

United States Attorney's Office  
Eastern District of Michigan

# 2014 ANNUAL REPORT

*Enforcement, Prevention, Community Trust*

Barbara L. McQuade  
United States Attorney

# TABLE OF CONTENTS

<b>Executive Summary</b> .....	<a href="#"><u>iii</u></a>
<b>Enforcement</b> .....	<a href="#"><u>1</u></a>
<b>Public Corruption</b> .....	<a href="#"><u>1</u></a>
City Officials.....	<a href="#"><u>1</u></a>
County Officials.....	<a href="#"><u>2</u></a>
School Officials .....	<a href="#"><u>2</u></a>
Union Officials .....	<a href="#"><u>2</u></a>
<b>Violent Crime</b> .....	<a href="#"><u>3</u></a>
<b>Initiatives</b> .....	<a href="#"><u>3</u></a>
Detroit One .....	<a href="#"><u>3</u></a>
Flint Priority Offender Program.....	<a href="#"><u>4</u></a>
Re-Entry Strategy .....	<a href="#"><u>4</u></a>
CVRP .....	<a href="#"><u>4</u></a>
Violence Reduction Network.....	<a href="#"><u>4</u></a>
Human Trafficking Law Enforcement Working Group.....	<a href="#"><u>4</u></a>
Saginaw Chippewa Indian Reservation.....	<a href="#"><u>4</u></a>
Anti-Carjacking Campaign .....	<a href="#"><u>5</u></a>
<b>Cases</b> .....	<a href="#"><u>5</u></a>
Carjacking .....	<a href="#"><u>5</u></a>
Gang Activity.....	<a href="#"><u>5</u></a>
Murder .....	<a href="#"><u>6</u></a>
Robbery.....	<a href="#"><u>6</u></a>
Bank Robbery.....	<a href="#"><u>6</u></a>
Assault.....	<a href="#"><u>7</u></a>
Drug Trafficking.....	<a href="#"><u>7</u></a>
Child Exploitation and Sex Trafficking .....	<a href="#"><u>8</u></a>
<b>National Security</b> .....	<a href="#"><u>10</u></a>
<b>Initiatives</b> .....	<a href="#"><u>10</u></a>
<b>Cases</b> .....	<a href="#"><u>10</u></a>
International Terrorism.....	<a href="#"><u>10</u></a>
Trade Secrets.....	<a href="#"><u>11</u></a>
Assault.....	<a href="#"><u>11</u></a>
Defense Fraud.....	<a href="#"><u>11</u></a>
<b>Financial Fraud</b> .....	<a href="#"><u>11</u></a>
Health Care Fraud .....	<a href="#"><u>12</u></a>
Investor Fraud .....	<a href="#"><u>12</u></a>
Identity Fraud and Tax Crimes .....	<a href="#"><u>13</u></a>

**TABLE OF CONTENTS (continued)**

Mortgage Fraud ..... [13](#)  
False Claims ..... [14](#)  
Environmental Offenses ..... [14](#)  
Mail Fraud..... [15](#)  
Bank Fraud..... [15](#)  
Program Fraud..... [15](#)

**Civil Rights** ..... [15](#)  
Disabilities Rights ..... [15](#)  
Police Practices ..... [16](#)  
Language Access ..... [16](#)  
Voting Rights ..... [17](#)

**Other Civil Cases**..... [17](#)

**Prevention**..... [18](#)

**Community Trust**..... [20](#)

**Improving Our Work**..... [21](#)

## EXECUTIVE SUMMARY

32, 42, 1967. Those three numbers represented substantial change in public safety in 2014. Carjackings in Detroit went down by 32 percent from 2013. Homicides in Flint dropped by 42 percent from the prior year. And Detroit saw the fewest number of homicides since 1967.

While violent crime throughout the Eastern District of Michigan remains intolerably high, these significant decreases were the results of hard work by law enforcement agencies and community partners as we focused our efforts to tackle these crimes. This annual report describes those efforts as well as the work in our other priority areas for 2014.

The U.S. Attorney's Office for the Eastern District of Michigan seeks to provide transparency and accountability by publicly reporting on our work each year. In 2014, we worked on cases and initiatives to further our goal of improving the quality of life for the people of our district.



The lawyers and support professionals in our Detroit, Flint and Bay City offices, along with our partner agencies, achieved significant accomplishments this year. Among them:

- Oakland Township oncologist Dr. Farid Fata pleaded guilty to health care fraud and money laundering. Dr. Fata submitted fraudulent claims to Medicare for medically unnecessary services, including chemotherapy treatments, for patients who did not need them. His business billed Medicare for approximately \$225 million.
- The former City of Detroit treasurer, a former pension board trustee and the pension board's lawyer were convicted at trial for conspiring with former Detroit Mayor Kwame Kilpatrick and each other to accept bribes and kickbacks in exchange for their votes on investment decisions.
- A Mt. Pleasant man was sentenced to 40 years in prison for the murder of a four-year-old boy on the Saginaw Chippewa Indian Reservation.
- Along with our counterparts in the Western District of Michigan, our office organized a statewide summit on re-entry, focusing on improving public safety by increasing the likelihood of the success for citizens returning from prison.
- Our office collected \$691 million in fiscal 2014 in judgments, fines, restitution and forfeiture, far exceeding our operating budget of \$25 million in expenses. These funds are being returned to victims and taxpayers.

Our lawyers and support professionals dedicated our efforts to the three pillars of our work: enforcement, prevention and community trust. We also continued to strive to improve the way we do our work to better serve our citizens.

**Enforcement.** Our enforcement efforts continued to address our priority areas: public corruption, violent crime, national security, financial fraud and civil rights. We launched a campaign designed to deter carjacking, using federal laws to obtain lengthy sentences for carjackers and raising awareness about those lengthy sentences through public service announcements and billboards, resulting in that 32 percent reduction. To improve public safety and the fair administration of justice, we actively pursued the Attorney General's "Smart on Crime" initiative, focusing our limited resources on significant federal interests, developing an enhanced violent crime enforcement and re-entry strategy and becoming more selective in seeking charges that carry lengthy mandatory minimum sentences in drug cases to focus on violent offenders and major drug trafficking organizations. Our criminal and civil attorneys focused on health care fraud, mortgage fraud, identity theft, investor fraud and environmental cases.

**Prevention.** Equally important to enforcement in reducing crime is prevention. Our office led a number of efforts designed to prevent crime. Prevention improves public safety without the societal, personal and monetary costs of arrest and incarceration. In addition to our ongoing programs, we worked on the Ceasefire intervention strategy, countering violent extremism, fraud prevention seminars, a re-entry summit, Internet safety and anti-bullying efforts.

**Community Trust.** We continued our efforts to build community trust in law enforcement, so that we can be more effective in serving our citizens. When citizens feel empowered to work with police, they are more likely to report when they are victims or witnesses to crime, and they contribute to improving public safety. Following the tragic events in Ferguson, Missouri, we led and participated in community events throughout the Eastern District of Michigan to break down barriers and engage our residents to work together.

**Constantly Striving To Improve.** Finally, we continued to seek ways to improve our internal processes, so that we can better serve our citizens, through training, technology, policy review and a commitment to diversity in all forms.

We are grateful for our partnership with law enforcement agents, who risk their lives to protect innocent victims and public safety. The 200 men and women who work at the U.S. Attorney's Office for the Eastern District of Michigan are dedicated professionals who work tirelessly, frequently working nights, weekends and holidays with no overtime pay, because they are committed to public service, and consider it a privilege to serve the people of our district. We constantly strive to improve ourselves, and we work every day to improve the quality of life in our community. These pages include some of the highlights of our work for this year. We invite you to read more and share your suggestions with us at [www.justice.gov/usao/mie](http://www.justice.gov/usao/mie). We hope to even more have favorable numbers to report in 2015.

