

Incident / Investigation Report

Federal Heights Police Department

OCA: 14CN06000955

Officer's Narrative (continued)

(PH0710) WILDER, TAMMY LYNN

(PH0201) QUEISNER, JAMES L.

Federal Heights Police Department

Case Report Number : 14CN06000955
Connecting Case Numbers : 06000620
06000741
06000742
06000752
06000789
06000863
NMFF 06-50068

Date of Offense : March 9, 2006 Thru April 15, 2006

Offense Classification : Violation of the Adult Entertainment Code
Prostitution
Complicity

Reporting Officer : Lieutenant Rodger McLaughlin

Introduction

This report is a summary of the overall investigation of the Bare Essence and the employees of the establishment.

Detective Patrick Murphy is the assigned case agent in this case. His attached report will serve as the primary narrative for this case. The report is inclusive of 10 Arrest Warrants/Affidavits and 1 Search Warrant/Affidavit prepared by Detective Murphy as well as reports from police officers and detectives that assisted in this case.

The Municipal charge(s) of 12-12-14 Adult Entertainment Code (Standards of Conduct) and Complicity were filed in the Federal Heights Municipal Court as these codes are intrinsic to this venue. The Prostitution charge(s) were filed as State charges into the 17th Judicial District (Adams/Broomfield Counties).

In early December of 2005 I spoke to Detective Murphy from North Metro Task Force about conducting an investigation of the Bare Essence (All Nude Night Club). The detective had received previous information about possible illegal activity at this business. In early January of 2006 we began a preliminary investigation. It was agreed the North Metro Task Force would lead this investigation and that I would assist by tracking the investigation and providing resources from Federal Heights necessary.

Scope of Investigation

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The scope was to obtain a reasonable facsimile of the activity associated to the Bare Essence, the owner, employees, and entertainers/dancers. This case was complicated by the fact that the Federal Heights Mayor, Dale Sparks was known to be a part-time employee of the business. During the course of this investigation we discovered early on that there was in fact illegal activity by employees/entertainers that appeared to be sponsored by the owner/manager, Leonid Tsodikov. In order to ensure the integrity/secretcy of this investigation only a selected few from Federal Heights and North Metro Task Force were aware of this investigation until approximately a week prior to its culmination. I authorized the use of Federal Heights undercover operating funds to support North Metro Task Force. Whenever possible we utilized electronic audio/video recording equipment that was monitored by our investigators.

Tracking the Investigation

On February 21, 2006 I accompanied Detective Murphy to meet with a person that had agreed to assist in this investigation. This person will hereafter be referred to as CI 06-09. See Detective Murphy's report for the details of this conference.

Myself and Detective Murphy met with City Prosecutor Ralph Josephsohn to consult with him about the case prior to beginning the undercover operation. He was informed that we wished to keep confidential all information with respect to the undercover case. He concurred with our wish. I contacted him several times during the course of the investigation for consultation.

I met with Don Quick, District Attorney for the 17th Judicial District and his Chief Assistant, Michael Goodbee to inform them of our investigation. They were informed that this case involved Mayor Dale Sparks and we spoke about the possible complications to our case.

We met with Sergeant Ken Nave from the Adams County Sheriff's Office who has extensive experience in the adult entertainment/prostitution field for a consultation.

March 9, 2006

On the evening of March 9, 2006 I accompanied Detective Murphy and others from North Metro Task Force to begin a series of undercover operations at the Bare Essence. We utilized the Westminster Police Departments facility for all of our briefings/debriefings. During this first operation CI 06-09 received two private dances from a two separate dancers known by the CI as "Jennifer" and "Amsterdam" (stage names). The CI described the transference of payment for each private dance. He indicated that the normal price for one private dance is \$50.00 or \$80.00 for two dances. The dancer requires payment before the dance. She takes the money to the bar near the front of the business and usually gives the money to the owner, "Leo". If "Leo" isn't present the dancers give the money to a female bartender that is believed to be the owner's significant other. The owner or the bartender then writes the transaction into a book or notepad located at the bar. The dancer returns to the customer (CI) and provides change before she escorts him to the private dance area. When the dancer gets on stage she signals to the DJ for 1 or 2 songs. When the music starts the dancer(s) remove their clothing and immediately leave the stage and have a physical encounter (dance) with the customer (CI). The money transactions for nearly all of the operations were identical. The dancer(s) conduct during these particular dances constituted a violation(s). The CI was later debriefed by me and Detective Murphy. See attached transcription(s) and Detective Murphy's report.

