

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL

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Contact: Rob Marus, Communications Director: (202) 724-5646; robert.marus@dc.gov
Andrew Phifer, Public Affairs Specialist: (202) 741-7652; andrew.phifer@dc.gov

Owner and Tenants of Notorious Prostitution Business Ordered to Pay Nearly \$3.3 Million to District in Lawsuit Brought by OAG

Order Denotes First Time That Income Disgorgement Has Been Awarded under District's Drug, Firearm, or Prostitution-Related Nuisance Abatement Act

WASHINGTON, D.C. – In a lawsuit brought by the Office of the Attorney General (OAG), a D.C. Superior Court judge has ordered the owners and operators of a notorious Dupont Circle brothel and the owner of the property where the business operated to pay the District nearly \$3.3 million, depriving them of the profits they received from the illegal activity. The order by Superior Court Associate Judge Jeanette J. Clark was entered against VIP Therapy, Inc.; the organization's manager, Deborah Y. Poindexter; and George S. Thanos, the owner of the four-story building at 1331/1333 Connecticut Avenue NW where VIP Therapy and its predecessor businesses operated a house of prostitution.

The ruling marks the first time that a judge has ordered a defendant sued under the District's Drug, Firearm, or Prostitution-Related Nuisance Abatement Act to relinquish their ill-gotten revenues – a remedy known as income disgorgement – to the District. The ruling ensures that the defendants do not benefit from their illegal activities and helps to prevent the recurrence of those activities.

"The defendants in this case demonstrated a repeated pattern of disregard for the laws of the District of Columbia and for the authority of our courts," said Attorney General Racine. **"We are pleased that the Court agreed with our argument that disgorgement was an appropriate way to ensure the defendants neither continued their wrongdoing nor profited from it."**

The ruling came in a case remanded last year by the D.C. Court of Appeals to the Superior Court for further action after the court said that OAG had the power to seek income disgorgement in the case. The

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litigation in the case dates back to 2008, when OAG initially brought a complaint against Thanos for allowing a prostitution-related nuisance business to operate at his property. The defendant had been notified by the District of prostitution-related activity on the property as early as 2001.

The lower court initially denied the District's request for income disgorgement. But the Court of Appeals held that the equitable remedy was available to the District, and ordered the case returned to the Superior Court to determine if the facts of the case supported such a remedy and, if so, how much the District should be awarded. Judge Clark determined that the facts were sufficient and awarded the District all of the relief requested.

"The multiple arrests, eviction of a previous tenant for engaging in illegal activity, and the multiple lawsuits filed were not enough to cause Defendant Thanos to abate the prostitution nuisance and prevent the recurrence of such activity," Judge Clark wrote. "Income disgorgement is necessary to prevent Defendant Thanos' unjust enrichment and the recurrence of the prostitution-related nuisance."

The Court ordered that the District is entitled to income disgorgement from VIP Therapy and Poindexter in the amount of \$3,225,600 for the operation of a prostitution-related nuisance, and similarly entitled to \$36,281 from Thanos for the revenue he received during the course of the nuisance. The payments will go to the OAG Drug-, Firearm-, or Prostitution-Related Nuisance Abatement Fund, which supports OAG's work to fight neighborhood threats through legal action and education.

Attorney General Racine praised OAG's lead lawyers on the case. **"In particular, I want to thank Acting Neighborhood and Victim Services Section Chief Ebony Robinson and Assistant Attorney General Stacy Anderson for their excellent work on this case,"** he said. **"Their efforts at the trial and appellate levels have brought a significant victory for the people of the District of Columbia."**

A copy of Judge Clark's order is attached.

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