*Barbara L. McQuade  
United States Attorney  
Eastern District of Michigan*

# ENFORCEMENT

## Public Corruption

Attacking public corruption in federal, state and local government remains a high priority for the U.S. Attorney's Office in the Eastern District of Michigan. Corruption in government corrodes society by discouraging respect for the law, squandering the public's tax dollars from being spent on the best services at the lowest cost, harming honest businesses that play by the rules and preventing good people from seeking public office. Our region thrives when we have honest government at every level.

**City Officials.** In *United States v. Beasley*, the former treasurer for the City of Detroit along with a pension board trustee and the pension board's lawyer were convicted at trial for conspiring with former Mayor Kwame Kilpatrick to accept bribes and kickbacks in exchange for their votes on investment decisions. Evidence at trial detailed cash, trips, meals, drinks and casino chips that were accepted in return for support on investment deals. Decisions on bad investments cost City of Detroit retirees almost \$100 million.



*Public Corruption Chief Mark Chutkow and Assistant U.S. Attorneys David Gardey and Stephanie Dawkins Davis discuss strategy in the United States v. Beasley case.*

In *United States v. Cromer*, Timothy Cromer, the former Chief Administrative and Technology Officer for the Detroit Public Library, was sentenced to ten years in prison for bribery and conspiring to commit bribery in exchange for contracts to provide information technology services for the library system. As a result of the bribery schemes, Cromer received kickbacks of \$1.4 million, and he cost the library system \$4.6 million.

In *United States v. Montgomery*, a Highland Park police officer was sentenced to 18 months in prison for conspiracy to accept bribes and commit extortion. The defendant pleaded guilty to accepting a \$10,000 bribe from a man he arrested on firearms charges in return for agreeing not to appear as a witness at his trial. Later, the police officer and three other officers accepted cash from an FBI informant in exchange for protecting a shipment of what officers believed to be four kilograms of cocaine. The officers used their police guns and badges to protect the shipment. The other officers were sentenced in 2013 to prison terms ranging from 12 to 18 months.

In *United States v. Coody*, a former Detroit Police Officer was sentenced to a year in prison for leaking sensitive and confidential law enforcement information to a drug trafficker. During a drug investigation, the defendant-officer was captured on a court-authorized wiretap disclosing information about the investigation that he had learned in his position as a police officer to a multi-kilogram cocaine trafficker. In return, the officer received money, meals and access to luxury cars.

In *United States v. Miller*, the former Chief Administrative Officer of the City of Detroit was sentenced to 12 months in a halfway house for corruption and tax offenses. As a member of former Mayor Kwame Kilpatrick's inner circle, Derrick Miller testified at trial

about the illegal motives of Kilpatrick and others in his administration. His early and extraordinary cooperation resulted in a significant downward departure in his sentence.

**County Officials.** In *United States v. Kazmi*, Tahir Kazmi, the former Chief Information Officer for Wayne County, was sentenced to 57 months in prison following his guilty plea for accepting bribes from a private contractor in the form of cash and trips. After learning of the federal investigation into his conduct, he conspired with Wayne County appointee Zayd Allebban to obstruct justice and cover up the bribes. Allebban was sentenced to 41 months in prison in 2013.

In *United States v. Grundy*, former Assistant Wayne County Executive Michael Grundy was sentenced to more than seven years in prison following his guilty plea to conspiracy to commit honest services fraud in connection with his work as the former Director of HealthChoice of Michigan. HealthChoice is a corporation established to promote access to health care for low-income and indigent residents of Wayne County. Grundy caused the accountant of HealthChoice to wire transfer \$400,000 to his co-conspirator Keith Griffin, falsely representing that the payment was for a contract to develop an electronic medical records system.

In *United States v. Upshaw*, a clerk in the Vital Records Division of the Wayne County Clerk's Office pleaded guilty to bribery charges. The defendant admitted to accepting bribes in exchange for issuing Concealed Pistol Licenses to individuals, including felons, who were not eligible to receive them.

**School Officials.** In *United States v. Campbell*, a Detroit Public Schools teacher was sentenced to three years in prison for her role in defrauding the school system. The defendant and her mother were convicted at trial in 2013 of obtaining more than \$500,000 in school funds by fraud. The defendants submitted fraudulent invoices from a sham company for

books and supplies that were never provided. The defendant's mother, Sandra Campbell, a former DPS contract accountant and school board candidate, was sentenced to 70 months in prison.

### **School board member sentenced for stealing school district funds**

In *United States v. Davis*, former Highland Park School Board President Robert Davis was sentenced to 18 months in prison following his guilty plea to unlawful conversion of funds belonging to the school district. Between 2007 and 2010, Davis used his authority as a member of the school board to cause the school district to issue checks to companies controlled by associates of Davis. At Davis's direction, those companies then issued checks totaling \$200,000 to another company controlled by Davis, Citizens United To Save Highland Park Schools. Davis admitted that he then used those funds for personal purposes. In addition, Davis knowingly failed to report the income he received on his federal income tax returns. Davis was sentenced to 18 months in prison.

In *United States v. Reid*, the Sixth Circuit Court of Appeals affirmed the conviction of a high-level official in the River Rouge School District. The defendant steered contracts to a company owned by her brother-in-law in exchange for cash and gifts.

**Union officials.** In *United States v. Townsend*, Sam LaGrasso Produce, Inc. was fined \$500,000 and a former business agent and trustee of Teamsters Local 337 was fined \$18,000 following guilty pleas to bribery. The defendant admitted to accepting \$18,000 in bribes to help prevent Teamsters Local 337 from organizing LaGrasso employees.



*New Assistant U.S. Attorneys Erin Hendrix, Charles Kalil, II, and Jennifer Newby take the oath of office in the courtroom of Chief Judge Gerald E. Rosen. New Assistant U.S. Attorneys swear to uphold the law as they represent the United States in federal court.*

## ***Violent Crime***

Reducing violent crime is essential to the success of our region and a high quality of life for our residents. Our citizens should feel safe in our neighborhoods, our homes, our schools, our streets and our places of business. While violent crime and homicide rates went down by substantial margins in 2014 in Detroit and Flint, they remain intolerably high, and each homicide represents a family's tragedy. We used a targeted approach, charging violent gun crimes, such as serial armed robbery and carjacking, in federal court, where penalties are often greater than in the state system. Lawyers and support staff in our Violent and Organized Crime Unit, Drug Task Force, General Crimes Unit and branch offices in Flint and Bay City all worked to reduce violent crime to improve public safety.

## ***Initiatives***

**Detroit One.** Launched in 2013, this partnership between law enforcement and the community continued to tackle violent crime throughout Detroit. Federal, state and local law enforcement partners, including community prosecutors, were assigned to Detroit Police Department precincts to share information and focus on the "worst of the worst" armed criminals. Community groups helped to reduce violent crime through outreach, prevention and efforts to defeat the "no snitch" culture. To raise awareness for deterrence, gas station and convenience store owners posted flyers in their windows about lengthy prison sentences for offenders convicted under the initiative. Homicides were down 22 percent since Detroit One began in 2013, and in 2014, we saw the fewest homicides in Detroit since 1967.



# DETROIT ONE



## VIOLENT CRIME REDUCTION INITIATIVE

**Flint Priority Offender Program.** Our Flint office used a strategy similar to the Detroit One initiative to focus on violent armed criminals in the Flint area. Homicide totals plunged by 42 percent for a total of 29 homicides in Flint in 2014 as a result of the strategic and collaborative approach among law enforcement agencies, which targeted the “worst of the worst” violent offenders.

**Re-Entry Strategy.** Recidivism rates show that nationally, two-thirds of all offenders will commit new crimes, so we have targeted this population for prevention work. In addition to participating in the federal district court’s intensive supervised release re-entry program, our office also continued to conduct an offender call-in program called Face To Face. This ongoing program focuses on improving the likelihood of success for citizens re-entering the community after serving sentences in prison. We called in citizens who were returning from prison to raise their awareness of the consequences of committing new offenses, such as stiff federal sentences and the absence of parole in the federal system. We also provided them with information about services that are available to help them succeed, such as job training and placement, substance abuse treatment and resume writing programs. In 2014, we also held a program for youth offenders at the Juvenile Detention Center in Detroit. In May, we helped organize a state-

wide re-entry summit to bring together stakeholders to discuss removing the barriers to successful re-entry, such as employment, mental health, housing, transportation and vital documents.

