



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

April 8, 2008

EVENT: Guilty Plea

Defendant: Brandon Allen et al

TWO DETROIT POLICE OFFICERS PLEAD GUILTY TO EXTORTION

Two Detroit Police officers pleaded guilty to extorting money from a citizen, under color of law, in violation of the Hobbs Act, United States Attorney Stephen J. Murphy announced today.

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

Pleading guilty today was Brandon Allen, 23, of Southfield. On March 25, 2008, Aaron Scott, 24 of Southfield pleaded guilty to a one count Information. His partner and co-defendant Aaron Scott, 24, also of Southfield, pleaded guilty today. Both cases are before the Honorable David M. Lawson.

The evidence adduced at the two guilty plea hearings established that on October 19, 2007, while they were on duty and assigned to the Tactical Services Section, Officers Allen and Scott extorted funds from a clerk at the convenience store inside the Marathon Gas Station located at West Warren and the Jeffries Freeway in the City of Detroit by threatening to arrest him if he did not pay them. The in-store video from that night shows the clerk chased a group of troublemakers out of the store by brandishing a shotgun; the clerk immediately came

back inside the store, put the shotgun away, and continued to wait on customers. The video shows that moments later, Officers Allen and Scott came into the store with guns drawn, ordered the clerk from behind the counter, placed him in handcuffs, and talked to him. According to their guilty pleas, the officers told him he could face various legal troubles as a result of his actions, but he could avoid going to jail by paying them cash. The video shows the officers then removed the handcuffs, and the clerk took money from the cash register of the gas station and handed it to one of the officers. The officers left, and made no note of the event in their DPD activity log.

United States Attorney Stephen J. Murphy said, "Shaking down merchants while hiding behind the authority of a police badge is completely intolerable. Such conduct brings shame upon the law enforcement community and will be prosecuted for crime that it is."

Brandon Allen's sentencing hearing is set for August 4, 2008. Aaron Scott will be sentenced on June 30, 2008.

A conviction for this offense carries a maximum penalty of 20 years in prison or a \$250,000 fine, or both. The sentence will be imposed under the United States Sentence Guidelines according to the nature of the offense and the criminal background, if any, of the defendants.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758
George Krappman - ATF (313) 202-3504

April 8, 2008

EVENT: Sentenced

Defendant: Frederick A. MacKinnon

**FORMER OGEMAW COUNTY PROSECUTING ATTORNEY
SENTENCED TO FIVE YEARS FOR ILLEGAL POSSESSION
OF MACHINE GUNS AND SILENCERS**

The former Ogemaw County Prosecuting Attorney was sentenced today after having been convicted of unlawful possession of machine guns and silencers by a federal court jury in August, 2007, announced United States Attorney Stephen J. Murphy.

Mr. Murphy was joined in the announcement by Thomas E. Brandon, Special Agent in Charge, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

Frederick A. MacKinnon, 54, was sentenced by United States District Judge Robert H. Cleland to 60 months in prison.

Evidence presented during the three week trial showed that the former elected official and his co-defendants, Gary J. Theunick and Maxwell Lee Garnett, abused their official positions to obtain 7 machine guns and 9 silencers, which are heavily restricted under federal law, for their own personal use rather than for any law enforcement purpose.

MacKinnon's co-defendants, Gary J. Theunick and Maxwell Lee Garnett, were previously sentenced to 63 months (on March 7, 2008) and 71 months (on March 11, 2008), respectively. MacKinnon and Theunick were the prosecutor and chief assistant prosecutor, respectively, during part of the time covered by the indictment; Garnett was the Rose City Chief of Police at the time.

U.S. Attorney Murphy said, "When prosecutors and police officers flout the law just to be able to get a hold of particularly dangerous weapons for their personal recreation, this is an abuse of power that violates the public's trust in the fair application of the law."

Special Agent Brandon said, "The jury verdict and subsequent sentence against these defendants shows that no one is above the law."

Mr. Murphy commended the excellent investigative work of the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Michigan State Police, as well as the federal prosecution team from the Bay City and Detroit U.S. Attorney's Offices.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

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

April 9, 2008

EVENT: Sentenced

Defendant: Deloris Jones

DETROIT GRANDMOTHER SENTENCED FOR PREPARING FALSE TAX RETURNS

Deloris Jones, 58 year-old Detroit grandmother was sentenced to three years probation after pleading guilty to preparing a false tax return, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by IRS Special Agent in Charge Maurice Aouate.

According to court records, during 2001 through 2003, Lorenzo Hardy of Detroit, owner of Lorenzo Hardy Financial Services, employed Deloris Jones to prepare tax returns for his clients. The scheme involved legitimate wage earners turning over their W-2s to Hardy and Jones, who would then prepare fraudulent tax returns by inflating Schedule "A" deductions, including charitable gifts, state and local taxes, personal property taxes and job expenses. Between Hardy and Jones, over 70 fraudulent returns were prepared causing a tax loss of over \$80,000.

According to court records, in January 2008, Hardy was sentenced to five years probation with his first six months to be served in a Community Treatment Center, after pleading guilty to aiding in the preparation of false and fraudulent tax returns. He is also reimbursing the Internal Revenue Service for the tax loss that his scheme created.

United States Attorney Stephen J. Murphy said, “A tax preparer exercises a great deal of power over his taxpayer customers, because they are relying heavily on the preparer’s expertise and honesty. In this case, the tax preparer acted more like a coach on how to cheat Uncle Sam. All citizens must remember that they are ultimately responsible for their tax returns, no matter who prepares them. If their returns are false, taxpayers may be not only liable for back taxes, but also subject to fines, penalties, and like this case, serious criminal prosecution.”

Special Agent in Charge Aouate said, “At the IRS, protecting taxpayer money is a matter we take extremely serious. No one is entitled to an undeserved windfall and refunds should only be issued to taxpayers who are entitled to them. CI will continue to aggressively pursue those who file or promote the filing of false tax returns.”

