



U.S. Department of Justice

**Stephen J. Murphy
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Jan 3, 2008

EVENT: Indictment

Defendant: Alan M. Ralsky et al

**ALAN RALSKY, TEN OTHERS, INDICTED IN
INTERNATIONAL ILLEGAL SPAMMING AND STOCK FRAUD SCHEME**

A federal grand jury Indictment was unsealed today in Detroit charging eleven persons, including Alan M. Ralsky, his son-in-law Scott K. Bradley, and Judy M. Devenow, of Michigan, and eight others, including a dual national of Canada and Hong Kong and individuals from Hong Kong, Canada, Russia, California, and Arizona, in a wide-ranging international fraud scheme involving the illegal use of bulk commercial e-mailing, or "spamming."

Charged in the 41-count Indictment are:

Alan M. Ralsky, 62, of West Bloomfield, Michigan
Scott K. Bradley, 46, of West Bloomfield, Michigan
Judy M. Devenow, 55, of Lansing, Michigan
John S. Bown, 47, of Poway, California

William C. Neil, 45, of Fresno, California

Anki K. Neil, 36, of Fresno, California

James E. Bragg, 39, of Queen Creek, Arizona

James E. Fite, 34, of Whittier, California

Peter Severa, age unknown, of Russia

How Wai John Hui, 49, of Vancouver, Canada and Hong Kong, China

Francis A. Tribble, of Los Angeles, California

Appearing in court for arraignment today were defendants Scott Bradley and Judy Devenow, who were arrested today. Defendant How Wai John Hui was arrested in the Eastern District of New York on January 2, 2008. The remaining defendants are being sought.

United States Attorney Stephen J. Murphy said, "Today's charges seek to knock out one of the largest illegal spamming and fraud operations in the country, an international scheme to make money by manipulating stock prices through illegal spam e-mail promotions. I commend the excellent investigative work of the FBI, Postal Inspection Service, and the IRS-Criminal Investigation Division. I also wish to recognize the significant support and expertise provided by the Computer Crime and Intellectual Property Section of the Criminal Division of the Department of Justice."

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."

Sandra L. Carter, Assistant 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 Carter. "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."

The charges arose after a three-year investigation, led by agents from the Federal Bureau of Investigation, with assistance from the U.S. Postal Inspection Service and the Internal Revenue Service, revealed a sophisticated and extensive spamming operation that, as

alleged in the indictment, promoted a stock “pump and dump” scheme, in which the defendants sent spam touting thinly traded Chinese penny stocks, drove up their stock price, and reaped profits by selling the stock 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 included using falsified “headers” in the email messages, using proxy computers to relay the spam, using falsely registered domain names to send the spam, as well as making misrepresentations in the advertising content of some of the underlying email messages.

The indictment also alleges that the defendants tried to send their spam by utilizing a cybercrime tool known as a “botnet,” which is a network of “robot” computers that have been infected with malicious software code that in turn would instruct the infected computers to send spam. The indictment charges that the defendants earned profits when recipients responded to the spam and purchased the touted products and services. According to the indictment, Hui’s primary role in the scheme was to act as a conduit for Chinese companies who wanted their stocks pumped by the scheme. Ultimately, investigators estimate that the Ralsky defendants earned approximately \$3 million during the summer of 2005 alone as a result of their illegal spamming activities.

During the course of their illegal spamming operation, the types of products and services that the defendants pitched evolved over time, as did the types of illegal spamming techniques they employed. The 41-count indictment covers three distinct, but interrelated, conspiracies to capture this evolution in their business practices. The indictment charges the defendants with the commission of several federal criminal offenses, including, Conspiracy, in violation of 18 U.S.C. § 371; Fraud in Connection with Electronic Mail (“CAN SPAM”), in violation of 18 U.S.C. § 1037; Computer Fraud, in violation of 18 U.S.C. § 1030; Mail Fraud, in violation of 18 U.S.C. § 1341; Wire Fraud, in violation of 18 U.S.C. § 1343; and Money Laundering, in violation of 18 U.S.C. §§ 1957 and 1956(h). The indictment includes criminal asset forfeiture counts and also charges one defendant with making false statements to law enforcement, in violation of 18 U.S.C. § 1001.

