

Sheriff



Larry Ashley, Okaloosa County Sheriff

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August 6, 2015

DESTIN MAN ON FEDERAL PROBATION FOR FRAUD
ARRESTED IN CONNECTION WITH NEW SCHEME



A joint investigation between the Okaloosa County Sheriff's Office and Federal Bureau of Investigation resulted today in the arrest of STEVEN MICHAEL ALFORD for state felony charges involving fraud, extortion, and grand theft. The 56-year old ALFORD was charged after Investigators served a search warrant at his condominium located at Destin Yacht Club, 320 Harbor Boulevard, Units 1104 and 1105, in Destin.

In the fraud scheme, ALFORD swindled approximately \$350,000 from at least one investor by promising lucrative returns for money intended for real estate ventures. ALFORD misrepresented real estate assets to the investor, and instead, used the money for personal use to include buying expensive jewelry, cars, and renting the luxury condominium at Destin Yacht Club, among other purchases.

ALFORD was recently released from federal prison after serving a ten year sentence for fraud in connection with an investment scheme to trade timberland to be used as an Air Force bombing range for prime Gulf-front property on Okaloosa Island.

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The Okaloosa County Sheriff's Office is accredited by the Commission for Florida Law Enforcement Accreditation.

"The Okaloosa County Sheriff's Office provides equal access and equal opportunity in employment and services and does not discriminate"

IN THE CIRCUIT/COUNTY COURT IN THE FIRST JUDICIAL CIRCUIT IN AND FOR OKALOOSA COUNTY, FLORIDA

COPY

WARRANT/OTTIC SERVED

OKALOOSA CO SHERIFF'S OFFICE

REPORT NO: OCSO15ARR007511

Jail Booking No	Offense No OCSO15OFF009090	Other No OCSO15CAD130583	OBTS 4601104019
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[SUSPECT]

Last First Middle Title Race Sex DOB Age Hgt Wgt
ALFORD STEPHEN MICHAEL W M 12/22/1958 56 6'00" 250

Eyes Hair MNI Number SSN ID No St Type OCA/Agency ID
HAZ BRO OCSO02MNI018577 [REDACTED] FL 127577

Birth Location: City: NEWPORT NEWS County: State: VA Nation: U.S.A. Citizenship: U.S. Address

320 HARBOR BLVD Apt/Lot: 1104 DESTIN FL 32541

Occupations (Current/Last Known is Listed First)

Business: SANDERS MANUFACTURING CO., Job Title: CONSULTING, Entered: 8/6/2015
500 INDUSTRIAL PARK RD Suite: DESTIN FL 32541

Business: SELF EMPLOYED, Job Title: REAL ESTATE, Entered: 4/15/2003
Suite:

Business: MIDBAY LAND AND TIMBER LLC, Job Title: OWNER/SELF-EMPLOYED, Entered: 10/28/2002
Suite:

Aliases (Last, First Middle Title DOB)

* none found in MNI *

Street Names

* none found in MNI *

[INCIDENT INFORMATION]

Occurred Date Range: 4/6/2015 00:00 to 8/4/2015 11:12 Lat / Long 30.44138 / -86.57968
No. Di Street Apt/Lot City ST Zip (GEO)
50 2ND ST SHALIMAR FL 32579 2 - 12 - -

[CHARGES]

812.014.2a

LARC

LARC GRAND FIRST DEGREE OVER 100000 DOLLARS

Counts	Level	Degree	GOC	UCR	NCIC	AON	Bond Amount
1	Felony	First	Not Applicable	230G		2399	

817.034.4a1

FRAUD-SWINDLE

OBTAIN PROPERTY OVER 50000 DOLLARS

Counts	Level	Degree	GOC	UCR	NCIC	AON	Bond Amount
1	Felony	First	Not Applicable	260A		2602	

836.05.

EXTORT

OR THREATS

Counts	Level	Degree	GOC	UCR	NCIC	AON	Bond Amount
1	Felony	Second	Not Applicable	9000		2199	

[STATEMENT OF PROBABLE CAUSE / NARRATIVE]

On July 15, 2015, your affiant met with a victim and his counsel. The victim then provided information summarized as follows:

The victim had loaned approximately \$350,000 to the Defendant, STEPHEN MICHAEL ALFORD, through a series of three loans, and did so based on assertions made by ALFORD in writing and via email and SMS-text. The victim advised your affiant he was invited to come to ALFORD's condominium to discuss some business opportunities. The specific

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location of the condominium is located at 320 Harbor Boulevard, Units 1104 and 1105, Destin, Florida and is further described as a 3,400 square foot, four bedroom, four-and-one-half bath condominium located at the Destin Yacht Club Condominiums. ALFORD invited the victim out to the balcony of the condominium which overlooks the Destin Harbor, Gulf of Mexico, and surrounds. From the onset ALFORD indicated he owned the condominium and he intended to sell the property so he could use the proceeds for other lucrative investments. The funds gained from the sale of ALFORD's condominium, coupled with the victim's money, would then be used to facilitate other real estate deals which promised to yield significant returns, and would enable ALFORD to repurchase "his" condominium, and repay the victim, with considerable interest. In addition, these earnings would also enable ALFORD to repay the victim's loan, with interest. The victim felt ALFORD's assertion to own the condominium was explicit because ALFORD stated he intended to sell it, and a person would not sell a property if he were merely paying rent.