Murphy commended the special agents from the IRS Criminal Investigation Division. The case was prosecuted by Assistant U.S. Attorney Terence R. Haugabook.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

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

April 9, 2008

EVENT: Sentenced

Defendant: Samuel J. Abraham

**BLOOMFIELD HILLS MAN SENTENCED ON CHARGES OF
TAX EVASION AND ADVANCE FEE SCHEMES ON NON-EXISTENT
HIGH DOLLAR LOANS**

Samuel J. Abraham, 51, of Bloomfield Hills was sentenced today to 54 months in prison as a result of pleading guilty to three counts of tax evasion, two counts of wire fraud, and two counts of engaging in monetary transactions in criminally derived property, before U.S. District Court Judge Denise Page Hood announced United States Attorney Stephen J. Murphy.

Mr. Murphy was joined in the announcement by Special Agent in Charge Andrew G. Arena, Federal Bureau of Investigation and Special Agent in Charge Maurice Auoate, Internal Revenue Service Criminal Investigation Division.

The Court also imposed restitution in the amount of \$4.81 million to be paid to victims of Abraham's fraud. A number of assets of personal property seized from Abraham will also be forfeited.

Information presented to the court at the time of the guilty plea on September 18, 2007, showed that during 2003 & 2004, Sam Abraham, doing business as the Walton Trust Ltd., was

introduced to representatives of European Sea's Ltd., an Irish company, and Hallonlodge Proprietary Ltd., an Australian company, who were seeking a large credit facility for their business projects. Abraham falsely represented to them that he could secure \$10 million and \$100 million for their respective projects, in exchange for fees of \$150,000 from European Sea's Ltd. and \$3 million from Hallonlodge. Abraham executed agreements indicating that Walton Trust would arrange for the loans from a major bank. European Sea's and Hallonlodge wired their funding fees to "escrow" accounts located at Comerica and JP Morgan Chase Bank in Michigan. These "escrow" accounts were set up to provide the investors with comfort. The representatives of both European Sea's and Hallonlodge understood that their funding fees would not be touched until the investment contract and original "funding bank letter" indicated that the pool of bank funds were available.

Abraham then provided the European Sea's and Hallonlodge representatives with counterfeit letters from officials in the Private Banking Division and Global Banking Department of Citibank, New York, confirming the availability of the \$10 million and \$100 million lines of credit. However, Abraham, without the knowledge or permission of European Sea's or Hallonlodge's representatives, instructed his attorney to commence disbursing the \$150,000 and \$3 million fees to himself and others for his own personal use, knowing that there were no monies available at Citibank for either European Sea's or Hallonlodge. Abraham attempted to lull the investors into believing that the monies would eventually come but the bank loan, line of credit, or investment returns never materialized.

The joint federal agencies' investigation also disclosed that since 1998 Abraham has obtained several million more dollars through his advance fee and investment schemes. For the 2000 through 2002 tax years, Abraham failed to file tax returns in spite of his substantial income from his investment fees. Abraham also acknowledged making false statements to the Internal Revenue Service in evading payment of his income tax liabilities.

Additional information obtained during the course of the investigation showed that between November 1996 and January 2007, Abraham received at least \$14.3 million from deals most of which he accomplished by sitting at his computer or conducting business in the

restaurant at the Townsend Hotel in Birmingham, Michigan. A number of his victims were sophisticated businessmen including the former president of the Tampa Bay Lightning whose company Seastar Consolidated, S.A. provided him with \$1 million; a businessman from Bethesda, Maryland who provided \$2.5 million to Abraham; \$1 million from a businessman of International Data, a large coupon redemption company based in Bloomington, Indiana; and \$3 million from an Australian based entity called Hallonlodge Proprietary, Ltd. Some of these monies, however, were made up of money from individual investors who had made much smaller investments and didn't know of Sam Abraham's role in their investment and could scarcely afford such a loss of their investment.

United States Attorney Stephen J. Murphy stated, "Advance fee loan schemes such as this are all too common because persuasive con artists can deceive even sophisticated business people. Although federal law enforcement is well equipped to pursue such cases, investors need to be on their guard against these schemes as the first line of defense."

Assistant U.S. Attorney MacKenzie added that, "Mr. Abraham's sophisticated frauds over the years are once again a lesson to all that exercising extreme due diligence in learning about the person with whom you are dealing is very important. Had potential investors requested Mr. Abraham to produce a list of satisfied clients whom they could contact, he would have been very hard pressed to provide any since he left a long line of unsatisfied investors with broken promises and litigation over the years. Appearances of success and persuasive talk are not good enough. We hope the victims will take some satisfaction from the sentence imposed by the Court."

"Today's swindlers still target the unsuspecting with offers that are too good to be true, but, in today's competitive business world, these scam artists are using sophisticated marketing methods and false documentation to seal the deal," said Aouate. "IRS Criminal Investigation will continue to diligently follow the money in order to bring these greedy people to justice."

The investigation leading up to the indictment was conducted by the Federal Bureau of Investigation, the Internal Revenue Service, Criminal Investigations Division and the United States Postal Inspection Service. The case has been prosecuted by Assistant U.S. Attorneys Ross I. MacKenzie and Julie Beck.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

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

March 31, 2008

EVENT: Sentenced

Defendant: Charles Edward Flenory

**FATHER SENTENCED FOR LAUNDERING MONEY
FOR DRUG DEALING SONS**

Charles Edward Flenory, 60, of Detroit, Michigan, was sentenced to 18 months imprisonment, followed by two years of supervised release, as the result of his pleading guilty to money laundering conspiracy charges, United States Attorney Stephen J. Murphy announced.

Mr. Murphy was joined in the announcement by Special Agent in Charge Robert L. Corso, Drug Enforcement Administration and Special Agent in Charge Maurice Aouate, Internal Revenue Service Criminal Investigation Division.

According to court records, Charles Edward Flenory, father of convicted drug dealers Demetrius and Terry Flenory, accepted money which he knew was from the proceeds of cocaine sales to pay for the remodeling and repair of a home owned by his sons. Flenory did so in order to conceal the source and ownership of the drug trafficking proceeds.

