



U.S. Department of Justice

United States Attorney
Eastern District of New York

United States Attorney's Office

One Pierrepont Plaza
Brooklyn, New York 11201

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Contacts:

Robert Nardoza
United States Attorney's Office
(718) 254-6323

Joseph Foy
Internal Revenue Service
212-436-1032

Paul Browne
New York City Police Department
(646) 610-6700

James Margolin
Federal Bureau of Investigation
(212) 384-2720

Joseph Green
Bureau of Alcohol, Tobacco, Firearms and
Explosives
(718) 650-4000

PRESS RELEASE

KENNETH "SUPREME" MCGRUFF AND 8 LEADERS, MEMBERS AND ASSOCIATES OF MCGRUFF'S ENTERPRISE CHARGED WITH RACKETEERING, HOMICIDE AND DRUG DISTRIBUTION
McGriff and Murder, Inc. president Irving Lorenzo, a/k/a "Irv Gotti," and vice president, Christopher Lorenzo, a/k/a "Chris Gotti," charged with laundering more than \$1 million in drug proceeds through their control of the rap music label Murder, Inc. and a straight-to-video film

ROSLYNN R. MAUSKOPF, United States Attorney for the Eastern District of New York, **RAYMOND W. KELLY**, Commissioner, New York City Police Department, **MICHAEL J. THOMAS**, Special Agent-in-Charge, Internal Revenue Service, New York, **PASQUALE J. D'AMURO**, Assistant Director-in-Charge, Federal Bureau of Investigation, New

York, and **WILLIAM G. McMAHON**, Special Agent-in-Charge, Bureau of Alcohol, Tobacco, Firearms and Explosives, New York, today announced the unsealing of a superseding indictment against the leaders, members and associates of KENNETH “Supreme” MCGRIFF’s drug distribution enterprise, and two executives and two employees of the rap music label “Murder, Inc.” The charges are the result of a coordinated initiative by federal and local law enforcement agencies, including the New York City Police Department, the IRS, FBI, and ATF into the illegal ties between violent narcotics traffickers and their associates involved in the rap music industry who help launder their drug money. Nine individuals¹ and two corporations are charged with an array of offenses, including racketeering, trafficking in cocaine, heroin and crack, money laundering and homicides.²

Initial appearances and arraignments for the defendants arrested today are scheduled this afternoon before United States Magistrate Judge Roanne L. Mann, at the U. S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York. The case has been assigned to United States District Judge Edward R. Korman.

BACKGROUND

As evidenced by earlier prosecutions in the Eastern District of New York, KENNETH MCGRIFF was the titular leader and founder of “The Supreme Team,” a street gang

¹ Several of the defendants were charged in earlier indictments. CYNTHIA BRENT previously was charged with money laundering and structuring cash transactions to evade currency reporting requirements; RONALD ROBINSON was charged with money laundering; VASH-TI PAYLOR was charged with narcotics trafficking; and NICOLE BROWN and DENNIS CROSBY were charged with murder and related offenses. Today’s superseding indictment consolidates four prior indictments and adds as co-defendants KENNETH MCGRIFF, IRVING LORENZO, CHRISTOPHER LORENZO, VICTOR WRIGHT, IG RECORDS, INC. and MI RECORDS, INC.

² The charges announced today are merely allegations, and the defendants are presumed innocent unless and until proven guilty.

organized in the early 1980s in the vicinity of the Baisley Park Houses in Jamaica, Queens, New York, by a group of teenagers who were members of a quasi-religious sect known as the “Five Percenters.” Under the leadership of MCGRIFF, with Gerald “Prince” Miller, MCGRIFF’s nephew and second-in-command, the gang concentrated on the widespread distribution of cocaine base, or “crack,” in the Baisley Park Houses. At its 1987 peak, the Supreme Team’s drug receipts from its street-level operation exceeded \$200,000 a day, and the gang regularly committed acts of violence and murder to maintain its stronghold on the area’s drug trade.

In 1987, MCGRIFF was arrested following a joint state and federal investigation, and Miller assumed leadership of the Supreme Team. Miller solidified his control by increasing the security force and employing it against rivals and against Team members suspected of disloyalty. During 1987 alone, Miller and MCGRIFF ordered at least eight homicides.

In 1989, MCGRIFF was convicted, upon his plea of guilty before United States District Judge Thomas C. Platt in the Eastern District of New York, of engaging in a continuing criminal enterprise (“CCE”) and was sentenced to 12 year’s incarceration. In 1993, Miller and six other Supreme Team members were convicted of narcotics trafficking and racketeering after a jury trial before United States District Judge Raymond J. Dearie, also in the Eastern District of New York, and sentenced to lengthy terms of imprisonment.

