



**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  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758  
Dawn Clenney - FBI (313) 237-4206

May 31, 2007

---

**EVENT: Sentencing**

**Defendant: Darryl Jason Emerson**

**FORMER BAIL BONDSMAN SENTENCED  
FOR IMPERSONATING AN FBI AGENT**

---

Darryl Jason Emerson, a former bail bondsman, was sentenced today to 3 months' home confinement followed by three years' probation for impersonating a Special Agent of the Federal Bureau of Investigation ("FBI"), United States Attorney Stephen J. Murphy announced. Emerson's sentence follows his November 21, 2006 guilty plea. Murphy was joined in the announcement by Andrew G. Arena, FBI Special Agent in Charge.

United States District Judge Denise Page Hood also ordered Emerson to participate in an anger management course and not seek employment in the law enforcement or security field without the permission of the U.S. Probation Department.

According to a criminal complaint filed by the FBI, Emerson entered a Detroit nightclub in February 2006 and approached a female. Emerson identified himself as an FBI agent and demanded that the victim follow him to the door because he had a warrant for her arrest. Emerson told the victim that if she did not come willingly, he would put her in handcuffs and

drag her out of the bar. A bystander called 911, while the victim followed Emerson to the door of the nightclub. Detroit Police Department officers arrived, arrested Emerson, and searched him. Emerson had a .40 caliber Glock pistol, a black holster, a can of pepper spray, body armor, handcuffs, a "Fugitive Recovery Agent" badge, a Michigan Concealed Pistol License and a "United States Fugitive Service" identification card.

Emerson has never been an FBI agent or any other sworn law enforcement officer. Under Michigan and federal law, Emerson is prohibited from possessing a firearm after being convicted of a felony.

U.S. Attorney Stephen J. Murphy said, "Impersonating a federal agent is a serious offense because it carries the potential for abuse of a perceived position of lawful authority. The public must be able to rely on the representation that a person is a federal agent. Because federal agents are trained to present their credentials when they identify themselves in an official capacity, a citizen should never be in doubt concerning such a representation."

The case was investigated by the FBI and 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  
Fax: (313) 226-3561***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Jun 1, 2007

---

**EVENT: Sentencing**

**Defendant: Dante L. Rison**

---

**COUSINS SENTENCED FOR GUN-RUNNING CONSPIRACY**

---

Two Flint-area cousins have been sentenced in federal court this week for conspiring to obtain firearms illegally and selling them in Canada, United States Attorney Stephen J. Murphy announced.

Dante L. Rison, 29, of Mt. Morris was sentenced to 57 months' imprisonment on May 31, 2007, by United States District Judge Paul V. Gadola. His cousin Kermit L. Reeves, 26, who was residing in Toronto, Canada at the time of the offense, was sentenced to 44 months' imprisonment on June 1, 2007, by Judge Gadola. Both men had pleaded guilty to an indictment charging that they conspired to make false statements to licensed firearms dealers during the purchase of firearms. During their guilty pleas they admitted that they had recruited other persons to purchase firearms in their own names, falsely concealing the fact that they were being paid for by, and immediately given to Rison or Reeves.

United States Attorney Stephen J. Murphy stated, "Today's sentences show the dire legal consequences that await those who traffic illegally in firearms. Obliterating serial numbers makes tracing guns much more difficult, and increases the likelihood that the weapon will be used in a crime."

During the sentencings Judge Gadola noted that the offense was a very serious one, involving at least seven such "straw purchasers" who were paid to make the illegal transactions between June and December of 2005. According to the uncontested facts in the presentence report, the offense involved at least 45 firearms - primarily pistols. Many of the serial numbers on these pistols were later obliterated. The firearms were then

transported to, and distributed in Canada - where strict Canadian gun laws made them much more valuable than they were in the United States. By the time of sentencing at least six of these pistols had been recovered by Canadian law enforcement officers during investigation of Canadian crimes.

Judge Gadola found that Dante Rison had been instrumental in recruiting and directing the straw purchasers, while Kermit Reeves had the contacts to sell the pistols illegally in Canada; both were held responsible for organizing and leading the conspiracy. Rison's sentence was longer than Reeves' due to his prior criminal history. Rison, however, was allowed to remain on bond pending his self-surrender to a federal prison. Reeves, who was deported from Canada and has been in federal custody since November 2006, remains in the custody of the United States Marshal and will be transferred to federal prison.

The case was investigated by the Flint office of the Bureau of Alcohol, Tobacco, and Firearms with the assistance of the Royal Canadian Mounted Police, and was prosecuted by Assistant United States Attorney Robert Haviland.



**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  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

June 1, 2007

---

**EVENT: Guilty Plea**

**Defendant: William A. Johns**

**FORMER COMPUTER CONTRACTOR PLEADS  
GUILTY TO HACKING DAIMLER CHRYSLER  
PARTS DISTRIBUTION WIRELESS NETWORK**

---

A former computer contractor who did work for Daimler Chrysler pleaded guilty today in federal court to unlawful computer intrusion into the company's wireless parts distribution network in 2003 and causing damage to the system, United States Attorney Stephen J. Murphy announced today.

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

William A. Johns, 65, of Lake Orion, Michigan, entered the guilty plea in United States District Court before United States District Judge David M. Lawson.

The information presented to the court at the time of the plea showed that on October 3, 2003, Johns entered the Daimler Chrysler Assembly plant in Sterling Heights, Michigan and accessed a computer kiosk located in the visitor's lobby. Based on his familiarity with Daimler

Chrysler's computer system, which had been gained when Johns worked for Intermecc, a computer company working with Daimler Chrysler, Johns was able to enter commands from this computer terminal that caused files and passwords to be deleted from wireless devices located in remote parts distribution facilities, that is, devices located in MOPAR facilities located in Atlanta, Georgia, Portland, Oregon, and Denver, Colorado. MOPAR was the parts distribution component of Daimler Chrysler. As a result of the damage to these devices, it was necessary to remove and repair them, causing each MOPAR facility to shut-down for approximately 7.5 hours, and resulting in over \$25,000 in damages to Daimler Chrysler.

United States Attorney Stephen J. Murphy said, "Keeping our corporate networks secure from unauthorized intrusions is just as crucial as protecting our homes from invasion or our property from theft. I commend the FBI, and the internal investigation staff at Daimler Chrysler, for their excellent investigative work, which led to this guilty plea."

Under the terms of the plea agreement, Johns faces up to 12 months' imprisonment and a fine of up to \$250,000. Johns will also be required to make full restitution to Daimler Chrysler in the amount of \$ 29,916 to pay for the costs associated with repairing the consequences of the damage.

A sentencing hearing was set by Judge Lawson for 4 p.m. on September 12, 2007.

The case is being prosecuted by First Assistant United States Attorney Terrence Berg.



**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  
Fax: (313) 226-3561***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Jun 6, 2007

---

**EVENT: Indictment**

**Defendant: Ali Fouad Ayache**

---

**DEARBORN MAN ARRESTED ON MARRIAGE FRAUD CHARGES**

---

United States Attorney Stephen J. Murphy announced today that Ali Fouad Ayache, 25, of Dearborn, Michigan was arrested on an Indictment charging him with Marriage Fraud, Making False Statements and Witness Tampering. Ayache made his initial appearance on the Indictment in federal court in Detroit and was ordered held without bond until June 11, 2007, when a combined detention hearing and arraignment will be held.

