



U.S. Department of Justice

**Terrence Berg
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

Dec 2, 2008

EVENT: Sentenced

Defendant: Frank Vallecorsa

**FORMER PRESIDENT OF AMERICAN INTERNATIONAL, INC. WAS
SENTENCED ON CHARGES OF EMBEZZLING APPROXIMATELY
\$745,000 IN PENSION FUNDS**

The former head of American International, Inc., was sentenced today to one day in the custody of the Bureau of Prisons to be followed by a three-year term of supervised release, as a result of his guilty plea to a one-count Information charging him with the embezzlement of approximately \$745,000 from two company pension funds, Acting United States Attorney Terrence Berg announced today. As a condition of the term of supervised release, he was also ordered to serve 4 months in a residential re-entry center, to be followed by 6 months of home confinement. In addition, the court ordered that full restitution be made to the victims of the embezzlement in the amount of \$745,421.72.

Mr. Berg was joined in the announcement by Gordon S. Heddell, Inspector General for the U.S. Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigation.

Frank Vallecorsa, 77, of Grosse Pointe Farms, Michigan, was sentenced in United States District Court before Judge David M. Lawson.

The information presented to the court at the time of the plea showed that between February 2001 and June 2003, while Vallecorsa was heading American International, Inc., he embezzled approximately \$745,000 from two company pension funds in order to keep his financially-depressed company afloat. At the time, Vallecorsa was the sole trustee of both employee pension plans.

Acting U.S. Attorney Berg said, "Embezzlement of employee pension funds is a betrayal of the duties that corporate officers owe their company, its workers, and the public."

Acting U.S. Attorney Berg specifically thanked the Employee Benefits Security Administration of the Department of Labor and the Detroit Office of the Inspector General of the Department of Labor for its hard work in conducting the investigation of this case. This case was prosecuted by Assistant U.S. Attorney Walter Kozar.



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Dec 3, 2008

EVENT: Sentenced

Defendant: Curtis M. Gottler

Livonia Man Sentenced to Prison for Hate Crimes

Curtis M. Gottler, of Livonia, Michigan has been sentenced to one year and one day in prison to be followed by three years of supervised release after pleading guilty to hate crimes and other related charges, announced Terrence Berg, Acting United States Attorney for the Eastern District of Michigan, Grace Chung Becker, Assistant Attorney General for Civil Rights and Andrew G. Arena, Special Agent in Charge, Federal Bureau of Investigation.

The sentence arises out of threats Gottler made to a local couple and their real estate agent in an attempt to keep the couple from selling their home to African Americans and a threatening letter Gottler sent through the U.S. Mail to an African American resident of Livonia, in which he threatened to harm the resident if the resident failed to leave Livonia.

Acting United States Attorney Terrence Berg said, " This sentence should send the message that our society will not tolerate racial intimidation intended to interfere with the fundamental right to live in peace in the neighborhood of one's choice. We will continue to vigorously pursue hate crimes that deprive our citizens of their lawful rights."

The case was investigated by the Livonia Police Department and the Detroit Division of the Federal Bureau of Investigation. The case was prosecuted by Assistant United States

Attorney Pamela Thompson from the United States Attorney's Office, and Trial Attorney Patti Sumner from the Civil Rights Division of the United States Department of Justice.



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Stephen Moore IRS CI 313-234-2410

Dec 3, 2008

EVENT: Sentenced

Defendant: Michael Burt

Bloomfield Hills Man Goes to Jail for Tax Evasion

Michael Burt, 58 of Bloomfield Hills, Michigan was sentenced today to 27 months' in prison followed by 2 years of supervised release, Acting United States Attorney Terrence Berg announced. U.S. District Court Judge John Corbett O'Meara also ordered Burt to pay a fine of \$6,000 and to cooperate with the Internal Revenue Service in filing his tax returns.

This sentence was imposed as the result of Burt being found guilty in May 2008, by a federal jury in Ann Arbor, Michigan, on four counts of income tax evasion.

Acting U.S. Attorney Berg was joined in the announcement by IRS Criminal Investigation Special Agent in Charge Maurice Aouate.

According to court records, Burt was employed by Corporate Tax Services of Troy, Michigan. As a consultant, Burt appraised state personal property taxes, among other responsibilities. During 1998 through 2001, Burt received over \$259,000 in taxable income, with taxes due and owing of over \$94,000. In 2001, Burt filed a fraudulent 1998 tax return with the Internal Revenue Service stating that he had no taxable income and no tax due and owing. He also attempted to conceal his income from the IRS by establishing and utilizing a system of

trusts, and a foreign bank account in the Turks and Caicos Islands, while failing to file his 1999 through 2001 returns.

United States Attorney Terrence Berg said, "Although our system depends on the voluntary compliance of citizens, no one is exempt from paying taxes or following federal tax laws."

"The law is crystal clear; people must file returns and pay their taxes," said Aouate. "IRS Criminal Investigation will vigorously investigate those individuals who knowingly and willfully evade their tax obligations."

