as Jack Webb used to say. *If we can legally and ethically do it, we are going to try to change the outcome.*

We are obligated to report the truth, but we are not obligated to stand idly by when we find ourselves in a position to make things better for our client. Some PIs would disagree. You have to be the judge.

3 Aggressiveness

Even when we are charged with the investigation of an historic event, we look for a way to control future events for the benefit of our client. The client has been swindled: Is there a way to get all or part of this money back?

4 An inventive imagination

Although most of this comes from in-house brainstorming, over the years

some of the most innovative and inventive suggestions have come from our clients. We take the view that, if an approach is legal, practical and responsive to the requirements of the mission, we want to at least consider it. Sometimes an otherwise impractical idea can be modified slightly to become a powerful tool. We encourage such inputs of ideas from clients.

5 Persistence

I never cease to be amazed by the power of persistence in an investigation. Often, that one extra step converts failure into success. Many times I have reflected upon how I seem to be stumbling around getting no place when "Somebody Up There" looks

down and drops the case in my lap. I don't know if it is divine intervention or just a refusal to give up. All I know is that it works!

6 Flexibility

In our contracts we have a clause which says that regardless of prior plans or commitments to the client, we have the absolute and final authority to do what we think best in order to accomplish the investigative objectives. This is just common sense. Situations often change; new problems and new approaches evolve. It would be irresponsible for us to remain rigid.

7 An ability to empathize with the person we are investigating.

A powerful investigative tool is the ability of the investigator to accurately speculate as to the actions of the person under investigation (the SUBJECT). We routinely tap the client for information of this type. After all, in most cases the client knows the SUBJECT. Who could know more? Unfortunately, in a large percentage of cases, particularly cases involving a breach of trust, such as embezzlement and domestic cases, our clients score very low in this area. In other words the SUBJECT they think they know like a book is, upon investigation, almost like a different person. That is not as strange as it sounds. The client, as a victim, has been systematically lied to and deceived. That is precisely the reason we are investigating -- to get to the truth!

A successful investigator has three

additional ingredients in the mix, regarding the assets of an investigation...

Reliable sources of information ...

Over the years we have developed a number of both open and confidential sources. We guard these sources jealously. Even though clients are sometimes billed for source information,

“We are the professionals, we accept the responsibility for failure and we insist on the full authority to get the job done.”

the source's identity is never revealed and often the general nature of the source is not revealed.

Adequate funding ...

This is something wholly within the client's control. Investigation costs money. Sometimes costs are predictable - often they are not. Although we often set a preliminary budget which cannot be exceeded without the approval of the client, that approach can stop work in mid-stream if the client cannot be reached in time. We counsel our clients to make certain that there is funding adequate to preclude that type of problem. We (and many clients) prefer a flat fee, all inclusive arrangement in which we agree to commit whatever resources necessary to accomplish the assignment.

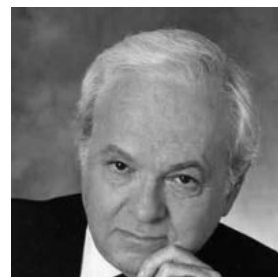
More often we use a hybrid arrangement in which we agree to pay all expenses and commit all necessary resources for investigation each day or each week. On other occasions we can agree to operate on a contingency basis -- that is, “No Good, No Pay.” Sometimes a performance bonus is appended to a standard agreement. All of that is subject to negotiation.

Control of the investigation ...

This is "Basic Management 101" - - With responsibility goes authority. We will not get into a case blindly, without knowing the background, and we insist on knowing the client's overall objectives. Then we determine the correct course of action. We are the professionals, we accept the responsibility for failure and we insist on the full authority to get the job done.



Alan M. Kaplan, ACE is the owner and Executive Director of Attorneys' Investigative Consultants in Las Vegas. Alan is a former special agent with the AFOSI. He can be reached at AKaplan@LasVegasPI.com, or phone (702) 453-4500.



See Alan's "Case Study" on page 20



ISPLA News for INTELLENET

By Bruce Hulme, Director of Government Affairs

This ISPLA report covers several legal and regulatory issues that are likely to affect the future of the investigative profession.

