



# Department of Justice

United States Attorney Robert E. O'Neill  
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CONTACT: WILLIAM DANIELS

PHONE: (813) 274-6388

FAX: (813) 274-6300

## **FORMER CITY MAGISTRATE PLEADS GUILTY TO BRIBERY**

Orlando, FL - United States Attorney Robert E. O'Neill announces that Jerome Mitchell (42, Port Orange) today pled guilty to charges of bribery before United States Magistrate Judge Gregory A. Kelly. At the time of the charged offense, Mitchell, who is an attorney, was a City of South Daytona Special Magistrate. Mitchell now faces a maximum penalty of ten years in federal prison. A sentencing date has not yet been scheduled.

According to a plea agreement, and as admitted by Mitchell in court, on May 14, 2009, a company called 3131 South Ridgewood, LLC purchased the River Club Condominiums, a condominium complex located at 3131 South Ridgewood Avenue, South Daytona, Florida. Before the purchase of the River Club Condominiums by 3131 South Ridgewood, LLC, the prior owners of that property incurred code enforcement violations that resulted in the City of South Daytona placing \$241,000 in code enforcement liens on the property. In addition, the prior owners of the River Club Condominiums incurred \$500,000 in Volusia County tax liens on the property. When 3131 South Ridgewood, LLC purchased River Club Condominiums, the property remained encumbered by the city and county liens.

On May 21, 2010, Clifton, who was then the Mayor of the City of South Daytona, attended a dinner with, among other persons, the owners of 3131 South Ridgewood, LLC

and a purported representative of investors interested in buying the River Club Condominiums. At that meeting, the parties discussed the problem of the outstanding city and county liens on that property, and the fact that the liens made the property less desirable to potential buyers.

A few days later, on May 26, 2010, Clifton met with the purported investors' representative and they talked about how to get the City of South Daytona code enforcement liens reduced on the River Club Condominiums. At the conclusion of the meeting, Clifton suggested that the City of South Daytona Special Magistrate for Code Enforcement, Jerome Mitchell, would reduce the city liens to a minor amount in exchange for a cash bribe.

On June 1, 2010, the investors' representative met Clifton and Mitchell at a restaurant in Port Orange, Florida and provided an envelope to the Mayor and an envelope to the Special Magistrate; each envelope contained \$5,000 in cash. At this and other meetings, the parties discussed the potential of further payments in relation to the River Club Condominiums, as well as additional payments to Clifton in exchange for his help in reducing the Volusia County tax liens.

On July 8, 2010, at a code enforcement hearing at the City of South Daytona presided over by Mitchell in his role as Special Magistrate, Mitchell reduced the code enforcement liens on the River Club Condominiums from \$241,000 to \$12,500. The actions by Mitchell were not scheduled on the meeting's agenda and the reduction was to an amount previously discussed by the investors' representative, Mitchell, and Clifton.

On August 26, 2010, at Clifton's residence, the investors' representative met with Clifton to discuss how Clifton could assist in reducing the outstanding Volusia County tax

liens on the River Club Condominiums. Clifton agreed to speak with county officials concerning the tax liens, and in exchange the investors' representative provided him with \$2,500 in cash.

On October 1, 2010, Special Agents of the Federal Bureau of Investigation interviewed Clifton at his private offices in Volusia County. During the interview, Clifton discussed the actions of Mitchell in reducing the city code enforcement liens on the River Club Condominiums, but falsely denied that he knew a bribe had been paid to Mitchell in relation to the River Club Condominiums. During further questioning by the FBI agents, Clifton also falsely denied any knowledge of any city employee, including himself, having ever received a cash payment in relation to the River Club Condominiums, having any prior knowledge that Mitchell was going to address the liens on the River Club Condominiums at the city code enforcement hearing on July 8, 2010, and ever receiving a cash payment in relation to the property at 3131 South Ridgewood Avenue.

This case was investigated by the Federal Bureau of Investigation and the Florida Department of Financial Services, Division of Insurance Fraud. It will be prosecuted by Assistant United States Attorney Daniel C. Irick and Carlos A. Perez.