The case was investigated by special agents of the IRS. The case was prosecuted by Assistant U.S. Attorney Richard L. Delonis.



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Dec 4, 2008

EVENT: Sentenced

Defendant: Craig A. Munro

FLAGSTAFF ARIZONA MAN SENTENCED FOR MAIL FRAUD

Acting United States Attorney Terrence Berg announced that Craig A. Munro, age 50, and a resident of Flagstaff, Arizona, but formerly of Azteca, North Carolina, was sentenced to 12 months and 1 day of imprisonment for mail fraud by the Honorable Avern Cohn. The Court also imposed restitution in the amount of \$222,499.57 to be paid to the Wayne County Employees Retirement System (WCERS). Munro was sentenced after pleading guilty July 9, 2008.

The charges involved Mr. Munro's continued receipt and conversion of his mother's survivor retirement benefits after her death in 1996 to in or about 2006. Periodically, defendant provided change of address forms and verifications to the WCERS as if his mother were still alive in order to continue receiving the benefits. When aware that his theft had been discovered, Mr. Munro fled his residence in North Carolina in an attempt to avoid answering for his fraud.

Acting United States Attorney Terrence Berg said that, "This case demonstrates the dedication of federal law enforcement to detect fraud and bring to justice a defendant who did not want to be found. I commend the Department of Labor's Office of Inspector General efforts in this case."

The case was investigated by Special Agent David Wendt of the U.S. Department of Labor Office of Inspector General.



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For Immediate Release:
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Dec 12, 2008

Event: Sentenced

Defendant: Eric Zeehandelaar

**CALIFORNIA MAN SENTENCED TO 14 YEARS IN PRISON FOR ONLINE SOLICITATION
OF A MINOR AND TRAVELING TO MICHIGAN TO HAVE SEX WITH
A FIVE-YEAR-OLD CHILD**

Eric Zeehandelaar, 56, was sentenced to 14 years' imprisonment for online enticement and coercion, and traveling in interstate commerce with the intent to engage in illicit sexual conduct, Acting United States Attorney Terrence Berg announced today. Berg was joined in the announcement by, Sheriff Mark Hackel of the Macomb County Sheriff's Office and Andrew G. Arena, Special Agent in Charge of the Federal Bureau of Investigation in Detroit. The Honorable Gerald E. Rosen imposed the sentence.

The information presented to the court at the time of the plea showed that Zeehandelaar contacted a woman on the Internet seeking to have sex with the woman's child, a five-year-old girl. The "mother" was in fact an undercover law enforcement officer posing online. It took only a few days of chats before Zeehandelaar purchased an airline ticket to fly from Los Angeles to Detroit to for the purpose of engaging in sexual acts with the child. Zeehandelaar was arrested upon his arrival at Detroit Metropolitan Airport. A search of his luggage revealed condoms, a

male enhancement supplement, and various sex toys.

Acting United States Attorney Terrence Berg said, "This defendant searched the Internet looking for an opportunity to sexually abuse a little child. I can't overemphasize how important it is for parents to monitor the Internet usage of their children. The Internet unfortunately creates a means for dangerous strangers to get access to children, and their first line of defense is a vigilant and involved parent. Had this man been successful, the damage inflicted upon a child this young would have been immeasurable. Fortunately, the skill and dedication of the Macomb Area Computer Enforcement Team (MACE) was there to prevent such a tragedy."

Assistant United States Attorneys John N. O'Brien II and Kevin M. Mulcahy prosecuted this case for the United States.



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Sandra Berchtold - FBI (313) 237-4218
Michael Gilhooly - ICE (802) 872-6075

Dec 12, 2008

Event: Guilty Plea

Defendant: Fawzi Assi

DEARBORN MAN SENTENCED ON CHARGES OF SUPPORTING HIZBALLAH

A former resident of Dearborn was sentenced today to 10 years in prison after having pleaded guilty to providing material support to Hizballah, a designated foreign terrorist organization, Acting United States Attorney Terrence Berg announced today. Mr. Berg was joined in the announcement by Andrew Arena, FBI Special Agent in Charge, and Brian Moskowitz, Special Agent in Charge of Department of Homeland Security, Immigration and Customs Enforcement.

Fawzi Assi, 47, formerly of Dearborn, Michigan, entered the guilty plea in United States District Court before Judge Gerald E. Rosen in November 2007. Mr. Assi admitted that, on July 13, 1998, he attempted to board an airplane at Detroit Metro Airport on an international flight for Lebanon. At the time he had in his possession two Boeing global positioning satellite modules. He also had night vision goggles and a thermal imaging camera in his luggage. He was attempting to deliver these items to a person in Lebanon, who was purchasing the equipment for Hizballah, which was at the time, and currently is, a designated foreign terrorist

organization.

