

2007
ANNUAL
REPORT

U.S. Attorney's Office District of Minnesota



**District priorities
highlighted in
this report:**

Economic Crime

Human Trafficking

Project
Safe Childhood

Project
Safe Neighborhood

Terrorism

Identity Theft

Drug Trafficking



Major Crimes Section

Employees of the U.S. Attorney's Office in the District of Minnesota represent the law enforcement interests of all Americans but specifically those who live in Minnesota.

Citizens of this state enjoy a high quality of life. The state, historically, has ranked among the lowest

nationally for violent crime and continues to do so.

In 2006, however, 16,123 violent crimes were reported in Minnesota, an increase of almost 1,000 over 2005 and 2,500 over 2004. That figure includes 8,920 aggravated assaults, up from 8,146 in 2005, and 125 murders, up from 115 in 2005.

In response, the Office continues to pursue the perpetrators of violent crime while supporting and assisting crime victims.



Human Trafficking The State of Modern-Day Slavery

Human trafficking represents a continuation of the struggle that divided this nation over one hundred and fifty years ago. Although the Civil War yielded the Thirteenth Amendment to the U.S. Constitution and an end to sanctioned slavery, the continued presence of human trafficking illustrates that each generation of Americans is called on to maintain the country's founding ideals of liberty and justice.

Under federal law, human trafficking is defined as obtaining the labor or services, including sexual services, of another through force, fraud, or coercion; or sexually exploiting anyone under the age of eighteen, even if force, fraud, or coercion is not involved. The federal definition of human trafficking does not require that victims be moved or transported.

The International Labor Organization, a specialized agency of the United Nations, estimates there are 12.3 million people in forced labor or sexual servitude around the world. The Department of Justice reports that annually, in the U.S. alone, between 14,500 and 17,500 people are exploited through the sex trade, in sweatshops, on construction sites, or in agricultural settings. And, while many victims of human trafficking in the U.S. are illegal immigrants, others are legal immigrants or citizens by birth or naturalization.

People are stunned to hear that human trafficking occurs here in Minnesota. They assume the problem would be confined to big cities on the coasts. But, the truth is that slave laborers can be found in small, rural farm communities, and young women prostituted against their will can be found in suburban clubs and country brothels anywhere in the country.

Human trafficking can lead to the decline and destruction of communities. It breeds crime, such as document fraud and money laundering; and the Justice Department

According to the U.S. Justice Department, the Minneapolis-St. Paul area is among the fifteen largest human trafficking centers in the U.S. The area is vulnerable because of its unmanned border with Canada, the international seaport at Duluth, the Minneapolis-St. Paul International Airport, and the good economy, which attracts people from all over the world.

Civil Society, a local group that assists trafficking victims, reports that in 2006 alone, it identified sixty-three new human trafficking victims here in Minnesota.



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A Multi-Disciplinary Approach to Success

The Gerald D. Vick Human Trafficking Task Force partners with Civil Society, a local victim-advocacy group that received a \$500,000 grant from the Justice Department in 2005 to provide services to victims of human trafficking here in Minnesota.

Those services are often provided through victim screening clinics, at which culturally and linguistically appropriate aid is offered. Last year, those clinics in Minnesota served 2,068 crime victims, of which 132 were international trafficking victims.

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reports that human trafficking is routinely connected to organized criminal activity, with the groups engaged in human trafficking also often involved in the trafficking of drugs and firearms.

Prosecuting human trafficking cases is difficult. By its very nature, human trafficking is a hidden crime, perpetrated in private homes, brothels, and secret organizations, making victim identification

challenging. Moreover, victims are often poor and young; and cultural and linguistic barriers routinely exist that prevent them from escaping captivity or seeking help.

Furthermore, traffickers regularly use force, fraud, or coercion to control their victims; and even if victims do escape their captures, they may not know where to turn. Many victims come from countries where law

enforcement and government are corrupt, so they do not trust that people here genuinely want to help them. Finally, some victims fear deportation or criminal sanctions

Human Trafficking Case Highlights

- Darryl Taylor, of Nevada, was indicted by a Minnesota federal grand jury in February of 2007. The indictment alleged that between 1998 and 2005, Taylor and his two co-defendants trafficked women, including juveniles as young as fifteen, between Minnesota and Nevada, for the purpose of prostitution

During the fall of 2007, Taylor and the other two defendants in the case pled guilty to sex trafficking. In doing so, they admitted they had enticed their victims from locations throughout Minnesota and Wisconsin to come to the Twin Cities. Once here, the victims were taken to Las Vegas to serve as “exotic dancers” and “escorts.”

