



U.S. Department of Justice

**Stephen J. Murphy
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Eastern District of Michigan**

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For Immediate Release:

Contact: Gina Balaya (313) 226-9193

Nov 1, 2006

EVENT: Election 2006

Defendant:

ELECTION 2006

United States Attorney Stephen J. Murphy announced today the appointment of Assistant United States Attorney Pamela Thompson to serve as District Election Officer for the Eastern District of Michigan for the November 2006 Election Day.

This appointment was made pursuant to the Department of Justice's ongoing Ballot Access and Voting Integrity Initiative, which was established in 2002. The purpose of this nationwide federal law enforcement program, which the Department has implemented during national general elections since the late 1960's, is to ensure public confidence in the integrity of the election process by strengthening and enhancing the Department's efforts to protect voting rights and to prosecute election crime throughout the country.

United States Attorney Murphy said, "Election fraud and voting rights abuses corrupt the essence of our representative form of government. Such crimes harm both the individual voter and the government. They will be dealt with promptly and aggressively."

AUSA Pamela Thompson will serve as District Election Officer for the November 2006

elections and in that capacity will supervise the investigation and prosecution of election fraud matters in this District and coordinate the District's efforts with Department of Justice prosecutors in Washington, DC. As part of her responsibilities as District Election Officer, AUSA Thompson will work with Special Agents of the Federal Bureau of Investigation (FBI). In order to respond to complaints of election fraud and voting rights abuses on November 7, 2006, and to ensure that such complaints are directed to the appropriate authorities, AUSA Thompson will be on duty in this District while the polls are open. She can be reached by the public at 313-226-9770 .

The FBI will also have Special Agents available in each field office and resident agency in the District to receive allegations of election fraud and other election abuses on election day. The FBI can be reached by the public at 313-965-2323.

Complaints about ballot access problems or discrimination can also be made directly to the Civil Rights Division's Voting Section in Washington D.C. at 1-800-253-3931 or 202-307-2767.

United States Attorney Stephen J. Murphy stated that most forms of election crime are easily recognized, such as voter bribery, voter intimidation, and ballot forgery. Other forms of election fraud are more subtle. It is, for example, a federal offense to seek out the elderly, the socially disadvantaged, or the illiterate for the purpose of subjugating their electoral will. Furthermore, every voter has the right to mark his or her ballot in private, free from the watchful eye of election partisans.

United States Attorney Murphy said, "The detection of election fraud and voting rights abuses depends in large part on the watchfulness and cooperation of each voter. If you are asked to participate in questionable election practices, or if you have specific information regarding electoral corruption or voting rights abuses, please make that information available immediately to my Office or to the FBI. Such cooperation in helping to protect the sanctity of the ballot box is crucial. It is also appreciated."



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Nov 1, 2006

EVENT: Sentencing

Defendant: Charles G. Mady

**NORTHVILLE ATTORNEY SENTENCED
TO 64 MONTHS FOR EMBEZZLEMENT**

Charles G. Mady, a 36-year-old Northville attorney was sentenced today in Federal Court in Detroit to 64 months in prison for embezzling millions of dollars from 30 investors, United States Attorney Stephen J. Murphy announced. In pronouncing sentence, United States District Judge Victoria Roberts also ordered Mady to pay \$8,457,150.02 in restitution to victim investors.

Murphy was joined in the announcement by Daniel D. Roberts, Special Agent In Charge of the Detroit Field Office of the Federal Bureau of Investigation.

Mady pleaded guilty earlier this year to two counts of embezzlement from a "commodity pool fund." This was a pool of investor funds which Mady had received from victims for the purpose of trading in commodity futures. Mady was initially charged with fraud and embezzling over \$3 million of pooled investor funds and losing, through his trading activities, more than \$4 million of additional investor money. Additional

criminal allegations against Mady included misrepresenting to investors his past trading record and providing investors with fraudulent “account statements” that falsely indicated that investors were making money. At the sentencing, evidence was presented that Mady had used investor money, over a 2½ year period, to perpetrate a “Ponzi” scheme: using new investor money to pay previous investors and diverting the money for personal expenditures, such as home improvements; paying credit card bills; and purchasing and maintaining racehorses worth over \$1 million.

United States Attorney Murphy said, “The investing public can take some assurance from today’s tough sentence that crooked investment professionals will pay a high price if they line their own pockets rather than following their customers’ directions. Cases like this are complex, but agencies like the FBI and the Commodity Futures Trading Commission have the expertise to unravel such sophisticated fraud schemes and bring the perpetrators to justice. I salute the fine efforts of those agencies and the members of our office who successfully prosecuted the case, which demonstrates the commitment we have to prosecute white collar crime vigorously.”

Mady has been incarcerated since December 2004, when it was discovered that, after being charged in the initial case, Mady was perpetrating another fraud scheme involving an additional investor. In that case, Mady was accused of defrauding the latter investor of \$1.5 million.

The case was investigated by the Commodity Futures Trading Commission and the Federal Bureau of Investigation. It was prosecuted by Assistant United States Attorneys Paul Burakoff and Julie Beck.



Department of Justice

United States Attorney Stephen J. Murphy
Eastern District of Michigan

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 2, 2006

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**MORE THAN 10,700 FUGITIVE ARRESTS BY NATIONALLY COORDINATED U.S. MARSHALS'
"OPERATION FALCON III"**

***480 Wanted for Violent Crimes, Narcotics Offenses, Burglary and Other Crimes
Arrested in Local Sweep of Criminal Fugitives***

Detroit, Michigan – More than 10,700 fugitives, including 1,659 fugitive sex offenders, were arrested in a seven-day nationally coordinated fugitive roundup led by the U.S. Marshals Service (USMS) and hundreds of partners from state, local and other federal agencies, U.S. Attorney General Alberto R. Gonzales and USMS Director John F. Clark announced today. Several hundred fugitives were arrested in Detroit and the surrounding suburbs, U.S. Attorney for the Eastern District of Michigan Stephen J. Murphy and U.S. Marshal for the Eastern District of Michigan Robert Grubbs announced today.

United States Attorney Stephen J. Murphy said, "Our communities benefit so much from actions like this, when we clamp down hard on those charged with serious violent crimes, drug offenses, and other serious criminal conduct, and round them up to be prosecuted. I salute the U.S. Marshal's Service and all of the hardworking officers and agents who made Operation Falcon III such a huge success by bringing so many fugitives to justice."

Nationally, Deputy U.S. Marshals and their law enforcement partners arrested 10,773 fugitives and cleared 13,333 felony warrants during the seven-day operation, including 3,609 for narcotics violations and 140 homicide warrants. Task force members also arrested 971 unregistered sex offenders and 364 documented gang members.

Locally, the operation cleared 480 warrants, including 43 for sex related crimes, 8 for homicides, 112 assaults, 133 for narcotics, 32 for weapons, 37 for robbery, 42 for burglary/larceny, 6 for arson, 1 for kidnaping, 10 for stolen vehicles, 13 for fraud and 43 on other miscellaneous crimes.

One such fugitive arrested is Abbas Habib Alfatlawi, who was wanted by Bernalillo County, New Mexico for Criminal Sexual Conduct First Degree, Criminal Sexual Conduct Third Degree and Intimidation of a Witness. According to the district attorney's office, Alfatlawi allegedly sexually assaulted and intimidated a twelve year old child in 2001. The U.S. Marshal led Detroit Fugitive Apprehension Team (DTAF) received information from New Mexico that Alfatlawi may be in the city of Detroit. DFAT members investigated, conducted surveillance, and confirmed an address on the west side of Detroit. DFAT members from the USMS, Michigan State Police, Wayne County Sheriff's Office, Oakland County Sheriff's Office and the Sterling Heights Police Department made entry into the residence and executed the arrest of Alfatlawi without incident. He is awaiting extradition and possible deportation.

