



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758  
Dawn Clenney - FBI (313) 237-4206

Mar 14, 2007

---

**EVENT: Sentencing**

**Defendant: Niquella Hardwick**

**FORMER ELEMENTARY SCHOOL TEACHER  
SENTENCED FOR HARASSMENT**

---

Niquella Hardwick, a 27-year-old former elementary school teacher from LaMarque, Texas, was sentenced today in United States District Court in Detroit to 24 months in prison for a sustained pattern of harassment against numerous victims in the fall of 2005 that involved numerous obscene, harassing, and no-answer telephone calls and text messages, United States Attorney Stephen J. Murphy announced today. U.S. Attorney Murphy was joined in the announcement by Andrew G. Arena, Special Agent in Charge, Federal Bureau of Investigation, Detroit, Michigan.

The 24-month sentence was imposed on Hardwick by United States District Judge Sean F. Cox, who also imposed a term of one year of supervised release and a special assessment of \$500.

Hardwick pleaded guilty in November, 2006, to five counts of making obscene interstate telecommunications with intent to harass, of making anonymous interstate telecom-

munications with intent to harass, and of making no-answer telephone calls with intent to harass. These charges involved literally hundreds of harassing calls and text messages from Texas to victims in the Detroit area. In addition to these charges, the defendant was held responsible, under the plea agreement, for additional instances of telephone harassment against numerous victims, as well as for other illegal conduct, including identity theft, credit card fraud, computer intrusion, and unlawful access to stored communications (email messages) against yet additional victims.

U.S. Attorney Murphy said, "Aggravated cases of harassment can sometimes cause extreme emotional and financial damage to victims, who are left coping the aftermath of the defendant's misguided wrath. Swift action by the FBI and the prosecution team put an end to what can only be described as the scourge of damaging harassment caused by this defendant."

Andrew G. Arena, Special Agent in Charge, Federal Bureau of Investigation, Detroit, Michigan advised, "The FBI takes these violations seriously in an effort to protect the public from individuals who misuse the telephone and the Internet to invade the privacy of others."

At the time of sentencing one of the victims, whose three daughters and wife were also among the targets of harassment, addressed the Court and highlighted the trauma the victims were put through, and the fact that they still live with that trauma every day. He told the court that, because of Hardwick's harassment, his family's first concern after moving to a new state was how many alarms to put in their house. He also spoke about Hardwick's apparent lack of remorse and of the fact that, even after she was arrested the first time, she continued to harass people as soon as she was released. He closed by saying that "Judge, we all pray that you don't ever see the defendant again, but collectively, we fear that you will."

In imposing sentence, Judge Cox stated to the defendant that "I have had stalking cases as a state court judge, and never ever seen anything like this. The hell you put the victims through cannot be justified, the violation of their privacy cannot be justified. Your harassment wasn't just criminal, it was incredible."

Judge Cox ordered that the defendant submit to mental treatment and continue to take

any prescribed medication. He also ordered her not to contact any victim, their family members, or their acquaintances, directly or indirectly, including by telephone, third party, messenger or any other means of communication, including at their homes, schools, places of business or routes of travel.

This case was investigated by the Federal Bureau of Investigation and prosecuted by Assistant U.S. Attorney Sarah Cohen.



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Mar 15, 2007

---

**EVENT: Settlement**

**Parties: Ajax Paving Industries Inc. and Dan's Excavating Inc.**

**TWO MICHIGAN CONSTRUCTION FIRMS AGREE TO PAY U.S. \$11.75 MILLION  
FOR ALLEGED DISADVANTAGED BUSINESS ENTERPRISE FRAUD**

---

WASHINGTON – Two Michigan construction companies have agreed to pay the United States \$11.75 million to resolve claims that they knowingly violated Disadvantaged Business Enterprise (DBE) contracting requirements for federally funded construction projects at Detroit Wayne County Metropolitan Airport, the Justice Department announced today. The DBE program provides assistance to businesses owned by minorities, women, and other socially and economically disadvantaged individuals to enter the highway construction and design industries.

Ajax Paving Industries Inc. and Dan's Excavating Inc. agreed to pay the United States to settle False Claims Act and administrative claims involving alleged misrepresentations about the amount of DBE contracting work performed by a concrete-supply DBE, Borbolla Construction & Concrete Supply, Inc. Ajax and Dan's acted as prime contractors on three federally funded highway construction contracts at the Detroit Airport.

Under these contracts, Ajax and Dan's were required to comply with the Department of

Transportation's (DOT) DBE regulations and accurately report their DBE contracting to obtain and maintain the construction contracts. The companies claimed Borbolla Construction performed substantial work on the contracts when Borbolla Construction actually performed little more than minor administrative tasks.

"It is essential that government contractors adhere to contract requirements," said Peter D. Keisler, Assistant Attorney General for the Justice Department's Civil Division. "The federal government relies on the honesty of its contractors to provide accurate information relating to compliance with contractual terms."

In addition to the \$11.75 million payment to resolve civil claims, Dan's and Ajax have also entered into a separate administrative agreement with DOT to ensure future compliance with DBE requirements.

"When contractors create false records misrepresenting their disadvantaged business entity subcontracting in order to win a government contract, they flout the law and also undermine its purpose of giving a chance to those who deserve it," said Stephen Murphy, U.S. Attorney for the Eastern District of Michigan. "This settlement corrects the injustice created when contractors ignore their obligations."

The government's claims were based upon an investigation conducted by the Civil Division of the Justice Department, the U.S. Attorney's Office for the Eastern District of Michigan, DOT's Office of Inspector General, and the Federal Aviation Administration.