The defendants took the women’s identification and then provided them with false identification obtained in Chicago. The defendants used sexual assault, food deprivation, and violence to force the women to engage in commercial sex acts for the financial benefit of the defendants. All three men now await sentencing.

This case was investigated by the Hennepin County Sheriff’s Office.

- Daniel McNeal, of Burnsville, Minnesota, was also indicted by a federal grand jury in February, 2007. McNeal, who used aliases such as “Diamond” and “Daddy,” pled guilty in May to the sex trafficking of a minor and the transporting of a minor with the intent to

engage that minor in criminal sexual activity. Specifically, McNeal admitted that in August of 2006, he transported a sixteen-year-old girl from Minnesota to Iowa, intending to use her as a prostitute there. McNeal also admitted that while in Iowa, he engaged in sexual acts with the girl.

In September and October of 2006, McNeal took the girl to Texas and South Carolina, where he forced her into prostitution for his financial benefit.

On November 5, 2007, McNeal, who has an extensive and violent criminal record, was sentenced to 293 months in federal prison for the crimes he committed in this case. In imposing the

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sentence, U.S. District Court Judge David S. Doty said the sentence “reflects the seriousness of the offense” as well as the “public interest” in ending trafficking.

Attorney General Alberto Gonzales talked about McNeal in a June, 2007, speech. He said, “McNeal already had a long criminal record for assault, robbery, and prostitution offenses.... I wish we could have gotten to the girl quicker; that we could have saved her from more of the degradation and pain she suffered. But I’m glad we were able to rescue her and get this depraved man off the streets.”



This case was the result of an investigation conducted by the Hennepin County Sheriff’s Office, the FBI, ICE, and the Gerald D. Vick Human Trafficking Task Force.

- In May, twenty-five people were indicted for participating in a prostitution ring. They were charged with conspiracy, transporting a person to engage in prostitution, and coercion and enticement of another to travel in

interstate commerce to engage in prostitution, a federal crime.

The indictment alleged that Marisol Ramirez and her co-defendants operated a prostitution ring out of eight brothels in Minneapolis, West St. Paul, Richfield, and Austin, Minnesota. The women who worked as prostitutes included undocumented immigrants as well as legal U.S. residents who were enticed and coerced to come to Minnesota.

In this case too, the women’s identification documents were confiscated. Moreover, the women were subjected to brutal behavior. In fact, according to the indictment, two women were forced to service more than eighty men in a single night.

This ring operated from January of 2006 to May of 2007, when Ramirez and her co-conspirators were arrested. As of this date, twenty-one of the twenty-five defendants have been arrested, and twenty have pled guilty.

This case was investigated by Immigration and Customs Enforcement, the Minnesota Bureau of Criminal Apprehension, and the St. Paul Police Department, with the assistance of the police departments from Minneapolis, Richfield, and West

St. Paul. Assistance was also provided by the Gerald D. Vick Human Trafficking Task Force.

- In August, 2007, a federal indictment was returned against Justine Alex Reisdorf, age 19, charging her with one count of the sex trafficking of a minor and one count of using an interstate facility, namely, the Internet, to promote prostitution.



The indictment alleged that between November of 2006 and March of 2007, Reisdorf operated a prostitution ring out of her rented townhouse in Burnsville. She knowingly employed female students under the age of eighteen from Minnesota School District 191 to serve as her prostitutes. In addition, she advertised her business on the Internet, specifically through Craigslist.com.

On September 12, 2007, Reisdorf pled guilty to using an interstate facility to promote prostitution. She now is awaiting sentencing.

This case was the result of an investigation conducted by the FBI and the Eagan Police Department.

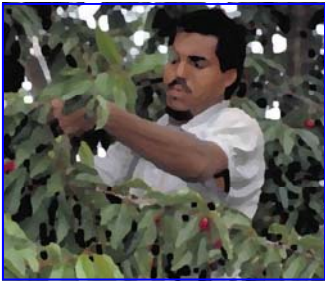
Why We Succeed in Prosecuting Human Trafficking Cases

This office works with the Gerald D. Vick Human Trafficking Task Force. That task force was established with a \$450,000 grant awarded by the Justice Department in March of 2006. The Task Force is named for a slain St. Paul police officer who dedicated his career to ending the trafficking of human beings.

The objectives of the Task Force include developing investigative and prosecutorial protocols regarding the crime of human trafficking, providing training to Minnesota law enforcement in the identification of traffickers and victims, as well as investigating, apprehending, and prosecuting traffickers.