The Flenory brothers pleaded guilty to narcotic charges and are currently awaiting sentencing. They admitted to leading of a criminal enterprise involving the large scale

distribution of cocaine. They also admitted to obtaining millions of dollars in cash from the sale of cocaine and using these illegal proceeds to purchase real estate, vehicles and jewelry. They have agreed to a sentence between 30 years and life and to a money judgment in the amount of \$270 million.

United States Attorney Murphy said, "The desire to hide illegal drug trafficking profits leads drug dealers to exploit their own families, sadly enough. It is another cost and consequence of the destructive and dangerous drug trade."

The investigation of this case has been conducted by the Drug Enforcement Administration and the Internal Revenue Service Criminal Investigation Division.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758
George Krappmann - ATF (313) 202-3504

April 1, 2008

EVENT: Guilty Plea

Defendant: Donnell McKenzie

DETROIT CRACK DEALER PLEADS GUILTY

Career Offender To Be Sentenced From 10 Years To Life In Federal Prison

Donnell McKenzie, 27, of Detroit pled guilty in federal court today to felony drug charges, United States Attorney Stephen J. Murphy announced. Joining in the announcement was Special Agent-In-Charge Thomas E. Brandon, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

McKenzie pled guilty to conspiracy to distribute more than 5 grams of crack cocaine before United States District Judge Gerald E. Rosen. McKenzie was identified as a result of undercover purchases made by disguised ATF agents and Detroit Police Department officers. On March 27, 2007, McKenzie sold 11 grams of crack cocaine to an undercover ATF agent for \$350.

United States Attorney Stephen J. Murphy said, "Selling crack carries very high federal prison sentences, and even more so when the dealer has a significant criminal history. I salute the hard work and courage of all the federal, state, and local law enforcement agents who bravely put their lives on the line doing undercover work to help rid our streets of this deadly substance."

SAC Brandon said, "This guilty pleas shows that joint enforcement efforts like Operation TIDE work by getting violent criminal offenders off of the street."

This is McKenzie's third drug-related conviction. In February 2002, he was convicted in Wayne County Circuit Court of delivering/manufacturing cocaine. In September 2004, he was convicted of felony possession of cocaine. McKenzie was also convicted, in June 1999, of felony home invasion. As a result, McKenzie is classified as a career offender in his plea agreement and faces an advisory sentencing guideline range of 22 to 27 years imprisonment. Distribution of more than 5 grams of crack cocaine is punishable by a statutory minimum of 10 years and up to life imprisonment.

With McKenzie's plea, all three defendants indicted by the government on August 2, 2007 in the case have been convicted. On March 4, 2008, Jamil Ingram, 29, pled guilty to conspiracy charges. Like McKenzie, Ingram is a career offender facing a 10-year mandatory minimum and an advisory guideline range of 22 to 27 years. On February 22, 2008, Khary Broyles, 28, also pled guilty to drug conspiracy charges. Broyles faces a statutory minimum of five years imprisonment.

Project Safe Neighborhoods (PSN) Operation TIDE is the unprecedented, long-term law enforcement and community collaboration where federal, state, county and local law enforcement officials meet regularly and work in cooperation to reduce violent crimes and prevent recidivism by focusing on the "worst of the worst" in Northwest Detroit, Detroit's largest police district.

Other PSN Operation TIDE Task Force partners include the U.S. Marshals Service, the FBI, the Wayne County Sheriff's Department, the Wayne County Prosecutor's Office, and the Michigan Department of Corrections.

Citizens with information concerning illegal guns, gangs with guns, armed drug

trafficking or the trafficking of illegal guns are encouraged to call 800-ATF-GUNS. Callers can remain anonymous. This number is managed and answered by law enforcement, ATF agents who work directly with local police departments. For information about Project Safe Neighborhoods call 1-800-891-8881 or visit www.psnworks.org.

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



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

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

April 1, 2008

EVENT: Sentenced

Defendant: David W. Steele

Detroit Man Sentenced for Filing A False and Fraudulent Federal Income Tax Return

David W. Steele, 50, of Detroit, Michigan was sentenced to 6 months in a community confinement center, 6 months of home confinement and two additional years of probation for filing a false and fraudulent federal Income Tax Return, announced United States Attorney Stephen J. Murphy.

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

The conviction and sentence arose from a 1040 Income Tax Return that David Steele filed in February of 2003. On that return, Steele falsely claimed that \$33,980.00 in federal income tax had been withheld from wages he had been paid by the entity Pastelle Company, Inc. Steele also falsely claimed a refund of \$23,157.00. In fact, no such taxes had been withheld and Steele was not entitled to any such refund from the Internal Revenue Service.

The sentence was imposed by United States District Court Judge Patrick J. Duggan. As part of the sentence, Judge Duggan ordered Steele to pay \$23,157.00 in restitution to the United States. Steele was also ordered to pay a fine of \$2,000.00.

In announcing today's sentence, United States Attorney Stephen J. Murphy commended the dedication and investigative work of the Internal Revenue Service - Criminal Investigations division.

"Protecting the integrity of the national tax system is an ongoing priority for this office," said United States Attorney Stephen J. Murphy. "Defendants who falsify tax documents to avoid their tax obligations or to obtain money to which they are not entitled should expect to face vigorous prosecution under the law," added Murphy.

Internal Revenue Service Criminal Investigation's Special Agent in Charge Maurice M. Aouate stated, "Cheating on your taxes is the same as stealing. We should not expect the honest taxpayer to foot the bill for those who fraudulently defraud the IRS."



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

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

April 1, 2008

EVENT: Indictment

Defendant: John Diekman

CLINTON TOWNSHIP MAN ARRESTED ON TAX EVASION CHARGES

John Diekman, of Clinton Township, was arrested on an indictment charging him with four counts of tax evasion, United States Attorney Stephen J. Murphy announced.

