

FILED IN THE DISTRICT COURT  
OKLAHOMA COUNTY, OKLA.

SEP 23 2010

PATRICIA PRESLEY, COURT CLERK

by \_\_\_\_\_  
DEPUTY



## TWELFTH MULTICOUNTY GRAND JURY

### FINAL REPORT



## I. BACKGROUND

During this term, the Twelfth Multicounty Grand Jury has used its statutory powers to investigate various types of alleged criminal activity throughout the State. These crimes include: Murder; Embezzlement by Public Official; Embezzlement; Uttering of Forged Instruments; Perjury; Controlled Dangerous Substance violations; Conspiracy Against the State; Sexual Assault; Fraud; Workers' Compensation Fraud; Medicaid Fraud; Pandering; Adoption Fraud; Obstruction of Justice; Violation of the Computer Crimes Act; Larceny; Official Misconduct; Environmental Crimes; and Making a False and Fraudulent Claim to the State.

Always mindful of the protections afforded individuals under the Constitutions of the United States and the State of Oklahoma, it has become clear to us that the power to compel the production of evidence and the appearance of witnesses through subpoena is an extremely effective tool in the investigation of alleged criminal activity occurring in single or multiple counties across Oklahoma. Through this power, this Multicounty Grand Jury has been able to obtain the testimony of reluctant witnesses whose vital information would likely not have been obtained by other processes. The authority to subpoena different types of financial, business, and phone records has been pivotal in discovering and documenting criminal activity throughout the State without prematurely alerting those under investigation and giving them the opportunity to dispose of evidence, change their method of operation or otherwise hinder lawful investigations.

In our legal tradition, the grand jury process serves an important function in the protection of a free citizenry. The grand jury process ensures that no government agency, power, or person will unjustly or unfairly accuse or incriminate another citizen or public official without due process. It

is important to remember the Multicounty Grand Jury is composed of ordinary citizens. We do not decide guilt or innocence but determine whether there is sufficient evidence which, if unexplained or uncontradicted and presented to a jury of one's peers, would prove the defendant's guilt beyond a reasonable doubt. When there is sufficient evidence, the grand jury's responsibility is to bring an indictment, or accusation of crime, so that the State may require the indicted to face his accusers and stand trial. We have worked diligently and believe we have fulfilled our responsibility to the best of our ability in this regard.

The necessity and effectiveness of the Multicounty Grand Jury has been demonstrated by the assistance this body has rendered to numerous federal, state and local law enforcement agencies investigating crimes within our state. In total, the Multicounty Grand Jury has assisted 145 such agencies, as set out in "*Appendix I*" to this report. Again, most law enforcement agencies, either by manpower, resources and/or authority, do not have the same tools available to them as the Multicounty Grand Jury. This Multicounty Grand Jury has made a significant difference in many investigations conducted by local police departments and sheriffs' offices, examples of which are set out in "*Appendix II*" to this report.

## II.

### GENERAL DESCRIPTION OF ACTIONS TAKEN

This Multicounty Grand Jury, during the course of its investigation, returned nine indictments charging a total of ten individuals. In numerous instances, the Multicounty Grand Jury directly assisted District Attorneys including David Prater, Rob Hudson, Richard Smotherman, Bret Burns, John Wampler, Dennis Smith, and Larry Stuart, among others, in their pursuit of criminal investigations. The Multicounty Grand Jury also worked closely with numerous Assistant District

Attorneys. Part of the assistance the Multicounty Grand Jury provided was in the investigations of various alleged homicides and a number of "cold cases". There were numerous matters in which the assistance of the Grand Jury was sought and, accordingly, we were able to question numerous witnesses. By obtaining testimony, the respective District Attorneys and local law enforcement agencies were able to eliminate individuals as potential suspects, strengthen their investigations, make charging decisions and/or further pursue leads resulting from testimony.

### **III.**

#### **PARTICULAR AREAS OF INVESTIGATION**

#### **HASKELL'S PHARMACY / HASKELL EVANS**

Products containing pseudoephedrine are the main ingredient necessary for the production of methamphetamine. Oklahoma's widespread methamphetamine trade required new and innovative ways to fight manufacturers of the deadly product. House Bill 2176 requires pseudoephedrine products be placed behind pharmacy counters. It is unlawful for the distribution of pseudoephedrine products by anyone other than a registered pharmacist or pharmacy technician. Pharmacists are entrusted with a very important and serious job: they are the gatekeepers where dangerous drugs actually leave the closed loop of manufacture and distribution and reach the hands of an ultimate consumer. This is not the only time pharmacists have been called upon to guard against the diversion of controlled substances. If a pharmacist receives a questionable prescription, he is ethically obligated to contact the physician for verification before dispensing the narcotic. The grand jury investigation revealed that Haskell Evans, a long time pharmacist, member of the State Board of Health, and owner of Haskell's Pharmacy recklessly sold large quantities of pseudoephedrine, a Schedule IV drug, to the general public without care or regard for its intended use.

