



Department of Justice

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LEADERS OF "XQUISITE EMPIRE" FRAUD RING PLEAD GUILTY

Atlanta, GA - KENNETH DAVID HARVEY, 29, of Atlanta, Georgia, today pleaded guilty to conspiracy to commit wire fraud and bank fraud before United States District Judge Jack T. Camp in connection with a car loan fraud ring operating under the name of "Xquisite Empire."

"This fraud scheme was based on luxury cars and lies," said United States Attorney David E. Nahmias. "The conspirators designed the scheme to rapidly and fraudulently acquire large numbers of luxury vehicles through straw purchasers. The defendants then sold the cars to others who were unknown to the original lenders, leaving the lenders with very little recourse. We commend the Atlanta Police Department for its valuable assistance in this investigation in working closely with the FBI and U.S. Postal Inspection Service to bring this scheme to an end."

According to Nahmias, the indictment and information presented in court: Beginning in early 2002, HARVEY, along with WILLIAM MARSHALL, 40, of Atlanta, created a scheme to defraud lenders by fraudulently obtaining approximately 224 high-end luxury vehicles valued at \$11.2 million, using over 50 so-called "straw" purchasers to purchase or lease the vehicles. MARSHALL and HARVEY created the company called "Xquisite Empire," which ostensibly was in the rental car business, but had no legitimate income from rental cars. MARSHALL and HARVEY supplied straw purchasers with false credit information, which the straw purchasers subsequently listed on loan applications. MARSHALL, HARVEY, and others instructed each straw purchaser to buy as many cars as possible within a 30-day period to prevent prospective lenders from learning about the straw purchasers' true liabilities through seeing the most recent loans relating to fraudulent purchases appear on credit reports. In return, MARSHALL and HARVEY paid the straw purchasers fees for obtaining the vehicles. MARSHALL and HARVEY took possession of the vehicles, turning them over to others who wanted to conceal their ownership of the vehicles. When the payments to the lenders stopped, and the lenders tried to repossess the vehicles, the straw purchasers had no knowledge as to where the vehicles were. Only MARSHALL and HARVEY knew who the actual possessors were. The lenders lost over \$2.4 million.

On April 12, 2007, in Orlando, Florida, MARSHALL pleaded guilty to this conspiracy. MARSHALL also has pleaded guilty to federal crimes related to money laundering and narcotics trafficking in Orlando. He is scheduled for sentencing before the Honorable Patricia C. Fawsett, United States District Judge for the Middle District of Florida on July 30, 2007, on both his Atlanta and Orlando crimes.

In the last six months, seven of the “straw purchaser” defendants, MERCEDEH SAFAVI, 29, SHAUNDA CARTER, 36, MIMI WILLIS, 30, STEPHEN JAMES, 30, STEPHANIE JAMES, 38, YOLANDA CLARK, 38, and TERESA MOSLEY, 37, as well as three of the insider/recruiter defendants, DARTEZ DANIEL, 37, SHEER GODFREY-FIELDS, 29, and SHEENA MULLINS 23, also pleaded guilty in Atlanta to conspiracy to commit wire fraud and bank fraud. Eight other defendants under indictment remain to be tried.

Sentencing for HARVEY has been scheduled for September 6, 2007, at 10 a.m. before Judge Camp.

This case is being investigated by Special Agents of the Federal Bureau of Investigation, the United States Postal Inspection Service, and the Atlanta Police Department.

Assistant United States Attorney David Leta is prosecuting the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.