

**PROTECTING  
THE  
*CRIME*  
*STOPPERS*  
COOKIE JAR**



Presenter  
Judge Richard W. Carter (Ret.)



# Speaker's Biography

- Licensed attorney in Texas since 1973, also admitted to practice before all federal district courts in Texas, 5<sup>th</sup> & 11<sup>th</sup> U.S. Courts of Appeal, and U.S. Supreme Court.
- Former Chair of Legal Officers Section of *International Association of Chiefs of Police (IACP)*; Life Member of National Sheriff's Association.
- Former Hunt County Attorney, former Arlington Municipal Court Judge.
- Former General Counsel & Executive Director of *Crime Stoppers International, Inc.*
- Former Asst. General Counsel & Staff Attorney for *Combined Law Enforcement Associations of Texas (C.L.E.A.T.)*.
- Former Senior Attorney with *Walker & Taylor*, Houston, Texas.
- Current Director of Legal Services for Crime Stoppers USA
- Author of Crime Stoppers articles and publications, and *Court Security for Judges, Officers & Other Personnel* (2016) published by *LexisNexis* and *Blue360Media*.

# Overview of Training Points

- Crime Stoppers should be the last target of a thief.
- Our “Hall of Shame” will show the fact to the contrary.
- How to protect the charitable dollars of Crime Stoppers from theft, embezzlement, and white collar crime.

# Crime Stoppers as an Unlikely Victim

- Crime Stoppers is perceived by many as a “law enforcement” program with a “police presence” in its reward offers and announcements.
- The program is controlled by a board of elite citizens who are well-versed in crime prevention and not considered to be “soft on crime.”

# Soft Target?

- Nonprofits are established for beneficial purposes and assume that those who work with them share the same mission.
- Nonprofits tend to be more trusting and have less stringent financial controls than their for-profit counterparts.
- Nonprofits are not required to report thefts unless in excess of \$250,000, or 5% of gross receipts or 5% of total assets.

# Who Got Caught

- Crime Stoppers law enforcement coordinators
- Directors of State Crime Stoppers programs
- Crime Stoppers treasurers
- Insurance salesman
- Crime Stoppers program director
- Bankers handling Crime Stoppers rewards
- Law Enforcement Officers



# WARNING

The following slides contain information regarding only some of the instances of inappropriate and/or unlawful taking of funds from the Crime Stoppers organizations. Shockingly, there are other cases which are not listed. There is no reason to believe there are not evildoers who may be currently preying on one or more of the nonprofit organizations in Crime Stoppers

# Florida

- **WAYNE CROSS** – Age 60, resigned abruptly as Executive Director of Heartland Crime Stoppers after inquiries into questionable practices by a local newspaper *The Ledger* and a parallel investigation by the Florida Attorney General's Office which oversees the grants given to Florida Crime Stoppers organizations. Among the acts investigated were: Cross channeled \$238,000 in printing jobs to his friend and former brother-in-law without seeking bids from other vendors. Cross had Promotional materials for a company owned by a former Chair of Crime Stoppers which were later discovered in a warehouse rented by Crime Stoppers. Cross had at one time paid his daughter as an Assistant to the Executive Director. The Florida Attorney General's Office removed Cross from handling the agency's finances. The Attorney General had given Crime Stoppers a \$234,00 grant for the 2010-11 budget year, and the program received \$15,000 from the Sheriff's Office and \$1,000 from the Winter Haven Police Department. Cross received an annual salary of \$50,000. Wayne Cross was not prosecuted.

# FLORIDA, Continued

- **WAYNE FORTELLA** – An 11-year veteran of the Miami-Dade Police Department, and two associates, provided reward claim codes to civilians who would then redeem the codes for rewards for tips they had not actually submitted. He did not pocket any of the money himself, according to the investigation. The three defendants were charged with wire fraud and conspiracy to commit wire fraud. Fontella was charged with 15 counts. The FBI investigated the crime which was filed in the U.S. District Court in Miami. MDPD officers supervising the Crime Stoppers program tipped off investigators to possible corruption within the unit when they suspected Fontella of abusing his position and manipulating rewards, according to court documents. More than \$14,000 was fraudulently taken from Crime Stoppers.