U.S. Marshal Robert Grubbs said, "This arrest is a shining example of the thousands of arrests made nationwide by dedicated law enforcement officers supporting FALCON III. It shows the good that can happen when the men and women of numerous law enforcement agencies at the federal, state and local levels come together in a common cause such as this. When we share information and pool our resources towards a common goal, the results are safer communities for our children and a more secure homeland."

In the Eastern District of Michigan the agencies that participated in FALCON III were the United States Marshals, Wayne County Sheriff's Office, Oakland County Sheriff's Office, Michigan State Police, Sterling Heights Police Department, Immigration and Customs Enforcement, Social Security Administration, Housing and Urban Development-Office of the Inspector General, Bureau of Alcohol, Tobacco and Firearms, Drug Enforcement Administration, Detroit Police Department and the Federal Bureau of Investigation.

Operation FALCON III was conducted in 24 states east of the Mississippi River, in the District of Columbia and in Puerto Rico. Deputy Marshals teamed up with thousands of officers, deputies, troopers, agents and investigators from other federal, state and local agencies to conduct the Operation.

Operation FALCON III received a major boost from the Adam Walsh Act, named after the murdered son of *America Most Wanted* host John Walsh. The law directs federal resources to tasks of rounding up sexual predators and helping state and local governments catch convicted individuals who failed to register in communities where they live.

"Operation FALCON has once again proven how much we can accomplish with our network of federal, state, and local law enforcement," said Attorney General Gonzales. "This operation has made our nation's neighborhoods and children safer by taking off the streets some of the worst sex offenders, violent felons and gang members."

PHOTOS/VIDEOS AVAILABLE

The Marshals Service has photos of actual arrests during the operation available at www.usmarshals.gov/falcon3, as well as fact sheets on arrests nationwide and in each of the participating districts. Dossiers on the "FALCON 15," describing 15 of the most significant cases closed during the operation, are available at the site. A 10-minute B-roll video package for broadcasters will be available for satellite distribution on Nov. 2, at 2:00 – 2:15 P.M. EST (11:00 – 11:15 A.M. PST) and at 7:00 – 7:15 P.M. EST (4:00 – 4:15 pm PST) at C-Band coordinates (IA 6 T-11 Downlink Frequency 3920 V 93 degrees WL), and on Nov. 3, at 4:00 – 4:15 A.M. EST (1:00 – 1:15 A.M. PST) at C-Band coordinates (IA 6 T-17 Downlink Frequency 4040 V 93 degrees WL).

PARTICIPATING AGENCIES

A complete list of all federal, state and local agencies that participated in Operation FALCON III is available at the USMS Web site, www.usmarshals.gov/falcon3.



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Nov 2, 2006

EVENT: Guilty Plea

Defendant: Tyjuan Jackson

LASALLE BANK PERSONAL BANKER PLEADS GUILTY TO BANK FRAUD

A 28-year-old Inkster man who misappropriated bank customers' identity profiles, leading to at least \$38,747 in losses, pled guilty in federal court today, United States Attorney Stephen J. Murphy announced. Joining in the announcement was Special Agent in Charge Leo Wiznewski, U.S. Secret Service.

Tyjuan Jackson, a LaSalle Bank personal banker from December 2001 to February 2003 pled guilty to one felony count of bank fraud before United States District Judge Patrick J. Duggan. Jackson, who had been employed at LaSalle Bank's Taylor branch at 23700 Goddard Rd., confessed that he sold customer profiles and information, leading to the creation of false identification documents and counterfeit checks purporting to belong to actual bank customers. The defendant admitted that his identity theft led to customer losses of at least \$38,747.

The defendant was later employed at Fifth Third Bank's Dearborn branch, from June 2004 to February 2005, and at Bank One's Wayne Branch, from October to November 2005. The government contends that Jackson committed additional fraud at those institutions and that the total loss attributable to the defendant is \$178,985. The Court will determine the final loss

amount at sentencing.

United States Attorney Murphy said, "The use of innocent victims' identity information to obtain federally insured funds under false pretenses is not just felonious and wrong, it is often a red flag signaling other serious acts of criminality. Accordingly, while the amount of defendant Jackson's fraud in this case was relatively slight, the means to accomplish it were not. We will remain vigilant for cases of fraud involving the use of others' identities and we will prosecute all such cases to the fullest extent of the law. I commend the prosecution team for its fine efforts in this matter."

Bank embezzlement is punishable by a maximum sentence of 30 years imprisonment and a fine of up to \$1 million dollars. A plea agreement signed by the defendant calls for a term of imprisonment of up to 71 months and full restitution. No sentencing date has been scheduled.

The case is being prosecuted by Assistant United States Attorney Leonid Feller.



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Nov 2, 2006

EVENT: Guilty Plea

Defendant: Todd Halseth

Hubbard Lake Man Pleads Guilty to Investment Fraud

A resident of Hubbard Lake, Michigan pleaded guilty in federal court to two counts of wire fraud in connection with a scheme to defraud over 50 victims of over \$1 million in investment funds, United States Attorney Stephen J. Murphy announced today.

Entering the guilty pleas before United States District Judge Thomas Ludington in Bay City, Michigan, was Todd Halseth, 51, of Hubbard Lake, Michigan.

Murphy was joined in the announcement by the United States Secret Service, the Michigan State Police, the Michigan Department of Labor and Economic Growth, Office of Financial and Insurance Services, and the Tennessee Bureau of Investigation.

According to the Indictment, between May 8, 2002 and November 29, 2004, Halseth engaged in a scheme to defraud seventeen individuals in a fraudulent investment scheme. The indictment further alleges that Halseth personally solicited investments from individuals, describing himself as a venture capitalist, and that he would tell potential investors that an opportunity existed in "reverse merger" situations which were about to "go public". Halseth assured potential investors that the opportunity was "a sure thing" or words to that effect.

According to United States Attorney Murphy, "Investor fraud may be complex and difficult to unravel, but it is just as harmful to its victims as if they had been subject to a highway robbery. This case is another fine example of what our fine cadre of dedicated white-collar investigators can do, and I applaud the hard work of the U.S. Secret Service, the Michigan State Police, Michigan Department of Labor and Economic Growth and the Tennessee Bureau of Investigation, who assisted us in bringing the case to resolution."

The Court set the date for sentencing date for February 14, 2007.

The case was investigated by Special Agents of the United States Secret Service, the Michigan State Police, the Michigan Department of Labor and Economic Growth-Office of Financial and Insurance Services, and the Tennessee Bureau of Investigation. Halseth lived in the Friendsville, Tennessee area until sometime in approximately early 2005. The case was prosecuted by Assistant United States Attorney James A. Brunson.



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Nov 9, 2006

EVENT: Guilty Plea

Defendant: Wissam Salameh

DEARBORN MAN PLEADS GUILTY TO FOOD STAMP FRAUD

A 32-year-old Dearborn, Michigan resident pleaded guilty to committing over \$380,000 in federal food stamp fraud, United States Attorney Stephen J. Murphy announced today.

Pleading guilty before U.S. District Judge David Lawson was Wissam Salameh, 32, of Dearborn, Michigan.

The fraud arose when Salameh, the manager of the BP gas station and convenience store located at 15880 Livernois in Detroit, owned by Duke's Oil Corporation, began the practice of discounting food stamp benefits for cash. The food stamp recipients would provide their electronic benefit transfer cards, which are like credit cards, at the convenience store and the defendant would enter a certain amount of charges, for example \$100, as authorized purchases of food items, but provide \$75 in cash to the recipient instead. Food stamp benefits are to be used only for eligible food products. During the 20 month period of April 2003 through December 2004, the U.S. Department of Agriculture, which funds the food stamp program, calculated the total of fraudulent food stamp transactions conducted at the Livernois BP station to be \$383,000.