The Task Force, which is led by the St. Paul Police Department, is comprised of local, state, and federal investigators, including representatives from the FBI, ICE, the Minneapolis Police Department, the Ramsey County Sheriff’s Office, and the Hennepin County Sheriff’s Office.





Assistant U.S. Attorney Erica MacDonald co-chairs the Minnesota Human Trafficking Task Force, which was created pursuant to 2006 legislation that called for the gathering of information and the development of a plan to combat human trafficking in Minnesota. Contact Ms. MacDonald, at (612) 664-5600, for more information.

Federal Human Trafficking Laws

In 2000, Congress passed the Trafficking Victim Protection Act, which, among other things, expanded the definition of trafficking so federal prosecutors would not be limited to prosecuting physical bondage cases. Now, prosecutors can also bring suit against those who use psychological abuse and threats in an effort to hold their victims captive. In addition, the Act provided victims with a civil cause of action against their captors.

A number of other federal human trafficking statutes now also exist:

- The Peonage, Slavery, and Labor Trafficking statutes (18 U.S.C. 1581, 1583, 1584, 1589, and 1590) prohibit anyone from forcing another into involuntary servitude, forced labor, or labor to pay off purported debts.
- The Sexual Trafficking statute (18 U.S.C. 1591) prohibits participation in the sexual exploitation of children. It also prohibits the sexual exploitation of anyone by force, threats, coercion, or other non-physical tactics.
- The Document Servitude statute (18 U.S.C. 1592) authorizes penalties

against anyone who “destroys, conceals, removes, confiscates, or possesses” government-issued identification documents in an effort to further a trafficking crime.

As a result of these new federal law, U.S. Attorney offices nationwide saw the number of trafficking prosecutions rise by almost 300 percent between 2001 and 2005. During that same period, federal prosecutors collectively obtained convictions against 109 sex traffickers and 59 labor traffickers.



Project Safe Childhood Offering Assistance to State Prosecutors

parents and children about Internet safety.

Under federal law, a “child” or “minor” is any person under the age of eighteen. Furthermore, under federal law, child pornography is defined as a visual depiction of any kind, including a drawing, cartoon, sculpture, painting, photograph, film, video, or computer image or picture, whether made or produced by electronic, mechanical, or other means, of sexually explicit conduct, where it depicts a minor:

- engaging in sexually explicit conduct and is

- obscene, or
- depicts an image that is, or appears to be, of a minor engaging in graphic bestiality, sadistic, or masochistic abuse, or sexual intercourse, including genital-to-genital, oral-genital, anal-genital, or oral-anal, whether between persons of the same or opposite sex, and such depiction lacks serious literary, artistic, political, or scientific value.

While child pornography is a crime in all states, it is also a federal crime when

federal jurisdiction can be established. Such jurisdiction is created when:

- prosecutors can show that the child porn was produced using materials that traveled in interstate or foreign commerce, including via computer; or
- prosecutors can show that the image itself moved in interstate or foreign commerce, including via computer; or

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Project Safe Childhood, or “PSC,” as it is commonly known, is a national initiative to encourage U.S. Attorneys to work with multi-jurisdictional task forces to investigate and prosecute cases involving the sexual exploitation of children over the Internet. PSC also urges that law enforcement efforts be complemented by community campaigns to assist child pornography victims and educate

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- prosecutors can show that the defendant knew, had reason to know, or intended the image to move in interstate or foreign commerce, including via computer.

With the advent of Project Safe Childhood, the U.S. Attorney’s Office in the District of Minnesota altered its intake guidelines in an effort to accept all types of child porn cases, including possession, production, and distribution. In the past, the Office only accepted possession cases when the offender had a prior conviction for a crime

against a child. In reviewing referrals now, however, the Office looks at the crime, the offender’s criminal history, the number of victims, the relationship between the offender and the victims, the possible federal sentence, the offender’s ties to the community, and the community impact of the crime, among other things.

The Office is available to take cases that are difficult to try at the state level. For example, by prosecuting a production case at the federal level, a county attorney may not have to file state assault charges against the offender, which would require the child

victim to testify. No such testimony is necessary in federal court.

Moreover, federal grand jury subpoenas, available only in federal cases, may prompt the receipt of computer and other electronic information unavailable in state cases. Conversely, cases involving juvenile offenders are usually handled most effectively in state court.

Call the U.S. Attorney’s Office, at (612) 664-5600, and talk to Assistant U.S. Attorney Nate Petterson, Chief of the Major Crimes Section, about possible referrals.

Have questions about how to keep children safer on the Internet? Visit the free site, www.NetSmartz411.org, an information service provided by the National Center for Missing and Exploited Children.

A recent *American Medical Association Journal* reported that 89 percent of sexual solicitations directed at minors now occur online.

