



U.S. Department of Justice

**Stephen J. Murphy
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**For Immediate Release:
Contact: Gina Balaya (313) 226-9758**

June 30, 2005

EVENT: Guilty Verdict

Defendant: George Scantland,

**CLINTON TOWNSHIP RESIDENT CONVICTED ON FEDERAL AND NARCOTICS
CHARGES**

A 44 year old resident of Clinton Township, Michigan was found guilty today by a federal jury in Detroit on charges of possession with intent to distribute methamphetamine and marijuana, running a drug house, possessing a firearm in connection with drug trafficking offenses and being a felon in possession of firearms, announced United States Attorney Stephen J. Murphy. Mr. Murphy was joined in the announcement by Valerie J. Goddard, Special Agent in Charge, Bureau of Alcohol, Tobacco, Firearms and Explosives.

Found guilty was George Scantland, age 44, of Clinton Township.

The verdict was delivered after the jury had deliberated for approximately one and half hours, concluding a two week trial held before United States District Judge Paul D. Borman.

The evidence presented at the trial showed that Scantland was running a marijuana growing operation out of his home, and sold marijuana and methamphetamine. A search warrant executed at Scantland's home on July 15, 2004 by the Clinton Township police

department yielded 89 marijuana plants and 25.7 grams of methamphetamine, as well as three firearms. Because of a prior felony conviction, Scantland was prohibited from possessing any firearms. Assistant U.S. Attorney Matthew Schneider prosecuted this case.

“This case clearly demonstrates my office’s commitment to aggressively prosecute any individuals engaged in drug trafficking in the Eastern District of Michigan, particularly armed felons,” stated United States Attorney Murphy.

U.S. Attorney Murphy commended the work of the agents of the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Clinton Township Police in the investigation of this case.

A sentencing date has not yet been set. Scantland faces a mandatory minimum of 15 years incarceration.



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July 21, 2005

EVENT: Sentencing

Defendant: Patrick D. Quinlan

**FORMER CHAIRMAN AND CEO OF
MCA FINANCIAL CORPORATION SENTENCED
TO 10 YEARS IN PRISON**

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 Chairman and CEO of MCA Financial Corporation was sentenced today to 10 years' imprisonment based on convictions for (1) conspiring to commit the crimes of mail fraud, wire fraud, bank fraud, and making false and fraudulent statements in a matter within the jurisdiction of the U.S. Securities and Exchange Commission and (2) making false and fraudulent statements in corporate financial reports filed with the SEC.

Receiving the sentence from U.S. District Judge Nancy G. Edmunds was Patrick D. Quinlan, Sr., 58 years old, of Grosse Pointe Farms. Judge Edmunds also ordered Mr. Quinlan to pay full restitution to the victims of his offenses — individual investors and institutional lenders — in the amount of \$256.6 million, and is allowing him to voluntarily surrender to the Federal Bureau of Prisons.

MCA, operating through two wholly owned subsidiaries based in Southfield — MCA Mortgage Corporation and Mortgage Corporation of America — was a privately held mortgage company that made conventional and subprime loans to individual homebuyers in Michigan and several other states. MCA was also a mortgage and land contract broker and servicer. In January 1999, MCA collapsed and was placed in a conservatorship by the Michigan Financial Institutions Bureau, which filed a petition for bankruptcy on behalf of MCA the following month. What remained of MCA has been liquidated and the proceeds distributed to creditors under the supervision of MCA's bankruptcy trustee.

MCA raised capital in large part by selling debt and pass-through securities to the general public. Through his guilty pleas before Judge Edmunds in February 2004, Mr. Quinlan admitted that from as early as 1993 until its seizure by state regulators in January 1999, MCA engaged in a scheme to defraud its investors and institutional lenders by misrepresenting its true financial condition through the preparation and use of false and fraudulent financial statements that were regularly filed with the SEC and made available to brokers and investors and to banks and other institutional lenders. As the result of paper transactions involving low-income housing in the City of Detroit between MCA and numerous off-book partnerships controlled by Mr. Quinlan, millions of dollars in sham assets and revenues were created and included in MCA's balance sheets and statements of income.