United States Attorney Stephen J. Murphy stated that, "The food stamp program guarantees that the most needy in our community will be able to buy basic food necessities, not only for themselves, but for their families to survive. Profiting off food stamps by cashing them for less than face value is taking basic food money away from the poor and is a fraud upon the taxpayers who fund this family assistance program. The public's confidence in the food stamp program should not be undermined by those who abuse it. Offenders who violate the food stamp laws will be prosecuted."

The count to which defendant pleaded guilty, carries a maximum sentence of 20 years imprisonment and a \$250,000 fine. Salameh's sentencing is scheduled for February 7, 2007 at 2 p.m.

The investigation of this case has been conducted by Special Agent Mark McClutchey of the Office of Inspector General for the U.S. Department of Agriculture and prosecuted by Assistant U.S. Attorney Ross I. MacKenzie.



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Nov 13, 2006

EVENT: Sentencing

Defendant: Patricia Schoeninger et al

**SEVEN INDIVIDUALS SENTENCED FOR THEIR
ROLE IN THE MANUFACTURING OF
METHAMPHETAMINE**

United States Attorney Stephen J. Murphy announced today that the seventh and last defendant in a seven person methamphetamine manufacturing conspiracy was sentenced in federal court by United States District Judge Marianne O. Battani. Patricia Schoeninger, 44, of Algonac, was sentenced to 30 months in prison followed by four years of supervised release, upon her guilty plea in June 2006 to one count of Conspiracy to Manufacture Methamphetamine.

The convictions in these cases, which constitute a part of United States Attorney Murphy's district-wide Methamphetamine initiative that he announced in August, 2005, resulted from a joint investigation conducted by the FBI, the Michigan State Police, and the County of Macomb Enforcement Team ("COMET") into multiple methamphetamine labs operating in Macomb County and St. Clair County, Michigan. The investigation turned up evidence that several people associated with the Michigan-based Devil's

Diciples [sic] motorcycle gang were manufacturing methamphetamine in clandestine labs. (The gang intentionally misspells "Diciples.")

In March 2005, COMET executed search warrants at the suspected meth lab locations and at the Devil's Diciples main clubhouse in Mt. Clemens. The search warrants revealed two fully operational and running meth labs, evidence of other labs, instructions on how to make meth, large supplies of meth manufacturing precursors (e.g., acetone, muriatic acid, red phosphorus, hydrochloric acid, cold tablets, glass flasks, and heating plates), five firearms, and approximately 2,000 rounds of live ammunition.

United States Attorney Murphy stated, "Meth is a lethal and pernicious substance that wreaks havoc on the lives of those who use it, those who manufacture it and, increasingly, those children who are affected by care givers who are users or manufacturers of the drug. Our meth initiative was designed and publicized to stem the tide of this substance from sweeping into our metro area and the significant sentences imposed in this case indicate we are seeing success."

Defendants in the case include:

Demetrius John Meffer (*a.k.a.* "Demi"), 38, of Chesterfield Township, pleaded guilty in May 2006 to Conspiracy to Manufacture Methamphetamine and Attempting to Manufacture Methamphetamine. He was sentenced in October 2006 to 97 months imprisonment

Joseph Paul Rottman, 43, of Macomb Township, pleaded guilty in April 2006 to Attempting to Manufacture Methamphetamine and Felon in Possession of a Firearm. He was sentenced in October 2006 to 78 months imprisonment

Michael William Mastromatteo (*a.k.a.* "Iron Mike"), 48, of Mt. Clemens, who

pleaded guilty in June 2006 to Conspiracy to Manufacture and Distribute Methamphetamine, Attempting to Manufacture of Methamphetamine, Maintaining a Drug-Involved Premises, and Endangering Human Life While Manufacturing Methamphetamine. He was sentenced in October 2006 to 63 months imprisonment.

Gregory Schoeninger (*a.k.a.* "Breakdown"), 45, of Algonac (Patricia Schoeninger's husband), was found guilty of Possession of Methamphetamine and Felon in Possession of a Firearm following a jury trial in March 2006. He was sentenced in September 2006 to 57 months imprisonment.

Tami Irene Watters, 41, of Gaylord, pleaded guilty in April 2006 to Attempting to Manufacture Methamphetamine. She was sentenced in September 2006 to 48 months imprisonment.

Drago Stajninger, 41, of Chesterfield Township, pleaded guilty in May 2006 to Maintaining a Drug-Involved Premises. He was sentenced in October 2006 to three years of probation.

The cases were prosecuted by Assistants United States Attorney Matthew Schneider and Saima Mohsin. United States Attorney Murphy thanked them for and credited them with a compelling prosecution and he paid tribute to the law enforcement agencies involved as well.



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Nov 14, 2006

EVENT: Sentencing

Defendant: Matthew Tyler

Leslie, Michigan Resident gets 360 Months in Prison

A 34-year-old resident of Leslie, Michigan, was sentenced to 360 months in federal prison to be followed by 10 years of supervised release for his role in a conspiracy to distribute methamphetamine, United States Attorney Stephen J. Murphy announced today.

Joined in the announcement was FBI Special Agent in Charge Daniel Roberts.

Matthew Tyler was found guilty on April 4, 2006, by a federal court jury in Bay City of being a member of a conspiracy to distribute and possess with intent to distribute 500 or more grams of a substance containing methamphetamine. The sentence was imposed by Federal District Court Judge David M. Lawson.

The evidence presented by the government during the trial indicated that Tyler and others obtained significant quantities of methamphetamine that had been manufactured in Mexico and distributed the methamphetamine in Michigan and South

Carolina between approximately 1995 and 2004.

U.S. Attorney Murphy thanked the FBI, the Flint Police Department and the Bay Area Narcotics Enforcement Team (BAYANET) for their assistance in the successful investigation of the case. The case was prosecuted by Assistant United States Attorney Michael Hluchaniuk who was assisted during the trial by FBI Special Agent John Cecil.



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Nov 15, 2006

EVENT: Guilty Plea

Defendant: Scott Edward Ashley

CANTON MAN PLEADS GUILTY TO BANK AND WIRE FRAUD

A 40-year-old Canton man pled guilty today to all eight counts of an indictment charging him with defrauding three banks and using false social security numbers in filing petitions in U.S. Bankruptcy Court, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by John Keenan, the Detroit Resident Agent in Charge of the Social Security Administration's Office of Inspector General.

Pleading guilty before U.S. District Judge Gerald Rosen was Scott Edward Ashley. The plea took place in the midst of a jury trial of Ashley on the indicted charges.

The indictment charged Ashley with defrauding Comerica, Wells Fargo, and Huntington banks in separate applications for loans totaling \$3.8 million. It was further charged that, In addition to providing false information on his loan applications, Ashley supplied the banks with bogus federal tax records that falsely indicated that he was earning over \$1 million a year. Actually, according to the indictment, Ashley was receiving Social Security disability benefits and, with his spouse, had joint annual income of less than \$25,000. The indictment stated

Ashley's fraud caused that banks to ultimately lose over \$1.7 million. It was also charged that Ashley utilized false social security numbers not only in his loan applications, but in numerous bankruptcy petitions filed between 1997 and 2006.

United States Attorney Stephen J. Murphy said, "This kind of fraud and deceit in connection with loan applications can cost banks millions of dollars, as it did in this case. Fortunately the fraud investigators at the Social Security Inspector General's Office pursued this case with tenacity, resulting in today's guilty plea."