In 1995, MCGRIFF was released from prison after serving approximately eight years of a 12-year sentence. As detailed in the new indictment and summarized below, MCGRIFF promptly assembled a new team of associates and resumed his criminal activities on an even grander scale, using business interests secretly aligned with himself and his associates to launder drug proceeds.

RACKETEERING, NARCOTICS TRAFFICKING AND MURDER

For more than two years law enforcement officers and agents from the NYPD, IRS, FBI, and ATF have been investigating the McGriff organization. The investigation revealed that upon MCGRIFF's release from prison, he rebuilt a sprawling and violent organization with several new members, since many of his former Supreme Team members were incarcerated as a result of earlier convictions. MCGRIFF's new organization, referred to in the superseding indictment as the "McGriff Enterprise," again became involved in a wide variety of criminal conduct, including racketeering, drug trafficking, illegal use of firearms, money laundering and homicide. This time, however, rather than focusing its retail operations on a Queens housing project, MCGRIFF's wholesale narcotics trafficking reached out from New York through a wide corridor on the east coast, into Maryland and North Carolina. In contrast to the Supreme Team's street-level operations, between 1997 and 2003 the McGriff Enterprise trafficked in wholesale quantities of narcotics, distributing over 30 kilograms of heroin, 150 kilograms of cocaine, and 1.5 kilograms of cocaine base.

_____ Working with local law enforcement in numerous jurisdictions, investigators recovered large quantities of narcotics that the McGriff Enterprise was responsible for distributing. On April 5, 2001, members of the Robeson County Sheriff's Department in North Carolina stopped a car in which one of MCGRIFF's key associates, VICTOR WRIGHT, was traveling with another drug dealer, Karon Clarrett. The sheriffs recovered approximately two kilograms of the Enterprise's cocaine from a duffel bag in the trunk of the car, and also found WRIGHT's identification in the duffel bag with the drugs. In today's indictment, MCGRIFF and WRIGHT are charged with drug distribution in connection with this seizure.

Like the Supreme Team, the McGriff Enterprise used deadly violence against associates suspected of being disloyal by providing information to law enforcement, as well as

against the Enterprise's rivals. On August 20, 2001, Clarrett -- who was arrested with WRIGHT during the North Carolina car stop -- and Dwayne Thomas, were shot to death in the parking lot of an apartment complex located at 4314 Flint Hill Drive in Owings Mills, Maryland. The indictment charges that Clarrett and Thomas were murdered by WRIGHT and others who believed Clarrett was cooperating with law enforcement authorities, and that Thomas was killed to prevent him from testifying as a witness to Clarrett's murder.

According to the indictment, the double homicide led to the discovery of one of the McGriff Enterprise's secret narcotics stash houses. Based on information developed during the murder investigation, Baltimore detectives obtained a search warrant for an apartment in the immediate vicinity of the homicides and seized a large cache of narcotics, including approximately 731 grams of cocaine, 249 grams of cocaine base, 34 grams of heroin, and narcotics trafficking paraphernalia, a Ruger 9 mm handgun, and approximately \$30,000 in cash. MCGRIFF's fingerprints were lifted from this narcotics stash house. MCGRIFF, WRIGHT and an Enterprise associate, VASH-TIPAYLOR, have been charged with narcotics trafficking and operating a stash house in connection with this activity.

Finally, MCGRIFF and two associates who were charged in an earlier murder and racketeering indictment, NICOLE BROWN and DENNIS CROSBY, are charged in the shooting death of Eric Smith, also known as "E. Money Bags," in Queens, New York, on July 16, 2001. The investigation revealed that the shooting was in retaliation for Smith's alleged involvement in the murder of a MCGRIFF associate, Colbert Johnson, also known as "Black Just," in December, 1999, in Queens, New York.