United States Attorney Stephen J. Murphy was joined in the announcement by Special Agent in Charge Brian Moskowitz of the Immigration and Customs Enforcement and Special Agent in Charge Andrew G. Arena of the Federal Bureau of Investigation.

United States Attorney Murphy said, "It is important to keep in mind that United States citizenship, green cards or other immigration benefits should never be granted or premised upon false or fraudulent representations. We take such violations quite seriously, and will take action when individuals gain citizenship through mendacity or prevarication."

Special Agent Arena said, "This investigation is an example of the cooperative effort of the FBI and ICE working to address those criminal activities which impact our community."

Special Agent Moskowitz said, "ICE will take every step necessary to deny those who use lies and deceit from enjoying the privileges of living in the United States.

The Indictment alleges that Ayache, a Lebanese national, committed marriage fraud

when he entered into a bogus marriage with a United States citizen in 1992 for purposes of evading U.S. immigration laws, lied about it to federal agents on May 1, 2007, and attempted to persuade a witness to lie to federal officials about the marriage fraud.

Ayache faces a maximum penalty of 5 years' imprisonment and a \$250,000 fine on each count of the Marriage Fraud and False Statement charges, and a maximum penalty of 10 years' imprisonment and a \$250,000 fine on the Witness Tampering charge.

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.

In announcing the Indictment, United States Attorney Stephen J. Murphy commended the work of the Special Agents of the Immigration and Customs Enforcement and the Federal Bureau of Investigation, who conducted the investigation. The prosecution of Ali Ayache is being handled by Assistant United States Attorney Kenneth R. Chadwell.





**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  
Fax: (313) 226-3561***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Jun 6, 2007

---

**EVENT: Sentencing**

**Defendant: Juan Perez-Ramirez**

**MEXICAN CITIZEN SENTENCED TO 87 MONTHS  
FOR UNLAWFUL RE-ENTRY INTO UNITED STATES**

---

A Mexican citizen was sentenced yesterday in federal court in Detroit after pleading guilty to the charge of Unlawful Reentry into the United States after Deportation after an Aggravated Felony, announced United States Attorney Stephen J. Murphy.

Receiving the sentence was Juan Perez-Ramirez, 42, a Mexican national.

United States District Judge Marianne O. Battani sentenced Perez-Ramirez to a term of 87 months in custody, followed by 3 years of supervised release. Perez-Ramirez had a lengthy criminal history including assaultive crimes in the United States.

United States Attorney Stephen J. Murphy said, "Illegal entry after deportation is a serious enough federal crime, but any persons with a violent criminal past who try to re-enter the United States should realize that a long period of incarceration, such as the one imposed in this case, is what awaits them."

The case was investigated by special agents of the Bureau of Immigration and Customs Enforcement and prosecuted by Assistant United States Attorney Michael R. Mueller.



**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  
Fax: (313) 226-3561***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Jun 6, 2007

---

**EVENT: Sentencing**

**Defendant: William J. Rauwerdink**

**FORMER CHIEF FINANCIAL OFFICER**

**OF LASON, INC. SENTENCED 45 MONTHS IN PRISON**

---

WILLIAM J. RAUWERDINK, the former Chief Financial Officer of Lason, Inc., was sentenced today to 45 months' imprisonment based on convictions for conspiring to commit mail, wire, and bank fraud and make false statements to the Securities and Exchange Commission, and to filing a false and fraudulent quarterly report (10-Q) with the SEC, announced Stephen J. Murphy, United States Attorney for the Eastern District of Michigan, and Andrew G. Arena, Special Agent in Charge of the Detroit Division of the Federal Bureau of Investigation.

Rauwerdink pleaded guilty to those charges in November 2006 before U.S. District Judge Arthur J. Tarnow. At today's sentencing hearing, Judge Tarnow also ordered Rauwerdink to pay \$115 million in restitution to Lason's former shareholders and \$170 million in restitution to Lason's principal lender, a bank group led by Bank One, Michigan (now JPMorgan Chase Bank). In addition, Judge Tarnow ordered him to serve a 2-year term of supervised release following his release from prison. Rauwerdink, 57 years old and a resident of West Bloomfield, Michigan, will voluntarily surrender to the Federal Bureau of Prisons to serve his sentence.

In imposing the sentence, Judge Tarnow observed that at Lason, "greed and avarice" prevailed "at the expense of Lason's shareholders, banks, employees, and

customers.”

United States Attorney Murphy said, “Today’s sentence shows that corporate leaders who commit fraud will serve substantial time in prison, just as common thieves. These corporate fraud cases are complex, fact intensive, and difficult to unravel. However, our cadre of experienced white-collar crime prosecutors are extremely skilled at investigating and prosecuting corporate fraud cases. I salute the fine work of the AUSAs involved, the FBI agents assigned to the matter, and the SEC’s Enforcement Division.”

At the time of Rauwerdink’s offenses, early 1998 through late 1999, Lason was a publicly traded company headquartered in Troy, Michigan, that provided printing, mail-processing, and electronic information services. It had dozens of operating units located throughout the United States and in other countries, and provided its services to hundreds of business customers, including automobile manufacturers.

Rauwerdink, a certified public accountant, joined Lason in May 1996 as an Executive VP and its Chief Financial Officer. In October 1996, Lason made its initial public offering. Rauwerdink had been the CFO of Medstat Group, another public company, before joining Lason. In December 1995, he agreed to settle charges of insider trading in Medstat stock filed by the SEC and was permanently enjoined by a federal district judge from committing securities fraud.

The conspiracy charge to which Rauwerdink pleaded guilty was based on Lason’s accounting fraud in 1998 and the first three quarters of 1999, when Lason fraudulently managed its earnings and boosted its reported earnings per share by shifting revenues and expenses when it acquired other companies and by fabricating revenues referred to as “work-in-process.” Rauwerdink was deeply involved in this accounting fraud, meeting with other Lason executives to ensure that Lason’s reported earnings per share met or exceeded the estimates of stock analysts. Lason reported its inflated earnings per share figures every quarter through press releases drafted by Rauwerdink, conference calls in which he participated, and 10-Qs and 10-Ks filed with the SEC that he signed.

The scheme began to seriously unravel on December 17, 1999, when Lason announced that it would not meet Wall Street’s earnings projections for the fourth quarter. The next business day, December 20, Lason’s stock price fell from \$23.31 to \$11.44 per share, a decrease of 51%. The stock price never recovered. By the second quarter of 2000 it was below \$5.00 per share. By the end of 2000, Lason’s stock was virtually worthless.

On December 5, 2001, Lason filed for bankruptcy protection under Chapter 11 with the consent of the bank group led by Bank One. On July 1, 2002, Lason emerged from bankruptcy as a privately held company. Lason’s existing common stock was canceled, and new Lason stock was issued, most of which was provided to the bank group. Lason, which was recently acquired by HOV Services Limited, an outsourcing company based in India, fully cooperated with the government’s investigation.