On June 23, 2008, a hearing was held before Judge Rosen for a determination whether a sentencing enhancement, under the sentencing guidelines, should be applied to the defendant's conduct. The federal sentencing guidelines calls for a sentencing enhancement if the offense of conviction "is a felony that involved, or was intended to promote, a federal crime of terrorism." After hearing the testimony of witnesses presented by the government and defendant, as well as various exhibits, the court ruled, in a written opinion on October 17, 2008, "that Defendant's conduct was deliberately calculated to advance Hizballah's effort to influence the Israeli government through coercive military means," and that therefore the sentencing enhancement should apply."

Terrence Berg, Acting United States Attorney, said, "Providing military-application technology and equipment to a terrorist organization such as Hizballah is a serious violation of federal law that we will vigorously pursue. I applaud the excellent work of the FBI, ICE and the dedicated lawyers in our office, whose tireless work led to the successful resolution today."

FBI Special Agent in Charge Andrew G. Arena said, "This case was initiated before September 11, 2001 and I would like to thank the dedicated agents who have been a part of this case. Material support of terrorism is a very serious offense and the FBI will continue to aggressively investigate and pursue these matters."

"This case sends the undeniable message that the United States will not tolerate those who seek to provide America's technology to terrorists," said Brian M. Moskowitz, Special Agent in Charge of the Detroit ICE Office of Investigations. " The great collaborative work of the agents involved in the investigation and prosecution of Mr. Assi should be commended.." At the time of his arrest Mr. Assi had been living in Dearborn and was a mechanical engineer for the Ford Motor Company. Shortly after his arrest in 1998, Mr. Assi was ordered released from custody during a hearing in which the government sought to have him detained. He fled to Lebanon and remained there until May 2004 when he returned to the United States. He has been in custody since that time.

This case was prosecuted by Assistant United States Attorney Robert P. Cares.



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Richard Isaacson - DEA (313) 234-4310

Dec 12, 2008

Event: Complaint

Defendant: George Williams et al

**Medical Business Owner, Doctor and Pharmacist Charged
with Conspiring to Unlawfully Distribute Prescription Drug**

Acting United States Attorney Terrence G. Berg announced the unsealing of a criminal complaint charging a medical business owner, a doctor and a pharmacist with conspiring to unlawfully distribute prescription drug controlled substances, including the Schedule II prescription drug OxyContin (oxycodone). Mr. Berg was joined in the announcement by Special Agent in Charge Robert Corso, Drug Enforcement Administration.

The supporting affidavit alleges that between March of 2007 and December of 2008, the defendants obtained more than 200,000, dosage units of the potent pain killer OxyContin, valued at over \$5 million on the retail market. Furthermore, as a result of the defendants' illegal conduct, Medicare was billed over \$800,000, in 2008 alone, resulting in payments of over \$480,000, to the defendants' organization.

Named in the complaint were GEORGE WILLIAMS, age 50, of Detroit; DR. MILAGROS EBREO, M.D., age 68, of Port Sanilac; and MAHMOUD FARDOUS, registered pharmacist,

age 28, of Dearborn.

Special Agent in Charge Robert Corso stated: "It is a priority of the DEA and our law enforcement partners to halt the operations of those individuals who profit from the illegal diversion of legitimate prescription drugs. The arrests of Williams, Ebreo, and Fardous, has effectively halted the illegal distribution of hundreds of thousands of addictive prescription drugs across southeast Michigan.

The complaint alleges that GEORGE WILLIAMS organized a health care business under the name Quick Response Medical Professionals (QRMP). WILLIAMS recruited "fake patients" who were paid up to \$220, per patient visit. DR. EBREO would write controlled substance prescriptions for the "patients," usually OxyContin, but the patient would not be allowed to keep the controlled substance prescriptions. Instead, the prescriptions would be presented by WILLIAMS and other members of his organization to a cooperating pharmacy, where the pharmacist would provide the quantities of drugs directly to WILLIAMS. Medicaid then would be billed for both the unnecessary office visit and other procedures that were either not necessary or not performed. When questioned by agents, DR. EBREO admitted that she was told that patients were being paid to be examined, that she knew patients were not allowed to keep their prescriptions, and that she thought WILLIAMS had people selling the pills on the street, yet she continued to write controlled substance prescriptions for QRMP.

The complaint further alleges that one of the cooperating pharmacies used to fill the controlled substance prescriptions was Eastside Discount Pharmacy, 14366 Gratiot, Suite 100, Detroit, which was operated by MAHMOUD FARDOUS from April of 2008 until the present time. During June through October of 2008 alone, Eastside Discount Pharmacy distributed 28,188 dosage units of OxyContin and similarly large quantities of Vicodin, Xanax and cough syrup containing codeine under the Dr. Ebreo prescriptions. Intercepted wiretap conversations revealed that pharmacist FARDOUS did not fill the Dr. Ebreo prescriptions by providing the controlled substances to the named patient; instead, he provided the drugs in bulk to WILLIAMS. For example, on October 24, 2008, WILLIAMS was intercepted telling FARDOUS that he was going to send an associate to pick up "stuff" from the pharmacy. The associate

carried two large cardboard boxes of drugs from the pharmacy and loaded them into WILLIAMS' Mercedes-Benz. The drugs were taken to another location, where they were re-packaged for resale on the illegal market. As WILLIAMS left this location with the cardboard boxes full of drugs in his car, the Michigan State Police, who were cooperating in the investigation, stopped the car and seized three boxes from the vehicle, including about 700 dosage units of OxyContin. At WILLIAMS' typical selling price of \$25 per pill, the OxyContin alone was worth \$17,500. Other seizures from the organization included a seizure of over \$30,000 in cash from WILLIAMS after he flew to Alabama to conduct an OxyContin transaction.