State licensed private investigators and the regulatory agencies having control over them should be aware of the fact that technology and the manner in which its regulation is or is not enforced will impact this profession in the future. For example, the commercial use of drones or Unmanned Aviation System (UAS), the emergence of dual

licensing exceptions being granted to other professions to bypass state private investigators licensing, sanctions for unlicensed activity, and continuing examples of media coverage of "PIs Behaving badly." Concluding this article is a lengthy item of possible interest to criminal defense investigators regarding the admissibility of polygraph evidence to support or refute the testimony of a witness, and in this case a defendant.

First Private Investigator Granted FAA Exception for Commercial Drone Surveillance ...

Under a new Section 333, in May the Wilson Security Agency of Lexington, NC was granted the first commercial exception for a state-licensed private investigative firm by the Federal Aviation Administration. The firm's

owner Darrell Wilson had filed his own petition, without the services of an attorney, to incorporate the use of a DJI Phantom 2 Vision quadcopter "to perform aerial acquisitions and research throughout areas of the United States, in support of government entities, private investigations, court-appointed investigations, evidentiary video and photographs of crime scenes, and crime scene direction map-



The DJI Phantom 2 Vision

ping." Wilson is also the owner of a GPS tracking business in addition to being a licensed private investigator. He plans on also becoming a dealership for Hubsan unmanned aircraft. An exception must be obtained from the FAA when a drone or UAS is used for a commercial purpose. The UAS must have relief from "air-

worthiness certification" for use in aerial data collection. Wilson Security Agency does not plan to operate UAS for domestic cases or in any manner that might pose privacy concerns to the public. The FAA Exception No.: 11555 issued included adherence to thirty-one conditions and limitations. Some of the salient ones include the following:

- The DJI Phantom 2 Vision UAS must weigh less than 55 pounds including payload.
- Closed-set motion picture and TV filming not permitted.
- UAS not to be operated at a speed greater than 100 mph or at a speed greater than recommended by the UAV manufacturer.

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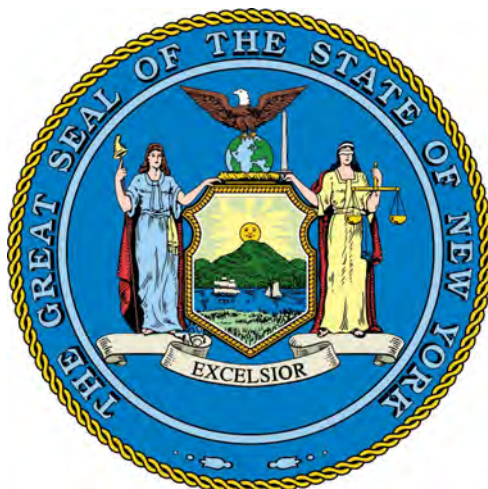
- UAS may operate at a height no greater than 400 feet.
- UAS must be operated within the visual line of sight of the operator at all times.
- All documents relative to the operation under the FAA exception issued must be made available during UAS operations.
- UAS must operate in a safe manner, including evasive and emergency maneuvers and maintaining appropriate distances from persons, vessels, vehicles and structures with qualification flight hours logged in a manner consistent with “training, proficiency, and experience-building.”
- UAS operations are not permitted at night and only during visual meteorological conditions.
- UAS may not be operated less than 500 feet below or less than 2000 feet horizontally from a cloud or when the visibility is less than 3 statute miles from the person in charge.
- UAS may not operate within five nautical miles of an airport reference point unless a letter of agreement is obtained or otherwise permitted by the FAA.
- Should UAS lose communications or loses GPS signal, the UAS must return to a pre-determined location within the private or controlled-access property.
- Under this exception the person in charge must “hold either an airline transport, commercial, private, recreational, or sport pilot certificate,” and a “current FAA medical certificate or valid U.S. drivers license issued by a state,

District of Columbia, Puerto Rico, a territory, a possession, or the Federal government.”

- All operations shall be conducted over private or controlled-access property with permission from the property owner/controller or authorized representative. Permission will be obtained for each flight to be conducted.

The FAA found that the granting of this exception to Wilson Security Agency was in the public interest.

CPAs Granted Exception to New York PI Licensing Statute ...



An issue that periodically arises is the potential dual license requirement imposed on other regulated professions that may perform tasks which might otherwise necessitate being a licensed private investigator. Examples have involved computer forensic experts, fire, arson and explosion experts with reference to determining cause and origin, accident reconstruction experts, failure and design experts, audio/video technicians, and various professions that might be otherwise regulated, such as attorneys, engineers, Certified Public

Accountants, individuals with certification designations of CFE, CFCS or CSAR designations and others who might be recognized as experts in state and federal courts.