There was no plea agreement between the government and Ashley. The three bank fraud counts to which Ashley pled guilty each carry a maximum sentence of 30 years imprisonment and a \$1,000,000 fine. The remaining five counts of the indictment, charging wire fraud and social security number fraud, each carry maximum penalties of 5 years and \$250,000. The court is also required to impose an order of restitution.

Ashley's sentencing is scheduled for February 15, 2007

The investigation of this case was conducted by the Office of Inspector General of the Social Security Administration. The case has been prosecuted by Assistant U.S. Attorney Paul Burakoff.



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Nov 16, 2006

EVENT: Guilty Plea

Defendant: James Edgar Coleman

MAN PLEADS GUILTY IN HEROIN - FENTANYL DEATHS

James Edgar Coleman, 36, of Detroit, pleaded guilty today in federal court to a superseding information charging him with two counts of delivering a controlled substance resulting in death, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Robert Corso , Special Agent in Charge of the DEA, Detroit, as well as Oakland County Sheriff Michael J. Bouchard.

Coleman entered the guilty plea before Senior United States District Judge Lawrence P. Zatkoff, in U.S. District Court in Detroit. Coleman admitted to the Court that he had sold heroin mixed with fentanyl from a home on Keating St. in the city of Detroit. Coleman stated that the controlled substance that he sold had been acquired by two individuals, who ingested the drug and died as a result. The victims named in the plea agreement were Lauren Jolly, 17 of Bloomfield Twp., and Daniel McElmurry, of Madison Heights. Coleman's guilty plea is the first to specifically address the spate of deaths from overdoses of heroin laced with fentanyl, which occurred earlier this year in Detroit and other urban areas throughout the United States.

United States Attorney Stephen J. Murphy said, “All illegal drugs are dangerous. In this case the danger was so great it caused the immediate deaths of two people in our community. This conviction is the result of a robust federal response to the rash of overdose deaths caused by fentanyl-laced heroin, and would not have been successful without the excellent investigative work by the DEA and the Oakland County Narcotics Enforcement Team.”

SAC Corso said, “Today’s guilty plea by Mr. Coleman is indicative of the commitment law enforcement, on all levels, has made to target individuals involved in the distribution of this deadly mixture of heroin and fentanyl. The message everyone should take from these tragic overdose deaths is that drug use can and will kill you, and that you are risking your life by consuming them. No one should forget the sorrow that the families of these victims must go through, as a result of these overdose deaths, for the rest of their lives.”

Sheriff Bouchard said, “The cooperative effort of the Oakland County Sheriff’s Narcotic’s Enforcement Team, the Drug Enforcement Agency, and the U.S. Attorney’s Office stands strong in our endeavors to stop future occurrences that result in death from the distribution of this lethal mixture of heroin and fentanyl. It is our promise to the citizens of Oakland County to do our part to prevent incidents such as the tragic deaths of Lauren Jolly and Daniel McElmurry, by investigating each case with every resource available. We are determined to stop distribution in its tracks by placing the dealers behind bars, and by convicting dangerous criminals like Coleman before they cause anymore harm to the citizens of our communities. “

Coleman faces a charge that carries a mandatory minimum sentence of twenty years imprisonment and a maximum of life imprisonment. Under the sentencing guidelines provided for in the plea agreement, if accepted by the Court, the defendant faces a range of 292 -365 months imprisonment. He has been in federal custody since June 2006.

The investigation of this case has been conducted by the Drug Enforcement Administration, the Oakland County Narcotics Enforcement Team, and by Assistant U.S. Attorney Kathryn McCarthy.



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Nov 16, 2006

EVENT: Sentencing

Defendant: Jihad Makki

**ZIG-ZAG MONEY-LAUNDERING OPERATION
ORGANIZERS SENTENCED**

Jihad Makki, 44, was sentenced here today for his involvement in a multi-million dollar money laundering organization that illegally produced counterfeit Zig-Zag brand cigarette paper in Jakarta, Indonesia. U.S. Immigration and Customs Enforcement (ICE) and the Internal Revenue Service - Criminal Investigations Division (IRS-CID) investigated this case.

Makki was sentenced today by U.S. District Court Judge Avern Cohn on his earlier guilty plea to conspiracy to launder monetary instruments. Makki was sentenced to 3 years' probation with a special condition that he will participate in a home confinement program for a period of six months, a special assessment of \$100.00 and restitution to the victim in the amount of \$5,694,037.80.

ICE's investigation revealed that in early 2000, Makki and other co-conspirators initiated a scheme and began counterfeiting the cigarette paper in Jakarta, Indonesia. Makki further actively participated in the criminal organization from about March 2000 until approximately late January 2001 by conducting and receiving wire transfers of money in the amount of

approximately \$19,216.00. The organization was ultimately responsible for importing counterfeit paper into the United States from May 2000 to February 2004, which was worth an estimated \$16 million. The Detroit-area proceeds are estimated at \$871,000. Additional evidence indicated that the organization laundered approximately \$1 million to facilitate this organized criminal enterprise between March 2000 and February 2002.

The counterfeit products were sold in the U.S. at prices well below the registered Zig-Zag brand item. The lead conspirators used several front business names to introduce the counterfeit Zig-Zags into United States commerce. The markings on the products were indistinguishable from the genuine product or registered goods. The funds generated by the counterfeiting scheme were squandered by organization members or seized through civil proceedings by the North Atlantic Trading Company, trademark holder for Zig-Zag cigarette papers in the U.S.

“The interdiction of counterfeit trademark goods protects the integrity of the market and prevents wrongdoers from profiting from the hard work of others,” said United States Attorney Murphy. “We are pleased that the sentences in this case match the seriousness of the crime.”

“Intellectual property rights crimes such as counterfeiting are not victimless. They should be of concern to every American,” said Brian M. Moskowitz, Special Agent-in-Charge of the ICE Office of Investigations in Detroit. “This type of criminal activity costs U.S. industries nearly \$250 billion in losses each year. Even more disturbing is that the illicit proceeds generated from these crimes facilitate organized crime. This specific case would not have been successful without the excellent work and collaboration of the Internal Revenue Service’s Criminal Investigation Division here in Detroit.”

Maurice Aouate, Special Agent in Charge of the IRS’ Criminal Investigations Division in Detroit stated, “Money laundering is a very complex crime involving an enormous amount of financial transactions and financial outlets throughout the world. IRS-CID is committed to identifying and tracing criminal proceeds, even if it leads overseas, in order to disrupt and dismantle this type of illegal counterfeit operation.”

With today’s sentencing, seven people have now pleaded guilty and have been

sentenced with regard to crimes associated with this counterfeit operation:

March 14, 2006: Tarek Makki, 41, and Adham Mackie, 37, who were both from Sierra Leone were sentenced to 24 months in prison and 36 months supervised release after pleading guilty to money laundering, trafficking in counterfeit goods, conspiracy, making false statements and perjury. Adham Mackie also received a judicial order of deportation from the United States. Additionally, Tarek Makki received a special assessment of \$600.00, and Adham Mackie received a special assessment of \$500.00. They were also ordered to pay \$879,056.00 jointly in restitution to the victim.

February 2, 2006: Ali Mackie, 27, a low-level participant, was sentenced to six months home confinement, two years probation and \$10,000 restitution after pleading guilty to money laundering, perjury and conspiracy. Additionally, Mackie received a special assessment of \$300.00, and was ordered to pay \$10,190.00 in restitution to the victim.