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On this occasion we again briefed at the Westminster Police Department prior to beginning this operation. CI 06-09 entered the business and during his time there received four private dances. The CI received these dances from dancers known to him as "Playmate" aka "Tyisha" (2 dances), "Jessica", and "Jennifer" (stage names). Their conduct during these dances constituted violations. The CI was later debriefed by Detective Murphy and me. See attached transcription(s) and Detective Murphy's report for additional details. NMTF 06-50068 / FHPD 14CN06000741

March 23, 2006

Pursuant to the investigation we briefed at the Westminster Police Department and planned the undercover operation for this evening. We planned to have CI 06-09 enter the business and obtain a private dance. Some time later during the same evening the CI was to obtain another private dance. During the second dance we choreographed it so that a uniformed Federal Heights Police Officer, driving a marked patrol car, would pull up in front of the building and go inside to conduct a routine business check. This was to occur at the exact time that the CI was in contact with the dancer. We utilized Pete Hemschoot, a field supervisor who is familiar with the business.

The CI obtained the first dance from an entertainer known to him as "Mary" (stage name). This first dance constituted a violation. After some time, the CI obtained a dance from an entertainer known to him as "Pia" (stage name). As planned, the officer entered the business at the exact time that the CI was obtaining a private dance. The dancer immediately got off of the CI, dressed and walked out the private dance area. The CI heard the disc jockey announce the dancers name over the intercom just before she stopped her illegal dance. The dancer told the CI that if a police officer comes into the business the DJ will announce the dancers name twice to alert them of the presence of police. She mentioned to the CI the "3 foot" rule and that it is illegal for her to be off the stage and that they could receive a large fine. This second dance also constituted a violation. The CI was debriefed following this operation. See attached transcription(s) and Detective Murphy's report for additional details. NMTF 06-50068 / FHPD 14CN06000742

March 24, 2006

After briefing at the Westminster Police Department we conducted the next phase of the undercover operation inside the Bare Essence. The CI was given instructions for the night's agenda. He entered the business and was approached by a dancer known to the CI as "Playmate" (stage name). The CI paid for \$50.00 for a private dance. Additionally, the dancer agreed to give the CI a hand-job for \$50.00. During the course of the dance she unbuttoned the CI's pants and stimulated his genitals. Upon completion she asked for her additional \$50.00 in which the CI paid. The dancer took the payment and subsequently gave it to the owner who made a notation in his book.

The CI obtained another dance from a dancer known to him as "Lilly" (stage name). As usual, he paid her \$50.00 for the private dance. During the course of the dance, "Lilly" removed her clothing and among the other typical violations she fondled the CI's genitals through his clothing.

These encounters constituted violations.

See Detective Murphy's report for additional details. NMTF 06-50068 / FHPD 14CN06000752

March 28, 2006

On this occasion Mayor Sparks was working as the doorman. The CI entered the business and paid the

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doorman the entry fee. A dancer known to the CI as "Playmate" approached him and they talked while seated at the main stage. Acting on our instructions the CI asked the dancer who the doorman was. She replied that he's the Mayor. The CI inquired if the Mayor was aware of what goes on in the club. She indicated that he is aware of what goes on. After their conversation the CI requested a dance from a Russian dancer known to him as "Iolay" (stage name). He paid for the dance and she escorted the CI to the dance area. She removed her clothing and straddled the CI, rubbed her genital area against his through his clothing. She placed the CI's hands on her breasts and hips.

