



U.S. Department of Justice

Stephen J. Murphy
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Eastern District of Michigan

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For Immediate Release:

Contact: Susan Plochinski (313) 226-9193

January 4, 2006

EVENT: Settlement

Defendant:

**\$41 Million Settlement with ABN AMRO Mortgage Group, Inc. Involving
Federally Insured Mortgages**

ABN AMRO Mortgage Group, Inc. (ABN), has agreed to a settlement with the United States valued at more than \$41 million, including a payment of \$16.85 million in cash and an estimated \$24.35 million in waived government insurance claims for 783 defaulted mortgages, arising out of a False Claims Act case concerning over 28,000 federally insured mortgages, United States Attorney Stephen J. Murphy and the Department of Justice announced today.

The payment by ABN is one of the largest ever obtained in a civil settlement by the U.S. Attorney's Office of the Eastern District of Michigan under the False Claims Act. ABN AMRO Mortgage Group, Inc. is a subsidiary of LaSalle Bank Midwest, N.A. based in Troy, Michigan. The agreement announced today settles allegations that ABN made false certifications to the United States Department of Housing and Urban Development (HUD) in connection with 28,097 federally insured mortgages. The government alleged that 229 of the falsely certified mortgages led to defaults which

were insured by HUD, resulting in losses to HUD of \$6.25 million.

ABN worked cooperatively with the government to reach this settlement. They assisted in the investigation and identified the 28,097 loans at issue.

“This settlement shows this District’s serious commitment to stamping out fraud and maintaining the integrity of the federally insured mortgage program. This 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.

Under the affected mortgage program, HUD insures participating lenders against losses resulting from loans to qualified borrowers. HUD regulations make it mandatory that ABN underwriters make certain required certifications before the loans are insured. The government alleges that ABN falsely certified that it had properly underwritten 28,097 loans. Specifically, that ABN employees certified loans that had not completed the underwriting process.

“HUD’s vital mortgage insurance programs assist banks that make the American dream of home ownership accessible to more people, but banks must follow HUD’s rules,” said Peter D. Keisler, Assistant Attorney General for the Justice Department’s Civil Division. “This agreement demonstrates the Department’s determination to hold banks accountable when they abuse HUD’s trust and damage its programs.”

U.S. Attorney Stephen J. Murphy thanked the Department of Justice, HUD, the Office of the Inspector General of HUD (HUD OIG), and the Office of Comptroller of the Currency (OCC). The United States was represented in this civil matter by Assistant United States Attorney Leslie Matuja Wizner, and Justice Department Civil Attorney David Leviss.

Copies of the settlement agreement may be obtained from the U.S. Attorney’s Office.



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January 6, 2006

EVENT: Guilty Plea

Defendant: Milton "Butch" Jones

**DRUG RING LEADER MILTON "BUTCH" JONES PLEADS
GUILTY TO FEDERAL DRUG VIOLATION**

Milton "Butch" Jones pleaded guilty today to federal drug charges involving two homicides, United States Attorney Stephen J. Murphy announced today.

Jones, 50, of Detroit, Michigan, entered the guilty plea in United States District Court before Judge John Corbett O'Meara.

The information presented to the court at the time of the plea showed that between 1995 and 2001, Jones supervised the activities of at least five individuals in a series of federal narcotics violations that included the distribution of at least 5 kilograms of cocaine and quantities of marijuana at several locations in the 3700 block of Monterey Street in Detroit. In addition to the narcotic distribution activities on Monterey Street, which the participant referred to collectively as the "Dog Pound," the locations were also utilized to plan the robberies, kidnaping and intentional killings of rival drug traffickers and their associates. These activities included the murders of Mark Grice, and Antoine Carruthers by at least two other participants acting in concert with Jones. Under the terms of the plea agreement, Jones has agreed to cooperate fully with federal authorities, and in exchange for this cooperation, the government will

recommend a period of incarceration of 30 years, which is a downward departure from an anticipated sentence of life imprisonment which was calculated under the sentencing guidelines. If the guilty plea is accepted at the time of sentencing, the death penalty notice will be withdrawn.

“Violent federal narcotics violations are some of the most serious felonies that we prosecute in this office,” said United States Attorney Murphy.

A sentencing hearing was set by Judge O’Meara for April 6, 2006.

The case is being prosecuted by Assistant United States Attorneys William Sauget and Regina McCullough.



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January 6, 2006

EVENT: Guilty Plea

Defendant: Wagner Sanchez-Herrera

**PENNSYLVANIA MAN SENTENCED TO 97 MONTHS FOR KIDNAPING ESTRANGED
WIFE AND CHILDREN**

Wagner Sanchez-Herrera, 35, of South Bethlehem, Pennsylvania, who had traveled with his so-defendant girlfriend from Pennsylvania to Detroit, Michigan assaulted and kidnaped his wife along with their two children was sentenced to 97 months in Federal Prison, following convictions for kidnaping and interstate domestic violence, United States Attorney Stephen J. Murphy announced today.

Sanchez- Herrera pleaded guilty to the July 2004 indictment filed in Federal District Court in Detroit charging him with Kidnaping and Interstate Travel with Intent to Commit Domestic Violence. He was sentenced by the Honorable Denise Page Hood.

