

# The Ostrich Group

In the mid-1990s, health-conscious Americans

wanted their meat low in fat and cholesterol. Ostrich, which tasted much like steak but with less fat and calories than beef, turkey or chicken, seemed like an investor's dream opportunity.

Unlike cattle, which typically give birth to a single offspring a year, a female ostrich lays 30 to

60 eggs each breeding season, and the birds are far cheaper

## An Investment Scam Targets Investors' Nest Eggs

to feed and care for.

As publicity about the birds grew, ostrich burgers appeared in supermarkets, delis,

and restaurants. Besides being tasty to eat, its feathers made excellent dusters, and demand was growing for boots, belts, and briefcases made from ostrich leather. Even the enormous eggs were sought after, eyed by collectors as well as egg-art enthusiasts. A single egg went for as much as \$100. The ostrich went from being an exotic bird seen only in zoos to a profitable marketing prospect for ranchers.

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By Postal Inspector Debra A. Rikli, Santa Ana Domicile, and Postal Inspector Mike McCarthy, Los Angeles Division, U.S. Postal Inspection Service

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The ostrich craze captured the attention of another, less principled group of opportunists. Led by Patrick L. Antrim and David T. Hudson III, The Ostrich Group hatched an investment scheme guaranteed to bring a profit from the flightless bird. Unfortunately for them, U.S. Postal Inspectors at the Los Angeles Division had a problem with that: TOG's only goal was to feather its own nest with investors' money—sent by victims through the U.S. Mail.

Patrick Antrim and David Hudson formed The Ostrich Group in 1995. It was an investment firm specializing in the sale of breeder ostriches and eggs, targeted to capture a share of the booming ostrich market. TOG rented offices in Santa Ana, California, and hired staff to help sell pairs of "breeder ostriches," three-year-old birds with a successful breeding season.

Antrim and Hudson knew nothing about ostriches, but they picked up enough to teach the essentials to their staff.

People were eager to cash in on a profitable investment that required no effort—except to mail their monthly fees. TOG sold its first pair of breeder ostriches in May 1995 for \$31,500.

Although guaranteed a minimum of 20 eggs per breeding season, investors were told it was more likely the birds would lay 40 to 60 eggs. If they laid less than 20, TOG promised to make up the difference with eggs from other ostriches. Interested customers received letters detailing an eight-year "projected income schedule" showing the immense profits they could expect to earn—and which would grow substantially each year. According to the letters, by year eight, one pair of birds producing 30 to 60 eggs a

season would realize a return of more than \$480,000.

All investors had to do was mail in their money—The Ostrich

Group would handle the rest, including food and board for the birds. It sounded too good to be true. As usual, it was.

Following the initial investment for a pair of breeder ostriches, investors had to board their birds—\$30 per month per bird—at a ranch owned or contracted by TOG. Some early investors were told their birds were boarded at Vision Exotics Ranch in Lexington, Oklahoma, owned by David Hudson. Others were told their birds were at TOG's Las Plumas Ranch near Reno, Nevada, or Indian Point Ostrich Ranch in Tehachapi, California. The locations appealed to investors, who liked the idea of visiting the ranches and showing off the exotic birds to family and friends. The Ostrich Group generously offered to take care of all of the arrangements for the visits.

By late 1995, TOG had sold several hundred thousand dollars worth of their "proven breeder ostriches." Antrim and Hudson expanded the business, moving to two offices on the fourth floor of an elaborate high-rise building called The Atrium, located in one of the wealthiest

parts of Orange County, California. Antrim even thought people might confuse his name with that of the building. The men spent thousands outfitting their new offices with fine leather furniture, conference tables, and numerous phone lines. Loretta Antrim, Patrick's mother, joined the team to

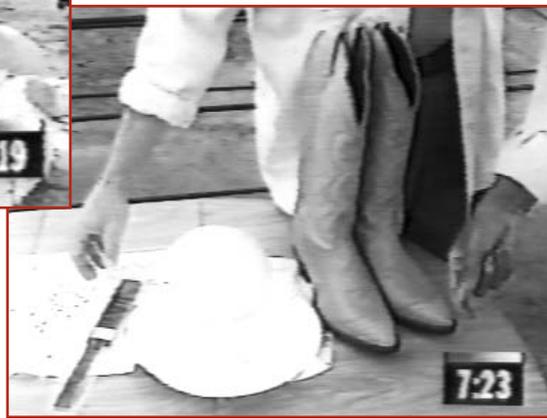
oversee daily operations.

Antrim and Hudson taught their employees how to hook clients. They provided leads and told their staff to invite clients to the luxurious offices of The Atrium, where investors could watch videos of ostrich ranches owned, it was said, by TOG.

With high rent payments at stake, The Ostrich Group began an extensive radio, television, and newspaper ad campaign. In November 1996, TOG



Ostrich egg and ostrich leather boots.



Patrick Antrim, David Hudson III, and reporter Gayle Anderson from KTLA TV 5 at an ostrich farm in Winchester, CA.

Gayle Anderson rides an ostrich.





The Ostrich Group's infomercial included testimonials endorsing the group—but inspectors later found the endorsements were bogus.

negotiated a 15-minute spot on KTLA TV 5 News, a major Los Angeles station. Anchored by reporter Gayle Anderson, the video was shot at an ostrich farm in Winchester, California, two hours from Los Angeles, and was broadcast several times the week before Thanksgiving. In the clip, Antrim and Hudson are seen discussing the selling points and marketing value of ostriches—and how to cook ostrich for Thanksgiving dinner. The clip ends with Gayle Anderson riding off on an ostrich and displaying a telephone number to call The Ostrich Group for more information on this up-and-coming opportunity.

