

United States Attorney's Office
Eastern District of Michigan

ANNUAL REPORT 2015

Enforcement, Prevention, Community Trust

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EXECUTIVE SUMMARY

2015 marked the 200th anniversary of the U.S. Attorney's Office for the Eastern District of Michigan. In 1815, even before Michigan became a state, President James Madison appointed Solomon Sibley to be the first U.S. Attorney for the Michigan Territory. He handled matters such as customs violations, public land disputes and claims arising from the War of 1812, pertaining to payments to soldiers and damage to farms by U.S. troops.

Today, as interstate travel and technology have created opportunities for crime that are national and even international in scope, the U.S. Attorney's Office for the Eastern District of Michigan has grown to 115 lawyers and another 100 support professionals to bring criminal and civil cases involving national security, public corruption, violent and organized crime, drug trafficking, complex white collar and cyber crime, civil rights and other legal issues.



We seek to provide transparency and accountability by publicly reporting on our work each year. In 2015, 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 was sentenced to 45 years in prison for 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. He lied to some of his patients when he told them that they had cancer so that he could increase his profits. He received \$17 million in fraudulent billings.
- The former City of Detroit treasurer was sentenced to 11 years in prison and a former pension board trustee to 57 months following their convictions for conspiring with former Mayor Kwame Kilpatrick and each other to accept bribes and kickbacks in exchange for their votes on investment decisions.
- Our Detroit One partnership between federal, state and local law enforcement and community groups continued to focus on reducing gang and gun violence, combining enforcement and gang intervention.
- We filed a lawsuit against Pittsfield Township, alleging that the township violated the law when it denied zoning approval to allow the Michigan Islamic Academy to build a school on a vacant parcel of land in the township.
- Our office collected \$257.2 million in fiscal 2015 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. We continued to address our priorities: public corruption, violent crime, national security, fraud and civil rights. To combat the heroin and prescription pill epidemic, we launched the HOPE initiative (Heroin and Opioid Prevention and Enforcement), and hosted a multi-state law enforcement summit to develop a strategy to disrupt the flow of drugs from Michigan to nearby states.

Prevention. Equally important to enforcement in reducing crime is prevention. In addition to our ongoing programs, we organized security training for places of worship following the tragic shooting in Charleston, S.C., raised awareness about violent extremism, helped organize a reentry job fair for citizens returning from prison to improve the likelihood of a successful transition to society and worked with law enforcement partners on the Ceasefire gang intervention program.

Community Trust. We continued our efforts to build community trust in law enforcement, so that we can be more effective in serving our citizens. Following incidents across the country that have eroded police and community trust, we led and participated in community events throughout the Eastern District of Michigan to break down barriers and engage our residents to work together, including meetings of Advocates and Leaders for Police and Community Trust in Detroit, Flint, Saginaw and Jackson, and presentations at high schools regarding what to do if you are stopped by the police. We also worked to advance criminal justice reform and implement the Attorney General's Smart on Crime initiative, selectively charging crimes that carry mandatory minimum sentences to ensure proportional sentencing based on criminal conduct.

Constantly Striving To Improve. Finally, we continued to seek ways to improve our own work, so that we can better serve our citizens, through training, technology 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 constantly strive to improve ourselves and our work, 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.

Despite the fact that we deal with issues that were unimaginable 200 years ago, some things remain constant. We maintain our commitment to justice, fairness and service to the people of our district. Those values are eternal. And we pledge to adhere to those values as we embark on the next 200 years.

*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 for 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 was sentenced to 11 years in prison, following his conviction along with a pension board trustee and the pension board's lawyer. Trustee Paul Stewart was sentenced to 57 months in prison. They were convicted at trial in 2014 for conspiring with former Mayor Kwame Kilpatrick and each other 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.

In *United States v. Cleveland*, Marlon Cleveland, a former Court Officer for the 36th District Court in Detroit, was sentenced to three years in prison for stealing tens of thousands of dollars that had been collected on civil judgments. Cleveland pleaded guilty in June to theft from a program receiving federal funds and mail fraud. The convictions arose from a pattern of thefts committed by Cleveland in 2013 and 2014. During that time, Cleveland victimized more than 30 individuals and businesses by demanding that they make payments on outstanding court judgments and then keeping those funds for himself.

In *United States v. Hansbury*, a Detroit Police lieutenant and an officer were indicted on charges of robbing drug dealers and stealing drugs and money obtained in police searches. A third defendant, a civilian, was also charged with interference with commerce by robbery and extortion. According to the indictment, the defendants arranged drug transactions with civilians, including confidential sources, so that they could rob and extort them. The defendants allegedly carried out traffic stops and fake arrests, stealing drugs, money and property from victims.

Union Official Indicted on Charges of Extortion, Embezzlement

In *United States v. Hamilton*, a former elected official of the 18,000 member Local 324 of the International Union of Operating Engineers was indicted on charges of extortion, embezzlement, money laundering and conspiracy. The indictment alleged that James Hamilton used his position as business manager of Local 324 to personally enrich himself through a series of illegal schemes, including extorting business agents and employees of Local 324 to pay \$5,000 of their salaries into a fund that Hamilton used for his personal benefit. The indictment also alleged that Hamilton embezzled union funds by giving himself a \$97,000 per year raise, spending \$50,000 on special rims for his union-issued Cadillac and paying for expensive meals and liquor. Finally, the indictment alleged that Hamilton accepted work worth thousands of dollars on his personal residence by a union contractor in exchange for sending \$300,000 in Local 324 business to the contractor.

In *United States v. Cromer*, two former contractors with the Detroit Public Library were each sentenced to more than two years in prison. James Henley of Detroit was sentenced to 27 months and Ricardo Hearn of Royal Oak, was sentenced to 28 months in prison. Each man also was ordered to pay \$750,000 in restitution to the Detroit Public Library for losses suffered by the library as a result of the crimes. Henley and Hearn had paid former Detroit Public Library Chief Administrative Officer Timothy Cromer \$1.4 million in kickbacks in return for contracts for information technology services with the Detroit Public Library during the period 2007 to 2010. After being confronted by federal law enforcement officials, Henley and Hearn both cooperated in the prosecution of Cromer. Cromer was sentenced in 2014 to 10 years in prison for his role in the bribery conspiracy, and ordered to pay more than \$3.9 million in restitution to the library.

In *United States v. Kilpatrick*, the U.S. Court of Appeals for the Sixth Circuit affirmed the convictions of former Detroit Mayor Kwame Kilpatrick and contractor Bobby Ferguson on charges of extortion, bribery, fraud and tax violations.

School Officials. In *United States v. Snapp*, a Detroit high school principal, along with a vendor and contractor, were indicted on charges of conspiracy to commit bribery and money laundering. The indictment alleged that Kenyetta Snapp, the former principal at Denby and Mumford High Schools, received kickbacks from a company that provided after-school tutoring services during a two-year period. Payments were made to a contractor working for the tutoring service to conceal the kickbacks.