June 6, 2006: Kamal Turfah, 30, was sentenced, with regard to his earlier guilty plea of structuring monetary transactions in this matter, to 3 years probation with a special condition that he will participate in a home confinement program for a period of six months, a \$10,000.00 fine, a special assessment of \$100.00 and restitution to the victim in the amount of \$87,301.00.

November 1, 2005- Anand Nanwani, 27, and Jaipal Singh, 29, were each sentenced to 15 months imprisonment for money laundering and conspiracy to traffic counterfeit goods. Both men are citizens of Indonesia and agreed to removal from the U.S. upon completion of their prison sentences. Additionally, they both received a special assessment of \$200.00, and were ordered to pay \$879,056.00 jointly in restitution to the victim.

Assistant U.S. Attorneys Eric M. Straus and Gary Felder, Eastern District of Michigan, prosecuted this case.



U.S. Department of Justice

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Nov 16, 2006

EVENT: Sentencing

Defendant: Kara DePastine-Mitchell

FORMER COMERICA BANK EMPLOYEE SENTENCED FOR EMBEZZLEMENT

A former Comerica bank employee was sentenced today to 27 months imprisonment for charges related to the embezzlement of approximately \$830,000, United States Attorney Stephen J. Murphy announced today. Mr. Murphy was joined in the announcement by Daniel D. Roberts, Special Agent in Charge, Federal Bureau of Investigation.

Kara DePastine-Mitchell, 27 of Westland, Michigan, was sentenced by United States District Judge Robert H. Cleland.

DePastine-Mitchell pleaded guilty in August of this year to one count of Bank Embezzlement.

At the time of her plea, DePastine-Mitchell admitted to the Court that over a six year period she fraudulently took approximately \$830,000 from various customers accounts while employed as an Assistant Manager at the Comerica Bank branch located on West 10 Mile Road in Novi. The embezzlement involved 154 separate acts of theft, ranging from \$300 to \$72,000. DePastine-Mitchell admitted to using the funds to pay bills and for living expenses.

United States Attorney Stephen J. Murphy said, "Any breach of trust by a bank employee is a serious matter, but the crime of stealing over \$800,000 from customer accounts is of the utmost gravity for both the public and the financial institution."

The case was prosecuted by Assistant United States Attorney Jennifer Gorland.



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Nov 20, 2006

EVENT: Guilt Verdict

Defendant: Kirk Lanam

**FORMER COMPUTER SYSTEMS MANAGER FOUND GUILTY
OF COMPUTER INTRUSION**

A former computer systems manager for three Detroit suburban companies was found guilty by a federal jury in Detroit of using one of his client's computer networks to attack the other two, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by FBI Special Agent in Charge Daniel D. Roberts, of the Detroit Division.

Found guilty on three felony counts of computer intrusion was Kirk Lanam 34, of Livonia, a former computer Systems Manager and Consultant for Total Mortgage Corporation, Keller Williams, Inc. and Air Source One, Inc, all of the Detroit area.

The jury deliberated for about three hours before returning the verdict, concluding a five-day trial before United States District Judge Avern Cohn.

The evidence presented during the trial showed that between March 1, 2005 and March

8, 2005, Lanam used a client's computer network to attack former clients' computer networks via the Internet. The evidence demonstrated that Lanam turned off one company's firewall, leaving that computer network vulnerable to infection by Internet worms and viruses. Further, Lanam launched an attack called a "ping flood" against the computer-based telephone system of one of his former clients, which had the effect of overwhelming the phone system with so much data that the system was overwhelmed and rendered inoperable.

United States Attorney Stephen J. Murphy said, "Computer intrusions damage companies and violate the privacy of legitimate computer users. I am pleased that our recently established Computer, High Tech Crime, and Intellectual Property Unit ("CHIP Unit"), together with the FBI's excellent Cyber Squad, has brought this complex investigation to a successful conclusion. Hackers may be sophisticated, but they can be caught. Intrusion cases may be complicated, but they can be proven in court. My hat is off of the FBI for the excellent investigation they conducted here."

All three charges are felonies and carry a maximum sentence of 10 years' imprisonment and a \$250,000 fine, although any sentence will be imposed pursuant to the United States Sentencing Guidelines, which are advisory to the Court.

A sentencing date for Lanam will be scheduled by the Court. This case was prosecuted by Assistant United States Attorney Graham L. Teall.



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Nov 21, 2006

EVENT: Sentencing

Defendant: George Steven Scantland

**CLINTON TOWNSHIP RESIDENT SENTENCED TO 15 YEARS
IMPRISONMENT FOR DEALING METHAMPHETAMINE WITH A FIREARM**

United States Attorney Stephen J. Murphy announced today that Clinton Township resident George Steven Scantland, 46, was sentenced in federal court by United States District Judge Paul D. Borman to 15 years' imprisonment, followed by eight years of supervised release on methamphetamine and firearms charges.

Scantland was found guilty on June 30, 2005 by a Federal Jury in United States District Court in Detroit on charges of possessing more than five grams of methamphetamine with the intent to distribute, possessing marijuana with the intent to distribute, possessing a firearm in furtherance of drug trafficking, operating a drug premises, and possessing firearms as a convicted felon.

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

U.S. Attorney Murphy said, "This is a significant prison sentence that demonstrates the dangers that meth poses to our community. The combination of drug trafficking and illegal firearm possession means hard time in federal prison."

SAC Goddard said, "Illegal drugs and guns go hand-in-hand and are a threat to the safety of our citizens and to our law enforcement officers," said SAC Goddard. "Our Project Safe Neighborhood strategy focuses on removing habitual offenders and illegal firearms from our streets."

The evidence presented at trial showed that Scantland was distributing methamphetamine and marijuana out of his residence on Ellen Street in Clinton Township. On July 15, 2004, Clinton Township narcotics officers executed a search warrant at Scantland's home. The search revealed a large marijuana growing operation, complete with 89 marijuana plants, florescent lights, an irrigation system, fertilizer, and plant growing material. The search yielded over 30 grams of methamphetamine, eight gallon-sized bags of marijuana, cocaine, a loaded handgun, a loaded shotgun, an assault rifle, 21 boxes of ammunition, and over \$1,400 in cash. Scantland was home at the time of the search and was arrested on the premises.

The trial spanned 10 days and the jury deliberated approximately three hours.

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.



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Nov 22, 2006

EVENT: Civil Recoveries in 2006

**JUSTICE DEPARTMENT RECOVERS RECORD \$3.1 BILLION
IN FRAUD AND FALSE CLAIMS IN FISCAL YEAR 2006
Largest Amount Ever Recovered in a Single Year**

Detroit– The United States in the fiscal year ending September 30, 2006 recovered a record amount of more than \$3.1 billion in settlements and judgments in cases involving allegations of fraud against the government, the Justice Department announced. Previously, the Department’s largest recoveries totaled \$2.2 billion for FY 2003. The largest of the FY 2006 settlements against two industry giants – Tenet Healthcare Corporation and The Boeing Company – comprised nearly half the total.

United States Attorney Stephen J. Murphy noted that the case of *United States v. ABN AMRO Mortgage Group* was listed in the top 10 Department of Justice civil recoveries in the country. The settlement, which was announced by Mr. Murphy earlier this year, involved the recovery of \$41 million from ABN AMRO Mortgage Group, Inc. (ABN), a wholly owned subsidiary of LaSalle Bank Midwest, N.A., based in Troy, Michigan. ABN settled allegations that it had falsely certified that 28,097 mortgages had been underwritten in compliance with Department of Housing and Urban Development (HUD) requirements, thereby qualifying them for HUD insurance. Over 1000 of these mortgages went into default, triggering substantial

losses suffered by HUD in paying its insurance obligations. The settlement was a record for HUD's Federal Housing Administration loan insurance program.