When the victim expressed interest in verifying ALFORD's claims to owning the condominium, ALFORD volunteered to call the financial institution which held the mortgage and confirm same. ALFORD proceeded to punch in the digits of the telephone number for the financial institution, and placed the assigned loan officer on speakerphone for the victim to overhear. ALFORD then asked the banker to confirm that there was an outstanding note in the amount of approximately \$800,000 on "his" condo, and the banker confirmed same. Based on this conversation, the victim felt assured that ALFORD did indeed own the condominium. In addition, the victim felt ALFORD had the means to facilitate large real estate deals due to the apparent equity which existed in "his" condominium. Based on ALFORD's assertions, the victim decided to invest in ALFORD's proposal (i.e. to lend ALFORD the money).

As a result of the meeting, the victim lent ALFORD \$250,000 via wire transfer. A promissory note was drafted, and ALFORD and his sons, Chandler Alford, and Alexander Alford, all signed as borrowers. The victim signed the note as the lender. Although the agreement was for the victim to lend \$250,000 to ALFORD and his sons, all parties knowingly signed the note committing ALFORD to repay \$500,000 within three months. In addition, all parties signed an addendum on the same day which clarified the actual amount being lent (\$250,000), and ALFORD's intent to repay the amount of \$500,000 notwithstanding. These documents were signed before a notary of public. The victim caused three wire transfers to be sent at ALFORD's direction and pursuant to the agreement; two wires in the amount of \$50,000, and one in the amount of \$150,000.

The victim subsequently lent to ALFORD another \$100,000, in two \$50,000 increments; one documented in a note, and one by verbal agreement.

Once the loans became due, the victim began to request repayment from ALFORD. ALFORD provided several reasons why his deals had not properly manifested, and asked the victim for extensions. As time progressed, both the victim and ALFORD became more agitated and both sought attorneys.

Your affiant has obtained copies of SMS-text messages and emails between ALFORD and the victim from both the victim, and his counsel. In reviewing these emails, your affiant has learned on numerous occasions ALFORD attempted to dissuade the victim and his counsel from notifying the US Probation Officer that the loans had become delinquent. ALFORD expressed explicit knowledge that he was obligated under the terms of the supervised release to obtain permission before borrowing money, and he reasoned with the victim and his attorney that should any disclosure be made, ALFORD's supervised release would be revoked, and the victim would not receive any repayment.

In an email from ALFORD to the victim's counsel dated June 29, 2015, at 7:14PM, ALFORD stated, "[The victim] has more 'collateral' than needed in the sense that the last thing I need is for my Probation Officer knowing about this transaction." ALFORD continues in the same email, "The worst thing that can happen is [the victim], or you as his attorney, sends the letter to my Probation Officer (or by filing a lawsuit I will be forced to disclose the matter to him) and my Supervised Release will immediately be revoked" (Sic).

In another email from ALFORD to the victim and the victim's counsel, dated June 29, 2015 at 9:56PM, ALFORD again reiterates that should his probation officer learn of the potential violations, his supervised release would be revoked. Although ALFORD readily declares his intention to notify the probation officer if given no other choice, he clearly indicates his intention to conceal his actions unless forced to make disclosure.

In addition, in ALFORD's pleas to convince the victim and his counsel to not notify the probation officer, he states, as follows:

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What is the harm in waiting another ten days because if he pushes the button that craters this deal, the chances of him getting repaid become nil immediately. I can assure you that the second call I make will be to his ex-girlfriend's attorney and I will make sure she is aware that he had the funds available, a major portion of it was \$100 Bills, to lend in an unsecured fashion instead of paying the liens and judgments he owed her. (Sic).

Later in the email, ALFORD indicates that if the victim and his counsel do not accept an extension to repay the outstanding debt, and if ALFORD did not hear from them that they accepted same, that ALFORD would "...notify [ALFORD's] Probation Officer tomorrow and [the victim] won't get a dime for a very, very long time."

Your affiant has made inquiry to the Okaloosa County Property Appraiser's Office. Inquiry was made to determine the current owner of the condominium where ALFORD is currently residing. Based on this inquiry, your affiant has learned that a William S. Rowland, Jr. is the actual owner of both units 1104 and 1105, and that he purchased the units from a George C. Valentine on or about April, 2008 for \$1,525,000 and \$25,000 respectively. Your affiant's review of the records also reveal that not only does the Appraiser's Office show Mr. Valentine as the owner, but it further reveals that Mr. Valentine has declared Unit 1104 as his homestead property.