Mr. Quinlan also admitted that MCA fraudulently sold, through a regional network of broker-dealers, certain pass-through securities representing interests in mortgages and land contracts originally owned, and then assembled into investment pools, by MCA. MCA misrepresented to current and prospective investors the actual past performance of the pools; included in some of the pools certain mortgage and land contract interests whose values were fraudulently inflated; and misappropriated, liquidated, and used for its own corporate purposes some of the genuine pool assets. The growing liability to MCA's poolholders caused by this criminal conduct reached tens of millions of dollars and was not reflected, as it should have been, on MCA's balance sheets.

In addition, Mr. Quinlan admitted that as the Chief Executive Officer of MCA and one of the five members of MCA's Financial Management Committee, he participated in decisions to conduct the affairs of MCA in a fraudulent manner and helped to implement those decisions. He also admitted signing periodic reports containing MCA's fraudulent financial statements that

were filed with the SEC.

At today's sentencing hearing, Judge Edmunds found that Mr. Quinlan was "the dominant force at MCA, the architect of the fraud, and the most culpable person in the scheme to defraud."

Six other individuals have been charged as a result of the federal investigation of MCA:

- Lee P. Wells, of Grosse Pointe Shores, MCA's former President and Chief Operating Officer, pleaded guilty in July 2002 to charges of conspiracy and mail fraud and is awaiting sentencing.
- Keith D. Pietila, formerly of Ann Arbor, MCA's former Chief Financial Officer, pleaded guilty in January 2002 to charges of mail fraud and making false statements to the SEC. He was sentenced in May 2003 to 48 months' imprisonment and is currently serving his sentence.
- Alexander J. Ajemian, of Highland Township, MCA's former Controller, pleaded guilty in August 2001 to charges of mail fraud and making false statements to the SEC. He was sentenced in June 2003 to 37 months' imprisonment and, with time off for good-time, has completed serving his sentence.
- Cheryl A. Swain, of Beverly Hills, MCA's former Vice President for Marketing Syndication, pleaded guilty in November 2001 to a charge of mail fraud and is awaiting sentencing.
- Kevin C. Lasky, of Birmingham, the former head of MCA's Special Loan Group, pleaded guilty in May 2002 to a charge of wire fraud. He was sentenced in December 2003 to 24 months' imprisonment and will surrender later this year to serve his sentence.
- John P. O'Leary, of Davisburg, MCA's former Vice President for Corporate Finance, has pleaded not guilty and is scheduled to go to trial before Judge

Edmunds on September 20, 2005.

The sentences imposed on Messrs. Pietila, Ajemian, and Lasky by U.S. District Judge John Feikens took into account their cooperation with federal investigators and prosecutors.

In February 2004, following Mr. Quinlan's guilty pleas, James B. Comey, chairman of the President's Corporate Fraud Task Force and Deputy Attorney General, stated: "Today's guilty pleas demonstrate that we will climb every rung of a corporate ladder – from the Chief Financial Officer to the President to the Chairman of the Board – to root out corporate fraud. I trust that the six guilty pleas and convictions obtained against MCA executives send a very loud and clear message that honest and truthful financial reporting is the only type of reporting that will be tolerated by the Justice Department and expected by the financial marketplace."

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. A related state criminal prosecution in Oakland County Circuit Court was handled by the Michigan Attorney General's Office.



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July 20, 2005

EVENT: Guilty Plea

Defendant: Robert Fisher

JACKSON BUSINESSMAN PLEADS GUILTY TO CHEATING ON HIS TAXES

United States Attorney Stephen J. Murphy and Maurice M. Aouate, Special Agent in Charge, Internal Revenue Service Criminal Investigation announced that Robert Fisher, Jr., 61, of Jackson, Michigan, pleaded guilty yesterday to filing a false tax return, signed under penalties of perjury. This guilty plea is the result of a March 22, 2005 indictment charging him with eight counts of making and subscribing false Federal income tax returns and one count of obstruction of justice. The guilty plea was entered before United States District Court Judge Denise Page Hood.