At the time of his plea, Sanchez-Herrera admitted that he and his co-defendant/girlfriend traveled from Pennsylvania by car to Detroit. When he arrived at the home of his estranged wife, Sanchez-Herrera assaulted the victim, sprayed her with mace and then forced her into his vehicle. After collecting their two children ages 6 and 4 from a day care provider, the five began the return trip to Pennsylvania. In prior hearings, Sanchez-Herrera claimed that his

intent was to force his wife to execute child custody documents regarding the children, in Pennsylvania.

United States Attorney Murphy praised the top-notch investigation by the Detroit, and Pittsburgh Divisions of the Federal Bureau of Investigation and the Pennsylvania State Police for their professionalism and dedication immediately after being notified of the crime. Equally as important, he noted, were the acts of three women, innocent bystanders, who had stopped at a gas station on Interstate 80. The three came to the aid of the victim and her children when they escaped from the defendant's car and asked for help.

"This office will not tolerate someone who turns to violent, assaultive, felony acts in response to their frustration over the failure of a relationship. The effect of this horrific event will impact this family for a long time. We will vigilantly prosecute and protect the victims of these acts of domestic violence." United States Attorney Murphy said.

Sanchez-Herrera has been in custody continuously since his arrest in July of 2004. His co-defendant is awaiting a trial date.

The case was prosecuted by Assistant United States Attorney, John N. O'Brien II.



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January 6, 2006

EVENT: Indictment

Defendant: Candrea R. Cato et al

ELEVEN MEMBERS OF DETROIT AREA FRAUD RING INDICTED

Eleven metro Detroit residents were indicted Wednesday by a Federal Grand Jury in Detroit on charges of conspiracy, wire fraud, bank fraud, credit card fraud, and aggravated identity theft, United States Attorney Stephen J. Murphy announced today. The indictment was sealed pending the execution of arrest warrants today.

Murphy was joined in the announcement by Leo Wisniewski, United States Secret Service Special Agent in Charge.

Charged in the indictment were: Candrea R. Cato, 25; Debra L. Young, 49; Latina A. Thomas, 27; Lakesha D. Thomas, 19; Johnny E. Rutherford, 21; Tonya L. Moore, 29; Freddie L. Jones, Jr., 22; April S. Anderson, 21; Jamicka Price, 20; Antonio L. Cranford, 20; and Wesley L. Layton, 19. The 106-count indictment charges that between January, 2004 and the date of the indictment, the group used stolen credit card numbers to "charge" Western Union money transfers to themselves. One of the defendants, usually Cato, would telephone persons (primarily persons with Asian names) and pretend to be a representative of a credit card issuer. The defendant would allege that credit cards or credit card numbers of the person called were being fraudulently used (typically, at the Windsor Casino) and claim that the credit card issuer needed to verify the cardholder's correct credit card information in order to stop the

fraud or apprehend the perpetrator. Many credit card holders were duped into disclosing their credit card information, including the three-digit security number on the back of the card.

The defendants then called Western Union's 1-800 telephone number to initiate a money transfer payable to one of the participants in the scheme, and used the stolen credit card information to "pay" for the transfer. The named participant then picked up the transferred money from a Western Union paying agent (usually a market, party store, or check cashing business).

Western Union incurred at least \$951,000 in fraud losses as a result of the scheme. If Western Union had not been successful in identifying and stopping some of the fraudulent money transfers, the loss would have been approximately \$1.7 million.

"Identity theft and credit card fraud continue to be a high law enforcement priority." U.S. Attorney Murphy said. "The U.S. Attorney's Office will continue to vigorously prosecute those criminals who steal innocent victims' personal identifiers, including credit card information, for the purpose of defrauding others."

Leo Wisniewski, U.S. Secret Service Special Agent in Charge, said: "These arrests should serve to raise everyone's awareness of this type of criminal activity. The United States Secret Service is committed to working with other law enforcement agencies and the private industry to minimize the potential economic loss to the public."

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 the U.S. Secret Service, with assistance from a special agent with the Treasury Inspector General. Information provided by Western Union's security personnel substantially assisted the investigation. The case is being prosecuted by Assistant U.S. Attorney Stephen T. Robinson.



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January 6, 2006

EVENT: Appointments

THREE NEW ATTORNEYS JOIN UNITED STATES ATTORNEY'S OFFICE

Three lawyers have been appointed to serve as new Assistant United States Attorneys for the Eastern District of Michigan, United States Attorney Stephen J. Murphy announced today. The newly appointed AUSAs, who began their terms of service on three different dates over the past month, are Kevin Mulcahy, David Gardey and Leonid Feller.

AUSA Kevin Mulcahy comes to the Detroit office from previous service with the U.S. Attorney's Office for the Southern District of California in San Diego, where he prosecuted border crimes and major drug trafficking crimes and also handled appeals on behalf of the government in the United States Court of Appeals for the Ninth Circuit. Prior to joining the Department of Justice, Mr. Mulcahy was an associate attorney with the California-based international law firm Morrison & Foerster. Mr. Mulcahy is a 2000 graduate of Santa Clara University School of Law where he served as Editor-in-Chief of the Law Review. He completed his undergraduate studies at the University of Michigan. Mr. Mulcahy, who was sworn in on December 12, 2005, will be prosecuting cases in his new assignment for the General Crimes Unit in Detroit.