**CVRP.** We continued to partner with federal, state and local law enforcement agencies in the Comprehensive Violence Reduction Partnership, using information-sharing and data-driven strategies to address firearms offenses and violent crime in Detroit. Led by the Bureau of Alcohol, Tobacco, Firearms and Explosives, CVRP helped reduce gun violence in high crime areas.

**Violence Reduction Network.** The Eastern District of Michigan was one of six districts invited to participate in the national Violence Reduction Network. Law enforcement leaders from participating cities attended a summit in Washington, D.C., to share information about best practices, such as using social media to identify gang members, tracking crime data with real-time crime centers, and other innovative approaches to combating violent crime in the 21<sup>st</sup> century. Each of the six cities continued to receive technical assistance and access to industry experts to enhance our efforts to reduce violent crime.

**Human Trafficking Law Enforcement Working Group.** We continued to lead a working group to share information and coordinate training for law enforcement to better recognize the signs of human trafficking victims, who are often hiding in plain sight.

**Saginaw Chippewa Indian Tribe.** We continued to focus on violent crime occurring on the Saginaw Chippewa Indian Reservation in Mt. Pleasant, meeting with tribal leaders to obtain input on effective enforcement strategies and charging violent crime offenses occurring on tribal lands. Efforts included developing a multi-disciplinary team to help victims of sexual assault, as well as working to reduce prescription pill and heroin use among young people.

**Anti-Carjacking Campaign.** In March, the Detroit One partners including Crime Stoppers launched an anti-carjacking campaign to raise awareness about the significant sentences for armed carjacking in federal court. The campaign included highway billboards and Public Service Announcements in broadcast media. At year's end, carjacking was down 32 percent from 2013.



Highway billboards like this one raised awareness of lengthy federal sentences for carjacking.

## Cases

Our efforts to target the most violent offenders who are harming public safety resulted in a number of federal convictions. We believe that significant federal prison sentences improve public safety by removing dangerous offenders from our streets and deterring others.

**Carjacking.** In *United States v. Harper*, three Detroit-area men were sentenced following their convictions for conspiring to steal cars to support a chop shop. Sentences ranged from 63 years to 92 years in federal prison. The defendants conspired to steal high-end vehicles through armed carjacking, and then retag the vehicles for sale. One of the men purchased the stolen vehicles from the two carjackers, altered vehicle identification numbers, created false documents to file with the Secretary of State and then sold the vehicles to unwitting buyers in Michigan and other states.

In *United States v. Trotter*, a Detroit man was sentenced to almost 13 years in prison for armed carjacking. Wearing a mask and armed with an assault rifle, the defendant and his accomplice pulled up alongside a parked 2013 Mercedes in Detroit. The defendant ordered the occupants of the Mercedes out of the car and to the ground and drove away in the Mercedes. Police caught the defendant in the car and found the loaded assault rifle along his path.

**Gang Activity.** We used traditional organized crime statutes, such as the Racketeer Influenced and Corrupt Organizations Act ("RICO"), to attack violent street gangs. We combined the Ceasefire intervention strategy with targeted enforcement to curb gang violence.

In *United States v. Brewton*, five members and associates of the Howard Boys street gang were convicted at trial of participating in a criminal enterprise whose activities included murders, attempted murders and drug dealing on the south side of Flint. In addition to the five defendants who were convicted at trial, six other defendants pleaded guilty to racketeering charges in federal court, and 13 defendants were convicted in the Genesee County Circuit Court. Four of the defendants face life in prison for their roles in the murders. The group drew its name from an apartment complex in Flint that served as its base of operations.

In *United States v. Vasquez*, seven individuals were charged with being members of the Latin Counts street gang and committing a number of offenses, including racketeering, murder in aid of racketeering, assaults, breaking and entering, firearms and narcotics offenses. The Latin Counts are an alleged violent street gang that uses violence to intimidate rival gang members and residents of southwest Detroit. Two defendants pleaded guilty to racketeering offenses, two others pleaded guilty to firearms offenses, and three defendants awaited trial.

In *United States v. Tibbs*, the leader of the Michigan branch of the Mafia Insane Vice Lords, a violent street gang, was convicted of

planning an armed robbery of a Little Caesar's restaurant in Redford. The defendant sent subordinate members of the gang to commit the robbery and took the majority of the proceeds for himself. The trial marked the first use in the Eastern District of Michigan of the criminal street gang enhancement statute, which increases the potential penalties at sentencing.

**Murder.** In *United States v. Bennett*, a 21-year-old Mt. Pleasant man was sentenced to 40 years in prison following his guilty plea to second-degree murder of a four-year-old child on the Saginaw Chippewa Indian Reservation. The boy's charred and dismembered remains were found at his home, where he had been left in the defendant's care.

In *United States v. Wilson*, one Detroit man was sentenced to life and another was sentenced to 25 years in prison for plotting to kill an undercover federal agent by slashing his throat. The defendants believed that the agent was a drug courier who wanted to rob a stash house. The defendants planned to double-cross the agent by robbing and murdering him after he picked up drugs from the stash house. At the time of their arrest, the defendants possessed masks, duct tape, latex gloves and a knife with an eight-inch serrated blade.

**Robbery.** Our prosecutors used the Hobbs Act and other federal statutes to prosecute serial armed robberies because of the significant harm these crimes cause to public safety.

In *United States v. Pembroke*, four men were charged with armed robbery of the Tapper's Jewelry Store in West Bloomfield and another jewelry store. The defendants were charged with entering the store with masks and guns, ordering employees and customers to the floor and stealing money and jewelry.

In *United States v. Carpenter*, a Detroit man was sentenced to 116 years in prison for his role in armed robberies at six cellular telephone stores in Detroit, Highland Park, Eastpointe and Ohio.

In *United States v. Clay*, three defendants were sentenced for committing armed robberies of commercial businesses in and around Flint. Defendants pleaded guilty to robbing Subway, Autozone, Advanced Autoparts, Rite Aid, Family Dollar and Dollar General stores. Sentences ranged from nine to 22 years.



*Assistant U.S. Attorney Hala Jarbou discusses firearms enforcement with General Crimes Unit Deputy Chief Susan Gillooly.*

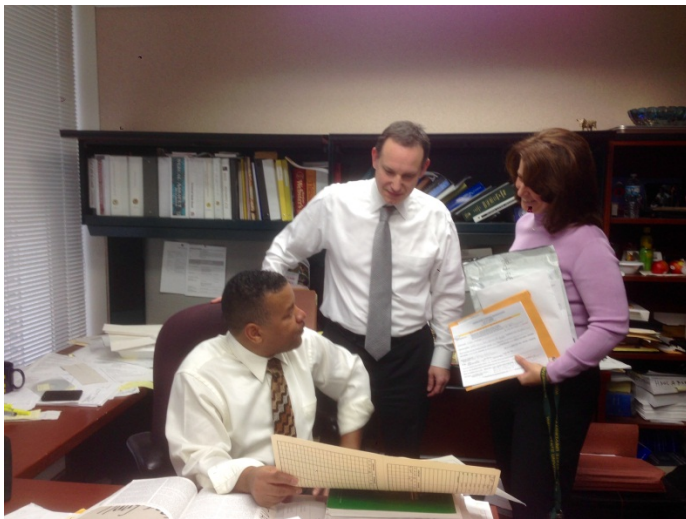
In *United States v. Dismukes*, two men were sentenced to 20 years in prison each for their roles in armed robberies of electronics stores. One defendant pleaded guilty to using an AK-47 to steal cellular telephones at gunpoint at a Radio Shack store in Eastpointe and an AT&T store in Warren, while another defendant pleaded guilty to participating in the robbery of the Radio Shack store as well as another armed robbery of a T-Mobile store in Detroit.