According to court records, during the 1998 through the 2001 tax years, Mr. Fisher was the president of Power Drive Systems, Inc., Jackson, Michigan, and he also ran a Schedule C business know as Fisher and Associates. During those years, Mr. Fisher failed to report to the Internal Revenue Service a substantial amount of his business income on his federal individual and corporate income tax returns, totaling over \$229,000.

As president of his company, Mr. Fisher used corporate funds to pay for personal expenses either by charging them to his business credit card or issuing corporate checks

directly to third party vendors, falsely characterizing them and deducting them as business expenses on the corporate return. Mr. Fisher also skimmed corporate receipts by creating a second invoicing system that resulted in business receipts not being posted on the company's cash receipts journal, which were utilized by the company's accountants in determine income. The checks received were either cashed by Mr. Fisher or deposited into his personal bank account. Mr. Fisher also wrongfully reduced his taxable income by offsetting a substantial portion of his gross receipts by manipulating and/or overstating his cost of goods sold.

United States Attorney Murphy stated that, "We take tax cheats extremely seriously. Our efforts are tailored to ensure that all taxpayers voluntarily comply with tax filing requirements imposed by federal law."

Mr. Aouate stated, "Every American has a duty to pay their fair share of taxes and IRS Criminal Investigation will continue to direct their efforts at the portion of Americans who willfully and intentionally violate this known legal duty."

Mr. Fisher is scheduled to be sentenced on November 17, 2005, at 2:00 pm.

Mr. Murphy commended the special agents of the Internal Revenue Service Criminal Investigation for their work in this investigation along with Assistant United States Attorney Richard L. Delonis who is prosecuting the case.



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Carolyn Gibson - DEA (313) 234-4220
Dawn Clenney - FBI (313) 237-4206

July 20, 2005

EVENT: Criminal Complaint

Defendant: Stuart W. Bilyeu

**DOCTOR CHARGED WITH UNLAWFUL
DISTRIBUTION OF CONTROLLED SUBSTANCES**

A resident of Ann Arbor, Michigan voluntarily appeared before a United States Magistrate today in Detroit, Michigan on a complaint that charges him with the unlawful distribution of the Schedule II prescription drug Oxycontin (oxycodone), announced United States Attorney Stephen J. Murphy. Mr. Murphy was joined in the announcement by Special Agent in Charge Robert Corso, Drug Enforcement Administration and Special Agent in Charge Daniel D. Roberts, Federal Bureau of Investigation.

Named in the complaint was Dr. Stuart W. Bilyeu, age 45, of Ann Arbor, Michigan.

The supporting affidavit alleges that Bilyeu, a licensed doctor, knowingly dispensed and prescribed controlled substances for other than legitimate medical reasons, outside the course of accepted professional practice, during the operation of his medical practice at the Down River Pain Clinic in Detroit, Michigan.

The complaint further states that Bilyeu prescribed and dispensed massive amounts of Schedule II and III controlled substances, including hundreds of thousands of dosage units of frequently abused pain medications such as hydrocodone (vicodin), Oxycontin (oxycodone), morphine and hydrocodone (dilaudid). In the year 2003, Bilyeu was the second largest physician purchaser of hydrocodone 7.5 mg in the State of Michigan. In 2004, the Bilyeu was the number one physician purchaser of hydrocodone 7,5 mg in Michigan and ranked number 14 in the entire United States.”

The complaint goes on to state that Bilyeu repeatedly prescribed controlled substances to an undercover patient with minimal or no examination, without significant complaints of pain, and with information that the patient was trading the pills for sex. The experience of the undercover officer was consistent with information received from patients and others receiving drugs from Bilyeu. The Complaint states that patients and relatives of patients have complained that Bilyeu was involved in more than one patient overdose and one patient overdose death.

Bilyeu appeared in federal court this afternoon and was released on an unsecured bond. His next court appearance is scheduled for August 8, 2005 at 1:00 pm for a preliminary examination.

A conviction of this offense carries a maximum penalty of 20 years in prison or a \$1 million fine, or both. Any sentence will ultimately be imposed under the United States Sentence Guidelines according to the nature of the offense and the criminal background, if any, of the defendant.