On April 4, 2007, Judge Tarnow sentenced the former Chairman and CEO of Lason, Gary Monroe, to 15 months' imprisonment and two years' supervised release, and ordered him to pay \$20 million in restitution to Lason's former shareholders. On March 16, 2007, Judge Tarnow sentenced Lason's former President and COO, John Messinger, to a year and a day in prison and three years' supervised release and ordered him to pay \$20 million in restitution to Lason's former shareholders. The sentences of Monroe and Messinger were based in part on the cooperation they provided to the government in connection with the prosecution of Rauwerdink.

The criminal investigation of this case was conducted by the FBI, with assistance from the SEC's Division of Enforcement. The case was prosecuted by Assistant U.S. Attorneys Jennifer Gorland and Stephen Hiyama.



**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  
Fax: (313) 226-3561***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Jun 7, 2007

---

**EVENT: Sentencing**

**Defendant: Steven Agnew**

**FORMER BRANCH MANAGER AT STANDARD  
FEDERAL BANK IN PORT HURON SENTENCED TO  
37 MONTHS IN PRISON**

---

STEPHEN AGNEW, formally the branch manager of a Port Huron, Michigan branch of Standard Federal Bank (SFB) (now LaSalle Bank), was sentenced today to 37 months' imprisonment based on a conviction for bank fraud, announced Stephen J. Murphy, United States Attorney for the Eastern District of Michigan, and Andrew G. Arena, Special Agent in Charge of the Detroit Division of the Federal Bureau of Investigation.

Agnew pleaded guilty to this charge in February 2007 before U.S. District Judge Robert H. Cleland. At today's sentencing hearing, Judge Cleland also ordered Agnew to pay \$985,855.42 in restitution to LaSalle Bank. In addition, Judge Cleland ordered him to serve a 4-year term of supervised release following his release from prison. Agnew, 38 years old and a resident of Port Huron, Michigan, will voluntarily surrender to the Federal Bureau of Prisons to serve his sentence.

In imposing the sentence, Judge Cleland observed that the extent of Agnew's schemes to defraud and to cover up those frauds, as well as the length of time they spanned, warranted a sentence that would "sting."

United States Attorney Murphy said, "Today's sentence shows that supervisors of financial institutions who abuse their positions in the commission of fraud against customers will serve substantial time in prison. Fraud against financial institutions and their customers is often complex, fact intensive, and difficult to unravel. Much credit for the success of this prosecution is owed to the excellent investigative work done by the FBI and the invaluable

assistance given by the loss prevention department at Standard Federal Bank.”

At the time of Agnew’s offenses, late 1999 through early 2005, he was the manager of a Standard Federal Bank (SFB) branch in Port Huron, Michigan. Throughout these years Agnew executed a series of schemes to defraud using various member accounts.

Agnew’s fraudulent schemes included the following: He accepted large deposits of funds from SFB customers and told them he would deposit the funds into interest bearing certificates of deposit. Instead, Agnew took the funds and converted them to his own use. On several occasions Agnew, abused his authority by accessing customer accounts and without their permission, withdrew funds for his own use. On numerous occasions Agnew accessed customer lines of credit and withdrew available funds which he also put to his own use. Throughout the course of these schemes, Agnew took extraordinary measures to hide the fraud including creating false account statements that were given victim customers.

The criminal investigation of this case was conducted by the FBI, with assistance from the loss prevention department of Standard Federal Bank.



**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  
Fax: (313) 226-3561***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Jun 7, 2007

---

**EVENT: Sentencing**

**Defendant: Daniel P. Alef**

**REDFORD MAN SENTENCED TO 60 MONTHS' IMPRISONMENT  
FOR RECEIPT AND DISTRIBUTION OF CHILD PORNOGRAPHY**

---

A 47-year-old Redford man, who possessed ninety images of child pornography and visited thousands of child pornography websites was sentenced to 60 months imprisonment in federal court today, United States Attorney Stephen J. Murphy announced. Joining in the announcement was Brian M. Moskowitz, Special Agent-In-Charge of the Immigration and Customs Enforcement (ICE) Office of Investigations in Detroit.

Daniel P. Alef pled guilty on November 29, 2006 to one felony count of receipt and distribution of child pornography before United States District Judge Arthur J. Tarnow. Alef admitted that he had been receiving child pornography since 1999. Forensic evaluation of a Hewlett Packard desktop and a Toshiba laptop computer belonging to the defendant resulted in the discovery of 90 images and one short movie. The children in the photographs are estimated to be between 7 and 13 years-of-age. ICE agents also determined that defendant had visited between 2,500 and 3,000 websites dedicated to child pornography.

United States Attorney Stephen J. Murphy said, "You have to think about the child victims in these child pornography cases, children whose innocence was ripped away, and who were painfully violated in order to manufacture child exploitation material. Today's sentence ought to be a lesson both to the purveyors and the

consumers of these images: your liberty will be forfeit if you feed the market for child sexual exploitation.”

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/](http://www.projectsafechildhood.gov/).

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  
Fax: (313) 226-3561***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Jun 8, 2007

---

**EVENT: Complaint**

**Defendant: James Beckmon et al**

---

**ELEVEN CHARGED WITH HEALTH CARE FRAUD**

---

Eleven Medicare beneficiaries were charged in a criminal complaint committing over \$300,000 in health care fraud, 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, Thomas Spokaeski, Assistant Special Agent in Charge, Department of Health and Human Services, Office of the Inspector General and Gregory W. Anderson, Vice President of Blue Cross Blue Shield of Michigan.

Named in the complaint were James Beckmon, 51, Robert Cammon, 70, Willie Campbell, Jr., 56, Timothy Crawford, 48, Willie Augusta-Carter Devereaux, 64, Rosemary Echols, 42, Brenda Ann Fair-Haggen, 55, Joe Willie King, 80, Ruth Lee Miles, 56, Lorine Thompson, 78 and Chester Williams, 50. All reside in the metropolitan Detroit area.

The supporting affidavit alleges the above-named beneficiaries received cash for signing and filling out documentation indicating that he or she received therapy when, in fact, no therapy services were provided. Medicare and Blue Cross Blue Shield were defrauded in excess of \$300,000.

United States Attorney Stephen J. Murphy said, "False claims to our Medicare system, or to insurers like Blue Cross Blue Shield are federal offenses that we take very seriously. I commend the FBI, the Office of Inspector General of the Department of Health and Human Services, as well as the investigators of Blue Cross Blue Shield for their

thorough investigation of this case.”

A conviction for this offense carries a maximum penalty of 10 years in prison or a \$250,000 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.

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

This case is being investigated by the FBI, Department Health and Human Services, Office of the Inspector General with the assistance of Blue Cross Blue Shield of Michigan.

Anyone who has information regarding healthcare fraud is urged to call the toll free BCBSM Anti Fraud Hotline at 1-800-482-3787 or the FBI at 313-965-2323.