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

According to court records, during 2001 through 2004 tax years, Diekman filed fraudulent Form W-4s with his employer, American Axle, falsely claiming that he was "Exempt" from income taxes. Employers use the IRS Form W-4 to determine the amount of tax withholdings that are needed to be deducted from an employee's wages. During these years, after making considerable gross income, with a substantial tax due and owing, Diekman, 58 failed to report his income to the Internal Revenue Service, as required by law.

United States Attorney Stephen J. Murphy stated, "I hope this case sends a clear signal to those who seek to avoid taxes through illegal means. No one enjoys paying taxes, but taxpayers should pay their fair share."

““The law is crystal clear,” said Aouate. “Everybody has a duty to pay their taxes.”

Tax evasion carries a maximum penalty of five years imprisonment and a \$100,000 fine, per count.

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.

United States Attorney Murphy thanked the IRS Criminal Investigation. The case is being prosecuted by Assistant United States Attorney Barbara L. McQuade.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

April 10, 2008

EVENT: Guilty Plea

Defendant: Albin Martin Zelek II

WOODHAVEN MAN PLEADS GUILTY TO DISTRIBUTING CHILD PORNOGRAPHY
Forensic Examination Reveals Over 50,000 Images

A 41-year-old Woodhaven man pleaded guilty to distributing child pornography in federal court today, United States Attorney Stephen J. Murphy announced. Murphy was joined in the announcement by Andrew G. Arena, Special Agent-In-Charge of the Federal Bureau of Investigation (FBI) in Detroit.

Albin Martin Zelek II entered the guilty plea in United States District Court in Detroit before Judge Avern Cohn.

Zelek admitted to using Limewire peer-to-peer software to make child pornography images available on the Internet from October 2006 to May 2007. Among other pictures, Limewire users could download sado-masochistic images of minors as young as 5 years old from Zelek's computer. On May 30, 2007, federal agents executed a search warrant at his home, resulting in the seizure of two laptop computers. Subsequent forensic examination revealed 50,018 images of child pornography and 103 movies.

United States Attorney Murphy said, "The number and character of the images in this

case, recording as they do the destruction of the innocence of so many children, is mind-boggling and particularly disturbing. Given the danger to children posed by the growing global market for child pornography, these cases are an appropriate priority for federal law enforcement.”

Distribution of child pornography is punishable by at least 5 and up to 20 years imprisonment. Pursuant to his plea agreement, Zelek agreed to an advisory sentencing range of 12 ½ to 15 ½ years imprisonment. No sentencing date has been scheduled. Zelek has been in custody since February 28, 2008 for violating the conditions of his bond.

This case was brought as part of Project Safe Childhood. In February 2006, Attorney General Alberto R. Gonzales launched Project Safe Childhood, a nationwide initiative designed to protect children from online exploitation and abuse. Led by the United States Attorneys Offices, Project Safe Childhood marshals federal, state and local resources to better locate, apprehend, and prosecute individuals who exploit children via the Internet, as well as identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafechildhood.gov/.

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



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

April 10, 2008

EVENT: Sentenced

Defendant: Bassam Salameh

DEARBORN MAN PLEADS GUILTY TO FOOD STAMP FRAUD

A 32-year-old Dearborn, Michigan resident pleaded guilty to an Indictment charging him with committing food stamp fraud in excess of \$5,000 United States Attorney Stephen J. Murphy announced today.

Pleading guilty before U.S. District Judge Nancy G. Edmunds was Bassam Salameh of Dearborn, Michigan.

The fraud arose when Salameh, an employee of the BP gas station and convenience store located at 15880 Livernois in Detroit, owned by Duke's Oil Corporation, began the practice of discounting food stamp benefits for cash. The food stamp recipients would provide their electronic benefit transfer cards, which are like credit cards and commonly known as Bridge cards, at the convenience store and the defendant would enter a certain amount of charges, for example \$100, as authorized purchases of food items, but provide \$75 in cash to the recipient instead. Food stamp benefits are to be used only for eligible food products. During the period of April 2003 through September 2004, the U.S. Department of Agriculture, which funds the food stamp program, calculated the total of fraudulent food stamp transactions conducted at the Livernois BP station to be \$156,300.

United States Attorney Stephen J. Murphy stated that, "The food stamp program is designed to insure that the most needy in our community are able to obtain the basic food necessities not only for themselves but for their families to survive. Discounting food stamp benefits for cash is takes away money that was intended to buy food for the poor and perpetrates a fraud on the taxpayers who pay for this family assistance program. Our office considers it very important to maintain the public's confidence in the food stamp program and stamp out any waste and abuse. Violators of the food stamp laws will be prosecuted."

The count to which defendant pleaded guilty, carries a maximum sentence of 20 years imprisonment and a \$250,000 fine. Salameh's sentencing is scheduled for August 14, 2008 at 2 p.m.

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



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

April 10, 2008

EVENT: Conviction

Defendant: Richard Erangey

**A Resident of Redondo Beach, California Sentenced to 12 months And 1 day
Imprisonment For Wire Fraud**

United States Attorney Stephen J. Murphy announced that Richard Erangey, a resident of Redondo Beach, California, was sentenced to 12 months and 1 day imprisonment for wire fraud conducted between 1996 and 2000. The Court also imposed restitution in the amount of \$172,000 to be paid to California real estate developer Hoyt S. Pardee. Erangey was convicted after pleading guilty October 24, 2007.

Richard Erangey was originally charged as a co-defendant of Ilene R. Moses. The charges focused upon Moses defrauding the owners of an ocean front condominium building, known as the Shorecliff Towers, in Santa Monica, California into believing that secret high level Chinese government officials would purchase a controlling number of condominium units for approximately \$25 million. In order to convince her American and European investors, Moses, under the guise that she would be investing hundreds of millions of dollars into the Chinese textile industry, was able to arrange for meetings with high level Chinese officials including Zhu Rongji, former Mayor of Shanghai who became premier of China in 1998 and served until 2003. Prescott Bush, brother of former President George H.W. Bush, served as one of her consultants and her negotiating team included the former chairman of Warnaco Inc.,

the owner of Calvin Klein and Christian Dior companies. While the Chinese government believed that Moses was investing American and British monies in China through her company, her wealthy American and British investors believed that the money for her ventures was coming from a secret group of Chinese government officials who were represented by a Hong Kong law firm during the negotiations. It turned out that the secret client of the Hong Kong law firm was merely an associate of Moses who had no contact with any Chinese government officials.