Antrim and Hudson next spent \$50,000 to produce a 30-minute infomercial. This time, a well-dressed Antrim and Hudson are shown walking from the sculptured glass entrance of The Atrium as if they're the owners of the luxurious high-rise. The men are filmed at work in their plush offices, discussing the hours they spent daily monitoring the international ostrich market. Testimonials endorsing The Ostrich Group (later found to be unauthorized) from veterinarians, ranchers, bankers, satisfied ostrich owners, and even the president of The Ostrich Association were spliced into the film. In one scene, Antrim and Hudson are at the airport, strolling alongside a limousine and a Lear jet and discussing their plans to meet investors at the air-

port, so they could fly them to the ranch to check on the birds.

Antrim hired Michael Whitney of The Whitney Group in August 1996 as a consultant for day-to-day operations. Whitney took over the boarding agreements and sent monthly boarding bills to clients, who were told to mail their monthly checks directly to The Whitney Group. He also sold ostrich pairs, telling his clients the birds were boarded at his ranch in Whitney, Texas.

Between 1995 and 1997, The Ostrich Group sold 247 ostriches to 83 investors for more than \$820,000. Clients were given the name of the ranch where their birds were boarded and signed bills of sale and boarding agreements. A few days later, they received in the mail a Certificate of Ownership identifying the ages, gender, and registration numbers of their birds, which supposedly had microchips implanted for identification. The birds were said to be African Blacks, one of the finest breeds of ostrich. Egg production reports were mailed regularly, advising investors that their birds were healthy and flourishing.

There was really only one problem

with The Ostrich Group: It had no ostriches.

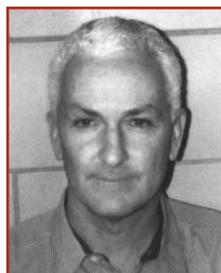
Despite promises to the contrary, TOG salesmen became uncooperative when investors asked to visit their birds. There were many reasons why they couldn't: The ostriches were breeding and couldn't be bothered, the birds were "stressed," or the roads were too muddy and could be accessed only by a four-wheel drive vehicle or helicopter. When people lost patience and threatened to drive themselves to the ranch, TOG announced a group tour would be arranged in a few weeks. But at the last minute, the birds had to be moved to a ranch in Texas—or Oklahoma, or Nebraska, or San Diego.

The Ostrich Group's poor recordkeeping raised the next red flag. Investors began seeing inconsistencies in monthly bills. The registration numbers for their birds varied from one month to the next. Some who had bought one pair of birds were billed for three ostriches, or vice versa.

In response to growing complaints, the Securities and Exchange Commission began investigating The Ostrich Group in November 1996 for securities fraud. SEC officials filed a cease-and-desist order



Loretta Joan Antrim



Michael S. Whitney

*Victims' checks arrived in the mail, but TOG never handed over a single ostrich, or ostrich egg, in return.*





David T. Hudson III



Patrick Antrim, an unidentified male, and David Hudson III are shown walking out of the luxurious high-rise where they rented offices.



The Ostrich Group limo and Lear jet—neither of which were owned by TOG.

against TOG to stop selling ostriches as a security. When TOG ignored the order, the SEC mailed questionnaires to investors to gather more facts about the group's activities. When investors called The Atrium to get answers, TOG moved its offices, in the middle of the night, to an undisclosed location.

But TOG's troubles had just begun. Postal Inspector Debra Rikli received a call in 1996 from Inspector Pamela Durkee at the Omaha, Nebraska, Domicile. Inspector Durkee was working a fraud case against Patrick Antrim and his mother Loretta, accused of running an advance-fee loan scheme. Durkee was analyzing financial papers from the case when she noticed that victims' checks were deposited to an account for The Ostrich Group. After some preliminary coordination, the U.S. Postal Inspection Service launched a criminal investigation of TOG.

Former SEC Attorney Renee Lee and Nina Yamamoto, a CPA with the SEC, provided voluminous files related to their civil case. Lee and Yamamoto worked with Inspectors throughout the investigation, supplying financial analyses and, much later, assistance during the indictment and trial preparation stages in the case against The Ostrich Group.

Inspectors contacted TOG's investors and listened to similar stories. They had seen or heard ads about the ostriches and spoken with staff at The Atrium. The high-rent location, plush offices, sales pitch, and purported ranches seemed credible. The projected income schedule with its eight-year return of \$480,000 per breeder pair and guaranteed egg mini-

mum were big selling points. Best of all, customers didn't have to do a thing—except buy the ostriches and pay their monthly boarding fees. Investors believed the meat, eggs, feathers, and hides of their birds were marketable and could turn a profit. And they were excited at the prospect of showing off the birds to their children and grandkids, expecting to pass a growing nest egg to the next generation.

But investors' problems began after mailing in their checks. TOG stopped returning phone calls. When clients took matters into their own hands and called the ranch to check on their birds, what they heard seemed wildly impossible: The Ostrich Group didn't own the ranches. Worse, there weren't any ostriches.

Postal Inspectors and SEC investigators built their case. The Ostrich Group was no more than a façade. Investors' money was spent on promoting the façade, raising more money, and supporting Antrim and Hudson's high-profile lifestyle.

Patrick Antrim had a nice home at the beach. Both Antrim and Hudson drove a Mercedes, a BMW, or a Jaguar around town, wining and dining at the best restaurants. True, there was a Whitney Ranch in Whitney, Texas, but TOG's Michael Whitney didn't own it. Whitney collected roughly \$30,000 in boarding fees from investors in addition to the money he received from TOG, but he never spent any of it on ostrich food. He bought a Mercedes and a lavish wardrobe.