On December 2, 2008, ten federal criminal search warrants that were executed in aid of this investigation. The execution of those warrants resulted in the seizure of the controlled substances OxyContin, Xanax, Lortab, Codeine based cough syrups, a small amount of heroin and heroin packaging materials." Asset forfeiture seizure warrants were executed on December 2, 2008. The execution of these warrants resulted in the seizure of over \$160,000 in cash and funds on deposit at various banks. In addition, automobiles and other items, valued in excess of \$60,000, were seized for forfeiture purposes. The searches were conducted by agents and investigators of the United States Drug Enforcement Administration and the Federal Bureau of Investigation, who were aided by local law enforcement agencies.

A conviction of this offense carries a maximum penalty of 20 years in prison or a \$1 million fine, or both. Any sentence will ultimately be imposed under the United States Sentence Guidelines according to the nature of the offense and the criminal background, if any, of the defendant.

All three defendants are scheduled to appear before a United States Magistrate Judge in Detroit at 1:00 p.m. today for an initial appearance on these charges.

A complaint is only a charge and is not evidence of guilt. Trial cannot be held on felony charges in a complaint. This is an ongoing investigation that is expected to involve many other individuals. When the investigation is completed, a determination will be made concerning possible felony indictments.

The case is being investigated by agents of the Drug Enforcement Administration and the Federal Bureau of Investigation and is being prosecuted by Assistant United States Attorney Wayne F. Pratt and Michael Riordan.



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Dec 16, 2008

Event: Sentenced

Defendant: **Phil Perry et al**

The Last of Several Co-Conspirators Sentenced

Phil Perry, 59, of Pinconning, Michigan, was sentenced to 120 months, or 10 years, of imprisonment on a felony drug charge by U.S. District Judge Thomas L. Ludington in Bay City, Michigan, on December 15, 2008, Acting United States Attorney Terrence Berg announced today. Phil Perry was the last of several co-conspirators charged in a multi-count cocaine and marijuana conspiracy indictment to be sentenced.

Phil Perry pled guilty to the conspiracy charge in the indictment and acknowledged that he was responsible for 5 kilograms or more of cocaine. His wife, Theresa Perry, 54, also of Pinconning, was allowed to plea guilty to a felony marijuana charge in Saginaw County Circuit Court.

Two of Phil Perry's brother also pled guilty charges in the indictment and were sentenced previously by Judge Ludington. Kip Perry, 52, of Saginaw, received a sentence of 151 months, or over 12 years, for his involvement with cocaine and marijuana trafficking. Bruce Perry, 54, also of Saginaw, received an aggregate sentence of 72 months, or 6 years, for his involvement in the drug trafficking and his illegal possession of firearms.

Phillip Gianfortuna, 42, of Saginaw, likewise pled guilty to the conspiracy charge in the same indictment, acknowledged his involvement with cocaine trafficking, and received a sentence of 140 months, or over 11 years. Jose Sandoval, 24, of Detroit, pled guilty to a marijuana trafficking offense, and received a sentence of 32 months.

Robert Ocampo, 45, of Saginaw, was convicted by a jury of a variety of drug and gun-related charges. The jury also found Ocampo responsible for 5 kilograms or more of cocaine and 100 kilograms or more of marijuana, and determined that some of the offenses occurred within 1000 feet of a school. Ocampo was sentenced to a total of 35 years in custody by Judge Ludington. Ocampo's appeal to the United States Court of Appeals for the Sixth Circuit is pending.

During Ocampo's trial, the government presented evidence that showed that Ocampo travelled extensively to buy large quantities of marijuana and cocaine from sources located outside of Michigan. Ocampo then supplied kilos of cocaine and marijuana to customers such as Gianfortuna and Sandoval. Kip Perry was shown to be Gianfortuna's partner in the drug distribution organization that operated in Saginaw and Bay Counties. Phil and Theresa Perry, and others, obtained drugs from Kip Perry for distribution to other customers, while Bruce Perry was Kip Perry's close associate. Search warrants executed as part of the investigation into the conspiracy resulted in the seizure of hundreds of pounds of marijuana, over a kilogram of cocaine, firearms, and substantial sums of cash. The Saginaw County Prosecutor's Office has successfully prosecuted other members of the conspiracy and pursued forfeiture of assets obtained from drug trafficking.

The case was investigated by a team of law enforcement agencies led by the U.S. Drug Enforcement Agency, the Federal Bureau of Investigation, the Michigan State Police, BAYANET, and the sheriff's departments for Saginaw and Bay County. The case was prosecuted by United States Attorney's Office in Bay City, Michigan.