The ABN settlement, which I mentioned at the time it was filed, shows this District's serious commitment to stamping out fraud and maintaining the integrity of the federally insured mortgage program. Our Office will continue to use all tools available to it, including civil enforcement, to protect all government programs and the people who benefit from them," said U. S. Attorney Stephen J. Murphy.

Government-initiated claims accounted for \$1.8 billion of the total \$3.1 billion, while suits brought by whistle blowers under the False Claims Act's qui tam provisions accounted for the remaining \$1.3 billion. The qui tam provisions authorize individuals to file suit on behalf of the United States against those who have falsely or fraudulently claimed federal funds. Such cases run the gamut of federally funded programs from Medicare and Medicaid to defense contracts, disaster assistance and agricultural subsidies.

Individuals who knowingly submit false claims for federal funds are liable for three times the government's loss plus a civil penalty of \$5,500 to \$11,000 for each false claim. If the United States intervenes in a qui tam action, the person who filed the suit may receive from 15 up to 25 percent of the government's recovery. In FY 2006, whistleblowers were awarded \$190 million. (This figure does not reflect whistleblower shares for FY 2006 settlements that were or will be determined after Sept. 30, 2006.)

By industry, 72 percent of the recoveries were in health care, 20 percent in defense, and 8 percent other. Health care fraud accounted for \$2.2 billion in settlements and judgments, including a \$920 million settlement with Tenet Healthcare Corporation, the nation's second largest hospital chain. Although Medicare and Medicaid, both administered by the Department of Health and Human Services, bear the brunt of health care fraud, other programs that are affected include the Federal Employees Health Benefits Program run by the Office of Personnel Management, the TRICARE military health insurance program run by the Department of Defense, and health care programs run by the Department of Veterans Affairs, the Department of Labor and the Railroad Retirement Board.

Defense procurement fraud accounted for \$609 million in settlement and judgment awards, including a \$565 million settlement with The Boeing Company, the nation's second largest defense contractor.



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Nov 22, 2006

EVENT: Indictment

Defendant: Sisayehiticha Dinssa

**FEDERAL GRAND JURY INDICTS
MAN FOR CASH SMUGGLING AT AIRPORT**

Sisayehiticha Dinssa, 34, was indicted by a federal grand jury in Detroit today on charges of bulk cash smuggling and making false statements to Customs and Border Protection officers, United States Attorney Stephen J. Murphy announced.

Murphy was joined in the announcement by Brian M. Moskowitz, Special Agent-In-Charge of the Immigration and Customs Enforcement Office of Investigations in Detroit and John C. Bates, Chief Patrol Agent for the Detroit Sector of Customs and Border Protection.

The three-count indictment charges that Dinssa attempted to smuggle \$78,883 into the United States at Detroit Metropolitan Airport. Dinssa was bound for Phoenix on an itinerary that originated in Nairobi, Kenya and continued to Amsterdam, Netherlands. The Indictment further alleges that Dinssa knowingly lied to Customs and Border Protection officers at Detroit Metropolitan Airport about the amount of currency in his possession. In addition, the Indictment seeks criminal forfeiture of the currency.

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 special agents of ICE and CBP officers. The case is being prosecuted by Assistant U.S. Attorneys Leonid Feller and Julie Beck.



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Nov 21, 2006

EVENT: Guilty Plea

Defendant: William J. Rauwerdink

Former Lason Executive Pleads Guilty to Fraud

The former Chief Financial Officer of Lason, Inc. pleaded guilty today to conspiring to commit mail, wire, and bank fraud and make false statements to the Securities and Exchange Commission, and to filing a false and fraudulent quarterly report (10-Q) for Lason with the SEC, United States Attorney Stephen J. Murphy announced. Joining in the announcement was Daniel D. Roberts, Special Agent in Charge of the Detroit Division of the Federal Bureau of Investigation.

William J. Rauwerdink, 56, of West Bloomfield, Michigan, entered the guilty pleas before U.S. District Judge Arthur J. Tarnow. Mr. Rauwerdink, a CPA, became the CFO of Lason, a company based in Troy, Michigan, in May 1996. The charges to which he pleaded guilty involve Lason's financial statements for 1998 and the first three quarters of 1999, which fraudulently inflated Lason's net income through several accounting devices and the outright fabrication of revenues. The scheme, which lasted nearly two years, enabled Lason to meet or exceed Wall Street's consensus estimates for Lason's earnings per share (EPS) and boosted the price of Lason's common stock and the value of Lason stock options held by senior management, including Mr. Rauwerdink. The fraudulent financial statements were included in

quarterly and annual reports (10-Qs and 10-Ks) filed by Lason with the SEC, all signed by Mr. Rauwerdink, and were relied on by stock analysts, investors, and Lason's major lenders.

From its initial public offering in 1996 through the third quarter of 1999, Lason's *reported* EPS never failed to meet Wall Street's estimates. In December 1999, facing an earnings gap that was simply too big to be plugged by fraud, Lason announced that its EPS for the fourth quarter would come in below the figure projected by stock analysts. The next business day, Lason's stock price fell 51%, resulting in a loss to investors of about \$196 million. The accounting fraud also resulted in substantial losses to members of the bank syndicate that provided Lason with its principal line of credit.

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 the offenses, Lason was a provider of printing services, mail-processing service, and electronic information management services to hundreds of businesses located throughout the United States, Canada, Mexico, the United Kingdom, and India.

Under his plea agreement with the government, Mr. Rauwerdink faces up to 97 months' imprisonment and \$500,000 in fines and could be ordered to pay restitution to Lason's former shareholders and lenders.

Two other former Lason executives have pleaded guilty to federal crimes. Its former President and Chief Operating Officer, John Messinger, pleaded guilty before Judge Tarnow in August 2004 to aiding and abetting the filing with the SEC of Lason's fraudulent 10-Q for the third quarter of 1999. Mr. Messinger has cooperated with the government and is scheduled to be sentenced in February 2007. He faces a maximum sentence of 37 months' imprisonment.

And Lason's former CEO and Chairman, Gary Monroe, pleaded guilty before Judge Tarnow to the same charge earlier this month. He, too, agreed to cooperate with the government and is scheduled to be sentenced in February 2007. He faces a maximum sentence of 46 months' imprisonment.

Mr. Murphy noted that Lason ended its employment relationship with Messrs. Rauwerdink and Monroe in the spring and summer of 2000 and with Mr. Messinger in March 2001, when Lason reported the results of its internal investigation to the SEC and the U.S. Attorney's Office. The internal investigation found that there were accounting irregularities in Lason's past financial statements. Lason itself, Mr. Murphy added, has not been charged and has not been a target of the government's investigation. "Lason's current management has been and continues to be fully cooperative with the U.S. Attorney's Office, the FBI, and the SEC."

Lason filed for bankruptcy protection under Chapter 11 in December 2001 and emerged from Chapter 11 in July 2002 in a restructured form. In August 2004, Lason was purchased by a private equity firm, Charterhouse Group, Inc., and remains in business today as a privately held company.

In May 2003, the SEC filed a civil complaint in federal district court in Detroit against Messrs. Monroe, Rauwerdink, and Messinger and Lason's former controller. That complaint remains pending.

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



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Nov 27, 2006

EVENT: Judgment

Defendant: Bli Farms

**BLI FARMS AND RICHARD BLI ORDERED TO PAY
\$2.128 MILLION IN DAMAGES FOR FALSE CROP INSURANCE CLAIMS**

Bli Farms, Richard Bli and the estate of James E. Bli, deceased, were found liable to the United States for \$2,128,920 for false crop insurance claims filed by the partnership, Bli Farms, for their 1992, 1994 and 1995 potato crops, United States Attorney Stephen J. Murphy announced today.