Mr. Evans conduct came to the attention of the Oklahoma Bureau of Narcotics (OBN) from an unlikely source. The delivery boy from Haskell's Pharmacy contacted OBN agents concerning the owner's sales of pseudoephedrine products. The young man was alarmed by the large number of people in the small pharmacy waiting to purchase pseudoephedrine products. He estimated as many as 30 people waiting to purchase the products, far outnumbering the customers seeking prescribed medication. He also overheard customers secretly discussing using the product to manufacture methamphetamine.

Once contacted, OBN began its investigation by sending agents into the pharmacy with the intent to purchase pseudoephedrine products. They found that Mr. Evans was following OBN procedures by requiring each customer produce a valid form of identification. He entered the identification number in a computer linked to OBN to verify that the prospective customer did not purchase more than nine grams of pseudoephedrine products within a 30 day period. If, in fact, the customer was over the limit, he refused to sell to them until the 30 day period expired. However, if the customer was not quite over the limit but the product he sought to purchase would put him over the limit, Mr. Evans suggested another pseudoephedrine product with a lower amount of pseudoephedrine. At this point, Mr. Evans stopped his inquiry. However, it was his duty to know, or at least make a reasonable effort to know, that the pseudoephedrine was going to a legitimate purpose. Otherwise, there is no need for trained pharmacists to handle pseudoephedrine — any minimum wage convenience store clerk can hide his eyes and ring up a sale.

OBN agents gave Mr. Evans every opportunity to question their sales. On one occasion an agent acted like she could not remember the specific product she wanted to purchase. The agent accompanying her gave her the name of the product, clearly making it appear that both agents were

together buying this precursor to methamphetamine. Another time the agent said she could not remember her date of birth. Mr. Evans graciously provided that information to her, reading from the identification card she provided. The lead agent brought a photo line-up containing the picture of the undercover agent who had purchased the most pseudoephedrine from Mr. Evans. Mr. Evans identified the agent as a possible customer. The lead agent then insinuated that the undercover agent was a methamphetamine cook and asked that Mr. Evans contact him if that "cook" came back into the store. Within a day, the agent returned to the store to purchase more pseudoephedrine product. Mr. Evans readily sold the product to the undercover agent and contacted OBN only after the sale was complete. He explained that he "wanted to get the name in the computer."

Other circumstances also raised a red flag to Mr. Evans' sales practices. Mr. Evans became the number one retailer of pseudoephedrine products in the state outdistancing even Walmart and Walgreens. A search of records revealed that over the course of one year Haskell's Pharmacy sold 39,095.05 grams of pseudoephedrine while the closest competitors were Walgreen's Store #4723 with 26,083.29 grams, Walmart Pharmacy #130 with 25,180.31 grams and Walmart Pharmacy #838 with 25,664.51 grams. Haskell's Pharmacy achieved these sales even though the mark-up on those products was sometimes up to 600%. Clerks within the Haskell's Pharmacy noted that the profit from pseudoephedrine sales would be as much as \$1,500 per day.

However, the most incriminating evidence came from Mr. Evans himself. When the OBN agent finally confronted Mr. Evans asking, "How much of your pseudoephedrine sales do you think goes to the manufacture of methamphetamine?" Mr. Evans replied, "probably 60 to 70 percent." Mr. Evans also responded to the agent's inquiry into the exorbitant price for pseudoephedrine with "if they want it, they will pay for it."

While finalizing their investigation agents from OBN received word from the compliance department stating that Haskell's Pharmacy had neglected to transmit reports on narcotic drugs dispensed through the pharmacy. As part of their oversight duties OBN collects data from all pharmacies detailing scheduled narcotics distributed for the month. This data includes the following information for each dispensation; 1) the recipient's name, 2) recipient's identification number, 3) National Drug Code number of the substance dispensed, 4) date of the dispensation, 5) quantity of the substance dispensed, 6) prescriber's U.S. Drug Enforcement Agency registration number and 7) dispenser's registration number and location. Willful failure to provide this information is punishable as a misdemeanor. Evidence presented to the grand jury indicated that Mr. Evans was noncompliant with this law for approximately two years.

