



U.S. Department of Justice

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For Immediate Release:

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February 3, 2006

EVENT: Sentencing

Defendant: Mukunda Dev Mukherjee

FLINT AREA DOCTOR CONVICTED ON NARCOTICS CHARGES

Mukunda Dev Mukherjee, M.D., age 63, of Fenton, Michigan, a physician practicing at 1020 Professional Drive, Suite A-5, Flint, Michigan, was found guilty today of 44 counts of illegal distribution of Schedule II, III, and V Controlled Substances. He was acquitted of 10 counts. The jury deliberated for approximately one-and-a-half days before returning the verdicts, concluding a 12-day trial before the Honorable Paul V. Gadola in United States District Court in Flint, Michigan announced Stephen J. Murphy, United States Attorney.

During the trial, the government presented proofs that Dr. Mukherjee issued Oxycontin, Morphine, Vicodin, and Phenergan with Codeine without physical examinations, while several patients were simultaneously in his office, and with post-dated prescriptions. Dr. Mukherjee charged \$45 for one controlled substance prescription and \$90 for a second, post-dated controlled substance prescription. The jury found that Dr. Mukherjee issued the controlled

substance prescriptions without a legitimate medical purpose and outside the course of professional practice. The evidence also demonstrated that area pharmacies refused to fill the controlled substance prescriptions issued by Dr. Mukherjee. Records revealed that Dr. Mukherjee issued more 80 mg.-Oxycontin prescriptions than any other physician or hospital in the state of Michigan during the period of January 1, 2003, through June 30, 2004.

Dr. Mukherjee is facing up to 20 years of incarceration on each of 12 of the felony counts, and up to 5 years of incarceration on 14 additional felony counts. Dr. Mukherjee is also facing up to a year of incarceration on each of 18 misdemeanor counts. Dr. Mukherjee agreed to the forfeiture of approximately \$169,340.15 in assets upon his conviction.

“A physician who prescribes highly addictive drugs, such as OxyContin and Vicodin, when there is no legitimate medical need, seriously jeopardizes the health of our citizens and the safety of our community. As a result of the excellent work by federal, state, and local law enforcement, Dr. Mukherjee will no longer be in a position to put dangerous narcotics in the hands of addicts,” said U.S. Attorney Murphy.

“Dr. Mukherjee is no different than the drug trafficker on the street corner, pushing cocaine and heroin on America’s youth. He used his position of trust and the patients’ addictions to line his pockets with cash,” DEA Special Agent in Charge Robert L. Corso said.

Sentencing is set for Thursday, May 11, 2006, at 3:00 p.m.

This case was prosecuted by Assistant U.S. Attorneys Mark Jones and Rita Foley, and was investigated by the Drug Enforcement Administration (DEA) Diversion Unit, the Bay Area

Narcotics Enforcement Team (BAYANET), the Flint Area Narcotics Group (FANG), and the Genesee County Sheriff's Department.



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February 7, 2006

EVENT: Sentencing

Defendant: Cheryl Swain

FORMER OFFICER OF MCA FINANCIAL CORPORATION SENTENCED

Cheryl Swain, 41 years old, of Beverly Hills, Michigan, a former Vice President for Marketing Syndication of MCA Financial Corporation, was sentenced today to 24 months' imprisonment based on a conviction for mail fraud arising from her participation in a scheme to defraud MCA's investors, announced Stephen J. Murphy, United States Attorney for the Eastern District of Michigan, Daniel D. Roberts, Special Agent in Charge of the Detroit Division of the Federal Bureau of Investigation, and Barry McLaughlin, Special Agent in Charge of the Midwest Region of the Office of Inspector General of the U.S. Department of Housing and Urban Development.

U.S. District Judge John Feikens also ordered Swain to pay \$65.7 million in restitution to investors who purchased MCA's securities before MCA closed its doors in January 1999, and is allowing her to voluntarily surrender to the Federal Bureau of Prisons to serve her sentence.

