AO 91 (Rev. 5/85) Criminal Complaint

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United States District Court

WESTERN DISTRICT OF KENTUCKY

UNITED STATES OF AMERICA

V.

CRIMINAL COMPLAINT

CASE NUMBER: 3:09mj-115

KAREN CUNAGIN SYPHER

I, the undersigned complainant being duly sworn state the following is true and correct to the best of my knowledge and belief. On or about February 26, 2009 and February 28, 2009, in Jefferson County, in the Western District of Kentucky defendant Karen Cunagin Sypher, aided and abetted by others, with the intent to extort money from Richard A. Pitino, transmitted in interstate commerce communications containing threats to injure the reputation of Richard A. Pitino by threatening to make public claims concerning alleged events said to have occurred in 2003, in violation of Title 18, United States Code, Section 875(d).

Also, on or about April 16, 2009, in Jefferson County, in the Western District of Kentucky, defendant Karen Cunagin Sypher, knowingly and willfully made a materially false and fictitious statement and representation in a matter within the jurisdiction of the executive branch of the United States in that she told agents of the Federal Bureau of Investigation that she did not know the identity of the person who made extortionate telephone calls to Richard A. Pitino on February 26 and 28, 2009, when, in truth and fact, she did know the identity of the caller, in violation of Title 18, United States Code, Section 1001.

I further state that I am a Special Agent and that this complaint is based on the following facts:

SEE ATTACHED AFFIDAVIT.

Continued on the attached sheet and made a part hereof: [X] Yes No

STEVEN J. WIGHT
Signature of Complainant

Sworn to before me and subscribed in my presence,

APRIL 24, 2009 at Louisville, Kentucky
Date

U.S. MAGISTRATE JUDGE DAVE WHALIN
Name & Title of Judicial Officer

Signature of Judicial Officer

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF KENTUCKY
LOUISVILLE, KY

AFFIDAVIT

1. Your affiant, Steven J. Wight, is a Special Agent of the Federal Bureau of Investigation and has been so employed for fourteen years working various assignments, to include violent crime, white collar crime, and extortion matters, and is currently assigned in Louisville, Kentucky. The following information has been obtained through personal observation and knowledge or was told to me by those individuals described in this affidavit.

2. On April 9, 2009, after receiving reports of an extortion attempt, I and Supervisory Special Agent (SSA) David J. Beyer interviewed the victim, Richard A. Pitino. Mr. Pitino told us of three recorded voicemail messages that he received from an unknown man. I listened to the three recordings. In none of the recordings did the male speaker identify himself. In the first two messages, the caller made personal allegations concerning Mr. Pitino. The allegations, if made public, could harm Mr. Pitino's reputation, whether or not the allegations were true, in that they characterized an interaction between Mr. Pitino and an unnamed woman as criminal in nature. (Because the truth of these allegations is suspect, the affiant does not recite them in this document.) In the third recording, the caller declared that the media would be notified in two weeks, again characterizing the allegations as criminal in nature. Mr. Pitino stated that the first two calls were received on February 26, 2009 and that the third call was received on February 28, 2009. (but the details of the allegations were revealed to the Magistrate Judge.) SJW

3. Mr. Pitino told me that after he received the February 26 voicemail messages, he believed that they stemmed from an encounter with Karen Sypher some six years earlier, in 2003. He also explained that, after his encounter with Karen Sypher, she met Tim Sypher, the equipment manager for the basketball team that Mr. Pitino coached, and she married Mr. Sypher some time thereafter.

4. Mr. Pitino stated that after the first two phone messages, he met with Karen Sypher and her husband and asked her what she wanted. They discussed the possibility of a house, cars and money. He said that he played the voicemails for Ms. Sypher and she claimed to have no knowledge or information about the calls. Thereafter, Karen Sypher wrote out a list of demands, which her husband delivered to Mr. Pitino in West Virginia, on March 6, 2009. I have reviewed the list, and it demands college for her children, two cars of her choice, a house paid off, $3,000 cash per month, and another payment of $75,000 if Mr. Pitino departs the University where he coaches. It also states, "If all is accepted, I will protect Rick Pitino's name for life."

