

# YEAR IN REVIEW

Year 2014



United States Attorney's Office  
Western District of Michigan

Patrick Miles, Jr.  
United States Attorney

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# Introductory Message

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PATRICK MILES, JR.  
UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MICHIGAN

Thankfully, the rates of homicides, violent crimes, and property crimes are decreasing nationally. We are seeing the same drops in the Western District of Michigan. I see many communities and law enforcement successfully working together and trying to make neighborhoods safer. These collaborations are effective and mutually rewarding.

Law enforcement and communities share the same goals – peace, justice, and security. Both want neighborhoods free of violent groups and gangs, illegal drugs, and human trafficking. They do not want children to be exploited and abused. They do not want vulnerable seniors to lose their savings. They do not want fraudsters to gain at the expense of hard-working taxpayers. The U.S. Attorney's Office for the Western District of Michigan plays a role in pursuing these shared goals. Our attorneys work with federal, state, and local law enforcement officers to bring justice.

Just as important, we also reach out to various communities in an effort to highlight important information and prevent crime. For example, we continue to let people know about the dangers of not monitoring opioid prescription painkillers in the house hold such that teens can take them and possibly overdose or develop an addiction that might turn into heroin abuse. We frequently talk to senior citizen groups about frauds and scams that target them. We warn parents about the dangers and tactics of on-line predators seeking to communicate with their children. Also in 2014, we joined with the Internal Revenue Service to warn the public about stolen identity refund frauds (SIRFs) and identity theft as well as fraudsters manipulating caller ID to pose as IRS collection agents calling people and threatening to arrest or deport them unless they immediately deliver payment with a pre-paid cash card.

The Year In Review details more information about these efforts in and out of court, our results and our team. It also includes our 2014 Smart on Crime Action Plan which describes some of our violent crime prevention, enforcement, and prisoner re-entry work.

Once again, I encourage you to share your comments or suggestions with us. The Office's telephone number is 616-456-2404 and my e-mail address is [patrick.miles@usdoj.gov](mailto:patrick.miles@usdoj.gov). Please feel free to stay updated on our progress throughout the year by visiting our website at <http://www.justice.gov/usao/miw> or follow us on Twitter at @USAO\_WDMI.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick Miles, Jr." with a stylized flourish at the end.

Patrick Miles, Jr.

## NEW INITIATIVES AND CHALLENGES

The USAO achieved numerous remarkable results recounted in the coming pages of this review, showing that no one is above the law or beyond the reach of justice. The year saw the longest trial in the history of the office at six weeks, the two-week trial of the final two of 31 RICO defendants, the conviction of a prominent radio personality for child exploitation, affirmative health care fraud civil enforcement against a local charitable organization and one of the first “bath-salts” trials in the country, among many other significant cases.

In 2014, while continuing to secure outstanding results in its overall litigation mission, the USAO followed through on the Department’s transformative Smart on Crime initiative while also working through perennial budget and staffing challenges.

Consistent with the Smart on Crime initiative, U.S. Attorney Miles maintained the office’s focus on locally-tailored violent crime prosecutions and increased complexity through more white collar fraud and large-scale drug trafficking organization prosecutions. Compared to five years ago, the office is spending more time on complex drug and white collar cases and less time on high-volume, single defendant firearm, narcotics, and immigration cases. On a calendar year basis, the office returned about as many indictments in 2014 as in the prior calendar year.

Another tenant of the Smart on Crime initiative is to invigorate efforts to curb recidivism by felons through programs that attach upon a citizen’s return to society from prison. In that vein, U.S. Attorney Miles and Eastern District of Michigan U.S. Attorney Barb McQuade hosted a Re-Entry Summit in the spring to raise awareness of the challenges faced by citizens re-entering society and share ideas for addressing them.

Later in the year, U.S. Attorney Miles launched a new ex-offender outreach effort to state parolees in the WDMI to reduce recidivism and, in particular, reduce gun violence. The “Facing Choices” sessions are organized by the USAO with the assistance of the Michigan Department of Corrections (MDOC) and occur throughout the year in various cities in the district. Speakers include representatives from the USAO, county prosecutor’s office, local police and sheriff’s departments, ATF, and MDOC as well as successful ex-offenders. The messages are of support, encouragement, warnings, and incentives for the parolees to make positive, law-abiding decisions and to take advantage of the resources available to them during their parole or face serious consequences. Service providers attend to answer questions and offer assistance following the program.

