

United States Attorney's Office  
Eastern District of Michigan

ANNUAL REPORT 2016

*Enforcement, Prevention, Community Trust*

Barbara L. McQuade  
United States Attorney



# TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>iv</b>
<b>ENFORCEMENT .....</b>	<b>1</b>
<i><b>Public Corruption .....</b></i>	<i><b>1</b></i>
School Officials .....	1
Police Misconduct.....	1
City officials .....	2
<i><b>Violent Crime.....</b></i>	<i><b>2</b></i>
<i><b>Initiatives.....</b></i>	<i><b>2</b></i>
Detroit One .....	2
Project Safe Neighborhoods .....	3
Violence Reduction Network.....	3
CVRP .....	3
Saginaw Chippewa Indian Tribe .....	3
Joint Human Trafficking Task Force .....	3
Flint First .....	4
<i><b>Cases.....</b></i>	<i><b>4</b></i>
Gang Activity.....	4
Armed Robbery.....	5
Carjacking .....	5
Firearms.....	6
Threats .....	6
Assault.....	6
Witness tampering.....	7
Drug Trafficking .....	7
Human Trafficking .....	8
Child Exploitation.....	9
<i><b>National Security.....</b></i>	<i><b>12</b></i>
<i><b>Initiatives.....</b></i>	<i><b>12</b></i>
<i><b>Cases.....</b></i>	<i><b>12</b></i>
Terrorism .....	12
Weapons .....	12
Immigration.....	12

<b><i>Fraud</i></b> .....	13
Environmental Offenses ... ..	13
Health Care Fraud .....	14
Bank, Mail and Wire Fraud .....	16
Tax Fraud and Identity Theft .....	17
<b><i>Civil Rights</i></b> .....	18
Religious Rights.....	18
Police Practices .....	19
Veterans' Rights.....	19
Voting Rights .....	19
Employment Discrimination.....	19
Disability Rights .....	19
<b><i>Other Civil Cases</i></b> .....	20
False Claims .....	20
Bivens.....	20
Federal Programs .....	21
Medical Malpractice .....	21
<b>PREVENTION</b> .....	22
Police Threats .....	22
Prisoner Reentry.....	22
Flint Youth Initiative .....	22
National Forum on Youth Violence Prevention.....	23
Project Safe Childhood .....	23
Security for the LGBT Community.....	23
Great Lakes Native American Conference .....	24
Disabilities Awareness.....	24
Cyber Security.....	24
Project Sentry .....	24
Human Trafficking .....	24
Identity Fraud.....	24
Religious Freedom.....	24

<b>COMMUNITY TRUST .....</b>	<b>25</b>
Police and Community Trust.....	25
Camp DEFY .....	25
BRIDGES .....	26
Michigan Alliance Against Hate Crimes .....	26
Federal Civil Rights Roundtable .....	26
LGBT Outreach.....	26
Veterans and Service Members Outreach .....	26
Criminal Justice Reform.....	27
 <b>IMPROVING OUR WORK .....</b>	 <b>28</b>
Improving Diversity.....	28
Training Our Lawyers.....	28
Training Agents .....	28
STAR Committee .....	28
Utilizing Technology.....	28
Recognizing Success .....	28
OPDAT .....	28

## EXECUTIVE SUMMARY

2016 was a tumultuous year in many ways. Violent extremists targeted police officers, the LGBT community and other innocent people from all walks of life. Police-related shootings continued to draw protests on our streets. Threats against immigrant groups, police officers and others abounded on social media. FBI statistics showed a rise in hate crimes. Corrupt officials in schools and other government institutions continued to poison our democracy, and two major corporations doing business in Michigan violated customers' trust.

In times like these, we rely on the law to protect individuals and institutions. At the U.S. Attorney's Office for the Eastern District of Michigan, we used the legal and administrative tools available to us to file cases, prevent crime, collaborate on strategies, convene summits and communicate ways to resolve our differences peacefully.

In our case work, the lawyers and support professionals in our Detroit, Flint and Bay City offices, along with our partner agencies, had significant accomplishments this year. Among them:



- Twelve Detroit Public Schools principals, an assistant superintendent and a vendor of school supplies were convicted in a bribery scheme to inflate invoices that cost DPS \$2.7 million.
- Two Detroit Police narcotics officers were convicted at trial of robbing drug dealers.
- A Detroit man was charged with posting an online threat to bomb a Detroit Police officer's funeral as it streamed online, depicting thousands of police officers and other mourners.
- We settled a lawsuit against Pittsfield Township, alleging that the township violated the law when it denied the Michigan Islamic Academy's application for zoning approval to build a school on vacant land in the township. The school will break ground in the spring. We also filed suit against Sterling Heights under the same statute for denying permission to build a mosque.
- Our office collected more than \$140 million in fiscal 2016 in judgments, fines, restitution and forfeiture, more than five times our operating budget of \$26 million. These funds are being returned to victims and taxpayers.
- In early 2017, Volkswagen pleaded guilty to conspiracy, obstruction of justice and fraud in connection with its scheme to cheat on EPA emissions tests of its diesel vehicles. Seven Volkswagen employees were charged in the scheme. The plea calls for a \$4.3 billion fine. Takata Corp. also pleaded guilty to defrauding customers about the safety of its airbags. Takata will pay \$1 billion in fines and restitution. Three Takata executives were charged criminally with wire fraud and conspiracy in the scheme.

We focused on 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. Our Detroit One Partnership continued to focus on gang violence, using racketeering laws to dismantle violent street gangs. To combat the heroin and prescription pill epidemic, we focused on our Project HOPE initiative (Heroin and Opioid Prevention and Enforcement) to prosecute drug traffickers whose distribution resulted in overdose deaths.


**Prevention.** Equally important in reducing crime is prevention. In addition to ongoing programs, we convened screenings of “Chasing the Dragon,” a film to raise awareness about opioid addiction. We also organized security training for the LGBT community following the shooting at the Pulse night club in Orlando. In the Ceasefire gang intervention program, we participated in call-ins with gang members and enforcement operations. We also organized a reentry job fair to improve outcomes for citizens returning from prison as a crime-reduction strategy.

**Community Trust.** Following incidents across the country that have caused tension between police and residents, we convened 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 youth summits regarding what to do if you are stopped by the police. Attorney General Loretta Lynch launched a series of justice forums in Detroit, listening to law enforcement leaders and community members about ideas for improving police and community relations.

**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 and officers, who risk their lives to protect us. The 250 men and women of the U.S. Attorney’s Office for the Eastern District of Michigan are dedicated professionals, who work tirelessly every day to improve the quality of life in our community. These pages include some of the highlights of our work. We invite you to read more and share your suggestions with us at [www.justice.gov/usao/mie](http://www.justice.gov/usao/mie).

Despite the challenges we face, we can count on the law to keep our society on the right path. As Attorney General Lynch has said, “When struggles threaten to tear us apart, we turn to the law to reconnect ourselves with our highest principles. To give voice to those fighting oppression. To give hope to those seeking the redress of wrongs. To give meaning to the cry of ‘never again.’ And to protect those who call on us in the still small hours of the night when they are cold and frightened. These are our values.”

  
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.

**School Officials.** In *United States v. Shy*, a vendor, 12 Detroit Public Schools principals and an assistant superintendent were convicted in a bribery and kickback scheme. The principals and assistant superintendent agreed to approve fraudulent and inflated invoices for school supplies in exchange for bribes. The scheme cost DPS \$2.7 million. Vendor Norman Shy of Franklin was sentenced to five years in prison for his role in the scheme. Sentences for the principals ranged from four months to three years. All but one of the principals pleaded guilty; the other was convicted by a jury at trial, and awaits sentencing. Our forfeiture team obtained an order to forfeit \$1.6 million from Shy's bank accounts and real estate assets to be paid to DPS.

In *United States v. StarkeyDarden*, the former director of grant development for Detroit Public Schools pleaded guilty to federal program fraud. Carolyn StarkeyDarden, as the president of companies she established to provide supplemental educational services to students, admitted that she fraudulently obtained \$1.275 million from DPS by submitting invoices for tutoring services that were never provided.

In *United States v. Snapp*, the former principal of Denby and Mumford High Schools in Detroit was sentenced to a year in prison following her

guilty plea to federal program bribery and income tax evasion. Kenyetta Wilbourn Snapp admitted to accepting \$58,000 in kickbacks in exchange for selecting a particular vendor to provide tutoring services at the two schools, which were then under the supervision of the Education Achievement Authority. Snapp also admitted to failing to report the kickbacks as income. The vendor who paid the kickbacks in exchange for preferential treatment, Glynis Thornton, pleaded guilty and awaits sentencing in early 2017. Paulette Horton, who assisted Thornton in paying the bribes, was sentenced to 15 months in prison.

