



U.S. Department of Justice

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October 7, 2005

EVENT: Indictment

Defendant: Michael A. Clark et al

**15 PEOPLE INDICTED ON MARIJUANA
AND COCAINE CHARGES**

Thirteen individuals from the Detroit area and two from Arizona have been indicted by a federal grand jury in Detroit on charges of Conspiracy to Possess with Intent to Distribute and to Distribute Marijuana and Cocaine, Use of a Communication Facility to Conspire to Possess with Intent to Distribute Controlled Substances, Money Laundering , engaging in a Continuing Criminal Enterprise and Felon in Possession of a Firearm, 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 (DEA), Special Agent in Charge Daniel D. Roberts, Federal Bureau of Investigation (FBI), Chief Ella Bully-Cummings, Detroit Police Department (DPD) and Col. Tadarial J. Sturdivant, Director of the Michigan State Police (MSP).

Named in the indictment are:

Michael Anthony Clark,
Kevin Lenard Youngblood
Charles Riley Gadson
James Jackson
FNU LNU aka "Tio"
Todd Duane Benally
Treyvan Agee

Bessie Blount Howard
Alissa Canty
Stephanie Helen Baxter
Ramando Antone Wellons
Jerry L. Sexton
Lee H. Gilmore
Leon Johnson
Felix Pedro Betanco

According to the indictment, defendant CLARK was the leader of a Detroit based drug trafficking organization which operated in the Detroit area for more than 15 years. The organization is responsible for transporting more than 1,000 kilograms of marijuana from the Western United States to the Eastern District of Michigan, and elsewhere for distribution, as well as over 11 kilograms of cocaine.

As part of their roles in the organization defendants CLARK and YOUNGBLOOD recruited and caused others to assist in the transportation of marijuana and cocaine from the Western United States of America to the Eastern District of Michigan for distribution as well as to assist in the transportation of monies in payment for the controlled substances. In addition the co-defendants would store the cocaine and marijuana in their homes and in stash-houses to prevent detection by law enforcement.

In January 2005, FBI, DEA, DPD, and MSP initiated this investigation in an attempt to successfully disrupt and dismantle this violent gang and drug trafficking organization headed by CLARK by utilizing innovative investigative techniques. As a result of this investigation, two Arizona based marijuana drug traffickers associated with this organization were targeted. Law enforcement determined that a large amount of marijuana was en route to Detroit from Arizona. Large amounts of marijuana was being transported using a tractor-trailer to facilitate the transportation and distribution of this organization's narcotics in Detroit.

This investigation has resulted in the indictment of 15 defendants and the seizure of 1500 pounds of marijuana, over 100 kilograms of cocaine, and approximately \$2 million dollars in cash and other assets. The indictment seeks forfeiture of three homes, twelve automobiles and five businesses.

"This indictment signals my office's continuing commitment to fight large scale marijuana distribution networks like the one named in the indictment from delivering illicit street drugs into the stream of commerce in Detroit. The criminal asset forfeiture counts of the indictment should let all drug dealers know that we are vigilant in our efforts to destroy the drug trafficking trade by taking the profits of drug dealing away from drug dealers and putting the money associated with illegal drugs into the hands of law enforcement," said U.S. Attorney Murphy.

"For 15 years, Michael Clark has hid in the shadows of Detroit furthering his marijuana trade. With his arrest communities face a brighter day free from the terror caused by his drug trafficking organization and activities," said SAC Corso.

"These arrests represent a culmination of the hard work and investigative efforts of the agencies involved. The FBI continues to aggressively investigate the most violent gang and

drug trafficking organizations such as the Clark organization as a top priority,” said SAC Roberts.

U.S. Attorney Murphy noted that this investigation would not have been possible without the combined effort of the Drug Enforcement Administration, the Federal Bureau of Investigation, the Detroit Police Department, and the Michigan State Police.

A conviction of these offenses carry a statutory sentence of 20 years to life in prison and/or a \$ 4 million. Any sentence will ultimately be imposed under the United States Sentence Guidelines according to the nature of the offense and the criminal background, if any, of the defendant

An indictment is only a charge and is not evidence of guilt. It will be the government’s burden to prove guilty beyond a reasonable doubt.