Union officials. In *United States v. Shaffer*, a Livonia woman was sentenced to 12 months in prison for embezzlement of labor organization assets. She was also ordered to pay \$340,267 in restitution to the International Brotherhood of Electrical Workers (IBEW) Local 58 in Detroit. Shaffer, a dues clerk, admitted that she

embezzled \$101,059.56 of IBEW Local 58 funds by engaging in a check substitution scheme. She received dues remittance checks from employers, set them aside without properly recording them and when an equal amount of cash was received, embezzled the cash by replacing it with the unrecorded checks.



U.S. Attorney General Loretta Lynch recognized the work of the Kilpatrick prosecution team, along with AUSAs Julie Beck and Leslie Wizner, presenting them with awards in the Great Hall at the U.S. Department of Justice in Washington.

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.

As violent crime statistics showed increases around the country in 2015, we saw a slight decrease in Detroit. Still these rates remain intolerably high. 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. Homicides continued to decline, and we again saw the fewest homicides in Detroit since 1967.



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.

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.

Project Safe Neighborhoods. We participated in the grant-funded program to increase enforcement of firearms offenses and to provide prevention services in an effort to reduce gun violence in Detroit and Saginaw.



The Detroit One partners gathered to announce an initiative to reduce gun violence in Detroit.

Violence Reduction Network. Flint joined Detroit as two of ten cities participating in the national Violence Reduction Network. Law enforcement leaders from participating cities attended a summit in Detroit 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 21st century. Each of the ten cities receives technical assistance and access to industry experts to enhance our efforts to reduce violent crime.

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 working to reduce prescription pill and heroin use among young people. Our office prosecuted a number of violent crime and domestic and sexual assault cases involving Native American victims occurring on the reservation.

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.

Firearms Violence Reduction Campaign. In June, the Detroit One partners, including Crime Stoppers, launched an initiative to reduce gun violence in Detroit. In addition to announcing that more violent felons illegally possessing guns would face federal prosecution, the Detroit One partners also initiated a billboard campaign to raise awareness about the penalties, including a 15-year mandatory minimum sentence for defendants who illegally possess guns after three or more convictions for violent felonies or drug trafficking offenses.

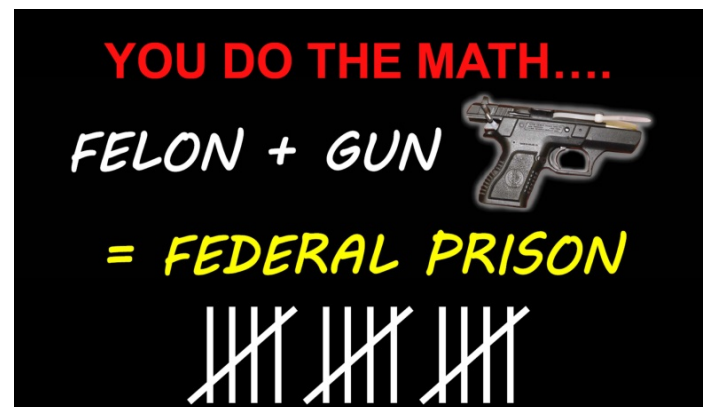
Cases

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.

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. Smith*, we partnered with the Criminal Division at the U.S. Department of Justice to convict six members of the Devils Diciples Motorcycle Gang, including the national president, national vice president and national warlord. The defendants were convicted after a four-month trial of violent crimes in aid of racketeering, production and trafficking of methamphetamine, illegal firearms offenses, obstruction of justice, illegal gambling and other federal offenses. According to evidence at trial, the Devils Diciples (which the group intentionally misspells) is a

motorcycle gang with its national headquarters in Clinton Township, Michigan. The Devils Diciples operated regional chapters in cities throughout Michigan, Alabama, Arizona, California, Illinois, Indiana, Ohio and elsewhere, and engaged in criminal activities for financial gain. In a second trial, three additional members of the Devils Diciples were convicted of RICO conspiracy, trafficking in methamphetamine, obstruction of justice and related charges. To date, more than 40 members of the gang have been convicted.



Billboards raised awareness about the stiff federal penalties for violent felons who illegally possess guns.

In *United States v. Nicholson*, we partnered with DOJ's Criminal Division to convict 13 members of the Phantom Outlaw Motorcycle Gang and Vice Lord street gang for violent criminal activity. In March, six members of these gangs, including the national president of the Phantoms who is also the top-ranking Vice Lord in Michigan, were convicted after a six-week trial for RICO conspiracy, various violent acts in aid of racketeering, assault of a federal officer and firearms offenses. This case stemmed from the work of ATF and FBI to thwart a plot to commit murders in retaliation for a murder of a gang member. All six men received significant sentences, including a 40-year sentence for the National Enforcer and a 35-year sentence for the National President. In a second trial, two additional members of the gang were convicted, one of the murder plot and the other of a shooting of two rival gang members in Columbus, Ohio.

In *United States v. Clark*, a continuation of the same investigation of the Vice Lords, seven Detroit men were charged for their roles in a gang-related shooting. Charges included attempted murder in aid of racketeering, assault with a dangerous weapon in aid of racketeering, using a firearm during a crime of violence and being a felon in possession of a firearm. The indictment alleged that the shooting was prompted when two members attempted to leave the gang and by the gang's narcotics trafficking in northwest Detroit and at the Northland Mall.

In *United States v. Vasquez*, ten 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 and 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 and eight defendants awaited trial. A number of other Latin Counts were indicted in separate cases dealing with firearm offenses. Three of those gang members have pleaded guilty.

The Detroit One initiative also focused on inter-gang violence with indictments charging rival gangs who committed revenge shootings as well as other violent crimes. Five men were charged with racketeering and related crimes for their roles in a gang in northwest Detroit called "Related Through Money" or "RTM." The indictment alleged that the gang members committed murders, shootings, carjackings, assaults, home invasions and robberies. Eight members of the RTM gang's main rivals in northwest Detroit, the "Band Crew," were also indicted for racketeering, attempted murders, shootings, assaults, home invasions, robberies and narcotics distribution.

In *United States v. Norwood*, five members of the Howard Boys street gang in Flint were sentenced to life in prison after their convictions

at trial in 2014 for racketeering conspiracy and committing violent crimes in aid of racketeering. Members of the gang were involved in drug trafficking, assaults and murders.

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 convicted of committing an armed robbery of the Tapper's Jewelry Store in West Bloomfield and attempting to rob another jewelry store in Grand Rapids. All four men were also convicted of conspiracy and firearms offenses. The defendants entered the stores with masks and guns, ordering employees and customers to the floor and smashing display cases to steal Rolex watches.



In addition to its Detroit headquarters, the U.S. Attorney's Office for the Eastern District of Michigan has staffed branch offices in Flint and Bay City as well as unstaffed offices in Ann Arbor and Port Huron.