Ralsky is considered to be one of the most prolific spammers in the country. It has

been estimated that Ralsky's operations sent tens of millions of spam messages per day.

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

A copy of the Indictment may be obtained from the U.S. Attorney's Office.



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January 9, 2008

EVENT: Indictment

Defendant: Andre Lavon Jones et al

GRAND JURY RETURNS 14-COUNT INDICTMENT AGAINST FIVE DEFENDANTS
Six Armed Bank Robberies Netting \$472,387 Among Charges

A federal grand jury has returned a fourteen-count indictment against Andre Lavon Jones, 27, Jawan Martin, 27, Terez Deon Rivers, 33, Frederick Samuel Humes, Jr., 29, and Sparkle Eldridge, 23, all of Detroit, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Andrew G. Arena, Special Agent-In-Charge of the Federal Bureau of Investigation's Detroit field office.

The indictment charges Jones, Martin, Rivers, and Humes with committing six bank robberies over a year-and-half period while armed with AK-47s, shotguns, and handguns :

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

\$117,818;

- June 25, 2007 -- TCF Bank, 1811 Crooks Rd., Royal Oak, stealing \$37,429;
- October 11, 2007 -- Fifth Third Bank, 3754 Rochester Rd., Troy, stealing \$41,642;
- November 14, 2007 – Chase Bank, 33051 Schoenherr, Sterling Heights, stealing \$1,600.

Jones, Martin, Rivers, and Humes are also each charged with six counts of using and carrying a firearm during and in relation to a crime of violence. A bank teller was shot during the November 14, 2007 Chase Bank robbery.

Jones is also charged with being a felon-in-possession of five firearms on December 11, 2007, including a Beretta 9 mm handgun, a Smith & Wesson .44 caliber revolver, an ISD assault-style rifle, an AK-47 assault rifle, and a sawed-off shotgun. Jones was sentenced to 1 to 20 years in prison on June 7, 2000 in 3rd Circuit Court for delivery/manufacturing less than 50 grams of controlled substances. Jones was arrested in this case on December 11, 2007 after allegedly shooting and injuring a Detroit Police Department officer.

Eldridge, who is married to Jones, is charged with conspiring with the four men to commit the bank robberies.

United States Attorney Stephen J. Murphy said, “The charges today are serious: they address a long running spree of bank robberies that included the shooting of a police officer and a bank teller. Federal crimes that involve serious violence and any sort of shooting will jump to the top of our priority list. I commend the exemplary work of the Detroit Police Department and the FBI for the work they did in investigating this case, and I appreciate the work of AUSA Feller who saw the case through to indictment..”

Each of six counts of bank robbery is punishable by up to 20 years imprisonment and a \$250,000 fine. The first firearm count is punishable by a mandatory sentence of 10 years imprisonment. Each of the five subsequent firearm counts is punishable by a mandatory sentence of 25 years imprisonment, each to be served consecutively to one another. Felon-in-possession of a firearm is punishable by up to 10 years imprisonment and a \$250,000 fine. Conspiracy is punishable by up to five years imprisonment and a \$250,000 fine.

An indictment is only a charging document and is not evidence of guilt. A defendant is presumed innocent and it is the government's burden to prove guilt beyond a reasonable doubt.

The case is being prosecuted by Assistant U.S. Attorneys Leonid Feller and Mark Chasteen.



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January 9, 2008

EVENT: Sentenced

Defendant: Dafer Putross

STERLING HEIGHTS MAN SENTENCED FOR PASSING COUNTERFEIT MONEY ORDERS

Stephen J. Murphy, United States Attorney for the Eastern District of Michigan, announced that Dafer Putross, 43, of Sterling Heights, Michigan was sentenced in Federal District Court yesterday for his conviction of (1) one count of passing forged securities, in violation of 18 United States Code section 514(a). Putross plead guilty to the offense in September of 2007 and was sentenced by the Honorable Victoria A. Roberts to 57 months in Federal Prison consecutive, in part, to an 121 month prison sentence he was already serving, five years of supervised released, and full restitution to the victims.