### Five Macomb County Officials Charged in Bribery Cases

In an ongoing investigation, five Macomb County Officials were charged in separate cases with accepting bribes or kickbacks from a contractor in exchange for favorable treatment. In 2016, charges were filed against Michael Lovelock, the Supervisor of Chesterfield Township; Cliff Freitas, a Trustee of Macomb Township; and Dean Reynolds, a Trustee in Clinton Township. In early 2017, additional charges were filed against New Haven Trustee Christopher Craigmiles and former New Haven Trustee Brett Harris.

In *United States v. Pride*, a vendor of supplemental educational services pleaded guilty to defrauding Detroit Public Schools of more than \$684,000. The defendant devised a scheme and submitted fraudulent invoices to DPS for tutorial services that he never provided.

**Police Misconduct.** In *United States v. Hansberry*, a lieutenant and crew chief from the Narcotics Unit of the Detroit Police Department were convicted at trial of conspiracy to interfere with commerce by extortion and robbery. The



purpose of the conspiracy was to extort and rob drug dealers and steal drugs and money obtained in police searches. Lt. David Hansberry and Officer Brian Watson were convicted at trial. A civilian defendant was acquitted at trial.

In *United States v. Busse*, an agent of Homeland Security Investigations and an attorney were charged in a bribery scheme. Attorney Charles Busse pleaded guilty, admitting to paying bribes to Special Agent Clifton Divers to prevent the deportation of Busse's clients. Divers allegedly deferred deportations by falsely representing to the agency that Busse's clients were cooperating in ongoing investigations. Busse also pleaded guilty to income tax evasion and failing to report cash payments exceeding \$10,000. Divers, who was also charged with destruction and falsification of records to obstruct an investigation, awaits trial.



*Stephanie Dawkins Davis, David Gardey and Maria Koch were among the members of the Detroit Pension Board bribery prosecution team who were recognized with a Director's Award at a ceremony in Washington, D.C.*

**City officials.** In *United States v. Kilpatrick*, the U.S. Supreme Court denied a petition for a writ of *certiorari*, ending the appeals for former Detroit Mayor Kwame Kilpatrick on charges of extortion, bribery, fraud and tax violations. Kilpatrick was convicted at trial in 2013, and was sentenced to 28 years in prison. The Sixth

Circuit Court of Appeals remanded the case to the district court to recalculate restitution.

In *United States v. Dodd*, the former Director of the City of Detroit's Departmental Technology Services pleaded guilty to accepting approximately \$30,000 in bribes from two information technology companies providing services and personnel to the city. The case was a joint effort with the Public Integrity Unit of the Criminal Division of the Department of Justice. Charles Dodd of Canton admitted that between 2009 and 2016, he accepted payments totaling more than \$15,000 and a trip to North Carolina from the CEO of an IT company. He also admitted that during that same time period, he accepted more than \$14,500 in cash payments from the CEO and an employee of another IT company. In return, Dodd agreed to provide preferential treatment to the companies.

## ***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.

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. We also utilized racketeering laws to dismantle violent street gangs and drug trafficking organizations that drive violence in our neighborhoods. 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.

## ***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 violent criminals. Community groups helped to reduce violent crime through outreach, prevention and efforts to defeat the “no snitch” culture. Since Detroit One began, homicides are down 20%, non-fatal shootings have dropped 25% and carjackings have been cut by 50%. A comparison between the four-year period since Detroit One began with the prior four-year period shows 174 fewer homicides.



#### VIOLENT CRIME REDUCTION INITIATIVE

**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.

**Violence Reduction Network.** Flint and Detroit participated in the national Violence Reduction Network. Law enforcement leaders from participating cities attended a summit in Little Rock, Arkansas, to share information about best practices, such as using data to reduce domestic violence homicides, analyzing social media to identify gang members and other innovative approaches to combating violent crime in the 21<sup>st</sup> century. Each of the ten cities receives technical assistance, access to industry experts and site visits to enhance our efforts to reduce violent crime.

**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.

**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 raise awareness about human trafficking. Our office prosecuted a number of violent crime and domestic and sexual assault cases involving Native American victims.

**Joint Human Trafficking Task Force.** To combat the problem of human trafficking, we developed a strategic plan and launched the Joint Human Trafficking Task Force. The Task Force, which includes the Federal Bureau of Investigation, Michigan State Police and the Salvation Army, brings together law enforcement agencies and victim service organizations to improve outcomes for human trafficking victims. The Task Force works to support long-term investigations, prosecute offenders, expand services to victims and provide training to law enforcement and victim service agencies.



*New AUSAs Caroline Burgunder, Mitra Jafary-Hariri and Hank Moon are sworn in to represent the United States in federal court.*

**Flint First.** Our Flint office used a strategy similar to the Detroit One initiative to focus on violent armed criminals in the Flint area, dedicating resources to cases that will make the maximum impact on public safety rather than focusing solely on the volume of cases. Known as Flint First, the initiative brings together federal, state and local law enforcement partners to identify and prosecute offenders who are driving violent crime in Flint. The goal of the program was exemplified by a case in which the arrests of the members of an armed robbery crew resulted in an 81 percent reduction in armed robberies.



## 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. Clark*, an associate of the Vice Lords street gang pleaded guilty to witness tampering and disclosing to a gang member the private information of Vice Lords shooting victims and their family members. The defendant was employed at a medical facility where he had access to a database containing private health information for anyone who had been treated at a Detroit Medical Center facility. The defendant admitted to accessing the

database on at least 15 occasions to search for shooting victims of the Vice Lords. He provided this information to his brother so that the victims could be located to prevent them from cooperating with law enforcement against the Vice Lords. The 2015 shooting targeted two brothers who attempted to leave the gang. The brothers and two members of their family suffered gunshot wounds but are recovering. This defendant was the eighth member of the Vice Lords to plead guilty to charges brought by the U.S. Attorney's Office and the Criminal Division of the Department of Justice relating to the shooting. Sentences ranged from eight years to 20 years in prison.

In *United States v. Mills*, 11 alleged members of the "6 Mile Chedda" gang were charged with racketeering conspiracy, murder in aid of racketeering, drug trafficking and weapons offenses in connection with a fatal shooting on Detroit's east side as part of the Detroit One Violence Reduction Initiative. The indictment charged the defendants with shooting at a car as it pulled into the parking lot of a market, killing the 21-year-old driver and 13-year-old passenger. Two other children, ages 13 and 7, were seriously injured in the shooting.

In *United States v. Jefferson*, the leader of the Bounty Hunter Bloods street gang in Detroit was sentenced to 30 years in prison following his conviction at trial for racketeering conspiracy and weapons offenses. The evidence at trial showed that Ramiah Jefferson directed the murder and attempted murders of members of rival street gangs, furnished guns and encouraged gang members to commit violent crimes and drug trafficking. Eight other members of the Bounty Hunter Bloods were also convicted and sentenced for their roles in violent crimes and racketeering.

In *United States v. Arnold*, 14 alleged members of the Seven Mile Bloods were charged in a superseding indictment with murder in aid of racketeering and related offenses. The indictment alleged an ongoing gang war between the Seven Mile Bloods and an alliance of other

gangs operating on Detroit's east side. The gangs violently attacked each other and posted "hit lists" on social media.

In *United States v. Hamilton*, 12 members of the "Rollin' 60s Crips" street gang were indicted on charges of racketeering for committing assaults, robberies, carjacking, drug trafficking and firearms offenses. The indictment alleged that the gang operated on the northwest side of Detroit and used violence to avenge acts of rival gang members, to intimidate witnesses and to advance members' positions in the gang.

**Armed 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. Bennett*, five defendants were charged with committing 29 armed robberies of commercial businesses, such as dollar stores, cell phone stores, gas stations and fast food restaurants in Flint. Four of the defendants pleaded guilty and a fifth awaits trial. In the nine months after indictment, robberies in Flint dropped 81%.



New AUSAs Amanda Jawad, J.R. Drabick and Jihan Williams at their swearing-in ceremony with U.S. Attorney Barbara McQuade and Chief Judge Denise Page Hood.

In *United States v. Pembroke*, four men from Philadelphia were each sentenced to 33 years in prison for 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 \$1.3 million worth of Rolex watches.

In *United States v. Andrews*, four members of a robbery crew were convicted and sentenced to prison terms ranging from six to 33 years. Elan Andrews was the leader of the group known as the Spider-Man Crew because of the distinctive hooded sweatshirts they wore depicting skeleton and spider webs. The crew would enter fast food restaurants, display guns and take money from the cash registers and safes and then flee in a waiting car. Robberies were committed in Detroit, Redford, Ferndale, Oak Park and Birmingham.

In *United States v. Carpenter*, our appellate team obtained a ruling from the Sixth Circuit Court of Appeals upholding bank robbery convictions and sentences. The court found that the government properly collected cell phone records placing the defendants near the banks at the times the robberies occurred.

**Carjacking.** We used the federal carjacking statute to prosecute serial armed carjackers because of the significant sentences in federal court. Carjacking was down 33 percent in Detroit in 2016.