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For Immediate Release:
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Dec 16, 2008

Event: Guilty Plea

Defendant: **How Wai John Hui**

**“CHINESE CONNECTION” DEFENDANT PLEADS GUILTY IN
RALSKY SPAM AND STOCK FRAUD CONSPIRACY“**

How Wai John Hui, 50, a resident of Hong Kong and Canada, pleaded guilty today in federal court in Detroit for his role in a wide-ranging international fraud scheme involving the illegal use of bulk commercial e-mailing, or “spamming,” and stock market manipulation, announced Acting United States Attorney Terrence Berg.

Mr. Berg was joined in the announcement by Special Agent in Charge Andrew G. Arena, Federal Bureau of Investigation, Special Agent in Charge Maurice M. Aouate, Internal Revenue Service Criminal Investigation and Inspector in Charge Joseph Pirone, U.S. Postal Inspection Service.

How Wai John Hui, the former Chief Executive Officer of China World Trade (CWTD), pleaded guilty to a conspiracy to commit wire fraud, mail fraud, and fraud in connection with electronic mail. He also pleaded guilty to wire fraud and money laundering.

Acting U.S. Attorney Terrence Berg said, “This defendant was a corporate CEO from China who was a major deal maker in an illegal spamming scheme that manipulated the stock market. Our office will continue to focus its resources on significant cybercrimes, particularly

when they have the scope and harm that we see in this case.”

Andrew G. Arena, Special Agent in Charge, Federal Bureau of Investigation said, “Cyber crime investigations are a top priority of the FBI and we will continue to aggressively investigate those individuals who use and hide behind computers to commit various crimes.”

Joseph A. Pirone, Inspector in Charge, United States Postal Inspection Service said, “Technologies may change and current events may change, but the criminals’ theme is always to obtain the unknowing victim’s confidence. The Postal Inspection Service will continue its aggressive investigative efforts to pursue those scammers that take advantage of innocent citizens for their own illegal financial gain”.

Maurice M. Aouate, Special Agent in Charge, Internal Revenue Service Criminal Investigation said, “In today’s competitive international business world, there will always be a select few who illegally manipulate the system for their own profit,” said Aouate. “IRS CI will continue to diligently follow the money and assist in the seizure and forfeiture of any ill-gotten gains from their illegal business practices.”

According to court records and information provided to the Court at the time of the plea, in 2005, Hui conspired with Alan Ralsky, Scott Bradley, Frank Tribble, and others to send tens of millions of unsolicited bulk commercial electronic mail (“spam”) promoting thinly traded stocks for Chinese companies. The charges arose after a three-year investigation by the FBI, IRS, and Postal Inspection Service, which revealed a sophisticated and extensive spamming and “stock pump and dump” operation.

As alleged in the indictment, the conspirators executed their stock market manipulation scheme by sending spam emails touting the thinly traded Chinese stocks they were promoting, thereby driving up the prices of the stocks, and then reaping profits when they sold the blocks of those stocks under their control at artificially inflated prices. According to the indictment, the defendants used various illegal methods in order to maximize the amount of spam that evaded spam-blocking devices, and tricked recipients into opening, and acting on, the advertisements in the spam. These methods included using falsified “headers” in the email messages, using proxy computers to relay the spam, using falsely registered domain names to send the spam, and making misrepresentations in the advertising content of some of the underlying email messages.

Hui, who was a principal deal maker in the conspiracy, acted as the representative for

Hong Kong and China-based companies whose stocks traded in U.S. securities markets under the symbols CWTD, WWPB, CDGT and PGCN, following reverse mergers with U.S. shell companies. Hui was responsible for bringing his clients located in Hong Kong and China into the U.S. securities marketplace so that they could unload large blocks of their shares at artificially high prices. He worked closely with the stock promoters/manipulators, spammers and a stock broker described in the Indictment, including Tribble, Ralsky, Bradley and others, to increase the volume of trading and share prices for the stocks, primarily through spam emails sent by the Ralsky operation. Hui played a significant role in dividing up the proceeds of the manipulation scheme, overseeing wire transfers between banks in Hong Kong, China, and the United States.

Hui admitted that on or about July 10, 2005, he committed wire fraud when he communicated via e-mail with coconspirator Scott Bradley, and discussed payments related to spam that was sent for the purpose of promoting the stock of several Chinese companies, namely CDGT and PGCN. Hui further admitted that on or about July 11, 2005, he engaged in money laundering when he transferred, or caused others to transfer, over \$200,000.00 in proceeds from the stock manipulation scheme from a bank in Hong Kong to Standard Federal Bank in Michigan.

This is the third guilty plea in the *U.S. v. Alan Ralsky, et.al.* investigation, with Judy Devenow, of Lansing, Michigan, and Frank Tribble on Los Angeles, California, having pleaded guilty in October.

The case is being prosecuted by Acting United States Attorney Terrence Berg and Trial Attorneys Thomas Dukes and Mona Sedky Spivack of the Computer Crime and Intellectual Property Section of the Criminal Division of the Department of Justice in Washington, D.C.