AUSA David Gardey was sworn in on December 19, 2005. Prior to returning to Michigan, Mr. Gardey was employed as an Assistant United States Attorney for the Southern District of Florida in Miami since 2001, and he prosecuted numerous complex narcotics cases

in that role. Prior to joining the Department of Justice, Mr. Gardey worked at the Butzel Long law firm in Detroit for four years, and at Cravath Swaine & Moore, a notable New York law firm, from 1995-97. Mr. Gardey also served as a law clerk to the Honorable Paul V. Gadola, United States District Court, Eastern District of Michigan, from 1993-1995 in Detroit. Mr. Gardey is a graduate of the University of Notre Dame School of Law (1993), where he as well served as Editor in Chief of the Notre Dame Law Review. Mr. Gardey is a graduate of Yale University (1990). AUSA Gardey has been selected to fill a vacancy in Detroit's Controlled Substance Unit.

Leonid ("Lenny") Feller, joins the General Crimes Unit of the Detroit United States Attorney's Office upon his swearing in, which was held earlier today, after spending four years as a Senior Associate with the international law firm of Kirkland and Ellis, in Chicago, Illinois. Prior to service with that firm, Mr. Feller was law clerk to the Honorable David A. Nelson of the United States Court of Appeals for the Sixth Circuit in Cincinnati. Mr. Feller received his law degree, *cum laude*, from Harvard Law School (2000), where he helped to edit the *Journal of Law and Public Policy*; he obtained his undergraduate degree from the University of Michigan in 1996.

"Today's announcement of these appointments marks our commitment to developing a legacy as the finest United States Attorney's office in the nation. Our hiring efforts serve to underscore my personal commitment to the development and shepherding of our office's most important resources – our human resources. I am delighted to think that lawyers of this caliber would want to join the highly proficient staff of attorneys and legal professionals already here in Detroit."

The United States Attorney's Office for the Eastern District of Michigan prosecutes civil and criminal matters on behalf of the United States of America and its agencies in the 34 counties that make up the eastern half of the state. The Office serves a populations of more than 6.7 million Michigianians and is comprised of approximately 100 Assistant United States Attorneys and a similar number of support staff. United States Attorney Stephen J. Murphy was appointed by President Bush to his position on March 8, 2005 and confirmed by unanimous consent of the United States Senate three months later.



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Dawn Clenney - FBI (313) 237-4206

January 10, 2006

EVENT: Indictment

Defendant: Wayland Mullins

TAYLOR MEN INDICTED FOR CIVIL RIGHTS VIOLATIONS

Wayland Mullins, 37 years was indicted by a federal grand jury in Detroit on charges of Conspiracy Against Rights, Interference with Housing Rights, Use of Fire in the Commission of a Felony, Conspiracy to Obstruct Justice, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Wan J. Kim the Assistant Attorney General for the Civil Rights Division, U.S. Department of Justice, and Daniel D. Roberts, FBI Special Agent in Charge

The indictment alleges that Richardson, Mullins, and others both known and unknown to the grand jury committed several violations of federal law. The crimes alleged surround the July 28, 2002, racially motivated arson of an African-American family's home in Taylor.

“By this Indictment, our community is saying that, in this country, every American should be able to live where they want without threats, intimidation, or violence. Although only a charge, this is a hate crime, and we take such crimes extremely seriously in this district. Anyone who commits racially motivated violence will be prosecuted to the fullest extent of the law.” U.S. Attorney Murphy said.

Wan J. Kim, the Assistant Attorney General for the Civil Rights Division, U.S. Department of Justice, stated, "racially motivated crimes designed to intimidate people from living peacefully in their homes strike at the heart of our most cherished ideals of equality in this nation. Such acts cannot and will not be tolerated. Those charged in this indictment and any others who committed acts of racial violence, or assisted in these crimes, will be vigorously prosecuted."

Daniel D. Roberts, Special Agent in Charge, Federal Bureau of Investigation, (FBI), Detroit, Michigan, advised "Civil rights matters are a high priority with the FBI and we will continue to aggressively investigate are civil rights matters brought to our attention."

United States Attorney Stephen J. Murphy, commended the work of the Special Agents of the Federal Bureau of Investigation, who conducted the investigation. The prosecution was handled by Assistant United States Attorney Daniel Hurley and Michael Khoury, from the Criminal Section of the Justice Department's Civil Rights Division.



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Stephen Moore - IRS CI (313) 234-2410

January 10, 2006

EVENT: Sentencing

Defendant: Jabbolli Davist

Detroit Man Gets Prison for Helping Others Get Fraudulent Tax Refunds

Jabbolli Davist, a Detroit man who paid recruiters and persuaded people that they could get a bigger tax refund by filing their tax returns through him was sentenced to 40 months imprisonment followed by two years of supervised release. United States District Court Judge Lawrence P. Zatkoff also fined Jabbolli Davist \$2,100 and ordered him to pay restitution of over \$187,000, United States Attorney Stephen J. Murphy announced today.

Joined in the announcement was Maurice M. Aouate, Special Agent in Charge, Internal Revenue Service Criminal Investigation.