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October 26, 2005

EVENT: Guilty Verdict

Defendant: Jamal Elledge

**LOS ANGELES, CALIFORNIA RESIDENT CONVICTED
ON FEDERAL DRUG CHARGES**

A 36-year-old Los Angeles, California man was found guilty today by a federal jury in Detroit on charges of conspiracy to distribute marijuana and attempted possession with intent to distribute marijuana, United States Attorney Stephen J. Murphy announced today. Mr. Murphy was joined in the announcement by Robert L. Corso, Special Agent in Charge of the Drug Enforcement Administration in Detroit.

Found guilty was Jamal Elledge.

The jury deliberated for approximately six hours before returning the verdict, concluding a one-week trial before United States District Judge Gerald E. Rosen.

The evidence presented at trial showed that Jamal Elledge hired drug couriers to travel from Los Angeles, California to Phoenix, Arizona, where they would receive hundreds of pounds of marijuana. The couriers would then transport the marijuana in rental vehicles to the Detroit, Michigan area. Elledge would fly to the Detroit area in order to accept the load of marijuana from the couriers. Evidence showed that the organization which Elledge was operating transported three loads of marijuana between August and November of 2002. On November 11, 2002, Elledge was arrested when he attempted to take custody of a 297 pound (gross weight) load of marijuana at a local hotel. The wholesale value of the marijuana involved in that transaction was approximately \$300,000.00.

Murphy commended the work of the agents of the Drug Enforcement Administration in the investigation.

Sentencing was set for January 27, 2006, at 2:00 p.m.. Based on the quantity of marijuana found by the jury's verdict, as well as his prior felony drug convictions, the defendant faces a maximum prison term of 30 years on each of the two counts. The case was prosecuted by Assistant U.S. Attorney Wayne F. Pratt.



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October 27, 2005

EVENT: Guilty Plea

Defendant: Richard Zaranek

**FORMER ELEMENTARY SCHOOL PRINCIPAL PLEADS GUILTY
TO EMBEZZLEMENT AND MONEY LAUNDERING**

A 56-year-old former elementary school principal pleaded guilty today to two counts of an Information charging him with embezzlement and money laundering, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Maurice Aouate, Special Agent In Charge of the Detroit Field Office of the Internal Revenue Service Criminal Investigation, Clinton Township Police Chief Al Ernst and Daniel D. Roberts, Special Agent In Charge of the Detroit Field Office of the Federal Bureau of Investigation.

Pleading guilty before U.S. District Judge John Feikens was Richard Zaranek of Grosse Pointe Farms, the former Principal of Cherokee Elementary School, located in Clinton Township.

The embezzlement and money laundering charges stem from Zaranek's theft from the child care program and parent-teacher organization at Cherokee Elementary School, which

amounted to almost \$400,000. The embezzlement occurred during Zaranek's tenure between March of 1996 and March of 2003. Zaranek laundered the money by funneling cash and checks through different school-related accounts, then wrote checks on those accounts to himself, personal creditors and personal investment accounts.

There is a plea agreement between the government and Zaranek. Under it, Zaranek agrees to a sentence of between 27 and 33 months imprisonment. Zaranek must also forfeit two properties located in Grosse Pointe Farms and Wales Township which were owned by him to reach the embezzled amount, namely, \$399,691.35. The two counts to which he pleaded guilty carry a total maximum sentence of 30 years imprisonment and a \$750,000 fine.

United States Attorney Murphy said, "Public integrity prosecutions are among the highest priorities of this Office. Stealing from public funds earmarked for children's programs are particularly egregious crimes. We will not let down our vigilance against these sorts of criminal acts and we will not relent in our efforts to ensure that all taxpayers get the honest service they deserve in return for the tax dollars they pay."

The investigation of this case was conducted by the Internal Revenue Service, Criminal Investigations Division, the Clinton Township Police Department and the Federal Bureau of Investigation. The case was prosecuted by Assistant U.S. Attorneys R. Michael Bullotta and Rita Foley.