**###**

07-153



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758  
Vera Fedorak - ATF (313) 259-7917

Mar 15, 2007

---

**EVENT: Guilty Verdict**

**Defendant: Damon L. Stephens**

**SAGINAW MAN CONVICTED ON FEDERAL NARCOTICS CHARGES**

---

A 33-year-old Saginaw man was found guilty today by a federal jury in Bay City on charges of distribution of cocaine and possession of cocaine base, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Valerie J. Goddard, Special Agent in Charge, Bureau of Alcohol, Tobacco, Firearms and Explosives.

Found guilty was Damon L. Stephens.

The jury deliberated for approximately three hours before returning the verdict, concluding a three-day trial before United States District Judge Thomas Ludington.

The evidence presented at trial showed that Stephens was trafficking in cocaine in the Saginaw area during 2005 and 2006 and that he sold a quantity of cocaine to a government informant in April of 2006. Additional evidence showed that Stephens was arrested during the

execution of a search warrant at a residence in Saginaw in June of 2006 and was found in possession of a quantity of cocaine base, which is commonly referred to as crack cocaine. The indictment arose out of an investigation by federal and state law enforcement officers into drug trafficking activities of street gangs in Saginaw, including a gang known as the Sunnyside Gang that is believed to have engaged in drug trafficking and various related acts of violence in the south side of the City of Saginaw for a number of years.

“The prosecution of gang-related drug trafficking is a high priority of my office. This case is a good example of the kind of results that can be obtained from effective state and federal cooperation,” United States Attorney Murphy said.

ATF Special Agent in Charge Valerie J. Goddard stated, “Today, one of Saginaw’s worst of the worst offenders is behind bars as a result of the tireless efforts of our agents and task force officers working together. I’m grateful to live in a state where heroes live amongst us and are willing to risk their lives to make a difference; to make our neighborhoods safe.

Murphy commended the work of the agents of the Bureau of Alcohol, Tobacco, Firearms, and Explosives, state and local officers assigned to the Bay Area Narcotics Enforcement Team (BAYANET) and federal, state and local officers assigned to the Saginaw SAFE Streets in this investigation.

Sentencing has been scheduled for June 21, 2007, at 3:30 P.M. Stephens has four prior convictions for felony drug offenses. As a result of these prior convictions he is considered a Career Offender under federal law and will be sentenced pursuant to the federal sentencing guidelines. The case was prosecuted by Assistant U.S. Attorney Michael Hluchaniuk.



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

Bay City, Michigan

**Contact:** Gina Balaya (313) 226-9758  
Stephen Moore, IRS CI (313) 234-2410

Mar 15, 2007

---

**EVENT: Guilty Plea**

**Defendant: Jay Wolcott  
Lori Wolcott**

**Houghton Lake Car Sales Manager and Wife Plead Guilty  
To Conspiracy to Defraud the IRS**

---

Jay Wolcott, 54, of Houghton Lake, Michigan, and his wife, Lori, 48, pleaded guilty to a conspiracy to defraud the Internal Revenue Service, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Maurice M. Aouate, Special Agent in Charge of the Internal Revenue Service, Criminal Investigation Division in Detroit.

According to court records, from 1999 to 2002, the Wolcotts were employed at Lakeside Motors. While employed, they converted cash and checks belonging to Lakeside Motors for their own use and failed to report over \$290,000 in income on their 1999, 2000, and 2001 tax returns. As part of their conspiracy, Mr. Wolcott would under-report the price of a sold vehicle to Lakeside Motors' bookkeepers, causing them to falsify records with the Michigan Secretary



of State, while keeping the difference. He persuaded customers to make cash deposits or make checks payable to "cash" or him personally, which were not recorded with Lakeside Motors and were for personal use. Mr. Wolcott also acquired property for Lakeside Motors, including snowmobiles, boats, motorcycles, travel trailers, all terrain vehicles, and pick-up toppers, and sold them at a profit, but failed to report these transactions on the books and records. Mr. Wolcott used his manager's position to issue Lakeside Motor checks to himself, his wife and to cash. Often these checks would be endorsed by Mrs. Wolcott and deposited into her personal bank and credit union accounts. The Wolcotts used this money to remodel their kitchen and purchase children's play equipment, satellite dishes, a life insurance policy, and a new water pump for their home, among other items.

According to the court records, the Wolcotts also owned several rental properties in the Houghton Lake area and failed to report the income from their rentals on their federal income tax return.

United States Attorney Murphy stated, "All Americans who enjoy the benefits of our government also have the duty to pay taxes if they make enough income. Whenever a citizen falsifies his tax returns or hides income to avoid tax obligations, this is a violation of federal law that can result in federal prosecution."

"In this case, husband and wife schemed together to hide income, willfully decided that they were not going to claim it, and signed the false tax returns," said Aouate. "Now, they both must answer to the known legal duty that you must pay your taxes."

Sentencing is scheduled for June 14, 2007, at 2:30 pm and 3:00 pm, respectively.

United States Attorney Murphy thanked the IRS Criminal Investigation Division for their efforts that lead to this successful prosecution.



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Mar 15, 2007

---

**EVENT: Sentencing**

**Defendant: Robert Lewis Young**

**DETROIT MAN SENTENCED FOR CHILD PROSTITUTION**

---

WASHINGTON—Robert Lewis Young of Detroit was sentenced today to 25 years in federal prison for running a criminal operation prostituting adults and children, Assistant Attorney General Alice S. Fisher of the Criminal Division and Stephen J. Murphy, U.S. Attorney for the Eastern District of Michigan announced.