**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  
Fax: (313) 226-3561***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Jun 12, 2007

---

**EVENT: Sentencing**

**Defendant: Amjad M. Khan**

---

**HOME HEALTH CARE OWNER GETS 33 MONTHS FOR MEDICARE SCAM**

---

The former owner of one of Michigan's largest home health care companies was sentenced to 33 months in prison by a federal judge after being convicted of trying to steal more than \$1 million from Medicare, United States Attorney Stephen J. Murphy announced today. Joining U.S. Attorney Murphy in the announcement were Andrew G. Arena, Special Agent in Charge, Federal Bureau of Investigation; Thomas Spokaeski, Assistant Special Agent in Charge, Health and Human Services, Office of Inspector General; Nichole Cooper, Inspector in Charge, U.S. Postal Inspection Service.

Amjad M. Khan, 64, of Troy, was sentenced by United States District Court before Judge Nancy Edmunds.

Khan, a certified public accountant and former chief executive officer of American Home Health Care Inc. ("AHHC"), of Warren, was determined to have submitted fraudulent claims for non-reimbursable expenses to Medicare on four cost reports filed between 1995 and 1999.

In January, Judge Edmunds determined after a multi-day hearing that Khan's scheme cost Medicare a loss of \$1,067,699.

"This sentence sends a message that health care fraud is a serious offense and that my office is committed to making sure that those who steal from a government program designed to care for our most vulnerable citizens will not go unpunished," said United States Attorney Murphy. "Health care fraud is a silent tax forcing honest citizens

and corporations to pay more for health insurance premiums and medical services than they should. It forces senior citizens to pay higher premiums and wastes dollars that could otherwise be spent taking care of the sick.”

Khan, along with his brother Iftakhar Khan, were indicted in September 2003 in a 20-count Indictment. The indictment alleged that the Khan and his brother, who ran another home health care company, committed mail fraud, wire fraud and health care fraud when their companies sought fraudulent reimbursements for Medicare, for such things as the salaries of spouses who did no work and for wages to marketers, whose actual positions were misrepresented on eight cost reports filed between 1995 and 1999. The two companies, which in their prime during the 1990s had more than 200 employees, ceased doing business shortly after a search warrant was executed in March 2000 by agents for the FBI, the U.S. Department of Health and Human Services-- Office of Inspector General (HHS-OIG) and the Postal Inspection Service.

In a separate civil suit, the United States seized more than \$650,000 worth of Amjad Khan's assets when he fled to Pakistan shortly after his Indictment. Those funds remain frozen and are subject to a False Claims Act lawsuit in which the United States is seeking treble damages of more than \$7 million. After his funds were attached in October 2003, Amjad Khan returned to the United States to face criminal charges. His home in Rochester Hills was sold last year by the Court order after he failed to make house payments on it as required under an agreement with the United States.

Amjad Khan pleaded guilty to one count of health care fraud in August 2006. His brother, Iftakhar Khan, pleaded guilty to one count of health care fraud in January 2007, and is scheduled to be sentenced at 2 p.m. June 18, 2007.

The case is being prosecuted by Assistant United States Attorneys Paul Burakoff and James Mitzelfeld.



**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  
Fax: (313) 226-3561***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Jun 13, 2007

---

**EVENT: Guilty Plea**

**Defendant: Adam Bender**

---

**FORMER BORDER INSPECTOR PLEADS GUILTY**

---

United States Attorney Stephen J. Murphy announced that Adam Bender, 49, of Eastpointe, a former U.S. Border Inspector, entered a plea of guilty today to two charges of alien smuggling, and conspiracy to commit that offense. Bender's guilty plea followed guilty pleas previously entered by Hassan Saad, 35, of Detroit, and Hani Bazzi of Windsor, who were charged in the same indictment. Each of the offenses carries a maximum penalty of up to five years imprisonment and/or a fine of up to \$250,000.

US Attorney Murphy was joined in the announcement by Andrew Arena, Detroit FBI Special Agent in Charge, and Thomas M. Frost, Special Agent in Charge of the Department of Homeland Security's Office of the Inspector General.

Bender pleaded guilty to using his position at the border to allow entry of illegal aliens into the United States. Saad, an acquaintance of Bender's, would accompany the aliens from Canada into the United States, through Bender's station at the border.

United States Attorney Stephen J. Murphy said, "The protection of our borders is the keystone without which the structure of our homeland security would be unsound. This office will be vigilant in prosecuting any cases in which federal officials cross the line into criminal activity."

Special Agent in Charge Frost said, "This guilty plea sends a clear message that

employees of the Department of Homeland Security who decide to engage in criminal activity within the scope of their duties will be aggressively pursued and prosecuted. Violations of the public trust will not be tolerated

Bender entered his guilty plea before United States District Court Judge Robert H. Cleland. Sentencing is scheduled for 10/11/07.

The case was investigated by special agents of the FBI, DHS-OIG and Immigration and Customs Enforcement. The case is being prosecuted by Assistant U.S. Attorney Kathryn McCarthy



**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  
Fax: (313) 226-3561***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Jun 13, 2007

---

**EVENT: Sentencing**

**Defendant: Nicholas Stevenson**

**PORT HURON YOUTH SENTENCED FOR ON-LINE  
THREATS OF TEENS ACROSS THE COUNTRY**

---

Nicholas Stevenson, 20, of Port Huron, Michigan was sentenced in Federal District Court today for his conviction of three counts of interstate transmission of threatening communications, announced United States Attorney Stephen J. Murphy. Joining in the announcement was Brian Moskowitz, Special Agent in Charge, Immigration and Customs Enforcement in Detroit.

Stevenson pleaded guilty on February 5, 2007 and was sentenced by the Honorable Marianne O. Battani to 27 months in federal prison to be followed by three years of supervised release.

Stevenson pleaded guilty to transmitting threatening communications to teenagers in the States of Nebraska, Illinois, and Wisconsin in November and December of 2004. While on-line, Stevenson instant messaged three teenage girls claiming to be a modeling recruiter from "buddypic.com" named "Jake." During the Internet conversations, Stevenson offered the girls modeling jobs and requested that they model in front of their web camera. During the conversations, his requests escalated to requiring that they remove all of their clothing and pose naked in front of their web camera. If they refused to remove their clothing, Stevenson threatened to kill the girls and their families. The threats appeared genuine to the girls because Stevenson, during the conversations, revealed their families' names, phone numbers, and addresses.



United States Attorney Stephen J. Murphy said, "For better or for worse, the internet has become part of our daily lives. Those who depend on the internet for ease of communication must be able to access online services free of threat from harm. Today's significant sentence sends a powerful message: no matter how young or old you are, using the internet to communicate serious threats can land you in federal prison for an unexpectedly long period of time."

"It's sobering to realize that our kids are often only a mouse click away from danger and deception" said Brian M. Moskowitz, special agent in charge of the ICE office of Investigations in Detroit. "Through Operation Predator, ICE special agents will continue to help keep people like Mr. Stevenson away from our children."

US Attorney Murphy praised the work of the special agents of ICE, the police departments of Grand Island, Nebraska, Streamwood, Illinois, and Keil, Wisconsin, as well as the St. Clair County Sheriff's Department. Their dedication to the victims and to this investigation was outstanding.

Assistant United States Attorney Sarah Resnick Cohen prosecuted case for the United States.