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October 18, 2005

EVENT: Indictment and Complaints

Defendant: Myron L. Hooker et al

20 INDIVIDUALS CHARGED IN MULTI-MILLION DOLLAR MORTGAGE FRAUD SCHEME

Myron L. Hooker, Jr., 39 of Southfield, Peter Garland, 36 of Southfield, Nicole Jackson, 34 of Southfield, Antwan Mcrae, 31 of Detroit, Keith Lakey, 43 of West Bloomfield, and Monique Bankhead, 32 of Detroit, have been indicted by a federal grand jury on charges of wire fraud, mail fraud and conspiracy to commit those offenses, United States Attorney Stephen J. Murphy announced today.

In addition, Michael Bigbee, 27 of Detroit, Elbe White, 33 of Southfield, Tyrone Claybrook, 33 of Detroit, Chad Evans, 38 of Grosse Pointe Park, Sylvester Hickson, 56 of Southgate, Darrick McCaster, 36 of Southfield, Kara Motley, 38 of Detroit, Yolanda Lance, 33 of Southfield, Jennie Moore, 24 of Farmington Hills, Maxine Matthews, 62 of Detroit, Jerry Matthews, 34 of Oak Park, Timothy Nowc, 35 of Westland, Rex Reddick, 37 of Woodland Hills, California, and Jeffrey Stillman, 45 of West Bloomfield, were charged in criminal complaints with wire fraud and mail fraud, based upon similar allegations arising from this investigation.

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

The 20-count Indictment charges that from January, 2003, through the date of the indictment, these defendants and other conspirators devised a scheme to defraud and to obtain money from various lending institutions, banks and individuals in the Detroit Metropolitan area through mortgage fraud. The indictment alleges that the defendants conspired to obtain fraudulent mortgage loans on numerous properties and arranged to have the illegal proceeds of the fraud split, in varying proportions among themselves.

According to the Indictment, defendants Hooker and Garland orchestrated the fraud by coordinating and directing the activities of loan officers, straw buyers, collusive sellers, real estate appraisers, and closing agents, some of whom are also charged in the indictment. For instance, Hooker and Garland obtained falsely inflated appraisals on real estate and paid straw buyers to act as purchasers of the property. To bolster the straw buyer's credit-worthiness, false income and asset documentation was provided by Hooker and Garland. Relying on the falsely inflated appraisals and fraudulent documentation, lending institutions approved and disbursed loans. These loans often subsequently went into default leaving the lending institutions with insufficient collateral and substantial losses.

The affidavits filed in support the criminal complaints also allege mortgage fraud schemes intended to defraud financial institutions, lending companies and individuals in the Detroit Metropolitan area and elsewhere. The named defendants played various roles in the schemes including processing fraudulent loan applications, recruiting straw buyers, arranging for falsely inflated appraisals, and receiving illegal kickbacks from loan proceeds.

"Honesty and integrity in the mortgage lending business are crucial to protecting home owners, lending institutions, and borrowers. When mortgage fraud is widespread, it undermines the stability of the housing market and the ability of lending institutions to protect

themselves from debilitating losses. With these charges, we are telling the fraudulent mortgage dealers: what you're doing is a crime, and we will prosecute you for it." Attorney Murphy said.

Daniel D. Roberts, FBI Special Agent in Charge said, "The mortgage fraud problem continues to escalate, but the FBI is committed to aggressively pursuing these cases utilizing sophisticated investigative techniques, such as undercover operations. As reflected by today's charges, mortgage fraud generally requires "insider" involvement, so the FBI has found that undercover operations are highly effective in uncovering those criminal acts. The mortgage fraud problem is a priority for the FBI."

Indictments and complaints are only charges and are 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.

The case was investigated by special agents of the FBI and would not have been possible without the assistance and support of LaSalle Bank during the investigation. U.S. Attorney Stephen J. Murphy commended to efforts of the agents and bank personnel for their hard work and dedication to this case.



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October 18, 2005

EVENT: Guilty Verdict

Defendant: Steve Safa

DEARBORN MAN FOUND GUILTY OF PERJURY

A Dearborn man was found guilty yesterday in federal court of making a false declaration before a federal grand jury after a week-long jury trial in Detroit, United States Attorney Stephen J. Murphy announced today.