"In the Eastern District of Michigan, securities fraud is serious business -- business that can land you in jail for a couple of years or worse: we are gratified that the restitution order in

this matter is one of the larger ones we've seen in the district. Be forewarned: our office will continue to prosecute economic crimes to the fullest extent of the law. If you steal from the citizens of this district by whatever fraudulent means we detect, you will face prison time and stiff obligations to pay the stolen money back,” said U.S. Attorney Murphy.

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

MCA raised capital in large part by selling debt and pass-through securities to the general public. Through her guilty plea before Judge Feikens in November 2001, Swain admitted that MCA, through her actions and the actions of others, fraudulently sold, through a regional network of broker-dealers, certain pass-through securities representing interests in mortgages and land contracts originally owned, and then assembled into investment pools, by MCA. MCA misrepresented to current and prospective investors the actual past performance of the pools; included in some of the pools certain mortgage and land contract interests whose values were fraudulently inflated; and misappropriated, liquidated, and used for its own corporate purposes some of the genuine pool assets. The growing liability to MCA's poolholders caused by this criminal conduct reached tens of millions of dollars and was not reflected, as it should have been, on MCA's balance sheets.

The government requested, and Judge Feikens agreed to impose, a 24-month sentence to account for Swain's "substantial assistance" to law enforcement authorities in the investigation and prosecution of other criminally culpable MCA officers.

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

- PATRICK D. QUINLAN, of Grosse Pointe Farms, MCA's former Chairman and CEO,

pleaded guilty in February 2004 to charges of conspiring and making false and fraudulent statements in corporate financial reports filed with the SEC. He was sentenced in July 2005 by U.S. District Judge Nancy G. Edmunds to 10 years' imprisonment and three years' supervised release and ordered to pay \$256 million in restitution. Quinlan is currently serving his sentence.

- LEE P. WELLS, of Grosse Pointe Shores, MCA's former President and Chief Operating Officer, pleaded guilty in July 2002 to charges of conspiracy and mail fraud and will be sentenced by Judge Feikens on February 16, 2006.
- KEITH D. PIETILA, formerly of Ann Arbor, MCA's former Chief Financial Officer, pleaded guilty in January 2002 to charges of mail fraud and making false statements to the SEC. He was sentenced in May 2003 by Judge Feikens to 48 months' imprisonment and three years' supervised release and ordered to pay \$256 million in restitution. Pietila is currently serving his sentence.
- ALEXANDER J. AJEMIAN, of Highland Township, MCA's former Controller, pleaded guilty in August 2001 to charges of mail fraud and making false statements to the SEC. He was sentenced in June 2003 by Judge Feikens to 37 months' imprisonment and three years' supervised release and ordered to pay \$256 million in restitution. With time off for good behavior, Ajemian has completed serving his term of imprisonment.
- KEVIN C. LASKY, of Birmingham, the former head of MCA's Special Loan Group, pleaded guilty in May 2002 to a charge of wire fraud. He was sentenced in December 2003 by Judge Feikens to 24 months' imprisonment and three years' supervised release and ordered to pay \$128 million in restitution. Lasky began serving his term of imprisonment in December 2005.
- JOHN P. O'LEARY, of Davisburg, MCA's former Vice President for Corporate Finance, pleaded guilty in August 2005 to the crime of misprision of felony, and is scheduled to be sentenced by Judge Edmunds on February 28, 2006.

Like Swain's sentence, the sentences imposed on Pietila, Ajemian, and Lasky took into account their cooperation with federal investigators and prosecutors.

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



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February 8, 2006

EVENT: Super Bowl XL in Detroit

**UNITED STATES ATTORNEY THANKS LAW ENFORCEMENT AND COMMUNITY
PARTNERSHIPS FOR THEIR EFFORTS DURING SUPER BOWL XL**

United States Attorney Stephen J. Murphy today saluted the law enforcement, health care agencies and corporate security programs that joined in the massive security effort that kept millions of people safe from any terrorist attack during Super Bowl XL in Detroit.