Federal search warrants were executed in this investigation on May 10, 2005. A large number of medical records and patient files were seized. Patients of Bilyeu, and other doctors who may be treating those patients, may need access to the seized records. Any doctors or patients needing copies of patient records may contact the Drug Enforcement Administration at (313) 234-4329.

A complaint is only a charge and is not evidence of guilt. Trial cannot be held on felony charges in a complaint. When the investigation is completed a determination will be made

whether to seek a felony indictment. This case is being investigated by the Drug Enforcement Administration and the Federal Bureau of Investigation.



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July 20, 2005

EVENT: Civil Complaint

Defendant: MD Media

FEDS CRACK DOWN ON ILLEGAL "X-RATED" SPAM IN MICHIGAN

United States Attorney Stephen J. Murphy announced today the first ever civil case filed in his district under the Controlling the Assault of Non-Solicited Pornography and Marketing ("CAN-SPAM") Act of 2003. The case, *United States v. MD Media, Inc.*, is one of seven filed nationally as part of a law enforcement sweep aimed at regulating the distribution of sexually explicit email that does not contain required warning labels under federal law. The suit filed against MD Media, (a Michigan business located on Telegraph Road in Bingham Farms), seeks civil penalties and a permanent bar on the illegal marketing.

As part of a consent decree MD Media has agreed to pay \$238,743 in civil penalties, which figure represents the amount of gross email marketing revenues MD Media received. The settlement bars the illegal marketing practices in the future and require that the defendants monitor their affiliates to ensure they are not violating the law.

United States Attorney Murphy stated, "Unlabeled sexually explicit email can harm children and offend others; its dissemination was regulated by Congress when it passed the

CAN-SPAM Act, which our office is committed to vigorously enforcing. By filing the suit we did today and by working with the Federal Trade Commission (“FTC”) to exact monetary civil penalties, our office continues to demonstrate its strong and historic efforts to keep the children of this district and others safe from these sorts of communications which sent contrary to federal law.”

The FTC’s Adult Labeling Rule and the CAN-SPAM Act both require commercial e-mailers of sexually-explicit material to use the phrase “SEXUALLY EXPLICIT: ” in the subject line of regulated e-mail messages and to ensure that the initially viewable area of the message does not contain graphic sexual images. The Rule and the Act also require that unsolicited commercial e-mail contain an opportunity for consumers to opt out of receiving future e-mail and provide a postal address, among other things. Today’s filing charged that companies sent sexually-explicit e-mail messages that:

- violated the Adult Labeling Rule requirements;
- violated the requirement to provide a clear and conspicuous opt-out mechanism; and
- violated the requirement to provide a postal address.

While the defendants did not send e-mail directly to consumers, they operated “affiliate marketing” programs in which they paid others to send spam on their behalf. Under the CAN-SPAM Act, the defendants are liable for the illegal spam sent by their affiliates because the defendants “initiated” the e-mail by paying others to send it on their behalf.

United States Attorney Murphy saluted Assistant United States Attorney Peter A. Caplan for his hard work on this case and acknowledged the Justice Department’s solid partnership with the FTC in originating this important case.



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July 19, 2005

EVENT: Indictment

Defendant: Quasand Daniell Lewis et al

**32 INDIVIDUALS CHARGED IN THE LARGEST
DRUG TRAFFICKING AND MONEY LAUNDERING CASE
IN THE EASTERN DISTRICT OF MICHIGAN**

Twenty three individuals were charged in an indictment, which was returned on July 13, 2005 and unsealed yesterday, along with nine other individuals who were charged in a criminal complaint, with various drug trafficking and money laundering charges, announced United States Attorney Stephen J. Murphy. Mr. Murphy was joined in the announcement by Special Agent in Charge Robert Corso, Drug Enforcement Administration, Maurice Aouate, Special Agent in Charge, Internal Revenue Service Criminal Investigation, Police Chief Douglas Shaeffer, Novi Police Department and Special Agent in Charge, Daniel D. Roberts, Federal Bureau of Investigation.