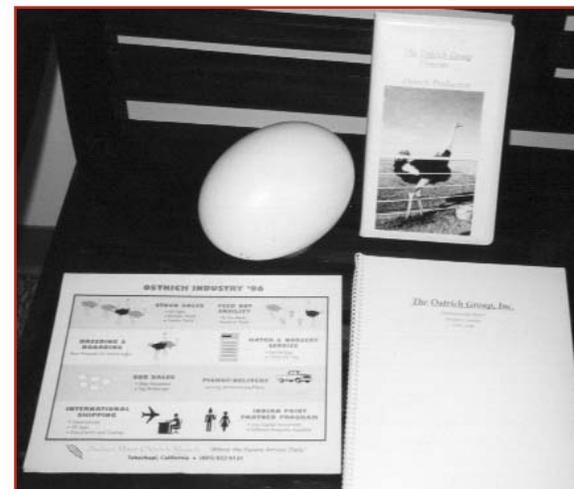
By 1998, Patrick Antrim and his mother Loretta had been indicted in Nebraska for their advance-fee loan

scheme. Patrick Antrim was convicted and sentenced to two years in jail, and was ordered to pay restitution to his victims. Loretta received probation and was also ordered to pay restitution.

Investors filed a class action lawsuit against the four principals of The Ostrich Group and won. The SEC won their civil case against the group on 11 counts of securities fraud. Each of the four was ordered to pay a fine of \$819,000, plus interest. Sadly, neither investors nor the SEC have yet to receive a penny.

Patrick Antrim, his mother Loretta, David Hudson III, and Michael Whitney were indicted on March 8, 2000, in the Central District of California on six counts of mail fraud and six counts of money laundering for the fraudulent operation of The Ostrich Group. Patrick and Loretta Antrim pled guilty to the charges. Hudson and Whitney went to trial.

Former SEC attorney Lee and Nina



Ostrich egg and promotional material from TOG.

## *A Victim's Story*

Peggy Monroe was an employee of The Ostrich Group. When Peggy's mother died and left money to her and her brother, William McConico, Peggy mentioned the inheritance to David Hudson III. She thought it was a wonderful investment opportunity for her brother. Hudson flew directly to McConico's home in New Mexico and sold him a pair of "proven breeder ostriches" for \$70,000.

McConico lost everything he had. The depressed man dropped all contact with his family and eventually ended up homeless eight years later in Denver, Colorado. When Postal Inspectors Julie Larson and Debra Rikli learned about McConico, Larson traveled to Denver and was able to locate him. The Inspector convinced William to come back with her to California and testify at the TOG trial.

The jury was moved by McConico's testimony. William told the court that, after repeated promises to visit his birds were broken, he got a bad feeling about TOG. Told that his birds were at the Vision Exotic Ranch in Oklahoma, McConico called the ranch and spoke with owner Frank Hague. He learned that it was Frank Hague who owned the ranch, not David Hudson III. And McConico found out that he didn't have any ostriches at the Vision Exotic Ranch.

After the trial, Inspectors Julie Larson and Debra Rikli asked William McConico if he wished to see his family. William decided it was time, and the Inspectors arranged a meeting. After eight years of estrangement, William McConico was reunited with his two sisters and their husbands, and met his nephews and nieces for the first time. The family reunion lasted several days and was filled with laughter, tears, and bar-beque ribs.

*Postal Inspectors proved that Patrick Antrim, his mother Loretta, David Hudson III, and Michael Whitney did not own any ostriches, did not own any ranches, and had no contracts with ranches to board ostriches. The four principals used their clients' money for one thing only: to feather their own nests.*

Yamamoto worked with Inspector Julie Larson on the financial aspects of the case and to explain TOG's dealings to the jury. Inspector Larson located key witnesses, including the sad case of an investor who became homeless after losing all of his money to TOG. After finding the man, Inspector Larson convinced him to come to California and testify at the trial.

Approximately 30 witnesses were on hand in Santa Ana to testify at the trial, which began in January 2003. The witnesses primarily consisted of the victims, ranchers, and sales staff of TOG. The investors ranged from 40 to 80 years of age and included doctors, dentists, and attorneys. Most were senior citizens.

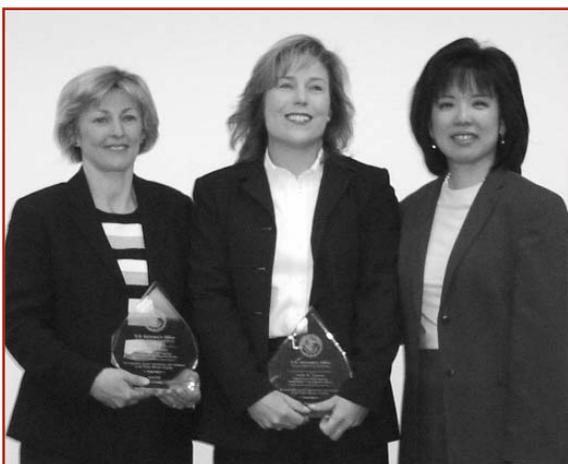
Ranchers testified they never had contracts with or boarded birds for The Ostrich Group.

The testimony of a TOG salesman was particularly convincing. While he was talking up the scheme with a couple of potential investors, David Hudson III entered the room wearing cowboy boots and a cowboy hat. Hudson announced he had just flown in from one of the ranches, and "the ostriches were looking good." He was excited about what he referred to as a great trio of ostriches, two females and a male, for sale. The couple took the bait and

wrote a check. But according to the salesman, Hudson hadn't even left the building that day.

After hearing the evidence presented by Assistant U.S. Attorneys Kenneth Julian and Douglas McCormick, the jury convicted Hudson and Whitney. David Hudson III, who suffered a massive stroke, received a reduced sentence of one year of home detention and five years' probation, and was ordered to pay restitution of \$822,046. Michael Whitney was scheduled to be sentenced on October 27, 2003. Patrick Antrim was sentenced in May 2003 to five years in prison and three years of supervised release, and was ordered to pay restitution of \$822,046. His mother Loretta was scheduled for sentencing in December 2003.

Postal Inspectors Debra Rikli and Julie Larson were recognized by U.S. Attorney Debra Yang of the Central District of California at the district's annual Victim-Witness ceremony. The two Inspectors were honored for their exemplary work in meeting the needs of the victims and witnesses of The Ostrich Group scheme.