“The Detroit Police Department showed great leadership in partnering with federal, state, local and international agencies,” Murphy said. He cited the FBI, U.S. Coast Guard, the Bureau of Alcohol Tobacco, Firearms and Explosives, the Michigan State Police, the Windsor Police Department, and many other agencies in law enforcement, health care, and the private corporations that worked together to insure the safety of our downtown visitors. “Each agency brings its unique resources and expertise into the equation, and the whole is more than the sum of its parts. The resources poured into this by the good corporate citizens were also a key

to the ultimate success.”

Behind the scenes, bomb-sniffing dogs, intelligence teams, border crossing officials, Coast Guard boats on the river, and officers on the street, among many others, made sure that things ran smoothly and safely, Murphy said.

The planning for this event began many months ago, Murphy said. One of the most important benefits of working together on a major event like the Super Bowl is that the law enforcement community builds relationships and procedures that we can use in the future to make our district safer on a daily basis, Murphy said. We are now better equipped to handle not only the major events, but our routine needs as well, he said.

Our record was not perfect, Murphy said. “We feel deep sorrow for the families of the two homicide victims in Detroit this weekend. And while we recognize that police officers cannot be everywhere at all times, we in the law enforcement community regret that these crimes occurred.”

But the huge crowds, cold weather and international media attention could have spelled disaster for a city that was unprepared, Murphy said. Instead, Detroit rose to the challenge, thanks to the extraordinary efforts of the dozens of agencies involved. “After the events of 9-11, many of us wondered whether we could ever again gather in large crowds for public spectacles like the Super Bowl,” Murphy said. “The purpose of terrorism is to create fear to destroy our way of life. The Detroit Police Department and its law enforcement partners in federal, state and local government have restored the freedom from that kind of fear by preventing any major outbreak of crime and from any terrorist acts during the past week.”

With the foundation of cooperation and effective coordination between the public and private sectors that this event secured, there is a great opportunity to sustain and foster excellent working relations among both local, state, and federal agencies, as well as the corporations and foundations that worked so hard to make this a success. “We commit our office’s resources to leveraging these relationships to more effectively protect our district and promote its revitalization,” Murphy said.

“The cooperation and joint effort was historic in its depth, reach, and success,” Murphy said, and he thanked each of the entities involved for its extraordinary efforts. “I look forward to building on this success to make our district safer for all of our citizens and our visitors,” Murphy said.



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February 14, 2006

EVENT: Indictment

Defendant: Salah Rashem, et al

**U. S. and CANADIAN LAW ENFORCEMENT
TAKE DOWN ALIEN SMUGGLING ORGANIZATION**

A Federal Grand Jury indictment was unsealed today in Detroit against fourteen individuals on charges of Conspiracy to Smuggle Illegal Aliens into the United States and to Harbor and Transport Illegal Aliens Within the United States. The indictment was returned on February 9, 2006 and placed under seal pending the execution of arrest warrants today. Two criminal complaints were also unsealed today. Each of the defendants was arrested or surrendered earlier today in a joint U.S./Canadian take down of the alien smuggling organization, United States Attorney Stephen J. Murphy announced today. One of the defendants, Salah Rashem, was already in the custody of the U.S. Marshal Service.

Murphy was joined in the announcement by Brian M. Moskowitz, Special Agent in Charge, U.S. Immigration and Customs Enforcement and Inspectors Glenn Hanna and Blade

Wiese, Royal Canadian Mounted Police (RCMP).

Charged in the Indictment were: Salah Rashem, 45, of Rockford, Illinois; Roko Berisic, 31, of Shelby Township, Michigan; Nosh Gojcaj, 35, of Macomb, Michigan; Maitham Aziz Alzehrani, 34, of Windsor, Ontario; Kola Bajraktari, 34, of Windsor, Ontario; Fran Gashaj, 40, of Windsor, Ontario; Han Huang, 43, of Albion, Michigan; Hoa Ly, 42, of Macomb, Michigan; Zef Shpati, 40, of Windsor, Ontario; Dod Martini, 41, of Macomb, Michigan; Kathleen Voneitzen, 48, of Vicksburg, Michigan; Kai Zheng You, 40, of Toronto, Ontario; Duke Bracaj, 36, of Windsor, Ontario; Colin Price, 40, of Windsor, Ontario. The Canadian based defendants will first answer related Canadian charges before facing possible extradition to the United States.

