



U.S. Department of Justice

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For Immediate Release:

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August 1, 2005

EVENT: Guilty Plea

Defendant: John P. O'Leary

FORMER MCA SENIOR VICE PRESIDENT PLEADS GUILTY

Stephen J. Murphy, United States Attorney for the Eastern District of Michigan, Daniel D. Roberts, Special Agent in Charge of the Detroit Division of the Federal Bureau of Investigation, and Barry McLaughlin, Special Agent in Charge of the Midwest Region of the Office of Inspector General of the U.S. Department of Housing and Urban Development, announced that the former Senior Vice President for Corporate Finance of MCA Financial Corporation pleaded guilty today to concealing MCA's scheme to defraud its investors and lenders.

Pleading guilty before U.S. District Judge Nancy G. Edmunds was John P. O'Leary, 52 years old, of Davisburg. Mr. O'Leary, who was with MCA from 1994 until the fall of 1998, was also on the Financial Management Committee of MCA. The charge to which he pleaded guilty, misprision of felony, centered on MCA's creation of sham assets and bogus revenues through the purchase of low-income housing in Detroit by MCA and the subsequent sale of the property by MCA, at marked-up prices, to partnerships and limited liability companies ("LLC") controlled by MCA. Monthly payments from the partnerships and LLCs to MCA were often delinquent or never made at all. Mr. O'Leary helped to

conceal that fact from MCA's lenders and external auditors by directing MCA employees to prepare databases that automatically and fraudulently reflected the making of such payments.

The sentence in this case will be imposed under the federal Sentencing Guidelines based on the nature of the offense and the criminal background, if any, of the defendant. Under his plea agreement with the federal government, Mr. O'Leary faces up to 18 months' imprisonment and could be ordered to pay millions of dollars in restitution. He has also agreed to pay an administrative fine to the U.S. Department of Housing and Urban Development in the amount of \$20,000. Judge Edmunds scheduled the sentencing for December 6, 2005.

The federal investigation has been conducted by the FBI and the U.S. Department of HUD's Office of Inspector General, with assistance from the SEC's Division of Enforcement and the Office of Financial and Insurance Services of the Michigan Department of Labor and Economic Growth. The case is being prosecuted by Assistant U.S. Attorneys Stephen Hiyama and Jennifer Gorland.



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August 9, 2005

EVENT: Guilty Plea

Defendant: Fabino Caneva

MEMBERS OF DRIVER'S LICENSE FRAUD RING PLEAD GUILTY

Stephen J. Murphy, United States Attorney for the Eastern District of Michigan, announced today that two members of a driver's license fraud ring pled guilty to substantive offenses and conspiracy to transport illegal aliens from the East Coast of the United States to Michigan for the sole purpose of their fraudulently obtaining Michigan Driver's Licenses based upon counterfeit foreign identity documents.

Pleading guilty today before U.S. District Judge Victoria A. Roberts were FABIANO CANEVA, age 26, and NELSON DOMINGUES, age 41. Mr. Caneva is a Brazilian national who resided in Cliffside Park, New Jersey at the time of his arrest. Mr. Domingues, of Detroit, Michigan, is also a Brazilian citizen who has been a Lawful Permanent Resident in the United States ("green card" holder) for approximately 19 years.

Both defendant's pled to the following charges contained in the second superseding indictment and face maximum statutory penalties as follows:

- Count 1: Transport of Aliens within the U.S. for Commercial Advantage and Private Financial Gain, Aiding and Abetting – 10 years and / or \$250,000.00 fine.
- Count 2: Conspiracy to Transport Aliens within the U.S. for Commercial Advantage and Private Financial Gain – 10 years and / or \$250,000.00
- Count 3: Conspiracy to Transfer False Identification Documents – 15 years and / or \$250,000.00

- Count 4: Transfer of False Identification Documents – 15 years and / or \$250,000.00
- Count 5: Mail Fraud, Aiding and Abetting – 20 years and / or \$250,000.00
- Count 13: Forfeiture of Property Constituting or Deriving from Proceeds of Crime

In addition, Mr. Caneva also pled guilty to the following counts:

- Count 7: Possession of Five or More False Identification Documents with Intent to Unlawfully Use and Transfer, Aiding and Abetting – 3 years and / or \$250,000.00
- Count 8: Possession of Document Making Implements with Intent to Use in the Production of False Identification Documents, Aiding and Abetting – 15 years and / or \$250,000.00

Mr. Domingues also pled guilty to Count 6: Conspiracy to Smuggle Aliens into the United States – 10 years and / or \$250,000.00.