Joining in the announcement was Special Agent in Charge Don Meeks, of the United States Department of Agriculture, Office of Inspector General.

Bli Farms is a partnership, formed in 1992 by Bay County potato growers Richard Bli and his now deceased brother, James E. Bli.

Following a bench trial, United States District Judge David M. Lawson found that Richard Bli, acting on behalf of the partnership, Bli Farms, violated the False Claims Act by knowingly submitting false claims for crop insurance indemnities on Bli Farms' 1992, 1994 and 1995 potato crops, and by knowingly submitting false certifications of Bli Farms' potato

production for these crop years to get these false claims paid. The court found that these claims were false because Bli Farms had substantial unreported sold potato production for these crop years. Had Richard Bli, acting on behalf of Bli Farms, reported all of Bli Farms' sold potato production for the crop years 1992 and 1995, Bli Farms would not have received any indemnities on its potato crops. Had Bli Farms reported all of its 1994 sold potato production, it would have received a significantly reduced indemnity for losses on its insured potato crop.

The court determined that Bli Farms received \$704,640 in crop insurance indemnities to which it was not entitled because of Bli Farms' actual sold potato production. Under the False Claims Act, these damages are trebled, to \$2,113,920. The Court determined that the defendants are liable for penalties under the False Claims Act, totaling \$15,000.

In addition to the \$2,128,920 judgment, Bli Farms and Richard Bli face exclusion from federal programs as a result of their fraud.

United States Attorney Stephen J. Murphy said, "The public should not bear the cost of false or exaggerated claims for crop insurance, which is fraud -- pure and simple. I applaud the hard work of the trial team in this case, as well as the excellent work of the Inspector General of the Department of Agriculture in this case."

Copies of the Court's Findings of Fact and Conclusions of Law, and the Judgment may be obtained from the U.S. Attorney's Office in Bay City or Detroit.



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Nov 27, 2006

EVENT: Guilty Plea

Defendant: Dwight Finley

“DAPPER BANDIT” PLEADS GUILTY TO BANK ROBBERY

A Detroit man who was charged with robbing 13 banks in the metro Detroit area between March 17, 2006 and July 20, 2006, entered a guilty plea yesterday in federal court, announced United States Attorney Stephen J. Murphy.

United States Attorney Murphy was joined in the announcement by Special Agent in Charge Daniel D. Roberts, Federal Bureau of Investigation.

Dwight Finley, 57, of Detroit, dubbed the “Dapper Bandit” by the FBI because of his well dressed appearance during each of the robberies, entered a guilty plea to bank robbery before United States District Judge George Caram Steeh.

The evidence presented during the plea showed that on March 17, 2006, Finley entered a Charter One Bank located at 16841 Schaefer, Detroit, Michigan and handed the teller a note demanding money and threatening to shoot. Finley received an undisclosed amount of cash and fled the area.

Under the terms of the plea agreement with the government, Finley plead guilty to Count One of the indictment, but was also held responsible for the conduct alleged in the twelve remaining counts of bank robbery. All of this conduct resulted in an estimated sentencing guideline range of 78-97 months in prison. Finley will also be responsible for paying restitution in the amount of \$20,406.06 which represents the amount taken in all thirteen robberies.

United States Attorney Murphy said, "The Dapper Bandit may have been all dressed up, but he's got nowhere to go except prison thanks to the hard work of the DPD and the FBI"

Sentencing is scheduled for March 8, 2007.

This case was investigated by the Detroit Police Department and the Federal Bureau of Investigations.



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Nov 27, 2006

EVENT: Sentencing

Defendant: Deshawn Marquis Pickett

DEFENDANT SENTENCED TO 100 MONTHS IN BANK ROBBERY CASE

Deshawn Marquis Pickett, 34, of Detroit was sentenced to 100 months in federal prison by United States District Judge Bernard A. Friedman, United States Attorney Stephen J. Murphy announced today. FBI Special Agent in Charge Daniel D. Roberts joined in the announcement.

Pickett was convicted following a three-day jury trial on July 27, 2006, of committing three bank robberies, two occurring at the Charter One Bank, located at 19601 Vernier, Harper Woods, Michigan, and a third occurring at the Charter One Bank located at 8890 W. Eight Mile Rd., Royal Oak Township, Michigan. Pickett was identified as the robber by the three victim-tellers, who had identified him through photo and live line-ups. Bank video surveillance images were also available for identification purposes. On each occasion a demand note, threatening physical harm if the money was not surrendered was presented to the tellers. Pickett attempted to disguise himself in each robbery with wigs and hats. The amount of loss suffered by Charter One Bank exceeded \$10,000.

United States Attorney Stephen J. Murphy said, "Bank robberies are federal crimes that

carry extremely high risks of harm to life or limb due to the presence of employees, customers, and bank security personnel. This significant sentence should give pause to any criminals contemplating a bank heist: the penalty will be severe.”

The case was prosecuted by Assistant United States Attorney Susan Gillooly.



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Nov 27, 2006

EVENT: Sentencing

Defendant: Tommy J. Hollifield

OAKLAND, MICH. MAN SENTENCED FOR MAKING PIPE BOMB

A former employee of Detronic Industries, Sterling Heights, MI was sentenced today to three months in custody, followed by a period of three months of home confinement and a two year period of supervised release for charges related to the manufacture of an unregistered destructive device (pipe bomb), United States Attorney Stephen J. Murphy announced today. Mr. Murphy was joined in the announcement by Special Agent in Charge Valerie J. Goddard, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

Tommy J. Hollifield, 48, of Oakland, MI, was sentenced by United States District Judge Paul D. Borman.

Hollifield pleaded guilty on April 24, 2006 to one count of Manufacture of an Unregistered Destructive Device. The offense arose following Hollifield's arrest at his place of employment by Sterling Heights Police, who responded to a report that an employee was in possession of a pipe-bomb. During a search of Hollifield's work area the pipe-bomb was recovered. Additional explosive devices were recovered by the police during a search of

Hollifield's vehicle, which was parked in the business' parking lot. Other miscellaneous materials used to manufacture explosives and partially constructed M-80 type explosive devices were recovered from Hollifield's residence.

At the time of his plea, Hollifield admitted to manufacturing the pipe bomb, and previously selling it to a co-employee. Hollifield acknowledged that he constructed the pipe bomb with an empty section of cardboard tube containing powder, nails, screws and BB pellets. Hollifield has also admitted to manufacturing homemade fireworks on other occasions and selling them to others to supplement his income.

United States Attorney Stephen J. Murphy stated, "Pipe bombs and similar explosive devices present clear and present dangers to the public. Anyone who would endanger others with such destructive items can expect a swift and decisive prosecution response from my office. I commend the excellent work of both ATF and the Sterling Heights Police Department in protecting our community through this investigation."

"In this day and age of terrorism we take very seriously those who manufacture, distribute or possess illegal explosive devices. There is no lawful purpose for these devices and they are a great danger to our society," stated SAC Goddard. "This case highlights our commitment to arrest and prosecute bomb builders regardless of their intent.

The case was prosecuted by Assistant United States Attorney Susan Gillooly and investigated by ATF and the Sterling Heights Police Department, with the assistance of the Michigan State Police (MSP) Bomb Squad, Michigan State Police Forensic Laboratory, Federal Bureau of Investigation and the Oakland County Sheriff's Department.



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Nov 28, 2006

EVENT: Sentencing

Defendant: Candrea R. Cato

FORMER DETROIT RESIDENT SENTENCED FOR IDENTITY THEFT SCAM

A former resident of Detroit was sentenced today to 12 years imprisonment for organizing a scheme that used stolen identities and credit card information to defraud Western Union of almost one million dollars, United States Attorney Stephen J. Murphy announced today. Mr. Murphy was joined in the announcement by Special Agent in Charge Desmond Scanlon, United States Secret Service.