In *United States v. Castro*, six individuals were charged with armed home invasion robberies in Ann Arbor, Michigan, and Dallas, Texas. According to the indictment, the defendants used female decoys to knock on the victims' doors and gain entry, or they forced entry. Once inside, the defendants allegedly brandished firearms to gain control of their victims, including children, who were sometimes bound with duct tape. Members of the crew then ransacked the homes in search of cash, jewelry and electronics. The indictment

alleged that defendant Chaka Castro researched targets on the Internet to identify families of Asian and Indian ancestry who were small business owners. Castro then assigned crews to carry out the armed robberies of these targeted families.

In four separate indictments, 35 individuals from the metro-Detroit area were charged in a series of smash and grab robberies of jewelry stores across the United States. According to the indictments, these robbery crews from the metro-Detroit area planned and executed 14 robberies. The crews traveled across the country to jewelry stores that sell high-end jewelry. Several members of the crew entered the jewelry stores while they were open for business, smashed display cases with sledge hammers and fled the store with Rolex watches and other jewelry, valued at hundreds of thousands of dollars. The robbers escaped into waiting, stolen vehicles and returned to Michigan with the stolen watches.

In *United States v. Naranjo*, four men were charged in a 50-count indictment with a series of armed robberies of businesses in the Flint area. The indictment alleged that the four men committed 28 separate robberies over a nine-month period.

In *United States v. McCaskill*, a Saginaw man was sentenced to more than 14 years in prison for assaulting and robbing a victim he had met at the Soaring Eagle Casino on the Saginaw Chippewa Indian Reservation. The evidence showed that the defendant targeted the victim after he won money at the casino, offered him a ride and then drove him to a secluded area, where he physically assaulted him and stole more than \$2,000.

In *United States v. Kimble*, two men pleaded guilty for committing armed robberies of three businesses and a drug house in Flint. One defendant shot at the store owner and a customer during one of the commercial robberies and at the drug dealer when attempting to rob the drug house. He has

pleaded guilty and awaits sentencing. His co-defendant was involved in one of the commercial robberies, and was sentenced to seven years in prison.



United States Deputy Attorney General Sally Yates spoke at the Violence Reduction Network summit, which brought law enforcement delegations from 10 cities to Detroit to discuss strategies for improving public safety. The cities of Flint and Detroit are part of the network.

In *United States v. Alaniz*, a Mt. Pleasant man was sentenced to almost seven years in prison after he entered a house on the Saginaw Chippewa Reservation, pointed a pellet gun at a six-year-old child and other occupants, and robbed them.

Assault. In *United States v. House*, a Farwell, Michigan, man was sentenced to 37 months in prison for separate assaults against two girlfriends. Both incidents happened on the Saginaw Chippewa Indian Reservation. The evidence showed that in 2014, the defendant threw one victim to the floor, punched her, kicked her and strangled her. The evidence also established that in late 2013, the defendant strangled the other victim multiple times.

In *United States v. Gardner*, a Mt. Pleasant man was convicted at trial for assault by striking, beating and wounding a victim. The evidence at trial showed that the defendant punched the victim, put her in a headlock and struck her multiple times on the Saginaw Chippewa Indian Reservation.

In *United States v. Wilson*, a Mt. Pleasant man was sentenced to 19 years and two months in prison for sexually abusing a three-year-old victim on the Saginaw Chippewa Indian Reservation. The defendant was a repeat offender against minors.

Drug Trafficking. We focused our drug enforcement efforts on dismantling large-scale drug trafficking organizations, prosecuting individuals using guns and violence in the drug trade and tackling the heroin and prescription pill epidemic.



U.S. Attorney Loretta Lynch recognized Senior Legal Assistant Coordinator Beryl Robbins for her outstanding service and dedication in carrying out the mission of the Department of Justice at an awards ceremony in Washington, D.C.

In May, four men were charged in separate cases with distributing drugs that resulted in the overdose deaths of three people:

- Zachary Burdette of Ypsilanti was charged with distributing a fatal mix of heroin and fentanyl to a 27-year-old Ypsilanti Township man. The victim was found by his mother slumped over his bed with a syringe in his hand.
- Roy Brownlee of Ypsilanti was charged with supplying the heroin/fentanyl mix to Burdette that was sold to the overdose victim. Brownlee was also charged with possessing and supplying an assault rifle and a semi-automatic pistol.

- Kenyatta McConico of Detroit was charged with distributing heroin that resulted in the overdose death of a 35-year-old woman from Redford Township.

- Charlie Stevens of Beverly Hills was charged with distributing Vicodin pills to an 18-year-old man from Franklin. The man died of an overdose from the Vicodin and was discovered in his home by his family.

U.S. Attorney's Office Targets Heroin with Project HOPE

In August, the U.S. Attorney's Office in Detroit launched Project HOPE, Heroin and Opioid Prevention and Enforcement, an action plan to address the heroin and prescription pill epidemic that has resulted in an alarming increase in overdose deaths. The plan makes it a priority to prosecute heroin trafficking resulting in death or great bodily injury. The plan also includes outreach and prevention to educate the public about the link between prescription pills and heroin addiction.

We also hosted a Heroin Pipeline Summit to develop a comprehensive enforcement strategy for our region. Officials from U.S. Attorney's Offices, the Drug Enforcement Administration and High Intensity Drug Trafficking Areas in six states gathered to focus on the southern pipeline that conveys heroin and prescription pills from Michigan into other states.

In *United States v. Towns*, two residents of Arizona and two residents of Michigan were indicted for a multi-kilogram heroin and cocaine conspiracy. According to the indictment, more than ten kilograms of cocaine and two kilograms of heroin were seized from

the conspiracy, a multi-year venture to traffic large amounts of drugs from Arizona to Flint.

In *United States v. Street*, seven Detroit-area men were charged with conspiracy to distribute heroin. Two of the defendants were charged with distribution of heroin resulting in great bodily injury. The victims survived overdoses because they were revived by paramedics.

In *United States v. Burnett*, an indictment charged 24 members of a large-scale drug trafficking organization on Detroit's east side. The indictment alleged that the group used 16 different houses, most of them abandoned, in and around the Ravendale neighborhood, to distribute heroin and powder and crack cocaine during the past last several years. Six of the defendants were also charged with participating in an illegal dogfighting ring that bred and trained dogs for dogfights in Detroit.



The link between prescription pills and heroin addiction was discussed during a community awareness briefing at the Saginaw Chippewa Indian Reservation in Mt. Pleasant.

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 forever. Defendants

encourage and normalize each other's sexual attraction toward children through online communications, increasing the number of offenders who sexually exploit children.

In *United States v. Kuppe*, a 21-year-old West Bloomfield man who worked as a camp counselor was charged with production, possession and receipt of child pornography. The defendant was charged with taking nude photos of young boys in the locker room of a Jewish Community Center and posting the photographs on foreign websites.

In *United States v. Curry*, a Detroit man was convicted at trial of sex trafficking three minor victims using force and coercion. The defendant met his victims in Mt. Pleasant after they had run away from a residence where they had been placed by a juvenile court. He convinced them to come to Detroit by promising them new clothes and cellular telephones and offering to take care of them. Instead, he used threats and physical force, including rape, to control them. He took explicit photos of the victims and used the photos in advertisements for commercial sex acts. The girls were rescued when one of them escaped through a window and ran to a gas station, where a motorist helped her telephone her father. They called the Michigan State Police, who rescued the others from the home.