# GUAM

- **BERNICE RIVERA** – The financial assets of Guam Crime Stoppers were kept at Coast 360 Federal Credit Union and overseen by Credit Union manager Bernice Rivera. Ms. Rivera embezzled every dollar in the account and was found out. It was uncertain whether she would be prosecuted by the federal authorities or by the Territory. In any event, the Crime Stoppers program was strongly urged to recover the checkbook from Ms. Rivera and NOT to have her simply sign an “IOU” or Promissory Note and pay it off while still a member of the board of directors of Crime Stoppers. On January 21, 2014, she was sentenced by Chief Judge Frances Tydingco-Gatewood in the District Court of Guam to “time served” and two years of supervised release for the offense of bank misapplication. She had paid \$11,891 in restitution by the date of sentencing. The case was investigated by the Federal Bureau of Investigation, and she was prosecuted by Assistant U.S. Attorney Frederick A. Black.

# INDIANA

- **GEORGE TIMLIN**– Was the 67 year old treasurer of the Crime Stoppers program in South Bend, Indiana who was charged with embezzling at least \$100,000 from Crime Stoppers where he had been treasurer. Authorities believe Timlin could have been stealing from the program for as long as 16 years, but he was charged only for a five year period, due to the statute of limitations. He had served as Board Treasurer for more than 20 years. According to investigators, Timlin used his position to write checks to himself or for his own personal benefit. The theft was discovered when an audit was taken when a long-time law enforcement officer was leaving for retirement, and he wanted an audit. George Timlin served two (2) years in prison and was ordered to pay restitution.

# MISSISSIPPI

- **MARGARET COOPER** – While serving as the Director of Crime Stoppers, an entity under the Department of Public Safety, embezzled funds during the period of 2004 – 2006, using the funds to pay for movie theater tickets, visits to the hair salon and veterinary hospital, and several other personal purchases. She pleaded guilty to the embezzlement and placed on a two-year pre-trial intervention program. In June of 2012, Mississippi State Auditor Stacey Pickering, reporting that Margaret Cooper was subsequently hired by the Mississippi State Health Department, and stated that “It’s mind-boggling when someone betrays the public trust, they should never be allowed to work for a governmental entity, whether local or state or federal, ever again. Wrong is what it is.”

**DONALD FRESHOUR** – In March 1999, former Columbus Police Chief pleaded guilty to using Crime Stoppers to steal money which Aimee Morgan Nabors testified was used to pay her for sexual favors.

# Mississippi, Continued

**BOONE LAIRY** – In July 2009, a federal jury in Oxford found former West Point Police Sgt. Boone Lairy guilty of embezzlement from the Golden Triangle Crime Stoppers Fund. He was charged with conspiring with Nathan Smith, a former Columbus police officer, and Shawanda Holliday to “defraud the counties and cities” contributing to the fund. Holliday, an Aberdeen resident, earlier pleaded guilty to one count of conspiracy to defraud the organization and was sentenced to three years of probation. The charges against Smith were dismissed. Lairy authorized awards totaling \$18,350, which Holliday and others received, despite not “having provided any legitimate Crime Stoppers information.” Lairy would release a code with which to obtain an award check from the Crime Stoppers fund.

# Mississippi, Continued

- **MICHELLE McBRIDE** – A grand jury indicted her in 2020 on two counts: one for embezzlement of public property taking money from the now defunct Crime Stoppers of Pearl River County between February 1, 2014 to June 30, 2018, and a second count for knowingly falsifying documents and records. McBride was the Treasurer and pleaded guilty to taking \$52,101 from the organization. She pleaded guilty on August 20, 2021 and was sentenced to a year and a half of house arrest and 18 and a half years of post release supervision. The second count was dismissed as a part of the plea agreement. She will be required to repay the embezzled funds, plus \$8,088 to the State Auditor's Office. She could have been sentenced to up to 25 years and fined \$15,000.