At the conclusion of all evidence, the Grand Jury returned a single indictment charging four felony counts of reckless selling products used as a precursor to the manufacturing of methamphetamine and three misdemeanor counts of willful failure to report information to the Oklahoma Bureau of Narcotics. Following the Grand Jury's indictment the State Board of Pharmacy (Pharmacy Board) presented Mr. Evans with an 11,000 count petition alleging essentially the same conduct as presented to the Grand Jury. Soon after, the OBN also filed a petition alleging Haskell's Pharmacy violated at least 1,000 statutory rules and regulations. By stipulating to the petitions, Mr. Evans accepted responsibility for his illegal and unethical conduct. Administrative sanctions included surrendering his pharmacy license to the Pharmacy Board, surrendering Haskell's Pharmacy license to OBN and fines in the amount of \$75,000 to each agency.

## MEDICAL EXAMINER'S OFFICE

One of the primary responsibilities of Office of the Chief Medical Examiner (OCME) is to investigate unexplained or unattended deaths. This agency has two offices, one in Oklahoma City and one in Tulsa, along with numerous regional investigators. An audit conducted by the State Auditor and Inspector revealed allegations by some staff members of sexual harassment. In an effort to confront these allegations, Dr. Duval, acting Chief Medical Examiner, hired an independent auditor, Jill Kinney, to perform a sexual harassment audit. Ms. Kinney conducted her investigation and determined that the Chief Investigator, Kevin Rowland, had indeed sexually harassed some of his female co-workers. Ms. Kinney also resolved that Dr. Duval was aware of Mr. Rowland's transgressions but did not take corrective measures thereby implicating him peripherally in the sexual harassment. Ms. Kinney refused to turn her final report over to Dr. Duval but instead gave it to members of the Board of Medicolegal Investigations. Subsequently the Board asked that the Oklahoma State Bureau of Investigations (OSBI) intervene and conduct their own investigation.

After numerous hours of interviewing past and present employees of the Medical Examiner's Office, OSBI brought three areas of criminal investigation to the grand jury. First were the allegations of sexual battery; second was the possibility of the illegal possession and transportation of a firearm and finally OSBI uncovered the possibility that one or more employees was in possession of drug paraphernalia. Additionally, while not criminal in nature, the grand jury heard evidence of possible mismanagement. These areas included the handling of evidence recovered from homicide victims as well as skeletal remains.

## Sexual Battery

In the course of their investigation, OSBI spoke with several past and present employees that felt that Kevin Rowland, the Chief Investigator, touched them inappropriately. One past employee complained that Mr. Rowland smelled her hair while making sexually suggestive comments. She complained that Mr. Rowland was the cause of her resignation from the agency. Other female employees also complained that Mr. Rowland made sexually suggestive statements such as inquiring into the color or fabric of their underwear. The spouse of one employee told of a time Mr. Rowland dispatched her husband to a death scene and then called her to ask a particularly crude question regarding her anatomy. More significantly, however, two women recounted times when Mr. Rowland placed his hands on their buttocks and breasts while making lewd comments.

Interestingly, Mr. Rowland did not limit his sexual harassment to only female employees. A male employee relayed to the grand jury a time when he was directed to travel from the Tulsa office to Oklahoma City. Mr. Rowland invited the employee to accompany him to lunch. Mr. Rowland selected the restaurant because of the breast size of the women waitresses. During and after the lunch Mr. Rowland continued to discuss the wait staff's physical attributes. However while at the check out counter, Mr. Rowland pinched the nipple of the male worker while making an inappropriate comment. Mr. Rowland was indicted in Oklahoma County on a single count of Sexual Battery and four counts of Sexual Battery in Tulsa County. Mr. Rowland was ultimately acquitted in Oklahoma County. Sexual Battery Counts in Tulsa County were dismissed when it became apparent that the allegations occurred outside the applicable statute of limitations.

### Criminal Possession and Transportation of a Firearm

In addition to Mr. Rowland's other indiscretions, it was alleged that he carried a loaded firearm into the Office of Chief Medical Examiner. Mr. Rowland is neither CLEET certified nor is he in possession of a concealed carry permit. OSBI discovered that several workers saw Mr. Rowland with a firearm and heard him admit to the possession of a firearm. However those workers were unable to give specific times when they saw the firearm nor could they confirm that the firearm was loaded.

### Possession of Drug Paraphernalia

Sometimes seemingly innocent objects can be used in the consumption of illegal narcotics. One such item is a glass tube used for smoking marijuana or crack cocaine. It was rumored that Rob Deaton, Investigator III, displayed some of those pipes on his desk. However when investigators from the Attorney General's Office and agents from OSBI spoke with Mr. Deaton, he claimed he did not realize they were illegal and had given them to another co-worker. Investigators in fact located and seized those objects. Testing revealed that these items had in fact been used as crack pipes.

In Oklahoma any product or equipment that can be used to introduce a controlled dangerous substance into the body is considered drug paraphernalia regardless of its original use or purpose. However, what might at first glance appear to be drug paraphernalia can in actuality be just a decoration or conversation piece. Just a few determining factors include statements by the owner as to its intended use, the proximity of the object to a controlled dangerous substance, the existence of any drug residue, any legitimate uses for the product, any instructions on the use of the product, and the manner in which it is displayed.