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For Immediate Release:
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Dec 17, 2008

Event: Guilty Plea

Defendant: **Benjamin Bostic**

FORMER U.S. COAST GUARD OFFICIAL

PLEADS GUILTY TO EXTORTION

A former U.S. Coast Guard petty officer pleaded guilty to using his position to extort tens of thousands of dollars from the family of an illegal immigrant, Acting United States Attorney Terrence Berg announced today.

Mr. Berg 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 Peter V. Neffenger, Commander, Ninth Coast Guard District, Neal Marzloff, Special Agent in Charge, Coast Guard Investigative Service Central Region and Andre G. Arena, Special Agent in Charge, Federal Bureau of Investigation.

Benjamin Bostic, age 35, of Macomb Township, Michigan entered the guilty plea in United States District Court in Ann Arbor, Michigan before Judge John Corbett O'Meara.

Information presented to the court at the time of the plea showed that between September of 2006 and April of 2008, while BOSTIC held the rank of First Class Petty Officer with the United States Coast Guard, he offered and agreed to use his position to assist a non-

citizen illegal alien to avoid being taken into custody and deported from the United States. In return, BOSTIC demanded and was paid more than \$30,000 from the family of the illegal alien.

Acting U.S. Attorney Berg stated, "The privilege of federal service and the honor of protecting the United States in the U.S. Coast Guard should never be sullied by soliciting bribes, particularly when the purpose of the bribe is to prevent the execution of an officer's lawful duties of enforcing the Nation's immigration laws. 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 aggressively investigate individuals who abuse their position in a government office for private gain. Public corruption is our top priority."

Rear Admiral Peter V. Neffenger, Commander, Ninth Coast Guard District stated "Mr. Bostic's actions were contrary to the Coast Guard's core values of Honor, Respect and Devotion to Duty. Our core values are deeply rooted in our service's heritage and guide our performance, conduct and decision making every minute of every day. The Coast Guard is disappointed that Mr. Bostic chose to violate the public trust rather than embrace our core values and serve the public."

Under the terms of the plea agreement, BOSTIC faces 36 months in prison, the maximum term provided under the law, as well as a fine of up to \$100,000.

A sentencing hearing was set by Judge O'Meara for April 14, 2009 at 2:00 p.m.



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For Immediate Release:
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Dec 18, 2008

Event: Guilty Plea

Defendant: Nazeer Hamadneh et al

THREE PLEAD GUILTY IN FRAUD SCHEME

Three defendants indicted in a scheme to defraud educational institutions, including medical schools, by submitting fraudulent transcripts, pled guilty today in federal court, Acting United States Attorney Terrence Berg announced today.

Berg was joined in the announcement by Andrew G.Arena, Special Agent in Charge of the FBI and Brian Moskowitz, Special Agent in Charge of Immigration and Customs Enforcement.

Abbas Obeid aka Adam Obeid, 34, of Ontario, Canada, Roni Aoub, 27, of Southfield, and Majed Mamo, 40, of Wixom, Michigan all pled guilty to conspiracy to commit mail fraud. Abbas Obeid also pled guilty to conspiracy to commit visa fraud. Under the plea agreement, Abbas Obeid faces a sentence of between 10-16 months and/or a \$20,000 fine. Defendants Auob and Mamo face sentences of between 0-6 months and/or fines \$10,000 fine. According to the indictment filed in this case, during August 2000 and continuing through August 2008, the defendants conspired to defraud educational institutions such as Lawrence Technological University in Southfield and Madonna University in Livonia by submitting fraudulent undergraduate transcripts so that individuals, who paid a fee to the conspirators,

would fraudulently obtain transfer credits from those institutions. These credits were applied toward undergraduate degrees. Fraudulent transcripts were also submitted so that individuals would be accepted for enrollment in graduate programs. The indictment alleges that, in exchange for money, the conspirators submitted fraudulent undergraduate transcripts to medical schools located in the Caribbean and Belize on behalf of students who otherwise had insufficient undergraduate credits to enter medical school. The indictment alleges that as a result of the defendants' actions, students were admitted to medical school based on the submission of fraudulent undergraduate transcripts.

In addition, the indictment alleges that defendants Nazeer Hamadneh and Abbas Obeid conspired to submit and submitted fraudulent documents on behalf of foreign students in order to obtain student visas. The indictment further alleges that defendants Nazeer Hamadneh and Majed Mamo tampered with witnesses in an effort to prevent witnesses from providing truthful information to law enforcement.

Acting U.S. Attorney Berg said, "Making phony transcripts to deceive a university into granting college credits, or even admission to medical school, to completely unqualified students is a kind of fraud that could have all sorts of dangerous consequences, but this case also involved fake student visas as well. Our office will continue to be vigilant in pursuing all types of immigration fraud."