# Mississippi, Continued

**ELIJAH WILSON** – As a Hollywood Springs police officer, he coordinated the North Central Mississippi Crime Stoppers program. In June of 2017 he was indicted and charged with two felony counts of felony embezzlement. He was accused of spending \$8,300 from Crime Stoppers to charter a round-trip limousine from Mississippi to a Las Vegas fraternity convention. He was also charged with attending a Mississippi State Crime Stoppers Conference in January of 2016, and receiving a travel advancement from the Town of Holly Springs, as well as reimbursement from Crime Stoppers for the same trip. On November 6, 2017, Wilson pled guilty to 2 counts of embezzlement. He was sentenced to 5 years of supervised probation and ordered to pay \$13,906.12 in restitution plus fees. He faced up to forty (40) years imprisonment.

# MISSOURI

- **MATTHEW PAIGE** – Joplin, Missouri resident Matthew Paige served as **treasurer** of Heartland Crime Stoppers from July 2012 to April 2013, when the group's directors noticed problems in its finances and requested an audit. He was charged with theft and pleaded guilty. The Judge placed him on five years of probation, and gave him 30 days to make restitution of \$3,300 or face up to seven (7) years in prison. The Crime Stoppers organization shut down in 2014 for lack of funds.

# NEW MEXICO

- **MARK MIRIMANIAN** – Was the 37 year old treasurer of the Las Cruces Crime Stoppers program who was sentenced to one year in federal prison for embezzling \$138,000 from First National Bank of Dona Ana County where he worked as a vice president. Mirimanian got the money out of the bank by writing cashier's checks to Crime Stoppers and the New Mexico Amateur Softball Association. He then wrote checks on the two organizations' accounts to himself and his creditors. He was the treasurer for both organizations and had access to the bank accounts.

# TEXAS

**EVA BARRIENTOS** and **AMELIA BLAIR LOPEZ**– Both women, age 26, pleaded guilty in the United States District Court for the Northern District of Texas after admitting to embezzling Crime Stoppers funds on deposit at JP Morgan Chase Bank. Lopez was a teller at the bank where the North Texas Crime Commission kept its Crime Stoppers account. Approximately \$18,750 was taken. Lopez provided Barrientos and Barrientos’s husband with confidential Crime Stoppers tip information, including tip numbers and code words necessary to collect the Crime Stoppers cash rewards. Barrientos and her husband and others would present the tip numbers and code words to Lopez, and other tellers at the bank, to collect the case rewards, then they would divide the cash among the coconspirators

# TEXAS, Continued

**RUSS HANDLEY** – Russ owned and operated *Legacy Connections* insurance agency in Fort Worth, Texas and came highly recommended to facilitate liability insurance policies for members of Crime Stoppers of the United States of America, Inc. (Crime Stoppers USA or CSUSA). For several years he had a bird nest on the ground, writing insurance policies for the majority of Crime Stoppers organizations in the USA. It all came to a halt when it was learned he was not using the funds he received from Crime Stoppers local programs to pay the premiums and that many of the programs who thought they had valid policies were not insured at all. The interim Tarrant County Criminal District Attorney did not want to prosecute Russ Handley because the victims were for the most part out of state. However, the Texas Department of Insurance did revoke the license issued to Russ Handley.

# TEXAS, Continued

**THEADORA ROSS** – A 51 year old, 26 year veteran of the Dallas Police Department, pleaded guilty December 3, 2012 to stealing at least \$175,000 from the Crime Stoppers program operated by the North Texas Crime Commission. U.S. District Court Judge David C. Godbey sentenced Ross to serve three years and ten months in federal prison. Ross would fabricate tips and facilitate payment of Crime Stoppers rewards to her civilian accomplice.