In *United States v. McCaskill*, a Saginaw man was convicted at trial for robbing a man who had won money at the Soaring Eagle Casino on the Saginaw Chippewa Indian reservation. The defendant offered the victim a ride, and then drove him to a secluded area on the reservation, where he assaulted and robbed him.

**Bank Robbery.** In *United States v. Henry*, an Ann Arbor man was sentenced to more than 60 years in prison following his conviction at trial for committing three armed bank robberies in Ann Arbor and Ypsilanti. In each robbery, the

defendant jumped over the bank counter and stole money while his partner stood by the door with a gun. The robbers fled in stolen cars.

In *United States v. Sherer*, the Sixth Circuit Court of Appeals affirmed the convictions of two men who robbed a credit union in Monroe. Two masked men pointed guns at tellers and demanded money. Agents identified one defendant by matching the DNA on a mask to blood on a cotton swab he used during an amateur boxing match. Defendants were sentenced to prison for 12 and 45 years.



*Assistant U.S. Attorneys Terrence Haugabook and Tare Wigod discuss a violent crime case with Paralegal Specialist Theresa Boyer.*

**Assault.** In *United States v. Walker*, a Detroit man was sentenced to six years in prison following his conviction at trial for assaulting a federal officer. The evidence showed that while a task force officer was conducting surveillance in Rochester Hills, the defendant attempted to use his vehicle to hit the officer's car. The defendant chased the officer, reaching 70 miles per hour, and attempted to strike the rear bumper and quarter panel of the officer's car.

**Drug Trafficking.** We focused our drug enforcement efforts on dismantling large-scale drug trafficking organizations and prosecuting individuals using guns and violence in the drug trade.

In *United States v. Powell*, two men were sentenced to life in prison following their convictions at trial for leading a massive drug ring. The group trafficked in hundreds of kilograms of heroin and cocaine and thousands of pounds of marijuana in metro-Detroit, and laundered \$21 million in U.S. currency. The ring transported drugs from Mexico and Arizona to Detroit using semi-trucks and vehicles equipped with hidden compartments. Carlos Powell and Eric Powell were captured as fugitives after fleeing just before the jury announced its verdict. Former State Representative Kenneth Daniels was convicted in the same case for structuring financial transactions to conceal drug proceeds.

In *United States v. Cortez*, two defendants were convicted at trial for their involvement in distributing more than 100 kilograms of cocaine in Detroit from a Mexican drug cartel. The defendants transported the drugs concealed in a hidden compartment constructed under the wheelchair ramp of a van. Seizures in the case included 16 kilograms of cocaine in Detroit, 30 kilograms in Houston and 20 firearms.



*Detroit One partners announce the federal carjacking enforcement strategy and public awareness campaign.*

In *United States v. Sharp*, a 90-year-old man was sentenced to three years in prison for his role as a drug courier for a major drug

trafficking organization. The defendant transported a total of 1,200 kilograms of cocaine across the country and into Michigan during seven separate trips, and was paid more than \$1 million by a major Mexican drug cartel. In all, 17 defendants pleaded guilty to shipping more than 1,000 kilograms of cocaine and thousands of kilograms of marijuana to the metro-Detroit area from the Sinaloa Cartel in Mexico. The investigation led to the seizure of more than 200 kilograms of cocaine and more than \$3 million in cars and assets.

In *United States v. Faraj*, three men were convicted at trial for their roles in a criminal enterprise that distributed prescription pills and marijuana in the Warrendale neighborhood on Detroit's west side. The group used teenagers and young men to act as the street-level distributors. The defendants supplied guns to the young street-level workers, burned homes to force out the occupants and then used the homes as stash houses for drugs, money and guns. Five others pleaded guilty for their roles.

### **Drug ring sentenced for shipping district's largest load of heroin**

In *United States v. Valdovino*, nine defendants were sentenced following their guilty pleas to conspiracy to transport \$150 million in heroin and cocaine from Mexico to Pontiac. This case involved the seizure of 69 kilograms of heroin, the largest shipment ever seized in the Eastern District of Michigan. The lead defendant was sentenced to 16 years in prison.

In *United States v. Martinez*, the lead defendant pleaded guilty to operating a continuing criminal enterprise and 11 others pleaded guilty to conspiring to distribute cocaine. The indictment charged 23 defendants with conspiring to transport multi-kilogram shipments of cocaine on tractor-trailers from Los Angeles to Detroit and other destinations in the United States.

In *United States v. Folliard*, one defendant was sentenced to 10 years in prison after he was convicted at trial for conspiracy to manufacture methamphetamine in a Port Huron home where a minor child resided. The child's father was sentenced to four years in prison and his girlfriend was sentenced to three years for supplying the pseudoephedrine that was used to manufacture the methamphetamine.

In *United States v. Peterson*, nine defendants were sentenced to prison following their convictions for importing multi-kilogram quantities of heroin from Tanzania to Detroit. Two of the defendants were sentenced to 10 years in prison. Extradition was sought for the source of supply for the heroin in Tanzania.

In *United States v. Saran*, two men were convicted for transporting 65 kilograms of cocaine in their tractor-trailer as it crossed into the United States from Canada over the Ambassador Bridge. One defendant was sentenced to four years in prison; the other awaits sentencing.

In *United States v. Garza*, 26 defendants were indicted for transporting hundreds of kilograms of cocaine and heroin from Mexico to Detroit. The defendants included three Mexican drug cartel members who are fugitives in Mexico.

In *United States v. Williams*, three residents of northern Michigan were sentenced for their roles in a drug trafficking organization. Members of the conspiracy transported kilogram quantities of cocaine, crack and heroin from Detroit to the Cheboygan County area, where they delivered the drugs to other distributors and end-users in northern Michigan. Sentences ranged from 14 months to 135 months in prison. A fourth defendant awaits sentencing in 2015.

**Child Exploitation and Sex Trafficking.** Prosecutors in our Project Safe Childhood Program convicted a number of defendants for sexually exploiting children. Real children suffer when defendants manufacture child

pornography. The children are physically abused before cameras and smart phones, and then virtually abused again and again forever. Moreover, defendants who are engaged in child pornography offenses encourage and normalize each other's sexual attraction towards children through online communications, increasing the number of offenders who sexually exploit children.



*Assistant U.S. Attorneys Maggie Smith and Sara Woodward discuss sentencing guidelines in a child exploitation case.*

In *United States v. Smith*, a Jackson man was convicted at trial of sex trafficking several women as well as a 16-year-old victim, using physical force, fear and crack cocaine to maintain control over them. The defendant moved his victims around to various hotels in southeast Michigan to avoid detection.

In *United States v. Kurtz*, a priest and former teacher at the University of Detroit Jesuit High School was charged with production, transportation and possession of child pornography. The indictment alleged that Kurtz secretly videotaped players on the school's hockey team while they were changing in the locker room and possessed additional child pornography.

In *United States v. Hussain*, a Florida man pleaded guilty to extortion and child pornography. The defendant sent threatening text messages to a Detroit-area woman, demanding that she marry him or he would

kidnap, rape, strangle and burn her. He followed her using a GPS tracker that he had secretly placed on her car. At the time of his arrest, Hussain possessed handcuffs, leg irons, duct tape, a bullet proof vest, a shot gun and a taser. His laptop computer contained images of child pornography.

In *United States v. Colston*, a Livingston County man was sentenced to 25 years in prison following his guilty plea to seven counts of manufacturing child pornography, enticement of a minor and transfer of obscene matter to a minor. The victims were known to the defendant.

In *United States v. Mazel*, a Highland man was sentenced to 17½ years in prison for receiving child pornography. The evidence showed that the defendant used a peer-to-peer sharing program to download images and videos of children being forced to engage in sexually explicit activities with adults. The defendant also exchanged emails with individuals who appeared to be pre-teenage girls, asking them to engage in graphic sexual activities with him. Before sentencing, the defendant fled the district and tried to enter Mexico. He was captured by the U.S. Marshals Service in Arizona. At the time of his arrest, he possessed survival gear, camping equipment, two loaded guns and a laptop computer containing child pornography.