In *United States v. Thompson*, a Flint man was charged with an armed carjacking that occurred during a drug deal. The defendant entered the victim's car and demanded money. When the victim refused, the defendant fired several shots at him inside the car, hitting the victim in the face. The defendant then chased the victim on foot and continued to shoot at him. Although he was shot 18 times, the victim survived. The



defendant has pleaded guilty and awaits sentencing.

In *United States v. Woodall*, a Flint man pleaded guilty to discharging a firearm during a carjacking. The defendant and his accomplices brandished firearms as they approached the victim, who was seated in his car parked at an apartment complex. The defendant entered the car and demanded that the victim drive. After driving for several blocks, the victim stopped the car and took off running. The defendant and an accomplice shot the victim in the shoulder but he managed to escape. The defendant and his accomplices then drove away in the victim's car. The defendant is awaiting sentencing.

**Firearms.** We combated gun violence by prosecuting illegal use and possession of guns. Our asset forfeiture team used federal law to seize and forfeit guns and ammunition from defendants after their convictions.

In *United States v. Gildersleeve*, three defendants were indicted in Flint for possessing machine guns and silencers, being felons in possession of firearms and transporting machine guns through interstate commerce. One of the defendants manufactured the guns in Atlanta, where he is an engineering student at Georgia Tech. The machine guns were then transported to Flint, where the other two defendants allegedly arranged for their sale. Three of the six guns were sold and remain on the streets. Two defendants pleaded guilty and one awaits trial.

**Threats.** While the First Amendment to the U.S. Constitution permits people to express their views, true threats to commit acts of violence that cross the legal line will be prosecuted because of the fear they induce and the risk to public safety that they pose.

In *United States v. Lanton*, a Detroit man was charged with using the Internet to transmit a threat to bomb a police officer's funeral in Detroit. During the live stream of the funeral of a slain Detroit Police officer on a local television channel, depicting hundreds of uniformed police

officers steaming into the church, the defendant posted a comment stating that he would "drop a bomb on the building to get rid of the rest" of the officers. The defendant pleaded guilty in early 2017.

**Assault.** Our work with tribal police to improve public safety on the Saginaw Chippewa Indian Reservation resulted in a number of cases targeting violent crime.

In *United States v. George Mandoka*, a Mt. Pleasant man was convicted at a jury trial for three counts of aggravated sexual abuse, one count of sexual abuse, two counts of sexual abuse of a minor and two counts of sexual abusive contact. The defendant sexually assaulted three different victims on the Isabella Reservation numerous times between 1991 to 2007. The defendant was sentenced to life in prison.

In *United States v. Maykiss Pego*, a Mt. Pleasant man pleaded guilty to assault with intent to murder. The defendant intentionally ran over a man with his car while the victim was walking across the street on the Isabella Reservation. The defendant then strangled his girlfriend to the point that she passed out while telling her that he was going to kill her. The defendant was sentenced to almost 14 years in prison.



*Branch Chief Craig Wininger talks to students at an elementary school in Flint about his career as a prosecutor.*

In *United States v. Jackson*, a Mt. Pleasant man pleaded guilty to unlawful imprisonment. The defendant pushed his way into the home of his estranged wife, in violation of a personal protection order, on the Isabella Reservation. Once inside, defendant pushed the victim into a bathroom, kicked her multiple times in the leg, arm and face and prevented her from leaving for approximately 30 minutes. Their five-year-old son attempted to get into the bathroom to help his mother. The son's actions distracted the defendant long enough to allow the victim to open the window and escape. The defendant is awaiting sentencing.

**Witness tampering.** Obstructing justice by intimidating witnesses is a serious offense because it undermines the criminal justice system.

In *United States v. Blackwell*, three individuals were indicted for tampering with a witness by physical force. After learning that the victim had been identified as a possible witness in a federal trial, the defendants agreed to ambush the victim in Flint. Days later, the defendants worked together to shoot the victim as he left an apartment building. All three pleaded guilty and face up to 30 years in prison.

**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. We worked to identify and charge traffickers whose distribution of heroin and fentanyl resulted in overdose deaths.

In *United States v. Beavers*, 13 Saginaw men were charged in a 35-count indictment with trafficking in heroin, fentanyl and crack and powder cocaine. The indictment alleged that the defendants conspired to distribute cocaine and heroin in the part of Saginaw known as the South Side or the Sunnyside. This investigation started in June 2015 and involved numerous controlled buys, confidential sources, undercover officers, court authorized wire and electronic

interceptions, search warrants and surveillance. Search warrants were executed at multiple locations, which resulted in the seizure of more than a kilogram of cocaine and heroin and more than a dozen firearms. All but one of the defendants have been arrested. The case is set for trial in June 2017.

In *United States v. Street*, eight Detroit-area men were charged in a heroin distribution conspiracy that involved four deliveries causing victims to overdose and creating serious bodily injury. Seven of the defendants have pleaded guilty and the final defendant, who had been a fugitive, was recently arrested.

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

We continued to attack the opioid epidemic through Project HOPE, Heroin and Opioid Prevention and Enforcement. The plan makes it a priority to prosecute heroin trafficking resulting in death or great bodily injury, and to combat the distribution pipeline from Michigan into neighboring states. The plan also includes outreach and prevention to educate the public about the link between prescription pills and heroin addiction. We partnered with the Drug Enforcement Administration and Federal Bureau of Investigation to host screenings of "Chasing the Dragon," a documentary that raises public awareness about addiction and the opioid crisis.



In *United States v. Tempo*, 13 Detroit-area men were charged with conspiring to distribute heroin, crack cocaine and other drugs. Nine of the defendants were charged with distributing fentanyl and heroin resulting in overdose death and serious bodily injury, a charge that carries a mandatory minimum term of imprisonment of 20 years.

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. Two defendants have pleaded guilty as charged and two others await trial in January.



*We partnered with DEA and FBI to screen the documentary film "Chasing the Dragon," followed by panel discussions, to raise awareness of about the opioid and heroin epidemic, shown here in Saginaw, and throughout the Eastern District of Michigan.*

In *United States v. Wilson*, our appellate team obtained an order from the Court of Appeals affirming the convictions for conspiracy to murder a federal agent in connection with robbing a drug house. One defendant was sentenced to life in prison and another was sentenced to 25 years in prison for plotting to kill an undercover federal agent by slashing his throat. The defendants believed that the agent was a drug courier who wanted to rob a stash house. The defendants planned to double-cross the agent by robbing and murdering him after he

picked up drugs from the stash house. At the time of their arrest, the defendants possessed masks, duct tape, latex gloves and a knife with an eight-inch serrated blade.

In *United States v. Martinez*, 20 defendants were convicted in a large-scale cocaine trafficking case that spanned Michigan, Maryland and California. More than \$1 million in drug proceeds was forfeited.

In *United States v. Brownlee*, an Ypsilanti man was convicted at trial of illegally possessing firearms and delivering and attempting to distribute heroin. Because the defendant is an Armed Career Criminal, he faces a sentence of at least 15 years. A co-defendant, Zachary Burdette, pleaded guilty to delivery of heroin causing death.

In *United States v. Sanchez*, a California man was found guilty after a jury trial of conspiracy and attempting to possess with intent to distribute three kilograms of fentanyl-laced cocaine, two kilograms of heroin and three kilograms of pure methamphetamine.

In *United States v. Lombard*, an Eastpointe man was convicted by a jury of conspiracy and possessing with intent to distribute 11 kilograms of heroin. The defendant had received the heroin from an Arizona-based distribution organization that was transporting large quantities of heroin and methamphetamine from Mexico to various places in the United States, including Detroit.

In *United States v. Toland*, a Detroit man was found guilty after a jury trial of conspiring to distribute kilograms of heroin. The defendant received heroin from Bernardo Santana, who had been extradited from the Dominican Republic. Santana, who had imported more than 90 kilograms of heroin into the Detroit area, pleaded guilty to conspiring to distribute heroin and awaits sentencing.

**Human Trafficking.** Human trafficking cases sometimes involve victims held in bondage. More often, the victims are sold for commercial



sex acts and controlled with drugs, intimidation or violence.

In *United States v. Jackson*, a 67-year-old Detroit man was charged with sex trafficking two women including two juveniles out of a house in southwest Detroit. Police responding to a 911 call to the home found a locked steel gate on the stairs to the second floor, along with three adult women, one of whom told police that the defendant provided them with drugs and was violent with them.



*AUSA Sara Woodward speaks about human trafficking to members of the Saginaw Chippewa Indian Tribe in Mt. Pleasant.*

In *United States v. Curry*, a Detroit man was sentenced to 35 years in prison after having been convicted at trial of sex trafficking three minor victims using force and coercion. His co-defendant, who pleaded guilty, was sentenced to 25 years. 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 sentenced to 30 years in prison after his conviction 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. Davis*, the defendant was charged with transporting a minor for the purpose of prostitution. The defendant, a pimp, aided and directed others in transporting a 15-year-old victim from Flint to Georgia and several other states where she worked for him as a prostitute. Law enforcement officers located the victim in Georgia after she ran away from the defendant. The defendant pleaded guilty to transporting an individual for the purpose of prostitution and faces a substantial prison sentence at his sentencing hearing in 2017.