**CHARLES SAWYER** – Mount Pleasant Police in Titus County, Texas arrested the former North East Texas Area Crime Stoppers treasurer who was accused of stealing \$34,000 from the account. Arrest records state he did so by creating false tips to Crime Stoppers and writing checks to himself. A Crime Stoppers representative told police that on July 11, 2017, checks began to bounce on the bank account after Sawyer, had abruptly resigned from the position. The arrest affidavit stated Sawyer was providing Crime Stoppers with fraudulent financial records, but correct records to the Texas Crime Stoppers Council. He had been treasurer since 2006 and there was evidence he was personally in financial trouble. When contacted by police he would not talk with them without his attorney present. Charles Sawyer, age 68, had been the owner of CKS Security in Mount Pleasant, Texas.

# TEXAS, Continued

- **JIM WHITE** – Was the Chair of Tarrant County Crime Stoppers, a member of the Texas Crime Stoppers Advisory Council, and a member of the board of directors of Crime Stoppers International. Records of the Texas Crime Stoppers Advisory Council reflected White was double-billing his local program and the Texas Crime Stoppers Council by presenting copies of the same receipts in his requests for reimbursement. Additionally, White stated his home was in a different city if it would get him reimbursement for a few extra miles. As White was a heart patient with a quadruple bypass, he was not prosecuted but he tendered his three (3) resignations to an attorney representing Crime Stoppers.

# TENNESSEE

- **ROY LEE TOWATER** – As a Lt. in the Jackson, Tennessee Police Department, was given the coveted “Founder’s Award” by Crime Stoppers International, over nine other nominees. Sadly, he was later convicted and sent to prison for stealing controlled substances by the evidence room and conspiring to have it sold on the streets. Towater died on July 22, 2013 at the age of 68.



# How to Prevent & Spot Embezzlement

## Warning Signs

- Dismissive of those asking questions
- Yelling, Intimidation & rudeness
- Refusing to answer legitimate questions
- Personal financial crisis
- Failure to present financial reports and repetitive deferrals to a later date

# PREVENTION TIPS

- Require two signatures on each check
- Keep all voided checks
- Use duplicate carbon checks
- Request check images with monthly statement
- Give receipts for money received
- Do not pay with cash
- Have two people count cash received

# Prevention Tips, Continued

- Review bank & credit card statements
- Perform annual fixed assets inventory
- Background checks on all directors, employees & volunteers
- Conflict of Interest Statements
- Written “Code of Ethics”
- Adopt a Whistleblower system
- Self-audits & Outside audits

# Removing the Hand from the Cookie Jar

- Stop the suspect's access (keys, codes, passwords, laptops)
- Retrieve any cash, checks or credit cards
- Suspend accounts
- Preserve records
- Notify board of directors, insurer, bank, CPA, attorney, law enforcement
- Limit media comments to one spokesperson, with advice of counsel

# DO NOT

- Feel sorry for the person who betrayed your trust and stole your charity's dollars or property
- Accept restitution or a Promissory Note without conferring with legal counsel & prosecutor

# Believe It, Or Not

Crime Stoppers funds have been embezzled by:

- Highly-respected members of the community
- Certified Public Accountants
- Treasurers who have served as Treasurer for as many as 20 years
- Your program should “bond” the Treasurer

# Disclaimer

This presentation is intended to be informational and educational, and not as specific legal advice to any person who may view this presentation.

Specific questions from actual member/clients can be directed to Judge Richard W. Carter (Ret.), Director of Legal Services for Crime Stoppers USA at:

[CrimeStoppersLaw@aol.com](mailto:CrimeStoppersLaw@aol.com)

or consult with your local legal counsel.

# THANK YOU

Judge Richard W. Carter (Ret.)

Director of Legal Services

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