MONEY LAUNDERING THROUGH THE DEFENDANTS' CONTROL OF THE RAP MUSIC LABEL MURDER, INC. AND AFFILIATED COMPANIES AND THE STRAIGHT-TO-VIDEO MOVIE "CRIME PARTNERS"

According to the indictment, the McGriff Enterprise used a variety of means to

“launder” the proceeds of its wide-ranging drug trafficking operations, relying on executives and employees of the rap record label Murder, Inc. (known as the “The Inc.” since 2004), including IRVING LORENZO, president of Murder, Inc., CHRISTOPHER LORENZO, brother of IRVING and vice president of Murder, Inc., RONALD ROBINSON, manager of one of Murder Inc.’s music artists, and CYNTHIA BRENT, a bookkeeper for IRVING LORENZO, Murder, Inc., as well as the corporate defendants IG RECORDS, INC. and MI RECORDS, INC. IRVING LORENZO is also the president of IG RECORDS, INC. and MI RECORDS, INC. In approximately 1999, LORENZO and IG RECORDS, INC. entered into agreements with another company (hereinafter the “Other Company”) to form a joint venture named MI Records, LLC, which did business as Murder, Inc. in Manhattan.³

The government has alleged that these executives and employees of Murder Inc. assisted the McGriff Enterprise in concealing the profits of its narcotics-trafficking operations by laundering more than \$1 million of drug proceeds in a variety of ways. For example, the indictment alleges that MCGRIFF, and others, frequently hand-delivered large sums of drug cash to CHRISTOPHER LORENZO, IRVING LORENZO and RONALD ROBINSON at Murder, Inc.’s offices and elsewhere. In exchange for the cash, IRVING LORENZO issued checks totaling approximately \$281,000 from his own bank account and that of MI RECORDS, INC. to various entities for MCGRIFF’s benefit. In addition, IRVING and CHRISTOPHER LORENZO used their positions at Murder, Inc. to persuade the Other Company to pay for tens of thousands of dollars in travel and hotel expenses incurred by MCGRIFF, rather than MCGRIFF paying for those expenses with his Enterprise’s drug proceeds.

In an example of the Enterprise’s use of seemingly legitimate business interests , the

³ The Other Company is not named in the indictment and is not accused of any criminal conduct.

indictment charges that in 2000, MCGRIFF, one of the executive producers of the straight-to-video movie ironically named “Crime Partners” and featuring several prominent rap music artists,⁴ financed the film with drug proceeds. To conceal the illegal source of the funds, MCGRIFF formed two companies to conduct the business associated with the film and its soundtrack -- Picture Perfect Films, Inc. and Picture Perfect Entertainment, Inc. Although ostensibly run by independent officers, the companies were in fact secretly controlled by MCGRIFF through his nominees.

IRVING LORENZO is also charged with using his position as president of Murder, Inc. to secure another source of “clean” income for the McGriff Enterprise’s investment in the “Crime Partners” film and soundtrack. Specifically, the indictment charges that LORENZO induced the Other Company to fund the soundtrack of the “Crime Partners” film with a guarantee from LORENZO of \$500,000 secretly backed by MCGRIFF’s drug money. Relying on this guarantee, the Other Company agreed to pay a total of \$1 million for the soundtrack, including \$500,000 up front and \$500,000 upon the soundtrack’s release. The Other Company in fact made the up front payment, but the soundtrack was never released and the \$500,000 balance was never paid.

In January 2003, the government obtained a temporary order, later made permanent by United States District Judge Carol B. Amon, seizing all assets of MCGRIFF’s companies, Picture Perfect Films and Picture Perfect Entertainment. The assets included approximately \$350,000 of the up front payment by the Other Company at HSBC Bank, and all proceeds of the “Crime Partners” film, including DVD sales, video sales, music sales, theatrical productions and soundtracks. In March 2004, the Court entered a final decree forfeiting these funds to the

⁴ None of the artists is accused of criminal conduct.

government. To date, approximately \$75,000 of movie proceeds has been collected pursuant to the court's order.

Finally, as a further part of the money laundering scheme, the indictment alleges that Murder, Inc. bookkeeper CYNTHIA BRENT deposited MCGRIFF's drug money into bank accounts controlled by IRVING and CHRISTOPHER LORENZO. In order to avoid filing Currency Transaction Reports for cash transactions in excess of \$10,000, BRENT "structured" these cash deposits by breaking them down into amounts of less than \$10,000.

"We will not tolerate violent drug organizations and those who help them prosper by laundering their illicit proceeds," stated United States Attorney **MAUSKOPF**. "The perpetrators of three brutal homicides have been identified and brought to justice. I commend the extraordinary efforts of the Internal Revenue Service, the New York City Police Department, the Federal Bureau of Investigation, and the Bureau of Alcohol, Tobacco, Firearms and Explosives for their exhaustive investigation which has brought this dangerous organization to justice." Ms. **MAUSKOPF** emphasized that the investigation is continuing and expressed her appreciation for the assistance provided by the Queens County District Attorney's Office, the Drug Enforcement Administration, and the Police Departments of Baltimore County, Maryland and Robeson County, North Carolina.