This sentence was imposed as the results of Davist's September 6, 2005 guilty plea to a March 17, 2003 indictment charging him with one count of conspiracy to defraud the Internal Revenue Service through false claims, 18 counts of aiding and abetting the filing of false claims with the Internal Revenue Service, and two counts of making false statements to IRS criminal investigators.

According to court records, during 1999 through 2002, Davist operated a "refund scheme" where he helped taxpayers obtain fraudulent tax refunds. He found these taxpayers by word of mouth though family or friends and sometimes offered a \$200 to \$500 referral fee to anyone

who brought him a taxpayer. Davist would meet with the taxpayer and get their identification information. Davist would instruct them how to file, providing them with a fraudulent and fictitious W-2. Davist drove the taxpayers to a local tax preparation service where they filed for their fraudulent refunds and requested a Refund Anticipation Loan (RAL). Davist required the taxpayers to hand all the tax preparation papers over to him and told them he would let them know when their refund was ready for pickup. Once the RAL check was ready, Davist would notify the taxpayer, driving them to pick up and going with them to cash the RAL check. Davist kept a significant portion of the tax refund for himself. The amount of the fraudulent tax refunds totaled over \$187,000.

“This sentencing represents this office’s strong stance against tax fraud. Our office will continue to prosecute and enforce the tax laws. We will take all appropriate action against those who prepare fraudulent tax returns, however, taxpayers are ultimately responsible for their tax returns, regardless of who prepares them. If the return is prepared fraudulently, the taxpayer is liable and can be held responsible for the resulting penalties and interests,” United States Attorney Murphy said.

Aquate said, "At the IRS, protecting taxpayer money is a matter we take extremely seriously, so be careful who you give your personal information to when it comes to tax preparation. If you participate in a refund fraud scheme, thinking that it is an easy way to make a quick buck, remember, an integral part of IRS's mission involves detecting and catching fraudulent refund claims and putting those responsible in jail.

United States Attorney Murphy thanked the Internal Revenue Service Criminal Investigation for their investigation of the case. The United States was represented by Assistant United States Attorney Matthew J. Schneider.



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January 12, 2006

EVENT: Complaint

Defendant: Robert Begley et al

**FOUR INDIVIDUALS CHARGED WITH ATTEMPTING TO
ROB A PHARMACY USING A BOMB THREAT**

Four individuals were charged in a Criminal Complaint today with attempting to rob a pharmacy of oxycodone, methadone, and other controlled substances, as well as conspiring to possess with intent to distribute controlled substances, United States Attorney Stephen J. Murphy announced today.

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

Named in the Complaint were Robert Begley, Randy Begley, Nicole Shippee, and Buddy Gill, all aged nineteen.

The affidavit supporting the Complaint alleges that the four defendants conspired to rob the Michigan Pharmacy, located at 24501 Warren, in Dearborn Heights, Michigan of oxycontin (oxycodone), methadone, and other narcotics. The defendants planned to send an individual into the pharmacy carrying a bag. The defendants then were going to call the pharmacy and threaten to blow it up with a bomb concealed in the bag, unless the pharmacy turned over its

supply of drugs to them. The defendants, however, did not actually have a bomb, and they intended to trick the pharmacy. According to the affidavit, defendant Robert Begley stated that he had previously participated in a burglary of the Michigan Pharmacy on November 24, 2005, when over \$15,000 worth of narcotics had been stolen from the store.

According to the affidavit, on January 11, 2006, the four defendants appeared outside the Michigan Pharmacy to commit the robbery. One of the defendants, Buddy Gill, then telephoned the pharmacy and stated that there was a bomb in the bag that had been brought into the store by an individual, and that if the pharmacist did not fill another bag with every narcotic in the store, they would set off the bomb. Unbeknownst to the four defendants, however, Special Agents of the ATF had already uncovered the plot. An undercover agent was in the pharmacy at the time of the planned robbery, posing as a pharmacy employee. The undercover agent received and recorded the telephoned bomb threat. After the bomb threat was made, ATF agents and Officers of the Dearborn Heights Police Department arrested all four defendants.

The four defendants appeared in federal court this afternoon and were held in temporary pretrial detention based on risk of flight and danger to the community pending detention hearings scheduled for Friday, January 13, 2006.

The Criminal Complaint charges the defendants with conspiring to possess with intent to distribute controlled substances, that is, oxycodone and methadone, and attempting to rob a registered DEA pharmacy using force, violence, and intimidation. Convictions for these offenses carry a maximum penalty of 20 years in prison and a \$1 million fine. 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 defendants.

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

“Swift reaction by federal law enforcement in this case foiled the defendant’s plot to put more dangerous drugs on our streets through the use of a violent threat. I commend the

excellent work of the ATF in stopping this crime, ” said United States Attorney Murphy.

This case is being investigated by the Bureau of Alcohol, Tobacco, Firearms and Explosives, with the assistance from the Downriver Area Narcotics Organization (DRANO), the Detroit Police Department and the Dearborn Heights Police Department. It is being prosecuted by Assistant United States Attorney David A. Gardey.



