



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

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Event: Prosecution

Defendant: Jacob Arabov

## Seven Metropolitan Detroit Area Law Enforcement Departments Receive \$1.6 Million

### From the U.S. Government for Their Role in National Drug Investigation

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Seven metropolitan Detroit area local law enforcement departments are recognized in their role in the investigation and successful prosecution of Jacob Arabov, a nationally known New York City jeweler, who obstructed a federal drug investigation, announced United States Attorney Terrence Berg.

Mr. Berg was joined in the announcement by Robert L. Corso, Special Agent in Charge, Drug Enforcement Administration and Maurice M. Aouate, Special Agent in Charge, Internal Revenue Service, Criminal Investigation.

A check totaling \$1.6 million was presented to: Birmingham Police Department (\$267,200), Detroit Police Department (\$267,200), Township of Grosse Ile Police Department (\$267,200), Livingston County Sheriff's Department (\$267,200), Livonia Police Department

(\$267,200), River Rouge Police Department (\$196,800), and Waterford Township Police Department (\$67,200) as equitable shares for their invaluable intelligence and assistance associated with the complex investigation of the Black Mafia Family (BMF) drug organization and Arabov.

These funds represent a majority portion of the monies obtained when Arabov agreed to forfeit \$2 million to the United States Attorney's Office, which was paid to the Internal Revenue Service. United States Attorney Berg had the funds distributed to the local law enforcement departments in accordance with the Internal Revenue Service's equitable sharing program that applies to assets seized by the Federal Government as proceeds or instrumentalities of criminal activity.

According to court records, between July 2005 and June 2006, Arabov, in an effort to assist co-defendant Terry Flenory and other members of Flenory's drug trafficking organization, BMF, in concealing their ownership of a portion of \$5 million worth of jewelry that had been seized, falsified documents and later submitted those documents to the Drug Enforcement Administration (DEA), IRS Criminal Investigation, and the United States Attorney's Office in support of Arabov's false claim of personal ownership for the jewelry. Specifically, Arabov claimed in a memorandum he submitted to federal agents and the United States Attorney's Office, that his jewelry store, Jacob & Company, had cosigned certain pieces of jewelry to a co-defendant when, in fact, he had already sold the items directly to Terry Flenory. In a further attempt to obstruct DEA and IRS Criminal Investigation's drug investigation of the Flenory organization and the United States Attorney's Office's administrative forfeiture of the jewelry, Arabov made false statements to federal agents and the United States Attorney's Office regarding his relationship with Terry Flenory and Flenory's true ownership of the jewelry. In March 2009, Arabov was sentenced to 30 months imprisonment and forfeited the \$2 million.

According to court records, the Flenory's operated BMF, which dealt in multi-kilogram quantities of cocaine in the Detroit metropolitan area beginning in the early 1990's. By the mid 1990's, the organization extended its drug trafficking activities into other parts of the country,

including Missouri, Kentucky, Georgia, Alabama, Tennessee, California and Texas. As part of the conspiracy, BMF would use vehicles equipped with hidden compartments to conceal and transport cocaine and the cash generated from the sale of cocaine. Both brothers were sentenced to 30 years for their role as leaders of the BMF criminal enterprise.

United States Attorney Terrence Berg said, "The asset forfeiture program is one of the government's most effective tools against criminal activity; depriving individuals and organizations of their illegally obtained cash and assets. One of the goals of any forfeiture program is to encourage joint operation and cooperation between federal, state and local law enforcement agencies. This program has proved invaluable in fostering enhanced cooperation and this is why we are here today."

IRS Special Agent in Charge Aouate stated, "As it was about the money for these criminals, it is still about the money, but this time for good use and not for greed. Now these illegally proceeds can now be used by these local law enforcement departments to continue to better fight crime and protect our communities."

DEA Special Agent in Charge Corso stated, "Money is the one thing that drug traffickers covet the most. The ability to forfeit \$2 million of drug proceeds, and then share that money with our law enforcement partners in order to fund future investigations, is a positive for all of the citizens of Southeast Michigan. Mr. Arabov made a huge mistake when he agreed to help the Black Mafia Family. The forfeiture of this money, and his thirty months in federal prison, clearly illustrates the price he must pay for that mistake."

United States Attorney Berg praised the cooperative efforts of the various law enforcement agencies involved and commended the performances of Assistant United States Attorneys Dawn Ison, Michael Leibson and Julie Beck.