**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  
Fax: (313) 226-3561***

**For Immediate Release:**

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

Jun 14, 2007

---

**EVENT: Sentencing**

**Defendant: Jay Wolcott**

**HOUGHTON LAKE CAR SALES MANAGER SENTENCED  
TO 18 MONTHS FOR DEFRAUDING IRS**

---

Jay Wolcott, 55, of Houghton Lake, Michigan, was sentenced to 18 months of imprisonment, followed by three years of supervised release, United States Attorney Stephen J. Murphy announced today. Wolcott was also ordered by United States District Court Judge Thomas L. Ludington to pay restitution of \$86,266, plus penalties and interest, and to file all back tax returns. Wolcott was also ordered not to have any employment upon his release from custody where he has access to financial information of third parties. This sentence was imposed as the result of Wolcott's March 2007 guilty plea to a conspiracy to defraud the Internal Revenue Service.

Murphy was joined in the announcement by Maurice M. Aouate, Special Agent in Charge of the Internal Revenue Service Criminal Investigations office in Detroit.

According to court records, from 1999 to 2002, Jay Wolcott, and at times with his wife Lori, were employed at Lakeside Motors. They converted cash and checks belonging to Lakeside Motors for their own use and failed to report over \$290,000 in income on their 1999, 2000, and 2001 tax returns. As part of their conspiracy, Mr. Wolcott would underreport the price of a sold vehicle to Lakeside Motors' bookkeepers, causing them to falsify records with the Michigan Secretary of State, while keeping the difference. He persuaded customers to make cash deposits or make checks payable to "cash" or him personally, which were not recorded with Lakeside Motors. The Wolcotts converted the checks to their personal use, but did not report the money as income.

Mr. Wolcott also acquired property through Lakeside Motors, including snowmobiles, boats, motorcycles, travel trailers, all terrain vehicles, and pick-up toppers, and sold them at a profit, but failed to report these transactions on the books and records of Lakeside Motors. Mr. Wolcott used his manager's position to issue Lakeside Motor checks to himself, his wife and to cash. Often these checks would be endorsed by Mrs. Wolcott and deposited into her personal bank and credit union accounts. The Wolcotts used this money to remodel their kitchen and

purchase children's play equipment, satellite dishes, a life insurance policy, and a

new water pump for their home, among other items, and failed to report that income on their tax returns.

According to the court records, the Wolcotts also owned several rental properties in the Houghton Lake area. Lori Wolcott claimed considerable income from managing those rental properties on bank loan applications. The Wolcotts, however, failed to report the income from their rentals on their federal income tax returns.

United States Attorney Murphy stated, "All Americans who enjoy the benefits of our government also have the duty to pay taxes if they make enough income. Whenever a citizen falsifies his tax returns or hides income to avoid tax obligations, this is a violation of federal law that can result in federal prosecution."

Maurice M. Aouate, Special Agent in Charge of the Internal Revenue Service Criminal Investigations office in Detroit said, "In this case, husband and wife schemed together to hide income, willfully decided that they were not going to claim it, and signed the false tax returns. Now, they both must answer to the known legal duty that you must pay your taxes and in Mr. Wolcott's case, it involves a lengthy prison sentence."

Lori Wolcott, 48, is scheduled to be sentenced on June 25, 2007, at 11:00 am.

United States Attorney Murphy thanked IRS Criminal Investigations for the efforts that lead to 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  
Fax: (313) 226-3561***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758  
Greg Palmore - ICE (313)226-0726

Jun 15, 2007

---

**EVENT: Guilty Plea**

**Defendant: Davinder Singh**

**CANADIAN TRUCKER CONVICTED ON NARCOTICS CHARGES**

A 32-year-old Canadian citizen from Mississauga, Ontario was found guilty today by a federal jury in Detroit on charges of possession with intent to distribute ecstasy and marijuana, United States Attorney Stephen J. Murphy announced.

Murphy was joined in the announcement by Gurdit Dhillon, Director of Field Operations, Customs and Border Protection Service and Brian Moskowitz, Special Agent in Charge, Immigration and Customs Enforcement.

Found guilty was Davinder Singh.

The jury deliberated for approximately eight hours before returning the verdict, concluding a three-day trial before United States District Judge Arthur Tarnow.

The evidence presented at trial showed that on December 12, 2006, Singh was driving a tractor-trailer bearing Ontario, Canada license plates and attempted to enter into the United States at the Detroit Ambassador Bridge from Windsor. Agents from Customs and Border Protection began to question Singh about the contents of the tractor trailer. The truck was then referred to secondary inspection at which time agents discovered 591,000 Ecstasy pills and over 3 kilograms of marijuana secreted in a hidden compartment of the cab. The estimated street value of the pills is \$12,000,000.

United States Attorney Stephen J. Murphy said, "Our agents at the border intercepted a huge cache of Ecstasy in this case, over half a million pills worth about \$12 million. I salute the Border Protection Service and the Immigration and Customs Enforcement for the vigilance and professionalism shown in this case."

A sentencing date has been set for August 23, 2007 at 2:30 pm. Singh faces a 20 year maximum penalty and a \$1 million dollar fine. The case was prosecuted by Assistant U.S. Attorney Karl Overman.



**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  
Fax: (313) 226-3561***

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

Jun 20, 2007

---

**EVENT: Guilty Plea**

**Defendant: Jason Michael Downey**

**KENTUCKY MAN PLEADS GUILTY TO OPERATING  
"BOT-NET" OF THOUSANDS OF INFECTED COMPUTERS,  
USING IT TO ATTACK OTHER NETWORKS**

---

A Kentucky man pleaded guilty today in federal court to unlawful computer intrusion based on charges that he controlled thousands of infected computers with a "bot virus," and used them to launch "denial of service attacks" on other computer networks, causing over \$20,000 in damages, United States Attorney Stephen J. Murphy announced today. Murphy was joined in the announcement by Andrew G. Arena, FBI Special Agent in Charge.

Jason Michael Downey, 24, of Dry Ridge, Kentucky, entered the guilty plea in United States District Court before United States District Judge Nancy G. Edmunds. The information presented to the court at the time of the plea showed that from on or about June 18, 2004 through on or about September 5, 2004, Defendant was the owner of the Rizon.net Internet Relay Chat (or "IRC") network. During that time defendant operated a "bot-network," that is, a network of computers infected with a virus that allowed defendant to control such computers, and cause them to attack other computers by sending high volumes of data to such target computers, and thereby causing damage by impairing the availability of such systems. In particular, Defendant caused a large number of computers to be infected with several kinds of "bot" viruses that would cause such computers to respond to commands that defendant issued. As a result, Defendant created a network of infected computers, or "bot-net," of up to 6,000 infected computers. An unspecified number of the infected computers were in the Eastern District of Michigan.

Thereafter, Defendant used the Internet Relay Chat network known as "Yotta-byte.net" to control and send commands to the bot-net in order to launch "denial of service" attacks on a variety of computer systems on the Internet, causing such systems to be overloaded with network data and unable to function properly and thereby impairing the operability of such systems. The losses caused by this conduct were over \$20,000.

United States Attorney Stephen J. Murphy said, "These 'bot-nets,' where you have thousands of computers that can be commanded to do the bidding of one hacker, have the potential to do a great deal of damage. These cases can be hard to investigate, but the Detroit FBI's cyber squad was clearly up to the task."