In addition, U.S. Attorney Miles continued to expand the USAO’s outreach efforts. The USAO now has a Twitter account

and tweets press releases and similar announcements. More media events were held than in prior years, offering public service tips as well as announcing significant litigation outcomes. U.S. Attorney Miles also continued with his extensive efforts to contact community members and representatives through meetings, summits and speaking engagements.

In the meantime, the USAO worked its way through some turn-over in its ranks. Even as the office brought in several new attorneys and support staff to fill losses from the prior year, other valued attorneys and staff accepted new opportunities that took them elsewhere. The outstanding hires U.S. Attorney Miles selected, described more fully in the coming pages, bolster the ranks of both the Civil and Criminal Divisions.

Finally, although the USAO fortunately did not need to work around furloughs or a budget sequester, budget cuts projected for out years limited long term planning. However, with the USAO’s lease set to expire, and with a renewed lease, the office will be able to experience some upgrades and more efficient use of its space, such as consolidating pocket libraries to make room for additional conference rooms.

## ARRIVALS, DEPARTURES and PROMOTIONS

### Arrivals:

**AUSA Steve Baker** joined the Organized Drug Crime and Asset Forfeiture/FLU Section of the Criminal Division in the summer. When he joined the office, Steve was already an AUSA in the Northern District of Illinois (Chicago), where he prosecuted drug, firearm, money laundering and financial fraud cases for the past six years. Prior to becoming an AUSA, Steve worked for the City of Chicago’s Law Department as well as a prominent Chicago law firm. Steve obtained his JD from Northwestern University Law School, where he was a member of the National Trial and Moot Court teams and won the Georgetown White Collar Criminal Trial Competition. Steve obtained his bachelor’s degree from the University of Illinois, where he was also a member of the water polo team.

**Nicole Mazzocco** joined the office this past summer as an AUSA in the Civil Division, where she primarily manages a defensive caseload. Prior to joining the office, Nicole worked as an associate with Warner Norcross & Judd in Grand Rapids for six years. Nicole graduated *magna cum laude* from the University of Minnesota Law School, where she was also Order of the Coif and Managing Editor of the Law Review. She obtained a BA in History with high distinction from the University of Michigan, where she was also a James B. Angel scholar award winner and Phi Kappa Phi Honor Society member, among other accomplishments.

**Justin Presant** joined the office in the fall as an AUSA in the Violent Crimes Section. By joining us, Justin returned to his home town of Grand Rapids after several years with a law firm

in Washington, D.C., a federal appellate clerkship in Pittsburgh, Pennsylvania, with the Hon. Thomas M. Hardiman of the Third Circuit U.S. Court of Appeals, and a federal district court clerkship with the Hon. Robert H. Cleland of the U.S. District Court for the Eastern District of Michigan (Detroit). Justin earned his JD from Stanford University Law School and his BS, *magna cum laude*, in Chemistry and Ethics, Politics & Economics from Yale University. Justin became interested in a career as an AUSA through a summer internship with our office while he was in law school.

**Jenny Norton** became a permanent member of our office as a Legal Assistant in the Criminal Division in December after impressing everyone for the past two years as a third-party contract assistant in the Financial Crimes Section. Jenny holds a law degree from Cooley Law School and an undergraduate degree from Grand Valley State University. Prior to joining the office, she practiced law and offered legal support services. She will continue to assist attorneys in the Financial Crimes Section, where her support has become a sought-after commodity.

**Breane Proctor**, hired in November, joined the Criminal Division as a Legal Assistant just after the start of the new year. Breane previously provided paralegal services for the law firm of Stenger & Stenger, P.C., where she was responsible for a substantial collections caseload. Breane obtained her Bachelor's degree *cum laude* from Aquinas College, where she majored in Sociology. She obtained a Post-Baccalaureate Certificate in Paralegal Studies from Davenport University.