The two criminal complaints charged Duke Lumaj 33, of West Bloomfield, Michigan and Bianca Gagliano, 25, of Windsor, Ontario with related conspiracy charges.

The charges are based upon the interdiction of at least 74 illegal aliens smuggled into the United States by the organization and the more than 2,000 incriminating telephone conversations intercepted by the RCMP during the latter part of 2005. This organization posed a national security threat given the organization's willingness to smuggle anyone into the United States for a price.

"Those who smuggle human beings across international borders should realize that they will be met with an international united front of law enforcement agencies dedicated to stopping them cold and putting them in jail. This is a great example of U.S. Canadian joint criminal enforcement that should be a warning to all human traffickers," said United States

Attorney Murphy.

“Alien smuggling organizations are driven by greed with little regard to the health, well being, dignity, or motivation of their human cargo,” said Brian M. Moskowitz, Special Agent in Charge, of U.S. Immigration and Customs Enforcement in Detroit. “Attacking and dismantling these criminal groups is critical to securing our borders and ensuring compliance with our immigration and customs laws. Smugglers should understand that we will not tolerate nor allow the U.S. Canada border to be used as an opportunity for them to profit from their crimes - rather we will use our shared border as an opportunity for our nations to work together to bring them justice.”

Indictments and complaints are only charges and are not evidence of guilty. Every defendant is entitled to a fair trial in which it will be the government’s burden to prove guilt beyond a reasonable doubt.

In announcing the indictment, United States Attorney Stephen J. Murphy commended the work of the Special Agents of the Bureau of Immigration and Customs Enforcement, the U.S. Border Patrol, and the Royal Canadian Mounted Police (RCMP) which conducted the investigation. Members of the Integrated Border Enforcement Team (IBET) were also involved in coordinating this binational effort. The prosecution is being handled by Assistant United States Attorney Kenneth R. Chadwell.

Copies of the indictment and complaints may be obtained from the U.S. Attorney’s Office.



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November 9, 2005

EVENT: Guilty Plea

Defendant: Harris James Barnett

DEARBORN MAN PLEADS GUILTY TO BANK FRAUD

A 41-year-old Dearborn man pleaded guilty today to bank fraud, United States Attorney Stephen J. Murphy announced today. Mr. Murphy was joined in the announcement by Daniel D. Roberts, Special Agent in Charge of the Federal Bureau of Investigation.

Harris James Barnett entered the guilty plea in U.S. District Court before Judge Marianne O. Battani.

The fraud stems from a credit card scheme that resulted in a loss to multiple victims of approximately \$90,000. On the count of conviction, Barnett incurred charges on a Chase Bank Visa card, and then submitted payment with a non-sufficient funds check. Barnett then incurred additional charges before the check was returned for non-sufficient funds. By the time the bank became aware that the check worthless, Barnett had incurred \$11,897 in unpaid charges. Barnett had used a false Social Security number to obtain the credit card.

It is expected that the court will order restitution to this and other victims of approximately \$90,000.

The plea agreement entered into by the parties which, if accepted by the court, would limit Barnett's sentence to 21-27 months. Barnett's sentencing is scheduled for February 16, 2005.

Murphy, the United States Attorney, said, "Credit card fraud harms all of our citizens who work hard to pay their credit card bills. My office will aggressively prosecute those who commit fraud on our banking and credit card system."