**Postal Inspector Debra Rikli and Postal Inspector Julie Larson were each presented with a Victim-Witness Award from Debra Yang, U.S. Attorney for the Central District of California, in recognition of their exemplary work aiding victims of The Ostrich Group's fictitious investment scheme.**

OPERATION

# Cash Run

INVESTIGATIVE  
TEAMWORK  
CLEANS UP  
DRUG MONEY  
FROM THE  
U.S. MAIL

by Postal Inspector  
Dennis J. Simpson,  
St. Louis Division

"You, sir, are a menace to society. This court hereby sentences you to life imprisonment."

With these words, U.S. District Court Judge Catherine Perry of the Eastern District of Missouri halted a highly organized, national cocaine distribution ring run by Robert Francis.

Francis was brought to justice by an Organized Crime Drug Enforcement Task Force, dubbed Operation Cash Run,

that was headed by U.S. Postal Inspectors. Operation Cash Run proved that Robert Francis and his crew transported roughly 20 to 30 kilograms of cocaine a month, and mailed in excess of 240 Express Mail parcels of drug payments from St. Louis to Los Angeles over a two-year span.

Where did Robert Francis go wrong? He based his illegal business plan on the U.S. Mail.



## The St. Louis Connection

Prohibited Mail-Narcotics (PMN) Inspector Dennis Simpson pulled two Express Mail packages from the mailstream at the St. Louis Airport Mail Center (AMC) on June 23, 1999. The packages bore the same return address—Gateway Productions in Clayton, Missouri—in identical handwriting. They were mailed from different Post Offices, but on the same day. They were addressed to different companies in Los Angeles, California, but listed the same phone number. To Postal Inspector Simpson, trained to investigate mailings of illegal drugs and drug money, the parcels were suspicious.



“Sneak a peek” warrant on Express Mail package.



Inspector Simpson knew the return address belonged to a commercial mail receiving agency. CMRAs are private mail businesses, such as Mail Boxes Etc., often used by people who want an anonymous address they can hide behind. Simpson looked up the phone numbers, but they weren't listed, so he called Los Angeles Postal Inspectors for more information on the receiving end.

When L.A. Inspectors told him these addresses were also CMRAs, Simpson and his PMN team members were granted a search warrant and opened the packages. Inside each were three videotapes. In each package one tape was hollowed out. The

empty cartridges concealed money: \$6,500 in cash in one, \$6,790 in the other. PMN Inspectors seized the money.

St. Louis Inspectors seized another Express Mail package at the AMC the next day. Like the first two, it was addressed to a CMRA in Los Angeles and had a return address of a CMRA in St. Louis. Inspectors forwarded this one to the PMN Team Leader in Los Angeles, Inspector Tom Dugan.

the same Post Offices at the same time of day. These were forwarded to Inspector Dugan, as well.

Dugan and his team opened the new arrivals under warrant and again found three blank videotapes in each. But these held no money.

The pattern was a familiar one: The mailers had sent “test” packages to see if they'd get through, instead of disappearing as before. Inspectors resealed them

and returned them to the mailstream.

Express Mail records at the St. Louis AMC confirmed Inspectors' suspicions: They had uncovered a major drug mailing network. There was a long list of packages from Gateway Productions in the past year, identical in weight and all addressed to CMRAs in

Los Angeles. Team Leader Dugan added Inspector Kim Gordon to the case.

New packages arrived daily. Following the test run, Crossroads Studios replaced Gateway Productions as a return address, but this flimsy disguise failed to fool the Inspectors. By now, they could spot the mailer's handwriting immediately.

St. Louis Inspectors continued to forward suspect packages

to Inspectors in Los Angeles. As agreed, the California team opened the packages under warrant, photographed and documented the contents, and repackaged the illegal mailings before making controlled deliveries to the recipients. There were no seizures and no arrests: Inspectors were biding their time, collecting information.

The mailings continued through 1999, with Postal Inspectors executing 26 search warrants on suspect packages. Each contained three videotapes, with one of

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The mailings continued through 1999, with Postal Inspectors executing 26 search warrants on suspect packages. Each contained three videotapes, with one of

the three hollowed out to conceal between \$6,000 and \$8,000 in cash. Inspectors wanted to know who was running this ring.

### Cameras, Pens, and Pagers

Surveillance cameras at the St. Louis Post Office provided Inspectors' first glimpse of one of the mailers. They sent the photo to narcotics officers in St. Louis and Los Angeles, hoping for a hit. They got one.

Robert Francis was known to Los Angeles police as a drug dealer, with previous convictions on drug and gun charges. St. Louis Inspectors found him in Maryland Heights, Missouri, renting a room in a large apartment complex. A careful operator, Robert Francis put his lease in a woman's name, bought cars under aliases, and kept his cell phone under the name of girlfriend Janiece Dunning.

Inspectors presented their findings to the U.S. Attorney's Office. Because of the high number of mailings and suspects, the U.S. Attorney's Office designated the investigation an Organized Crime Drug Enforcement Task Force case, naming it Operation Cash Run.

Assistant U.S. Attorney (AUSA) John Ware, a veteran with more than 10 years' experience prosecuting organized drug rings, was assigned to the case, along with DEA Special Agent Ken Williams and St. Louis Metropolitan Police Department narcotics detectives Tom Lewellyn and Rick Koemann. Their goal was to get to the source of the drugs. Operation Cash Run wasn't going to stop at a few seized packages and some arrests. They were



**Robert Francis mails Express Mail package at Ballwin, Missouri, Post Office.**

going to bring down the "big guys."

Team members set up a surveillance of Francis. A man had recently moved in with him who called himself "Anthony Woods"—at least that's what he said during a police stop set up as a ruse. The roommates were obviously surveillance conscious, using evasive driving maneuvers to throw off a tail, parking in empty lots before continuing to a destination, doing "double backs" and U-turns on empty streets, driving down dead ends and stopping suddenly, running red lights, and walking through shopping malls for no apparent reason other than to cover their tracks. Francis even confronted two agents he suspected were following him—in one case threatening to "shoot up" their undercover surveillance van.