Under the terms of the plea agreement, Downey faces up to 24 months' imprisonment and a fine of up to \$40,000. Downey will also be required to make full restitution to the victim computer owners in the amount of \$ 21,110 to pay for the costs associated with repairing the consequences of the damage.

A sentencing hearing was set by Judge Edmunds for 2 p.m. on October 10, 2007. The case is being prosecuted by First Assistant United States Attorney Terrence Berg.





**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  
Fax: (313) 226-3561***

**For Immediate Release:**

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

Jun 20, 2007

---

**EVENT: Guilty Verdict**

**Defendant: Tanish Summers**

**ACCOUNTING FIRM VICE-PRESIDENT AND PRIVATE INVESTIGATOR  
CONVICTED ON TAX FRAUD**

---

Tanisha Summers, 31, of Detroit, an accounting firm's vice-president, was convicted on charges of preparing false and fraudulent tax returns, and with conspiring to defraud the Internal Revenue Service. Camelia Peatross, 63, of Detroit, a private investigator, was also convicted of conspiring to defraud the Internal Revenue Service and falsely personating an IRS agent, United States Attorney Stephen J. Murphy announced.

Murphy was joined in the announcement by Maurice M. Aouate, Special Agents in Charge of IRS Criminal Investigation and Peter E. McConney, Special Agent in Charge, Chicago Field Office, Treasury Inspector General for Tax Administration.

According to evidence presented during the three week jury trial, Shawn Gibson, 46, of Detroit, owned several Detroit tax preparation services including Shawn Gibson & Co., New Detroit Tax Services, and Metro Verse Tax Service, of Oak Park from 2004-2006. To advertise their services and solicit clients, Gibson and vice-president Summers would pass out flyers informing potential clients of their tax preparation services. These potential clients would complete a Client Intake Sheet and receive a tax analysis. Whether the clients agreed to use their services or not, Gibson and Summers would file income tax returns on their behalf, adding false dependents, businesses deductions, losses, charitable contributions, and tax

credits, in order to increase the tax refund due. The fraudulent tax refunds totaled over \$318,149. In most cases, the refunds were electronically transferred into bank accounts controlled by Gibson, Summers, and Peatross. The clients then received a check in an amount substantially lower than that which was refunded by the IRS. In one case, the defendants received a fraudulent refund of over \$17,000, but provided the taxpayer with approximately \$3,500 of an anticipated refund, keeping the difference. Gibson, Summers, and Peatross concealed their theft of government funds by providing clients with copies of their non-filed income tax returns, which more accurately reflected their true tax refund or liability.

According to court records, in June 2006, while IRS Criminal Investigation had an ongoing investigation into Gibson's return preparation business, Gibson tried to unlawfully intimidate a witness from providing testimony, records, documents and the fraudulent refunds to the IRS. Later in June 2006, Peatross contacted a Flagstar Bank employee seeking to gain funds and information on an account associated with the scheme. Peatross identified herself as an IRS agent and asked that the funds of the account be put into a cashier check and sent to her home address. Peatross represented to the bank employee that she could facilitate the return of the funds back to IRS.

United States Attorney Murphy stated that "Fraud by the tax preparation specialist, and by a private investigator helping that specialist, is of a class by itself because tax payers depend on such professionals for their supposedly honest expertise and assistance. Not only the government, but the tax payers, are victimized by such criminals. I salute the excellent work of the trial attorney as well as the IRS investigators who put this case together."

"This was a case about little truths and a whole lot of lies," said Aouate. "While most return preparers provide an excellent service, a few unscrupulous tax preparers use their clients for their own greed."

McConney said, "TIGTA will vigilantly investigate all allegations of IRS impersonations and will work with the U.S. Attorney to prosecute all proven allegations to the fullest extent of the law."

Gibson had previously pled guilty to his charges and is currently serving a 34-month sentence. Gibson was also ordered to serve two years of supervised release and pay restitution in the amount of \$286,983. Summers and Peatross will be sentenced on October 18, 2007.

United States Attorney Murphy thanked IRS Criminal Investigation and the Treasury Inspector General for Tax Administration for their investigation of the case. The case was prosecuted by Assistant U.S. Attorney Noceba Southern Gordon.



**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  
Fax: (313) 226-3561***

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

Jun 21, 2007

---

**EVENT: Guilty Plea**

**Defendant: Ali Fouad Ayache**

---

**DEARBORN MAN PLEADS GUILTY TO MARRIAGE FRAUD CHARGES**

---

A Dearborn man pleaded guilty today in federal court to an Indictment charging him with marriage fraud, United States Attorney Stephen J. Murphy announced.

Murphy was joined in the announcement by Special Agent in Charge Andrew G. Arena of the Federal Bureau of Investigation and Special Agent in Charge Brian Moskowitz of the Immigration and Customs Enforcement.

Ali Fouad Ayache, 25, of Dearborn, Michigan entered the guilty plea in United States District Court before United States District Judge George Caram Steeh.

The information presented to the court at the time of the plea showed that Ali Fouad Ayache, a Lebanese national, committed marriage fraud when he entered into a bogus marriage with United States citizen Kristy Ann Dugray on November 22, 2002 in Wayne County, Michigan for purposes of evading U.S. immigration laws. Ayache lied about the marriage fraud to federal agents on May 1, 2007, and also attempted to persuade Ms. Dugray to lie to federal officials

about the marriage fraud.

“If a person obtains U.S. citizenship, a green card or other immigration benefits unlawfully, that’s a federal crime that we take very seriously.” United States Attorney Murphy said. “The notion that someone who commits fraud to get citizenship papers or a green card can then rest easy once the documents are issued is a false assumption indeed.”

Special Agent Moskowitz said, “ICE will take every step necessary to deny those who use lies and deceit from enjoying the privileges of living in the United States.”

Ayache faces a maximum penalty of 5 years’ imprisonment and a \$250,000 fine on the count of conviction. The guilty plea was entered pursuant to a written plea agreement, however, providing for no more than 6 months imprisonment and immediate deportation to Lebanon. Sentencing is scheduled for July 10, 2007 at 3:30 p.m.

In announcing the guilty plea, Murphy commended the work of the Special Agents of the Federal Bureau of Investigation and the Immigration and Customs Enforcement who conducted the investigation. The prosecution of Ali Ayache was handled by Assistant United States Attorney Kenneth R. Chadwell, the office’s Anti-Terrorism Immigration Coordinator



**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  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

June 25, 2007

---

**EVENT: Sentenced**

**Defendant: Aleksandr Maksimenko**

**Livonia Man Sentenced to 14 Years in Prison and \$1.5 Million in Restitution for  
Forcing Eastern European Women to Work at Detroit Area Strip Clubs**

---

Aleksandr Maksimenko, age 27, was sentenced today to 168 months (14 years) in prison and over \$1.5 million in restitution for his role as one of the ring-leaders in a conspiracy to force Eastern European women to work as exotic dancers in Detroit area strip clubs, Stephen J. Murphy, United States Attorney, Eastern District of Michigan, and Wan J. Kim, Assistant Attorney General, Civil Rights Division, announced. United States District Judge Victoria A. Roberts sentenced Maksimenko following his conviction for involuntary servitude, immigration and money laundering conspiracies. Maksimenko is a naturalized U.S. citizen, born in Ukraine, who resided in Livonia, Michigan, at the time of his arrest in mid-February 2005.