Your affiant has also made inquiry to the Okaloosa County Clerk of the Court. Referenced inquiry reveals that on or about March 6, 2015, Mr. Rowland obtained a loan in the amount of \$795,000, and a mortgage was filed as a consequence. The collateral used to obtain the loan was 320 Harbor Boulevard, Unit 1104, Destin, Florida 32541. There is no indication with the Clerk's Office that this loan has yet been satisfied.

Your affiant has interviewed US Probation Officer (PO) Shea Stallings and learned that he is assigned to supervise ALFORD's release. PO Stallings has neither been notified of any outstanding debt which ALFORD has incurred, nor has he been notified of any business dealings which require ALFORD to incur debt. PO Stallings had provided ALFORD with a standard financial disclosure form and requested he complete the form and return it to him; however, PO Stallings as of the writing of this affidavit, has not received same. PO Stallings verified that as part of the conditions of ALFORD's supervised release, that he is required to obtain prior approval from his PO before incurring any debt. PO Stallings subsequently provided a copy of ALFORD's "Additional Conditions of Supervised Release" to your affiant, and item 4 states as follows: "The defendant shall not incur new credit charges or open additional lines of credit without the approval of the probation officer unless the defendant has satisfied his restitution obligation."

Based on the foregoing, your affiant believes there is probable cause to believe that STEPHEN MICHAEL ALFORD intentionally misled the victim of this affidavit to lend him the amount of \$350,000 with the intent to temporarily and permanently deprive the victim of the funds in violation of FSS 812.014(2a); and in order to provide confidence to the victim, he misled the victim to believe that ALFORD owned the condominiums located at 320 Harbor Boulevard, Units 1104 and 1105, Destin, Florida 32541. ALFORD facilitated this scheme by communicating with the victim in person at the condominium, through emails, and SMS-texts in violation of FSS 817.034. In addition, your affiant believes there is probable cause to believe that when ALFORD was unable to repay the loans which the victim had made, STEPHEN MICHAEL ALFORD threatened to never repay the outstanding debt, and more specifically to notify the victim's ex-girlfriend of alleged monies available to her and in the possession of the victim, thus extorting him to not notify the US Probation Officer, and to grant an extension on the loan, in violation of FSS 836.05.

Signature (Arresting Officer) _____ HARKER, STEVEN C 701
Name ID/SSN

Subscribed and sworn to (or affirmed) before me this 6 day of August A.D., 2015 by _____
who is personally known to me or has produced _____ as identification.

____ Notary Public _____ LEO _____ CO

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OKALOOSA CO SHERIFF'S OFFICE

REPORT NO: OCSO15ARR007511

Signature

Commission No: _____ My Commission Expires _____

Supervisor Signature _____ Date _____ Supervisor Name (Please Print) _____ Rank _____

[PHYSICAL EVIDENCE] [NO PHYSICAL EVIDENCE LISTED]

[ARREST INFORMATION]

Arrested	Residency	Injured	Extent of Injury		Resist		
8/6/2015 06:18	Within jurisdiction	None	N/A		No		
	Arrested Prior	Arrest Jurisdiction	Alcohol	Drugs			
	Yes	Within jurisdiction	No	Unknown			
No.	Di	Street	A/L	City	ST	Zip	Lat / Long
320		HARBOR BOULEVARD	1105	DESTIN	FL	32541	
Arresting Officer			Unit	(GEO)	3 - 25 - -		Officer Type
701	HARKER, STEVEN C		OCSO/FSV/INV/CID				
Reporting Officer			Unit				Original Offense Jurisdiction
701	HARKER, STEVEN C		OCSO/FSV/INV/CID				OCSO
Forward to for approval							
OCSO/FSV/INV/CID							

Bond Set by LEO at Time of Arrest & Booking: \$0.00

- None
- ROR
- Cash
- Pro

Bond Set by Judge None ROR/Sign

Cash PTR

Any

Pro

PtrIQ

Purge 30 DAY FILE

SC

Return Court: CIRCUIT COURT: FELONY Date: 9/8/2015 Time: 15:30

Instructions: OKALOOSA COUNTY COURTHOUSE ANNEX

[COURT INFORMATION]

Court	Judge	Date
Sent		
Rcvd	CIRCUIT GRINSTED	8/4/2015
Court Case Number 15009090		

Assigned To:

[DISPOSITION]

COPY

IN THE CIRCUIT/COUNTY COURT IN THE FIRST JUDICIAL CIRCUIT IN AND FOR OKALOOSA COUNTY, FLORIDA

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OKALOOSA CO SHERIFF'S OFFICE

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REPORT NO: OCSO15ARR007511

Disposition Type

Release Type

Other Desc

Release Date

Release Time

Release Officer

Printed

Printed By

No

Released To

Court DispositionType

Court Disposition Description

[ADDITIONAL PERSONS]

COURT DISPOSITION:

(right index)

No Bill / Petition

Issue Warrant

Prosecution Approved

Signature of Assistant State Attorney

Date

COPY