As investigators gathered evidence,

they discovered Francis serviced his cars at a local gas station. Station invoices revealed he used an alias of Mark Jirard, with a cell phone and pager as contacts. A clone pager allowed them to track his calls. St. Louis Postal Police Officers kept a log of the time, date, and number of every page Francis received.

Inspectors subpoenaed Francis' cell phone records and obtained a pen register on the phone. Detective Tom Lewellyn pored over the records, seeking common calls and researching numbers going to the pager. More numbers led to more pen registers and phone records, and the process was repeated, leading to a growing list of conspirators.

The team developed files on those who called or were called by the suspects. St. Louis police provided office space for the Operation Cash Run Task Force. Inspection Service Security Engineering

**Robert Francis carries shipping material into his apartment.**



**Freddy Burgueno leaves Francis' apartment with Express Mail packages.**



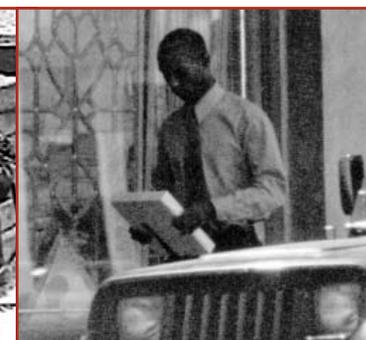
**Robert Francis enters his apartment with another Express Mail package.**



**Robert Francis and courier Tiffany Barry leave Francis' apartment.**



**Travis Porter picks up Express Mail package in Los Angeles at CMRA.**



Technician Bob Lamar installed a covert surveillance camera, trained on the door to Francis' apartment.

Mostly they'd see Francis arrive with boxes and packaging material. He'd leave with Express Mail packages, headed for the Post Office.

### Wanted for Murder

In October 1999, task force members matched the Missouri driver's license of Anthony Woods—the man who had moved in with Robert—with a California driver's license issued to Anthony Pak Francis. Anthony "Woods" was Robert's brother.

Anthony was wanted on a drug-related murder charge dating from October 1998 in Ingelwood, California. It was the same time he'd moved in with Robert.

Inspectors wanted to arrest Anthony Francis on the warrant for murder without alerting his brother. A call to the Maryland Heights Police Department solved the problem.

The Operation Cash Run Task Force began a concentrated surveillance of the apartment. When Anthony took off the morning of October 8, 1999, in a brand-new, 1999 Lincoln Navigator without plates, Inspectors paged a uniformed Maryland Heights police officer on standby. Officer Mark Stohr waited until Francis was some distance from the apartment. Then he pulled him over on a traffic stop.

Francis handed over his "Woods" dri-

ver's license. When Officer Stohr informed him he was under arrest for failure to properly register a motor vehicle, things moved quickly.

Francis ignored Stohr's orders to keep his hands out of his pockets, so Stohr grabbed him by the arms and pinned him down. A search by the officer revealed that Anthony Francis was carrying a .22-caliber North American Arms derringer in his pants pocket.

Francis was taken to the Maryland Heights jail and booked under the name of Anthony Woods. According to plan, Officer Stohr waited a few hours and then told Francis they had run his prints through the Automated Fingerprint Identification System (AFIS). They knew he was Anthony Pak Francis, wanted for murder in California.

### A Perfect Profile

Team members now focused on a woman who appeared regularly at Robert Francis' apartment. She'd drive up in a red jeep and disappear for a short time in the apartment. When she left, she'd leave the jeep and take Robert's Nissan Maxima, returning a few days later to switch cars again.

A pen register on the cell phone of Tiffany Barry, aka Sheila Anderson, revealed she called Francis from the Drury Inn in McAllen, Texas. Cell phone logs revealed she was making roundtrips between St. Louis and McAllen, and hotel records indicated she stayed in McAllen for only a few days at a time. Tiffany Barry had made at least three trips to McAllen in the last two months. She was a perfect fit

for the profile of a drug courier.

Postal Inspectors got a court order in December 1999 to covertly install a tracking device on Francis' Nissan Maxima. They "stole" the car in the middle of the night and drove it to the Maryland Heights Police Department.

Sergeant Ed Pfeiffer from the St. Louis Police Department installed the tracker, and Inspectors returned the car, unnoticed, to the apartment lot.

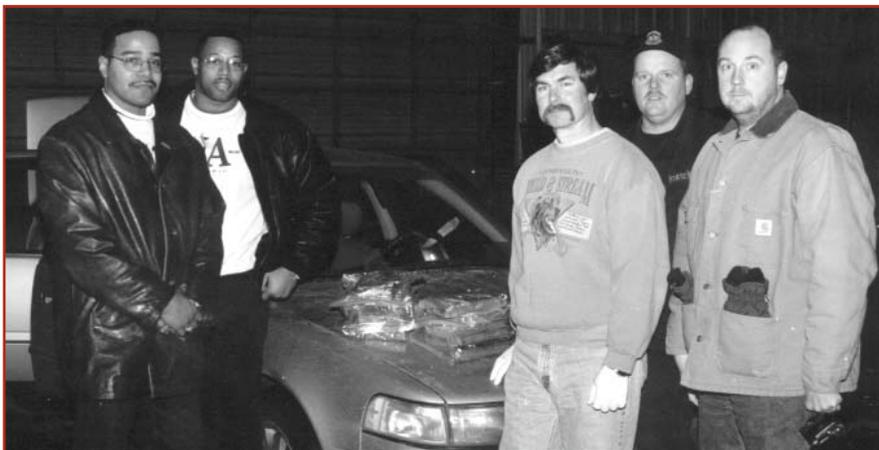
The tracker was configured to send an automatic page to Postal Inspector Dennis Simpson if the car left the St. Louis area. On January 21, 2000, Inspector Simpson's pager went off.