New York Senate Bill S.-4996 (Senator Michael Venditto) and Assembly Bill A.-7691 (Assemblyman Robin L. Schimminger) passed both houses. The bill was initially opposed by ISPLA and the Associated Licensed Detectives of New York State, Inc.

(ALDONYS) on the grounds that it appeared that CPAs were seeking to obtain a private investigator license by exemption. This issue is similar to those in other states, some of which require PI licensing, some which do not, some that are not addressing this issue, and some which offer limited exceptions. ALDONYS eventually opted to support the latter choice. However, ALDONYS initial position opposed any concept of merely granting a license to another discipline as such action would be in conflict with the existing PI statute in New York and deleterious to the public since it would grant a PI license to those persons not qualified to perform such services either by training, experience or statute. Adding to the confusion over this bill had been the dissemination of a press release issued by the New York State Society of CPAs wherein they indicated that in conducting a forensic accounting investigation they routinely performed a background investigation of the subject. Such activity would clearly fall under the existing PI licensing statute in New York.

CPAs in New York presently are regu-

lated under a provision of that state's Education Law which in part allows them to perform the following:

- Identification of potential violations of ethical behavior
- Fraud Detection and deterrence
- Application of business law and laws relating to fraud, including:
 - a) cognizance of the fundamental legal principles associated with contracts, civil and criminal matters, social justice goals associated with the legal system and the role of the justice system;
 - b) familiarization with legal restrictions, privacy laws, and rights of individuals in gathering evidence of embezzlement, money laundering; and
 - c) other issues related to fraud.

For several decades this writer has worked closely with Frederick M. Altman, the legislative advocate for ALDONYS, who submitted a memorandum regarding this legislation (contact me for a copy of the memorandum, at brucehulme@yahoo.com).

Thus, certified public accountants in New York were only seeking a restrictive clarification, not an expansion of their authority. Opponents of ALDONYS' position failed to note that the initial statement put forth by the NTSSCPAs is not the controlling factor. The officers of ALDONYS and an overwhelming number of the ALDONYS board were in favor of the bill as passed. Seven of them are also members of ISPLA.

Our profession's state PI licensing programs are also under attack from professional associations representing other disciplines. The American Bar

Association seeks to reverse the trend of state licensing of computer and digital forensic experts; the International Association of Arson Investigators and the National Association of Fire Investigators representing approximately 13,000 professional Certi-

“Our profession’s state PI licensing programs are also under attack from other professional associations representing other disciplines, including ...

digital forensic experts; certified fire investigators; certified explosion investigators ...

These associations have far more members and financial resources than the investigative profession. We have to pick our battles carefully.”

fied Fire Investigators and Certified Fire and Explosion Investigators also are lobbying against licensing of their members as private investigators. The American Institute of Certified Public Accountants have made an online guide to their members detailing states and cities requiring CPAs practicing forensic accounting to be licensed as a private investigator. These associations have far more members and financial resources than the investigative profession. We have to pick our battles carefully.

New York Increases Unlicensed PI Activity to Class A Misdemeanor ...

ISPLA wishes to thank New York Congressman Lee M. Zeldin for his yeoman's work, as a former member of the New York State Senate. He had sponsored during two sessions of that state body a bill to increase sanctions for unlicensed practice of private investigation.

His private investigator unlicensed operation bill increasing the penalty to a class A misdemeanor (formerly known as the 'Zeldin Bill') has passed both houses and will now be on its way to the Governor for signature. The maximum punishment for any misdemeanor in New York is twelve months of incarceration in a local jail. Jail time is usually reserved for an A class misdemeanor in New York and is usually assigned jail time as it is one step down from a felony.

After more than 20 Years of ALDONYS' efforts to bring recognition to our plight of dealing with Unlicensed Private Investigators, Lee Zeldin researched, asked for our input, and wrote a bill, S4000-2013 (ALDONYS has named it "THE ZELDIN BILL.") He shepherded this most important legislation through the Senate in both 2013 and 2014, by a huge margin of 59-1. The ZELDIN BILL would have made it a Felony, instead of the current Class B Misdemeanor, to operate as an Unlicensed Private Investigator. While the bill did not pass the Democrat controlled Assembly, his actions gave attention to this most important legislation. Both ISPLA-PAC and a

number of members of ALDONYS and INTELENET supported his candidacy to Congress.

PIs Behaving Badly (another New York case example) ...