New York City Police Commissioner **KELLY** stated, "McGriff and company represented a triple threat to the movies and music world: drugs, money laundering and murder. No more, thanks to the inspired work of our detectives, agents and prosecutors."

IRS Special Agent-in-Charge **THOMAS** stated, "Our youth is greatly influenced by the music industry. It is not a business to promote illegal enterprises -- this is not the message we want to send to our youth. In order to dismantle drug trafficking and money laundering, a complete financial investigation often becomes the key to a conviction. IRS Criminal Investigators are

committed to fighting the war on drugs along with other federal, state and local agencies by identifying and documenting the movement of money during the course of a crime.”

FBI Assistant Director-in-Charge **D’AMURO** stated, “This case was never about investigating the rap music industry. It was and is about investigating guns, drugs, murder and money laundering. Whether their tastes run to rap, rock or classical, those who launder drug money and engage in violent criminal acts will face the music of aggressive law enforcement scrutiny and lengthy prison sentences.”

ATF Special Agent-in-Charge **MCMAHON** stated, “Armed criminals, whether street thugs or businessmen, are still armed criminals and must be removed from our neighborhoods. Hiding behind a business or a record label does not shield one from the law, nor does it give an individual the right to be above the law. Guns in the wrong hands have proven to be deadly, and ATF and our partners remain committed to making our streets safer by removing these illegal guns from our communities.”

If convicted, the defendants face the following maximum sentences: **KENNETH MCGRUFF**, **DENNIS CROSBY** and **NICOLE BROWN** -- life imprisonment, or death, based upon their participation in the Eric Smith homicide; **VICTOR WRIGHT** -- life imprisonment, or death, based upon his participation in the double homicide in Maryland; **VASH-TI PAYLOR** -- life imprisonment for drug trafficking; **IRVING LORENZO**, **CHRISTOPHER LORENZO**, **RONALD ROBINSON**, **CYNTHIA BRENT** -- 20 years incarceration for their participation in laundering drug money; and **IG RECORDS, INC.** and **MI RECORDS, INC.** -- a fine of \$250,000 each.

In addition, the indictment seeks forfeiture against **MCGRUFF**, **IRVING** and **CHRISTOPHER LORENZO**, **RONALD ROBINSON**, **CYNTHIA BRENT**, **MI RECORDS, INC.** and **IG RECORDS, INC.**, including any and all assets of **MI RECORDS, INC.** and **IG RECORDS, INC.** Finally, the indictment seeks forfeiture of substitute assets consisting of six real properties

and cooperative apartments located in New York and New Jersey and worth several million dollars.

The government's case is being prosecuted by Assistant United States Attorneys Tracy Dayton, Richard Weber and Carolyn Pokorny, assisted by paralegal specialist Lauren Kaplan.

The Defendants:

1. KENNETH MCGRIFF
 Aliases: "Supreme," "Preme," "Rick Coleman," "Kevin Long," "John Simms" and "Lee Tuten"
 DOB: 9/19/59
 Current Status: In 2003, MCGRIFF pled guilty in the District of Maryland to a violation of 18 U.S.C. § 922(g), in connection with his activities at a gun range. He currently is serving a 37-month sentence.

2. DENNIS CROSBY
 Aliases: "Divine" and "Howbout"
 DOB: 05/04/66 or 04/04/66
 Current Status: Incarcerated at the Metropolitan Detention Center.

3. VICTOR WRIGHT
 Aliases: "Vincent Taylor" and "Vicky Vale"
 DOB: 8/27/70
 Current Status: Incarcerated for a Federal Parole Violation.

4. NICOLE BROWN
 Aliases: "Nicole Lawe," "Nicole Lowe" and "Nicole Spooner"
 DOB: 8/14/62 or 8/14/63
 Current Status: Detained at the Metropolitan Detention Center.

5. IRVING LORENZO
 Alias: "Irv Gotti"
 Residence: 27 Stone Cabin Rd., New Rochelle, NY 10801

6. CHRISTOPHER LORENZO
 Alias: "Chris Gotti"
 DOB: 7/4/67
 Residence: 7534 Bell Blvd., Oakland Gardens, NY 11364

7. RONALD ROBINSON
Alias: "Gutta" and "People"
Residence: 32 Pierce Drive, Stony Point, NY 10980

8. CYNTHIA BRENT
Alias: "Cynthia Carr" (maiden name)
DOB: 4/23/65

9. VASH-TI PAYLOR
DOB: 6/9/69

10. IG RECORDS, INC.

11. MI RECORDS, INC.