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Fred Van de Putte - (313) 226-8197

January 17, 2006

EVENT: Guilty Plea

Defendant: Daniel J. Lin

**FIRST MAN CHARGED UNDER “CAN-SPAM”
ACT PLEADS GUILTY TO THREE FELONIES**

The first person charged under “CAN-SPAM”, the federal law that made certain kinds of fraudulent or unauthorized mass electronic mailings or “spamming” federal crimes, has pleaded guilty to three felony counts in United States District Court in Ann Arbor, Michigan, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Gregory Campbell, United States Postal Inspector in Charge, for the U.S. Postal Inspection Service.

Daniel J. Lin, 30, of West Bloomfield, entered the guilty plea in United States District Court before Judge John Corbett O’Meara.

The information presented to the court at the time of the plea showed that between January 2004 and August 2004, Daniel Lin and others developed a business to market and sell certain products, including weight loss patches, so called "generic" viagra and cialis pills, and other products through the use of "spam" or bulk commercial electronic mail. Lin caused hundreds of thousands of email messages advertising these products to be sent containing falsified header information, or by routing the messages through other computers without authorization. In carrying out this scheme, Lin and others caused the introduction into the United States of prescription medications from India, in packages that did not declare their true contents, and sold these drugs in the United States without a prescription as required by the Food and Drug Administration. At the time of the execution of the search warrant on Lin's residence in West Bloomfield, Lin, a convicted felon, was in possession of two firearms.

Under the terms of the plea agreement, Lin faces up to 57 months imprisonment and a fine of up to \$250,000.

"Those who use deception in their bulk emails, or who take over other people's computers in order to hawk unapproved prescription drugs or other illegitimate pseudo medical products are a scourge to most Americans," Mr. Murphy said. "Anyone who is abusing the Internet to send illegal spam should take notice that the free ride is over. We have the legal tools to prosecute these cases vigorously and we intend to do so."

Postal Inspector in Charge Campbell said, "the Postal Inspection Service's mission is to maintain the public's high confidence in the U.S. Mail by investigating those who would use the mail as part of a criminal enterprise. We are proud to have initiated the very first criminal prosecution under the new federal statute, commonly referred to as the "Can-spam" act, which prohibits abusive and predatory email practices."

A sentencing hearing was set by Judge O'Meara for May 16, 2006 at 8:30 a.m.

The case is being prosecuted by First Assistant United States Attorney Terrence Berg and was investigated by Postal Inspector Karl A. Hansen.



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January 18, 2006

EVENT: Guilty Plea

Defendant: Michelle Wilson

FORMER WAYNE COUNTY SHERIFFS DEPUTY PLEADS GUILTY TO EXTORTION

A former Wayne County Sheriffs Deputy pleaded guilty yesterday, January 17, 2006 to one count of an Information charging her with Extortion, United States Attorney Stephen J. Murphy announced today.

Pleading guilty before U.S. District Judge Lawrence P. Zatkoff was 42 year old Michelle Wilson, a former Wayne County Sheriff's Deputy who had been primarily assigned to work as a guard at the Wayne County Jail in Detroit, Michigan. Wilson had been with the Wayne County Sheriffs Department for 21 years.

"All law enforcement officials must be held to the highest standards of integrity. This office will aggressively fight corruption wherever it is found, including when it involves law enforcement officials," said U.S. Attorney Murphy.

The extortion stems from Wilson accepting money to bring unauthorized food and beverages into certain inmates in the Wayne County Jail. The Information charges that Wilson was paid \$400.00 by an unnamed accomplice for bringing the unauthorized items to inmates at

the Wayne County Jail.

At today's plea hearing, Wilson admitted that in January 2005, she was a public official assigned to work in the Wayne County Jail. She further admitted being paid \$400.00 by another person to bring unauthorized food and beverages to certain inmates at the jail. Wilson further admitted that she had no right to receive payment of the money. Under the plea agreement between the government and Wilson, she may receive a sentence of 10 to 16 months incarceration.

This case was investigated by the FBI working in conjunction with the Wayne County Sheriffs Department.

Wilson's sentencing is scheduled for April 4, 2006 before Judge Zatkoff at the federal courthouse in Port Huron, Michigan.



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January 17, 2006

EVENT: Indictment

Defendant: DeWayne Boyd

FORMER FEDERAL FUGITIVE INDICTED

DeWayne Boyd, former staffer of Congressman John Conyers, 49, was indicted by a federal grand jury in Detroit on charges of failure to appear for sentencing in federal district court this past April, United States Attorney Stephen J. Murphy announced today.

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

Boyd was convicted in December 2004, of various fraud charges after a trial before Hon. Robert H. Cleland. Today's indictment charges that he deliberately failed to appear for sentencing on April 12, 2005.

"Defendants who skip sentencing comprise the most extreme examples of those who refuse to accept any responsibility for their criminal behavior. Federal law enforcement agencies make it among their most important work to aggressively pursue fugitives, and we support their efforts by vigorously prosecuting all fugitive matters that come to our office. For a fugitive, the decision to flee means that when caught, they will likely face even substantially

more time in prison than they did in the first place,” stated Mr. Murphy.

When Boyd failed to appear, the FBI began an investigation into his whereabouts. He was eventually traced to Ghana. At that point criminal investigators in the State Department assisted in the investigation, and Boyd was located in Accra, Ghana. With the further assistance of the Ghanaian police, Boyd was arrested in Ghana on December 31 and expelled from that country the next day.