Since neither Mr. Deaton nor the subsequent worker intended to use the items as drug paraphernalia and it appeared that they were simply displaying a collection of pipes without any accompanying narcotics, the grand jury declined to pursue those charges.

### Evidence Collection

Pathologists for the Medical Examiner's Office perform autopsies to determine the cause and manner of death which are not always readily apparent. For example the cause of death may be a gunshot wound but the manner of death could be either homicide or suicide. Investigators of OCME are responsible for collecting any potential evidence from those decedents. In some cases employees for the chief investigative agency will do the collecting but not in all cases. For instance, Detectives from the Oklahoma City Police Department will go to the Medical Examiner's office and take anything of evidentiary value. However, smaller cities and some counties do not have the manpower to complete this task so it is left to the OCME investigators.

During the grand jury investigation, it came to light that there was no set policy for the collection and maintenance of evidence retrieved. Investigators did not always document who collected or packaged the evidence, thus no chain of custody was established. Without a proper chain of custody, all evidence introduced at trial then becomes suspect. While it is still admissible, the jury is left to decide the weight and credibility of sometimes critical evidence. More importantly, once the evidence was collected, there was no adequate storage of those items. Even though there was a safe, a closet and file cabinets, they were either left unlocked or the lock was malfunctioning. It was suggested in an interim report that OCME implement policy and procedures to correct this oversight.

### Skeletal Remains

During the course of their investigation, OSBI agents and investigators from the Attorney General's Office discovered bags and boxes of unidentified skeletal remains stacked in a room in the Oklahoma City office of OCME. It appeared that these bones were not properly preserved or documented. In fact some sacks containing skeletal remains were placed perilously close to other biohazardous waste. It was also suggested in the interim report that these remains be properly boxed and cataloged until such time as they can be examined and identified.

### **OKLAHOMA COURT APPOINTED SPECIAL ADVOCATES (OCASA)**

#### **EUGENE AND ANNA NAUKAM**

The Court Appointed Special Advocates (CASA) is a program comprised primarily of volunteers who are appointed to assist children involved in the Oklahoma Department of Human Services and the court system due to abuse or neglect. The volunteer acts as an advocate for an abused or neglected child. A CASA volunteer's responsibilities include investigating the circumstances surrounding the case, making an independent evaluation of what is in the child's best interest, both immediately and in the long run, and monitoring the case until a permanent plan is approved by the court. Judges need these volunteers to supply them with information to ensure that the children are provided a safe home. These children need an advocate to ensure that they do not get "lost in the system" and that placements are truly in the best interest of the child.

The Oklahoma Court Appointed Special Advocates (OCASA) is the parent agency for each of the local CASA offices throughout the State. This agency receives funding from various sources including, appropriations from the State of Oklahoma, federal funding, private donations and various

grants. It is the responsibility of OCASA to distribute these funds to individual county offices. Anna Naukam was employed by OCASA from September 10, 1998 to September 2, 2008 and served as the executive director during most of her employment with the association.

Ms. Naukam appeared to be above reproach and witnesses testified that she gave every indication she was committed to the CASA mission. She also enjoyed the full support of the board of directors and many county directors across the state. An investigative audit prepared by the Oklahoma State Auditor and Inspector, revealed Anna Naukam had full and sometimes sole access to the funds coming into and going out of the organization including an OCASA funded credit card. Additionally, she engineered a full time job for her husband, Eugene Naukam. Mr. Naukam joined the organization as a volunteer responsible for their special projects and was eventually hired as a full-time employee in February 2006. Incredibly, records revealed he received an OCASA funded credit card in 2002, four years prior to his actual employment. With very little oversight, Anna and Eugene Naukam were permitted to use these credit cards as to make purchases for their own benefit. Once the full details of their deceit were uncovered, it became apparent they jointly embezzled over \$650,000. The grand jury heard evidence that Anna and Eugene Naukam incurred the following expenses on their OCASA credit cards:

Personal items as well as some items apparently intended as Christmas gifts

83 individual purchases from *Home Depot* totaling \$14, 249.80.

76 individual purchases from *Kohl's Department Store* totaling \$13,820.54.

74 individual purchases from *Foley's Department Store* totaling \$10,342.53.

55 individual purchases from *Victoria's Secret* totaling \$6,384.87.

39 individual purchases from *Eddie Bauer Clothing Store* totaling \$6,259.65.

31 individual transactions with *The Limu Company*, a multi-level marketing company, totaling \$5,285.55.

Personal medical expenses

Cosmetic surgery totaling \$8,100.00.