**Child Exploitation.** Prosecutors in our Project Safe Childhood Program convicted a number of defendants for sexually exploiting children. A growing trend of “sextortion” has emerged, in which predators coerce children into sending them nude photos, with increasingly abusive demands. Our lawyers prosecuted these defendants, obtaining criminal sentences and forfeiting the electronic equipment used in their crimes. As a result of our work, 119 children were rescued from sexual abusers in 2016. Cell phone technology now provides a virtual doorway for sexual predators to enter the bedrooms of children from many states away. We urge parents and teachers to talk to children about the dangers of communicating with strangers online, and to assure their children that if they are victimized, they should never be too ashamed to ask for help.

In *United States v. Fontana*, an Ontario, Canada, man was sentenced to 30 years in prison for sexually exploiting minor girls. The defendant posed as a teenage boy and befriended online a 15-year-old girl living in Michigan. Over time, he coerced her into performing sexually explicit acts for him in front of a webcam while he video recorded her. He threatened to post these videos

online and send them to her friends and family if she did not continue, at times following through on the threats. Defendant engaged in similar conduct with a 14-year-old girl in Michigan and other children in other states and other countries. By coming forward, the 15-year-old victim helped rescue many other children.

In *United States v. Hennerberg*, a Nebraska man was sentenced to 35 years in prison and two others entered guilty pleas in a child exploitation enterprise. The charges alleged that a group worked online to entice female victims to produce child pornography. The defendants created false social media accounts, pretending to be teenagers. They targeted girls aged 10 to 14, engaging them in online conversations, deceiving them about their identities and "daring" and later coercing them to undress and engage in sexually explicit activity in front of webcams. Groups members had various roles, including "hunters," "talkers" and "watchers." The group victimized at least 100 girls.

In *United States v. Dehate*, a Sterling Heights man was sentenced to 30 years in prison following his conviction at trial for producing child pornography and enticing a child online. Evidence at trial showed that the defendant preyed upon a 13-year-old girl who lived in another state. Using the application "KIK," the defendant communicated with the victim and persuaded her to produce sexually explicit images and videos for him.

In *United States v. Soper*, a Monroe man was sentenced to 58 years in prison for producing child pornography documenting his own sexual assaults of young children, ranging in age from three to seven years old. The defendant traded images and videos he produced to individuals over the Internet in exchange for pornographic images of children and toddlers. The defendant admitted to sexually assaulting other children.

In *United States v. Vaughn*, an Ypsilanti man was sentenced to 35 years in prison for producing child pornography involving a three-year-old victim and committing a sex offense against a

child while being subject to the sexual offender registry. The defendant possessed more than 30,000 images and 3,000 videos of child pornography.

In *United States v. Kuppe*, a 21-year-old West Bloomfield man who worked as a camp counselor pleaded guilty to distribution of child pornography after 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. Gors*, David Gors and Crystal Runyon were convicted of conspiring to manufacture child pornography. Runyon took sexually explicit images of a two-year-old girl in her care and sent them to Gors. Gors was also engaged in the live-stream of sexually explicit conduct with teenage girls he met in various chat rooms. Runyon was sentenced to 25 years and Gors received a 30-year sentence.



AUSAs Kevin Mulcahy and Matt Roth discuss Internet safety with students at Southgate Anderson High School.

In *United States v. Merritt*, Dominique Merritt and Derek Kocik were convicted of conspiring to manufacture child pornography. The two met when Kocik responded to Merritt's Craig's List posting looking for "like-minded" individuals. Merritt, who has a prior conviction for possession of child pornography, communicated with Kocik and directed him in ways to sexually

molest a young girl in his care. In addition to exchanging images of child pornography, Kocik took sexually explicit images of the girl that were sent via email to Merritt. Merritt was sentenced to 25 years and Kocik received a 15-year sentence.

In *United States v. Aleck*, an Almont man left behind a computer containing child pornography when his landlord evicted him. He had large amounts of child pornography on the computer. As part of the relevant conduct in the case, he admitted that he manufactured child pornography by clandestinely videotaping a minor changing clothes during a one-year period from January 2010 to January 2011. He was also convicted in St. Clair County Circuit Court for sexual assault, which included videotaping a sleeping seven-year-old girl in her underwear.



*The Federal Executive Board recognized three of our support staff professionals, Cathy Beck, Christina MacKenzie and Tracey Pyle, for outstanding public service. Assistant U.S. Attorneys Steve Cares, Mark Chutkow and Vanessa Mays joined them at the awards ceremony.*

In *United States v. Barker*, the defendant, a life-long educator and instructor of children, pleaded guilty to receiving more than 25,000 child pornography images and more than 500 child pornography videos on various computers and hard drives. These images and videos included depictions of the molestation of children as

young as toddlers. The defendant also admitted that he had touched, on various occasions, at least three minor female children for sexual gratification. The defendant admitted that he was deliberately and consciously grooming the three minor female children to have sex with him. The defendant was sentenced to 14 ½ years' imprisonment.

In *United States v. Scott*, a foreign source reported to Homeland Security Investigations that a person in the Eastern District of Michigan had discussed drugging and sexually assaulting young children during an exchange of emails about trading child pornography. The then-unidentified person planned on victimizing the children again during an upcoming visit, and agreed to send photos of the naked children to the foreign source. HSI worked with the U.S. Attorney's Office, and, within days, identified the defendant and executed a search warrant at his residence. When arresting Scott, HSI found child pornography on his cell phone. After being detained, Scott pleaded guilty to receipt and distribution of child pornography and awaits sentencing in January of 2017.

In *United States v. Ranzenberger*, a Central Michigan University faculty member was convicted of possession of child pornography. The faculty member, Mark Ranzenberger, inadvertently displayed a pornographic image from his Dropbox on the screen during a class presentation. A student's complaint led to an administrative investigation, which turned into a criminal investigation. Law enforcement agents determined that he possessed more than 1,000 images containing child pornography on his university-issued computers. Law enforcement agents also found a text document graphically describing, year by year, how to groom a child from birth until age 11 to participate in sexual acts. Ranzenberger admitted to possessing the child pornography, and to sexually abusing a minor under the age of 12 between approximately 1995 and 2002, approximately three times per week. Defendant pleaded guilty and is awaiting sentencing.



## National Security

Countering 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"), officials from the public and private sectors. We organized ATAC presentations on cyber crime, domestic terrorism and strategies used by ISIL. We traveled to Grayling to meet with our law enforcement partners in the northern part of our district to share ideas about protecting against terrorist attacks. 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.

### Cases

**Terrorism.** In *United States v. Abu-Rayyan*, a Dearborn Heights man pleaded guilty to making false statements to acquire a firearm and illegal possession of a firearm. The defendant made statements in support of the Islamic State in the Levant (ISIL), a designated terrorist organization on social media and to an undercover agent. The defendant also expressed a desire to conduct a martyrdom operation, including a mass shooting at a church.



*U.S. Attorney Barbara McQuade serves as Vice Chair of the Attorney General's Advisory Committee and Co-Chair of the Terrorism and National Security Subcommittee, providing input on policy matters to Attorney General Loretta Lynch.*

In *United States v. Hamdan*, a Dearborn man pleaded guilty and was sentenced to more than five years in prison for making false statements to facilitate terrorism. The defendant admitted that he lied to federal agents about his travel to Lebanon. He told he agents that he was traveling to get his teeth fixed, when, in fact, he was traveling to fight in Syria with Hizballah, which is a designated terrorist organization.

**Weapons.** In *United States v. Gregerson*, a Detroit man was charged with possessing illegal grenades and other explosives after amassing an arsenal of weapons, including handguns, an AK-47 rifle, ammunition, a machete, road spikes, tactical knives, a ballistic vest with military grade plates and a training video for an assault rifle.

**Immigration.** In *United States v. Tam*, the owner of a Novi restaurant and his wife were indicted on charges of harboring undocumented immigrants for the purpose of commercial advantage and conspiracy. The investigation began when five Mexican nationals died in a fire at the home of the defendants, Roger Tam and Ada Lei. Court records alleged that Tam hired the five men and paid them in cash to work in his restaurant. Tam and Lei housed the men in their basement and transported them to work at the restaurant. Smoke detectors in the basement had been disabled.

In *United States v. Odeh*, a superseding indictment was returned against a Chicago woman, charging her with naturalization fraud for failing to disclose her role in a terrorist bombing. The defendant was convicted at trial in 2014, but the case was remanded for a new trial to consider whether to permit expert testimony. The indictment charged the defendant with obtaining her U.S. citizenship by fraud by failing to disclose on her application that she had been convicted and imprisoned in Israel for bombing a supermarket and the British Consulate on behalf of the Popular Front for the Liberation of Palestine, a designated terrorist organization.