The investigation of this case has been conducted by the FBI and the Social Security Administration, Office of Inspector General



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February 16, 2006

EVENT: Sentencing

Defendant: Lee P. Wells

FORMER PRESIDENT OF MCA FINANCIAL CORPORATION SENTENCED

Lee P. Wells, 45 years old, of Grosse Pointe Shores, Michigan, the former President and Chief Operating Officer of MCA Financial Corporation, was sentenced today to 5 years' imprisonment based on convictions for conspiracy and mail fraud, announced Stephen J. Murphy, United States Attorney for the Eastern District of Michigan, Daniel D. Roberts, Special Agent in Charge of the Detroit Division of the Federal Bureau of Investigation, and Barry McLaughlin, Special Agent in Charge of the Midwest Region of the Office of Inspector General of the U.S. Department of Housing and Urban Development.

U.S. District Judge John Feikens also ordered Wells to pay \$242 million in restitution to investors who purchased MCA's securities before MCA closed its doors in January 1999 and to banks and other institutional lenders who funded MCA's operations, and imposed a three-year term of supervised release, which will begin when Wells' prison term has been completed. Judge Feikens is allowing Wells to voluntarily surrender to the Federal Bureau of

Prisons to serve his sentence.

"Corporate fraud involves a breach of trust and a course of deception that harms investors, employees, and the public at large. This significant sentence and large restitution order should be a warning that our office will vigorously pursue corporate fraud violations, whether the evidence leads to the mail room or the board room. I salute the thorough investigation by the FBI, the HUD Inspector General and the SEC which lead to this successful prosecution," said U.S. Attorney Murphy.

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

MCA raised capital in large part by selling debt and pass-through securities to the general public. Through his guilty pleas before Judge Feikens in July 2002, Wells admitted that from as early as 1993 until its seizure by state regulators in January 1999, MCA engaged in a scheme to defraud its investors and institutional lenders by misrepresenting its true financial condition through the preparation and use of false and fraudulent financial statements that were regularly filed with the SEC and made available to brokers and investors and to banks and other institutional lenders. As the result of paper transactions involving low-income

housing in the City of Detroit between MCA and numerous off-book partnerships owned and controlled by Patrick Quinlan, MCA's former Chairman and CEO, and Wells, millions of dollars in sham assets and revenues were created and included in MCA's balance sheets and statements of income.

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

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

- PATRICK D. QUINLAN, of Grosse Pointe Farms, MCA's former Chairman and CEO, pleaded guilty in February 2004 to charges of conspiring and making false and fraudulent statements in corporate financial reports filed with the SEC. He was sentenced in July 2005 by U.S. District Judge Nancy G. Edmunds to 10 years' imprisonment and three years' supervised release and ordered to pay \$256 million in restitution. Quinlan is currently serving his sentence.
- KEITH D. PIETILA, formerly of Ann Arbor, MCA's former Chief Financial Officer,

pleaded guilty in January 2002 to charges of mail fraud and making false statements to the SEC. He was sentenced in May 2003 by Judge Feikens to 48 months' imprisonment and three years' supervised release and ordered to pay \$256 million in restitution. Pietila is currently serving his sentence.

- ALEXANDER J. AJEMIAN, of Highland Township, MCA's former Controller, pleaded guilty in August 2001 to charges of mail fraud and making false statements to the SEC. He was sentenced in June 2003 by Judge Feikens to 37 months' imprisonment and three years' supervised release and ordered to pay \$256 million in restitution. With time off for good behavior, Ajemian has completed serving his term of imprisonment.
- CHERYL SWAIN, of Beverly Hills, MCA's former Vice President for Marketing Syndication pleaded guilty in November 2001 for mail fraud arising from her participation in a scheme to defraud MCA's investors. She was sentenced on February 7, 2006, to 24 months' imprisonment based on a conviction of mail fraud. Swain was also ordered to pay \$65.7 million in restitution to investors who purchased MCA's securities before MCA closed its doors in January 1999. She will begin serving her sentence shortly.
- KEVIN C. LASKY, of Birmingham, the former head of MCA's Special Loan Group, pleaded guilty in May 2002 to a charge of wire fraud. He was sentenced in December 2003 by Judge Feikens to 24 months' imprisonment and three years' supervised release and ordered to pay \$128 million in restitution. Lasky began serving his term of imprisonment in December 2005.