Personal dental expenses totaling \$2,408.62.

Improvements on the Naukam home

Material and labor for the installation of granite counter tops totaling \$14,249.80

Material and labor for the installation of flooring totaling \$5,376.40

Purchase, delivery and installation of a hot tub totaling \$14,249.80

Vacations for Anna and Eugene Naukam including the actual vacation package as well as expenses and souvenirs from the trips

Three (3) vacation packages from *Funjet Vacations* totaling \$4,021.88.

22 individual transactions at establishments located in Cozumel, Mexico totaling \$1,963.98.

12 individual transactions for payment to *Visiting Veterinarians* to board their pets while traveling totaling \$1,800.95.

Other entertainment

Personal subscription services including *Presbyterian Hospital Health Club*, *Netflix*, *Monthly Clubs.com* and *Playboy magazine* totaling \$1,897.00

68 individual purchases or transactions for the purchase of *Texas Tech University Athletic Tickets*, *Tech Traditions*, and the *Texas Tech Alumni Association* in Lubbock, Texas totaling \$14,016.95.

Expenses for family members neither associated with nor employed by CASA

20 payments to the *University of Oklahoma* for tuition payments totaling \$13,506.69

Miscellaneous cash transactions

5 cash advances totaling \$13,000.00

“Over limit fees”, “cash advance charges”, “late fees”, “pay by phone fees” and “finance charges” totaling \$8,239.46.

The grand jury issued a single indictment against Anna Naukam charging her with one count of conspiracy and 148 counts of embezzlement while Eugene Naukam was charged with one count of conspiracy and 42 counts of embezzlement. Anna Naukam plead guilty to all counts on September 4, 2009. She was ordered to serve a 35 year sentence, with the first 15 years to be served in the custody of the Oklahoma Department of Corrections followed by 20 years of probation. She was also ordered to pay restitution in the amount of \$549,024.11. Eugene Naukam plead guilty to all counts on March 15, 2010. He was ordered to serve a 20 year sentence, with the first 5 years to be served in the Oklahoma Department of Corrections, followed by 15 years of probation. He was also ordered to pay restitution in the amount of \$148,000.00, of which \$43,000.00 was paid at the time of sentencing.

## **COMMISSIONERS OF THE LAND OFFICE**

### **ROGER MELSON**

Early in Oklahoma’s statehood, land was set aside for the benefit of general education. Any funds generated from the use of this land are divided among the school districts in Oklahoma including elementary, secondary and post secondary schools. Income is generated through agricultural, oil and gas and commercial leases. Funds generated through these leases are then invested in order to generate additional income. The Commissioners of the Land Office (CLO) is the agency charged with the responsibility of monitoring, collecting, investing and distributing all the money flowing from the appropriated school land.

The grand jury learned that CLO handled millions of dollars a year in revenues. Roger Melson was assigned the duties of Director of the Auditing Division and had been employed by the agency for approximately 20 years. His job functions gave him access to records relating to accounts receivable. He was also assigned to work in the mailroom on a rotating basis, as other employees were. In early 2004, a check was inadvertently left with a report typically sent to Mr. Melson's division. The unanticipated check seemed like a windfall. Melson took the check, opened a bank account in the name of Commissioner of the Land Office, and deposited the check with BancFirst of Oklahoma.

The story held and Melson was able to concoct a scheme to steal more money. He first registered the name "Commissioner of the Land Office" with the Secretary of State. This name was so close to the actual name, "Commissioners of the Land Office" that check deposits were never questioned. He next began volunteering in the mail room. Melson's routine was to open envelopes that looked as if they contained checks. These envelopes were placed in the stack of mail sent to his division. Once the mail made it to the auditing department, Melson took the checks and sent the attached documentation through normal channels for accounting purposes. Melson also moved to cover his tracks by reassigning the employee charged with tracking properties that had no payment for oil or gas production to another very complicated and time-consuming project. While this worker was preoccupied with her project, Melson volunteered to reconcile the report generated to safeguard against misapplied or misappropriated funds.

Melson's embezzlement scheme was uncovered when a report was generated to disclose those properties that showed no oil or gas production for the previous nine months. If the well was not producing for a long period of time, CLO contacted the vendor through a form letter requesting

verification that the property was not producing revenue. One such property, State 1-14 – Pottowatomie STR 14-11N-03EIM, showed no activity since June, 2008 which caused a letter to be generated and mailed to Veenker Oil Company. A representative of Veenker subsequently responded with a letter and a copy of the most recent check paid to CLO December 31, 2008. Further investigation by CLO staff revealed that the check had been deposited into the account set up by Roger Melson. The Secretary of CLO ordered Melson locked out of the building and all access denied. He then requested a formal investigation by the Oklahoma State Bureau of Investigation. A final audit revealed that over a five year period, Roger Melson had embezzled over 1.16 million dollars. Tragically, much of this money was unrecoverable due to Melson's gambling habit.