In *United States v. Burke*, two dairy farms and their owners were indicted on charges of hiring and harboring undocumented immigrants for financial gain. The farms are located in Huron and Tuscola counties. Some of the undocumented immigrants were hired by the defendants on multiple occasions, using different names or Social Security numbers.

In related cases, three residents of Michigan's thumb area pleaded guilty to illegally harboring and transporting more than 100 undocumented immigrants to dairy farms in Huron and Tuscola counties. They also assisted undocumented immigrants to obtain false documents. Yolanda Stewart was sentenced to 27 months in prison, Tina Frost to 24 months and Williams Carlson III to nine months. They admitted to engaging in the illegal conduct for private financial gain. A fourth defendant, Irena Gonzalez, was convicted at trial in early 2017 for similar conduct.

In *United States v. Jafri*, a husband and wife were charged with conspiracy to commit visa fraud and alien smuggling, money laundering and related offenses. The defendants owned and operated A.J. & Associates, an immigration consulting firm headquartered in Windsor, Ontario, Canada. The indictment described an extensive fraud scheme in which the defendants fraudulently procured visas for numerous aliens with the ultimate goal of obtaining permanent residency for the aliens. Iram Jafri was arrested in September. Her husband and co-defendant remains at large.

## Fraud

Another enforcement priority is fraud, encompassing corporate fraud, environmental violations, health care fraud, identity theft and other offenses. We used civil and criminal enforcement tools to combat fraud.

**Corporate Fraud.** In early 2017, Takata Corp., a Japanese company with a subsidiary in Auburn Hills, agreed to plead guilty to wire fraud for providing false test data about defective airbags. The company agreed to pay \$1 billion in fines and restitution for concealing the true condition of airbag inflators that failed to perform reliably during testing. Three Takata executives were also charged criminally with wire fraud and conspiracy. Defective Takata airbags have accounted for at least 10 deaths and more than 100 injuries in the United States. The penalties include a \$125 million fund for personal injury victims who are identified in the future.



Volkswagen Headquarters.

**Environmental Offenses.** In early 2017, Volkswagen AG agreed to plead guilty plea to conspiracy, obstruction of justice and false statements for cheating on U.S. emissions tests, and to pay a \$4.3 billion fine. Seven Volkswagen employees were also charged, including an engineer, who pleaded guilty to wire fraud and violations of the Clean Air Act. According to the engineer's admissions, when he and his co-conspirators realized that they could not design a diesel engine that could meet U.S. emissions

standards, they designed a “defeat device,” software that could detect whether a vehicle was undergoing testing. Using the defeat device, the vehicles would comply with emissions standards while undergoing testing at an EPA lab in Ann Arbor, but when on the road, the vehicles would emit 40 times the permissible pollutants. False Certificates of Compliance were sent to the EPA from Volkswagen’s subsidiary in Auburn Hills. Volkswagen also agreed to pay more than \$15 billion in damages for civil claims, including payments to buy back approximately 600,000 cars from their owners in the United States.

In *United States v. Patrick*, two marine engineers were charged with violating the Clean Water Act and conspiracy. The indictment alleged that the two men discharged oil from a ship into Lake Huron and failed to report the discharge to the National Response Center.

In *United States v. U.S. Steel*, the Department of Justice obtained a settlement with U.S. Steel to resolve allegations that it violated the Clean Air Act. The settlement required the company to reduce pollution at three Midwest iron and steel plants, including one in Ecorse. U.S. Steel agreed to perform environmental projects totaling \$1.9 million to protect human health and the environment, to invest \$800,000 to remove contaminated transformers, and to pay \$2.2 million in civil penalties.



*We joined with Michael Botticelli, Director of the Office of National Drug Control Policy, for a presentation to Wayne State University medical students about opioid addiction.*

In *United States v. Xu*, a Windsor, Ontario, Canada, man was sentenced to four years and nine months in prison for smuggling endangered turtles out of the United States. On six different occasions in 2014, Xu shipped turtles to China, concealing them in clothing in his luggage. On one occasion, he taped 51 live turtles to his legs under his pants to conceal them from Customs officials. The value of the turtles exceeded \$1.5 million in China, where turtles are highly valued. The defendant obtained the turtles from breeders in the United States.

### **Monroe Doctor Sentenced to Almost Five Years in Prison**

In *United States v. Linares*, a Monroe doctor was sentenced to almost five years in prison following his conviction for unlawful distribution of oxycodone pills and health care fraud. Dr. Oscar Linares was sentenced to 57 months in prison for running a pill mill and seeing as many as 250 patients in a day during a three-year period. Linares was ordered to forfeit \$236,000, a Ferrari Testarossa, a Bentley Continental, a Porsche 911, two Hummers, a Lincoln Town Car, a Lexus RX400, two boats, Louis Vuitton luggage and Rolex and Invicta watches.

**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 and drug diversion.

In early 2017, in *United States v. Sabit*, a Birmingham neurosurgeon was sentenced to almost 20 years in prison for his role in a \$2.8 million health care fraud scheme in which he caused serious bodily injury to patients by performing unnecessary invasive spinal surgeries. Sabit profited on insurance billings by falsely representing to patients that he had implanted certain medical devices in their spines when he instead used less expensive materials.



In *United States v. Fata*, an Oakland Township oncologist forfeited \$13 million, which will be used to compensate victims of his fraud scheme. He was sentenced to 45 years in prison for lying to patients about having cancer so that he could administer chemotherapy treatments and bill Medicare. In a related case, Vitas Healthcare agreed to pay \$200,000 to settle allegations that it donated to a charity owned by Fata in return for patient referrals to its hospice.

In early 2017, McKesson Corporation, one of the nation's largest drug distributors, agreed to pay \$150 million to resolve allegations that it violated the law by failing to report suspicious orders for prescription pills to independent and small pharmacies since 2008. The agreement, which resolved an investigation brought by our office along with the DOJ Criminal Division and other U.S. Attorney's Offices, also requires McKesson to suspend sales in Michigan and three other states and to permit an independent monitor to assess compliance for five years.

Also in early 2017, Costco Wholesale agreed to pay \$11.75 million to settle allegations that it improperly filled prescriptions that lacked required information and that were for drugs beyond the scopes of the prescribing doctors' practice, and failed to maintain accurate records for drugs at its pharmacies and central locations.

In *United States v. Weiss*, a Troy doctor pleaded guilty to conspiracy and health care fraud for his role in a scheme to divert prescription pain pills to the street market for profit. The indictment alleged that Dr. Weiss wrote prescriptions for pain pills for patients who did not have a legitimate medical need for them. His co-defendants then sold the pills on the street market. Weiss also submitted fraudulent bills to insurers totaling \$350,000.

In *United States v. Akinwumi*, a Superior Township doctor was sentenced to seven years in prison for illegally distributing prescription pain pills. The defendant admitted to distributing 1.8 million pills to patients without legitimate medical need. Pills were then sold on the street

market. The defendant billed Medicare and other insurers for unnecessary procedures.

In *United States v. Bryan*, a Farmington Hills plastic surgeon was sentenced to a year and a day in prison for writing prescriptions for opioid pain pills without medical justification. Dr. Luran Bryan wrote prescriptions for drug addicts and associates of her patients to bolster her plastic surgery practice.

In *United States v. Zigmond*, three doctors from Oakland and Macomb Counties and seven other individuals were charged in a scheme to illegally divert prescription pain pills. The group allegedly earned \$5.7 million from selling the pills on the street market.

In *United States v. Awada*, a Warren doctor agreed to pay \$200,000 to settle a civil suit and forfeit \$1.7 million for defrauding Medicare and by illegally distributing prescription pills. Dr. Hussein Awada was sentenced in 2015 to seven years in prison. Awada wrote prescriptions for 80,000 doses of opioid pain pills to patients recruited by a marketer, who sold the pills on the street. Awada required new patients to undergo unnecessary tests, such as ultrasounds and X-rays, so that he could bill for those procedures.



*The Fata prosecution received an Attorney General's Award in Washington, D.C.*

In *United States v. Mehmood*, our forfeiture team obtained \$32 million in forfeiture from the owners of home health care companies in Ypsilanti. The defendants received prison sentences ranging from eight to 30 years in prison in a case brought by the Criminal Division's Medicare Fraud Strike Force.

In *United States v. Awerbuch*, a West Bloomfield neurologist agreed to forfeit \$4.1 million following his conviction for health care fraud for fraudulently billing Medicare and other insurers for unnecessary neurological testing and diverting a controlled substance.

In *United States v. Dela Cruz*, the owner and operator of a Livonia clinic was sentenced to eight years in prison for drug diversion and health care fraud. In exchange for payments, Dr. Fanny Dela Cruz wrote pre-signed prescriptions without examining patients, leaving the patient name blank for others to fill in. The prescription pills were later sold on the street market. Dr. Dela Cruz prescribed more doses of Oxycodone and Oxymorphone than any other doctor in Michigan in 2015.