"Individuals who buy and sell fraudulent college credits not only cheat the educational system; but when used for medical school admissions may endanger public health. Additionally, this undermines the student visa program by allowing individuals into this country who fail to follow through on their obligation to continue their higher education," said Andrew G. Arena, Special Agent in Charge of the FBI Detroit Field Office.

"Institutions of higher learning are critical to the advancement of our society and our way of life. Individuals who gain entry into a college or university through fraud undermine the vetting process and depending upon the profession could put the public at risk" said Brian M. Moskowitz, Special Agent in Charge of the ICE Office of Investigations for Michigan and Ohio. "ICE will continue to work with our partners to close this vulnerability."

The three defendants' sentencings are scheduled for March 24, 2009.

The investigation of this case has been conducted by the Federal Bureau of Investigation and Immigration and Customs Enforcement. This case is being prosecuted by Assistant U.S.

Attorney Cathleen Corken.



U.S. Department of Justice

Terrence Berg
United States Attorney
Eastern District of Michigan

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For Immediate Release:
Contact: Gina Balaya (313) 226-9758

Dec 18, 2008

Event: Indictment

Defendant: Rebecca Sharp et al

**EIGHT OWNERS AND EMPLOYEES OF HEALTH CARE AGENCIES
INDICTED IN MEDICARE KICKBACK SCHEME**

Eight owners and employees of Metro-Detroit area health care agencies were indicted by a federal grand jury in Detroit on charges they were part of a scheme to solicit and pay kickbacks in exchange for Medicare patients, Acting United States Attorney Terrence Berg announced today.

According to the 19-page indictment, Rebecca Sharp, age 43 of Ypsilanti, devised and executed a scheme to receive over \$1.1 million in kickbacks for referring Medicare beneficiaries to home health care agencies. Sharp allegedly obtained potential home health care patients by instructing her staff at Continuing Senior Care Co, Inc. and Marketing & Assessment to telephone senior citizens and offer medical services and chore workers. If senior citizens inquired how her staff obtained their names, Sharp's employees told them the information came from Medicare. Once the Medicare information was acquired, a doctor, employed by Sharp, visited the senior citizen, measured vitals signs, and prescribed home health care whether the individual needed it or not. After obtaining patients with Medicare coverage, Sharp referred the individuals to home health care agencies in exchange for a fee.

According to the indictment, Sharp claimed she could refer 80 patient names and Medicare numbers per week to a home health agency and that she charged a \$250 per-patient referral fee. Sharp also claimed she employed doctors willing to sign plans of care regardless of a patient's actual medical needs.

The following individuals are alleged to have paid kickbacks to Sharp for patient referrals:

Nancy Razalan, age 45, resident of Rochester Hills and owner of New Century Home Health Care, Inc., 1387 East 12 Mile Road, Madison Heights, Michigan;

Generosa Agustin, age 51, resident of West Bloomfield and owner of Family Care Choice and Services, Inc., 23800 West 10 Mile Road, Suite 108, Southfield, Michigan;

Kevin Watson, age 42, resident of Ypsilanti and owner of Watson Health Care, Inc., 17330 Northland Park Court, Suite 202, Southfield, Michigan;

Jaqueline Jackson, age 43, resident of Ypsilanti and owner of Superior Home Care, Inc., 17330 Northland Park Court, Suite 201, Southfield, Michigan;

Hafiz Anjum, age 43, resident of West Bloomfield and owner of Open Arms Home Care, Inc., 29551 Greenfield Road, Suite 118, Southfield, Michigan;

Michael Gilliam, age 51, resident of West Bloomfield and owner of Quality Home Health Care Services of Michigan, Inc., 23800 West Ten Mile Road, Suite 250, Southfield, Michigan;
and

Edwin McBeth, age 43, resident of Emporia, Virginia, former administrator at Tender Nursing Home Care L.L.C., 1577 North Wixom Road, Wixom, Michigan.

Acting United States Attorney Terrence Berg said, "The Medicare program is intended to assist older Americans to be able to afford the medical treatment and health care that they need. When Medicare is abused by unscrupulous persons to pay for unnecessary treatment, and to garner kickbacks, that conduct harms both legitimate Medicare recipients as well as the program itself."

Special Agent in Charge Arena said, "Medicare is based on the honesty and integrity of the program participants. Those who cheat Medicare are cheating the American taxpayers who ultimately bear the financial loss. The FBI is committed to protecting our healthcare systems from fraud and abuse."

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.

Berg congratulated the hard work of the special agents of the FBI for their efforts in pursuing this case. The case is being prosecuted by Assistant U.S. Attorney Sarah Resnick Cohen.



U.S. Department of Justice

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For Immediate Release:
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Dec 18, 2008

Event: Guilty Plea

Defendant: **Thomas Kennard**

CLAWSON MAN SENTENCED ON CHILD PORNOGRAPHY CHARGES

A 42-year-old Clawson, Michigan man, who possessed over a thousand images of child pornography, was sentenced to five years in prison in federal court today, Acting United States Attorney Terrence Berg announced. Joining in the announcement was Brian Moskowitz, Special Agent-In-Charge of the Department of Homeland Security, Immigration and Customs Enforcement (ICE) in Detroit.