The facts revealed at today's plea hearing showed that during the period from on or about June 2003, to on or about June 24, 2004, the defendants were involved in an on-going criminal enterprise with other persons whereby illegal aliens, primarily from the East Coast of the United States, would be transported to the State of Michigan for the sole purpose of their fraudulently obtaining a Michigan Driver's License. FABIANO CANEVA, HUGO DE SOUZA FARIA,¹ FABIANO CESILLA,² CLEVERSON DE OLIVERIA,³ and NELSON A. DOMINGUES worked jointly as co-conspirators in this scheme.

They chose the State of Michigan as their preferred destination, since its requirements for obtaining a Driver's License are such that the illegal aliens did not have to prove lawful status in the United States, a social security card, or actual residency in the State of Michigan.

The general nature of the criminal enterprise is as follows:

For a fee, FABIANO CANEVA, HUGO DE SOUZA FARIA, FABIANO CESILLA, CLEVERSON DE OLIVERIA, and NELSON A. DOMINGUES provided illegal aliens (their "customers") with fraudulent identity documents from foreign countries which were then used as predicated documents by each customer when applying for a Michigan Driver's License in the Eastern District of Michigan. These documents included counterfeit driver's licenses, birth certificates, and marriage certificates from Brazil, Equador, Guatemala, Mexico, Uruguay, and Portugal.

FABIANO CANEVA, HUGO DE SOUZA FARIA, FABIANO CESILLA, CLEVERSON DE

¹ Hugo De Souza Faria has already pled guilty pursuant to a plea agreement with the government.

² Fabiano Cesilla's plea hearing was rescheduled from today to August 25, 2005.

³ Cleverson De Oliveria remains a fugitive.

OLIVERIA, and NELSON DOMINGUES would transport, and assist each other in transporting their customers from the East Coast to Michigan. Once in Michigan, the defendants and their customers would stay for several days, pending application for a driver's license at a local Michigan Secretary of State Office in the Eastern District of Michigan.

FABIANO CANEVA, HUGO DE SOUZA FARIA, FABIANO CESILLA, CLEVERSON DE OLIVERIA, and NELSON DOMINGUES provided their customers with residential addresses in the Eastern District of Michigan to use on their driver's license applications. As a result of the customers' applications, officially issued Michigan Driver's Licenses were mailed to addresses in the Eastern District of Michigan over which FABIANO CANEVA, HUGO DE SOUZA FARIA, FABIANO CESILLA, CLEVERSON DE OLIVERIA, and NELSON DOMINGUES had dominion and control. Often times, tens of licenses would be sent to the same address. Once the licenses arrived, members of the conspiracy would bring them back to their customers who had returned to the East Coast of the United States.

CANEVA began his involvement in the above-described conduct in approximately June 2003. At that time CLEVERSON DE OLIVERIA was in charge. DE OLIVERIA basically "owned" the "business". CANEVA and HUGO DE SOUZA FARIA worked as drivers for DE OLIVERIA, transporting illegal alien customers to the Eastern District of Michigan where they would fraudulently obtain their Michigan Driver's License. Often, the predicated documents submitted with the license application were counterfeit foreign identity documents that were provided by FABIANO CESILLA who utilized his computer skills to make the fraudulent documents.

On or about January 2004, CLEVERSON DE OLIVERIA sold the criminal enterprise, or "business", to FABIANO CANEVA and HUGO DE SOUZA FARIA. Defendant CANEVA managed the illicit proceeds from the operation and kept detailed records.. CANEVA and DE SOUZA FARIA continued driving customers to Michigan where they personally assisted the customers in completing an application for a Michigan Driver's Licenses. FABIANO CESILLA continued to provide counterfeit foreign identity documents to CANEVA and FARIA, which he would manufacture on various computers. DOMINGUES continued providing addresses for "customers" to use in the scheme. At times, DOMINGUES also provided a physical location for the manufacturing of the counterfeit foreign identity documents that were used as predicated documents to obtain the Michigan Driver's Licenses.