Candrea R. Cato, 25, a former Detroit resident who was already serving a federal sentence for another offense, was sentenced by United States District Judge John Feikens.

Cato and ten other Michigan residents were named in a 106-count indictment returned in January, 2006. The indictment described a scheme whereby Cato and her co-conspirators telephoned people with primarily Asian-sounding names and pretended to be representatives from credit card companies. The conspirators, by claiming that an individual had been apprehended illegally using the telephoned person's credit card, would dupe people into disclosing credit card information and personal identifiers. The conspirators then used the stolen credit card information and personal identifiers to telephonically initiate and "pay" for

Western Union money transfers. More than a thousand credit card numbers were compromised over a two-year period, and Western Union suffered more than \$950,000 in losses. Cato pleaded guilty to charges of conspiracy, wire fraud, bank fraud, credit card fraud, and aggravated identity theft on August 10, 2006. Following her term of imprisonment, Cato will be on supervised release for 3 years. Cato was also ordered to pay restitution in the amount of \$951,099.12.

United States Attorney Murphy stated, "Identity theft is the crime that keeps on offending, as victims are left to pick up the pieces of their damaged credit over months or even years. This ID theft ring appeared to target a single ethnic group, which adds a degree of manipulation and connivance that is particularly odious. The court imposed an appropriate sentence for this conduct."

Previously sentenced for their roles in the scheme were:

- Debra L. Young, 50, of Detroit, to 72 months imprisonment, followed by 3 years supervised release, and \$951,099.12 restitution.

- Johnny Rutherford, 22, of Taylor, to 42 months imprisonment, followed by 2 years supervised release, and \$67,804 restitution.

- Latina A. Thomas, 28, of Detroit, to 42 months imprisonment, followed by two years supervised release, and \$113,160 restitution.

- Antonio L. Cranford, 21, of Southfield, to 5 months imprisonment, followed by two years supervised release with the first 150-days being served in home confinement, and \$38,654 restitution.

Awaiting sentencing are: Wesley L. Layton, 20, of Detroit; April S. Anderson, 22, of Highland Park; and Jamicka Price, 21, of Detroit.

Freddie L. Jones, Jr., 23, of Detroit, is scheduled to enter a guilty plea on December 12, 2006.

Tonya L. Moore, 30, and Lakesha D. Thomas, 20, both of Detroit, are awaiting trial.

The case was investigated by the United States Secret Service, with assistance from the Department of Treasury Inspector General for Tax Administration.

The case was prosecuted by Assistant United States Attorney Stephen T. Robinson.



U.S. Department of Justice

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Nov 28, 2006

EVENT: Sentencing

Defendant: Stephen Jackson

MAN JAILED FOR FAILING TO PAY CHILD SUPPORT

United States Attorney Stephen J. Murphy announced today that a New York man was sentenced yesterday afternoon to 16 months in federal prison for failing to pay almost \$130,000 in child support for his two Michigan children.

Stephen Jackson, 52, a General Motors employee who has lived and worked in New York for quite some time, was sentenced by United States District Judge Julian Abele Cook, Jr. In addition to the prison sentence, Judge Cook also ordered Jackson to pay restitution in the amount of the child support arrearage as of the date of sentencing, which was \$129,929.11.

Jackson pleaded guilty in May 2006 to one count of Failure to Pay Child Support. At the time of his plea, Jackson admitted to the Court that from December 1995 to the present, he failed to pay child support which was ordered by the Wayne County Circuit Court (now Third Circuit Court) with respect to his two children who resided in Michigan with their mother.

U.S. Attorney Murphy said, “Any parents who fail to meet their court-ordered obligations to support their children should realize that the costs of such irresponsibility can be quite high, up to and including federal prison.”

Mr. Murphy thanked the Department of Human Services, Office of Inspector General, for their successful investigation of the case. This case was prosecuted by Assistant United States Attorney Frances Lee Carlson.



U.S. Department of Justice

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For Immediate Release:

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Nov 30, 2006

National Methamphetamine Awareness Day

The White House has officially proclaimed Thursday, November 30, 2006, as the first-ever National Methamphetamine Awareness Day in order to raise awareness about the dangers of methamphetamine use. In recognition of National Methamphetamine Awareness Day, U.S. Attorney Stephen J. Murphy will discuss the methamphetamine initiative he announced for the district in August, 2005, and highlight local successful prosecutions in our district. In addition to the local press conference, U.S. Attorney Murphy will deliver remarks to corporate security officials, business leaders and educators from GM, Chrysler and Michigan State University at General Motors Headquarters in Detroit.

**A press conference is scheduled to take place in Lansing at 10:00 am. Participants will include United States Attorney Stephen J. Murphy, Deputy Director Mary Ann Solberg, White House Office of National Drug Control Policy, Margaret M. Chiara, U.S. Attorney, Western District of Michigan, Donald L. Allen, Jr., Director of the Michigan Office of Drug Control Policy, Col. Peter M. Munoz, Director of the Michigan State Police, Abraham L. Azzam, Director, Michigan HIDTA and Robert Corso, Special Agent in Charge, Drug Enforcement Administration, Detroit.

Local media is welcomed to attend the event in Lansing, however, if you are unable to attend the statewide press conference, you are invited and encouraged to attend the local press conference given by U.S. Attorney Murphy.



U.S. Department of Justice

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Nov 29, 2006

EVENT: Guilty Plea

Defendant: Daniel P. Alef

**REDFORD MAN PLEADS GUILTY TO RECEIPT
AND DISTRIBUTION OF CHILD PORNOGRAPHY**

A 47-year-old Redford man, who possessed ninety images of child pornography and visited many hundreds of child pornography websites pled guilty in federal court today, United States Attorney Stephen J. Murphy announced. Joining in the announcement was Brian M. Moskowitz, Special Agent-In-Charge of the Immigration and Customs Enforcement (ICE) Office of Investigations in Detroit.

Daniel P. Alef, the sales manager for Glassman Saab, pled guilty to one felony count of receipt and distribution of child pornography before United States District Judge Arthur J. Tarnow. Alef, who lived for 13 years in Farmington Hills before moving to Redford in June, admitted that he had been receiving child pornography since 1999. Forensic evaluation of a Hewlett Packard desktop and a Toshiba laptop computer belonging to the defendant resulted in the discovery of 90 images and one short movie. The children in the photographs are estimated to be between 7 and 13 years-of-age. ICE agents also determined that defendant had visited approximately 12,000 pornography related websites since 1999, many of which were dedicated to child pornography.

This latest guilty plea evidences the success of our Child Protection initiative and demonstrates the office's continuing commitment to prosecuting these heinous offenses," United States Attorney Murphy said. "The community should be reassured that will not do all we can to prevent individuals from preying on our children."

This case and the other cases resulting from Operation Predator reveal the disturbing truth that some adults will go to great lengths to sexually exploit children," said Brian M. Moskowitz, special agent-in-charge of the ICE Office of Investigations in Michigan. "While we cannot give back the innocence to those who were abused and exploited, we can make sure that justice is served."

Receipt and distribution of child pornography is punishable by a minimum mandatory sentence of 5 years imprisonment and a maximum sentence of 20 years imprisonment and a fine of up to \$250,000 dollars. A plea agreement signed by the defendant calls for a term of imprisonment of 78-97 months. Sentencing is scheduled for February 28, 2006, at 2:00 p.m. The case is being prosecuted by Assistant United States Attorney Leonid Feller.