In March 2015, Eric Saldarriaga, also a New York licensed private investigator and a former member of Intellenet, pleaded guilty to one count of conspiracy in a federal criminal case in the U.S. District Court for the Southern District of New York. He reportedly had been paid about \$5,000 in fees to hack the email ac-

counts of up to fifty possible individuals. He is suspected of having performed some of his hacks on behalf of



the Church of Scientology which has disputed such. Initially plea negotiations were thought to be six months home detention followed by three years supervised parole. However,

federal prosecutors view the seriousness of the invasion of privacy implications as being of such nature to warrant at least six months prison time.

One of the email hacking victims is Tony Ortega, a journalist who has reported in the past on the Church of Scientology. Saldarriaga is scheduled to be sentenced before Judge Richard J Sullivan on June 26. To date neither the clients of Saldarriaga nor any other conspirators have been identified.

ISPLA News continues on next page...

Is this APP the Precursor to “Uber PI,” or is it the Multi-State Unlicensed Detective Agency?

FlimFlam Investigations, now referred to as Trustify, reportedly raised over a million dollars via online crowd funding to launch a free Trustify app that provides consumers on-demand private detective services. Its advertising line of inquiry includes: "Think your significant other is cheating? We'll help you find out for sure in the easiest and least expensive way possible....Simply give us their picture, time and location where you think they'll be and we'll do the rest. Private investigators have been the go-to way of getting answers, but their high fees and thousand dollar retainers made it hard to justify hiring one. Trustify takes the risk out of working with a PI: with a flat hourly rate, you can find out what you need, when you need to **know it.**" **The company will use the seed round for increased marketing and to "reach profitability."**

We were provided with a copy of FlimFlam's solicitation letter to an investigative colleague seeking to



retain a licensed private investigator to handle assignments that have been obtained through the Trustify APP. It stated in part:

“The majority of our customers’ requests are for minor investigative work ranging from 1 to 2 hours at a time. The hours vary but the amount of work continues to grow. We offer a pay scale up to \$30 an hour based on their level of law enforcement experience.

Payment is processed every two weeks, so depending on the amount of work or assignments you take on, your pay is only limited to how much work you want to handle. Right now all assignments are issued through direct contact from our office but soon we will have our APP set up so all investigative work will be issued through the APP and anyone who wants the assignment just initiates the APP and the work is yours. The Client will have a completed request sheet which will be delivered to the person taking on the assignment.

Continued on next page ...



Polygraph Decision of Note

In the U. S. District Court for the Middle District of Florida, the case of USA v, Jesus Hernando Angulo Mosquera (Case No.: 8:14-cr-379-T-36TGW) on the defendant's

motion an Evidentiary Hearing on Admission of Polygraph Evidence (Doc. 67) was held in this matter on December 23, 2014. Defendant sought a hearing and ruling on the admissibility of the polygraph evidence. Under Federal Rule of Evidence 702, the Court, having considered the motion and granted the motion to permit the polygraph evidence to be admitted at trial.

The defendant Angulo-Mosquera, a 53-year old deckhand and cook, was indicted on September 4, 2014 in the Middle District of Florida on charges related to the seizure of 1,700 kilograms of cocaine concealed on board a Ruleighter known as the "Hope II" in August 2014. A Colombian national

with no known criminal record in any country, he had never before been in the United States and denied any knowledge of the drugs found concealed on the Hope II nor having had any involvement of any kind in the illegal drug trade.

After several lengthy interviews by counsel with the assistance of a court-certified interpreter (also from Colombia), Defendant Angulo-Mosquera agreed to submit to a polygraph examination administered by James Orr, a former special agent for the FBI with extensive experience in administering polygraph examinations on behalf of the United States government. According to Mr. Orr, the examination

Continued on next page ...

Trustify APP, continued ...