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 Jesuit priest pleaded guilty and was sentenced to 12 years in prison for transportation of child pornography. The defendant admitted that in 2011 he transported child pornography from his home in Clarkston to a new residence in Chicago. Just after his move to Chicago, Kurtz was arrested for sexual assault on a child by one in a position

of trust. After Kurtz's arrest in Chicago, two Jesuit priests discovered evidence of child pornography among Kurtz's belongings. Kurtz's collection of child pornography exceeded 2,300 images, including video images he made of hockey players in the locker room at the University of Detroit Jesuit High School, where Kurtz was a chemistry teacher.

In *United States v. Fulgenzi*, a Farmington Hills man was charged with transporting a 15 year-old child from Michigan to Tennessee for the purpose of having sex with the child. Fulgenzi was a registered sex offender from a prior conviction involving a teenage girl.

New Jersey Man Sentenced To 35 Years in Prison for Sextortion

In *United States v. DeKruif*, a New Jersey man was sentenced to 35 years in federal prison following his guilty plea to sexual exploitation of children. The defendant admitted that he began an online relationship with a minor female and persuaded her to send him nude photos of herself. He then used the photos and other threats to blackmail her into photographing explicit sexual acts for him. As a result of the investigation, eight other victims from across the country were identified.

In *United States v. Hussain*, a Florida man was sentenced to six years in prison following his guilty plea 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 child pornography.

In *United States v. Tanzini*, a Milford man was sentenced to 50 years in prison for sexually exploiting two girls by manipulating them into sexual activity, then producing images of that sexual exploitation. The defendant uploaded some of the images to a website and sent images to others in an attempt to sell access to the children.

In *United States v. Ford*, a Flint man was sentenced to 16 ½ years in prison for possessing more than 350 video images of child pornography. The defendant was on parole for a conviction for sexually abusing a child.

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

Nationally, U.S. Attorney Barbara McQuade continued to serve as co-chair of the Terrorism and National Security Subcommittee of the Attorney General's Advisory Committee. Locally, we coordinated the Anti-Terrorism Advisory Council ("ATAC"), which brings together officials from the public and private sectors to prevent acts of terrorism. We organized an ATAC presentation to help prevent and prepare for a Paris-style terror attack, and participated in a joint counterterrorism awareness workshop with other law enforcement partners that was organized by the National Counterterrorism Center. We participated in security planning for special events in Detroit, including the North American International Auto Show. And we exercised our own Critical Incident Response Plan so that we will be prepared to investigate and prosecute a terrorist attack under any circumstances. We

continued our work with law enforcement partners in Canada to improve communication and coordination in joint investigations.



The U.S. Attorney's Office participated in exercises to prevent and prepare to respond to terrorist attacks.

Cases

International Terrorism. In *United States v. Odeh*, a naturalized U.S. citizen, who was convicted in Israel for a terrorist bombing, was sentenced to 18 months in prison and was ordered denaturalized and removed from the United States. Odeh was convicted at trial for immigration fraud in 2014. 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 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. Odeh was sentenced in Israel to life in prison, but was released after ten years in a prisoner exchange. In 1995, she immigrated to the United States, and naturalized in 2004. In immigration documents, Odeh omitted her conviction in Israel, which was a material fact for the U.S. government in granting her citizenship.

Assault. In *United States v. Dubose*, a Detroit man was sentenced to more than 9 ½ years in prison for his role in an armed robbery of an Iraqi diplomat and his wife. Defendant James Dubose and his co-defendant, Tyrone Gulley, targeted the victims as they were shopping at a Meijer store in Southfield. The defendants followed the victims to their home. There, Dubose held the victims at gunpoint, threatened to shoot them and robbed them. Gulley was sentenced to five years in prison for his role.

Financial Fraud

Another enforcement priority is financial fraud, which can rob victims of their savings, harm housing markets and investors, compromise private personal information, pollute our environment, risk public safety and divert taxpayer funds from programs intended to benefit disadvantaged citizens. Our fraud investigations encompassed health care fraud, investor fraud, identity theft, environmental violations and other offenses. We used civil and criminal enforcement tools to combat 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. 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. Awada*, a doctor who practiced in Warren was sentenced to seven years in prison for committing health care fraud and writing prescriptions for oxycodone without medical justification. Marketers recruited patients to come to Awada to receive prescriptions, which were then sold on the street. Awada used the patient data to submit bills to Medicare and private insurers for reimbursement for services that were not performed or not medically necessary, including x-rays and other invasive tests. More than \$2 million in criminal proceeds were forfeited.

In *United States v. Williams*, the former operator of a Detroit adult day care center and two former owners of Detroit-area home health care companies were sentenced to prison for their roles in a \$29 million Medicare fraud scheme. All three defendants were convicted after a 12-week trial. Sentences ranged from five to ten years. Evidence showed that Felicar Williams billed for psychotherapy services that were not actually provided, including billings for services purportedly provided to patients who were deceased. Williams also sold the private medical information of her patients to co-defendant Abdul Malik Al-Jumail so that he could use it to submit fraudulent claims to Medicare. Al-Jumail and his daughter Jamella Al-Jumail billed Medicare for home health services that were not provided.

In *United States v. Yaghmour*, a Dearborn pharmacist was sentenced to six years in prison for conspiracy to illegally distribute prescription pills and money laundering. Yaghmour was one of 43 defendants charged in a health care fraud and drug distribution scheme. Yaghmour accepted nearly \$2 million in illegal kickbacks from home health agencies in exchange for

illegally dispensing prescriptions for pain medications that had no legitimate medical purpose. Medicare, Medicaid and private insurers were billed for the prescriptions, which were then sold on the street market.

Oakland Township Cancer Doctor Sentenced to 45 Years in Prison

In *United States v. Fata*, an Oakland Township doctor was sentenced to 45 years in prison following his guilty plea to health care fraud. He admitted that he administered unnecessary chemotherapy to patients so that he could fraudulently bill the Medicare program and private insurance companies. He received \$17 million from fraudulent billings. Some victims who received chemotherapy treatments learned that they never had cancer at all, but suffered permanent organ failure, nerve damage and lost teeth from the chemotherapy. Asset forfeiture attorneys seized more than \$16 million to return to victims. Restitution hearings were set for 2016.

In *United States v. Linares*, a Monroe doctor pleaded guilty to unlawful distribution of oxycodone pills and health care fraud, and agreed to pay \$200,000 in restitution.

In *United States v. English*, the Sixth Circuit Court of Appeals affirmed the convictions and sentences of a defendant who set up a fake mental health clinic in Flint and another defendant who was a clinic manager. The defendants bribed Medicare beneficiaries by providing them with prescription pain pills in exchange for the Medicare information, which the defendants used to submit false billings for fictitious psychotherapy treatments that were unnecessary and not provided. The total false billing to Medicare was \$3.2 million. The clinic owner was sentenced to eight years in prison, and the clinic manager five years.

