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A weekly section of The Palm Beach Post  
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They play on rival teams, but both chase state titles  
**IN SPORTS**



America's ubiquitous fashion guru sounds off  
**A Q&A with Tim Gunn of 'Project Runway'**  
**IN ACCENT**

# The Palm Beach Post

Wednesday, May 7, 2008

Final Edition

50 cents

## 3 charged in mortgage scam called 'economic parasites'

*They inflated appraisals to get oversized loans, feds say.*

By JEFF OSTROWSKI  
Palm Beach Post Staff Writer

In a wide-ranging mortgage scam, two real estate investors and a mortgage broker used inflated appraisals, straw borrowers and phony loan applications to fleece big-name lenders of millions, federal prosecutors say.

The collateral for the ambitious fraud? McMansions throughout Palm Beach County, including several in posh gated communities in Wellington and Boca Raton.

An assistant U.S. attorney calls the alleged scammers "economic parasites" whose ilk have played a little-noticed role in the mortgage meltdown that has roiled financial markets worldwide. Such scams have been especially common in South Florida, where state and federal investigators believe a boom-and-bust housing market has made some willing to bend the rules for illicit profits.

The U.S. Attorney's Office accus-

es Berry Loudort and Ralph Michel (also known as Ralph Duverneau) of putting together deals for two dozen homes in Palm Beach County, persuading banks to loan far more than the properties actually sold for, then pocketing the difference and letting many of the homes lapse into foreclosure.

See MORTGAGE, 10A ▶

**Fraud examples**  
A look at who made what in four home purchases, **10A**

**More real estate news online**

- Read reporter Jeff Ostrowski's blog on South Florida real estate.
- An overview of the effects of the growing number of foreclosures.

**PalmBeachPost.com**

## FPL seeks 1-year hike for nuclear expansion

*An average bill would go up by \$2.51 a month if the company gets PSC approval.*

By EVE SAMPLES  
Palm Beach Post Staff Writer

To save on your power bill in the long run, the state's largest utility wants you to pay more in the short run.

Florida Power & Light Co. has proposed increasing customers' bills by about 2 percent a month next year to help cover the costs of expanding its nuclear plants in Florida — a move the company claims will stabilize electricity prices in years to come.

The money would be used to recoup \$259 million FPL has spent or will spend through 2009 on upgrading its four existing nuclear reactors and building two new ones.

"We feel it's important to take the steps now to become less dependent on a single fuel source, such as natural gas," FPL spokesman Mayco Villafañá said Tuesday. "The fuel diversity that nuclear will bring for our customers will make us more energy-independent."

The one-year hike would amount to \$2.51 a month for the average customer who uses 1,000 kilowatt hours and pays \$102.49 during the billing cycle, Villafañá said.

See NUCLEAR, 5A ▶

**Tell us what you think**  
Are the plants worth the extra cost?  
**PalmBeachPost.com/yourpost**

## Picketing makes 'Riverdance' miss a step at Kravis, but show back on

By JANE MUSGRAVE  
Palm Beach Post Staff Writer

WEST PALM BEACH — More than 1,000 people who planned to attend the rollicking Irish show *Riverdance* at the Kravis Center Tuesday night were disappointed when union trouble forced officials to cancel a show for the first time in the hall's history.

But it won't happen again tonight. In what labor officials said was a huge victory for their cause, the owner of the show canceled its contract with the Kravis Center and agreed to put on the performance using union workers for the remainder of the five-day run.

"I think we more than achieved what we wanted to achieve," said union leader Alan Glassman, who led about 40 workers on a daylong picket outside the Kravis Center.