**Matthew Langeland** joined the office the same day as Breane through a third-party contract executed in the fall of 2014 to provide support services for the Financial Litigation Unit. Matt obtained his BS in Paralegal Studies from Davenport University, where he was a member of Lambda Epsilon Chi, a National Honor Society for Paralegal/Legal Assistant Studies. Prior to joining the office, he interned in the law offices of Sean Cox.

**Deputy U.S. Marshal Dave Gelement** transferred from the District of Utah in July to accept a position detailed to our Grand Rapids office as part of a special collaborative program between USAOs and the USMS to support the Asset Forfeiture mission. Before undertaking his supervisory position in Utah, he held a position in this district in the USMS's Kalamazoo office. His work was well known and well regarded by both USAOs. Although remaining a Deputy U.S. Marshal and a member of the local USMS office, Dave works directly out of our office space.

#### Departures:

**AUSA Phil Green** was selected by the Court this past year to become a U.S. Magistrate Judge for the Western District of Michigan. Judge Green served with distinction in multiple capacities as an Assistant U.S. Attorney over a period of sixteen years in the district, including Interim U.S. Attorney, First Assistant U.S. Attorney, Deputy Criminal Chief and, most

recently, as Senior Litigation Counsel. Judge Green first joined the Department of Justice through the Honors Program for distinguished law graduates. Judge Green graduated first in his class at St. Louis University Law School. He served as an attorney in the Federal Programs Branch of the Department of Justice's Civil Division before becoming an AUSA in the Western District of Michigan.

**AUSA Sean C. Maltbie** answered a different call to service in the Spring, becoming the Headmaster at Sacred Heart Academy in Grand Rapids. During his five years as an AUSA, Sean distinguished himself primarily through the office's programs combating violent crime. Highlights include his and then-Criminal Chief Brian Delaney's successful Hobbs Act prosecution of the violent "Fallen Angels" robbery ring, a case the office nominated for a Director's Award. AUSA Maltbie graduated with high Honors from the Michigan State University Law School and served as an attorney in the Army's Judge Advocate General Corps as well as an associate with both the Miller Johnson and Varnum local law firms before joining this office.

**Jessica Wright**, a Legal Assistant in the Violent Crimes Section of our Criminal Division, accepted a support position in the chambers of newly appointed Magistrate Judge Phil Green. She was with us for only one year, but we (and Judge Green) were duly impressed with Jessica's work here. We wish her well, knowing she can handle just about anything. Prior to joining the office, Jessica worked in the Kent County Sheriff's Department as an Emergency Communications Operator and served in the Michigan Army National Guard for eight years—including a stint overseas in Operation Iraqi Freedom III from 2004-05.

#### Promotions:

Legal Assistant **Brenda Glass** secured a promotion to Paralegal through a competitive posting for the position, which is embedded in the Financial Crimes Section. Brenda originally joined the office in 2012 after spending 16 years in the private sector as a paralegal with local law firms, including Miller Johnson, P.L.C. most recently. She holds a Bachelor's Degree from Grand Valley State University, where she graduated with a cumulative G.P.A. of 3.7. In the Financial Crimes Section, her primary mission will be supporting Health Care Fraud prosecutions.

**AUSA Tim VerHey** accepted U.S. Attorney Miles's invitation to take over Senior Litigation Counsel (SLC) responsibilities upon AUSA (now Judge) Green's departure. Tim is a member of the American College of Trial Lawyers and has received many awards from the Department and law enforcement agencies during his long tenure with the USAO. As SLC, Tim will help mentor interns and new hires as well as provide training.

## AWARDS

### ATF HONOR AWARD

AUSAs Michael MacDonald and Christopher O'Connor each received the Honor Award from the Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF) at the agency's headquarters in Washington D.C. in August 2014. The annual award recognizes the accomplishments of federal, state, and local law enforcement officials who have provided exemplary service toward the mission of the ATF. The award was presented to AUSAs MacDonald and O'Connor by ATF Director B. Todd Jones for their performance in the investigation and trial of Gerald Singer, who was convicted by a jury of multiple arson offenses, mail fraud, filing false tax documents, and obstructing tax administration. Singer was sentenced to 55 years in prison for his crimes.