Between 1992 and 2000, Moses was able to persuade the two owners of the Shorecliff Towers, David Brice and Hoyt S. Pardee, a wealthy California developer, to lend her approximately \$4.54 million pending her negotiations with the Chinese and also to provide her with two of the condominium units overlooking the ocean rent free for a number of years. Richard Erangey was the manager of the Shorecliff Towers condominium, the building where the late Hollywood actor, William Holden, died. It is located overlooking the famous Santa Monica Pier on the Pacific Ocean and the scenic Palisades Park where numerous Hollywood movies have been shot. Erangey was persuaded by Moses to act as an architectural consultant on her China ventures and traveled with her entourage to China on more than one occasion during the mid to late 1990s. When Hoyt S. Pardee became the primary owner of the Shorecliff Towers in 1995, he retained Erangey as manager and Erangey liaised between Moses and Pardee.

Last October, however, Erangey pled guilty to skimming for his personal use \$172,000 of the last two loans totaling \$540,000 which Hoyt Pardee had provided to him for Moses in support of her ongoing negotiations with the secret Chinese who were purportedly going to purchase the Shorecliff Towers. Ilene Ruth Moses has been convicted after trial for her earlier fraud involving \$26 million in fraudulently obtained bank loans and is currently serving a 17 year sentence in Federal prison. The Court took her China venture fraud into consideration in imposing her term of imprisonment.

United States Attorney Stephen J. Murphy said, "Although bringing Mr. Erangey, Mrs. Moses and their associates to justice took extraordinary effort and resources on the part of the

Federal Bureau of Investigation and this office, in the end, this sophisticated, complex and daring fraud was exposed, and appropriately punished. We hope this final chapter will bring some sense of satisfaction to the victims of her Shorecliff Towers fraud.”

Assistant United States Attorneys Lynn Helland and Ross MacKenzie, who prosecuted the case, said that, "The sentencing of Richard Erangey closes the book on the amazing frauds of Ilene Ruth Moses. For over twenty years, she was able to persuade some of the most sophisticated and wealthy business people, attorneys, accountants, and bankers in the United States and Europe that her business ventures were legitimate without producing a single dollar of return. Although Mr. Erangey played a much less significant role, his own acts of theft could not go unpunished.”

The defendant has been permitted to return to California pending his notification by the Bureau of Prison to report to the designated Federal Correctional Institution.

The case was investigated by Special Agents of the Federal Bureau of Investigation.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

April 14, 2008

EVENT: Sentenced

Defendant: Hasan Qasem

FLORIDA RESIDENT SENTENCED ON CHARGES OF ILLEGALLY TRANSFERRING FUNDS THROUGH DEARBORN TRAVEL AGENCY TO YEMEN

A 43 year old Tampa, Florida resident was sentenced to two years probation on the charge of Conspiracy To Violate the Travel Act. The charge related to the transmission of money from Florida to Yemen, through a Michigan company, that had been obtained through structured financial transactions, United States Attorney Stephen J. Murphy announced today.

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

Hasan Qasem, 43, was sentenced today in U.S. District Court by Judge Marianne O. Battani to a two year term of probation and a \$5,000 fine.

Qasem pleaded guilty in December 2007. According to the information filed in the case, from March 2004 through June 2004, the defendant purchased numerous money orders in the Tampa area, structuring the purchase of those money orders so as to evade record-keeping requirements for money order establishments. The defendant mailed the money orders to individuals at a travel agency located in Dearborn, Michigan, to transmit the funds to

Yemen. In total, the defendant provided \$53,000 to the travel agency for purposes of sending the money to Yemen.

United States Attorney Murphy said, "Laws relating to the interstate transmission of proceeds of structured financial transactions are designed to thwart those who seek to move money interstate or out of the country that is derived from surreptitious and illegal transactions. My office, working with quality federal investigators and the sophisticated techniques they employ, will continue to root out and prosecute cases of illegal financial transactions to make sure that money is not being moved for illegitimate purposes."

The case was prosecuted by Assistant United States Attorney Cathleen M. Corken and investigated by the Federal Bureau of Investigation.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

April 14, 2008

EVENT: Sentenced

Defendant: Kenlee Bolton

DETROIT MAN SENTENCED TO 15 YEARS FOR ASSAULT ON POSTAL CARRIER

Career Offender Used Box-Cutter To Steal Purse With \$25

A 48-year-old Detroit man was sentenced to 15-years imprisonment for assaulting a postal carrier using a deadly weapon, United States Attorney Stephen J. Murphy announced. Murphy was joined in the announcement by Postal Inspector Joseph Pirone, U.S. Postal Service, Detroit.

On April 17, 2007, Kenlee Bolton, 48, of Detroit attacked a female United States Postal Service Letter Carrier as she was delivering mail on her regular route at Caldwell and Robinwood St. in Detroit. Bolton approached the carrier from behind and pushed her into the front seat of her delivery vehicle. Armed with a box-cutter, Bolton demanded that the postal worker "give me everything you got or I work you right here." The carrier turned over her Mickey Mouse-branded purse. Bolton escaped with \$25 and a cellular telephone but was soon arrested. He pled guilty before United States District Judge Gerald E. Rosen on November 16, 2007.

“Postal carriers provide a vital public service and should not be subjected to threats to their personal safety as they carry out their duties,” said United States Attorney Murphy. “The 15-year sentence to be served by this defendant will, we hope, deter others from committing such attacks in the future. I commend the protective arm of the Postal Inspection Service for hard work in resolving this matter so quickly.”