The CI then had another conversation with "Playmate". Per our instructions the CI asked the dancer if she could obtain drugs for him. The dancer stated that she could call her boyfriend and hook him up with whatever he wanted. The CI briefly left that establishment and met with myself and Detective Murphy. The CI was given additional funds to purchase the drugs. He was then sent back into the club with instructions to wait no longer than 30 minutes for the arrival of the drugs. After 30 minutes the CI left the club as the dancer's boyfriend had not yet arrived.

Additionally, we sent a North Metro Task Force Detective, Dave Shuler into the establishment to purchase a private dance. After some conversation the detective obtained a private dance from a person known to him as "Jessica" (stage or first name). The dancer escorted him to the dance area and removed her clothing. During the dance she touched the detective's groin area through his clothing and rubbed her genitals on his. Detective Shuler observed another private dance that was taking place at the same time as his. He described this dance as a violation also. (See Detective Shuler's report for specific details).

Detective Murphy's report for additional details. NMTF 06-50068 / FHPD 14CN06000789.

April 5, 2006

At the briefing for this particular operation at the Westminster Police Department we discussed creating a scenario in which we would see how the establishment and Mayor Sparks would react to an undercover officer (known to the Mayor only) when they come into the establishment.

We began the operation by sending in our CI to get a private dance. He did obtain a private dance from a person known to him as "Iolay" (stage name). During this dance she committed a violation by removing her clothing and straddled the CI. She proceeded by rubbing her genital area on the CI's genitals through his clothing and placed the CI's hand on her breast.

Detective Shuler went into the establishment to engage various dancers in conversation and to act as an observer when we sent in our undercover detective that was known to the Mayor. At this time Detective Murphy, accompanied by Detective Jorge Villegas entered the club and paid the doorman (Mayor Sparks). It appeared that the owner was not working on this evening. Though the Mayor personally knows Detective Murphy, he did not acknowledge that he knew him at that time. Detectives Murphy and Villegas were seated at a stage/table and were engaged in conversation by a dancer with a Russian accent. At this time Detective Shuler observed Mayor Sparks walk over to the bartender, a female believed to be the owner's significant other, and whisper in her ear. Shortly afterwards, these dancers were summoned to the front of the establishment and never returned to speak with our undercover officers. We later discovered that the Mayor attempted to compromise or otherwise expose the identity of the undercover detective(s) to other Bare Essence employees, including the owner. Following this operation the Mayor also made an inquiry to find out if there was an undercover investigation of the Bare Essence. This will be discussed in the later portion of this report.

While the detectives were in the club the CI obtained another private dance from a person known to

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him as "Jennifer" (stage name). After paying for the dance "Jennifer" took the CI to the dance area and performed the dance. During the dance she removed her clothing and fondled the CI's genitals through his pants, placed his hands on her breasts and also did a headstand between his legs, placing her genital area in his face. Detectives Murphy and Villegas then left the club.

The CI returned to the primary stage area and purchased another private dance from the dancer he came to know as "Playmate" (stage name). She escorted him to the dance area and removed her clothing and straddled the CI. At this time there was another private dancer between a customer and a dancer known to the CI as "Sonya" (stage name). On this occasion we had a uniformed Federal Heights Police Officer drive up in a marked patrol car and enter the club at the exact time that the CI was receiving a private dance. As they had done before, the disc jockey announced the dancer's names twice to alert them that the police had arrived and they immediately stopped the dance and got back on stage. When the officer left the club the dancers finished the dances. See Cpl. Hemschoot's report for details of his bar-check(s). When the officer entered the club he noted that the Mayor was walking in the main area of the club near the main dance stage. The officer noted that the DJ seemed to motion to the Mayor who then walked to the front and began talking with Cpl. Hemschoot.