The U.S. Attorney's Office for the Eastern District of Michigan, along with other districts and the DOJ Civil Division, intervened in three False Claims Act lawsuits and filed a consolidated complaint against HCR ManorCare, alleging that ManorCare knowingly and routinely submitted false claims to Medicare and Tricare for rehabilitation therapy services that were not medically necessary. The complaint alleged that ManorCare set billing goals without regard to patients' needs and threatened to terminate skilled nursing facilities managers and therapists if they did not administer the unnecessary treatments. ManorCare also allegedly increased its Medicare payments by keeping patients in its facilities even though they were ready to be discharged.



Chief Judge Gerald Rosen swore in four new Assistant U.S. Attorneys in November: Mark Bilkovic, Jim Carty, Raj Prasad and Paul Kuebler.

Bank, Mail and Wire Fraud. In *United States v. Belczak*, the former priest of St. Thomas More Church in Troy was sentenced to 27 months in prison for stealing more than \$500,000 from his parish. He admitted to using church funds to pay for the down payment on a Florida condominium, and to diverting donations and bequests to the church to his own bank account. To facilitate and conceal his theft, Belczak opened an unauthorized bank account in the name of "St.

Thomas More c/o Thomas Belczak," into which he deposited checks.

In *United States v. Manni*, a Sterling Heights man was sentenced to 70 months in prison for sports bribery, fraud and unlawfully possessing a gun. The defendant had pleaded guilty to paying University of Toledo athletes to affect the point spread of football and basketball games, and to paying a professional jockey to influence the outcome of races at Tampa Bay Downs in Florida and elsewhere.

In *United States v. Yfantidis*, a Clinton Township business owner pleaded guilty to intentionally setting a fire at his commercial laundry facility to collect on an insurance policy. The defendant admitted that he intentionally burned down the building housing his commercial laundry service. In pleading guilty to one count of mail fraud, Yfantidis admitted making a fraudulent claim to his insurance company in relation to the fire.

In *United States v. McFadden*, seven defendants pleaded guilty to conspiracy to commit bank fraud. The defendants schemed to defraud lending institutions by using straw purchasers to fraudulently purchase high end automobiles. The conspirators provided the straw purchasers with fraudulent income and employment information to finance the cars. The conspirators then resold the vehicles through a Genesee County car dealership, defrauding lending institutions of more than \$1 million and leaving the straw purchasers to declare bankruptcy. Three defendants have been sentenced to prison, fines of \$150,000 have been imposed and more than \$700,000 in restitution has been ordered. Two additional defendants await sentencing.

In *United States v. Carpenter*, an Ann Arbor financial planner was sentenced to ten years in prison after his trial conviction for mail and wire fraud. The defendant, who induced more than 50 people to invest in a fraudulent scheme involving a dormant gold mine, was ordered to pay more than \$3 million in restitution.

In *United States v. Nazzal*, our asset forfeiture team obtained a consent judgment for \$1.9 million in assets that were the criminal proceeds of a bank fraud scheme. The funds will be used as restitution for victims.

In *United States v. Furnari*, a \$375,000 settlement was obtained in a fraudulent transfer action. The defendant attempted to transfer a property in Hawaii to his daughter to avoid its forfeiture as criminal proceeds following his conviction in a mortgage fraud case.

Tax Fraud and Identity Theft. In *United States v. Street*, a Plymouth man pleaded guilty to mail fraud and aggravated identity theft for devising a scheme to impersonate a U.S. Military Academy and Duke University graduate. The defendant obtained diplomas in the victim's name from both institutions, using the U.S. mail. He submitted the victim's Social Security number and date and place of birth, and signed the victim's name to the forms. The defendant created an email account and set up a social media profile in the victim's name, and applied for jobs using a resume he created in the victim's name.

In *United States v. Lundy*, an Ypsilanti man was sentenced to 12 months in prison for his involvement in a scheme to defraud the Internal Revenue Service. The defendant filed income tax returns in the names of individuals whose personal identification information had been obtained illegally. The information was used to file fraudulent federal income tax returns, which requested refunds based on reported tax withholdings that were false. The refunds were loaded onto Turbo Tax Visa debit cards and mailed to the home addresses provided by the defendant, who used the debit cards to withdraw funds from ATMs. The scheme involved approximately 180 fraudulent returns and approximately \$1.7 million in refunds.

In *United States v. Patton*, 11 individuals from metro-Detroit were charged with running identity theft and credit card fraud schemes. According to the indictment, Angela Patton,

who worked for Blue Cross and Blue Shield of Michigan, printed screen shots containing subscribers' profiles, including Personal Identifying Information, and gave them to other individuals, who used that information to apply for credit in other people's names and purchase merchandise in stores across the country. The indictment alleged that three of the co-conspirators who used counterfeit credit cards obtained more than \$742,000 worth of merchandise from Sam's Club alone.

In *United States v. Washington*, two Farmington Hills residents were sentenced for aggravated identity theft and related charges. Markitta Washington was sentenced to 47 months in prison and Martez Lear was sentenced to 56 months in prison. The defendants were ordered to pay \$489,883 in restitution to the IRS. Washington removed personal information from patient records from two hospitals where she worked, and the two defendants used the information to file fraudulent returns for tax refunds.



The fighting spirit of Muhammad Ali graces a downtown Detroit building near the federal courthouse.

In *United States v. Williams*, a Jackson tax preparer was found guilty at trial of three counts of subscribing and filing false personal income tax returns for himself and 17 counts of assisting in the preparation and filing of false tax returns for his customers. The falsified items caused

the taxpayers' refunds to be larger than what they were entitled to by either reducing their taxable income with phony business expense losses or increasing the Earned Income Credit they were entitled to receive by adding the right amount of phony business income.

In *United States v. Ingersoll*, Steven Ingersoll and Roy C. Bradley were found guilty at trial of conspiracy to defraud the United States in connection with the purchase of a church and its conversion to a school, the Bay City Academy. Steven Ingersoll was also convicted of attempting to evade taxes. Two other defendants were acquitted at trial. Bradley was convicted in a separate trial for environmental offenses (see below).



Judge Thomas Ludington swore in new Assistant U.S. Attorney Manvel Trice, III, in the U.S. Courthouse in Bay City.

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. Bradley*, Roy C. Bradley was found guilty at trial for illegally distributing and handling asbestos in violation of the Clean Air Act. The crime occurred during the renovation of a church that was to become the Bay City Academy charter school. Bradley was convicted

in a separate trial for conspiracy to defraud the United States.

The U.S. Attorney's Office and the Environmental Protection Agency reached a settlement with a Detroit scrap metal and iron recycling company to resolve allegations that it violated the Clean Air Act. Basic Recycling agreed to pay a civil penalty of \$25,000 and to implement a compliance program to eliminate the release of chlorofluorocarbons (CFCs) into the environment. CFCs cause ozone depletion and have harmful effects on human health.

