

NEWS

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FOR IMMEDIATE RELEASE

Oct. 28, 2008

Suspended Newark Police Detective Convicted at Trial for Laundering Gambling and Drug Proceeds

(More)

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NEWARK – A federal jury today convicted suspended Newark Police Department Detective Michelle Davis of conspiracy to commit money laundering and four substantive money laundering counts, U.S. Attorney Christopher J. Christie announced.

The money laundering convictions related to Davis' efforts to aid Rasheem Small, a Newark heroin dealer and operator of an illegal gambling establishment, to conceal the source of illegal proceeds from these criminal enterprises. Davis, 36, of Hillside, frequented the illegal gambling business, operated out of a social club at 116 Badger Ave. in Newark, beginning in 2002 up to the time of her arrest in December, 2007.

Testimony revealed that, at the gambling establishment, Davis associated with some of Newark's most successful and notorious drug dealers, who would place wagers of up to tens of thousands of dollars at a time. Testimony revealed that Small earned up to \$10,000 a day from his cut of the gambling business profits. The heroin distribution ring run by Small's partner, Abdullah Meyers, earned up to \$100,000 per week in profits. (Small and Meyers have plead guilty to drug distribution and money laundering in this case and await sentencing, along with other co-defendants.)

Davis, knowing that Small paid for a \$49,000 Range Rover vehicle with the proceeds of illegal gambling, registered the vehicle in her name to conceal the true ownership of the vehicle. Additionally, she received approximately \$6,000 in cash from Small and then wrote two checks, one drawn on the Newark Police Federal Credit Union, to pay for Small's air-conditioning unit at his luxury home in East Orange, knowing that the checks she issued would conceal the source of the illegal gambling money.

Davis was convicted on all five counts contained in a Superseding Indictment – conspiracy to commit money laundering, and four counts related to the payment for the air conditioning unit and the purchase and subsequent sale of the Range Rover vehicle. The original Indictment in the case was returned in November 2007. Davis was arrested a couple of weeks later in December 2007. Davis was then suspended without pay from the Newark Police Department.

The U.S. Attorney's Office calculates at this time that, under the advisory U.S. Sentencing Guidelines, Davis could face a sentencing range of between 33 to 41 months in federal prison. U.S. District Judge Katharine S. Hayden scheduled sentencing for Feb. 11. (The Sentencing Guidelines are advisory only, and Judge Hayden has discretion to impose a sentence above, below or within the Guidelines.)

The jury returned its verdict today, following about two-and-a-half hours of total deliberations over two days, following a two-week trial. The case was prosecuted by Assistant U.S. Attorneys Robert Frazer and Anthony Mahajan, of the U.S. Attorney's Office Organized Crime Drug Enforcement Task Force.

Christie credited Special Agents of the DEA, under the direction of Special Agent in Charge Gerard P. McAleer, and Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, with the investigation of the Small drug organization and Davis and for their support and expertise in the trial phase of the case. Christie also thanked the Newark Police Department and Police Director Gary McCarthy for their cooperation during the investigation and prosecution.

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Counsel for defendants:
Henry Klingeman, Esq., Newark, for Davis