Named in the indictment were

Quasand Daniell LEWIS, 35, of Detroit, MI, Atlanta, GA, and Fontana, CA
Israel CORRAL, 37 of Tucson, AZ
Giovanni RUANOVA, 38 of Tucson, AZ
Edward WALKER, 34 of Detroit, MI and Phoenix, AZ

Lavert DAFNEY, 33 of Detroit, MI
Saeeda WALKER, 36 of Detroit, MI
Robin WILSON, 39 of Detroit, MI
Tulani DISMUKE, 32 of Detroit, MI and Phoenix, AZ
Leon PIERCE, 38 of Detroit, MI
Jason ANDERSON, 35 of Detroit, MI
Ray AMERSON, 41 of Detroit, MI
Marc SALDATE, 40 of Tucson, AZ
Serina FARRELL, 36 of Detroit, MI
Jason TAYLOR, 28 of Detroit, MI and Phoenix, AZ
David WATSON, 30 of Detroit, MI
Brian SMITH, 41 of Detroit, MI
Jeffrey REDMOND, 37 of Detroit, MI
Walter ARLEQUIN-SANCHEZ, 32 of Nogalez, AZ
Kaykuyan BREWER, 29 of Phoenix, AZ
Rodolfo AREVALO-GUZMAN, 26 of Riverside, Ca
Adam DOUGLASS, 31 of Detroit, MI
Annette SANCHEZ, 24 of Tucson, AZ
Patricia GUYTON, 43 of Detroit, MI

On July 13, 2005, a grand jury sitting in the Eastern District of Michigan at Detroit returned an indictment charging 23 individuals with various drug trafficking and money laundering offenses. Twenty-two of those individuals are charged with conspiracy to distribute marijuana and cocaine, and with money laundering, in the Detroit area and elsewhere, from 1994 through the present. The Indictment charges that the organization used violence to further its goals and was responsible for two attempted murders in Detroit during the course of its operation. The indictment also charges defendant Quasand Daniell Lewis with operating a continuing criminal enterprise involving the distribution of marijuana and cocaine in Detroit, California, Arizona and elsewhere. Lewis is alleged to be the principal supervisor of the enterprise which is charged with the distribution of more than 30,000 kilograms of marijuana, which generated illegal drug proceeds well in excess of 10 million dollars. Lewis faces a mandatory term of life imprisonment if convicted on the charges. The indictment also charges criminal forfeiture against 16 parcels of real property, five motor vehicles, four bank accounts and cash in excess of 3.7 million dollars. The grand jury further charged Quasand Lewis with a money judgment in the amount of \$178,115,820.00, which was alleged to represent the gross proceeds he obtained from the sale and distribution of marijuana during a one year period.

The United States Attorney's Office, the Drug Enforcement Administration, the Internal Revenue Service, the Novi Police Department, the Federal Bureau of Investigation and

thirteen other agencies have participated in this sixteen month investigation. In March 2004, the Novi Police Department seized approximately 4.8 million dollars in narcotics proceeds from a Novi hotel and from a residence in Northville. As a result of that seizure, Alexander Tam and Leonardo Montalvo were charged with participating in a conspiracy to distribute marijuana. Both men were convicted and sentenced to incarceration in a federal correctional institution. Evidence seized in Novi lead to the initiation of a federal wiretap investigation involving more than twenty telephones utilized by the co-conspirators. Lewis and his associates are believed to have transported ton quantities of marijuana from Arizona to Michigan for sale in and around the Detroit area.