According to a March 2015 Washington Business Journal article, there are currently 50 private investigators working with FlimFlam, which has been reportedly valued at \$5 million. Charging a base price of \$150 for a two-hour job (although the firm's website states \$59 per hour as the going rate), this start-up splits the fee equally between FlimFlam and the contracted private investigator. More extensive investigations and background checks are available for additional fees. Their direct approach to the potential client is:

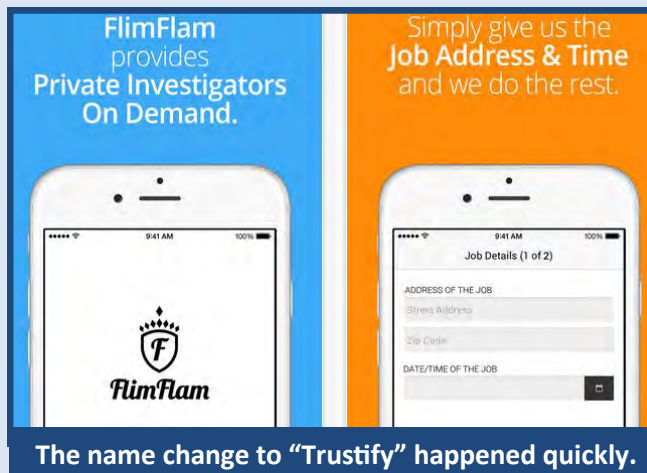
"You deserve to know... - if your partner is cheating on you- if your kids are in safe hands- if the person you're dating is who you think they are- if your ex is following the custody rules (or if their partner has red flags you need to know about)- **if there's any reason not to hire a candidate-** if someone in your life is hiding something- if we can locate someone you

need to serve with legal papers."

FlimFlam service, initially launched in Washington, D.C., plans to expand to two other cities and has been contacting licensed investigators in Pennsylvania. The company expects to launch nationwide in 2016. Once they obtain information about the potential

client's case, they attempt to match the client with an investigator experienced in finding the answers the client seeks. Cases typically get assigned within 24-72 hours. They also state: "The information you provide will always be safe with us. And don't worry -- you can cancel any time before your investigation begins and get a 100%

refund. That's our guarantee to you!" Costs appear to be from \$59 per hour, one hour minimum. They claim the investigators used are experienced and bonded. Its founder Danny Boice of Trustify now claims to have ten employees with access to 2000 licensed private investigators. ♦♦



The name change to "Trustify" happened quickly.

results indicated that there was no deception on the following relevant questions:

1. Did you know those drugs were on that ship before the Coast Guard boarded the ship? Answer: No.

2. Did you know those drugs were on the Hope II before the Coast Guard boarded that ship? Answer: No.

3. Did you know those drugs were on that ship before the Coast Guard found them in August? Answer: No.

In having answered “No” to all three questions, the defendant planned to testify in his own defense at trial and requested that the results of the polygraph examination be admitted into evidence to corroborate his testimony. The Government objected arguing that polygraph examinations are just “one step above” junk-science and are “not suitable for juror consumption.” The results of the polygraph examination, if admitted at trial, would be presented through expert witness testimony. Thus, on December 23, 2014, the Court held an evidentiary hearing to determine the admissibility of the polygraph evidence and expert testimony regarding same, under Federal Rule of Evidence 702 (“Rule 702”) and *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993).

At the hearing, the defense presented the testimony of Dr. David C. Raskin, who for 44 years has conducted laboratory and field research on polygraph techniques for the detection of deception, taught university courses about polygraph techniques, trained govern-

ment and law enforcement polygraph examiners, and published extensively on polygraph techniques, regarding the reliability of polygraph examinations in general and the examination in this case specifically.

The Eleventh Circuit has held that polygraph evidence may be admitted to

“In *Piccinonna*, the [Eleventh Circuit] fashioned a novel approach to the admissibility of polygraph evidence. The decision to change the legal landscape was based on the Court's view that advances in the science of polygraph have greatly increased the reliability of the tests and consequently reduced many of the prejudicial effects.”

impeach or corroborate witness testimony at trial. *See United States v. Piccinonna*, 885 F.2d 1529, 1535 (11th Cir. 1989) (en banc); *United States v. Gilliard*, 133 F.3d 809, 811-12 (11th Cir. 1998). In *Piccinonna*, the [Eleventh Circuit] fashioned a novel approach to the admissibility of polygraph evidence. The decision to change the legal landscape was based on the Court's view that advances in the science of polygraph have greatly increased the reliability of the tests and consequently reduced many of the prejudicial effects. The Eleventh Circuit outlined two situations where polygraph evidence may be admitted. The first instance is stipulated polygraph evidence. The second instance, the one most relevant for the purpos-

es of the instant case, is polygraph evidence used to impeach or corroborate the testimony of a witness at trial.