This grand jury issued a single indictment charging Melson with 174 counts of embezzlement on June 17, 2009. He plead guilty to all counts on August 27, 2010 in Oklahoma County District Court. His sentencing is scheduled for November 9, 2010 before Judge Kenneth Watson.

#### **MARLOW POLICE DEPARTMENT**

Evidence was presented by Bret Burns, District Attorney for District 6, concerning allegations that Marlow Police Officer Rodney Wayne Richards gave false testimony in a probable cause affidavit and again at a preliminary hearing. Richards offered the testimony in criminal cases against Robert Shawn Williams and Melanie Anderson that were filed in Stephens County District Court. Richards testified that a vehicle pursuit of Williams and Anderson began in the City of Marlow when he knew these statements to be false. On May 18, 2010, a single indictment was issued against Richards charging him with two counts of perjury. The case is currently pending in Stephens County District Court.

**DISTRICT ATTORNEY'S OFFICE – DISTRICT 8**  
**EMBEZZLEMENT**

In some cases law enforcement can seize items associated with a crime and arrest. For instance, automobiles, weapons and money used to facilitate the trafficking of illegal narcotics can be seized. Money and machinery associated with illegal gambling are also subject to seizure. However just because these items are seized does not mean the owner immediately forfeits all rights to them. Generally the seizure is followed by a court proceeding to determine if the items are an integral part of the criminal activity and as such, are subject to forfeiture pursuant to state law. The District Attorney, acting as legal counsel for the county, is responsible for initiating and litigating forfeiture proceedings.

When Mark Gibson, District Attorney for the Eighth District, was first elected to office, the procedure for confiscating and safekeeping of seized funds was fairly simple. Once law enforcement confiscated the funds, the officer counted the money, prepared an envelope to hold the funds and took it to Loree Bechtel at the District Attorney's office. Ms. Bechtel received the envelope, verified the contents in front of the officer, prepared a receipt for the officer, recorded the receipt into a log book and then placed the envelope containing the money in the safe located in Mr. Gibson's office. Ms. Bechtel performed periodic inventories of the safe. Only two people knew the combination to that safe, Mark Gibson and William Clark, First Assistant District Attorney. As First Assistant, it was Clark's responsibility to handle all forfeiture cases.

Jennifer Layton replaced Clark after he left the District Attorney's office in April, 2008. While working the forfeiture cases, Ms. Layton was ordered by the court to return seized funds to the owner. Ms. Layton and Mr. Gibson went to the safe to get the envelope and found it missing. Ms.

Bechtel was ordered to inventory the safe. That inventory revealed that several envelopes containing money were missing. Mark Gibson requested an investigation from the Oklahoma State Bureau of Investigation. The Attorney General requested the Oklahoma State Auditor and Inspector's Office assist the OSBI in the investigation.

An audit of the safe's contents revealed that monies seized from twelve different individuals were missing, totaling \$36,519.00. The safe was last audited in November, 2007 and all monies were accounted for. The audit also revealed other irregularities. For instance, Clark filed 67 forfeiture cases from mid 2004 through June 2008, whereas, Jennifer Layton filed 73 forfeiture cases between August and December, 2008. Moreover, Clark did not file forfeiture orders pertaining to seized monies in the majority of the cases he handled. In December 2007, the Kay County District Court set numerous cases for forfeiture hearing in June 2008. Clark left the District Attorney's Office in June 2008 and on his last day in the office, he re-set most of the forfeiture hearings. Furthermore, the audit and investigation showed that \$18,071.06 seized in a gambling raid conducted by the Kay County Sheriff's Office in April 2007 was not fully accounted for. As a result of this investigation, a single indictment was issued on April 13, 2010 charging Clark with 2 counts of embezzlement.

### **E-BASIC GRANT PROGRAM**

In its final session, the Twelfth Multicounty Grand Jury investigated allegations surrounding the grant of five thousand dollars (\$5,000.00) in the name of a business grant program called E-BASIC to ~~Icon~~ <sup>Icon</sup> Properties, an Oklahoma Limited Liability Company, operated and controlled by Nathaniel "Nathan" Bates, the Mayor of Stillwater, Oklahoma, and his business partner, Rasoul Ezzat-Ahmadi. After receiving the testimony of thirteen (13) witnesses and numerous documentary

exhibits, the grand jury issued two indictments that were received and sealed by the Presiding Judge of the Multicounty Grand Jury.