Additionally, by way of background, Boyd was required to surrender his passport to the Pretrial Services office in the Eastern District of Michigan at the time he was arraigned on the fraud charges for which he has now been convicted. During the fugitive investigation, however, the State Department developed evidence that Boyd had traveled to Ghana on a fraudulently obtained passport. Thus, in addition to the charge in today's indictment, Boyd has also been charged with passport fraud in another complaint that was issued in the District of Columbia. The new complaint charges that in February 2005, after Boyd's conviction but before his scheduled sentencing, Boyd lied to the State Department to obtain a replacement passport, falsely claiming that he had lost his old passport when in fact he had been required to relinquish it to the court. Boyd has not yet made an appearance on that complaint.

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.



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January 19, 2006

EVENT: Sentencing

Defendant: Tom Dennis Hopper

FORMER FLINT CHIROPRACTOR AND BUSINESSMAN SENTENCED

A former Flint chiropractor -- who was also a mortgage loan officer in Florida was sentenced on January 17, 2006 to 33 months in prison for a wire fraud involving \$1,829,000 that was embezzled from a title company, United States Attorney Stephen J. Murphy announced today.

Thom Dennis Hopper, 57, of Trinity, Florida, was sentenced by Senior United States District Judge Paul V. Gadola.

This is a significant sentence. Its imposition by Judge Gadola evidences the serious negative impact that mortgage and real estate fraud has on its victims. Our office will continue to dedicate resources to strongly fighting real estate fraud in its various forms and we will aggressively pursue any individuals who continue to perpetrate these types of crimes, U.S. Attorney Murphy said.

Hopper pleaded guilty in April 2005 to one count of wire fraud. The offense arose from Hoppers operation of Klear Title, LLC, of Flint, which acted as an agent for Commonwealth Land Title company and received moneys in escrow pending completion of real estate transactions. Hopper was the President of Klear Title.

At the time of his plea, Hopper admitted to the Court that between January 24 and April 11 of 2002, he had wrongfully misappropriated and diverted such escrow moneys from a trust account by wiring them to an account he personally controlled at the Bank of Nova Scotia in Ottawa, Canada. At the sentencing hearing the court found that this money had then been used by Hopper for personal expenditures, including a \$1,000,000 down payment toward purchase of the Tampa Bay Storm (an Arena Football League team) and a \$635,000 purchase of a race track near Ottawa.

At the sentencing hearing yesterday, Judge Gadola ruled that the United States Sentencing Commission's guideline range for Hopper's offense was 30-37 months, and he imposed a sentence of 33 ½ months as reflected in the parties' plea agreement. Judge Gadola said that the guidelines should actually be higher to reflect the true seriousness of Hopper's offense. He sentenced Hopper to the maximum allowed under the agreement; ordered that he make restitution to Commonwealth in the amount of \$1,829,000; and directed that he serve a three-year term of supervised release after completion of his prison term. Judge Gadola further directed that Hopper immediately be taken into custody by the United States Marshal to begin serving his sentence.

The case was investigated by the Flint office of the Federal Bureau of Investigation, and was prosecuted by Assistant United States Attorney Robert W. Haviland.



U.S. Department of Justice

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January 17, 2006

EVENT: Guilty Plea

Defendant: Nemr Ali Rahal

DEARBORN RESIDENTS PLEAD GUILTY TO BANK FRAUD

Nemr Ali Rahal, a 41-year-old resident of Dearborn, Michigan, pleaded guilty to aiding and abetting bank fraud, United States Attorney Stephen J. Murphy announced today. On January 3, 2006, Rahal's wife, Rania Fawaz Rahal, 24, previously also pleaded guilty to conspiring with her husband to commit bank fraud and credit fraud. Murphy was joined in the announcement by Daniel Roberts, Special Agent in Charge of the Federal Bureau of Investigation, Detroit Division.

U.S. District Judge Arthur J. Tarnow accepted the guilty pleas from both defendants, and took their plea agreements under advisement. Under the agreements, Nemr Rahal faces up to 41 months in custody, 5 years of supervised release, a \$75,000 fine, forfeiture of real and personal property, and a money judgment of \$453,594, and restitution. Rania Fawaz Rahal faces a maximum of 12 months in custody and 3 years of supervised release, as well as fines and orders of forfeiture and restitution.

The couple admitted at their pleas that they obtained over \$500,000 from banks through mortgage fraud and “bust out” credit fraud schemes between 2000 and 2005. According to documents filed in the case, the Rahals falsified their residency, employment and income information to obtain mortgages totaling over \$200,000 on houses at 7515 Freda and 5479 Argyle in Dearborn. They also "busted out" Nemr Rahal's own credit by using false information on credit applications and obtaining over 50 credit cards, then systematically kiting worthless checks between the 50 credit accounts to falsely inflate the available balances, and drawing out the money with cash advances before the checks were dishonored.

U.S. Attorney Murphy said, “This type of serious fraud threatens the integrity of our mortgage lending institutions and also makes consumers suffer from higher interest rates when banks issuing credit cards have to deal with large scale losses. We will do our utmost to fight against and prosecute such fraudulent activity.”