The Court stated that polygraph evidence may be used to impeach or corroborate, subject to three preliminary requirements. First, the party planning to use the evidence must provide sufficient notice to the opposing party. Second, the opposing party must be given a reasonable opportunity to have its own expert administer a polygraph examination which is materially similar to the previously taken examination. Third, the admissibility of evidence is subject to the relevant provisions of the Federal Rules of Evidence, specifically, Fed. R. Evid. 608 and 702. *United States v. Crumby*, 895 F. Supp. 1354, 1357 (D. Ariz. 1995). *See also United States v. Henderson*, 409 F.3d 1293, 1301-1302 (11th Cir. 2005). District courts have discretion regarding whether to admit polygraph evidence in a particular case. *See id.* Both the Eleventh Circuit and the U.S. Supreme Court have held that “reasonable judges can disagree over the reliability of polygraph methodology.” *Id.* at 1303. Thus, it is incumbent on district courts to review the evidence presented and determine admissibility under Rule 702.

Rule 702 compels district courts to perform a “gatekeeping” function, an exacting analysis of the foundations of expert opinions to ensure they meet the standards for admissibility under the rule. *United States v. Frazier*, 387 F.3d 1244, 1260 (11th Cir. 2004) (citations and quotations omitted). This requirement is to ensure the reliability and relevancy of expert testi-

mony. *Kumho Tire Co., Ltd. v. Carmichael*, 526 U.S. 137, 152 (1999).

Thus, in determining the admissibility of expert testimony under Rule 702, courts must engage in a rigorous three-part inquiry, determining whether:

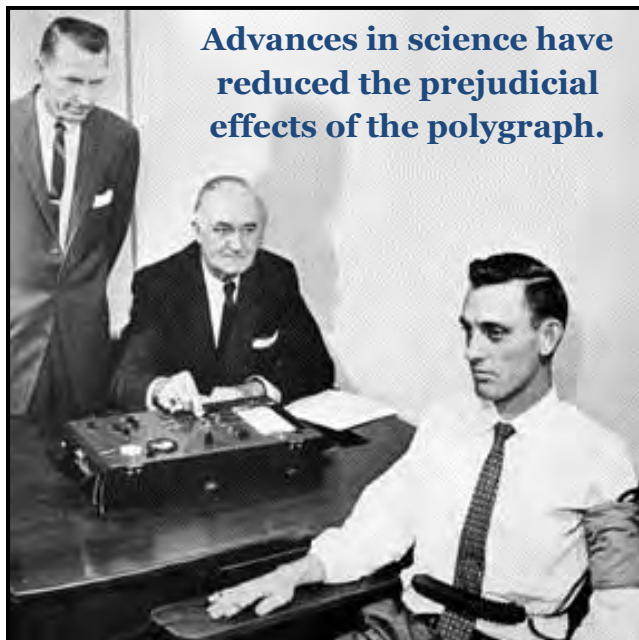
(1) The expert is qualified to testify competently regarding the matters he intends to address; (2) the methodology by which the expert reaches his conclusions is sufficiently reliable as determined by the sort of inquiry mandated in *Daubert*; and (3) the testimony assists the trier of fact, through the application of scientific, technical, or specialized expertise, to understand the evidence or to determine a fact in issue. *Frazier*, 387 F.3d at 1260 (citations omitted). “While

there is inevitably some overlap among the basic requirements – qualification, reliability, and helpfulness – they remain distinct concepts and the courts must take care not to conflate them.” It is the proponent of expert testimony who bears “the burden to show that his expert is qualified to testify competently regarding the matters he intended to address; the methodology by which the expert reached his conclusions is sufficiently reliable; and the testimony assists the trier of fact.” (Citations and internal quotations omitted.)

The Supreme Court has stated that, in order for a trial judge to determine whether the expert is proposing to testify to scientific knowledge that will assist the trier of fact to understand or determine a fact in issue, this entails “a preliminary assessment of whether

the reasoning or methodology underlying the testimony is scientifically valid and of whether that reasoning or methodology properly can be applied to the facts in issue.” *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509

1338, 1341 (1999). The focus is on the scientific validity and the evidentiary relevance and reliability of the principles and methodology underlying a proposed submission. *Daubert*, 509 U.S.



There is no argument here that the Government lacked sufficient notice or a reasonable opportunity to have its own polygraph expert administer a test covering substantially the same questions. Thus, this Court must determine whether the Federal Rules of Evidence allow admission of this evidence at trial. See *Henderson*, 409 F.3d at 1301-1302. Dr. Raskin’s testimony supported all of the *Daubert* factors, and no evidence was presented by the United States to challenge or contradict that testimony.