During the course of the conspiracy, CANEVA, DOMINGUES, AND FARIA agreed to begin smuggling persons from South America, through Mexico, and into the United States. Once in the United States, CANEVA, DOMINGUES, and FARIA planned to bring their "customers" to Michigan to obtain a driver's license. In essence, they sought to provide illegal aliens "one-stop shopping" for being smuggled into the United States and unlawfully obtaining a driver's license once here. DOMINGUES traveled to Mexico to make arrangements to expand the business in this manner.

Sentencing of Mr. Caneva and Mr. Domingues is scheduled for December 4, 2005, before the Honorable Victoria A. Roberts. The sentence to be imposed will be in accord with relevant statutory factors, the Sentencing Guidelines, and the criminal history, if any, of the defendants.

In addition, both defendants face removal to Brazil by the Bureau of Immigration and

Customs Enforcement after serving their sentence.

United States Attorney Murphy commended the outstanding cooperation and teamwork in Southeast Michigan and Newark, NJ among the Bureau of Immigration and Customs Enforcement, and the United States Postal Inspection Service. “Without their dedication and commitment, these defendants would never have been brought to justice”, said Murphy. The case is being prosecuted by Assistant U.S. Attorney John Freeman.



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August 2, 2005

EVENT: Indictment

Defendant: Donald Norton York

SEVEN INDIVIDUALS INDICTED ON DRUG AND MURDER RELATED CHARGES

Seven individuals were indicted by a federal grand jury in Bay City, Michigan, July 27, 2005 on charges of trafficking in methamphetamine, firearm offenses and drug related homicide announced United States Attorney Stephen J. Murphy. The indictment was sealed by court order until today. Named in the 27- count indictment were:

Donald Norton York, 58, a resident of Flint, MI;
David Warren Tice, Jr., 40, a resident of Harrison, MI;
Shelli Tice, 40, a resident of Harrison, MI;
Jonathan Patrick Rose, 35, a resident of Southfield, MI;
Sergio Coria, 29, a resident of Gilroy, California;
Matthew Tyler, 33, a resident of Leslie, MI, and
James Laughton, 41, a resident of Harrison, MI

Assistant United States Attorney Michael Hluchaniuk, who presented the case to the Grand Jury, stated that, "The indictment charges that York, Tice, Coria, Tyler, and Laughton conspired to distribute 500 grams or more of methamphetamine over a period of time ending in July of 2004. The indictment also charges that York, Tice, and Laughton also conspired to

murder Brian “Lefty” Langdon in March of 2002 and that Rose violated federal firearm laws. Shelli Tice is charged with illegally possessing drugs.

Assistant United States Attorney Hluchaniuk added that, "If convicted on all counts, all of the defendants, except Shelli Tice, face a sentence of life imprisonment. Shelli Tice faces a maximum sentence of one year on each of the two drug possession charges and all of the defendants face a possible fine in addition to a term of imprisonment. Any sentence will be imposed under the United States Sentencing Guidelines according to the nature of the offense and the criminal background, if any, of the defendants."

Mr. Hluchaniuk also stated that “The indictment is a culmination of a lengthy and complex investigation by the Federal Bureau of Investigation, the Flint Police Department, the Michigan State Police, and Bay Area Narcotics Enforcement Team (BAYANET).”

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.



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August 9, 2005

EVENT: Sentencing

Defendant: Leon Higgins

**DEFENDANT IN RIVER ROUGE SCHOOL DISTRICT
SCANDAL SENTENCED**

United States Attorney Stephen J. Murphy and Daniel D. Roberts, Special Agent in Charge, Federal Bureau of Investigation announced that Leon Higgins, age 60, a resident of Detroit, Michigan, was sentenced today by United States District Court Judge Victoria A. Roberts to three years probation, and ordered to pay \$163,824.00 in restitution to the River Rouge School District. Mr. Higgins had previously pleaded guilty to conspiring with Joseph Hudson to obtain by fraud property belonging to the River Rouge School District.

Assistant United States Attorney John Engstrom, who prosecuted the case, stated that "when first approached by agents of the FBI, Mr. Higgins fully acknowledged his role in the offense and agreed to cooperate in the investigation. His cooperation and testimony assisted the government in assuring the conviction of codefendant Joseph Hudson, who initiated the fraudulent scheme to steal school money, and the sentence imposed reflects his cooperation. Without cooperation, Mr. Higgins faced a sentence of between 4 and 10 months under the United States Sentencing Guidelines."

Mr. Murphy commended the Federal Bureau of Investigation for its investigation of this case which led to the successful prosecution of Mr. Higgins.