During the time our CI was in the establishment on this occasion he asked a dancer if he could obtain drugs. The dancer said that she would call her boyfriend and attempt to accommodate him. The dancer's boyfriend did not arrive prior to the time limit we had set for the purchase of the drugs and he eventually left without meeting the dealer. The dancer did provide the CI with her boyfriend's phone number for future reference.

See Detectives Murphy and Shuler's reports for specific details of this evening operation. NMTF 06-50068 / FHPD 14CN06000863

Continuing Investigation

In the days following the last undercover operation I apprised Chief Acker and the City Manager, Chuck Roid of the cursory details of this investigation. On April 10, 2006 I was asked to accompany the Chief and City Manager to the City Attorney's Office in Denver to brief them on the case. During the briefing I indicated to the City Manager that if the Mayor were to talk with him about anything pertaining to the Bare Essence that I would like to be advised of the contents of the conversation as it could have evidentiary value in this case. The City Manager told me that last week, possibly on Thursday, April, 6th, 2006 he was at City Hall and the Mayor at that time mentioned to him that he had recently seen Detective Murphy at the Bare Essence. The city manager indicated that the Mayor was inquiring or otherwise fishing for information to know if there was an undercover investigation at the Bare Essence. The CM did not reveal that the police were conducting an investigation per my request/instructions.

After conferring with the District Attorney's Office and the City of Federal Heights Municipal Prosecutor we obtained a Search Warrant for the Bare Essence. Additionally, we obtained 10 Arrest Warrants. Due to the problem with identification of the employees/dancers we obtained John Doe/Jane Doe Arrest Warrants for all but the establishment's owner, Leonid Tsodikov whom we had previously identified and obtained a warrant in his name. In addition to the owner, warrants were issued for the Disc Jockey and eight dancers/entertainers.

On the evening of April 15, 2006 members of the North Metro Task Force and Federal Heights Police Department conducted a briefing prior to serving the Search Warrant and making arrests. The plan called for detectives and officers to enter the club and secure the interior to prevent the destruction of evidence and to keep the employees and customers contained for a brief time.

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Investigators from North Metro conducted the search and our officers arrested the dancers that could be identified at the scene. We utilized the assistance of the CE and Detective Shuler in making these identifications. A number of items were seized from the establishment including video tapes depicting illegal contact between dancers and customers, various papers and records, etc. These items were later booked into evidence at the Adams County Sheriff's Department.

I immediately contacted Mayor Sparks and asked him to step outside the business so that we could talk. I informed him that we were serving a Search Warrant and numerous Arrest Warrants. I requested him to meet me at the Federal Heights Police Department for a formal interview. I made it clear to him that this was voluntary and that he was not in custody. The Mayor agreed to drive himself to the station and meet with me there.

I met with Mayor Sparks at the Federal Heights Police Department. The interview was conducted in the interview room and was video/audio recorded. Prior to the interview I advised Mayor Sparks of his rights (Miranda). He indicated that he understood his rights and agreed to speak with me without the presence of an attorney.

I explained the scope of our investigation and during the course of this interview I asked the Mayor a number of pointed questions. Throughout our conversation he adamantly denied that he had any knowledge of violations of the Adult Entertainment Code or Prostitution. In response to my questions the Mayor stated that he earns \$100.00 per night. He is usually paid in cash at the end of each week. Occasionally he is paid by check by the owner. Mayor Sparks has been working at the Bare Essence for a little more than a year. He primarily works on weekends and lately has been working on Tuesdays. The Mayor stated that he came to know the owner, Leo Tsodikov when he came into his Barbeque Shop. Leo Tsodikov at one point offered to give him a job as a doorman. He stated that his primary job is to simply act as a doorman, collecting the entrance/cover charge and to check identifications of customers upon entry into the establishment. He claims that the only time that he goes to the rear of the building is to go to the restroom. Mayor Sparks indicated that he has never been to the private dance area and that he has no knowledge of what occurs in this area and has never witnessed illegal activity. He acknowledged that he is familiar with our Adult Entertainment Code, however not verbatim.