5. Based upon correspondence and emails provided to me, as well as additional interviews, I have determined that Karen Sypher engaged the services of an attorney on or about March 22, 2009. The attorney mailed Mr. Pitino a letter on March 22, 2009. That letter was signed by the attorney and by Ms. Sypher under oath, and repeated the allegations made in the voicemail

recordings, but in greater detail. The letter alleged the events occurred in 2003. In the letter, Ms. Sypher again disavowed any knowledge of the threatening voicemails and accused Mr. Pitino of having made or orchestrated those calls himself. Ms. Sypher's attorney filed a divorce action on Ms. Sypher's behalf and began to make demands of Mr. Pitino's attorneys. The attorney withdrew Ms. Sypher's earlier demands and instead communicated a demand for $10,000,000. In the course of making demands, the attorney sent an affidavit signed by Karen Sypher to her husband's attorney. The affidavit repeated some of the allegations about Mr. Pitino. Though the allegations appeared to have no relevance to the divorce issues, the attorney threatened to file the affidavit in the divorce action with a temporary support motion. When the attorney did not obtain concessions he sought, he filed her affidavit, signed by Ms. Sypher, in the divorce case. The affidavit was subsequently sealed.

6. By April 16, 2009, Ms. Sypher had obtained new counsel. On that date, Ms. Sypher consented to an interview with me and SSA Beyer. At that time we played the three recordings for her. She again claimed not to know the identity of the speaker. She was repeatedly asked if she could identify the caller and vehemently denied knowing the identity of the caller. She agreed to submit to a polygraph examination.

7. On April 17, 2009, Ms. Sypher submitted to the polygraph test. When confronted with the results, she admitted she had not told the truth to the agents on April 16 concerning the recordings. She stated she thought she knew who the caller was and provided a name that was not wholly correct. She also said that she provided the caller with Mr. Pitino's unlisted cell phone number. Ms. Sypher accompanied me and SSA Beyer to a neighborhood in Louisville and identified the house of the person she said made the telephone calls.

8. On April 17, 2009, I and SSA Beyer interviewed the man whom we believed was the person Ms. Sypher partially identified as the caller. He immediately admitted that he had made the calls to Mr. Pitino's cell phone. He stated that he and Ms. Sypher had known one another extremely well for approximately fifteen years. He stated that Ms. Sypher had given him Mr. Pitino's cell phone number and had asked him repeatedly to call Mr. Pitino to help her obtain money from him. He said Ms. Sypher discussed the possibility of obtaining $200,000 to $400,000 from Mr. Pitino. The caller stated that he made the calls from Louisville, Kentucky pay phones to Mr. Pitino's cell phone, as directed by Ms. Sypher, so that the calls could not be traced. The caller stated that Ms. Sypher asked him to make the calls during a critical period in the basketball season to increase the pressure on Mr. Pitino. The caller told me some of the material details Ms. Sypher related to him concerning Mr. Pitino's conduct. These details differed from the details she provided in the March 22, 2009 letter she signed under oath, and also differed from details set forth in her affidavit filed in the divorce action.

9. On April 21, 2009, Special Agents from the FBI contacted technical personnel at Sprint to determine how the calls made to Mr. Pitino's Sprint cell phone were routed and learned that the voicemails to Mr. Pitino's number in February 2009 were routed to a voicemail platform in Ohio. This means that the threatening calls constituted communications transmitted in interstate commerce, from Kentucky to Ohio.

10. Upon information and evidence available to me, I believe probable cause exists that KAREN SYPHER committed the following crimes: extortion in violation of 18 U.S.C. § 875(d), and giving a false statement in a matter within the jurisdiction of the FBI in violation of 18 U.S.C. § 1001.

Steven J. Wight
Special Agent, Federal Bureau of Investigation

Subscribed and sworn to me this 24th day of April, 2009.

Dave Whalin
United States Magistrate Judge