Bolton has eight prior convictions for armed robbery, seven of which involved use of a firearm. During an April 1992 robbery, he sexually assaulted a victim.

The case was prosecuted by Assistant United States Attorney Leonid Feller.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

April 14, 2008

EVENT: Guilty Plea

Defendant: Karya Freddie Lee Hunt

**DETROIT MAN SENTENCED FOR THEFT OF
VETERAN'S IDENTITY FOR CASH AND MEDICAL BENEFITS**

A Detroit man who never served in any branch of the United States Armed Services was sentenced late Friday, April 11, 2008 to serve 75 days in custody for theft of government money from the Department of Veterans Affairs, United States Attorney Stephen J. Murphy announced today. Murphy was joined in the announcement by John W. Brooks, Special Agent in Charge, Central Field Office, Office of Inspector General for the Department of Veterans Affairs.

Karya Freddie Lee Hunt, 61, of Detroit, Michigan, entered the guilty plea in United States District Court before Judge Gerald E. Rosen on January 9, 2008.

Judge Rosen also sentenced the defendant to serve one year on supervised release, ordered him to undergo both mental health and substance abuse treatment during that period, and ordered him to pay \$59,765.58 in restitution to the Veterans Administration.

The information presented to the court at the time of the plea showed that from March 1998 through November 2005 the defendant, Karya Freddie Lee Hunt, obtained and used the social security number and other identifiers belonging to an honorably discharged veteran of the United States Marine Corps and Oklahoma native, to obtain both military pension benefits

totaling \$32,702 and healthcare benefits from the United States Veterans Administration valued at \$27,063, to which he was not entitled.

“The Office of Inspector General for the Department of Veterans Affairs has coined the term ‘Stolen Valor’ to describe cases such as this, in which the identities and records of our valiant men and women who honorably serve their country are stolen by people undeserving of the benefits and recognition we give our veterans,” Murphy said. “These ‘Stolen Valor’ offenses, trading as they do on the service, sacrifice and good name of our veterans, will not be tolerated.”

Murphy also commended the work of the Special Agents from The Department of Veterans Affairs, Office of Inspector General, whose investigation resulted in this successful prosecution.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

April 15, 2008

EVENT: Guilty Plea

Defendant: Kenneth Harrison

FORMER PONTIAC POLICE OFFICER PLEADS GUILTY TO THEFT

A former City of Pontiac Police Officer, who was the Treasurer of the Pontiac Police Officer's Association (PPOA), pleaded guilty today to embezzlement charges stemming from his theft of PPOA funds, United States Attorney Stephen J. Murphy announced today.

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

Kenneth Harrison, 35, of Waterford, Michigan, entered a guilty plea to Wire Fraud in the United States District Court before the Honorable Victoria A. Roberts.

The information presented to the court at the time of the plea showed that between July 2004 and November 2006, Harrison, while acting as Treasurer of the Pontiac Police Officer's Association (PPOA), devised a scheme, whereby he would use the PPOA's credit card for unauthorized purchases and services for his personal use

and benefit, amounting to approximately \$44,000. Harrison had been a Pontiac Police Officer since 1996.

United States Attorney Stephen J. Murphy said, "Stealing from the police officer association's fund breaks two bonds of trust – between the union leadership and its members, and between the police and the public. The integrity of such membership funds must not be violated, particularly by an officer of the organization."

Under the terms of the plea agreement, Harrison faces up to 18 months imprisonment and a fine of up to \$30,000. Harrison will also be required to make full restitution to the PPOA.

A sentencing hearing was set by Judge Roberts for September 3, 2008 at 2:00 P.M.

The case was investigated by Special Agent Daniel J. Troccoli of the FBI. The case is being prosecuted by Assistant U.S. Attorney James M. WoucZYna.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

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

April 15, 2008

EVENT: Sentenced

Defendant: Dr. Larry White

**DOCTOR SENTENCED ON CHARGES OF UNLAWFULLY
DISTRIBUTING A CONTROLLED SUBSTANCE**

A physician operating in Macomb County was sentenced today to 12 months and a day in prison on charges of distributing pain medications without a legitimate medical purpose and outside the course of professional practice, United States Attorney Stephen J. Murphy announced.

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

Dr. Larry White, 65 of Rochester, Michigan was sentenced before United States District Judge John Corbett O'Meara in Ann Arbor, Michigan.

In November, 2007, Dr. White admitted to distributing the pain pill Percodan (oxycodone) to a patient, with known drug seeking behavior, without an appropriate inquiry to determine if the patient had a legitimate medical need for the pain medication.

"The illegal prescribing of controlled substances by medical professionals appears to be increasing in the metro Detroit area. The type of criminal violations committed by Dr. White, a

licensed doctor, are taken very seriously by my office because they evidence a total abuse of trust by the physician and because they endanger the safety of their patients,” said United States Attorney Murphy.

The information presented to the court at the time of the plea showed that between January 2004 and May 2006, Dr. White unlawfully prescribed over 90,000 dosage units including Oxycodone, Vicodin, Xanax and Valium.

The case was investigated by Diversion Investigators of the Drug Enforcement Administration and prosecuted by Assistant U.S. Attorney Alan M. Gershel, Chief of the Criminal Division.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

April 15, 2008

EVENT: Sentenced

Defendant: Wilmer A. Benegas

**FEDERAL PRISONER SENTENCED ON CHARGES OF
MAIMING FELLOW INMATE WITH SCALDING WATER**

Wilmer A. Benegas, 23, a citizen of Honduras, was sentenced today to 41 months in prison after pleading guilty to the federal offense of maiming with scalding water, United States Attorney Stephen J. Murphy announced.

Murphy was joined in the announcement by Federal Bureau of Investigation Special Agent in Charge Andrew G. Arena. The sentence was imposed by the Honorable Robert H. Cleland, U.S. District Judge.