Barry drove to McAllen, Texas. Inspector Simpson, accompanied by Inspector Jorge Concepcion and special agents from the McAllen office of the Drug Enforcement Agency, watched her every move, but learned nothing of what she was up to. A week later, Barry drove back to St. Louis.

The Missouri Highway Patrol had been called in to conduct a "make your own case" stop on the vehicle, as far from St. Louis as possible. As the Maxima crossed the state line from Arkansas, Missouri State Trooper Sergeant Rick Sanders observed a moving traffic violation and stopped the car. Barry granted Sanders consent to search the vehicle. The officer seized 9 kilograms of cocaine he found in an electronically controlled, hidden compartment behind Tiffany Barry's rear seat.

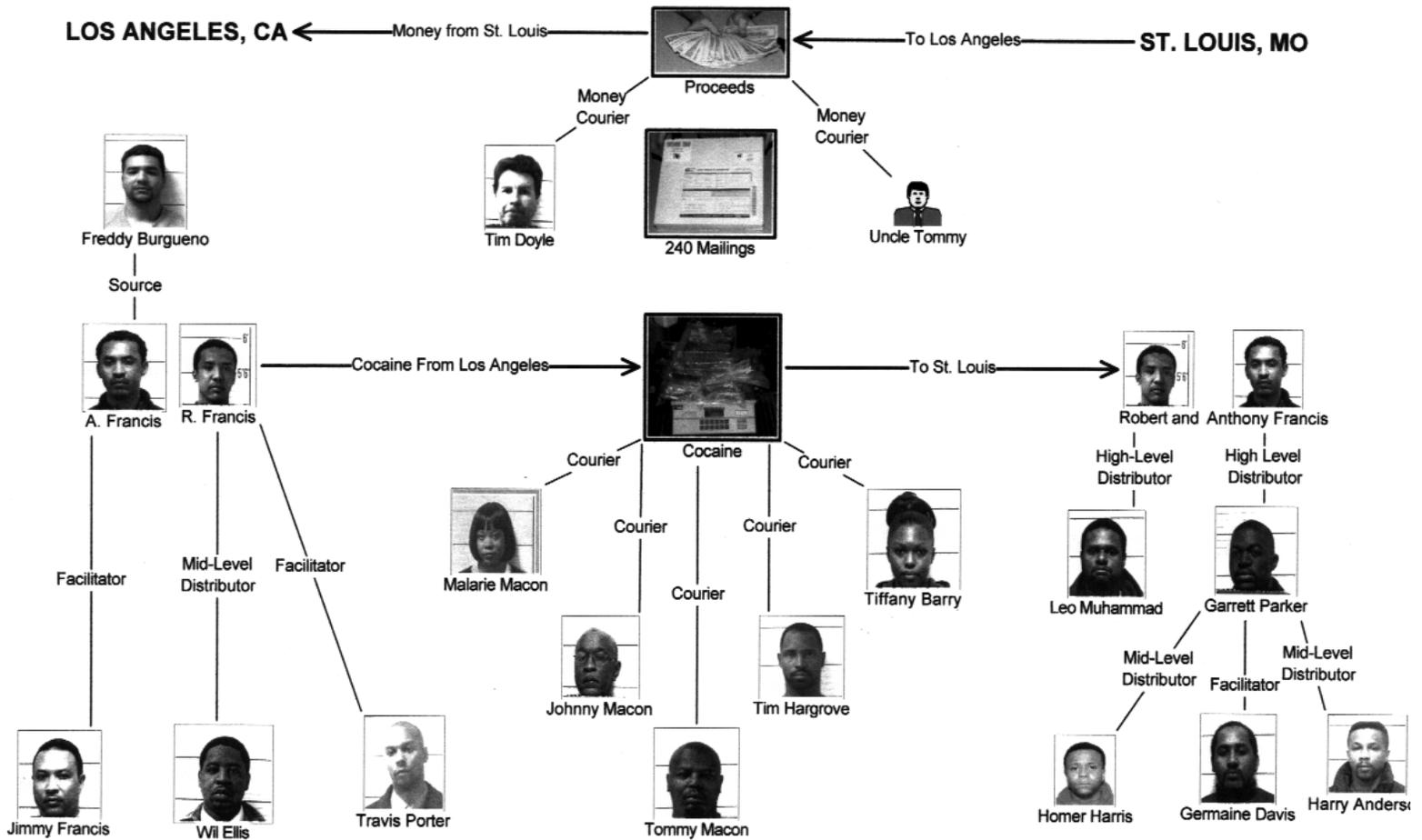


With the back seat removed, the cocaine is exposed during the Tiffany Barry stop by Trooper Sanders.



January 2000 seizure of 9 kilos of cocaine from Tiffany Barry. Left to right: DEA Special Agent Ken Williams, IRS Special Agent Chris Henry, Inspector Dennis Simpson, Sergeant Rick Sanders of the Missouri Highway Patrol, and Detective Rick Koememann of the St. Louis Police Department.

# FRANCIS ORGANIZATION



The U.S. Attorney's Office and the state prosecutor agreed to charge Barry in state court. State charges would be dismissed when, and if, federal charges followed.

## The Mechanics of Dealing

Immediately after Barry's arrest, Robert Francis moved to a new apartment complex across town. He also changed cell phones. Inspectors recorded the new number by paging him to a trap-and-trace line, and obtained new pen registers.

Francis had no close friends and no social life. He flew between St. Louis and Los Angeles regularly. When he went out it was for business, either to mail packages (as many as seven in a day, each from a different Post Office) or fly to California.

The Operation Cash Run Task Force drew up an "organization chart" of the drug ring. Robert (and until now, Anthony) Francis bought cocaine from Mexicans in Los Angeles and McAllen and shipped it via couriers—driving specially equipped vehicles with hidden compartments—to St. Louis. They sold the drugs to Garrett Parker and Leo Muhammad in St. Louis, and sent the proceeds through the U.S. Mail to 13 CMRAs in Los Angeles.