**Bank, Mail and Wire Fraud.** In *United States v. Rathburn*, a Grosse Pointe couple was charged in a scheme involving the distribution of human body parts, some of which tested positive for HIV and hepatitis. The defendants rented human body parts, such as heads and torsos, to customers for medical or dental training. They obtained diseased remains at a reduced cost but represented them to customers as being free from disease. Elizabeth Rathburn pleaded guilty and Arthur Rathburn awaits trial.



*Flint Branch AUSAs and judges participated in the Flint Youth Initiative ("FYI"), which paired lawyers and judges with students for weekly lunch mentoring meetings.*

In *United States v. LaJoice*, the former chief financial officer of a Clarkston credit union pleaded guilty to embezzling \$18 million. The defendant concealed losses by issuing cashier's checks from accounts without authorization and depositing them into accounts he controlled.

In *United States v. Usewick*, a Flint man was sentenced to two years and four months in prison for a bank fraud exceeding \$250,000. The defendant entered into a business partnership to open used car dealerships. When he began to incur losses, he committed large-scale bank fraud by submitting fraudulent titles to Ally Financial to release funds from the floor plan to a bank account that he controlled.

In *United States v. Brink*, seven Flint-area defendants pleaded guilty to conspiracy to commit bank fraud, causing more than \$1 million in losses. The defendants induced financial institutions to make loans for high-end automobiles by recruiting straw buyers to purchase vehicles from dealerships and providing them with false documents for loan applications. The defendants would file forged documents with the Secretary of State to show that the loans had been repaid fully. The cars would then be resold at auction or shipped overseas. Prison sentences spanned two years to 2 1/2 years, and defendants were ordered to pay hundreds of thousands of dollars in restitution and fines.

In *United States v. Charles*, an Oak Park information technology engineer used his position to exploit Cisco Systems, computer technology company. The defendant personally enriched himself by fraudulently obtaining Cisco equipment through a series of false statements and then selling the equipment to third parties through a secondary market broker.

In *United States v. Singh*, a Jackson man was sentenced to 2 1/2 years in prison after pleading guilty to burning down his store to collect insurance proceeds. The defendant admitted to hiring men to burn down his party store and then claiming \$400,000 in insurance proceeds.

In *United States v. Halloun*, three defendants were charged as a result of Food Stamp and WIC Fraud that occurred at Shorthorn Meats in Flint and Saginaw from 2011 to 2015. The three defrauded the government of more than \$4 million. Witnesses reported that employees put rotting meat into bleach water for further resale. At Shorthorn Meats in Saginaw, more than 1,000 pounds of unsafe and rotting food was thrown away after the execution of the search warrant. Two of the defendants pleaded guilty, with one awaiting trial.

In *United States v. Woolsey*, our appellate team obtained an order from the Court of Appeals affirming the conviction and sentence of a Grosse Ile businessman in a mortgage fraud case. The defendant was sentenced to seven years in prison for conspiracy to defraud lenders in Michigan and Tennessee. The defendant orchestrated millions of dollars of fraudulent mortgage transactions by directing the activities of bank employees, buyers, appraisers and closing agents. To complete the scheme, he disguised the source of down payments, provided false and inflated appraisals for real properties and provided false income information for buyers to bolster their apparent creditworthiness in their applications for mortgage loans.

In *United States v. Bravata*, the Court of Appeals upheld the conviction and sentence of a Brighton man who was sentenced to 20 years in prison after he was found guilty at trial for orchestrating a \$50 million investment fraud scheme. The defendant organized lunch and learn seminars, targeting seniors, whom he robbed of their life savings.

**Tax Fraud and Identity Theft.** In *United States v. Gray*, a Flushing man pleaded guilty to making and subscribing a false tax return, failure to report foreign bank and financial accounts and being a felon in possession of a firearm. The defendant was an owner and developer of property in Costa Rica. He admitted to filing false tax returns for four tax years with a tax loss of \$388,373. He also admitted that during the

same period he failed to report income held in foreign bank accounts in excess of \$775,000.



*The statue of the fist of boxer Joe Louis in downtown Detroit symbolizes Detroit's resilience.*

In *United States v. Laboe*, a Lenawee County man was sentenced to 41 months in prison after his conviction for wire fraud and identity theft. The defendant admitted to stealing the personal information of 77 elderly victims in northern Ohio and using that information to file fraudulent income tax returns, seeking refunds of a half million dollars. Bradley Laboe also opened fraudulent bank accounts into which the refunds were deposited.

In *United States v. Lundene*, a former manager of the Internal Revenue Service office in Flint pleaded guilty to a bank fraud conspiracy. His involvement in the conspiracy began in 2013 and continued over a period of two years. The defendant received money from an individual he met via the Internet and disbursed the funds to various recipients primarily in Nigeria. Lundene's involvement had an intended loss in excess of \$475,000. Sentencing is scheduled for February 2017.

In *United States v. Chemed*, the defendant pleaded guilty to conspiring to defraud the United States of more than \$100,000. The defendant, who owned and operated an Instant Tax Service franchise, conspired with his clients and employees to falsify his clients' tax returns. The falsified tax returns enabled clients



to obtain larger tax refunds than they were entitled. Defendant then took a portion of his clients' tax return refunds as a fee for the preparation of the tax return.

In *United States v. Henderson*, a Detroit woman pleaded guilty to charges of aggravated identity theft and conspiracy to defraud the United States. She admitted that she was a part of a conspiracy to use stolen identities to file fraudulent tax returns. Each of the tax returns were filed using stolen identities of inmates at the Georgia Department of Corrections. The Internal Revenue Service issued the refund checks that were mailed to the defendant's address.

In *United States v. Ingersoll*, the owner and operator of educational management companies for charter schools in Bay City was sentenced to more than three years in prison for income tax evasion and conspiracy to defraud the United States. Evidence at trial showed that Steven Ingersoll obtained a \$1.8 million line of credit for the Bay City Academy, and then used the funds for his own purposes, including paying a debt he owed another charter school he had founded in Grand Traverse County. In addition to 41 months in prison, Ingersoll was ordered to pay restitution.

In *United States v. Elliott*, a Detroit man was sentenced to two years in prison and ordered to pay \$183,000 in restitution after being convicted of filing false tax claims. The defendant used personal information to file false tax returns for taxpayers without their knowledge, and then sought to have the refunds transferred to a bank account under his control.

In *United States v. Tackett*, a Westland man pleaded guilty and was sentenced to five years in prison for money laundering and tax evasion for extorting almost \$3 million during a seven-year period from a business executive. The defendant demanded the money in exchange for concealing the executive's sexual relationship with the defendant's now-deceased daughter.

## Civil Rights

Our Civil Rights Unit continued its robust enforcement efforts in 2016. Civil rights are essential to attracting residents and maintaining a high quality of life in a multi-cultural community like ours.

### **Township Agrees To Resolve Suit To Permit Building of Islamic School**

In *United States v. Pittsfield Township*, we obtained a Consent Decree with the Township to resolve a lawsuit alleging violation of federal religious land use law when the Township denied zoning approval to the Michigan Islamic Academy to build a school on a vacant parcel of land owned by the Academy. The lawsuit alleged that the Township violated the law by imposing a substantial burden on the Academy's exercise of religion when it refused to grant its request for rezoning to build a new school after outgrowing the school building at its current location in Ann Arbor. The Consent Decree required the Township to allow the school to be built, to treat the school and all other religious groups equally and to publicize its no-discrimination practices. The Township also agreed that its leaders would attend training on the requirements of the law and pay the Academy \$1.7 million to resolve claims for damages and attorney's fees. The school will break ground in the spring.

**Religious Rights.** In *United States v. Sterling Heights*, we filed a lawsuit alleging violation of federal religious land use law against the City of Sterling Heights after it denied an Islamic community center permission to build a mosque on land that it had acquired for that purpose. The City allegedly placed a substantial burden on the community center and discriminated against the Muslim religion in denying permission to build, citing height and parking concerns. The

complaint noted that other religious buildings in the city are substantially taller than the proposed mosque. The complaint also alleged that at public meetings, citizens had stated “Remember 9-11,” and that we don’t want “to be near people like this” while displaying a photo of a woman with a head covering.

**Police Practices.** In March, we resolved the remaining Consent Judgment with the City of Detroit regarding an alleged pattern and practice of unconstitutional policing. Two consent judgments had been in place since 2003 to resolve allegations that the Detroit Police Department engaged in excessive force, detained material witnesses without probable cause and maintained deplorable conditions of confinement. Following an 18-month period of active monitoring to ensure compliance and a series of townhall meetings to obtain feedback from the community, the DOJ oversight of DPD ended. Today, DPD has far fewer incidents of excessive force, no longer detains material witnesses without probable cause and houses its detainees at state facilities.