Following the 25-year sentence in federal prison, Young will face five years of supervised release for operating a prostitution ring spanning from Michigan to Hawaii. Young recruited and directed females – including minors – to engage in prostitution. Young transported women and children and facilitated their transportation across state lines by car and airplane. Young reaped substantial financial benefit and laundered the proceeds of his illegal prostitution activities with the help of co-conspirators.

Young's sentencing comes after his plea of guilt to 26 offenses including sex trafficking of children, sex trafficking by force, fraud or coercion, transportation of a minor for criminal sexual activity, transportation for prostitution, sexual exploitation of children, possession and interstate

distribution of child pornography, threatening interstate communications, possession with the intent to distribute marijuana, felon in possession of a firearm, money laundering, and use of an interstate facility in aid of racketeering. In addition, Young was also convicted of producing and distributing child pornography for his use on a Web site to advertise the availability of his prostitutes including a 17-year-old-girl he exploited.

As part of his sentence, Young was also ordered to forfeit property gained through and used in furtherance of his crimes including computer equipment, furs, clothing, jewelry, electronics and cash.

United States Attorney Stephen J. Murphy stated, "Today's 25-year sentence shows that the Court did not lose sight of the fact that the victims here were children who were sold into a life of sexual abuse for the financial benefit of the defendant. Such a crime deserves the appropriate punishment the Court saw fit to impose."

Young's co-conspirators have also been convicted of their role in the prostitution operation. Young's Honolulu associates, Mark Luke White and Hae Sun Kim face sentencing later this year. Jeffrey McCoy, one of Young's co-defendants pleaded guilty and was sentenced in Hawaii earlier this year. A second Detroit associate, George Abro, who laundered the proceeds and assisted in the prostitution ring, pleaded guilty to federal offenses in October 2006 and will be sentenced later this year as well. A Chicago dentist, Dr. Gary Kimmel, is under indictment and charged with financial offenses related to his support of Young's organization and is scheduled for trial in September 2007.

The investigation is being conducted by the FBI, Michigan State Police, U.S. Postal Inspection Service, IRS, the Detroit Major Crimes Task Force, the Detroit Police Department, and the Macomb County Enforcement Team.

In Hawaii, the investigation was led by the Internet Crimes Against Children Task Force comprised of members from the State Attorney General's Office, the FBI, Immigration and Customs Enforcement (ICE), the U.S. Postal Inspection Service, and the Honolulu Police Department with substantial assistance from Assistant U.S. Attorney Wes Porter of the District of Hawaii.

The case is being prosecuted by Trial Attorney Kayla Bakshi of the Child Exploitation and Obscenity Section (CEOS) of the Department of Justice's Criminal Division and Assistant U.S. Attorney John O'Brien of the U.S. Attorney's Office for the Eastern District of Michigan and Assistant U.S. Attorney Wes Porter for the District of Hawaii.

In the spring of 2003, the Violent Crimes and Major Offenders Section of FBI headquarters, in partnership with CEOS and the National Center for Missing & Exploited Children, initiated the Innocence Lost Initiative, designed to address the growing problem of children forced into prostitution. To date, the Innocence Lost Initiative has resulted in 275 open investigations, 697 arrests, 160 informations or indictments, and 136 convictions in the federal and state systems.

# # #

07-154



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Mar 16, 2007

---

**EVENT: Sentencing**

**Defendant: John R. Messinger**

**FORMER PRESIDENT AND COO OF  
LASON, INC. SENTENCED TO PRISON**

---

John R. Messinger, the former President and Chief Operating Officer of Lason, Inc., was sentenced today to 12 months and one day of imprisonment based on a conviction for participating in the filing of a false and fraudulent quarterly report (10-Q) for Lason for the third quarter of 1999 with the Securities and Exchange Commission, announced Stephen J. Murphy, United States Attorney for the Eastern District of Michigan, and Andrew G. Arena, Special Agent in Charge of the Detroit Division of the Federal Bureau of Investigation.

U.S. District Judge Arthur J. Tarnow also ordered Messinger to pay \$20 million in restitution to investors who purchased Lason stock after Lason announced "record" results for the third quarter of 1999 and to serve a three-year term of supervised release following his release from prison. Messinger, 49 years old and a former resident of Oakland Township who now resides in Florida, will voluntarily surrender to the Federal Bureau of Prisons to serve his sentence.

United States Attorney Murphy said, “Large and complicated corporate fraud cases are, without exception, complex, fact intensive, and difficult to unravel. Nevertheless, the harmful effects of corporate fraud on its victims – corporate employees, investors, customers, or competitors – is no different than if they robbed on the street. The Lason matter shows what our cadre of experienced white-collar crime prosecutors are doing everyday to prosecute criminal corporate fraud matters. I salute the fine work of the AUSAs involved, the FBI agents assigned to the matter, and the SEC’s Enforcement Division. We will continue to work hard to investigate and bring these sorts of cases to resolution.”

At the time of Messinger’s offense, late 1999, Lason was a publicly traded company headquartered in Troy, Michigan, that provided printing, mail-processing, and electronic information services. It had dozens of operating units located throughout the United States and in other countries, and provided its services to hundreds of business customers, including automobile manufacturers.

The charge to which Mr. Messinger pleaded guilty pursuant to a plea agreement with the government in 2004 involves Lason’s financial statement for the third quarter of 1999, which fraudulently inflated Lason’s revenues by some \$13 million, an amount that enabled Lason to exceed Wall Street’s earnings expectations for that quarter by a penny, which was announced at the end of October 1999. It was the twelfth quarter in a row that Lason had reported earnings at or above the consensus estimate of stock analysts.