I informed the Mayor that our investigation has revealed a pattern of ongoing illegal activity that occurs every night that the business is open, including the nights when he is working there. He indicated that this was news to him. I asked the Mayor if he knew why anyone would pay \$50.00 for a legitimate private dance in the back of the business if they could simply just pay the \$10.00 cover fee and watch the girls dance in the main/common area. The Mayor replied that he has wondered that himself and has even had conversations with his wife about that.

I asked Mayor Sparks what arrangement he had with the Bare Essence Owner with respect to the Flea Market that the Mayor operates in the Bare Essence lot and specifically if he pays for the use of the lot. He stated that he does not pay the owner. I then asked the Mayor if he was aware that the owner of the Bare Essence has required his neighbors across the street from Comcast to pay him to use his lot for overflow parking in the past. The Mayor acknowledged that he had heard that from the owner.

The Mayor denied having any knowledge of the system they use to alert the dancers when the police come inside the establishment. I explained to Mayor Sparks that we set up a scenario in order to see how he would react to an undercover detective coming into the club. I told him that we specifically wanted it in Detective Pat Murphy who he is familiar with. I informed him that while we were hoping for the best, that he did all the wrong things. Mayor Sparks admitted that he did go to "Tasha", the owner's significant other, point out Detective Murphy and tell her that he is with North Metro Task

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Force, he indicated to her that he didn't know if he was there conducting an investigation or not. I inquired if the Mayor had gone to anyone at the City, City Hall, or the police department to ask if there was an investigation of the Bare Essence going on. The Mayor stated that he mentioned it to Cpl. Pete Benschoot that same night that Pat had been in the club. He then recalled possibly mentioning to Chief Acker that he saw Pat in the club and that he didn't know if he was there for a "sting", or just visiting. The Mayor denied that he had asked anyone if there was an investigation at the Bare Essence. (Chief Acker later stated that the Mayor never mentioned this to him).

I asked the Mayor if the owner had ever requested him to do anything inappropriate. He stated that he hadn't, however recalled a conversation with the owner a few months ago when he asked the Mayor if he would know if there's a problem or an investigation going on. The Mayor could not recall the exact words that the owner used. He stated that he told the owner that if there was an investigation it would probably be with undercover people and that he wouldn't know then.

When the interview ended I told Mayor Sparks that my colleagues, including myself were worried about reprisal for conducting this investigation. I also issued the Mayor a lawful order not to interfere in this investigation in any way.

On April 16, 2006 at approximately 1:41 am I conducted an interview with the Bare Essence Disc Jockey, Donald Macleod. Macleod had been arrested at the Bare Essence and transported to the police department. The interview was conducted in our interview room and was video/audio recorded. I advised Mr. Macleod of his rights (Miranda). He indicated that he understood the rights and after some thought agreed to speak with me without the presence of an attorney.

In response to my questions MacLeod stated that he has worked for the Bare Essence for approximately 2 years. He got the job by simply answering a newspaper ad for a DJ. MacLeod states that he is paid \$400.00 per week in cash with no benefits or tax deductions from his pay. He stated that he is afraid of the owner, Leo, telling me that Leo has assaulted him on more than one occasion during his tenure at the club. In summary, MacLeod indicated that he knows what goes on at the club as it would be difficult not to know, though Leo has never really talked about the clubs activity in the private area. His job requires him to alert the dancers if a police officer comes into the club by announcing the dancers name twice. This is a system that the owner devised to alert the dancers at the presence of the police. During our conversation MacLeod stated that though he has some knowledge of the clubs illegal activity and alerts the dancers about the police he does not consider himself to be complicit in any violations of the law. He indicated that doing this is just part of his job.