The Postal Inspection Service's Los Angeles PMN Team reported that another Francis sibling, Jimmy Pak Francis, and a man named Travis Porter picked up the money-filled parcels. Inspection Service Database Information System (ISDBIS) records showed Travis Porter was a suspect

in another drug case under investigation at the Washington Division. Inspectors there reported seizing money that had been concealed in videotapes and shipped via Express Mail to Los Angeles.

Wire taps were needed to break into the ring's top echelon for evidence of its activities. It was a tight operation, so informants or undercover officers were not an option.

The investigation continued into 2000, frustrating the team. They drew up affidavits, only to have Francis change phones. Back at square one, they documented calls from the new numbers to known dealers, and continued with surveillances.

A break came in August from DEA agents at Springfield, Illinois. The agents

were conducting a wire tap on a local cocaine dealer and discovered he was buying his drugs from Garrett Parker. Task force members had already identified Parker as a likely partner in the Francis ring, so Inspectors were able to “spin-off” the Illinois wire tap and get one on Parker. It took less than 30 days to gather enough probable cause for a Title III wire tap on Francis’ cell phone.

By December, investigators had barreled through four Title III wire taps to keep up with Francis’ phones. But the task force finally had the upper hand.

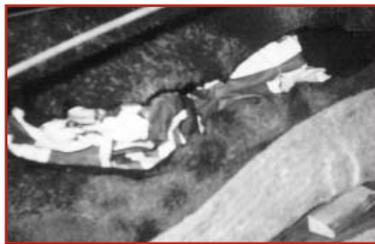
The wire taps revealed that Anthony and Robert Francis were the ringleaders of the operation, buying cocaine from Freddy Burgueno in Los Angeles. Malarie Macon, Tiffany Barry, and Johnnie Macon were couriers, driving cars with electronically controlled, hidden compartments for the drugs. Each car carried from 8 to 10 kilograms of cocaine, which the Francis brothers bought from Burgueno for \$15,000 a kilo. They sold it to Garrett Parker in Illinois and Leo Muhammad in St. Louis for \$21,000 a kilo. Any money not sent through the mail was carried back to Los Angeles in a suitcase by Timothy Doyle.

Investigators “stole” another car from Robert Francis and installed another GPS tracker in it. Not long after, Kansas State Highway

Trooper Kyle Moomau stopped courier Johnny Macon driving the car on a simple traffic violation. The trooper arrested Macon after finding 9 kilograms of cocaine in a hidden compartment behind the rear seat. Still later, task force members seized more cocaine from ring members they had traced to Arizona.

**The task force seized \$30,000 in a safe in Anthony Francis’ residence.**

**An Express Mail package with \$40,000 was found in an electronically controlled hidden compartment behind the rear seat of a 1988 Cutless seized from Robert Francis.**



## Searching and Arresting

Armed with wire-tap transcripts, cocaine seizures, and IDs of the major players, task force members were ready to shut down the Francis ring.

On December 11, 2000, Postal Inspectors from Los Angeles and St. Louis, DEA agents, and local police investigators simultaneously executed 23 search warrants in Los Angeles, St. Louis, and Alton, Illinois. They issued arrest warrants for the three Francis brothers, Freddy Burgueno, Garrett Parker, Leo Muhammad, Travis Porter, Timothy Doyle, Tiffany Barry, Johnnie Macon, and Malarie Macon.

At the home of Robert Francis’ parents in Los Angeles, Inspectors seized \$30,000 in cash from a safe. At Robert Francis’ house they seized a Colt AR-15 with a 90-round magazine. At another one of his homes in St. Louis, they took a 1988 Oldsmobile Cutlass with a hidden compartment that held \$40,000 in an Express Mail envelope. They later confiscated \$30,000 in cash from the St. Louis residence of Leo Muhammad, as well as guns, jewelry, more cash, and more cocaine.

Task force members arrested Anthony Francis, out on bail despite his murder charge, in January 2001

at the St. Louis airport. Robert remained a fugitive until March, when U.S. Deputy Marshals Tony Nelson and Tim Hamilton

tracked him to a hotel in O’Fallon, Illinois. Robert had a false ID, seven cell phones, and five pagers. In a hidden compartment behind the rear seat of his car was a .45-caliber semiautomatic handgun and \$24,000 in cash.



**Weapons seized during the investigation.**

## The Less-Than-Legal Lawyer

The suspects ranged from low-level couriers to the major importers of the cocaine. Eight pled guilty, while couriers Timothy Doyle, Tiffany Barry, Malarie Macon, and Johnny Macon agreed to testify for the government. The remaining suspects, Robert Francis, Anthony Francis, Jimmy Francis, Leo Muhammad, Wil Ellis (a mid-level dealer), Tommy Macon (a courier), and Germaine Davis (a facilitator) went to trial.

Robert Francis retained Los Angeles attorney David Dudley, a Harvard-educated criminal defense lawyer specializing in drug cases. Dudley bragged to AUSA John Ware and Inspector Simpson about some of his clients, including Hollywood movie stars, rap singers, and members of a Colombian drug cartel.

The trial was set for February 11, 2002. On February 1, AUSA Ware and Inspector Simpson interviewed Malarie Macon, a drug courier and major witness for the government. Macon surprised them by first asking if David Dudley was an attorney on the case. Then she launched into a story of sex and cocaine.

Macon claimed she’d had a sex-for-money relationship with Dudley since 1995, when he was in St. Louis. Dudley would page her to his hotel room for sex and pay her \$300 for the night. She saw him snort cocaine at least twice. Their last hook-up was on Superbowl Sunday in January 2002, when Dudley paid her

\$500 and bragged about a major drug trial he was handling, Macon thought then he was involved in the Francis case.

AUSA John Ware informed Dudley of Mason's allegations. The attorney denied all of it, causing Inspector Simpson and DEA Special Agent Ken Williams to initiate an investigation a week before trial. They verified much of Macon's story.