The scheme began to seriously unravel in mid-December 1999, when Lason announced that it would not meet Wall Street’s earnings projections for the fourth quarter. The next business day, December 20, Lason’s stock price fell from \$23.31 to \$11.44 per share, a decrease of 51%. The stock price never recovered. By the second quarter of 2000 it was below \$5.00 per share. By the end of 2000, Lason’s stock was virtually worthless.

On December 5, 2001, Lason filed for bankruptcy protection under Chapter 11 with the consent of its major lender, a bank group led by Bank One. On July 1, 2002, Lason emerged from bankruptcy as a privately held company. Lason’s existing common stock was canceled,

and new Lason stock was issued, most of which was provided to the bank group. Lason was recently acquired by HOV Services Limited, an outsourcing company based in India.

Messinger's 12-month sentence was based in part on the cooperation he provided to the government in connection with the prosecution of his two codefendants, Gary Monroe and William Rauwerdink, Lason's former CEO and CFO. They pleaded guilty in November 2006 and will be sentenced by Judge Tarnow next month. In rejecting Messinger's request for probation, Judge Tarnow noted that crimes such as these are serious because they undermine the integrity of the capital markets and are often committed by those who can be deterred by the knowledge that getting caught may result not only in financial penalties but the loss of liberty.

The criminal investigation of this case has been conducted by the FBI, with assistance from the SEC's Division of Enforcement. The case has been prosecuted by Assistant U.S. Attorneys Jennifer Gorland and Stephen Hiyama.



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758  
Dawn Clenney - FBI (313) 237-4206

Mar 16, 2007

---

**EVENT: Guilty Pleas**

**Defendant: Tocco et al**

**FIVE AREA MEN PLEAD GUILTY TO RACKETEERING**

---

Five men from the Metro-Detroit area entered pleas of guilty today and on Wednesday, March 14, 2007, to federal charges relating to a racketeering conspiracy involving a multi-million dollar sport bookmaking operation, money laundering, collection of credit by extortionate means and interstate transportation in aid of racketeering, United States Attorney Stephen J. Murphy announced.

Murphy was joined in the announcement by Andrew G. Arena, Special Agent in Charge for the Federal Bureau of Investigation in Detroit, Michigan.

Three of the men, Peter Dominic Tocco, 59 of Troy, Michigan, Peter Joseph Messina, 51 of Roseville, Michigan and Thomas James Mackey, 50 of Clinton Township, entered guilty pleas before United States District Judge Avern Cohn on March 14, 2007 to a racketeering conspiracy involving a multi-million dollar sport bookmaking operation, money laundering, collection of credit by extortionate means and interstate transportation in aid of racketeering. Today, John William Manettas, 52 of Harrison Township pleaded guilty to the same charge as



Tocco, Messina and Mackey, while Wayne Joseph Kassab, 50 of Sterling Heights pleaded guilty to Count Two of the Indictment alleging a Racketeering Conspiracy to collect an unlawful debt. As part of the guilty pleas, the defendants agreed to a criminal forfeiture which included a judgment against them for \$3,000,000.00, forfeiture of assets of the business utilized to launder money, as well as the equity interests in their homes.

United States Attorney Murphy stated, "The heyday of racketeering, extortion, money laundering, illegal sport bookmaking and gambling by organized criminal groups may very well have passed us by, as demonstrated by today's guilty pleas. The diligent work of not only the FBI, but also the Michigan State Police and the Fraser Police Department, has brought down the curtain on this illegal operation."

Information presented in court at the time of the plea showed that from 1998 until 2006, a criminal enterprise operated in the Eastern District of Michigan that involved a large scale sports bookmaking operation and the collection of unlawful debts associated with that operation. The racketeering conspiracy to which defendants Tocco, Messina, Mackey and Manettas pleaded guilty involved multiple crimes including laundering the proceeds of the illegal gambling business through legitimate businesses operated by several of the defendants, interstate transportation in aid of racketeering and collection of debts through unlawful use of threats, either implied or direct.

Wayne Kassab's plea to Count Two involved a racketeering conspiracy to collect gambling debts.

The pleas culminated a long term investigation into organized crime in Metropolitan Detroit which included court-authorized electronic surveillance.

As the Detroit, FBI Office has stated, Organized Crime has been and remains a top priority of the FBI and the activities of any criminal organization will be rigorously pursued.

United States Attorney Murphy commended the excellent investigative work of the FBI,

the Fraser Police Department and Michigan State Police which lead to this successful prosecution, and he paid special praise to the work of the prosecutors in his office who handled the case.



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758  
Dawn Clenney - FBI (313) 237-4206  
Richard Isaacson -DEA (313) 234-4000  
Vera Fedorak - ATF (313) 202-3407

Mar 20, 2007

---

**EVENT: Indictments**

**Defendants: Viramontez et al**

**U.S. ATTORNEY ANNOUNCES CRACKDOWN ON GANGS  
IN THE EASTERN DISTRICT OF MICHIGAN**

---

United States Attorney Stephen J. Murphy announced today that his office has charged 50 individuals, in five separate indictments, with various drug trafficking and firearms violations.

Mr. Murphy was joined in the announcement by Valerie J. Goddard, Special Agent in Charge, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), Andrew G. Arena, Special Agent in Charge, Federal Bureau of Investigation (FBI), and Robert Corso, Special Agent in Charge, Drug Enforcement Administration (DEA).