Investigators with the United States Secret Service received information from a local business that Putross, of Captain Dollar Store, purchased perishable goods for his store with counterfeit money orders. An ensuing investigation revealed that Putross, while on bond in a separate Federal prosecution, had purchased stolen Western Union money orders in December of 2005 for \$3000. Between December of 2005 and February of 2006, the stolen money orders were subsequently used to purchase substantial orders of cheese, olives, dried fruits, and nuts from businesses mostly located throughout the metropolitan Detroit area. Ultimately, 22 victims, mostly all local businesses, were identified as having been defrauded in excess of \$90,000. In total, it was determined that Putross had either defrauded or attempted

to defraud the victims of over \$140,000.

United States Attorney Stephen Murphy said, “ In these difficult economic times, it is important that individuals who seek to cheat local businesses attempting to make an honest living are called to account for their fraud. This office will continue to not only seek significant prison time for these individuals, but to also hold them financially responsible so that any and all victims are made whole.”

Assistant United States Attorney Lenny Feller, handled the prosecution for the government.



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January 10, 2008

EVENT: Indictment

Defendant: Elena Szilvagy

WOMAN INDICTED FOR FRAUDULENTLY OBTAINING U.S. CITIZENSHIP

Elena Szilvagy, 56, formerly of Clarkston, Michigan appeared in federal court today in Detroit, Michigan to answer to an indictment charging her with procuring her United States citizenship by fraud, United States Attorney Stephen J. Murphy announced today.

Szilvagy is currently serving a 48-month federal sentence for her conviction of conspiracy to commit health care fraud and mail fraud. When she is finished serving that sentence, Szilvagy will begin to serve a 31-month sentence for her convictions of conspiracy to defraud the United States and conspiracy to commit obstruction of justice and to obstruct a criminal health care fraud investigation. These two convictions stem from Szilvagy's ownership and operation of a health care company in Southfield, Michigan that defrauded Medicare of over \$800,000. Szilvagy's newest charge stems from her failure to disclose this illegal activity in her application to become a United States citizen. Szilvagy faces an additional sentence of 10 years imprisonment and a \$250,000 fine if convicted of naturalization fraud.

In announcing the indictment, United States Attorney Stephen J. Murphy commended

the work of the Special Agents of the Immigration and Customs Enforcement, who conducted the investigation. "My office in coordination with ICE will continue to vigorously and systematically pursue those who have obtained their U.S. citizenship or other immigration benefits unlawfully," said United States Attorney Stephen J. Murphy. "The notion that a criminal immigrant can rest easy once she gets her citizenship papers is a false assumption indeed," Mr. Murphy emphasized. "The Department of Justice and ICE will utilize every criminal, civil, and administrative remedy to ensure that those who obtain U.S. citizenship under false pretenses will not benefit from their dishonesty."

Mr. Murphy was joined in the announcement by Brian M. Moskowitz, Special Agent in Charge, U.S. Immigration and Customs Enforcement who stated that, "becoming an American citizen is privilege not a right." "We will not tolerate those who pledge their allegiance to this nation knowing that the oath they took was achieved through lies and fraud. ICE Special Agents will work with our partners in the U.S. Attorney's Office to ensure that those privileges are removed."

The case is being prosecuted by Special Assistant United States Attorney Mark Jebson.



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January 11, 2008

EVENT: Guilty Verdict

Defendant: Yousef Safiedine

Dearborn Gas Station Owner Found Guilty of Filing False Tax Returns

Yousef Safiedine, 60, of Farmington Hills, was found guilty of three counts of filing a false tax return, signed under penalties of perjury, by United States District Court Judge Denise Page Hood after a five day bench trial, announced United States Attorney Stephen J. Murphy.

United States Attorney Murphy was joined in the announcement by Maurice Aouate, Special Agent in Charge of the Detroit Field Office of the Internal Revenue Service Criminal Investigation Division.

According to court records, during 1999 through 2001, Safiedine owned a gas station in Dearborn, Michigan, which he leased to a family member. He received monthly payments from either JLJ Enterprises, Inc. or MTK Family Investments and reported only a portion of the rental income, \$134,000 per year, on his tax returns. Over the three year period, Safiedine knowingly failed to include over \$160,000 in income on his tax returns.

U.S. Attorney Stephen J. Murphy said, "Like voting and jury service, the voluntary payment of taxes is a duty of all American citizens. Taxes are the costs we pay for our ordered democracy, and those who intentionally avoid paying taxes or cheat the system will be aggressively prosecuted."