Embezzlement. In *United States v. Misky*, a Mt. Pleasant woman pleaded guilty to embezzling more than \$300,000 and filing false tax returns with the Internal Revenue Service. The defendant, the branch manager of Citizens Bank in Alpena, opened accounts in the names of fictitious individuals. She then transferred funds from the accounts of elderly and deceased customers to the accounts in the fictitious names. Later, she transferred the funds from the accounts in the fictitious names to her own account at another bank.

In *United States v. Tacinelli*, the former Chief Financial Officer of a Plymouth auto parts supplier pleaded guilty to embezzling more than \$1.7 million from his employer. Over 14 months, the defendant wired \$1.3 million from the bank account of the company's Mexican subsidiary to his personal account. The defendant also fraudulently obtained approximately \$400,000 from his company by submitting false expense reports, and by appropriating certain tax refunds that belonged to his employer. The defendant fled to Mexico before the scheme was uncovered. After being charged with the embezzlement scheme in the Eastern District of Michigan, the Mexican authorities deported him to the United States, where he was arrested on the charges.

In *United States v. Stafford*, a former national sales manager for a Detroit-based trucking parts supplier was sentenced to five years in prison for stealing approximately \$300,000 from his

employer, as well as for being a felon in possession of firearms. The defendant used his position as a sales manager with access to his company's books to create a fictitious customer, to whom he purported to "sell" merchandise. The defendant would then mark the purported orders from this fictitious customer as "paid" in his company's computer system. In fact, the defendant simply stole the merchandise from his employer and sold it himself, shipping it to customers using commercial parcel carriers. When the defendant was arrested for the fraud scheme, he was found to be in possession of numerous firearms, which he was not permitted to own because of his criminal record.

Program Fraud. In *United States v. Dallo*, a Novi man was sentenced to 2 ½ years in prison for food stamp fraud totaling more than a half million dollars. He was also convicted of perjury before an immigration court and being a felon in possession of firearms and ammunition. The defendant operated a pizza and party shop at which he accepted food stamps and provided cash to beneficiaries for half the value of the food stamps. The defendant received double the amount he paid, or 100 percent of the value of the food stamps, from the federal government. The defendant also accepted food stamps in exchange for prohibited items, such as cigarettes and liquor, for highly inflated prices. During the execution of a search warrant, Agriculture agents found two loaded pistols, a loaded semi-automatic rifle and high-capacity magazines in the store, as well as ammunition, despite the defendant's prior felony convictions. During an immigration hearing pertaining to his application for asylum, the defendant testified that he was leading a crime-free life, when, in fact, he was committing food stamp fraud against the U.S. government. He will be deported following the completion of his prison sentence.

In *United States v. Haddad*, two brothers were sentenced to prison for their roles in a fraudulent food stamp scheme amounting to more than \$1 million. The brothers accepted

food stamps at their Dollar City store in Detroit, paying cash to beneficiaries at 50 cents on the dollar. They would then obtain 100 percent reimbursement from the federal government. Yousef Haddad was sentenced to 42 months in prison. Khalil Haddad was sentenced to 34 months in prison.

Civil Rights

Our Civil Rights Unit continued its robust enforcement efforts in 2015. 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.

U.S. Attorney's Office Sues Township for Rejecting Plan To Build Islamic School

The U.S. Attorney's Office filed suit against Pittsfield Township, alleging that the township violated the Religious Land Use and Institutionalized Persons Act when it denied zoning approval to allow the Michigan Islamic Academy to build a school on a vacant parcel of land that is located in the township. The complaint alleged that the township imposed a substantial burden on the Muslim Community Association of Ann Arbor's exercise of religion without a compelling governmental interest using the least restrictive means of achieving it.

Discrimination. In *United States v. Parkside East*, the U.S. Attorney's Office filed a lawsuit alleging that the owners and manager of three Michigan apartment complexes discriminated against families with children by refusing to rent one-bedroom apartments to families with children.

In *Tooley v. Van Buren Public Schools*, the U.S. Attorney's Office filed a Statement of Interest in a case alleging discrimination and harassment toward a transgender student. The Statement of Interest was filed to provide assistance to the court on the correct legal standards governing sex discrimination to ensure that all students, including transgender students, have an opportunity to learn in an environment that is free from discrimination.



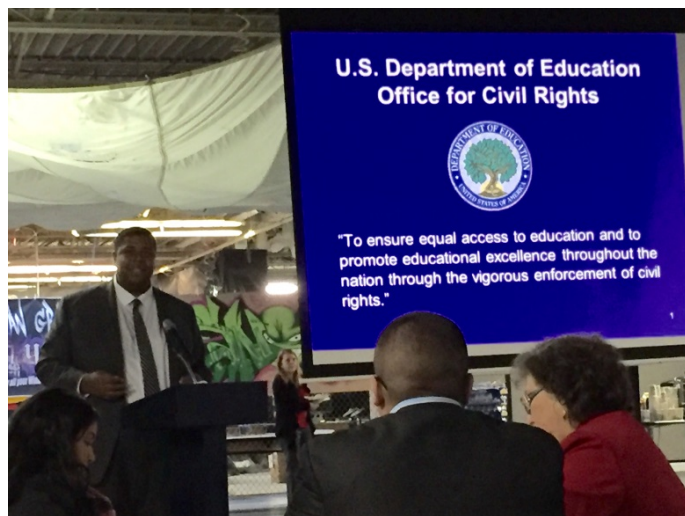
The U.S. Attorney's Office stood with government and civil rights leaders against hate crimes, threats and harassment directed against Arab and Muslim Americans following terrorist attacks in Paris and San Bernardino, California.

Disabilities Rights. The U.S. Attorney's Office reached a settlement with the Detroit Public Schools under the Americans with Disabilities Act, requiring the district to provide sign language interpreters and other aids and service to parents and guardians who are deaf or hard of hearing. The settlement resolved a complaint that the school district failed to provide a sign language interpreter to a deaf parent of a student enrolled in the district's Early Childhood Intervention program, so that she could participate in her child's education. DPS agreed to modify its policies and train its staff to ensure that parents and guardians who are deaf are able to effectively communicate with school personnel, and agreed to pay money damages to the parent.

The U.S. Attorney's Office obtained a settlement with a Flint ophthalmology office to resolve

allegations that it denied treatment to a patient because of his mobility disability in violation of the ADA. The Park Eye and Surgi-Center refused to complete an assessment for cataract surgery for the patient based on his disability, inaccurately assuming that he could not complete the normal battery of tests required for surgery. The ADA requires that places of public accommodation, including medical offices, modify their practices to reasonably accommodate persons with disabilities. The patient later received treatment at a different practice that made the necessary accommodations. Under the settlement, Park Eye and Surgi-Center agreed to update its policies and to provide training to ensure compliance with the ADA and to pay compensatory damages to the patient.