United States Attorney Murphy stated, "These indictments serve to demonstrate my office's commitment to executing our anti-gang strategy, a coordinated local-state-federal initiative to root out and eradicate organized gangs engaged in drug trafficking and violence. I commend the hard work of the federal agencies and their partners that lead to these charges

being brought.”

ATF Special Agent in Charge Goddard stated, ““Identifying and investigating armed drug gangs is a top priority for ATF and our law enforcement partners. We know that guns and drugs go hand-and-hand and can escalate violent crime rates. Through aggressive enforcement of the gun laws we can successfully arrest and convict violent drug gangs.”

FBI Special Agent in Charge Arena stated, “The FBI will continue to address the rising problem of gangs and violent crime occurring throughout Michigan. We will continue our aggressive and cooperative efforts with our federal, state and local law

enforcement partners to combat gang violence and violent crime in order to make our cities and streets safer for our citizens.”

DEA Special Agent in Charge Corso stated, "The arrests that stemmed from these investigations are strong examples of the positive results that can be achieved when state, local and federal law enforcement agencies work together to fight gang related drug trafficking. DEA is committed to making our community safer by focusing its efforts on dismantling violent drug gangs and all others involved in this illicit activity.”

The indictments are as follows:

*United States v. Viramontez et. al. (06-20470)*. The superseding indictment alleges that Anthony Viramontez, the long time leader of the Latin Counts street gang, and seventeen others conspired to distribute cocaine and running a criminal enterprise. The indictment charges that Viramontez used the co-defendants in a variety of capacities, such as runners, laundering money, and enforcing the collection of drug debts. Viramontez is a large scale, long time cocaine distributor who operated mainly in the Detroit Metropolitan area. If convicted, he faces a minimum of twenty years in prison. Each of the individuals charged with him face up to 40 years in prison, if convicted.

*United States v. Hardin et. al. (07-20076)*. The indictment alleges that Dominique Hardin, the leader of the "575" drug gang and nineteen others conspired to possess with intent to distribute and to distribute cocaine, 50 grams or more of cocaine base, and 100 kilograms or more of marijuana. Hardin used the co-defendants in a variety of capacities, including working as operators for the 575 customer service telephone line used for street level sales of controlled substances. Hardin is a cocaine and marijuana distributor who operated mainly in the Northwest Detroit area. If convicted, Hardin and his co-conspirators each will face ten years to life in prison.

*United States v. Slewa et. al. (06-20529)*. The indictment alleges that during the month of February 2006, five defendants conspired to intentionally and unlawfully distribute and possess with the intent to distribute at least 454 kilograms of marijuana. Each of the individuals charged face up to 40 years in prison, if convicted.

*United States v. Bashi et. al. (06-20679)*. The indictment alleges that during the month of August 2003, six defendants conspired to intentionally and unlawfully distribute and possess with the intent to distribute over 100 kilograms of marijuana. In addition, two of the defendants have been charged with possession a firearm in furtherance of a drug trafficking offense and possession of a machine gun and one defendant has been charged with being a felon in possession of a firearm. Each of the individuals charged face up to 40 years in prison, if convicted.

*United States v. Yousif (05-80823)*. The indictment alleges that from January 2001 to the present, Prince Khalid Yousif conspired with others to intentionally and unlawfully distribute at least 100 kilograms of marijuana in the Eastern District of Michigan and elsewhere. If convicted, he faces up to 40 years in prison.

Of the 50 defendants charged, 13 were arrested today and appeared in federal court in Detroit and 11 have already been arraigned.

The Eastern District of Michigan established a Project Safe Neighborhoods (PSN) gang task force last year which is composed of representatives from the Bureau of Alcohol, Tobacco, Firearms and Explosives, Drug Enforcement Administration, Federal Bureau of Investigation, and U.S. Marshals Service, among others. The task force will create law enforcement strategies and operations across agency lines aimed at dismantling national and trans-national violent gangs. The task force will coordinate overlapping investigations, ensure that tactical and strategic intelligence is shared between law enforcement agencies, and serve as a central coordinating center for multi-jurisdictional gang investigations involving federal law enforcement agencies. The aforementioned indictments evidence some initial successes of the task force's work.



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Mar 21, 2007

---

**EVENT: Sentencing**

**Defendant: Tyjuan Jackson**

**BANK EMPLOYEE SENTENCED TO 57 MONTHS IMPRISONMENT  
FOR IDENTITY THEFT AND BANK FRAUD**

---

A 28-year-old Detroit man who stole bank customers' identity information and used the information to raid client accounts, leading to almost \$180,000 in losses, was sentenced to 57 months imprisonment in federal court today, United States Attorney Stephen J. Murphy announced. Joining in the announcement was Desmond Scanlon, Special Agent in Charge, United States Secret Service.

Tyjuan Jackson pled guilty to one felony count of bank fraud before United States District Judge Patrick J. Duggan on November 2, 2006. During his guilty plea, Jackson, a personal banker, admitted that he used confidential customer profiles and information to create false identification documents and counterfeit checks. The defendant also ordered ATM cards for customer accounts and then depleted them. At sentencing, the court found that the total loss attributable to the defendant and ordered restitution in the amount of \$178,645.

Jackson was employed at Standard Federal Bank's (n/k/a LaSalle Bank) Taylor branch

at 23700 Goddard Rd. from December 2001 to January 2003. The defendant later worked at Fifth Third Bank's Dearborn branch, from April to September 2004, and at Bank One's (n/k/a JP Morgan Chase) Wayne Branch, from June to December 2005. The defendant stole from client accounts at all three banks.