See RIVERDANCE, 5A ▶

**Sound off**  
What do you think of the union standoff?  
**PalmBeachPost.com/yourpost**

ELECTION 2008

# Obama rolls in N.C., builds delegate lead

Indiana too close to call, but Clinton declares victory



JAE C. HONG/The Associated Press

**North Carolina**  
99% reporting

	Percentage	Delegates
1. Barack Obama	56%	44
2. Hillary Clinton	42%	35

**Victory:** Sen. Barack Obama greets supporters in North Carolina, where he won handily.



JOE RAEDLE/Getty Images

**Indiana**  
92% reporting

	Percentage	Delegates
1. Hillary Clinton	51%	32
2. Barack Obama	49%	29

**Celebration:** Sen. Hillary Clinton, with husband Bill and daughter Chelsea, speaks in Indiana, where she led.

By KEN HERMAN and SCOTT SHEPARD  
Palm Beach Post-Cox News Service

RALEIGH, N.C. — Barack Obama increased his delegate lead and took a significant step toward the Democratic presidential nomination on Tuesday by winning big in North Carolina, but Hillary Clinton appeared headed toward a narrow victory in Indiana.

"You know there were those who were saying North Carolina would be a game-changer in this election," Obama told cheering supporters in Raleigh. "But today what North Carolina decided is that the only game that needs changing is the one in Washington, D.C."

Obama acknowledged that he appeared headed for defeat in Indiana — where Clinton led 51 percent to 49 percent with most of the votes counted — but he classified his North Carolina success as "a victory in a big state, in a swing state and a state where we will compete to win."

Obama declared himself "less than 200 delegates" from the nomination and talked like a winner ready to unite his party.

"Tonight, many of the pundits have suggested that this party is inalterably divided — that Sen. Clinton's supporters will not support me and that my supporters will not support her," he said. "Well, I'm here tonight to tell you that I don't believe it."

"Yes, there have been bruised feelings on both sides. Yes, each side desperately wants their candidate to win. This primary season may not be over, but when it is, we will have to remember who we are as Democrats ... and that we are at our best when we lead with principle, when we lead with conviction, when we summon an entire nation around a common purpose, a higher purpose."

Clinton, at a rally in Indianapolis, claimed victory in Indiana even though news organizations still regarded the state as too close to call.

Noting how Obama had once predicted Indiana would be "the tiebreaker" after

See PRIMARY, 6A ▶

**More on the 2008 presidential race**

- Get the latest news and final results.
- See photos and video reports.
- Check the primary schedule, past results.
- View special video reports on candidates.
- Get news and analysis on the Q Blog.

**PalmBeachPost.com/politics**

## McCain vows to back conservatives for Supreme Court



McCain

By JULIET EILPERIN  
The Washington Post

WINSTON-SALEM, N.C. — Highlighting an issue he plans to use aggressively in the general election campaign, Sen. John McCain on Tuesday decried "the common and systematic abuse of our federal courts by the people we entrust with judicial power" and

pledged to nominate judges similar to the ones President Bush has placed on the bench.

The presumptive Republican presidential nominee said that Chief Justice John Roberts and Justice Samuel Alito "would serve as the model for my own nominees, if that responsibility falls to me."

His remarks highlighted the

gap between Republicans and Democrats on the question of who should sit on the Supreme Court.

Both justices have established strong conservative records since Bush appointed them. The appointment of one more conservative to the nation's highest

See McCAIN, 6A ▶

**Potential Republican running mates**

See a slide show of 17 candidates and vote for your favorites.

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**Weather:**  
Partly sunny.  
High 85, low 73.  
FORECAST ON BACK PAGE OF SPORTS

DEAR ABBY	2D	HOROSCOPE	2D
BUSINESS	6B	LOTTERY	2A
CLASSIFIED	10C	PEOPLE	13A
COMICS	8D	SCORES	8C
CROSSWORD	7D	STOCKS	8B
CROSSWORD	13C	THEATERS	7D
DEATHS	4B	TV LISTINGS	7C
EDITORIALS	14A	WEATHER	20C

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**Myanmar cyclone toll surges past 22,000**  
A wait for visas stymies aid groups, and a million may be homeless. **Story, 3A**

**Lake Okeechobee fire fills area with smoke**  
Officials urge people with breathing problems to remain indoors. **Local, 1B**

**Tenet, HCA see drop in first-quarter profits**  
The area's biggest hospital chains treat more uninsured patients. **Business, 6B**