In *United States v. Murray*, a former priest was sentenced to 15 years in prison after pleading guilty to distributing and possessing child pornography. The defendant used peer-to-peer software to trade child pornography with others, including an undercover agent working for Homeland Security Investigations. A search warrant executed at the defendant's home recovered seven different computer devices containing 650 movies and 450 photo images of child pornography. The defendant had served as a Catholic priest within the Archdiocese of Detroit before being removed from public ministry because of substantiated allegations of his prior sexual abuse of a young boy.

In *United States v. Cole*, a former Holly firefighter was sentenced to 25 years in prison after pleading guilty to production of child pornography. The defendant, who had previously been convicted of distributing obscene material to children, met a 12-year-old girl online. Over several months, the defendant befriended the girl and persuaded her to create sexually explicit pictures and videos of herself. The defendant later admitted to engaging in similar behavior with 10 to 20 other minors.

In *United States v. Hilton and Hollingsworth*, two defendants were sentenced for conspiring to create and distribute videos of the sexual exploitation of a two-year old girl. Defendant Hollingsworth, a woman from Detroit, created images of the child and distributed them to her boyfriend, Paul Hilton. Hilton, who has two prior convictions involving child pornography offenses, was sentenced to 40 years in prison. Hollingsworth received a 15-year sentence.

In *United States v. Savader*, a 21-year-old New York man was sentenced to 30 months in prison after he pleaded guilty to Internet extortion and cyber stalking. The defendant sent anonymous text messages to 15 women threatening to distribute nude photographs of them to their friends and family members unless the women sent him more nude photographs of themselves.

## **National Security**

Terrorism remained the top priority of the U.S. Department of Justice, and our National Security Unit focused on investigations relating to border security, international and domestic terrorism, terrorism financing, export violations, threats, trade secrets and other violations that affect our national security.

## **Initiatives**

We coordinated the Anti-Terrorism Advisory Council, which brings together officials from the public and private sectors to prevent acts of terrorism. We conducted training for our

Critical Incident Response Team, so that we may be prepared to respond to a terrorist attack. We participated in security planning for special events in Detroit, including the North American International Auto Show. We also continued our work with law enforcement partners in Canada to improve communication and cooperation in joint investigations.

## **Cases**

### **Woman convicted in fatal terrorist bombing guilty of immigration fraud**

In *United States v. Odeh*, a naturalized U.S. citizen, who was convicted in Israel for participating in a terrorist bombing, was convicted at trial for immigration fraud. The indictment alleged that Odeh was convicted in Israel for her role in bombing a supermarket and the British Consulate in Jerusalem. The bombings were carried out on behalf of the terrorist organization, the Popular Front for the Liberation of Palestine. According to the indictment, Odeh and others placed bombs at the consulate and in the supermarket, killing two people and injuring 20 others. Odeh was sentenced in Israel to life in prison, but was released after ten years in a prisoner exchange, and she returned to the West Bank. In 1995, she immigrated to the United States, and naturalized as a citizen in 2004. In her immigration documents, Odeh omitted her arrest, conviction and imprisonment in Israel, which were material facts for the U.S. government in determining whether to grant citizenship.

**International Terrorism.** In *United States v. Abdulmutallab*, the Sixth Circuit Court of Appeals affirmed the conviction and life sentence of a defendant who conspired with Al-Qaeda to detonate a bomb concealed in his underwear while onboard a flight from Amsterdam to Detroit on Christmas Day 2009. The U.S. Supreme Court declined review.

In *United States v. Hamdan*, a Dearborn man was charged with attempting to provide material support to a foreign terrorist organization. The defendant was charged with attempting to travel to Syria to fight on behalf of Hizballah in the Syrian civil war.

**Trade Secrets.** In *United States v. Agadoa*, a former employer of Wacker Chemical Corporation was sentenced to two years in prison after pleading guilty to stealing trade secrets from the company's facility in Adrian and disclosing them to a Korean-based chemical company. The defendant admitted that when he left his job as an engineer at the company, he took formulas for the production of silicone-based and rubber products.

In *United States v. Qin*, the Sixth Circuit Court of Appeals affirmed the convictions of a former General Motors employee and her husband for conspiracy to steal trade secrets relating to hybrid engine technology from GM to use it in a joint venture with a Chinese company.



*211 West Fort Street houses the Detroit headquarters of the U.S. Attorney's Office for the Eastern District of Michigan.*

**Assault.** In *United States v. Dubose*, two men were charged with targeting an Iraqi diplomat and his family while they were shopping at a supermarket in Southfield. The men followed the victims to their home in West Bloomfield and approached them in their garage as they removed their children from the car. The men

threatened to kill the family and robbed them at gunpoint. One defendant pleaded guilty to assault of a foreign official using a deadly weapon and use of a firearm during a crime of violence. The other defendant's case awaits resolution.

**Defense Fraud.** In *United States v. Frederick*, a father and son pleaded guilty to making false statements to the federal government relating to their work on Tomahawk cruise missiles. Dennis and Brian Frederick, the co-owners of Precision Metal Spinning in Fenton, admitted that after subcontracting to manually weld missile engine assemblies, they had difficulty performing the welds, so they arranged to have the work completed by another company, which was not approved as a subcontractor with the U.S. Department of Defense. The defendants admitted that they made false statements when they told the government that the assemblies were built in accordance with the subcontract and that they falsely certified that the welding standards were met. In fact, cracks appeared in the welds, and nearly 3,000 missiles had to be recalled or inspected. The defendants agreed to pay \$1.6 million in restitution and were sentenced to a year in prison each. Both were prohibited from seeking federal contracting work during a period of supervision following their release from prison.

## ***Financial Fraud***

Another enforcement priority is financial fraud and other white collar crimes, which can rob victims of their savings, harm housing markets and businesses, compromise private personal information, pollute our environment and divert taxpayer funds from programs intended to benefit disadvantaged citizens. Our financial fraud investigations encompassed health care fraud, investor fraud, identity theft, mortgage fraud and environmental violations, among other offenses. We used civil and criminal enforcement tools to combat various types of fraud.



**Health Care Fraud.** Our criminal and civil attorneys worked closely together, along with the Justice Department's Medicare Fraud Strike Force, to attack health care fraud. We charged doctors, pharmacists and other health care providers with making fraudulent claims to Medicare, Medicaid and other insurance programs. In some instances, doctors performed medical procedures or administered treatments that were medically unnecessary, exposing patients to risk and harm, so that the doctors could submit reimbursement claims to Medicare and other insurance programs.

In other cases, we charged defendants with diverting prescription drugs for illicit use, a crime that contributes to the abuse of prescription drugs. The Centers for Disease Control has classified the abuse of prescription drugs as an epidemic in America. More people die from prescription drug overdoses in the United States each year than from overdoses of all other drugs combined.

In *United States v. Qandil*, a Dearborn Heights doctor was convicted at trial of 34 counts of illegal drug distribution, health care fraud and money laundering. The evidence at trial showed that the defendant prescribed pain medications to individuals outside the course of legitimate medical practice. The pills were then resold on the street market. The defendant also submitted patients to tests that were medically unnecessary, and then billed Medicare and other health insurance programs for reimbursement. The defendant transferred more than \$1.5 million in proceeds to a bank account in Jordan.

In *United States v. Milliner*, a Ferndale doctor pleaded guilty to distribution of prescription pain medication. The defendant admitted that he wrote prescriptions for pain pills that he knew would be diverted for illegal purposes.