#### IV.

#### EXPRESSIONS OF APPRECIATION

The Multicounty Grand Jury wishes to express our appreciation to several individuals and agencies who have contributed to a successful term. Judge Noma Gurich and her staff always made sure we were comfortable and made every effort to accommodate our scheduling needs and the scheduling needs of our legal advisors even when grand jury sessions coincided with her own jury trial docket. Many times our legal advisors were required to present or defend legal challenges before Judge Gurich. In dealing with legal challenges to our subpoenas, Judge Gurich has been the model of fairness and reason. Judge Gurich is a great asset to the grand jury process and we hope that she is willing to preside over future multicounty grand juries.

We also commend Attorney General W.A. Drew Edmondson and his staff of attorneys and investigators for their legal advice and assistance. The grand jury would like to offer a special thanks to Shelia Tiffin, legal assistant and subpoena clerk for the Office of Attorney General Multicounty Grand Jury Unit, for her work with the grand jury each month, as well as Sherry Leeper, evidence clerk for the Office of Attorney General, for her work in cataloguing and organizing evidence that we obtained. Also, to the Oklahoma County Commissioners and Presiding District Judge Patricia Parrish and their staffs for their indulgence in using the Oklahoma County Courthouse; to the office of the Oklahoma County District Attorney David Prater and his staff for the use of his offices; and to the office of the Oklahoma County Public Defender Bob Ravitz and his staff for the use of his

offices on numerous occasions and for providing counsel to indigent witnesses; to Oklahoma County Court Clerk Patricia Presley and her staff, in particular deputy clerks Timothy Rhodes, Teresa Davis, and Lamont Nguyen; and finally, to City Reporters and particularly to Debra Garver.

Finally, we wish to thank our families and employers for their support and patience, during our jury service.

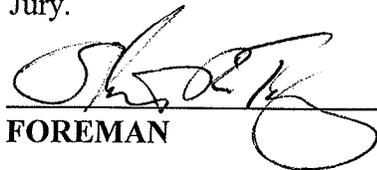
V.

### CONCLUSION

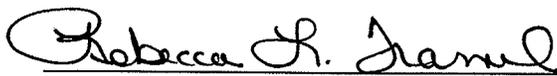
Based upon our experience, the Multicounty Grand Jury is an essential, necessary and invaluable tool for law enforcement in the State of Oklahoma. We are confident this grand jury has played an important role in many criminal investigations wherein justice may not have been served.

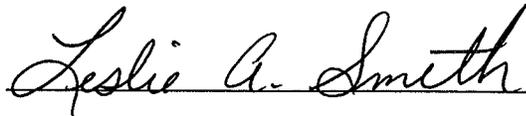
We are pleased to have served as part of the Twelfth Multicounty Grand Jury. Information and evidence were obtained, investigations progressed and many cases were solved, that would likely not have occurred without the use of the subpoena and investigatory powers of the Multicounty Grand Jury.

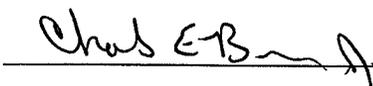
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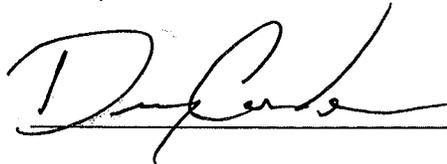
  
FOREMAN

  
Rachel A. Ridoefi

  
Rebecca R. Jarrell

  
Leslie A. Smith

  
Chad E. B...



John S. New

Billie J. Shaw Beck

Sammy L. McElroy

Judy P. Wood

Sperry R. Smith

Buy Hard

This Final Report of the Oklahoma Twelfth Multicounty Grand Jury is received and ordered filed this 22 day of September, 2010.

Noma W. Gurich

**NOMA GURICH  
PRESIDING JUDGE OF THE TWELFTH  
MULTICOUNTY GRAND JURY**

## APPENDIX I

1. Ada Police Department
2. Altus Police Department
3. Alva Police Department
4. Ardmore Police Department
5. Attorney General/CPU
6. Attorney General/IFU
7. Attorney General/MCGJ
8. Attorney General/PAMFCU
9. Attorney General/WCFU
10. Bartlesville Police Department
11. Beaver County Sheriff's Office
12. Beaver Police Department
13. Bethany Police Department
14. Bixby Police Department
15. Broken Arrow Police Department
16. Broken Bow Police Department
17. Canadian County Sheriff's Office
18. Chickasha Police Department
19. Choctaw County Sheriff's Office
20. Choctaw Police Department
21. Claremore Police Department
22. Cleveland County Sheriff's Office
23. Cleveland Police Department
24. Coweta Police Department
25. Cushing Police Department
26. Dewey Police Department
27. District 6 District Attorney's Office
28. District 9 District Attorney's Office
29. District 16 District Attorney's Office
30. District 19 District Attorney's Office
31. District 20 District Attorney's Office
32. District 26 District Attorney's Office
33. District 27 District Attorney's Office
34. District 2 Drug Task Force
35. District 3 Drug Task Force
36. District 27 Drug Task Force
37. Duncan Police Department
38. Durant Police Department
39. Edmond Police Department
40. Elk City Police Department
41. Ellis County Sheriff's Office
42. El Reno Police Department
43. Forgan Police Department

