



Department of Justice

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FOR IMMEDIATE RELEASE

03/10/08

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INSIDERS SENTENCED IN \$2.8 MILLION "XQUISITE EMPIRE" FRAUD RING

Atlanta, GA - Sentencing hearings for 11 key defendants were completed today in the \$2.8 million "Xquisite Empire" car loan fraud ring based in Atlanta.

"This fraud scheme was based on luxury cars and lies," said United States Attorney David E. Nahmias. "The conspirators designed the scheme to rapidly and fraudulently acquire large numbers of luxury vehicles through straw purchasers. The defendants then sold the cars to members of a violent narcotics gang who were unknown to the original lenders, leaving the lenders with very little recourse. We commend Chief Richard Pennington and the Atlanta Police Department for their valuable assistance in this investigation. They worked closely with the FBI and U.S. Postal Inspection Service to bring this scheme to an end."

FBI Atlanta Special Agent In Charge Gregory Jones said, "These convictions illustrate the strength in the teamwork approach to law enforcement. This scheme demonstrates the problems created by 'straw buyers' and the recruiters that enlist them. People that use their credit to conduct fraudulent purchases, be it high dollar vehicles or mortgages for homes or property, are considered a critical component of a criminal enterprise."

Ring leader KENNETH DAVID HARVEY, 30, was sentenced today by United States District Judge Jack T. Camp to 3 years, 10 months in prison, followed by 3 years of supervised release, restitution of \$2.4 million. Co-ring leader WILLIAM MARSHALL, 41, was sentenced on July 30, 2007, by a United States District Judge for the Middle District of Florida, to 9 years, 3 months in prison, followed by 3 years supervised release and restitution of \$2.83 million. MARSHALL had also been convicted of federal crimes related to money laundering and narcotics trafficking in Orlando.

Earlier in March 2007, "Xquisite Empire" recruiters DARTEZ DANIEL, 39, JERRY FERRELL, 35, and KEYOMO BUTLER, 34, were sentenced to 2 years, 10 months, 2 years, 9 months, and 3 years, 1 month in prison, respectively, all to be followed by 3 years supervised release and ordered to pay restitution to the victims. Also in

Florida, co-conspirator SHEENA MULLINS was sentenced to 4 years, 9 months in prison, part of which related to a separate narcotics conviction. Straw purchasers LINDA SMITH, 31, SHEER GODFREY FIELDS, MIMI WILLIS, 30, MITOSHI STEPHENS, 39, MERCEDEH SAFAVI, 40, and TARA BROWN FERRELL, 37, were all sentenced to 10 months' confinement, and straw purchaser SHAUNDA CARTER, 36, was sentenced to 8 months' confinement.

In September 2007, straw purchaser STEPHEN JAMES, 30, was sentenced to 1 year, 3 months in prison, and straw purchasers YOLANDA CLARK, 38, and TERESA MOSLEY, 37, were both sentenced to 10 months' confinement. Three other defendants, MELISSA MARSHALL, STEPHANIE JAMES, and CARMEN STALLWORTH are awaiting sentencing, which is expected in the next 60 days. All of the defendants are from the Atlanta area, and had previously entered guilty pleas to conspiracy to commit wire fraud and bank fraud.

According to Nahmias, the indictment and information presented in court: WILLIAM MARSHALL and HARVEY started the scheme in early 2002. They began to defraud lenders by fraudulently obtaining approximately 224 high-end luxury vehicles valued at \$11.2 million, using over 50 so-called "straw" purchasers to purchase or lease the vehicles. MARSHALL and HARVEY created a company called "Xquisite Empire," which ostensibly was in the rental car business but had no legitimate income from rental cars. MARSHALL and HARVEY supplied straw purchasers with false credit information, which the straw purchasers subsequently listed on loan applications. MARSHALL, HARVEY, and others instructed each straw purchaser to buy as many cars as possible within a 30-day period to prevent prospective lenders from learning about the straw purchasers' true liabilities through seeing the most recent loans relating to fraudulent purchases appear on credit reports. In return, MARSHALL and HARVEY paid the straw purchasers fees for obtaining the vehicles. MARSHALL and HARVEY took possession of the vehicles, turning them over to others who wanted to conceal their ownership of the vehicles. When the payments to the lenders stopped, and the lenders tried to repossess the vehicles, the straw purchasers had no knowledge as to where the vehicles were. Only MARSHALL and HARVEY knew who the actual possessors were. The lenders lost over \$2.8 million. Criminal charges against this group were brought in federal court in Atlanta as well as in Orlando, Florida.

This case was investigated by Special Agents of the Federal Bureau of Investigation, the United States Postal Inspection Service, and the Atlanta Police Department.

Assistant United States Attorney David Leta prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney or Charysse L. Alexander, Executive Assistant United States

Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.