The Federal “Hammer” for Child Porn Cases

Production

18 U.S.C. § 2251

- 15-year mandatory minimum (with no criminal history against children)
- 25-year mandatory minimum (1 prior)
- 35-year mandatory minimum (2 priors)

Distribution

18 U.S.C. § 2252(a)(1)

- 5-year mandatory minimum (with no criminal history against children)
- 15-year mandatory minimum (any priors)

Receipt

(affirmative act as opposed to possession)

18 U.S.C. § 2252(a)(2)

- 5-year mandatory minimum (with no criminal history against children)
- 15-year mandatory minimum (any priors)

Possession

18 U.S.C. § 2252(a)(5)(B)

- No mandatory minimum (with no criminal history against children)
- 10-year mandatory minimum year (any priors)



United States Attorney General Michael B. Mukasey recently praised the cooperation exhibited among law enforcement in the Betcher child pornography case. He said, "The case began in Atlanta, where federal agents investigating another case found numerous images of child pornography on a seized computer. They sent the pictures to the National Center for Missing and Exploited Children for help in identifying the victims.

"In one explicit picture of a young girl, a Brownie uniform could be seen in the background, draped over a chair. Computer forensics were able to identify enough of the troop number to fix a general location. This and other evidence placed the victims in the Twin Cities area.

"Agents called in the Minnesota Internet Crimes Against Children Task Force in St. Paul, and they began canvassing the leaders of all Brownie troops in the area until they were able to identify the first of the victims. Within forty-eight hours of getting the images, agents had identified five victims, ranging from nine to twelve years old, and soon after that they had the suspect in custody."

We agree with the Attorney General that this case represents the best of interjurisdictional teamwork.

Project Safe Childhood Case Highlights

In the last year, the U.S. Attorney's Office has accepted close to three dozen PSC cases, with several of them resulting in huge prison sentences. For example:

- On December 14, 2006, Jeffrey Berg, of St. Paul, was sentenced to thirty years in prison for receiving and distributing child porn over the Web. The case was investigated by ICE, with the aid of the Minnesota Internet Crimes Against Children ("MICAC") Task Force.

- On May 7, 2007, Bruce Betcher, of Burnsville, was sentenced to a total of 750 years in prison after being convicted of 24 counts of production of child pornography, one count of receipt of child pornography, and one count of possession of child porn.

In imposing Betcher's sentence, Chief Judge James M. Rosenbaum called Betcher's crime "an utterly unconscionable act."

This case was the result of an investigation led by ICE, with assistance from the Burnsville Police, the Dakota County Sheriff's Office, and the MICAC Task Force.

- On July 25, 2007, Todd Hammond, of Cass County, was sentenced to thirty years in prison for producing child pornography.

Hammond had met his child victim through a community mentoring program. He sexually abused the child and used the webcam on his computer to live stream the abuse over the Internet to others who receive sexual gratification from sex with children. The child victim in this case was nine years old when he met Hammond and eleven and twelve when the abuse occurred.

This case was investigated by the MICAC Task Force, the Anoka County Sheriff's Office, the Cass County Sheriff's Office, and the FBI.

- On August 6, 2007, Lyle Paton, of St. Paul, was sentenced to five concurrent life terms in federal prison for producing child porn.

In this case, Paton enticed five minors to engage in sexually explicit conduct for the purpose of having that conduct photographed. In return, Paton gave the minor boys food, clothing, money, and toys.

A search of Paton's home yielded, among other things, 114 images of child pornography on computer memory cards and four images of child porn on a computer. The investigation also led to the identification of more than twenty-five victims of sexual abuse or exploitation.

At sentencing, U.S. District Court Judge Patrick J. Schiltz said that Paton had spent over a quarter century being convicted, incarcerated, treated, and supervised for child exploitation offenses but still refused to believe he had caused harm to his victims.

The case was investigated by the St. Paul Police, the Predatory Offender Task Unit, the FBI and its Violent Crimes Fugitive Task Force, the U.S. Secret Service, and the Sheriff's Office in Collier County, Florida, with assistance from the MICAC Task Force.

- In another case, Richard Alan Lang, of Iowa, was recently indicted for the crime of traveling to Minnesota with the intent to engage in sexually explicit conduct with a minor.

Lang allegedly met a young Minnesota boy on line and offered to "teach" him about sex by engaging in sexual activity with him. However, when Lange arrived for his scheduled meeting with the boy at a popular children's restaurant in Robbinsdale, Minnesota, law enforcement officers arrested him.

The case was investigated by the MICAC Task Force and the Robbinsdale Police Department.