**Veterans’ Rights.** In *United States v. COPOCO Community Credit Union*, we joined with the Civil Rights Division to file a lawsuit against a Bay City-based credit union alleging that COPOCO violated the Servicemembers Civil Relief Act by repossessing cars from military service members without obtaining the necessary court orders. The law protects service members by suspending or modifying certain obligations while they are on active duty, including repossession of a vehicle without a court order if the service member made a deposit or installment payment before entering on active duty. The case began when COPOCO repossessed a car belonging to an army private from the driveway of his family’s home.

**Voting Rights.** Our office reached a settlement with the City of Ecorse under the Americans with Disabilities Act to ensure accessibility to polling places for individuals with disabilities. The City of Ecorse agreed to make changes to its polling places to make them accessible before the

November 2016 elections, to train its poll workers and to choose polling places in the future that are accessible.

**Employment Discrimination.** In *United States v. State of Michigan*, we joined with the Civil Rights Division of the U.S. Department of Justice to file a lawsuit alleging that the State of Michigan and the Michigan Department of Corrections are engaging in a pattern or practice of sex-based employment discrimination against female correctional officers in violation of Title VII of the Civil Rights Act. The lawsuit alleged that the State of Michigan and the Michigan Department of Corrections discriminated against female employees assigned to Michigan’s only female prison by improperly implementing an overly broad female-only assignment policy and by unnecessarily denying requests by female employees for transfers to other prison facilities in Michigan.



*Civil Rights Unit Chief Susan DeClercq participated in a Veterans’ Day event at Ford Motor Company in Dearborn to raise awareness about our enforcement of federal laws that protect the civil rights of service members and veterans.*

**Disability Rights.** We reached a settlement with the City of Detroit Recreational Department to resolve allegations that the City’s Adams Butzel Recreation Center violated the Americans with Disabilities Act by failing to modify its rules to allow a mother to take her child, who has a

disability, into the women's locker room with her so she could assist him with changing his clothes. The City agreed to adopt a new policy requiring reasonable modifications to the Center's locker room policies for children with disabilities and train its staff on their obligations under the ADA.

We also reached an agreement with the Nine Mile Medical Center in Shelby Township to make modifications to its building to make it more accessible for individuals with mobility disabilities. Under the agreement, Nine Mile Medical Center added accessible parking, widened doorways and made alterations to the restrooms.



*U.S. Attorney Barbara McQuade meets with President Obama at the White House in May.*

In *United States v. HealthSource*, a Saginaw hospital agreed to a settlement to resolve allegations that it violated the Americans with Disabilities Act by failing to provide a sign language interpreter to a deaf patient at one of its clinics. The settlement requires HealthSource to adopt policies and procedures to ensure that auxiliary aids are provided to deaf or hard of hearing patients and to train staff on the requirements of the ADA.

In early 2016, our office instituted a compliance review of all ten Amtrak stations located in the Eastern District of Michigan to ensure that they comply with the Americans with Disabilities Act. The review covered all platforms, station buildings, and parking lots owned by local public entities. Each station was being investigated individually and each is currently in varying stages of investigation/resolution.

**Fair Housing.** In *United States v. Parkside East*, a lawsuit filed by both U.S. Attorneys' Offices in Michigan against the owners of seven Michigan apartment complexes, we obtained a Consent Decree to resolve allegations that the defendants discriminated against families with children in violation of the Fair Housing Act. Under the Consent Decree, the landlords established a \$20,000 settlement fund to compensate victims. The landlords also agreed to eliminate the restrictions on children in all of their apartments, provide training to their staff and pay \$5,000 in civil penalties.

### ***Other Civil Cases***

**False Claims.** In *United States v. United Shore Financial Services*, we joined with the Civil Division of the Department of Justice and another U.S. Attorney's Office to obtain a \$48 million settlement with a Troy-based mortgage lender. The settlement resolved allegations that the lender violated the False Claims Act by knowingly originating and underwriting loans insured by the federal government without complying with legal requirements to prevent approval of risky loans. United Shore profited from loan origination fees, but taxpayers paid the price when borrowers defaulted on loans that should not have been approved.

**Bivens.** In *D.E. v. John Doe I*, the Sixth Circuit affirmed the district court decision dismissing the plaintiff's *Bivens* claims against Customs and Border Protection officers who discovered marijuana and related paraphernalia in his vehicle during a search of his vehicle at the border with Canada. The plaintiff was subsequently prosecuted on drug charges in state



court. He claimed that the officers violated his Fourth Amendment rights when they searched his vehicle without probable cause or reasonable suspicion because he had not actually crossed the border to Canada, but ended up on the bridge to Canada by mistake. The Sixth Circuit affirmed the district court's holding that the vehicle search was constitutional under the border-search exception to the Fourth Amendment's warrant and probable cause requirements.

In *Tossa v. Tardif*, our office obtained a significant ruling on behalf of Drug Enforcement Administration agents and officers, requiring plaintiffs who allege emotional injuries in a *Bivens* case to submit to a psychiatric evaluation by a doctor of the defendants' choosing.

**Federal Programs.** In *Sanzotta v. City of Ann Arbor*, our litigators worked with lawyers from the City of Ann Arbor and State of Michigan to obtain an order dismissing a lawsuit brought by a citizens' group challenging the city's decision to manage its deer population following an increase in collisions with deer in Ann Arbor. The city council hired sharpshooters from the U.S. Department of Agriculture to shoot up to 100 deer in closed city parks during nighttime hours between January and March. The court rejected the request for emergency intervention and later dismissed the case.



*Solicitor General Donald Verrilli (center) visited the Detroit office and met with some members of our Appellate Division: Andrew Goetz, Trish Gaedeke, Stephanie Gorgon and Mark Chasteen.*



*Brant Cook signs the oath of office after being sworn in as an Assistant U.S. Attorney by Chief Judge Denise Page Hood.*

In *Marks v. United States*, our lawyers obtained a ruling enforcing the statute of limitations in a Federal Tort Claims Act brought against Detroit Healthcare for the Homeless, a federally funded clinic. The court ruled that equitable tolling did not apply where a plaintiff had ample time and opportunity to determine the proper party to sue, including by looking up the name of the health center on the Public Health Service's website listing all clinics that receive federal funds.

**Medical Malpractice.** In *Benedict v. United States*, the court found in favor of the Department of Veterans Affairs at a bench trial against a doctor who was accused of malpractice. The plaintiff alleged that a doctor at a VA primary care clinic failed to diagnose his appendicitis, which led to his appendix perforating and complications. However, at the time the plaintiff arrived at the VA clinic, he did not have any signs or symptoms of appendicitis and the VA doctor properly instructed the plaintiff to promptly seek emergency care if his symptoms became worse, which the plaintiff did not do. The factfinder held that there was no reason for the VA doctor to have suspected appendicitis, that her discharge instructions were proper, and that the plaintiff's own delay of 12 hours in seeking medical care after his symptoms returned was the primary cause of his harm.

## PREVENTION

In addition to our enforcement efforts, the U.S. Attorney's Office continued to work on preventing crime. An effective way to reduce crime is to prevent it from occurring, so that fewer people become victims and fewer people go to prison. Long-term reductions in crime require efforts to attack its root causes and raise public awareness about how to prevent crime.



*Employers gather at Wayne State University to hear the business case for hiring returning citizens.*

**Police Threats.** Following violent acts against police officers and threats on social media, our office hosted a training program for law enforcement agency leaders. The program featured presentations from federal and state prosecutors about the legal requirements for prosecuting threats against police officers and others on social media.

**Prisoner Reentry.** In August, 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 lunch 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.

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 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 is a smart investment.

We also participated in the U.S. District Court's reentry court, which provides intensive supervised release for high risk offenders following their release from prison. The program provides services and demands accountability from offenders.

**Flint Youth Initiative.** We partnered with the federal 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.



*Outreach coordinator Annie Ellington leads a discussion at the Smart on Crime Youth Leadership Summit, where area teens met with law enforcement officials to discuss issues of police and community trust.*



**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 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 through 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 seek social services and counseling; a summer jobs program for teens and the Ceasefire gang intervention program.



*Executive Assistant U.S. Attorney Kevin Mulcahy discusses Internet safety at Detroit's Youth Day on Belle Isle.*

**Project Safe Childhood.** Our prosecutors spoke to various groups of parents, teachers and students throughout the district about Internet safety. They shared lessons from cases about Internet child predators who seek to meet children and teens online, travel to meet children in person, coerce children to share photos and engage in the emerging trend of "sextortion."

## **Ceasefire Gun Violence Reduction Strategy Moves to West Side**

Based on the success of our work on the east side of Detroit, where gun violence was down 49 percent, we expanded our work in Ceasefire Detroit to the city's west side. By analyzing data, Ceasefire organizers 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 quarterly call-in sessions, 20 to 30 members of violent gangs or 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, transportation, vital documents, housing 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.