Found guilty was Mahmoud Mustapha Safa, also known as "Steve Safa," 39, of Dearborn. The jury deliberated about five hours before returning its verdict before U.S. District Judge Arthur Tarnow.

The evidence presented at trial showed that Safa testified under oath before a federal grand jury in Detroit on August 11, 2004 and that he lied in response to questions relating to a member of a contraband cigarette trafficking conspiracy. Safa was arrested on September 25, 2001 on northbound Interstate 71 in Kentucky while a passenger in a truck towing a U-Haul trailer containing 1,500 cartons of contraband cigarettes destined for Michigan.

United States Attorney Murphy said, "Lying under oath in grand jury testimony prevents grand jurors from conducting their constitutionally appointed powers to determine what the truth is and whether charges should be brought, and also prevents our prosecutors from getting at the truth. We have and will continue to prosecute such cases vigorously.

"Counter-terrorism, and preventing terrorist attacks, is the number one priority of the Department of Justice. Because lying under oath in a counter-terror investigation directly

impacts our office's continuing efforts to keep our citizens safe and free, it is among the most serious crimes that we prosecute. We will never yield in our efforts to investigate and prosecute serious felonies and today's excellent verdict reinforces that commitment."

Sentencing of Safa is scheduled for January 17, 2006. Safa faces a maximum sentence of 5 years in prison and or a \$250, 000.00 fine.

The case was investigated by the Federal Bureau of Investigation and the Joint Terrorism Task Force (JTTF). It was prosecuted by Assistant United States Attorney J. Michael Buckley of the Counter Terrorism Unit.



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October 24, 2005

EVENT: Sentence

Defendant: David Bennett

**LOCAL BUSINESSMAN SENTENCED FOR SECOND FEDERAL CONVICTION
FOR A CRIME OF FALSEHOOD**

U.S. Attorney Stephen J. Murphy announced today that David Bennett, a 48-year old Saginaw County resident and self-employed Bay City businessman, was sentenced on October 20, 2005 by United States District Judge David M. Lawson in Bay City, Michigan. Bennet was convicted by a jury of knowingly causing materially false statements to be made to the Social Security Administration between April of 1993 to approximately May of 1998. Judge Lawson sentenced Bennett to probation for 24 months and ordered Bennett to pay \$91,577 in restitution owed jointly by Bennett to the Social Security Administration.

The conduct which gave rise to Bennett's social security fraud conviction occurred while he was employed as the vice-president and general manager at an auto dealership in Bay City, Michigan. Bennett arranged for Clyde Fisher, a person already collecting social security disability benefits, to work at the car dealership under the name and social security number of Fisher's wife, Mary Fisher. Consequently, the Social Security Administration was given false information regarding the identity of the wage earner and person earning credits toward social

security benefits, while Clyde Fisher's earnings and ability to work were concealed from the Social Security Administration. The Fishers and Bennett are jointly obligated to repay the Social Security Administration the more than \$91,000 paid to Clyde Fisher by the Social Security Administration while he was working full time at the auto dealership.

U.S. Attorney Stephen J. Murphy noted that this is the second time that Bennett stood before Judge Lawson for sentencing. On June 28, 2004, Judge Lawson sentenced Bennett to concurrent one year probationary terms and a fine of \$2,000 for being a felon in possession of firearms and for making false statements to a licensed firearm dealer in connection with the purchase of firearms. Both of those convictions were based on conduct committed by Bennett after he was found guilty of the social security fraud charge for which he was sentenced on October 20, 2005. As part of the firearms case Bennett was also required to forfeit nine firearms.

U.S. Attorney Murphy commended the Social Security Administration's Office of Inspector General for its excellent work in investigating the social security fraud scheme in which Bennett was an essential participant. The Office of Inspector General, located in Detroit, Michigan, welcomes tips regarding other incidents of suspected social security fraud. The prosecution of both the social security fraud case and the firearms case against David Bennett were handled by the U.S. Attorney's field office in Bay City, Michigan.