"The law is clear that people must report all their income and pay their taxes," said Aouate. "IRS Criminal Investigation will vigorously investigate those individuals who knowingly and willfully file false tax returns to evade their tax obligation."

Filing a false tax return, signed under penalties of perjury, carries a maximum penalty of three years imprisonment and a \$100,000 fine.

Sentencing is scheduled for May 21, 2008 at 2:30 pm. .

United States Attorney Murphy thanked the Internal Revenue Service Criminal Investigation for their investigation of the case. The United States was represented by Assistant United States Attorney Richard L. Delonis.



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January 14, 2008

EVENT: Sentencing

Defendant: Gary Tranell Young et al

**FIVE GANG MEMBERS SENTENCED FOR
JOY ROAD CRACK COCAINE CONSPIRACY**

Five members of a criminal drug dealing gang that distributed crack cocaine throughout the Detroit, Michigan area were sentenced in federal court today, announced United States Attorney Stephen J. Murphy. Mr. Murphy was joined in the announcement by Thomas Brandon, Special Agent in Charge, Bureau of Alcohol, Tobacco, Firearms and Explosives.

Each defendant, identified as members of the "Joy Road" gang, pleaded guilty to one count of conspiracy to distribute, and conspiracy to possess with intent to distribute, crack cocaine.

This was a TIDE (Tactical Intelligence Driven Enforcement) investigation, lead by ATF and the Detroit Police Department with assistance from the Drug Enforcement Administration (DEA) and the Michigan State Police (MSP). The operation was run in tandem with the investigation of another Detroit drug dealing gang known as the "Detroit

Thug Lordz.” The year-long criminal investigation resulted in the federal indictments of 13 people.

In 2006, the gang was infiltrated by an undercover ATF agent, who purchased guns and crack cocaine from the gang members. The gang utilized the “dial-for-dope” method of drug trafficking, meaning that drug purchasers would call a particular cellular telephone that would be answered by a member of the gang. The gang member would broker the sale of drugs or guns with the customer and direct the customer to a location to receive the items in exchange for cash. Either the same gang member who answered the phone or a different member would then meet the customer and complete the transaction. The gang operated mainly in the area of Joy Road in the City of Detroit and used many different telephone numbers. The ATF estimates that the Joy Road gang took in an estimated \$10 million in drug proceeds over the course of its three-year operation.

United States Attorney Stephen J. Murphy said, “Today’s sentences demonstrate the great results that can be achieved when federal, state, and local law enforcement work together as a team, as we do in Project TIDE, to fight violent crime in Northwest Detroit.” said Murphy. “The commitment of the partners in this endeavor has been extraordinary. With our success in Northwest Detroit, we hope to expand the TIDE initiative to other areas of the city.”

The five defendants were sentence by United States District Judge David M. Lawson to the following terms of imprisonment. All defendants are from Detroit.

Gary Tranell Young (*a.k.a.* “GY”), 24, received an enhanced sentence for his role as the organizer and leader of the gang. He was sentenced to a mandatory minimum 20 years imprisonment.

Issac Terrell Spencer (*a.k.a.* "Ike"), 24, was sentenced to 60 months imprisonment.

Reginald Jermaine Gilder (*a.k.a.* "JR"), 24, was sentenced to 60 months imprisonment.

Anthony Shane Mack (*a.k.a.* "Free"), 27, was sentenced to 60 months imprisonment.

Scott Jarad McDuffie (*a.k.a.* "Cuz"), 22, was sentenced to 48 months imprisonment.

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January 15, 2008

EVENT: Sentenced

Defendant: Mohammed Abdul Mohi

OHIO MAN SENTENCED ON IMMIGRATION FRAUD CHARGE

Mohammed Abdul Mohi, 54, of Toledo, Ohio was sentenced today to one year probation to charges of procuring his United States citizenship by fraud, United States Attorney Stephen J. Murphy announced today. As part of the sentence, Mohi was stripped of his United States citizenship and was ordered deported to India.

The facts presented to the court at the time of Mohi's plea established that Mohi lied orally and in writing to immigration authorities about his prior arrest for criminal sexual conduct and furnishing alcohol to a minor.