"This office is committed to rooting out fraud in our banks and other savings institutions," United States Attorney Murphy said.

The case was prosecuted by Assistant United States Attorneys Leonid Feller and Susan DeClercq.





**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

Bay City, Michigan

**Contact:** Gina Balaya (313) 226-9758

Mar 21, 2007

---

**EVENT: Guilty Plea**

**Defendant: Tammara Schultz**

**FORMER CWA OFFICER SENTENCED  
FOR MAKING FALSE ENTRIES IN LABOR UNION FINANCIAL  
RECORDS**

---

A former secretary-treasurer of Communications Workers of America Local 4101 in Bay City was sentenced to two years probation, including six months of home confinement, for making false entries in Local 4101 financial records in order to conceal her embezzlement of about \$22,500 from the Local.

Tammara Schultz, 33, who resides in Kawkawlin, Michigan, was sentenced by United States Magistrate Judge Charles E. Binder on March 20, 2007, in federal court in Bay City, Michigan.

Ms. Schultz pleaded guilty in December 2006 to one count of making false entries in Local 4101 financial records. During her guilty plea, she admitted that between February 2003 and January 2006, while she was the secretary-treasurer, she falsified Local 4101 financial records to conceal unauthorized ATM cash withdrawals from Local 4101's bank account, unauthorized

personal charges on the Local 4101 credit card, and Local 4101 checks issued to herself and to a third party on her behalf. The total amount of Local 4101 funds that were misappropriated was \$22,499.93.

At the sentencing, Magistrate Judge Binder noted that Ms. Schultz had no previous criminal record, but emphasized that the crime involved an abuse of her position of trust with the Local Union. Besides probation, Magistrate Judge Binder ordered Ms. Schultz to make restitution to the insurance company that covered Local 4101's losses.

The Department of Labor's Office of Labor-Management Standards conducted the investigation that led to the successful prosecution of the case.



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758  
Dawn Clenney, FBI (313) 965-2323

Mar 22, 2007

---

**EVENT: Guilty Plea**

**Defendant: Huel Locklear**

**DEFENDANT CONVICTED OF BANK ROBBERY AND FIREARMS POSSESSION**

---

A federal jury that deliberated for just over two hours convicted a 61-year-old North Carolina resident, Huel Locklear, on charges of Bank Robbery and being a Felon in Possession Of a Firearm, announced United States Attorney Stephen J. Murphy announced today. Mr. Murphy was joined in the announcement by Special Agent in Charge Andrew Arena, Federal Bureau of Investigation.

The three and a half day trial was conducted before United States District Court Judge Avern Cohn.

“Bank robbery is a violent crime that endangers tellers, customers, guards, and all citizens living in the surrounding community. We are firmly committed to aggressively prosecuting such cases and to discouraging previously convicted felons from carrying firearms. Those who do will face serious consequences,” stated U.S. Attorney Murphy. Murphy also thanked the FBI and their state and local partners for their investigation and handling of the case.

According to the evidence presented at trial, on December 24, 2003, Adrian Police responded to a bank robbery at the Bank of Lenawee County in Adrian, Michigan. According to the tellers, witnesses, and the bank surveillance tape, the defendant entered the bank fully disguised from head to toe while wearing a green ski mask with blue cloth safety pinned over the mouth as well as red and white gym shoes. While ordering the tellers to the ground, the defendant leaped the teller counter and started removing money from the tellers' drawers. He placed the money into a laundry type bag and fled to a waiting Toyota station wagon.

Approximately two weeks later, Livonia Police officers acting on a tip arrested the female driver of the Toyota station wagon. She then led Adrian Police and Lenawee County Sheriff's.

officers to the defendant and his vehicle which contained firearms, the gym shoes, and disguise worn during the bank robbery. The Michigan State Police analyzed the cloth from the ski mask and the gym shoes. They found the defendant's DNA present on the ski mask and the gym shoes were consistent with the foot prints left outside the bank and in the apartment complex where the Toyota was abandoned.

The case was the result of multi-agency cooperation between the Federal Bureau of Investigation, Adrian Police Department, Livonia Police Department, Michigan State Police, and the Lenawee County Sheriff's Department. Mr. Murphy commended the effective cooperation of these agencies, as well as the excellent work of the trial team, lead by Assistant United States Attorneys Terrence R. Haugabook and Regina McCullough.

The defendant is detained without bond and will remain in custody until his sentencing date is set. Because the defendant has two prior convictions for crimes of violence, he is a Career Offender under the U.S. Sentencing Guidelines. Although his sentence will be determined by the Court, the defendant faces up to 30 years' imprisonment.



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Mar 28, 2007

---

**EVENT: Sentencing**

**Defendant: Robert Owen Blount**

**DETROIT MAN SENTENCED TO 100 MONTHS  
FOR KNIFE-POINT ROBBERY OF LETTER CARRIER**

---

A 53-year-old Detroit man who robbed a United States Postal Service Letter Carrier with a twelve-inch long butcher knife was sentenced to 100 months incarceration in United States District Court today, United States Attorney Stephen J. Murphy announced. Mr. Murphy was joined in the announcement by Gregory Campbell, Postal Inspector in Charge, United States Postal Service.

Robert Owen Blount's sentencing follows his guilty plea on October 25, 2006, to one count of Robbery with a Dangerous Weapon before United States District Judge John Corbett O'Meara in Ann Arbor. During his plea Blount admitted that on May 3, 2006, at approximately 11:30 a.m. he approached a Letter Carrier at Forest and Lenox Streets in Detroit as she was delivering her mail. Blount engaged the victim in conversation and attempted to grab mail from the letter carrier. Blount produced a butcher knife with a 12 inch blade. The carrier dropped the mail. Blount picked it up and attempted to flee the scene. He was apprehended by members of the Detroit Police Department.