The U.S. Attorney's Office also reached agreements with two other medical offices to resolve allegations that they failed to provide effective communication for patients and family members who are deaf or hard of hearing. Medical practices in Flint and Lincoln Park each agreed to implement new policies, to provide sign language interpreters and to take other steps to ensure effective communication with individuals who are deaf or hard of hearing.



AUSA Luttrell Levingston and the U.S. Attorney's Office organized a training program on rights to English language access for parents and educators.

The U.S. Attorney's Office reached a settlement with the Mt. Pleasant Public School District to resolve allegations that the district violated the ADA by failing to provide appropriate care for students with disabilities. The ADA requires schools to make reasonable accommodations so that students with disabilities have equal access to school programs. Under the settlement agreement, the school district agreed to create procedures for diabetes care at all schools in the district, including training for staff.

The U.S. Attorney's Office also reached an agreement with the Fitzgerald Public School District in Warren to resolve allegations that it denied services to a parent with a mobility disability when it refused to provide a bus stop that she could access, in violation of the ADA. The school district agreed to modify the bus stop location, to update its training and policies and to pay compensatory damages to the parent, who uses a wheelchair and could not access the bus stop safely to take her kindergartener to school.

The U.S. Attorney's Office reached a settlement with the Maple Theater in Bloomfield Township to improve physical accessibility for people with disabilities at the theater. The settlement agreement resolved allegations that the theater's 2012 renovations allowed insufficient room for wheelchair seating. Under the agreement, the Maple Theater agreed to relocate some of the existing accessible seating, ensure that the theater has accessible aisle seating and handrails in each auditorium and construct a new accessible unisex bathroom, among other things.

The U.S. Attorney's Office reached a settlement with the Lakers Aquatic Club of Harrison Township and St. Clair Shores to resolve an allegation that the club retaliated against a swimmer and her family by suspending them from the club after they requested a modification for the swimmer's autism. Under the terms of the settlement, the club agreed to adopt a disability nondiscrimination policy that includes procedures for promptly handling

requests to reasonably modify club policies for individuals with disabilities, along with a statement that the club will not retaliate against individuals who exercise their rights under the ADA. The club's board and staff members will be trained on their obligations under the ADA, and the swimmer's family received a refund in dues and fees paid for the time period of the suspension.

Police Practices. The U.S. Department of Justice and the U.S. Attorney's Office continued to monitor the Detroit Police Department as part of a transition agreement maintaining federal oversight until February 2016, 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 town hall meetings throughout Detroit to hear from residents about their experiences with the Detroit Police Department.



Assistant Attorney General for Civil Rights Vanita Gupta visited with NAACP President Rev. Wendell Anthony, Congressman John Conyers and other civil rights leaders in Detroit to discuss police and community trust. AAG Gupta also spoke on a panel at Wayne State University to commemorate the 50th anniversary of the Voting Rights Act of 1965.

The U.S. Attorney's Office reached an agreement with the Rochester Police Department requiring it to provide sign language interpreters and other aids to citizens who are deaf or hard of hearing. The settlement resolved a complaint alleging that the department failed to provide a deaf individual in detention with a text or video capable telephone while he was in custody and failed to timely provide him with a sign language interpreter. The department agreed to revise policies and training to ensure that citizens who are deaf or hard of hearing may effectively communicate with police personnel, and have access to text or video capable telephones.

Other Civil Cases

Bivens. In *Meeks v. Larsen*, the Sixth Circuit Court of Appeals affirmed the dismissal of a *Bivens* case filed against federal law enforcement officers. The plaintiffs claimed the officers violated their constitutional rights while executing search warrants. On appeal, the Sixth Circuit concluded that the plaintiffs had failed to plausibly allege that their constitutional rights were violated during the criminal investigation or that they were entitled to a remedy.

Employment Discrimination. In *Dean-Lis v. McHugh*, the Sixth Circuit affirmed summary judgment for the U.S. Army, holding that the plaintiff could not establish a *prima facie* case of retaliation or hostile work environment. The Court concluded that the claims were based on pure speculation and subjective beliefs.

FOIA. In *Baser v. Department of Veterans Affairs*, our lawyers obtained a data use agreement with the plaintiff and a subsequent order of dismissal in a case brought under the Freedom of Information Act. A doctor sought to obtain private patient data from the VA hospital system. The VA determined that although the data requested did not contain personal identifiers, the individual veterans to whom the data pertained could be identified easily by cross-referencing the individuals with other

publicly available information. The resolution achieved free access to information for the plaintiff while protecting the privacy of veterans' medical records.



Former U.S. Attorneys Saul Green, Hon. Stephen J. Murphy, III, Hon. Jeffrey Collins, Hon. Stephen J. Markman and Hon. Terrence Berg helped celebrate the 200th anniversary of the U.S. Attorney's Office for the Eastern District of Michigan.

False Claims. A district court judge in Detroit dismissed as preemptive a lawsuit filed by Quicken Loans, allowing a lawsuit brought by the Department of Justice to go forward in Washington, D.C. The government's complaint alleges that Quicken violated the law by approving improperly underwritten mortgages that were insured by the Federal Housing Administration, a U.S. government agency.

Torts. In *Kabir v. United States*, the district court granted summary judgment for the United States in a personal injury case. The plaintiffs claimed that they were severely injured after their car collided with a government car driven by a Border Patrol agent. The district court found that the United States was not liable because the agent was operating an authorized emergency vehicle, had activated his siren and lights and had exercised due care when he responded to the emergency call. The court determined that plaintiff was required to yield the right of way to the federal agent.

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, so that fewer people become victims and fewer people go to prison. Long-term reductions in crime require efforts to attack its root causes

Reentry Employment Breakfast and Job Fair. In May, the U.S. Attorney's Office, along with Detroit Mayor Mike Duggan's office and other partners in the Michigan Reentry Working Group, organized a breakfast event for employers, making the business case for hiring citizens returning from prison. Because 13,000 citizens return to Michigan from prison each year, reducing the barriers to success is essential to preventing recidivism. One of the most significant barriers is employment. "Orange is the New Black," author Piper Kerman served as keynote speaker, along with Mayor Duggan and Wayne County Prosecutor Kym Worthy, to challenge employers to consider hiring returning citizens.



Law Enforcement Coordinator Bob Poikey and "Orange is the New Black" Author Piper Kerman at the 2015 Reentry Employment Breakfast.

In October, the Reentry Working Group hosted a job fair at Detroit's Northwest Activities Center, at which more than 20 employers accepted job applications from approximately 1,500 returning citizens. Employers who have hired returning citizens say that they are often the most dependable employees because they are grateful for a second chance. Bonding programs and tax benefits also provide incentives for employers to hire returning citizens. When taxpayers pay \$34,000 a year to house a single prisoner, finding jobs to help returning citizens support themselves as law-abiding citizens is a smart investment.