In announcing the sentence, United States Attorney Stephen J. Murphy commended the work of the Special Agents of the Immigration and Customs Enforcement, who conducted the investigation. "My office in coordination with ICE will continue to vigorously and systematically pursue those who have obtained their U.S. citizenship or other immigration benefits unlawfully," said United States Attorney Stephen J. Murphy. "The notion that a criminal immigrant can rest easy once he gets his citizenship papers is a false assumption indeed," Mr. Murphy emphasized. "The Department of Justice and ICE will utilize every criminal, civil, and administrative remedy to ensure

that those who obtain U.S. citizenship under false pretenses will not benefit from their dishonesty."

Mr. Murphy was joined in the announcement by Brian M. Moskowitz, Special Agent in Charge, U.S. Immigration and Customs Enforcement who stated that, "becoming an American citizen is privilege not a right." "We will not tolerate those who pledge their allegiance to this nation knowing that the oath they took was achieved through lies and fraud. ICE Special Agents will work with our partners in the U.S. Attorney's Office to ensure that those privileges are removed."

The case was prosecuted by Special Assistant United States Attorney Mark Jebson.



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January 17, 2008

EVENT: Indictment

Defendant: Gregory West

**TRANSPORTING COCAINE FOR A MAJOR DRUG ORGANIZATION
LANDS A HOLLYWOOD, FLORIDA MAN IN JAIL**

Gregory West, 50, of Hollywood, Florida, was sentenced to 63 months imprisonment, followed by three years of supervised release, as the result of conspiracy to distribute cocaine and money laundering conspiracy charges, United States Attorney Stephen J. Murphy announced. United States District Court Judge Avern Cohn also ordered West to forfeit any property, real or personal, which was traceable to the sale of narcotics, to be applied to the agreed \$270 million money judgment against the members of the "Black Mafia Family," also known as BMF.

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, between 2002 and 2005, West was a member of the drug trafficking organization BMF led by Terry Flenory, originally from Detroit, and his brother, Demetrius. West's main role was to transport the drug money and cocaine, using vehicles with

hidden compartments. During this time period, he transported more than one million dollars in cash from Detroit and elsewhere to Missouri, California. West knew that the cash that he transported was used to purchase cocaine, real estate, vehicles and jewelry for BMF.

The Flenory brothers recently plead guilty to narcotic charges and are currently awaiting sentencing. They admitted to leading of a criminal enterprise involving the large scale distribution of controlled substances, mainly 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 money judgment in the amount of \$270 million.

United States Attorney Murphy said, "Interstate drug trafficking for a major cocaine organization will result in a hefty prison term, as we in today's 63-month sentence. This office will vigorously prosecute persons who facilitate the crimes of drug dealers by concealing the illegal profits from narcotics sales."

"Many drug organizations operate using the same business structures as that of large corporations," said Aouate. "Transportation is usually the heartbeat of most corporations and it is no different with narcotic traffickers. Although West was not a significant player, his transportation role was significant in allowing BMF to continue to profit from their illegal activity."

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



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January 17, 2008

EVENT: Sentencing

Defendant: Raymond Joseph

**BLOOMFIELD HILLS RESIDENT INDICTED ON MILLION
DOLLAR INVESTMENT "PONZI" SCHEME**

Raymond Joseph, 52, of Bloomfield Hills, was arraigned on two counts of wire fraud, two counts of transportation of stolen money or property, and nine counts of monetary transactions in criminally derived property, as alleged in a December 5, 2007 indictment, 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 and Special Agent in Charge Andrew G. Arena, Federal Bureau of Investigation.

According to court records, during 2002 through 2006, Joseph solicited money from several individuals to invest in a number of business ventures. Joseph promised them a stated date of repayment with a fixed amount of return. When Joseph received the investment money, he deposited it into financial accounts that he controlled. Some of these investor's checks totaled over \$350,000. As in a typical "Ponzi" scheme, some of the money was used to repay the other investors who had earlier invested with him and some of it was

used for his own personal expenses, including credit card, house and car payments. As a result of his fraudulent acts, Joseph obtained over \$1 million in which he failed to repay back to the investors.

United States Attorney Stephen J. Murphy stated, "Even sophisticated business people can be deceived by an attractive Ponzi scheme, because at first, the returns look like the real thing. Although federal investigators are well-equipped to unravel such schemes, Investors need to be on their guard against these schemes as the first line of defense."