"The defendants in this case took advantage of innocent women from Eastern Europe by enticing them to come the United States and then holding them in bondage for commercial and sexual exploitation," said U.S. Attorney Stephen J. Murphy. "In sentencing Mr. Maksimenko to 14 years in prison, the Court underscored the gravity of this type of crime. Criminal operations involving human trafficking, such as this one, will be pursued with the greatest vigor by my office."

“These criminals preyed upon the hopes and dreams of these victims who came to the U.S. for the sole purpose of bettering their lot in life, only to be forced into a life of enslavement, subjected to sexual exploitation, physical violence, and isolation,” said Moskowitz, special agent-in-charge of the ICE Office of Investigations in Detroit. “ICE will continue to vigorously pursue those organizations that callously trade in human cargo, with no regard for the health or dignity these women, all while reaping the profits from their suffering.”

“With promises of good money, his only intent was to make lots of bad money,” said IRS Special Agent in Charge Maurice Aouate. “IRS-CI continues to work with the law enforcement community to financially disrupt any criminal organization and attack the fuel of their criminal conduct.”

“The FBI is committed to working with its law enforcement partners to investigate aggressively allegations of human trafficking,” said FBI Special Agent in Charge Arena.

According to court papers, Maksimenko and his business partners operated a human trafficking ring which exploited Eastern European women and used the guise of a legitimate business – Beauty Search, Inc. – to cover their criminal conduct. Maksimenko and his partners smuggled women into the United States and compelled them through threats and coercion to work as dancers in strip clubs. To maintain compliance, Maksimenko and his partners took a number of steps, including confiscating the dancers’ passports; imposing large debts; enforcing rules designed to isolate the dancers through interrogations, monetary penalties, physical violence and threats; searching the dancers’ apartments; and threatening to turn the dancers into authorities because of their illegal immigrant status.

The Court increased Maksimenko’s sentence after finding that Maksimenko sexually abused two of the dancers who labored for Beauty Search. The Court also found that Maksimenko unlawfully took over \$1.5 million in earnings from the dancers. The Court entered a preliminary order of restitution requiring Maksimenko to reimburse the dancers a total of \$1,570,450 in earnings turned over to Beauty Search. The Court further ordered that \$537,043.84 in cash seized by government agents from Maksimenko’s home and safety deposit boxes, as well as about \$30,000 worth of jewelry, be used to satisfy a portion of the

Court's restitution award.

Maksimenko is the third of nine defendants to be sentenced for crimes associated with this trafficking conspiracy. Still to be sentenced is another of the ring-leaders of the scheme – Michail Aronov, a Lithuanian citizen from the Chicago area, who pled guilty to conspiring to violate the civil rights of the dancers through involuntary servitude, as well as immigration, money laundering, and obstruction conspiracies. Aronov is scheduled to be sentenced on August 16, 2007, at 2 p.m. Others who have been convicted in the prosecution include the following:

Duay Joseph Jado, a Greek citizen from the Skokie, Illinois area, who was sentenced to 46 months in prison for setting fire to the car of one of the dancers in retaliation for her escape from Beauty Search, for failing to repay a debt allegedly owed to Beauty Search, and to send a message to other dancers not to follow in her footsteps

Evgeniy Prokopenko and Alexander Bondarenko, two Ukrainian citizens residing in Brooklyn, NY, pled guilty to visa fraud, admitting that they entered into sham marriages in 2004 with two of the dancers in order to permit the dancers to gain entry into the United States.

Anna Gonikman-Starchenko, a Ukrainian citizen living in the Detroit metro area, pled guilty to obstruction-related charges stemming from actions taken following the arrests of Maksimenko and Aronov. Gonikman-Starchenko is scheduled to be sentenced on June 28, 2007 at 10:30 a.m.

Niki Papoutsaki, a Greek citizen living in the Detroit metro area, pled guilty to misprision of a felony in connection with obstruction-related activity. Papoutsaki is scheduled to be sentenced on June 28, 2007 at 10:00 a.m.

Valentina Maksimenko, a naturalized U.S. citizen residing in the Chicago area, pled guilty to a conspiracy to obstruct justice during the course of the federal investigation. Valentina Maksimenko is scheduled to be sentenced on June 28, 2007 at 11:00 a.m.

The government's investigation and prosecution of others involved in the trafficking scheme is continuing. The case is being investigated by the U.S. Immigration and Customs Enforcement, the Federal Bureau of Investigation, the Internal Revenue Service, Criminal Investigation, and the State Department Diplomatic Security Service. Assistant United States Attorney Mark Chutkow and Luis de Baca, Senior Litigation Counsel at the Department of Justice, Civil Rights Division, Criminal Section, are prosecuting the case. Peter Ziedas, Assistant United States Attorney is handling the asset forfeiture part of the case.





**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  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758  
Vera Fedorak, ATF (313) 202-3407

June 28, 2007

---

**EVENT: Conviction**

**Defendant: John Roosevelt Miller**

**DETROIT MAN CONVICTED ON FEDERAL NARCOTICS AND FIREARMS CHARGES IN  
AN OPERATION TIDE CASE**

---

A federal jury that deliberated for more than two and a half hours convicted 25-year-old Detroit resident John Roosevelt Miller today on charges of possession with intent to distribute cocaine base, possession with intent to distribute marijuana, and possession of a firearm in furtherance of drug trafficking, announced United States Attorney Stephen J. Murphy. Mr. Murphy was joined in the announcement by Special Agent in Charge Valerie J. Goddard, Bureau of Alcohol, Tobacco, Firearms and Explosives.

The three-day trial was conducted before United States District Court Judge Patrick J. Duggan.

According to the evidence presented at trial, on May 9, 2006, Detroit Police officers from the Narcotics Street Enforcement Unit were responding to complaints of narcotics trafficking around an abandoned home in the vicinity of Lindsay and Seven Mile Road in Detroit, when they encountered Miller, he was standing in front of the abandoned home at 2:00 p.m. Seeing

the approaching officers in their undercover van, Miller ran through several back yards and hopped several fences, while being pursued by a narcotics officer who was radioing the events of the chase to other officers, until he fell on the ground in a field on the next block of Gilchrist. As he vaulted his last fence and fell onto the ground, a loaded 9mm Bryco Jennings firearm fell from his waistband area. Miller got up and tossed a baggie containing 24 knotted wraps of cocaine base and 6 ziplocks of marijuana onto the ground. Miller then ran into the home of a Detroit resident, who was home napping, and barricaded the side door until officers forced entry and arrested him on the kitchen floor-much to the surprise of the now awakened home owner.

“Operation TIDE is an initiative started with funding provided through our office by Project Safe Neighborhoods: its overall intent is to stamp out drug trafficking and gun violence -- like that engaged in by defendant Miller in this case -- in the Northwest District of Detroit. Offenders who don't get the message and continue to terrorize our neighborhoods will continue to face most serious consequences,” stated U.S. Attorney Murphy. “We will not cease in our commitment to seeing results from Operation TIDE until armed, drug dealers like defendant Miller are out of business and neighborhoods in Northwest Detroit are safe for all residents.”