The evidence presented at Benegas's November 29, 2007 guilty plea showed that on August 8, 2006, defendant was a prisoner at the Federal Detention Center in Milan, Michigan. While inside the prisoner lunch area, defendant filled a container with water. Defendant placed the water in a microwave oven and heated it until it boiled (212 degrees Fahrenheit.) Defendant, with the intent to maim and disfigure, poured the scalding water over the head of another Milan FDC inmate, causing both first and second degree burns and resulting in serious bodily injury. The inmate was transported to the University of Michigan Medical Trauma Burn Center.

United States Attorney Murphy said, "Violence against a fellow federal inmate is particularly serious given the potential for retaliation and the sparking of prisoner unrest. My office is committed to prosecuting such dangerous acts to deter such unlawful conduct in the federal prisons."

Benegas had been in federal custody since December 5, 2005 relating to his arrest and guilty plea to assaulting and inflicting serious bodily injury upon a federal officer. In that case, Benegas bit a U.S. Border Patrol agent on the finger while trying to evade arrest. The Agent was treated at Detroit Receiving Hospital for a deep bite wound. Benegas was sentenced to 27 months in federal custody.

Both Benegas's past assault case, and the current case, were prosecuted by Assistant United States Attorney Matthew Schneider.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758
Robert K. Lanier - USCG (216)902-6022

April 17, 2008

EVENT: Indictment

Defendant: Benjamin Bostic

**U.S. COAST GUARD OFFICIAL CHARGED WITH
BRIBERY AND EXTORTION**

A two count indictment was unsealed in U.S. District Court charging a U.S. Coast Guard petty officer with bribery and extortion, United States Attorney Stephen J. Murphy announced today.

U.S. Attorney Murphy was joined in the announcement by Armando Lopez, Special Agent in Charge of the Chicago, Illinois office of the Department of Homeland Security - Office of Inspector General, Rear Admiral John E. Crowley, Jr., Commander, Ninth Coast Guard District, Neal Marzloff, Special Agent in Charge, Coast Guard Investigative Service Central Region and Andrew G. Arena, Special Agent in Charge, Federal Bureau of Investigation.

Named in the Indictment was:

Benjamin Bostic, age 35 of Macomb, Michigan.

The indictment charges that, from September of 2006 through the present, Bostic used his position as a public official and a federal law enforcement officer to demand, seek and receive in excess of \$35,000.00 in funds in return for colluding in and allowing a fraud on the United States. Bostic was also charged with using his position to extort in excess of \$1,000.00 in funds. The subject charges arose out of Bostic's agreement to accept more than \$35,000 in

cash from the family of an illegal immigrant who was seeking to avoid deportation and removal from the United States.

Benjamin Bostic enlisted in the U.S. Coast Guard in 1996 and holds the rank of Boatswain's Mate First Class Petty Officer. Since 2003, the U.S. Coast Guard has been designated as a service of the U.S. Department of Homeland Security.

U.S. Attorney Murphy announced that the charges unsealed today followed an intensive investigation conducted by agents from the Department of Homeland Security-Office of Inspector General and the U.S. Coast Guard Investigative Service.

U.S. Attorney Murphy stated, "These charges allege a serious breach by a member of our armed forces. Protecting our waterways and enforcing immigrations laws is an essential duty of the U.S. Coast Guard. This betrayal of the public's trust will not be tolerated. I commend the Department of Homeland Security-Office of Inspector General and the U.S. Coast Guard Investigative Service for their outstanding work on this investigation."

Special Agent in Charge Lopez stated, "The Department of Homeland Security, Office of Inspector General will relentlessly pursue allegations of criminal misconduct concerning DHS employees at all times to protect the integrity of the department and to ensure that public trust is maintained. Bostic's indictment is not indicative of the hard working men and women of the US Coast Guard, who risk they lives everyday to ensure the safety of our homeland."

Rear Admiral John E. Crowley, Jr., Commander, Ninth Coast Guard District stated "The Coast Guard is disappointed that one of its members may have violated the pubic trust. The Coast Guard exists to serve the public. Our core values of Honor, Respect and Devotion to Duty are deeply rooted in our service's heritage and guide our performance, conduct and decision making every minute of every day. The Coast Guard requires all of its members to embrace our core values and to place loyalty to the Constitution, the laws of the United States and ethical principles above private gain." Rear Admiral Crowley added that, pending the

outcome of this case, Petty Officer Bostic had been reassigned to duties that do not involve law enforcement activities or routine interaction with the public.

The charges returned against Defendant Benjamin Bostic carry total penalties of up to 18 years in prison and fines of up to \$500,000.00.

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 guilty beyond a reasonable doubt.

The case was investigated by special agents of the Department of Homeland Security - Office of Inspector General and the U.S. Coast Guard Investigative Service. The case is being prosecuted by Special Assistant U.S. Attorney Larry Kennedy of the Coast Guard and Assistant U.S. Attorney Bruce C. Judge.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

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

April 21, 2008

EVENT: Indictment

Defendant: Terry Lee

Detroit Tax Fugitive Arrested and Detained

Terry Lee, of Detroit, was arrested by the Detroit Police Department and turned over the United States Marshals, as the result of an outstanding 2006 federal arrest warrant, United States Attorney Stephen J. Murphy announced.

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

On April 18, 2008, Lee was arraigned on a September 2006 indictment charging her with two counts of willfully preparing false tax returns and four counts of filing false tax returns, signed under penalties of perjury, by United States District Court Magistrate Virginia M. Morgan, who also ordered her detained after the United States Attorney's Office presented arguments that she was a risk of flight.

According to court records, during 2003 through 2005, Lee knowingly prepared four false and fraudulent tax returns for other taxpayers. Lee also knowingly filed four fraudulent tax returns, which she signed under penalties of perjury. The total loss to the Internal Revenue Service was estimated to be over \$140,000. Over the past year and a half, Special Agents

with the Internal Revenue Service Criminal Investigation Division, have made several attempts to locate her, including talking to her over the phone after leaving messages with family members. During these conversations, Lee was informed that there was an outstanding warrant out for her arrest. Her transient life style made it difficult to locate her, at least, until she came in contact with the Detroit Police Department, who were able to identify her and determine that there was an outstanding federal arrest warrant issued in her name.