"Today's swindlers still target the unsuspecting with offers that are too good to be true," said Aouate. "IRS Criminal Investigation will continue to diligently follow the money in order to bring these greedy people to justice."

Wire Fraud carries a maximum penalty of twenty years imprisonment and a \$250,000 fine. Transportation of stolen money or property carries a maximum penalty of ten years imprisonment and a \$250,000 fine. Monetary transactions in criminally derived property carries a maximum penalty of ten years imprisonment and a fine of not more than twice the amount of the criminally derived property involved.

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 and the FBI for their investigation of the case. The case is being prosecuted by Assistant U.S. Attorney Paul Burakoff.



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January 18, 2008

EVENT: Lawsuit

Defendant: Regent Court Apartments

**OPERATION HOME SWEET HOME
RESULTS IN DISCRIMINATION LAWSUIT AGAINST
ROSEVILLE, MICHIGAN APARTMENT OWNER AND MANAGER**

WASHINGTON - The Justice Department announced today that it has filed a lawsuit alleging that the owner and operator of Regent Court Apartments, in Roseville, Mich., has engaged in a pattern or practice of discrimination against African-American home-seekers, in violation of the federal Fair Housing Act. The lawsuit is based in part on evidence generated by the Department's Fair Housing testing program, which has been an integral part of the Department's recent fair housing initiative, Operation Home Sweet Home.

"This lawsuit seeks to ensure equal access to housing for African-Americans," said Grace Chung Becker, Acting Assistant Attorney General for the Justice Department's Civil Rights Division. "The Department will continue its vigorous enforcement of all the fair housing laws."

U.S. Attorney Stephen J. Murphy added, "To discriminate against a person because of the color of their skin or race is to deny that person their rightful share of the American dream. Whenever appropriate we will go to court to ensure that everyone is afforded fair housing under the law."

The complaint, filed today in the U.S. District Court in Detroit, alleges that Regent

Court Apartments LLC and Donna Harrison, the owner and manager, respectively, of the Regent Court Apartments at 18830 East 14 Mile Road in Roseville, Mich., have engaged in a pattern or practice of denying apartments to African-Americans and falsely telling African-Americans that no apartments are available.

The complaint alleges that when the Department sent testers to Regent Court in 2007, the defendants falsely told African-American testers that no apartments were available, while at the same time telling white testers that apartments were available. The lawsuit seeks an injunction against further discrimination, money damages for victims of the unlawful discrimination, and civil penalties to be paid to the United States. The lawsuit is only an allegation of unlawful conduct by the defendants. The United States will bear the burden of proving the allegations at trial.

Fighting illegal housing discrimination is a top priority of the Department of Justice. In February 2006, the Department announced Operation Home Sweet Home, a concentrated initiative to expose and eliminate housing discrimination in America. This initiative was inspired by the plight of displaced victims of Hurricane Katrina who were suddenly forced to find new places to live. Operation Home Sweet Home, however, is not limited to the areas hit by Hurricane Katrina, but targets housing discrimination all over the country, including Michigan.

A key part of the initiative has been expanding the productivity and effectiveness of the Fair Housing testing program, which the Civil Rights Division has operated since 1991 to uncover housing discrimination. The program is conducted primarily through paired tests, an event in which two individuals - one acting as the "control group" (e.g., white male) and the other as the "test group" (e.g., black male) - pose as prospective buyers or renters of real estate for the purpose of determining whether a housing provider is complying with the fair housing laws. The initiative has already yielded significant success. During fiscal year 2007, the Department conducted more paired tests than it had ever conducted in any other year, and filed 30 cases to enforce the Fair Housing Act, including four based on evidence generated by the testing program.

Persons who believe they experienced housing discrimination at Regent Court Apartments should contact the Housing Discrimination Tip Line (1-800-896-7743, mail box #3), or email the Department at fairhousing@usdoj.gov. Persons may also contact the

U.S. Attorney's Office at 313-226-9727. Persons who believe they experienced housing discrimination anywhere in the United States may also call the Tip Line, email fairhousing@usdoj.gov, or contact the Department of Housing and Urban Development at 1-800-669-9777.

The federal Fair Housing Act prohibits discrimination in housing on the basis of race, color, religion, sex, familial status, national origin and disability. Since Jan. 1, 2001, the Civil Rights Division has filed 242 cases to enforce the Fair Housing Act, 67 of which have alleged discrimination based on race. For more information about the Division and the laws it enforces, go to <http://www.usdoj.gov/crt>.