In *United States v. Fowler*, a doctor was sentenced to six years in prison and a pharmacist to four years following their convictions at trial for health care fraud and

distribution of prescription drugs. The evidence showed that the defendants conspired with Canton pharmacist Babubhai Patel, who was sentenced to 17 years in prison in 2013 following his conviction at trial for leading a \$57 million health care fraud and drug diversion conspiracy. Among those to whom Patel paid bribes and kickbacks was Dr. Carl Fowler. In exchange, Dr. Fowler wrote prescriptions for unnecessary and expensive medications that were filled at a pharmacy owned by Patel. Mukesh Khunt, a pharmacist, billed Medicare and other insurers for expensive medications that he never dispensed to patients and filled prescriptions for pain pills that were never intended for patients but were instead sold on the street market. In all, 36 defendants were convicted in the conspiracy.

### **Oakland Township cancer doctor pleads guilty to Medicare fraud**

In *United States v. Fata*, an Oakland Township doctor pleaded guilty to his role in a health care fraud scheme, admitting that he administered unnecessary chemotherapy to patients so that he could fraudulently bill the Medicare program and private insurance companies. His business, Michigan Hematology Oncology Centers, submitted bills to Medicare for approximately \$225 million between 2007 and 2013. He faces up to life in prison at his sentencing in 2015.

**Investor Fraud.** In *United States v. Carpenter*, an Ann Arbor financial planner was convicted at trial in Flint for operating an investment fraud scheme. The defendant promised investors that they would receive a 10 percent monthly return and that their principal was guaranteed. Instead of investing their money, he used the funds to pay earlier investors and his own personal expenses.

In *United States v. Halbani*, 16 defendants were charged with conspiring to defraud investors in

a telemarketing scheme by offering for sale residential properties in Detroit for the purpose of “flipping” them to other buyers. The defendants inflated the value of the homes. After a buyer purchased a home, the defendants represented that the home had been sold for a profit, and then persuaded the buyer to purchase additional properties. The scheme victimized 290 buyers in 46 states and Canada.



*The Monument to Joe Louis, also known as “the Fist,” memorializes the famed Detroit boxer and symbolizes Detroit’s resilience.*

In *United States v. Uppal*, an unlicensed investment advisor was sentenced to more than five years in prison for committing an affinity fraud scheme, luring family friends into investments that promised a return of 18 to 20 percent. In fact, the defendant either lost funds on poor investments or simply pocketed the money and did not invest it at all. The defendant was ordered to pay almost \$4 million in restitution to his victims.

**Identity Fraud and Tax Crimes.** In *United States v. Bass*, the leader of an identity fraud ring was sentenced to 22 years in prison following his conviction for wire fraud and identity theft. The defendant was the leader of a group that stole victims’ identification information and accessed their credit accounts at retail stores, such as J.C. Penney, Nordstrom, Lowes and Home Depot. The group then used this information to obtain merchandise worth tens of thousands of dollars.

In *United States v. Adams*, two Detroit residents pleaded guilty to wire fraud after filing hundreds of federal income tax returns using the names and Social Security numbers of recently deceased individuals. Refunds were directly deposited into bank accounts that had been opened solely for the purpose of receiving these funds.

In *United States v. Bateman*, a Brownstown Township man was sentenced to a year in prison for his role in a fraudulent tax return scheme. The defendant filed 180 false income tax returns using stolen identities. The refunds were loaded onto debit cards, which he and others used at automated teller machines in the Detroit area to make cash withdrawals. The total amount of the fraudulent returns was \$1.7 million.

In *United States v. Watkins*, a Detroit man was sentenced to 30 months in prison for wire fraud and identity theft. The defendant used the names and Social Security numbers of recently deceased individuals to file several hundred false income tax returns. The refunds were directly deposited into bank accounts that he controlled.

In *United States v. Washington*, two defendants were charged with planning and running an identity theft and false income tax return scheme. According to the indictment, one defendant, who worked at two Detroit-area hospitals, removed patient records without authorization. The two defendants then used the patients’ personal information to file false federal income tax returns in other people’s names. More than 300 false returns were filed, resulting in a loss to the Internal Revenue Service of almost a half million dollars.

**Mortgage fraud.** Our office filed a number of mortgage fraud cases, bringing criminal charges and civil claims. Mortgage fraud not only harms the lender, but also harms communities because foreclosures lead to vacant homes that lower property values and become havens for criminal activity.

In *United States v. Greer*, a Shelby Township man was sentenced to 14 years in prison following his conviction at trial of conspiracy to commit bank fraud. The defendant recruited straw purchasers to sign for mortgage loans on residential properties in Detroit. The loan applications were supported by false documents created by the defendant. The defendant kept the loan money and allowed the properties to go into foreclosure. Among his victims was a 90-year-old homeowner.

In *United States v. Little*, a Rochester Hills man was sentenced to 34 months in prison following his conviction at trial for jury tampering. His crime occurred during a trial in a \$7 million mortgage fraud case. The defendant drove to a juror's home and attempted to influence her decision on behalf of the defendants.

In *United States v. Restum*, a Detroit-area man was sentenced to more than four years in prison and ordered to pay almost \$5 million in restitution for conspiracy to commit mortgage fraud. The defendant recruited straw buyers to purchase high-dollar properties, and then assisted them in providing false information to obtain the loans, which totaled \$8 million.

In *United States v. Bachi*, a Waterford Township man was sentenced to two years in prison for bank fraud in connection with ten fraudulent mortgage loans. The defendant was a mortgage broker who acquired residential properties in Detroit and placed them in the names of straw sellers. He caused the appraisals of the properties to be inflated and then sold the properties to straw buyers, funded by loans obtained by fraudulent applications. The defendant kept the loan funds, the loans went into default and the homes went into foreclosure.

In *United States v. Woolsey*, a Grosse Ile businessman was sentenced to seven years in prison for conspiracy to defraud mortgage lenders in Michigan and Tennessee. The defendant orchestrated millions of dollars of fraudulent mortgage transactions by

directing the activities of bank employees, buyers, appraisers and closing agents. To complete the scheme, he disguised the source of down payments, provided false and inflated appraisals for real properties and provided false income information for buyers to bolster their apparent creditworthiness in their applications for mortgage loans.

**False Claims.** U.S. Bank agreed to pay the United States \$200 million to resolve allegations that it violated the False Claims Act by knowingly underwriting mortgage loans insured by the Federal Housing Administration that did not meet applicable requirements. In this case brought by the Department of Justice's Civil Division, along with the U.S. Attorney's Offices for the Eastern District of Michigan and the Northern District of Ohio, U.S. Bank admitted that its actions caused FHA to insure thousands of loans that were not eligible for insurance and that FHA suffered substantial losses on insurance claims.



*The Robert F. Kennedy Main Justice Building on Pennsylvania Avenue in Washington, D.C. serves as headquarters for the U.S. Department of Justice.*

**Environmental Offenses.** Environmental enforcement is vitally important to our district. Clean air and water are among Michigan's most valuable assets, and their protection is essential to our state's future. We used criminal and civil remedies to bring violators to justice.

In *United States v. Williams*, a Detroit man was sentenced to 27 months in prison for violating the Clean Air Act in connection with dismantling and scrapping of the former American Motors headquarters in Detroit. The work disturbed asbestos-containing materials and released ozone depleting substances.



*Outreach specialist Daryel Peake, Law Enforcement Coordinator Bob Pokey and Victim/Witness Coordinator Sandy Palazzolo discuss training and outreach work.*

Along with the Environmental Protection Agency, the U.S. Attorney's Office obtained a \$500,000 settlement with Metal Dynamics, which was releasing harmful emissions at a facility in Detroit. Under the settlement, Metal Dynamics agreed to pay a \$110,000 civil penalty and to invest \$400,000 in training, equipment and incentives to reduce emissions that cause ozone depletion and harm to human health.

In *United States v. Rodriguez*, a Bay County man was sentenced to 21 months in prison for committing perjury before a federal grand jury that was investigating the illegal removal of asbestos from a church in Bay City. The church was being converted to a school building to be used by the Bay City Academy. Two other men were charged with violating the Clean Air Act. A jury found general contractor Roy C. Bradley guilty of four counts of illegally handling asbestos. His co-defendant was acquitted at trial.