I asked Mr. MacLeod if he could tell me about the relationship between Mayor Sparks and the owner of the club. MacLeod stated that believes that Leo has cultivated a personal relationship with the Mayor. He indicated that he believes the Mayor knows less about the activities of the Bare Essence than he. He stated that Leo is very secretive about what goes on in the club. He did indicate that one would have to be naive not to wonder what's going on. MacLeod stated that Leo does not want the Mayor to wander around in the back of the business and that he usually stays towards the front. He did indicate that he believes that the owner employ's the Mayor there for political reasons and for protection.

I asked Mr. Macleod if he recalled the incident a week or so ago in which undercover officers entered the club and the Mayors response to that situation. He recalled that the Mayor called him down from the booth and told him that someone he knows from the North Metro Drug Task Force was here. The Mayor said he wasn't sure why they were there but suggested to Macleod that he go check in the restroom. MacLeod said that people sometimes leave containers of alcohol in there and didn't want the cops to see it. When the undercover officers left, the Mayor pointed them out to MacLeod.

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Mr. MacLeod stated that the next time that the Mayor worked, possibly on the following Friday, he overheard the Mayor telling the owner that on Wednesday there were some North Metro cops in the club. He stated that Leo was concerned and asked the Mayor if they had obtained any private dances. (We later learned from one of the dancers that had been arrested, Petra Shooly, that the owner, after learning this news from the Mayor, approached several of the dancers on this same night to inquire if they had interacted with the undercover cops and if they had given them any private dances).

On April 16, 2006 I contacted the owner of the Bare Essence, Leonid Tsodikov while in custody at the Federal Heights Police Department. I advised him of his rights (Miranda). Tsodikov did not wish to speak with me about this case. The interview was immediately terminated.

I assisted Detective Murphy with some additional interviews in the days following the arrests. I was contacted by an ex-dancer who had been employed by the Bare Essence. Brittany Cunningham agreed to meet with Detective Murphy and me at the Police Department on April 17, 2006. She told me that she had been contacted by a current dancer, Allegra Fiorino, (stage name "Lilly") and that she wished to turn herself into police. Ms. Fiorino is one of the dancers who had an outstanding Arrest Warrant for Violation of the Adult Entertainment Code. See Detective Murphy's report for the details of these interviews.

On April 20th, 2006 another current dancer contacted us and wished to come in and speak with us about the situation at the Bare Essence. Latina Ervin met with us on the afternoon of the 20th. See Detective Murphy's report for the details of that interview.

On April 20th, 2006 I received a telephone message from Leo Tsodikov. I returned his call on April 21, 2006 and taped the conversation. Tsodikov stated that he wished to know the identities of the dancers who still had outstanding Arrest Warrants. He cited that he wished to help us contact them. I informed him that we would not provide him with this information. He added that many of his dancers are afraid that they are the ones with Arrest Warrants and they don't want to come to work.

Tsodikov stated that he wished for me to come to his place of business so that he could explain some things and so that we could talk man to man. During our conversation he extended this offer several times. I informed him that due to his invocation of his rights on the night of his arrest that it would have to be a formal interview after I advised him of his rights (Miranda) again. Tsodikov indicated that his attorney had already advised against making a formal statement. I told him to get his attorneys approval prior to us having a man to man talk.

During the course of our conversation Tsodikov indicated that they made some mistakes and that he planned to plead guilty, and then life would go on.

Brief Summary (To Date)

On the night that we served the Search Warrant at Bare Essence the police conducted interviews with each dancer/arrestee. See Detective Murphy's report for specific details of those interviews. The common theme derived from all those arrested/interviewed, as well as those who came forward in the days following the raid is that Leonid Tsodikov was complicit in the unlawful activity at the Bare Essence by aiding a abetting. The undercover operation and subsequent interviews with many of those associated to the Bare Essence indicated that the owner employed Mayor Sparks, in part, for protection from the police. Our investigation revealed (through a controlled scenario) that Mayor Sparks compromised the identity of undercover police officer(s) and sought information about a possible investigation.

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We will be conducting some follow up investigation and supplemental reports will follow.