Thomas Kennard pleaded guilty to receipt and possession of child pornography before United States District Judge Marianne O. Battani in Detroit, Michigan on September 8, 2008. The information presented to the court at the time of the plea established that from January 2006 through February 2006, special agents from the Bureau of Immigrations and Customs Enforcement identified KENNARD through "Operation Emissary" an investigative effort focused on identifying and apprehending individuals purchasing subscription access to child pornographic websites. Investigation by special agents from ICE revealed that KENNARD used a credit card to purchase access to a members-only child pornographic website where approximately 490 images were viewed and or downloaded. ICE agents conducted a search of KENNARD's home and seized a computer and related

computer items which revealed over 1700 images of child pornography with children ranging from 4 to 16 years of age.

Acting United States Attorney Berg said, "Federal laws targeting the child pornography trade aim to eliminate the victimization of children everywhere, because those who possess child pornography create the market for images of child sexual abuse. We will prosecute these crimes vigorously."

This case was brought as part of Project Safe Childhood, a nationwide initiative to combat the growing epidemic of child sexual exploitation and abuse launched in May 2006 by the Department of Justice. Led by United States Attorneys' Offices and the Criminal Division's Child Exploitation and Obscenity Section (CEOS), 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 to identify and rescue victims. For more information about Project Safe Childhood, please visit www.projectsafefchildhood.gov.

In issuing the sentence of 60 months in prison, Judge Battani observed that the continued victimization of children through the distribution of these images via the internet is one of the most serious harms from these offenses and that the demand created by customers like Kennard perpetuates the marketplace.

This case was prosecuted by Assistant United States Attorney John O'Brien and Special Agent Daniel Ben-Meir.



U.S. Department of Justice

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Dec 23, 2008

Event: Guilty Plea

Defendant: Jawan Martin

“AK-47 BANDIT” SENTENCED TO 32 YEARS IN PRISON

A bank robber who held a gun to a teller’s head in the course of committing nine bank robberies was sentenced to 32 years’ imprisonment, Acting United States Attorney Terrence Berg announced today. Berg was joined in the announcement by Andrew G. Arena, Special Agent-In-Charge of the Federal Bureau of Investigation’s Detroit field office.

Jawan Martin, 28, of Detroit pleaded guilty to two counts of using and carrying a firearm during a crime of violence following two days of trial on September 22, 2008 before U.S. District Judge Sean F. Cox. As part of his plea, Martin admitted to robbing the following nine banks:

1. March 16, 2006 -- Chase Bank, 32203 Plymouth Rd., Livonia, stealing \$157,728;
2. January 2, 2007 -- LaSalle Bank, 24660 Southfield Rd., Southfield, stealing \$116,170;
3. March 16, 2007 -- Chase Bank, W. Warren Ave., Dearborn Heights, stealing \$117,818;

4. June 2, 2006 – Fifth Third Bank, 700 S. Ballenger Hwy., Flint, stealing \$71,000;
5. August 4, 2006 – Citizens Bank, 3267 Beecher Road, Flint, stealing \$50,466;
6. July 11, 2007 – Franklin Bank, 26336 W. 12 Mile Rd., Southfield, Michigan, stealing \$0;
7. August 7, 2007 – National City Bank, located at 625 E. Manhattan Blvd., Toledo, Ohio, stealing \$77,048;
8. October 11, 2007 -- Fifth Third Bank, 3754 Rochester Rd., Troy, stealing \$41,642;
9. November 14, 2007 – Chase Bank, 33051 Schoenherr, Sterling Heights, stealing \$1,600.

During each robbery, Martin was armed with an AK-47-style assault rifle or a handgun. During the Fifth Third Bank robbery in Flint, surveillance video showed Martin putting a handgun to a teller's head. During the November 14, 2007 Sterling Heights robbery, a bank teller was shot in the leg by Martin's co-defendant, Andre Jones.

Martin was also ordered to pay \$633,492 in restitution to the nine banks. At the conclusion of his sentence of imprisonment he will serve five years of supervised release.

Martin committed the robberies with four other defendants, all of whom have previously been convicted after pleaded guilty. Jones is scheduled to be sentenced on December 24, 2008. Two getaway drivers, Terez Deon Rivers, 33, and Frederick Samuel Humes, Jr., 29, were sentenced to 10 and 14 years respectively on October 22, 2008. Sparkle Eldridge, 23, another getaway driver, is scheduled for sentencing on January 14, 2009.

Acting U.S. Attorney Terrence Berg said, "Both tellers and customers need to feel safe as they transact their business in our area banks. Any would-be bank robbers need to look at today's 32-year prison sentence and think again before engaging in such violent crimes."

"The lengthy sentences to be served by these armed thugs is a testament to the work of FBI agents throughout this state and elsewhere, as well as to our state and local law enforcement partners," stated SAC Arena.

The case is being prosecuted by Assistant United States Attorneys Leonid Feller and Mark Chasteen.