Following 100 months in federal prison, Blount will face three years of supervised release.

United States Attorney Stephen J. Murphy stated, "This prosecution demonstrates the significant challenges sometimes faced by Postal Service employees when carrying out their responsibilities. Today's sentence shows that violence against United States Postal Service employees and interference with the integrity of the U.S. Mail will not be tolerated. We will prosecute such criminal conduct to the fullest extent of the law."

This investigation was conducted by the United States Postal Inspection Service. Assistant United States Attorney John Freeman prosecuted the case.



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Mar 29, 2007

---

**EVENT: Guilty Plea**

**Defendant: Jack John Mevorach**

**HAZEL PARK MAN PLEADS GUILTY TO BANKRUPTCY FRAUD**

---

A 48 year-old Hazel Park man pled guilty today to one count of bankruptcy fraud charging him with a scheme to defraud his former employer, DSW Management, and then filing two fraudulent bankruptcy petitions in the business owner's name to conceal his fraud United States Attorney Stephen J. Murphy announced today.

Pleading guilty before U.S. District Judge Arthur J. Tarnow was Jack John Mevorach of Hazel Park, Michigan.

The fraud arose when Jack Mevorach began working for DSW Management, a landscaping and snowplowing business, in 2003 and began to divert customers payments to himself for his personal use. As creditors of DSW sought to collect their monies, Mevorach completed and forged the signature of the company's owner to two separate bankruptcy petitions and filed them with the U.S. Bankruptcy Court for the Eastern District of Michigan. This action kept the creditors from continuing to collect their debts and helped conceal Mevorach's diversion of monies from the company's owner.

“The use of our federal bankruptcy system to conceal criminal activity by robbing creditors who have provided their goods and services in the full expectation of being paid is simply unacceptable. Discovering that the debt you are owed has been discharged in a bankruptcy can be financially devastating enough without the added burden of finding out that the bankruptcy case was fraudulent. This crime created several victims, the defrauded employer as well as his creditors. We will aggressively pursue such abuses” stated U.S. Attorney Murphy.

The count to which he pled guilty carries a maximum sentence of 5 years imprisonment and a \$250,000 fine. Mevorach’s sentencing is scheduled for June 28, 2007 at 2 p.m. The investigation of this case has been conducted by the FBI Office in Detroit and prosecuted by Assistant U.S. Attorney Ross I. MacKenzie and Special Assistant U.S. Attorney Leslie K. Berg. Substantial support was received from the U.S. Trustees Office in Detroit charged with administering bankruptcy cases.





**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758  
Richard Isaacson - DEA (313) 234-4310

Mar 29, 2007

---

**EVENT: Indictment**

**Defendant: Dr. Larry White**

**DOCTOR INDICTED FOR PRESCRIBING FENTANYL RESULTING IN DEATH**

---

A physician operating in Macomb County was indicted by a federal grand jury in Detroit on charges of prescribing Fentanyl for a non-legitimate medical purpose which resulted in the death of a patient, as well as distributing Schedule II and Schedule III pain medications without a legitimate medical purpose and outside the course of professional practice United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Special Agent in Charge Robert Corso of the Drug Enforcement Administration.

Named in the indictment is Dr. Larry White, 65 of Rochester, Michigan.

The twenty-six-count indictment charges that between 2003 and 2006, Dr. White dispensed Fentanyl and other controlled substances in the Eastern District of Michigan. In particular, the indictment alleges that on July 14, 2003, White distributed Fentanyl to a patient. The indictment further charges that that patient died on July 17, 2003 as a result of his use of

the Fentanyl distributed to him by White. White also is charged with distributing Percocet and Percodan as well as hydrocodone products including Vicodin, Lortab and Norco.

“Today’s charges illustrate the tragedy and loss of life that can be caused when a physician abuses his authority to prescribe controlled substances. Any medical professional who seeks to profit from the rising demand for illegal prescription drugs should know that they are risking more than their medical license,” said United States Attorney Murphy.

“This indictment serves as a warning to all physicians that if you prescribe medication for personal gain you will be prosecuted to the fullest extent of the law. In the eyes of the Drug Enforcement Administration you are no different than a common street drug dealer and will face the same harsh penalties,” said Special Agent in Charge Corso.

Under federal law, the distribution of controlled substances resulting in death carries a mandatory minimum penalty of 20 years in prison. Any 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.

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.

The case was investigated by Diversion Investigators of the Drug Enforcement Administration.



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758  
Dawn Clenney - FBI (313) 237-4206  
Stephen Moore - IRS (313) 234-2410

Mar 29, 2007

---

**EVENT: Sentencing**

**Defendant: Pasquale John DiPofi**

**NEW BALTIMORE MAN SENTENCED TO 40 MONTHS  
IN INTERNATIONAL THEFT OF FOREIGN FIRM'S IDENTITY**

---

A 36-year-old New Baltimore man was sentenced in federal court today to 40 months in prison, \$51,674 in restitution, a \$300 special assessment, and a three-year term of supervised release after being convicted of conspiracy, wire fraud, and income tax evasion, in connection with his scheme to defraud the government of Sierra Leone, Africa, and other victims of over \$23 million, that took place in 2001-2002, United States Attorney Stephen J. Murphy announced. Murphy was joined in the announcement by Andrew G. Arena, Special Agent in Charge, FBI, and Maurice Aouate, Special Agent in Charge, IRS Criminal Investigation Division.

