

Assistant Secretary Julie Myers

Remarks

RCI News Conference

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Washington, D.C.

Good afternoon. Welcome to ICE Headquarters. I'm Julie Myers, Assistant Secretary for Immigration and Customs Enforcement. I am pleased to be joined here today by our partners on this case, Chief John Imhoff of the IRS Criminal Investigation Division, AUSA Hagen Frank from the Western District of Michigan, and Marcy Forman, Director of ICE's Office of Investigations.

Today, we are briefing you on a worksite enforcement investigation involving Rosenbaum-Cunningham International, a Florida-based company that specializes in providing subcontract cleaning services at various restaurants nationwide, including well-known national chains and various other smaller restaurants and resorts.

This morning company President Richard Rosenbaum was arrested on numerous criminal charges, including conspiracy to defraud the U.S., harboring illegal aliens for profit, and evading payment of Federal employment taxes. The company's Vice President (*Cunningham*) and the Comptroller (*Flocken*) have also been indicted, and we anticipate that they will have their initial appearance in Michigan shortly. As a result of this investigation, three other low level employees of RCI have also previously pleaded guilty to charges relating to the employment of illegal aliens, and one employee of a state employment agency pleaded guilty to trafficking in false documents.

In addition to the criminal defendants, this operation targeted the illegal aliens who were employed by RCI as part of this scheme. Nearly 220 individuals were arrested at 63 locations in 17 states and the District of Columbia, including 195 individuals who were arrested last night on administrative charges. .

The ICE investigation that resulted in these charges reflects several important aspects of our enforcement strategy. First, this investigation started as a result of the arrest of a single illegal alien by local law

enforcement – the Grand Rapids Police Department -- who subsequently turned him over to ICE. ICE agents interviewed the alien and learned that he had information about document fraud. The agents quickly initiated a document fraud case that identified a source for documents to gain employment, which started this worksite enforcement investigation.

And in fact, during the first phase of this worksite enforcement investigation, ICE agents arrested 23 illegal aliens working for RCI at the Grand Traverse Resort and Spa. I would like to point out, however, that our dealings with Grand Traverse Resort and Spa, showed it to be a company that has learned how to do “the right thing.” When our agents interviewed company officials, we learned that the resort had heard about prior ICE worksite investigations, and in particular our investigation into Wal-Mart and the inherent vulnerabilities of contracting with other companies. And, because of what they learned from our Wal-Mart case, the Grand Traverse Resort and Spa required that RCI supply them with copies of the I-9’s for all of their employees. This is a great business practice and we encourage

other companies to think about incorporating this into their way of doing business.

Now, what happened when Grand Traverse requested the I-9s? Well, the indictment alleges that in response to this request, local RCI supervisors actually bought fake green cards for their workers, and then submitted vouchers to RCI HQ to cover the expense of buying the counterfeit documents. The RCI supervisors even received a bonus from the company for their actions.

In addition, the 23-count indictment alleges that the principals of RCI not only knowingly hired and harbored illegal aliens, but that they also conspired to defraud the government of more than \$18 million in payroll taxes -- money they used to buy lavish homes, fancy cars, luxury boats and racehorses. They set up phony companies to hide their ill-gotten gains, and paid their workers in cash, under the table.

As demonstrated by this indictment, we will vigorously investigate and seek the criminal prosecution of any company, and any company

officials, that engage in criminal activity to procure, maintain and support an illegal alien workforce.

Last year, we set a new record for worksite enforcement, arresting 716 individuals on criminal charges, compared with only 25 arrests in 2002, which was the last full year of the INS. These cases are not simply for administrative fines. In many instances, these charges hold the very real threat of jail time.

At the same time, we stand ready to work cooperatively with honest employers who want to follow the law – and we believe this is the majority of them.

We have launched the IMAGE program as means for employers who want to do the right thing to partner closely with us. These companies are instituting best hiring practices and supporting us as we learn even more about some of the systemic vulnerabilities they face. Evidence of how companies are instituting these best practices is found right here in this investigation when you look at what the Grand Traverse Resort and Spa did as a result of what they observed in other ICE investigations.

Now, I would like to introduce Assistant U.S. Attorney for the Western District of Michigan Mr. Hagen Frank who will provide you with more details on this investigation.