Judge Tarnow has scheduled Nemr Rahal's sentencing for April 26, 2006, and Rania Fawaz Rahal's sentencing for April 4, 2006

The investigation of this case has been conducted by the Federal Bureau of Investigation. The case has been prosecuted by Assistant U.S. Attorneys Cynthia Oberg and Rita Foley.



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January 17, 2006

EVENT: Sentencing

Defendant: Steve Safa

**MAN CONVICTED OF PERJURY RECEIVES A 15-MONTH SENTENCE
IN FEDERAL COURT**

Today a Dearborn man convicted of committing perjury while testifying before a federal grand jury received a sentence of 15 months in prison in federal court in Detroit. Mahmoud Mustafa "Steve" SAFA, 39, was sentenced before United States District Judge Arthur A. Tarnow, United States Attorney Stephen J. Murphy announced today.

Judge Tarnow also imposed a fine of \$10,000.00 upon SAFA. The Court, in imposing sentence upon SAFA, recognized the strong need to deter others from committing perjury in federal proceedings.

SAFA was convicted of one count of perjury on October 17, 2005 after a week-long jury trial in federal court in Detroit. After SAFA's conviction United States Attorney Murphy issued a statement reiterating the importance of such prosecutions, and the fact that the expectation that witnesses who take an oath to testify truthfully will do so is a foundational underpinning to our system of justice. Murphy vowed to continue to prosecute such cases.

The case was investigated by the Federal Bureau of Investigation and the Counter-Terrorism Unit of the United States Attorney's Office. The case was tried by Assistant United States Attorney J. Michael Buckley.



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July 26, 2005

EVENT: Plea

Defendant: Patrick M. Wynne

**FORMER FEDERAL EMPLOYEE PLEADS
GUILTY TO THEFT**

A former employee of the Department of Justice and the Department of Homeland Security entered a plea of guilty today to the charge of embezzlement based on his thefts of cash and other property that was stolen from hundreds of illegal immigrants, announced Stephen J. Murphy, United States Attorney for the Eastern District of Michigan. Mr. Murphy was joined in the announcement by Daniel D. Roberts, Special Agent in Charge, Federal Bureau of Investigation and Thomas Frost, Special Agent in Charge of the Chicago, Illinois office of the Department of Homeland Security - Office of Inspector General.

Patrick M. Wynne, age 33, of Milan, Michigan entered the guilty plea in United States District Court in Detroit before Judge Julian Able Cook, Jr. .

The information presented to the court at the time of the plea showed that between 2000 and 2004, while Wynne was employed as a Detention Officer with the Immigration and Naturalization Service, later known as the Department of Homeland Security - Immigration and Customs Enforcement division, he stole as much as \$290,000.00 from more than 500

detainees who were being kept in custody pending deportation from the United States. Wynne was also the Property Officer for the INS/ICE Detention facility in Monroe, Michigan during the same time period. As part of his duties Wynne was responsible for maintaining property belonging to hundreds of detainees. Wynne's duty was to ensure that the property was secure and that it was returned to the rightful owner at the time he or she was deported from the country or otherwise released from custody. Instead, Wynne stole the property and converted it to his own use.

Under the terms of the plea agreement, Wynne faces up to 57 months imprisonment and a fine of up to \$250,000.00. Wynne will also be required to make full restitution to those whose property was stolen

United States Attorney Murphy stated that, "Violations of the public trust are among the most serious felonies that we prosecute in this office. In that vein, the thefts committed by Wynne are an absolute betrayal of his duties as a federal law enforcement officer."

Special Agent in Charge Thomas Frost stated that, "This conviction sends a clear message that employees of the Department of Homeland Security who may decide to engage in criminal activity within the scope of their duties will be aggressively pursued and prosecuted."

A sentencing hearing was set by Judge Cook for November 15, 2005 at 2:00 pm.



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January 24, 2006

EVENT: Guilty Plea

Defendant: LoToya Cotton

FORMER STATE HOUSING AGENT PLEADS GUILTY TO FRAUD

LoToya Cotton, a former agent of the Michigan State Housing Development Authority ("MSHDA") pleaded guilty to one count of theft of federal funds in connection with obtaining more than one million dollars in federal money by defrauding MSHDA, United States Attorney Stephen J. Murphy announced today.

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 and Brandy Westcot, Coordinator for the Michigan State Housing Development Authority.

U.S. Attorney Murphy said, "By stealing from a government fund set up solely to help low income individuals and families secure one of life's most important necessities -- dependable housing -- Cotton committed a serious felony that cuts against the expectations of integrity that Americans rightly hold about government administered programs. This office,

which has the unique resources necessary to fight program fraud, will continue our significant efforts that have historically been designed to root out public corruption. We will do all we can, everyday, to protect the integrity of government services.”

The fraud from MSHDA, a federally funded entity, occurred between 1994 and 2005. During that time, Cotton, 45, of Canton, worked as an agent for MSHDA. Her duties included arranging for State rental vouchers to be paid to low income tenants. Cotton committed the fraud by creating a straw company called “Washtenaw Payee Services” and directing voucher payments to a bank account in the company’s name, while claiming the payments were rent payments on behalf of indigent tenants.