**Mail Fraud.** In *United States v. Belczak*, a Troy priest and church administrator were charged with stealing almost \$700,000 from St. Thomas More Church in Troy. The indictment alleged that the defendants diverted funds that were donated or bequeathed to the church as well as funds that were paid to the church's travel group as commissions.

**Bank Fraud.** A former Grosse Pointe attorney was sentenced to more than five years in prison for bank fraud and money laundering totaling \$2.7 million. Kenneth Flaska diverted client funds for his personal use, including the purchase of a 31-foot-yacht, which he sailed in the 2013 Port Huron to Mackinac race.

**Program Fraud.** Eleven individuals were charged with illegally trafficking in food stamps. Retailers in Hamtramck, Detroit and Warren were charged with exchanging food stamp benefits for cash at a discounted rate. The transactions totaled \$12.5 million.

## **Civil Rights**

Our Civil Rights Unit continued its robust enforcement efforts in 2014. Civil rights are essential to attracting residents and maintaining a high quality of life in a multi-cultural community like ours. Making all people feel welcome and protected is essential to the population growth necessary to the economic future of Michigan.

In December, we co-hosted a program with the Federal Bar Association to commemorate the 50<sup>th</sup> Anniversary of the Civil Rights Act of 1964. Panelists spoke about civil rights advances and challenges that remain in housing, employment, education, public accommodation and police practices.

**Disabilities Rights.** The U.S. Attorney's Office reached a settlement with Olympia Entertainment to improve access for people with disabilities at Joe Louis Arena, home of the NHL's Red Wings, and to ensure full compliance with the Americans with Disabilities

Act (“ADA”) at Olympia’s planned new events center. Olympia agreed to provide wheelchair accessible seats, improvements in sight lines, accessibility in restrooms, concession stands, restaurants and clubs and annual training for its employees.



*Outreach Specialist Daryel Peake and members of the Civil Rights Unit, Assistant U.S. Attorney Sarah Karpinen, Chief Susan DeClercq and Assistant U.S. Attorney Luttrell Levingston, helped to organize the Michigan Alliance Against Hate Crimes conference in Lansing.*

The U.S. Attorney’s Office also reached an agreement with the owner of two hotels in Ann Arbor to resolve a complaint about the lack of accessible hotel rooms for disabled guests. The owner of the of the Campus Inn and Bell Tower Hotel agreed to make renovations to guest rooms, public restrooms and elevators, permit service animals, provide signage and change the policies regarding reservations for accessible rooms, in addition to paying \$1,500 in compensation to the individual complainant.

In another settlement, LogistiCare Solutions and Michigan Green Cabs agreed to resolve allegations that they violated the ADA by denying rides to passengers with service animals. LogistiCare is a transportation management company that specializes in non-emergency medical transportation. Michigan Green Cabs is a taxi company that operates in

Royal Oak. During its investigation, the U.S. Attorney’s Office found that both companies failed to provide reasonable modifications to their policies prohibiting pets in vehicles, such as denying rides to blind individuals with guide dogs.

**Police Practices.** In August, the U.S. District Court granted the joint motion by the U.S. Department of Justice, U.S. Attorney’s Office and the City of Detroit to terminate the Consent Judgment relating to the Detroit Police Department’s use of force and arrest and witness detention practices. The parties entered into a transition agreement maintaining federal oversight of DPD for an additional 18 months to ensure compliance with the Consent Judgment to require constitutional policing, promote community trust and improve public safety in Detroit. As part of that effort, the U.S. Attorney’s Office held townhall meetings throughout Detroit to hear from residents about their experiences with the Detroit Police Department.

**Language Access.** The Department of Justice reached a settlement with the Crestwood School District in Dearborn Heights to improve educational services for students who are English Language Learners, to hire and train



*The Michigan Alliance Against Hate Crimes conference in Lansing featured a video greeting by Attorney General Eric Holder.*

qualified teachers and to provide parents of limited English proficiency with meaningful access to important information, among other improvements.

**Voting Rights.** We continued to work with the City of Flint to obtain full compliance with its settlement agreement with the U.S. Attorney's Office to improve access to polling places for voters with mobility impairments. We worked with the Flint Clerk's Office to provide technical assistance, and monitored polling places on primary and general election days, resulting in substantial compliance for the November 2014 election.

### ***Other Civil Cases***

The U.S. Attorney's Office is also responsible for representing the United States in federal court in all civil litigation. Our Civil Defensive Litigation Unit protected taxpayer funds from frivolous and unsupported claims, and fairly resolved other matters.

**Torts.** In *Howard v. United States*, the district court granted the United States' motion for summary judgment. The plaintiff claimed that he was severely injured after the bus on which he was a passenger collided with a postal vehicle, and he sought \$100,000 in damages. The court found that the United States was not liable for any damages because there was no question that the plaintiff's injuries were the result of a slip-and-fall accident that had occurred several months after the bus collision.

The United States prevailed in a bench trial in *Badour v. United States*, an auto negligence case involving the U.S. Postal Service. The court found that the plaintiff caused the accident by failing to slow down as he passed the postal vehicle.

In *Kernstock v. United States*, the Sixth Circuit Court of Appeals affirmed summary judgment in favor of the United States in a medical malpractice case. The district court had found that the plaintiff, who refused her doctor's

advice to quit smoking and alleged that her doctor committed malpractice by not referring her to a specialist, failed to demonstrate that her kidney loss was caused by the decisions of her family physician.

In *Shine v. United States*, the district court granted summary judgment for the United States, finding no evidence that the plaintiff suffered an assault, battery, or invasion of privacy during a routine x-ray at the Veterans Administration Medical Center. The court found that the plaintiff's versions of the story varied dramatically, that the allegations were not corroborated by any of the physical evidence and that the plaintiff's bare allegations alone were insufficient to defeat the government's summary judgment motion.



*Executive Assistant Stacey Harris and other U.S. Attorney's Office personnel receive reports of suspected illegal activity from citizens.*

**FOIA:** In *Hertz-Schram v. Federal Bureau of Investigation*, the plaintiff alleged that the FBI did not perform an adequate search in response to its request under the Freedom of Information Act for records related to the FBI's decision to identify "Juggalos" as a hybrid gang in its 2011 National Gang Threat Assessment. The court granted summary judgment for the United States, finding that the FBI's search was adequate and that the materials withheld were exempt from disclosure under statutory exemptions.

## PREVENTION

In addition to our enforcement efforts, the U.S. Attorney's Office continued to work on preventing crime. We believe that an effective way to reduce crime is to prevent it from occurring in the first place. History has shown that we cannot arrest our way out of crime problems, and that long-term reductions require efforts to attack root causes of crime.

**Re-Entry Summit.** In May, the U.S. Attorney's Offices for the Eastern and Western Districts of Michigan organized a statewide re-entry summit in Lansing. In light of national statistics indicating that two-thirds of offenders re-offend after serving their sentences, focusing on citizens who are returning from prison is important to reducing crime. Ron Davis, the Director of DOJ's Office of Community Oriented Policing Services, and Amy Solomon, DOJ's Re-Entry Coordinator, were among the speakers at the summit. Topics that were addressed were employment, education and mental health. Planners included the Michigan Departments of Corrections, Community Health and Human Services, the Prosecuting Attorneys Association of Michigan, the U.S. Probation Department, the Michigan Sheriff's Association and Thomas M. Cooley Law School.



*The statewide re-entry summit featured speakers on overcoming barriers to successful re-entry for returning citizens.*

**Elder Fraud Seminar.** In April, federal and state prosecutors, agents and officers spoke to seniors in Troy about protecting themselves from fraud. Topics included identity theft, investment fraud and cybercrime.

**FTC Common Ground.** In November, the U.S. Attorney's Office partnered with the Federal Trade Commission to present a program on consumer fraud called Common Ground. Members of law enforcement and the public gathered to raise awareness about investor fraud, mortgage fraud, identity theft and other types of crimes that target consumers.