In addition to the \$4.8 million cash seizure in Novi, Michigan, additional narcotics and currency seizures associated with the Quasand Lewis organization include the following:

- a. In May 2004, Immigration and Customs Enforcement agents executed a search warrant at a warehouse located on Fitzpatrick Street in Detroit, and seized approximately four thousand (4000) pounds of marijuana from the warehouse.
- b. In May 2004, Oklahoma Highway Patrol conducted a traffic stop on a vehicle driven by a co-conspirator and seized several duffle bags containing approximately \$1,768,069.00 in narcotics proceeds.
- c. In August 2004, Ohio State Patrol conducted a traffic stop on a vehicle driven by a co-conspirator and discovered approximately \$1,456,492.00 in narcotics proceeds in an elaborately constructed hidden compartment and inside the spare tire.
- d. In November 2004, DEA agents and other local law enforcement agents executed a search warrant on Indiana Street in Detroit, and seized approximately two thousand eighteen (2018) pounds of marijuana from the residence.
- e. In December 2004, the Dearborn Police Department conducted a traffic stop on a vehicle driven by a co-conspirator and seized approximately \$845,415.00 in narcotics proceeds. The majority of the proceeds were found in two locked suitcases in the trunk.

f. In December 2004, members of the Detroit Police Department, while executing an arrest warrant, discovered approximately five hundred and eighty (580) pounds of marijuana in a residence on Larchmont Street in Detroit.

g. In January 2005, the Wayne County Sheriff's Department conducted a traffic stop on a vehicle driven by a co-conspirator and seized two suitcases containing approximately \$1,001,960.00 in drug proceeds.

h. In February 2005, the Arizona Department of Public Safety conducted a traffic stop on a semi-trailer occupied by a co-conspirator and discovered approximately two thousand two hundred (2200) pounds of marijuana in the trailer.

i. In February 2005, the Monroe County Sheriff's Department conducted a traffic stop on a tractor-trailer occupied by two co-conspirators. During the search of the trailer, the Sheriff's Department discovered approximately \$2,734,096.00 in cash drug proceeds, the majority of which were hidden inside two semi-truck tires.

United States Attorney Murphy stated that, "This is a large, significant and important prosecution. Drug dealing remains a pernicious and devastating cancer on our community, and accordingly, large scale narcotics enforcement remains a top three priority of my office. We intend to continue to do all we can to rid our community and our neighborhoods of illegal narcotics and the fear, violence and dysfunction that accompany them. I salute the entire law enforcement team that labored so tirelessly on this case: from prosecutor to police officer, from federal agency to local police department, the operations that culminated today demonstrate cooperation and teamwork at its best. We are lucky to have such dedicated community servants in our district."

Special Agent in Charge Corso stated that, "The life of many criminal drug organizations can be extinguished by one thing...stopping access to the illicit proceeds that allow these organizations to run. By following the money forward, DEA along with other federal, state and local authorities, have been able to successfully disrupt and dismantle a major violent drug trafficking organization-making the streets of Detroit a safer place for our

families and children.”

IRS Special Agent in Charge Aouate stated that , "Drug dealers, like any other criminals, are motivated by greed. IRS Criminal Investigation's unique role is to follow the money trail left by drug dealers and seize the money supply that feeds their organization with the intent to dismantle their financial empire."

Chief Schaeffer stated that, “Early in this investigation, we recognized that this case involved what must be a major crime organization operating in the metropolitan area of Detroit. We contacted several federal law enforcement agencies, task forces, and other local agencies for assistance. Very quickly the drug component was clearly identified and a partnership was formed with the U.S. Department of Justice, Drug Enforcement Administration (DEA). Since the initial police call for service to the present time, the investigation has been co-administered and jointly investigated by the Novi Police Department and the DEA with a close and tightly knit professional relationship.”

SAC Roberts stated that, “This case reflects an exemplary effort by all of the local, state, and federal agencies involved. It further illustrates how cooperation and the sharing of information and technology can lead to a successful investigation resulting in the dismantling and disruption of a continuing criminal enterprise.”

As of today, eighteen of the twenty-three indicted defendants have been arrested as well as six of the defendants charged in the criminal complaint. The leader, Quasand Lewis was arrested and detained in Cleveland. Four defendants were arrested in Orlando, three defendants were arrested in Las Vegas, one defendant was arrested in San Jose, CA and one defendant was arrested at Cedar Point.

In addition to the arrests, approximately five hundred pounds of marijuana was seized yesterday during the arrests along with 41 firearms. Between \$300,000 and \$500,000 in cash along with several luxury vehicles, including a limo, a Magnum automobile, Corvette and a Mercedes.