U.S. 579, 592-93 (1993). Some factors that bear on this inquiry are:

- 1) whether the expert’s theories, methods or techniques can be or have been tested;
- 2) whether the technique, method, or theory has been subject to peer review and publications;
- 3) whether the known or potential rate of error of the technique when applied is acceptable; and
- 4) whether the technique, method, or theory has been generally accepted in the scientific community.

Daubert, 509 U.S. The Supreme Court was clear, however, that this was not a definitive or exhaustive list and was intended to be applied in a flexible manner. see also *United Fires and Casualty Co. v. Whirlpool Corp.*, 704 F.3d

A. The expert’s theories, methods or techniques can be and have been tested.

First, Dr. Raskin testified that there are dozens of scientific studies with regard to polygraph examinations. In his Declaration, Dr. Raskin describes laboratory research studies and field studies that have been used to test the accuracy of polygraph examinations. These studies and publications indicate that a properly performed polygraph examination has a 90% accuracy rate. The studies also show that the risk of a person who is lying passing the test (false negative) is less likely than a person who is telling the truth failing the test (false positive). An extensive study by the Department of Defense supports the accuracy and reliability of polygraph exams. Accord-

ingly, Defendant has shown that polygraphy can be and has been scientifically tested.

B. The technique has been subject to peer review and publications.

Polygraphs have also been the subject of numerous peer-reviewed publications. Dr. Raskin cited numerous articles written and published in peer reviewed journals such as the Journal of Applied Psychology, the Journal of General Psychology, and the Journal of Police Science Administration. Thus, the Court finds that polygraphy has been subjected to sufficient peer review and publication. *See also Crumby*, 895 F. Supp. at 1359.

C. The known or potential rate of error of the technique when applied is acceptable.

As previously discussed, the error rates are less than 10% based on the studies cited by Dr. Raskin. This error rate is certainly acceptable under *Daubert*. *See id.* at 1360 (citing John A. Podlesny and David C. Raskin, *Effectiveness of Techniques and Physiological Measures in the Detection of Deception*, Vol. 15 No. 4 *Psychophysiology* (1978); David C. Raskin, et. al., *Recent Laboratory and Field Research on Polygraph Techniques* in J.C. Yuille (ed.), *Credibility Assessment* (1989); David C. Raskin, et. al., *A Study of the Validity of Polygraph Examinations in Criminal Investigation*, Final Report to the National Institute of Justice).

D. The technique has been generally accepted in the scientific community.

Dr. Raskin testified that several “carefully constructed surveys” indicate that there is a high degree of acceptance for polygraph examinations within the scientific community. Moreover, all major federal law enforcement agencies use polygraphs in their investigative process and Dr. Raskin has been involved in training federal agents to conduct polygraph examinations. Thus, the Defendant has shown that polygraphy is generally accepted in the relevant scientific community.

E. The testimony will be helpful to the jury.

The primary evidence in Defendant’s case will be his own testimony. The results of the polygraph examination and the expert testimony regarding that examination could help the jury make a credibility determination regarding that testimony. Accordingly, the evidence will be helpful to the jury.

The Government expressed concern that jurors would be overly persuaded by the results of the polygraph. However, Dr. Raskin testified that studies have shown that jurors consider polygraph examination results as they would any other piece of evidence, they do not give it any extra weight and are often cautious with such evidence. Dr. Raskin’s testimony on this issue was not challenged. Furthermore, juries are regularly presented with complex, conflicting, and persuasive evidence and trusted to weigh all evidence presented appropriately before reaching a verdict. The Court will not presume that the jury is incapable of evaluating evidence appropriately

without some evidence to support that claim.

F. The Government did not present any evidence to contradict or call into question Dr. Raskin’s testimony.

The Government did not present any evidence or testimony at the hearing to contradict Dr. Raskin’s testimony. Instead, the government relied solely on the cross-examination of Dr. Raskin, which it aimed at calling into question the results of the polygraph examination conducted in this case. The Government attempted to show that the Defendant’s responses to the relevant questions were in fact untrue because the Defendant had previously been subject to arrest on another ship that was also carrying illegal drugs. The Government’s questioning was unconvincing, as that prior event had no relevance to the polygraph examination conducted here. It was clear that the questions asked in this particular polygraph examination were aimed at this most recent incident, and that this context was explained to the Defendant prior to the test being administered. Additionally, the Government presented no evidence of the prior incident which appears to have been an arrest only, with no conviction. There is no evidence before the Court that the Defendant had knowledge of illegal substances on the prior ship and, in fact, no evidence that such illegal substances were present.