**Michigan Alliance Against Hate Crimes.** In November, the U.S. Attorney's Office for the Eastern and Western Districts of Michigan partnered with the Michigan Department of Civil Rights to plan the eighth annual Michigan Alliance Against Hate Crimes conference. Attorney General Eric Holder began the day with a video greeting, sharing his views on the importance of hate crimes enforcement.

**Annual Great Lakes Native American Conference.** Members and service professionals for Native American tribes in Michigan, Wisconsin and Minnesota gathered in Sault Ste. Marie in Michigan's Upper Peninsula to share information about criminal investigations and victim services for tribal communities. Topics included domestic violence, sexual assault, traditional healing and prescription drug addiction, among others.

**National Forum on Youth Violence Prevention.** We continued to work with the Department of Justice to facilitate the City of Detroit's plan to reduce youth violence. The plan resulted from a series of listening sessions with youth, educators, faith leaders, law enforcement officials, public health officials, business leaders and non-profit agencies. Piloting in the areas near Cody High School on the City's west side and Osborn and Denby High

Schools on the east side, the program seeks to reduce youth violence by employing strategies that have proven effective in other parts of the country. The Detroit plan includes a program called Safe Passages, an alternative to expulsion, which provides consequences for inappropriate behavior while allowing students to continue their education. The plan also includes an initiative called Safe Routes, in which volunteer patrols watch out for students as they travel to and from school, and school Safety Stations, which provide safe places within schools for students to report violence, seek social services and obtain peer-to-peer counseling.

We joined with the City of Detroit to participate in a youth anti-violence summit that included a conversation with high school students about police and community trust following the tragic police shooting of a young man in Ferguson, Missouri. Students shared their experiences, perceptions and suggestions during a facilitated discussion.

**Flint Youth Initiative.** We partnered with the federal district court in Flint to form a youth mentoring program, in which elementary school students were matched with a mentor for weekly lunch sessions. Through ongoing relationships with positive role models, the students learn healthy habits for success in school and life.

**Explorers.** High school students continued to participate in a program at our office where they learn about careers in law and law enforcement. Speakers included prosecutors, defense attorneys, judges, federal agents, probation officers, and law professors. Students met twice per month at the U.S. Attorney's Office and took field trips to the federal courthouse, the University of Detroit Mercy School of Law and the Detroit offices of the Drug Enforcement Administration. Assistant U.S. Attorneys led discussions on topics such as the anatomy of a federal criminal case and how to prepare for and apply to college and law school.

### **Ceasefire Detroit aims to reduce violence in neighborhoods**

Another part of the Youth Violence Reduction Plan, known as Ceasefire, seeks to reduce homicide and gun violence. By analyzing data provided by police and residents, Ceasefire organizers identified potential trigger pullers, called them in to discuss the community's expectation of non-violence and provided them with opportunities to obtain services to help avoid criminal activity. Individuals who were identified through Ceasefire for assistance and then committed acts of violence were held accountable through prosecution.

During the quarterly call-in sessions, 20 to 30 members of violent groups met face-to-face with law enforcement officials, service providers and other members of the community. Law enforcement officials explained the consequences of additional criminal conduct. Service providers gave the group members one telephone number that they may call for help with employment, education, substance abuse, transportation or other barriers to success. Community members, such as faith leaders, former offenders or crime victims provided the "moral voice of the community," asking offenders to put down their guns. Similar programs have led to significant reductions in violent crime in other cities.

**Project Safe Childhood.** Our prosecutors spoke to students and parents about Internet safety, sharing information about Internet child predators and how to safeguard privacy online.

**Project Sentry.** Our prosecutors visited dozens of schools to talk to students about the consequences of gun violence, from physical harm to prison sentences.



## COMMUNITY TRUST

At the U.S. Attorney's Office, we have worked with our law enforcement partners to improve public trust. We understand that government cannot be successful without the trust of the people we serve. We need citizens to speak up when they are victims or witnesses to crime, and end the "no-snitch" culture. To achieve that kind of open communication, we need to earn community trust.

To break down barriers between law enforcement and community members, we conducted outreach events throughout the district. We engaged with students, civic groups, residents in urban centers, members of the Saginaw Chippewa Indian Tribe, Muslim and Arab populations, Hispanic communities, veterans and military service members, Jewish groups, disabled citizens, seniors, immigrant groups and the LGBT community.



*Members of BRIDGES discuss issues such as border stops, FBI surveillance techniques, no-fly lists and the closure of bank accounts.*

The U.S. Attorney's Office continued to participate in BRIDGES (Building Respect in Diverse Groups to Enhance Sensitivity), a partnership between government and the Arab and Muslim community. We also worked with ALPACT (Advocates and Leaders for Police and Community Trust), which brings together

officials from law enforcement and civil rights groups, participating in meetings for the ALPACT chapters in southeast Michigan, Flint and Saginaw. In November, we attended a statewide meeting of all ALPACT chapter leaders.



*Members of the various chapters of ALPACT throughout the state met in Lansing in November to share ideas.*

In the aftermath of the tragic events in Ferguson, Missouri, we participated in several community forums to discuss how to improve police and community trust.

We continued to work with the U.S. District Court to improve the diversity of jury pools, participating in a public forum in southwest Detroit to raise public awareness of the importance of jury diversity and jury service. Speakers included the Federal Defender Office, Chief Judge Gerald E. Rosen and Judge Denise Page Hood, State Rep. Rasheda Tlaib and City Council Member Raquel Castaneda-Lopez.

We sought to maintain transparency in our work whenever possible. Of course, some of our work is protected from disclosure because of grand jury secrecy rules and privacy laws, but when we can, we let the public know how we are expending our resources on behalf of our citizens, seeking to remain accountable to the public for our work.

## IMPROVING OUR WORK

The U.S. Attorney's Office continued to look for ways to improve our own work through management practices, training, coordination of efforts and communication.

**Improving Diversity.** We continued our efforts to improve the diversity of our office, through hiring, training and retention. Our office is more effective when we include people with different perspectives. Our office was recognized by the Department of Justice for the mentoring program that helps new lawyers learn the skills and duties to be effective and responsible attorneys for the government.

We also hosted a lunch meeting at our office for leaders of affinity bar associations, representing various minority groups, such as African-American, Hispanic, Arab-American, LGBT and other lawyers, to discuss recruiting efforts to improve the diversity of our legal staff.

**Training Our Lawyers.** We trained our new lawyers in law, ethics and risk assessment, including mandatory annual training to ensure compliance with our legal obligations to provide discovery material to defendants.

We also conducted Special Emphasis Programs to raise cultural awareness and enhance sensitivity to different cultures and the minority populations we serve, including African-American, Hispanic, Arab-American, Native American and LGBT communities.

**Training Agents.** We conducted training programs for federal agents and state and local law enforcement officers on various topics, such as interview techniques, criminal justice in Indian Country, search and seizure, cell phone analysis and computer forensics. More than 4,000 agents and officers received training organized by our office in 2014.

**Revising Policies.** We enforced the Attorney General's "Smart on Crime" initiative, focusing

our limited resources on significant federal interests, revising our prosecution guidelines, developing an enhanced violent crime enforcement and re-entry strategy and becoming more selective in seeking charges that carry lengthy mandatory minimum sentences in drug cases.



*The U.S. Attorney's Office provided training to law enforcement officers and agents on a variety of topics.*

**STAR Committee.** Our Support Team Advisory Representatives studied and implemented ways to improve training, office processes, career development and quality of work for the support professionals in our office.

**Utilizing Technology.** We continued to improve the way we use technology for communication, case organization, legal research and administrative matters to reduce costs and improve efficiency.

These are a few of the ways we improved our internal operations during 2014. We constantly seek to improve the way we conduct our business, and will continue to strive to improve in 2015. We welcome your suggestions about how we can better serve our community to improve the quality of life in the Eastern District of Michigan.