An indictment is only a charge and is not evidence of guilt. It will be the government's

burden to prove guilt beyond a reasonable doubt.

This case was investigated by agents and officers of the Drug Enforcement Administration, Internal Revenue Service Criminal Investigation, Bureau of Immigration and Customs Enforcement, Federal Bureau of Investigation, United States Marshals Service, Novi Police Department, Detroit Police Department, Farmington Hills Police Department, West Bloomfield Police Department, Troy Police Department, Northville Police Department, Michigan State Police, Sterling Heights Police Department, Wayne County Sheriff's Department, Oakland County Sheriff's Department, Warren Police Department, Dearborn Police Department, the Monroe County Sheriff's Department and the Oak Park Police Department.



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July 14, 2005

EVENT: Guilty Pleas

Defendant: Daher Sarhan Al-Mayahi and Ali Hawil and others

**TWO DEARBORN RESIDENTS PLEAD
GUILTY TO DOCUMENT AND VISA FRAUD**

Daher Sarhan Al-Mayahi, 37 of Dearborn Heights, Michigan and Ali Hawil, 34 of Dearborn, Michigan pleaded guilty today in Detroit federal court to one count each of Conspiracy to Commit Document Fraud and Visa Fraud announced United States Attorney Stephen J. Murphy, and Brian M. Moskowitz, Special Agent In Charge, U.S. Immigration and Customs Enforcement, Department of Homeland Security. The guilty pleas were offered before United States District Judge Arthur J. Tarnow.

The information presented to the court at the time of the guilty pleas showed that between November 10, 2003 and April 28, 2005, Daher Al-Mayahi, Ali Hawil and others, including employees of the Michigan Secretary of State, conspired to possess hundreds of false, counterfeit and fraudulently obtained passports, visas, birth certificates, and driver's licenses within the Detroit, Michigan metropolitan area, which they used themselves unlawfully in some instances and in other instances transferred the documents unlawfully to others, including to illegal aliens already present within the United States. Al-Mayahi, who is a citizen of Iraq, and Hawil, who is a citizen of Guinea, also each possessed a counterfeit Guinean

Passport and a counterfeit U.S. Visa bearing their likeness but with a false name.

In announcing the guilty pleas, United States Attorney Stephen J. Murphy, commended the work of the U.S. Immigration and Customs Enforcement, who conducted a “diligent and thorough” investigation. The prosecution was handled by Assistant United States Attorney Kenneth R. Chadwell.

“This case underscores the seriousness with which my office and the Department of Homeland Security view the possession and issuance of fraudulent identity documents which can be used to facilitate the movement of illegal aliens, criminals and terrorists throughout our country,” said United States Attorney Murphy.

“Homeland Security and ICE simply will not tolerate those who put our Nation’s security at risk by trafficking in fraudulent identity documents. With this undercover operation we’ve stopped an international criminal organization that compromised our system for issuing immigration and identity documents through fraud and corruption, stated Brian M. Moskowitz, Special Agent In Charge of the ICE Office of Investigations in Detroit. “I want to commend the excellent work by U.S. Customs and Border Protection Officers in Louisville, Kentucky, for initially seizing foreign documents which led to ICE’s investigation. I’d also want to thank our partners on this case from the U.S. Postal Inspection Service for their outstanding efforts. The U.S. Border Patrol in Detroit also provided important information supporting this case.”

Al-Mayahi and Hawil each face maximum penalties of 25 years imprisonment and \$500,000 in fines as a result of their convictions.

Hawil has already been ordered deported to Iraq following service of his sentence.



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July 8, 2005

EVENT: Guilty Plea

Defendant: David Miller

**OAK PARK RESIDENT PLEADED GUILTY TO TRYING
TO GET OVER \$200,000 IN FRAUDULENT**

David Miller, 47, of Oak Park Michigan, pleaded guilty to one count of making a false claim for a tax refund announced United States Attorney Stephen J. Murphy. Mr. Murphy was joined in the announcement by Maurice M. Aouate, Special Agent in Charge, Internal Revenue Service Criminal Investigation. The plea was a result of a March 22, 2005 indictment which charged Miller with 23 counts of making a false claim with the Internal Revenue Service. The plea was entered before United States District Court Judge Julian Abele Cook, Jr. on July 7, 2005.