Security for Places of Worship. Following the tragic shooting at the Emanuel A.M.E. church in Charleston, S.C., the U.S. Attorney's Office organized an informational meeting for faith leaders and a security training workshop for places of worship in metro-Detroit. Participants included representatives from Christian churches, Islamic mosques, Jewish temples and other places of worship. The training at Wayne State University included responding to an active shooter, ensuring perimeter security, handling mail safely, sharing information and understanding hate crime trends. Presenters included representatives from the FBI, Department of Homeland Security, Anti-Defamation League, Jewish Federation, Islamic Center of America, and Greater Grace Temple.

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 an initiative called Safe Routes to School, in which volunteer patrols watch out for students as they travel to and from school along recommended routes; school Safety Stations, which provide safe places within schools for students to report violence, seek social services and obtain peer-to-peer counseling; a summer jobs program for teens and the Ceasefire gang intervention program (see box, right).



FBI Special Agent Dave Porter, Criminal Chief Mark Chutkow and Anti-Defamation League Executive Director Heidi Budaj discuss hate crimes at a training workshop on security for places of worship.

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

We joined with the City of Detroit to participate in a youth anti-violence summit. The program included a debate between teams of high school students about how to prevent violence. The day also included a facilitated discussion about the responsibilities of police officers and citizens to interact with respect and trust.

Flint Youth Initiative. We partnered with the federal district court in Flint to participate

in a youth mentoring program, in which elementary school students were matched with mentors for weekly lunch sessions. Through ongoing relationships with positive role models, the students learn healthy habits for success in school and life.

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

Ceasefire Detroit Seeks To Reduce Gun Violence in Neighborhoods

Ceasefire Detroit seeks to reduce homicide and gun violence. By analyzing data, Ceasefire researchers 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 attended a Ceasefire call-in 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 community members. Law enforcement officials explained the consequences of additional criminal conduct. Service providers gave the group members one telephone number to call for help with employment, substance abuse, vital documents, 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. Homicide statistics were down in the area where Ceasefire call-ins occurred. Similar programs have led to significant reductions in violent crime in other cities.

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" philosophy. To achieve that kind of open communication, we need to earn community trust. We also sought to raise awareness about laws that protect our most vulnerable communities.



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

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.

English Language Learner Conference.

Our Civil Rights Unit organized a conference for parents and educators to raise awareness about the duties that schools have to ensure language access for students and their parents and

guardians. The conference, held at the Detroit Hispanic Development Corporation, featured speakers from the U.S. Departments of Education and Justice.

Police and Community Trust. Following police shootings and unrest around the country, we participated in several community and school forums to discuss constitutional policing and police and community trust.

We also 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, Saginaw and Jackson.



Civil Rights Unit Chief Susan DeClercq led the discussion at one of the monthly meetings of ALPACT (Advocates and Leaders for Police and Community Trust), which brought together representatives from law enforcement and community groups to address police and community relations.

Disabilities Awareness. Our lawyers worked to raise awareness about the Americans

with Disabilities Act by participating in an event recognizing the 25th anniversary of the ADA, attending a town hall meeting with the Michigan Deaf Association regarding effective communication with health care providers, writing letters to summer camps about their legal responsibilities to reasonably accommodate campers with disabilities and staffing an information table at a disabilities awareness event. We also met with representatives of the ARC Michigan regarding Olmstead Act enforcement relating to the segregation of people with disabilities.

LGBT Outreach. We participated in outreach to the LGBT community regarding police practices, met with leaders of the Ruth Ellis Center regarding civil rights protections and gave a presentation to the Michigan HIV/AIDS Alliance regarding laws that protect individuals who are HIV positive from discrimination.



Criminal Chief Mark Chutkow discusses hate crimes at an outreach event with the LGBT community in Detroit.

Veterans and Service Members Outreach. Our lawyers gave a presentation for service members at veterans expos hosted by the Michigan Veterans' Affairs Agency in Flint and Lansing. We also gave a webinar presentation to Veterans' Treatment Court personnel and service providers on civil rights protections for veterans and service members.

Criminal Justice Reform. We worked with local organizers of the My Brother's Keeper initiative, focusing on improving criminal justice outcomes for boys and young men of color. We also addressed the pipeline to prison issue by discussing school discipline with the Student Advocacy Center of Michigan.

We worked to implement the Attorney General's Smart on Crime initiative, seeking charges that carry mandatory minimum sentences more selectively to ensure proportional sentencing based on criminal conduct. We also supported the clemency applications of several defendants serving lengthy mandatory minimum and life sentences whose conduct would be charged today under the more lenient standard.

Hate Crimes. We participated in training programs regarding hate crimes for a variety of communities, and stood with government and community leaders to address the backlash against our Arab and Muslim community members following the attacks in Paris and San Bernardino, California.

Sexual Assault. Our lawyers gave a presentation to the Michigan Domestic and Sexual Violence Prevention and Treatment Board on enforcing civil rights laws relating to sexual violence. We participated in meetings with the U.S. Department of Justice's Violence Against Women Office and Michigan service providers who serve victims of sexual assault. We also attended the State of Michigan summit on sexual assault on campus.

Cyber Security. We spoke to industry groups and corporate attorneys about the importance of working with law enforcement in the event of a cyber intrusion or data breach.

Human Trafficking. Our lawyers spoke to a variety of groups to raise awareness about human trafficking, helping service providers and law enforcement to identify the signs of human trafficking victims, who are often hiding in plain sight.

IMPROVING OUR WORK

The U.S. Attorney's Office continued to improve our own work through management practices, training 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 that reflect the diverse perspectives of jurors. We continued to refine our mentoring and attorney development program, which was recognized by the U.S. Department of Justice as a best practice for improving diversity.

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 conducted Special Emphasis Programs to enhance sensitivity to the different communities we serve, including the African-American, Hispanic, Arab-American, Native American, veterans, disabled 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, social media, search and seizure and cell phone analysis.

STAR Committee. Our Support Team Advisory Representatives worked to improve training, office processes, career development and quality of work for support professionals.

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. Our IT department developed automated forms and online resources to assist attorneys and support professionals in our work.

Recognizing Success. Several members of our office were recognized for outstanding public service. The Kilpatrick Prosecution team, including Mark Chutkow, Michael Bullotta, Jennifer Blackwell, Eric Doeh, Andrew Goetz, Linda Aouate, Anna Facchini and Ana Bruni, received an award from the Director of the Executive Office for U.S. Attorneys. Also receiving Director's Awards were Julie Beck for her outstanding management of the Forfeiture and Financial Litigation Unit, and Leslie Wizner for her work to obtain a \$200 million settlement from U.S. Bank to resolve allegations that it violated legal requirements in underwriting government-backed loans. U.S. Attorney General Loretta Lynch recognized Senior Legal Assistant Coordinator Beryl Robbins for her outstanding service and dedication in carrying out the mission of the Department of Justice. Criminal Chief Dan Lemisch was recognized by the Federal Bar Association as the Leonard P. Gilman Outstanding Practitioner of Criminal Law.



Daniel Lemisch received the FBA's Gilman Award as the Outstanding Practitioner of Criminal Law.

These are a few of the ways we improved our internal operations during 2015. 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.