Assistant U.S. Attorney Judith Levy and Civil Rights Division Trial Attorney Burtis M. Dougherty will litigate the case on behalf of the United States.



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January 18, 2008

EVENT: Guilty Plea

Defendant: Marshal Stillman

**WEST BLOOMFIELD MAN RESIDENT PLEADS GUILTY TO STRUCTURING
CASH TRANSACTION TO AVOID REPORTING REQUIREMENTS TO IRS**

A 68-year-old West Bloomfield resident pleaded guilty today to structuring cash transactions to avoid reporting requirements under federal law, United States Attorney Stephen J. Murphy announced.

Murphy was joined in the announcement by Robert Grasso, Special Agent in Charge of the Drug Enforcement Agency (DEA) and Maurice Aouate, Special Agent in Charge of the Internal Revenue Service Criminal Investigation Division.

Pleading guilty before U.S. District Judge Marianne Battani was Marshal Stillman. The information presented to the court at the time of the plea showed that Marshal Stillman deposited United States currency into a Detroit area bank account on four occasions in amounts just under \$10,000, totaling \$35,000 and did so to avoid the federally mandated reporting requirements to the IRS for amounts in excess of \$10,000.

Under the terms of his plea agreement, Stillman faces sentencing guidelines of 8 to 14 months in prison. The sentencing will be April 30, 2008.

United States Attorney Stephen J. Murphy said, "Federal law prohibits structuring deposits to avoid the requirement to report any transactions over \$10,000. We take such violations seriously and will prosecute whenever the facts warrant it."

"Knowingly structuring cash transaction will draw the attention of the IRS," said Aouate.

"We will follow the money and make sure violators are prosecuted to the full extent of the law."

The investigation of this case was conducted by agents of the Drug Enforcement Agency and IRS Criminal Investigation.



U.S. Department of Justice

**Stephen J. Murphy
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For Immediate Release:

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January 22, 2008

EVENT: Sentencing

Defendant: Milad Knouna

**Detroit Party Store Operator Sentenced to 12 Months
and One Day After Pleading Guilty to Structuring Cash Transactions**

Milad Knouna, 54, of Commerce Township, Michigan, officer and operator of Diamond Liquor Store, Detroit, Michigan, was sentenced today to one year and one day in prison as a result of his pleading guilty to an information charging him with structuring transactions to evade reporting requirements, United States Attorney Stephen J. Murphy announced.

In sentencing Knouna, U.S. District Judge Arthur J. Tarnow ordered Knouna to pay a \$30,000 fine and serve one year of supervised release.

Mr. Murphy was joined in the announcement by Maurice Aouate, Special Agent in Charge, Internal Revenue Service Criminal Investigation Division, Robert Corso, Special Agent in Charge, United States Drug Enforcement Administration, and Andrew G. Arena, Special Agent in Charge, Federal Bureau of Investigation.

According to court records, between February and June, 2003, Knouna met with undercover agents and knowingly wire transferred cash that was represented to be from drug

proceeds. Knouna used the Western Union machine from the Diamond Liquor Store. After receiving cash amounts of over \$10,000, Knouna would structure the amount, usually about \$2,500 per wire transfer, in order to evade the reporting requirements. These reporting requirements include a Currency Transaction Report for cash transactions over \$10,000, filed with the Internal Revenue Service, and the maintenance of a log for cash transactions over \$3,000. During this time period, structured cash transactions totaled over \$139,000.

United States Attorney Murphy said, "Structuring monetary transactions is a serious crime. This crime fosters other crimes because of the need to hide the source of the money from illegal activity. We will not tolerate the hiding of ill gotten gains from the government."

Special Agent in Charge Aouate said, "Structuring, a crime of greed, is a very serious offense, especially when it makes it easier for drug dealers to benefit from their illegal activities."

United States Attorney Murphy thanked the Internal Revenue Service Criminal Investigation, United States Drug Enforcement Administration and the Federal Bureau of Investigation for their investigation of the case. The United States was represented by Assistant United States Attorney David J. Portelli and Graham L. Teall.