At a hearing in February before Honorable Judge Catherine Perry, Dareyl Oliver (Malarie Macon's pimp), a cab driver, a waitress, hotel video surveillance tapes, hotel receipts, and answering-machine tapes of Dudley's incriminating calls were presented.

Dudley took the stand in his own defense, admitting he had sex with Macon, but claiming he didn't pay for it. He denied using cocaine. Judge Perry deliberated for one day, and then declared that Dudley had lied to her about paying for sex with Macon, and had probably lied about using cocaine. She kicked Dudley off the case and out of her courtroom.

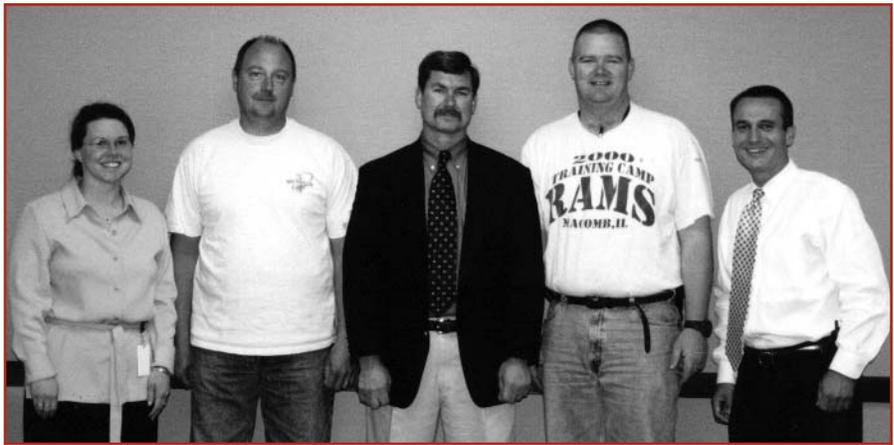
### **The Evidence Was in the Mail**

The trial was reset for May 1. There were seven defendants, seven lawyers, and three AUSAs—Tom Albus and Tiffany Becker were assigned to assist John Ware. The government had more than 300 trial exhibits and more than 70 witnesses, 35 of whom were from out of town.

The government introduced as evidence 240 Express Mail labels, 33 Post Office surveillance photos showing Robert Francis mailing packages, covert surveillance photos of Robert Francis meeting with his couriers, and photos of Jimmy Francis and Travis Porter picking up mailed packages. It also presented more than 50 wire-tap calls, more than 40 kilograms of seized cocaine, and eight seized guns. The defense offered no exhibits and no witnesses. The case went to the jury on May 21. Problems arose almost immediately.

The jurors submitted a note to the judge. They wanted to know how to deal with a juror who claimed her faith prevented her from sending people to prison. A second note claimed the jurors were unable to get along.

As days went by, tensions increased.



**Operation Cash Run: (left to right) AUSA Tiffany Becker, Detective Rick Koenemann, St. Louis Police Department, Inspector Dennis Simpson, Detective Tom Lewellyn, St. Louis Police Department, AUSA John Ware. Missing from photo: DEA Special Agent Ken Williams, Inspectors Tom Dugan and Kim Gordon, and AUSA Tom Albus.**

Screams were heard from the jury room. They were sent back several times to resume deliberations. It became evident that a single juror was the source of the problem.

Nonetheless, on May 24, the jury convicted Robert Francis and Leo Muhammad. They acquitted Jimmy Francis, Wil Ellis, and Tommy Macon, and announced a hung verdict on Germaine Davis and Anthony Francis. The jury was instructed to return on May 28, after the Memorial Day holiday, to resume deliberations.

That weekend, Special Agent Ken Williams, court security officers, and another juror reported seeing juror number 2 meeting with Jimmy Francis and Germaine Davis near the courthouse. The juror hugged and kissed the defendants, carried on an animated conversation, and walked off with them.

On May 28, a hearing was held on the actions of juror number 2. The juror denied the allegations of misconduct, but Judge Perry dismissed the juror. She asked the remaining 11 jurors to deliberate on Davis and Anthony Francis.

They convicted Germaine Davis, but were again unable to reach a verdict on Anthony. His retrial was held in August 2002. One week later, the jury returned a guilty verdict against him.

### **Hard Work Pays Off**

All of the major players were convicted. Robert Francis received a sentence of life in prison, Leo Muhammad was sentenced to 30 years in prison, Anthony

Francis received a sentence of 35 years in prison, Garrett Parker was sentenced to 17 years' imprisonment, and Freddy Burgueno was sentenced to seven years in prison.

Operation Cash Run required the full expertise and resolve of the St. Louis PMN Team—Team Leader Marian Post and Inspectors Dennis Simpson, Bryan Witt, Steve Dowd, James Ball, and Jill Gregg, and the Los Angeles PMN Team—Team Leader Tom Dugan and Inspectors Kim Gordon, Mark Mancuso, Vickie Martin, Jane DeFillippo, and Dave Focht, as well as Los Angeles Police Detectives Gary Milligan and David Jones. The U.S. Postal Inspection Service extends its thanks to DEA Special Agent Ken Williams for his invaluable knowledge of wire taps and surveillances, AUSA John Ware for his expert guidance, AUSAs Tiffany Becker and Tom Albus for their unflagging energy, and St. Louis Police Detectives Tom Lewellyn and Rick Koenemann for their contributions as seasoned narcotic detectives.

Postal Inspectors Dennis Simpson, Tom Dugan, and Kim Gordon, DEA Agent Ken Williams, and St. Louis Police Detectives Tom Lewellyn and Rick Koenemann received Distinguished Service Awards from the U.S. Attorney's Office of the Eastern District of Missouri, and Meritorious Achievement Awards from the West Central Region Organized Crime Drug Enforcement Task Force, for their contributions to the success of Operation Cash Run.