- JOHN P. O'LEARY, of Davisburg, MCA's former Vice President for Corporate Finance, pleaded guilty in August 2005 to the crime of misprision of felony, and is scheduled to be sentenced by Judge Edmunds on February 28, 2006.

Like Wells' sentence, the sentences imposed on Pietila, Ajemian, Swain, and Lasky took into account their cooperation with federal investigators and prosecutors.

The federal investigation has been conducted by the FBI and the U.S. Department of HUD's Office of Inspector General, with assistance from the SEC's Division of Enforcement and the Office of Financial and Insurance Services of the Michigan Department of Labor and Economic Growth. The case is being prosecuted by Assistant U.S. Attorneys Stephen Hiyama and Jennifer Gorland. A related state criminal prosecution of Quinlan, Wells, Pietila, and Ajemian in Oakland County Circuit Court was handled by the Michigan Attorney General's Office.



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February 22, 2006

EVENT: Indictment

Defendant: Aaron L. Mitchell

DETROIT RESIDENT INDICTED IN FALSE DOCUMENT CASE

Detroit resident Aaron Leon Mitchell, 33, was indicted by a federal grand jury in Detroit on charges of producing and transferring a false Social Security Administration card and with assisting another person in impersonating an employee of the Immigration and Naturalization Service, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Thomas M. Frost, Special Agent in Charge, Department of Homeland Security, Office of Inspector General.

The three-count indictment charges that in March 2005, Mitchell produced a false, counterfeit Social Security card and transferred the card to another person. The indictment further alleges that Mitchell aided and abetted another person in posing as a corrupt INS official as part of a scheme to obtain \$4,000 in exchange for an Alien Registration Card, also called a "Green Card."

"False identity documents can be a ticket to big time fraud or major security breaches," U.S. Attorney Murphy said. "That is why my office, and the Department of Homeland Security,

view these charges with the utmost seriousness. In order to protect the integrity of the government's programs, such as Social Security, as well as all the citizens who benefit from such programs, we are pledged to use every tool at our disposal." Murphy stated.

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 investigation leading up to the indictment was conducted by the Department of Homeland Security, Office of Inspector General and the Social Security Administration Office of Inspector General. The case is being prosecuted by Assistant U.S. Attorney Christopher Varner.



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February 24, 2006

EVENT: Guilty Plea

Defendant: Victor C. Castano et al

**PORT HURON COUPLE CONVICTED
ON FEDERAL FIREARMS AND NARCOTICS CHARGES**

Victor Carlos Castano, 34, of Warren and Melissa Sue Gordon, 26, Port Huron, were found guilty in connection with drug and firearms charges late Thursday, February 23, 2006, by a federal jury in Port Huron. Castano was convicted of carrying a firearm in connection with drug trafficking offenses and of being a felon in possession of a firearm, while Gordon was convicted of possession with intent to distribute 50 pounds of marijuana, United States Attorney Stephen J. Murphy announced today.

Prior to the commencement of the trial, Castano had pleaded guilty to the drug charge, but contested the firearm's charges.

Murphy was joined in the announcement by Daniel D. Roberts, Special Agent in Charge, Detroit Division, Federal Bureau of Investigation and St. Clair County Sheriff E. Dan Lane.

The jury deliberated for approximately two and one-half hours before returning the verdict, concluding a three day trial before United States District Lawrence Zatkoff.

The evidence presented at trial established that Castano, a member of the Devil's Disciples motorcycle club, and Gordon were attempting to conclude a deal involving the sale of 50 pounds of marijuana at the Norway Bar in Avoca, Michigan, a small town outside of Port Huron. The drug deal was thwarted by the St. Clair County Sheriff's Department who received information about the planned deal and arrested the defendants. The case was adopted by the FBI in connection with their on-going investigation of criminal activities by members of the motor cycle club.

“Significant drug traffickers, particularly armed drug traffickers, represent a serious danger to our community that my office will continue to combat with all its might.” United States Attorney Murphy said.

Murphy commended the work of the agents of the FBI, as well as the St. Clair County Drug Task Force who worked together on the investigation.