United States Attorney Stephen J. Murphy stated, "Helping others to prepare fraudulent tax returns is a serious violation that cheats the government and harms the taxpayer as well. Such conduct will be pursued vigorously. I commend the vigilance of the IRS in detecting this type of crime, along with the officers of the Detroit Police Department."

Special Agent in Charge Maurice Aouate, Internal Revenue Service Criminal Investigation Division said, "No one is entitled to an undeserved windfall and refunds should only be issued to taxpayers who are entitled to them. At the IRS, protecting taxpayer money is a matter we take extremely seriously."

Willfully preparing false tax returns filing false tax returns, signed under penalties of perjury, carries a maximum penalty of three years imprisonment and a \$100,000 fine, per count.

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.

United States Attorney Murphy thanked the IRS Criminal Investigation. The case is being prosecuted by Assistant United States Attorney David A. Gardey.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

April 22, 2008

EVENT: Sentenced

Defendant: Earl L. Johnson

**DETROIT MAN SENTENCED TO LIFE WITHOUT PAROLE FOR MURDER AND BANK
ROBBERY**

A former Ford Motor Company employee and Detroit resident was sentenced today to life in federal prison for murder using a firearm and bank robbery resulting in death, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by FBI Special Agent in Charge Andrew G. Arena, of the Detroit Division.

Earl L. Johnson, 40, of Detroit, a former employee of the Ford Motor Company at the Dearborn Assembly Plant, had been convicted in November by a federal jury in Detroit. United States District Judge Victoria A. Roberts pronounced today's sentence.

The evidence presented during the trial showed that during the early morning hours of December 14, 2001, Johnson and five other man robbed an armored truck delivering money to the ATM machines at the Dearborn Federal Credit Union. During the course of the robbery, armored truck guard Norman Anthony Stephens was shot in the back and killed with shotguns used by the robbers. Johnson and his fellow robbers escaped the scene with \$204,000 in

cash. At the time, Stephens and his two fellow guards were employees of Total Armored Car Services. Stephens was married, and he and his wife had six children.

In its verdict, the jury found Johnson guilty of conspiring between June 2001 and December 2001 with six other men to commit bank robbery. In addition, Johnson was convicted of robbing the Dearborn Federal Credit Union and of killing Mr. Stephens during the course of the robbery. Finally, Johnson was convicted of murdering Mr. Stephens with a firearm during the course of a violent crime.

Johnson has no possibility of parole.

United States Attorney Murphy stated that, "We all realize with great regret that nothing can restore the life of the brave armored truck guard, Norman Anthony Stephens, to his family. Today's life sentence, however, metes out a highly appropriate measure of justice to Johnson - a defendant who committed this terrible robbery and murder. This was a significant prosecution and the FBI - along with our office's strong team of trial lawyers -- deserve a great deal of credit for the work they did in proving this case."

Andrew G. Arena, Special Agent in Charge, Federal Bureau of Investigation said, "I would also like to take this opportunity to thank the Dearborn Police Department for their assistance, professionalism and dedication throughout this investigation."

The case was investigated by agents of the Federal Bureau of Investigation. It was prosecuted by Assistant United States Attorneys R. Michael Bullotta and David A. Gardey.



U.S. Department of Justice

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

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

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

April 22, 2008

EVENT: Sentenced

Defendant: Neil Bahura

**Detroit Party Store Owner's Taxes Scheme
Unwittingly Aids Major Drug Dealers**

Neil Bahura, 38, of Farmington Hills and the owner of JNB Market in Detroit, was sentenced today to three years probation as the result of his August 2007 guilty plea to filing a false tax return, signed under penalties of perjury announced , United States Attorney Stephen J. Murphy.

Mr. Murphy was joined in the announcement by Special Agent in Charge Maurice Aouate, Internal Revenue Service Criminal Investigation and Special Agent in Charge Robert L. Corso, Drug Enforcement Administration.

According to court records, Bahura during 2002 purchased \$5,000 winning four-digit daily Michigan Lottery tickets at a discounted price of \$4,500 from the true winners of the lottery. He resold the tickets to Harold Wilcox, 42, of Southfield, for \$4,750, and Bahura was aware that Wilcox was purchasing them for someone else. During the tax year 2002, Bahura purchased and resold at least \$50,000 worth of winning Michigan Lottery tickets, and failed to report the profits on his tax return.

Information provided to the court at the time of the plea indicated that Wilcox had purchased the lottery tickets from Bahura and other tickets with cash obtained from Terry and Demetrious Flenory, both originally of Detroit. More than one million dollars in narcotic proceeds were ultimately used in the purchase of winning lottery tickets, which were redeemed at the State of Michigan's lottery bureau by nominees of the Flenorys. The monies, which were deposited into various personal bank accounts and used to purchase homes and vehicles, were handled in such a way to hide the fact that the cash was derived from the sale of cocaine by the Flenorys' drug sale activities.

Wilcox, and both Flenorys have all have pleaded guilty to various narcotic related charges in the case and are awaiting sentencing.

United States Attorney Stephen J. Murphy stated, " While common tax fraud is a serious crime which our office consistently and aggressively prosecutes, filing fals tax returns to cover up the illegal transmission of narcotic proceeds is of even greater concern and deserves the sort of felony sentencing handed out by the court today. I commend the IRS and the lawyers of our office for uncovering this novel scheme and effectively resolving the matter short of trial."

"Drug dealers have a need to be able to explain their illegal profits and will exploit any opportunity to launder their monies," said Aouate. "IRS Criminal Investigation's unique role is to follow this money trail and, in partnership with DEA and other law enforcement agencies, identify all the guilty parties, shutting them down for good."

United States Attorney Murphy thanked the IRS Criminal Investigation and the Drug Enforcement Administration.