U.S. Department of Justice

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January 23, 2008

EVENT: Guilty Plea

Defendant: Oliver Buelow

**ROCHESTER HILLS MAN SENTENCED TO NEARLY 12 YEARS FOR CHILD
PORNOGRAPHY, TRIP TO COSTA RICA FOR SEX WITH MINOR**

A 38-year-old Rochester Hills man was sentenced to 140 months imprisonment in federal court today, United States Attorney Stephen J. Murphy announced. Joining in the announcement was Joseph Parone, Inspector in Charge, Detroit Division, United States Postal Inspection Service, and Andrew G. Arena, Special Agent-In-Charge of the Federal Bureau of Investigation (FBI) in Detroit.

Oliver Buelow pleaded guilty on November 13, 2007 before Judge Julian A. Cook, Jr. to felony counts of mailing child pornography and attempted travel to engage in an illicit sex act. In March 2007, Buelow booked a trip to Costa Rica and paid a tour company to arrange sex with a 14 -15 year old girl. Buelow also solicited photographs of minors between the ages of 10 -11 years-old from the tour company for additional sex acts. The tour company with whom Buelow believed he was communicating was, in reality, an undercover FBI agent. Buelow was arrested on March 15, 2007 during a layover in Atlanta after boarding a plane for Costa Rica at Detroit Metropolitan Airport.

Separately, Buelow communicated with an undercover Postal Inspector by e-mail. On February 13, 2007, Buelow ordered five child pornography DVDs. In payment, he sent \$50 and a DVD from his collection containing three child pornography movies. A search of Buelow's home by federal agents on March 20, 2007 revealed an additional 28 images of child pornography on his computer.

United States Attorney Stephen J. Murphy said, "In one month, this defendant ordered child porn, traded child porn, and boarded a plane bound for Costa Rica with the goal of sexually abusing children there. This kind of conduct illustrates the tight connection between the child pornography trade and criminal intent to abuse real children. It is a text book example of why prosecuting child pornography means protecting children."

Buelow is a German citizen on temporary assignment for his employer in the Detroit metropolitan area. Following his term of imprisonment, Buelow will be deported to Germany.

This case was brought as part of Project Safe Childhood. In February 2006, the Department of Justice 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 was prosecuted by Assistant United States Attorney Leonid Feller.



U.S. Department of Justice

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January 3, 2008

EVENT: Guilty Plea

Defendant: Anthony Hachem

**SOUTHGATE MAN SENTENCED TO 9 YEARS FOR PLOT TO STEAL 50
KILOGRAMS OF COCAINE**

A 26-year-old Southgate man was sentenced to 106 months' imprisonment in federal court today, United States Attorney Stephen J. Murphy announced. Joining in the announcement was Acting, Special Agent-In-Charge William Temple, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

Anthony Hachem pled guilty on May 25, 2007 before Judge Victoria A. Roberts to one felony count of possession of a firearm in furtherance of a drug trafficking crime and one count of felon-in-possession of a firearm. Hachem and three other defendants -- Brett Hanke, 19, David Varner, 20, and Sarah Adams, 18 -- planned to rob a Schaefer Lyndon Self Storage unit in Detroit, which they believed contained 50 kilograms of powder cocaine. Hachem supplied three firearms to be used in the robbery, including a .357 Smith & Wesson and two Colt .22 caliber revolvers. Audio surveillance by ATF special agents recorded Hachem telling the co-defendants that "I think when we go in whoever is there should get shot right away, killed. I think that's the best bet, there's no

point in leaving somebody alive to f---ing retaliate.”

United States Attorney Stephen J. Murphy said, “The ruthless violence intended by the defendants in this case never came to pass thanks to the excellent work of the ATF in disrupting the planning of this armed robbery. Fifty kilos of cocaine were evidently worth more than the lives of whoever could have gotten in the way of this armed and violent gang. I commend the work of the investigators and the prosecutors in this case.”

This is Hachem’s eleventh criminal conviction. In 1999, he was convicted of Home Invasion – 2nd Degree. He also has four felony drug convictions, the most recent in 2005.

Co-defendant David Varner was sentenced to 76 months imprisonment on December 4, 2007. Sentencing for Brett Hanke and Sarah Adams is set for January 8, 2008.

The case was prosecuted by Assistant United States Attorneys Leonid Feller and Kevin Mulcahy.