According to court records, during 2001 through 2003, Miller prepared at least 23 tax returns on his behalf and that of others where he knew that the claimed refund from the Internal Revenue Service were false, fictitious, and fraudulent. On his personal tax return prepared in 2001, Miller created fictitious federal withholding of over \$11,000, netting him an approximately \$8,400 refund from the Internal Revenue Service. The claims from the 23 tax returns exceeded \$218,000 in fraudulent refunds.

U.S. Attorney Murphy stated, "We take tax fraud extremely seriously in this district. This prosecution demonstrates my office's continuing efforts to enforce tax laws that were set up for the good of all and to deter those who would subvert them."

Mr. Aouate stated, "IRS Criminal Investigation focuses on protecting revenue by identifying, investigating and prosecuting abusive return preparers. When the IRS detects false returns, not only can the return preparer find themselves subject to criminal prosecutions, but the taxpayers can also be exposed to criminal actions, along with the responsibility to pay additional taxes, with interest and penalties."

Miller's sentencing date is scheduled for November 15, 2005 at 2:00 pm.

Mr. Murphy commended the special agents of the Internal Revenue Service Criminal Investigation. Assistant United States Attorney Jeanine M. Jones prosecuted the case.



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July 27, 2005

EVENT: Sentencing

Defendant: Donald C. Hynes

FORMER DETROIT POLICE DEPARTMENT OFFICER SENTENCED

Donald C. Hynes, a former Detroit Police Department officer, was sentenced today to 220 months imprisonment by United States District Judge John Corbett O'Meara. Hynes was convicted in March 2005, following a trial, of Conspiracy to Distribute Five or More Kilograms of Cocaine, Distribution of Five or More Kilograms of Cocaine, Embezzlement of Property Under the Care, Custody and Control of the Detroit Police Department, Conspiracy to Commit Money Laundering, and False Declarations Before a Grand Jury. The offenses arose from Hynes's involvement in the theft and embezzlement of at least 101 kilograms of cocaine from the Detroit Police Department Evidence Room from approximately 1994 through 2000. At trial, the government was able to establish that Defendant Hynes conspired with a civilian employee, John Cole, to steal and then sell the cocaine. The evidence at trial showed that Hynes had access to the computer password of a Narcotics Division Lieutenant, which he used to change computer records of some cocaine stored in the Evidence Room, marking it as "to be destroyed," and lifting holds on it. A member of the conspiracy, who also was convicted in the case, provided investigators a plastic evidence bag with DPD case markings on it, and a firearm, all of which had been DPD seized evidence and all of which had been stolen from the

Evidence Room.

In addition to Defendant Hynes, seven other people were convicted as a result of the scheme. The charges against one person were dismissed. To date, eighteen properties, worth more than \$700,000, have been forfeited, as well as cash and automobiles.

United States Attorney Stephen J. Murphy stated that "This case demonstrates our commitment to rooting out all public corruption, including by law enforcement officers, root and branch. With our partners in the Federal Bureau of Investigation, the Internal Revenue Service, and the Detroit Police Department, we will continue to aggressively pursue such cases."

Daniel D. Roberts, Special Agent in Charge, Federal Bureau of Investigation, said "This case represents a continuation of the FBI's aggressive stance in pursuing public corruption matters as it is one of our top priorities. Additionally, we would like to thank the Detroit Police Department and the Internal Revenue Service for their professionalism and assistance during this investigation."

Maurice Aouate, Special Agent in Charge, Internal Revenue Service Criminal Investigation, said, "Even though the stolen cocaine was long gone, the financial trail remained, allowing investigators to link the illegal proceeds to the guilty parties."

Defendant Hynes has been in custody continuously since his conviction. Because parole has been abolished in the federal system, Hynes cannot receive early release from his sentence. The case was prosecuted by Assistant United States Attorneys Sarah Resnick Cohen and Jonathan Tukel.