Special Agent in Charge, Valerie J. Goddard stated, "Working closely with our state and local partners, the Project Safe Neighborhoods Operation Tide initiative will make our neighborhoods safer by keeping armed, drug dealers off our streets. ATF is proud to be a partner in this important initiative."

The case was the result of multi-agency cooperation between the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and the Detroit Police Department Narcotics Street Enforcement Unit. The case was prosecuted by Assistant United States Attorney Terrence R. Haugabook.

Mr. Miller's bond was continued until his sentencing date is set. Under the U.S. Sentencing Guidelines, which will be determined by the Court at sentencing, Miller faces approximately 130-147 months imprisonment.



**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  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

June 28, 2007

---

**EVENT: Indicted**

**Defendant: Joseph Patrick Nolan**

**FORMER PENTASTAR AVIATION EMPLOYEE INDICTED FOR  
UNLAWFUL COMPUTER INTRUSION**

---

A former information technology employee of Pentastar Aviation, LLC, was indicted today for unlawful computer intrusion into the company's computer system in 2007 and causing damage to the system by destroying payroll and personnel records, United States Attorney Stephen J. Murphy announced today.

U.S. Attorney Murphy was joined in the announcement by Andrew G. Arena, FBI Special Agent in Charge.

Joseph Patrick Nolan, 26, of Ann Arbor, Michigan, was indicted on one count of computer intrusion into the computers of Pentastar Aviation, LLC, a Waterford, Michigan, aviation leasing and maintenance company.

As charged in the indictment, on February 1, 2007, and acting without authorization, Nolan gained access to Pentastar's computer system and destroyed payroll and personnel records. Repairing the damage cost Pentastar around \$30,000.

United States Attorney Stephen J. Murphy said, "Keeping our corporate networks secure from unauthorized intrusions is just as crucial as protecting our homes from invasion or

our personal property from theft. Fraud artists should realize that we are just as vigilant about protecting virtual and intellectual property as we are any other matter involving theft. I commend the FBI, and the staff at Pentastar, for their investigative work in this case."

Under the statute involving computer intrusion, Nolan faces up to 10 years' imprisonment and a fine of up to \$250,000.

The case is being prosecuted by Assistant United States Attorney Christopher Varner.



**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  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758

June 29, 2007

---

**EVENT: Sentenced**

**Defendant: Karl Hedke**

**FORMER LOAN OFFICER AT WYANDOTTE FEDERAL CREDIT  
UNION SENTENCED TO 64 MONTHS PRISON**

---

Karl Hedke, formally a member services/loan officer at the Wyandotte Federal Credit Union in Wyandotte, Michigan was sentenced yesterday to 64 months' imprisonment based on a conviction for bank fraud, announced Stephen J. Murphy, United States Attorney for the Eastern District of Michigan, and Andrew G. Arena, Special Agent in Charge of the Detroit Division of the Federal Bureau of Investigation.

Hedke pleaded guilty to this charge in October 2006, before U.S. District Judge Patrick J. Duggan. At the sentencing hearing, Judge Duggan also ordered Hedke to pay \$1,494,131.96 in restitution to Wyandotte Federal Credit Union. In addition, Judge Duggan ordered him to serve a 4-year term of supervised release following his release from prison. Hedke, 46 years old and a resident of Wyandotte, Michigan, will voluntarily surrender to the Federal Bureau of Prisons to serve his sentence.

In imposing the sentence, Judge Duggan observed that it was important that the sentence he imposed accurately reflected the seriousness the offense committed by Hedke.

Kathy White the President and CEO of Wyandotte Federal Credit Union also spoke at the hearing. Ms. White informed the court that Hedke's actions were not just a breach of his fiduciary responsibility to the credit union, but they had a serious impact on employees he had worked with and who had trusted him. She made it clear that the credit union took this criminal activity seriously and customers could rest assured that no member accounts or member information had been compromised.

United States Attorney Murphy said, "Today's sentence shows that supervisors of financial institutions who abuse their positions in the commission of fraud against those institutions will serve substantial time in prison. Fraud against financial institutions and their customers is often complex, fact intensive, and difficult to unravel. Much credit for the success of this prosecution is owed to the excellent and invaluable forensic accounting work done by Wyandotte Federal Credit Union and the thorough investigation of the FBI."

At the time of Hedke's criminal activities, 1993 through 2006, he was a member services and loan officer at Wyandotte Federal Credit Union in Wyandotte, Michigan. In May 2006, mail relating to a WFCU member account was returned to the institution stamped "no such number." WFCU employees pulled the account records and determined that the address on the mail was the same as the address on the account. Suspecting that fraud might be involved, credit union officials did an investigation that revealed that 58 fraudulent files had been opened by Hedke beginning in 1993. In committing his scheme to defraud, Hedke opened loans involving 413 credit commitments over the 13 year period. Hedke opened the accounts using false names and identification information and kept the loans current by paying them with subsequent fraudulent loan proceeds.

The criminal investigation of this case was conducted by the FBI, with assistance from Wyandotte Federal Credit Union personnel.



**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  
Fax: (313) 226-3561*

**For Immediate Release:**

**Contact:** Gina Balaya (313) 226-9758  
Vera Fedorak-ATF (313) 202-3407

June 29, 2007

---

**EVENT: Sentenced**

**Defendant: Larry Gavin**

**DETROIT MAN SENTENCED ON FEDERAL GUN CHARGES**

---

A 54-year-old Detroit man was sentenced yesterday after pleading guilty on February 27, 2007, to federal gun charges United States Attorney Stephen J. Murphy announced.

Murphy was joined in the announcement by Valerie Goddard, Special Agent in Charge, Alcohol, Tobacco, Firearms and Explosives (ATF).

Larry Gavin was sentenced to 210 months imprisonment by United States District Judge Robert Cleland. In sentencing Gavin the Court commented on the need to protect the public from dangerous criminals and the type of illegal conduct engaged in by Gavin.

The federal charges arose following Gavin's arrest by Detroit Police officers on August 18, 2006, who found Gavin loitering outside a known narcotics trafficking location in the City of Detroit. At the time of his arrest Gavin was in possession of a .45 caliber semi-automatic handgun.

Gavin has prior felony criminal convictions which include Breaking and Entering a

Building with Intent, Assault with Intent to Do Great Bodily Harm less than Murder, Receiving and Concealing Stolen Property and Escape from Prison. His previous felony convictions required an enhancement of his federal sentence under the Armed Career Criminal Guidelines to a mandatory minimum sentence of 15 years.

"Multi-convicted felons who carry weapons will get stiff sentences under the Project Safe Neighborhoods, such as the 210-month sentence imposed in this case. To make our communities safer, PSN aims to stop such prohibited persons from carrying firearms or face serious consequences," stated U.S. Attorney Murphy.

"The conviction and lengthy sentence in this case highlights the significance Project Safe Neighborhoods plays in our fight to keep guns and violent offenders off the street," stated SAC Goddard.

The case was prosecuted by Assistant U.S. Attorney Susan Gillooly.