44. Frederick Police Department
45. Glenpool Police Department
46. Greer County Sheriff's Office
47. Grove Police Department
48. Guthrie Police Department
49. Harrah Police Department
50. Hartshorne Police Department
51. Henryetta Police Department
52. Idabel Police Department
53. Jackson County Sheriff's Office
54. Jenks Police Department
55. Lawton Police Department
56. LeFlore County Sheriff's Office
57. Lighthorse Police Department
58. Logan County Sheriff's Office
59. Marlow Police Department
60. McAlester Police Department
61. McCurtain County Sheriff's Department
62. Miami Police Department
63. Midwest City Police Department
64. Moore Fire Department
65. Moore Police Department
66. Muskogee Police Department
67. Newcastle Police Department
68. Nichols Hills Police Department
69. Norman Police Department
70. Office of Juvenile Affairs/Lawton
71. Office of Juvenile Affairs/OKC
72. Oklahoma Bureau of Narcotics
73. Oklahoma City Police Department
74. Oklahoma County District Attorney's Office
75. Oklahoma County Sheriff's Office
76. Oklahoma Department of Agriculture
77. Oklahoma Department of Corrections/McAlester
78. Oklahoma Department of Corrections/Oklahoma City
79. Oklahoma Department of Corrections/Tulsa
80. Oklahoma Department of Environmental Quality
81. Oklahoma Department of Human Services/OIG/Enid
82. Oklahoma Department of Human Services/OIG/McAlester
83. Oklahoma Department of Human Services/OIG/Oklahoma City
84. Oklahoma Department of Human Services/OIG/Tulsa
85. Oklahoma Highway Patrol/OKC
86. Oklahoma Highway Patrol/Perry
87. Oklahoma Insurance Department/Enid
88. Oklahoma Insurance Department/Oklahoma City

89. Oklahoma Insurance Department/Tulsa
90. Oklahoma State Bureau of Investigation/Ada
91. Oklahoma State Bureau of Investigation/Alva
92. Oklahoma State Bureau of Investigation/Antlers
93. Oklahoma State Bureau of Investigation/Calera
94. Oklahoma State Bureau of Investigation/Durant
95. Oklahoma State Bureau of Investigation/Enid
96. Oklahoma State Bureau of Investigation/Guthrie
97. Oklahoma State Bureau of Investigation/Guymon
98. Oklahoma State Bureau of Investigation/Hugo
99. Oklahoma State Bureau of Investigation/Kingfisher
100. Oklahoma State Bureau of Investigation/Lawton
101. Oklahoma State Bureau of Investigation/McAlester
102. Oklahoma State Bureau of Investigation/Okemah
103. Oklahoma State Bureau of Investigation/Oklahoma City
104. Oklahoma State Bureau of Investigation/Poteau
105. Oklahoma State Bureau of Investigation/Stillwater
106. Oklahoma State Bureau of Investigation/Stroud
107. Oklahoma State Bureau of Investigation/Tahlequah
108. Oklahoma State Bureau of Investigation/Weatherford
109. Oklahoma State Bureau of Investigation/Woodward
110. Okmulgee Police Department
111. Osage County Sheriff's Office
112. Ottawa County Sheriff's Office
113. Panama Police Department
114. Pauls Valley Police Department
115. Payne County District Attorney's Office
116. Payne County Sheriff's Office
117. Perry Police Department
118. Ponca City Police Department
119. Poteau Police Department
120. Pottawatomie County District Attorney's Office
121. Pottawatomie County Sheriff's Office
122. Pryor Police Department
123. Purcell Police Department
124. Rogers County Sheriff's Office
125. Sand Springs Police Department
126. Sayre Police Department
127. Skiatook Police Department
128. Stephens County District Attorney's Office
129. Stephens County Sheriff's Office
130. Stillwater Police Department
131. Social Security Administration/OIG
132. SWOK Financial Crimes Unit
133. Texas and Southwestern Cattle Raisers Association

134. The Village Police Department
135. Tulsa County District Attorney's Office
136. Tulsa County Sheriff's Office
137. Tulsa Fire Department
138. Tulsa Police Department
139. University of Oklahoma HSC Police Department
140. University of Oklahoma Police Department
141. United States Department of the Interior
142. United States Department of Labor
143. United States Forest Service
144. Washington County Sheriff's Office
145. Woodward Police Department