Pasquale John DiPofi, 36, of New Baltimore, Michigan was sentenced in United States District Court before Judge Julian Abele Cook, Jr. Mr. DiPofi pleaded guilty to these charges before United States District Judge Victoria Roberts on October 23, 2006.

United States Attorney Murphy said, "It may have looked like a sharp scheme for this defendant, to assume another company's identity and try to collect \$23 million owed to the real company, but such 'corporate ID theft' is nothing but fraud and it leads directly to prison, as we saw in today's sentence."

Information presented to the court during these proceedings showed that Mr. DiPofi ran a private security business under the name of Executive Outcome, Inc., (EO), in Mt. Clemens, Michigan. In late 2001, EO contacted Audax Trading Limited, a British firm, with regard to a debt of approximately \$23 million owed by the Government of Sierra Leone, Africa. In fact, Executive Outcomes, South Africa, (EOSA) an unrelated company, had provided military equipment, military security, and training to the Government of Sierra Leone in 1995-1997, and EOSA was then making debt recovery efforts through the Sierra Leone legal system. Audax contacted the defendant's company, EO, by mistake, due to the similarity in the companies' names. Mr. DiPofi's company, EO, in fact had no connection with EOSA and had no claim to the debt owed by Sierra Leone to EOSA. Mr. DiPofi and his codefendant, Christopher Belan then hired Audax as their collection agent, even though they knew that their company EO did not perform any services for the Government of Sierra Leone, nor were they owed any monies for services rendered. DiPofi and Belan proceeded to create fraudulent documents which were provided to Audax and to the Government of Sierra Leone to support their claim that they were the true owners of the debt. In addition, during August and September 2002, Mr. DiPofi and Mr. Belan caused threatening communications to be sent to Michael Grunberg, in Paris, who was representing the legitimate claimants to the debt. The scheme was ultimately unsuccessful, because the victims of the scheme discovered the fraud before any payments were made to the defendant's company.

Judge Cook directed the defendant to report voluntarily to the institution designated by the Bureau of Prison to serve his sentence.



**U.S. Department of Justice**

**Stephen J. Murphy  
United States Attorney  
Eastern District of Michigan**

*Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758  
Richard Isaacson - DEA (313) 234-4310  
Steve Moore - IRS (313) 234-2410

Mar 29, 2007

---

**EVENT: Indictment**

**Defendant: Derrick Armstrong et al**

**17 ADDITIONAL PEOPLE INDICTED IN LARGE SCALE  
DRUG AND MONEY LAUNDERING CASE**

---

Seventeen individuals have been charged in a indictment with violating various federal drug laws which include conspiracy to distribute cocaine and money laundering, announced United States Attorney Stephen J. Murphy. Mr. Murphy was joined in the announcement by Special Agent in Charge Robert L. Corso, Drug Enforcement Administration, Special Agent in Charge Maurice Aouate, Internal Revenue Service Criminal Investigation, U.S. Marshal Robert Grubbs, United States Marshals Service, and Peter Munoz, Director of the Michigan State Police.

The newly indicted were Derrick Armstrong, 35, Elijah Amir Baker, 24, William Boddie, 42, Martez Deon Byrth, 34, Monica Lane Cook, 26, Monique Lane Cook, 26, Jean Paul Grammatico, 34, Anthony Troy Gray, 33, Charles Edward Howard, Jr., 26, Dexter Joseph Hussey, 41, Danny Jones, 35, Joseph M. Jones, III, 57, Ricardo Denard McFarlin, 26, Terrance Lee Short, 34, Robert M. Sills, Jr., 33, Rashawn Simmons, 26 and Pierino Verrelli,

53.

The indictment, which was returned on December 15, 2006 and unsealed today, is related to a previous indictment returned last year that alleges that Terry Flenory, Demetrius Flenory and thirty-six others operated a drug organization, at some point named the "Black Mafia Family" (BMF), which dealt in multi-kilo quantities of cocaine in the Detroit metropolitan area beginning in the early 1990's. By the mid 1990's, the organization extended into other parts of the country including Kentucky, Georgia, Missouri, California, and Texas. As part of the conspiracy, BMF would use vehicles equipped with traps and hidden compartments to conceal and transport the cash generated from the sale of cocaine. The return of this indictment increases the total number of indicted BMF members and or individuals associated with the organization to fifty-eight defendants.

Since 2000, law enforcement has seized approximately 500 kilograms of cocaine and approximately nineteen million dollars in assets, including bank accounts, cash, real property, jewelry and vehicles. The members of this organization, using the illegal proceeds of their narcotic sales, purchased and leased numerous luxury vehicles, acquired and sold real property and purchased jewelry while concealing the true source and nature of the funds involved in the transaction through false names and nominee purchasers.

It is alleged that members of the organization would deposit large amounts of cash derived from the sale of cocaine into various bank accounts; purchase cashier's checks and money orders; and wire transfer these funds. These funds would then be used to purchase assets and pay personal expenses with the goal of concealing the true source, nature and ownership of the funds which had been derived from the organization's cocaine sales.

Members of the organization would also purchase winning four digit State of Michigan lottery tickets with drug proceeds from an individual who obtained them from the true winners in cash. These winning tickets, valued at over \$1 million, would be redeemed with the State of Michigan's lottery bureau and used to purchase homes, make mortgage payments, and purchase vehicles, hiding the fact that the true source of

the money were derived from the drug organization's cocaine sales.

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