Under the terms of the plea agreement between Cotton and the government, Cotton agrees to serve between 37 and 46 months in federal prison. Cotton must also forfeit her home and repay the amount obtained by fraud, namely, \$1,052,701. The maximum possible sentence is ten years imprisonment and a fine of \$250,000.

The case is being prosecuted by Assistant U.S. Attorney R. Michael Bullotta and investigated by the Federal Bureau of Investigation, the Michigan State Housing Development Authority, and the U.S. Bureau of Housing and Urban Development, Office of Inspector General.



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January 26, 2006

EVENT: Guilty Plea

Defendant: William Hatchett

PONTIAC ATTORNEY PLEADS GUILTY FOR NOT PAYING TAXES TO THE IRS

William Hatchett, an attorney with the law firm of Hatchett, DeWalt & Hatchett in Pontiac, Michigan, pleaded guilty to attempting to evade and defeat the payment of his taxes, United States Attorney Stephen J. Murphy announced today.

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

“This plea represents this office’s strong stance against tax fraud. Our office will continue to prosecute and enforce the tax laws. We will take all appropriate action against those who willfully evade payments of their federal tax liability,” United States Attorney Murphy said.

William Hatchett entered the guilty plea in United States District Court before Judge Patrick J. Duggan as the result of a December 15, 2005 information. According to court records, from 1989 through 1996, Hatchett admitted that he had an outstanding federal tax liability, but never made payment on approximately \$382,000 in federal

income and self employment taxes due and owing. He willfully tried to evade these payments by using cash and cashier's checks to impede the ability of the IRS to collect on his federal tax liabilities. Hatchett also used another person's American Express Cards for his personal expenses and had no bank accounts in his name. Hatchett used the Hatchett, DeWalt & Hatchett firm checking account to finance his personal expenses, which including tuition payments for his children's education.

Aouate said, "The law requires that each of us is responsible for filing a tax return when required, and for determining and paying the correct amount of tax. The efforts of Internal Revenue Service Criminal Investigation Division are directed at taxpayers who *willfully* and *intentionally* violate this known legal duty."

A conviction of attempting to evade and defeat the payment of his taxes carries a maximum penalty of 5 years imprisonment and a \$250,000 fine for each count.

The case was investigated by special agents of the IRS Criminal Investigation Division. The case is being prosecuted by Assistant United States Attorney Karl Overman.



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January 31, 2006

EVENT: Guilty Plea

Defendant: Contrell Smith

DRUG RING-LEADER CONVICTED

Contrell Smith, a 24-year-old Redford man, was found guilty today by a federal jury in Port Huron on multiple drug trafficking charges. Smith was convicted of conducting a Continuing Criminal Enterprise, Conspiracy to Distribute Cocaine and Crack Cocaine, four counts of Possession With Intent to Distribute Cocaine and Crack Cocaine and four counts of Unlawful Use of a Telephone, United States Attorney Stephen J. Murphy announced today.

The jury deliberated for less than three hours before returning the verdict, concluding a less than two-week trial before United States District Judge Lawrence P. Zatkoff.

The evidence presented at trial showed that Smith was the ring-leader of a cocaine distribution organization known as the "Joy Boys." From October 2002, through December 7, 2003, self-described "Joy Boys," sold crack and powder cocaine to narcotics customers, who would call "customer service" cellular telephone numbers. A member of the Joy Boys organization would direct the customer to meet him, or another Joy Boy, at a location, typically on a residential side street, usually located on the far west side of Detroit, in Redford Township, Dearborn or Allen Park, Michigan. The customer would be told to wait at the meet spot until a drug delivery car arrived. When the delivery car arrived, the Joy Boys would sell

crack cocaine or powder cocaine to the customers. In essence, the Joy Boys organization operated a mobile crack house, twenty-four hours a day, seven days a week. The Joy Boys used supply locations to package the narcotics, collect narcotics proceeds, for record keeping relating to the narcotics transactions, and for the storage of firearms used for the protection of the organization. Contrell Smith obtained substantial income and resources from the operation of this drug ring.

“Dismantling armed drug gangs like the so-called ‘Joy Boys’ is a priority of our office; I salute the excellent efforts of the federal and local investigative team that took down this drug organization and made our streets safer,” United States Attorney Murphy said.

“I believe that the drop in gun crime in the City of Detroit last year is a direct reflection of ATF’s work with our law enforcement partners working narcotics investigation. We know that guns and drugs go hand and hand and can escalate violent crime rates. Through aggressive enforcement of the gun laws we can identify and combat violent drug gangs from ruling our streets,” said Valerie J. Goddard, Special Agent in Charge, Alcohol, Tobacco, Firearms, and Explosives.

Murphy commended the work of the agents of the Bureau of Alcohol, Tobacco, Firearms and Explosives and the Drug Enforcement Administration, with the assistance of the Wayne County Sheriff’s Department, the Detroit Police Department and the Westland Police Department in the investigation.

A sentencing date has been set for April 27, 2006 at 10:00 a.m. in Port Huron. Smith faces a mandatory minimum of 20 years and a maximum of life imprisonment. Smith was remanded into the custody of the United States Marshal’s Service.

The case was prosecuted by Assistant U.S. Attorneys Wayne F. Pratt and Michael J. Riordan.