**Security for the LGBT Community.** Following the tragic shooting at the Pulse Nightclub in Orlando, the U.S. Attorney's Office

organized and participated in outreach meetings with the metro-Detroit LGBT community and presented a security training workshop for area LGBT organizations. The training included responding to an active shooter, reporting threats and understanding hate crime trends. Outreach partners included the FBI and the Community Relations Service.



*General Crimes Unit Chief Matt Roth talks to kids about gang resistance at Comerica Park with the Detroit Tigers.*

#### **Great Lakes Native American Conference.**

Our office hosted attendees from Michigan, Wisconsin and Minnesota to provide training on victim-related issues occurring in Indian Country. Topics included elder abuse, strangulation, active shooter and human trafficking.

**Disabilities Awareness.** Our lawyers worked to raise awareness about the Americans with Disabilities Act by participating in events with the Detroit City Council Disability Task Force. Raising awareness about the protections of the law can prevent violations of the rights of disabled Americans.

**Cyber Security.** We spoke to industry groups about the importance of working with law enforcement in the event of a cyber intrusion or data breach. We hope that our outreach efforts encourage private sector firms to report to law enforcement when they are the victims of cyber intrusions so that the perpetrators can be apprehended and cannot attack other victims.

**Project Sentry.** Our prosecutors visited dozens of schools to talk to students about the consequences of gun violence, including physical harm, the emotional toll on families and prison sentences. Our efforts focus on students in middle schools, where we seek to prepare students to confront the situations and choices they are facing or will soon be facing.

**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.

**Identity Fraud.** We participated in a forum in Hamtramck along with the FBI about identity fraud, providing tips to seniors and other attendees about common scams to obtain private information, such as bank accounts, birthdates, etc.



*AUSA Sarah Karpinen discusses veterans' rights at the Oscoda County Veterans Community meeting in Comins, Michigan.*

**Religious Freedom.** Our office hosted a roundtable discussion on Religious Land Use with leaders from the Civil Rights Division of the U.S. Department of Justice and members of our local legal community. We also provided training to municipal lawyers about the federal law governing land use for religious institutions, and sent guidance materials to local government leaders and members of the faith community.



## COMMUNITY TRUST

At the U.S. Attorney's Office, we have worked with our law enforcement partners to improve public trust. As tensions flared this year, now more than ever, 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.



*Criminal Chief Mark Chutkow presents at a symposium about public corruption in Albania.*

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.

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

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. Among the topics

discussed at ALPACT meetings were use of force policies, police pursuit policies and incidents, tasers, dealing with mental health issues, implicit bias, police training standards and what to do when you are stopped by the police.

We also organized a Smart on Crime Youth Leadership Summit, a three-day forum in Detroit where teens worked in teams with law enforcement officers to discuss police and citizen interactions, including what to do when you are stopped by the police. Teens offered concrete suggestions to improve relations, such as assigning police officers to teach in schools, organizing police and student sporting competitions and offering police car ride-alongs for citizens.

**Camp DEFY.** To expose young people to careers in criminal justice, we organized a week-long camp called Camp DEFY (Drug Education for Youth.) More than 100 teens spent a week at a YMCA camp in Flint, where they worked with officers and agents to learn about careers in law enforcement, conflict resolution, drug awareness and other life skills. They also participated in camp activities such as canoeing, swimming and ziplining with their law enforcement mentors.



*Youth at Camp DEFY worked with law enforcement officers and agents to learn about careers in criminal justice.*

**BRIDGES.** We continued to participate in BRIDGES (Building Respect in Diverse Groups to Enhance Sensitivity), a partnership between government and Arab and Muslim communities. The BRIDGES group met quarterly throughout the district, bringing together leaders from law enforcement and community groups to discuss issues such as border crossing delays, threats on social media, hate crime and immigration matters. BRIDGES was formed in October 2001, following the terrorist attacks of 9-11. In 2016, a year that saw a 67 percent increase in hate crimes directed at Muslim Americans, our work in BRIDGES remained vitally important. We moderated a “Know Your Rights” forum for BRIDGES members.

**Michigan Alliance Against Hate Crimes.**

Along with the U.S. Attorney for the Western District of Michigan, U.S. Attorney Barbara McQuade serves as the co-chair of the Michigan Alliance Against Hate Crimes. Members include the Michigan Department of Civil Rights and other civil rights and law enforcement organizations. MIAAHC meets quarterly to address hate crimes statistics, plan initiatives to raise awareness and promote community resilience. In October, we held our annual MI Response to Hate conference in Lansing, featuring Ron Davis, Director of DOJ’s Community Oriented Policing Services Office, as the keynote speaker with breakout programs on topics such as responding to an active shooter and implicit bias.



*COPS Director Rom Davis speaks at the MI Response to Hate conference in Lansing.*

**Federal Civil Rights Roundtable.** In October, we launched the Federal Civil Rights Roundtable, a quarterly meeting of civil rights and outreach coordinators from federal agencies working in the Eastern District of Michigan. Members of the roundtable shared information about civil rights issues in our region, and worked to collaborate on outreach initiatives.



*Civil Rights Unit Chief Susan DeClercq joined with the Detroit Police Department at an LGBT community meeting in Detroit.*

**LGBT Outreach.** Members of our office participated in outreach events with various LGBT organizations to raise awareness about legal rights and to build lines of communication. We also participated in LGBT outreach events organized by the FBI and the Detroit Police Department’s LGBT Advisory Board.

**Veterans and Service Members Outreach.**

Our lawyers gave presentations for service members and veterans at town hall meetings in Oscoda, Alcona and Iosco counties. Among the topics covered were lending rights for service members who are called to active duty, employment rights for service members returning to their jobs, voting rights and disabilities rights for those who have been injured in the service of their country. We also spoke to veterans and service members about civil rights at the annual Stand Down for Homeless Veterans at the Detroit Rescue Mission.



**Criminal Justice Reform.** We continued 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 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 participated in the MBK opportunity fair at Cobo Center in November.

## Attorney General Lynch Hosts Justice Forum in Detroit

In August, Attorney General Loretta Lynch visited Detroit to address issues of police and community trust. Attorney General Lynch met with Detroit Police Chief James Craig and DPD officers to thank them for their service, and participated in DPD's National Night Out, a celebration of safe communities. At the 6<sup>th</sup> Precinct's National Night Out event on Detroit's west side, AG Lynch met with officers and citizens, helping to hand out Detroit Lions t-shirts and Detroit Tigers wristbands to children. The following day, Attorney General Lynch led a discussion on police and community trust with Mayor Mike Duggan, Chief Craig and other police and community leaders at Wayne State University. Later that day, AG Lynch attended a BRIDGES meeting in Dearborn, where she met with members of our Arab and Muslim communities. Attorney General Lynch emphasized the importance of citizens partnering with our officers as "guardians of democracy."



## IMPROVING OUR WORK

We continued to improve our own work through management practices, training, technology and communication. Our Administrative Division reorganized to maximize service to our litigators.

**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 views of jurors and the people we serve. We continued to refine our mentoring and attorney development program, which has been recognized by DOJ as a best practice.

**Training Our Lawyers.** Through our First Friday and other training programs, we trained our new and veteran lawyers, including mandatory annual training to ensure compliance with legal obligations to provide discovery material to defendants. We held 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.** Our Senior Litigation Counsel and Law Enforcement Coordinator organized training for federal agents and state and local officers on safe interactions with community members, social media and cell phone analysis and other topics.

**STAR Committee.** Our Support Team Advisory Representatives worked to improve training, office processes, career development and quality of work for our 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. We explored an online common file structure and created a data base of significant cases for ease of reference.

**Recognizing Success.** Several members of our office were recognized for outstanding public service. U.S. Attorney General Loretta Lynch recognized the members of the Fata prosecution team at the Attorney General's Awards Ceremony, including Linda Aouate, Sarah Cohen, Joan Hartman, John Neal, Sandy Palazzolo and Wayne Pratt. Attorney General Lynch also recognized David Gardey and Maria Koch for their work on the Detroit Pension Board case with a Director's Award.

**OPDAT.** Our lawyers participate in DOJ's Overseas Prosecution, Development and Training program, assisting foreign governments in developing the rule of law. Recently, AUSAs Sheldon Light and John Engstrom served as resident legal advisors in Turkey, Gjon Juncaj in Albania and Abed Hammoud in Egypt. Other AUSAs have served in Serbia, Afghanistan, Bangladesh and Ukraine. In addition to serving as advisors, AUSAs traveled overseas to teach prosecutors about investigating public corruption and fraud.



*AUSA John Engstrom participates in a legal symposium in Turkey for the OPDAT program.*

These are a few of the ways we improved our operations during 2016. We constantly seek to improve the way we conduct our business, and will continue to strive to improve in 2017. We welcome your suggestions about how we can better serve our community to improve the quality of life in the Eastern District of Michigan.