A sentencing date for both defendants has been set for May 16, 2006.



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February 28, 2006

EVENT: Sentenced

Defendant: Timothy Pierre Clark et al

METRO DETROIT IDENTITY THEFT RING DISMANTLED

Two Detroit men, leaders of a \$1.7 million identity fraud scheme, were sentenced on February 27, 2006 to federal prison, United States Attorney Stephen J. Murphy announced today.

Timothy Pierre Clark was sentenced to 110 months incarceration, and Richard Burley was sentenced to 92 months incarceration by U.S. District Judge George Caram Steeh.

Both men pleaded guilty in September, 2005 to bank fraud and conspiracy to commit bank fraud. The fraud scheme involved stealing checks from a financial institution, which were later counterfeited and cashed at other financial institutions located in the Detroit metropolitan area. The total amount of loss to Detroit area banks amounted to \$1,779,966.10.

The case was investigated by members of the Detroit Metropolitan Identity Fraud (DMIF) Task Force. The DMIF Task Force is comprised of federal, state and local law

enforcement agencies as well as private corporations, who are tasked with the responsibility of combating identity theft-related offenses. "ID Theft is a serious crime and these significant prison terms are equally serious. We are lucky to have a task force like this, which is another example of the excellent working relationships between our local, state, and federal agencies," Murphy said.

The sentences were imposed pursuant to the Sentencing Reform Act of 1984.

The prosecution of this case was conducted by Assistant U.S. Attorney William Sauget.



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February 28, 2006

EVENT: Guilty Plea

Defendant: Walter Ralph Mabry et al

**TWO UNION OFFICIALS CONVICTED OF SOLICITING AND RECEIVING
PROHIBITED PAYMENTS IN VIOLATION OF THE TAFT-HARTLEY ACT**

Two union officers (one current and one former) from southeastern Michigan were found guilty yesterday by a federal jury in Detroit on charges of conspiring to solicit and receive and receiving prohibited payments in the form of discounts from a number of construction companies whose employees were represented by the Michigan Regional Council of Carpenters, a labor organization based in Detroit, 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, and James Vanderberg, Special Agent in Charge, Department of Labor, Office of Inspector General.

Found guilty of the offenses of receiving a prohibited payment and conspiracy to solicit and receive prohibited payments were Walter Ralph Mabry, 60, of Grosse Pointe Park, who, at the time of the offenses was, and currently is, employed as the Executive

Secretary-Treasurer of the Michigan Regional Council of Carpenters (“MRCC”); and Anthony Michael, 63, of Macomb, who, at the time of the offenses, was employed as the President and Executive Director of the MRCC.

The jury deliberated for about twenty-one hours over a period of three days before returning the verdicts, concluding a three-week trial before United States District Judge Bernard A. Friedman.

The evidence presented at trial showed that between approximately January 1998 and December 1999, Mabry and Michael, using their union positions, conspired to solicit and obtain extraordinary discounts (that is, discounts beyond those typically given to customers) on building materials, labor, and related costs, from a number of area construction companies whose employees were members of the union, in order to reduce the cost to Mabry of constructing a new personal residence in Grosse Pointe Park, Michigan. The evidence also established that they had engaged in the actual solicitation and receipt of a prohibited payment (discount) from one of the companies, the Nelson-Mill Company.

“Inappropriate or ‘under the table’ discounts or payments to union officials represent an abuse of authority. We appreciate the jury’s hard work in reaching this result,” said U.S. Attorney Murphy.

Both charges are felonies and carry a maximum sentence of five years imprisonment and a \$250,000 fine.

Murphy commended the work of the agents of the Federal Bureau of Investigation and the United States Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations.

A sentencing date has not been set. The case was prosecuted by Assistant U.S.

Attorneys Walter I. Kozar and David E. Morris.



U.S. Department of Justice

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EVENT: Guilty Plea

Defendant: John P. O'Leary

FORMER MCA SENIOR VICE PRESIDENT PLEADS GUILTY

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

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

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

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

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