The Government placed significant emphasis on the holding in *United States v. Scheffer*, 523 U.S. 303 (1998). The *Scheffer* case involved a constitu-

tional challenge to an executive order that prohibited the admission of polygraph evidence in the proceedings of courts martial. The Supreme Court held that the executive order did not violate the constitution. This holding, however, is irrelevant to the instant inquiry. Nothing in the *Scheffer* order has any effect on the admissibility of polygraph evidence in civilian courts. The Supreme Court did not categorically reject the admissibility of polygraph evidence but, instead, held that military defendants did not have a constitutionally protected right to admit such evidence in military courts ...

Here, the only evidence presented supports the admissibility of the polygraph examination under Rule 702 and *Daubert*. Furthermore, the case law does not uniformly support exclusion. See, e.g., *United States v. Padilla*, 908 F. Supp. 923 (S.D. Fla. 1995)

(holding that as long as defendant only attempted to introduce evidence of her polygraph examination to corroborate or impeach a witness' testimony at trial, the polygraph was admissible. The polygraph was relevant, and its probative value was not substantially outweighed by its prejudicial effect. The test was conducted with sufficient scientific rigor to conclude that it may assist the trier of fact in determining whether defendant's confession was, in fact, induced through impermissible coercion.) ...

Thus, the Court finds the polygraph evidence to be admissible at trial to either impeach or corroborate witness testimony. Further specifics regarding the admission of the polygraph evidence will be determined at the time of trial. Accordingly, it is hereby

ORDERED that Defendant's Motion for an Evidentiary Hearing on Ad-

mission of Polygraph Evidence, construed as a motion to determine the admissibility of the polygraph evidence under Federal Rule of Evidence 702, is GRANTED. The Defendant may present the polygraph evidence, through expert testimony, to corroborate or impeach witness testimony at the trial in this matter.

DONE AND ORDERED in Tampa, Florida on April 9, 2015.

Charlene Edwards Honeywell, U.S. District Judge



Bruce Hulme, CFE, is ISPLA's Director of Government Affairs.

ISPLA is a resource for the investigative and security professions, U.S. and state governments and the media.



Board Accredited Investigators, continued from page 7 ...

Kevin		Porter	kevin@pinnaclegroupinvestigations.com	Y
Charles		Rahn	c.t.rahn@live.com	Y
Rick		Raymond	rick@rickraymondpi.com	
Kelly		Riddle	Kelmar@kelmarpi.com	Y
Kevin		Ripa	Kevin@computerpi.com	Y
David	P.	Roberts	britamsec@aol.com	Y
Dennis		Root		
Christopher		Rumbaugh	chrisrumbaugh@bellsouth.net	
Alex		Santos	invesprotex@gmail.com	Y
Greg		Scott	investigator@pobox.com	Y
Herbert		Simon	herb@njinvestigator.com	Y
Karen		Smith	karensmith6764@gmail.com	Y
Ed		Spicer	ed@oceanstatesinv.com	Y
Sandra		Stibbards	sandra@camelotinvestigations.com	Y
Michael		Thompson	thompson059@gmail.com	Y
Robert		Weekes	californiasleuth@gmail.com	
Daniel		Wescott	daniel.wescott.dbfl@gmail.com	
Jay	H.	Zager	jayhzager@aol.com	

Taking the Initiative

By Alan Kaplan

Several years ago we were retained to determine the source of money of a man who was in the process of conducting a hostile takeover of our client's company -- a listed company on the American Stock Exchange. At the time we were hired, the SUBJECT of our investigation had purchased \$10 million worth of the client's stock and his stock purchases continued unabated. Our investigation disclosed that our SUBJECT had borrowed \$25 million from three banks using fraudulently obtained collateral. Further he was currently in default on those loans. Armed with that information and with concurrence of both our cli-

ent and counsel, I decided that it was time to take a couple of bankers to lunch. The bankers were given the location of 50 odd brokerage houses in which SUBJECT housed the \$10 million of our client's stock that he had purchased. A few days later, the banks seized the \$10 million in stock. The next day our SUBJECT declared bankruptcy and the hostile takeover was history. Most cases are less spectacular, but this is what we mean by using your initiative to take the initiative. We deliberately manipulated events so as to favor our client.



“Sons of Carino”