



U.S. Department of Justice

Terrence Berg  
United States Attorney  
Eastern District of Michigan

***Suite 2001  
211 West Fort Street  
Detroit, Michigan 48226-3277***

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

June 24, 2009

---

Event: Sentenced

Defendant: **Kirkland Dudley**

### LOCAL DETROIT BUSINESSMAN SENTENCED

---

United States Attorney Terrence Berg announced today that Kirkland Dudley, a Detroit businessman and resident, was sentenced by the Hon. George Caram Steeh to three years imprisonment to be followed by three years supervised release on two counts of wire fraud for which he had been convicted by jury at trial this past February. Mr. Dudley was also ordered to pay restitution in the amount of \$530,000 to the two victims of the offense.

Kirkland Dudley, aged 59, owned a start up telecommunications company, GVC Networks, LLC, in 2002 and 2003. The evidence presented at trial established that Mr. Dudley defrauded two lenders, Walter Douglas, owner of Avis Ford in Southfield, Michigan and Theodore Martin, a retired businessman from Florida, of \$1 million in April and May 2003. Mr. Dudley represented to his victims that he would use their loan monies to purchase a communications switch housed in a facility in Southfield and fiber optic circuits owned by the bankrupt giant telecommunications company Adelphia Business Solutions Operations and operate the first minority owned telephone company in the country. Mr. Dudley deceived the two businessmen by providing them with a series of documents indicating that their money

would be held in a restricted escrow account at Comerica Bank and that their money would be used solely toward purchasing the Adelphia equipment. Dudley also falsely represented that the lenders would be repaid within 30 days from the proceeds of a contract GVC Networks had entered into with a Grand Rapids company, US Signal, to lease much of the fiber optic capacity GVC Networks was buying from Adelphia and pay GVC Networks nearly \$2 million within 30 days. In reality, Mr. Dudley arranged to open a Comerica account which was not a restricted escrow account, and provided the lenders with a forged contract with US Signal. He then expended the lenders' monies for other purposes over the next eight months, but lulled them into believing he had still preserved their monies and was still trying to consummate the deal with Adelphia.

United States Attorney Terrence Berg said, "Clearly both the jury and the court concluded that presenting phony contracts and forged bank account records to lenders in order to obtain financing is a serious fraud that must be punished. I would like to commend the excellent investigative work of the U.S. Postal Inspection Service who investigated the case.