### NOBLE CIVIL RIGHTS AWARD

U.S. Attorney Patrick Miles, Jr. received the National Organization of Black Law Enforcement Executives (NOBLE) Civil Rights Justice and Action Award at NOBLE's Annual Training Conference and Exhibition held in Grand Rapids in July. NOBLE's mission is to "ensure equity in the administration of justice in the provision of public service to all communities, and to serve as the conscience of law enforcement by being committed to justice by action."

## REPRESENTATIVE CIVIL MATTERS

### Affirmative Civil Rights Enforcement:

*United States v. VanderVennen et al.* Working with the Civil Rights Division of the Department of Justice, we obtained a settlement stemming from allegations that an area property manager had sexually harassed female tenants at the Alger Meadow Apartments, in violation of the Fair Housing Act. Through a Consent Decree, the defendants agreed to pay \$550,000 and to terminate the manager's role in managing the complex. AUSA: W. Francesca Ferguson.

*Dunn v. Equity Transportation Co.* In this case under the Uniformed Services Employment and Reemployment Rights Act of 1994, the plaintiff alleged that the defendant company violated the law by failing to reemploy him after he returned from his military deployment in the Army National Guard. Representing the plaintiff in conjunction with the Civil Rights Division of the Department of Justice, we obtained a Consent Decree requiring the defendant to pay \$11,000 in back pay and liquidated damages. AUSA: Ryan Cobb.

### Affirmative Civil (Fraud) Enforcement

*United States v. Catholic Charities West Michigan.* The USAO reached a settlement with Catholic Charities West Michigan

stemming from allegations that its Behavioral Health Unit submitted false Medicaid claims for services that were rendered by a Catholic Charities practitioner with a lapsed license, services that did not comply with applicable supervision and documentation requirements, and services that Catholic Charities upcoded using billing codes for higher-paying services than were actually performed. Under the settlement agreement, the nonprofit organization acknowledged that it should have known that (1) the agency submitted claims for services rendered by a practitioner with a lapsed license between May 31, 2010 and August 17, 2011, and (2) the agency submitted claims, under prior management, using billing codes for longer therapy sessions than were provided to patients. Catholic Charities agreed to implement and maintain a compliance program for at least two years.

*United States ex rel. Morgan v. Advanced Prof'l Home Health Care, Inc.* In December 2013, a relator filed a qui tam action alleging that the Defendant was violating the False Claims Act by backdating physician signatures on physician certifications and recertifications for home health care, amendments to patients' plans of care, and documentation of physicians' face-to-face encounters with patients. The USAO conducted an investigation, intervened in the case, and ultimately resolved the case through an agreement in which the Defendant paid \$57,000 and implemented a compliance program. AUSA: Ryan Cobb.

*United States v. Ottinger, Mienk, Stuner, Rais, et al.* The United States obtained False Claims Act settlements with several healthcare providers arising from their alleged participation in an illegal kickback scheme involving physical therapy clinics, medical clinics, and a home health agency. These settlements were part of the United States' ongoing efforts in the *United States v. Rathod* whistleblower case. AUSA: Adam Townshend. Agency: U.S. Department of Health and Human Services.

### Defense Against Claims of Civil Rights Violations:

*Dickson v. Wojcik:* The USAO obtained dismissal of First Amendment, due process, tort, Privacy Act, and other claims brought against the General Counsel of Michigan National Guard by a former supervisee whose allegations arose from the decision to discontinue a temporary JAG Commission following inappropriate behavior during a medical examination. The district court dismissed the tort claims because the individual defendant was acting in the scope of federal employment and the federal government has not waived sovereign immunity for claims like libel, abuse of process, slander, misrepresentation, deceit, or interference with contract rights. The court agreed that the plaintiff's remaining claims were barred for a variety of reasons, including under the Feres doctrine, which bars claims that arise out of, or are incident to, a plaintiff's military service. AUSA: Ryan Cobb.

### Subpoena Defense for Federal Employees and Agencies:

The USAO defended federal agency employees and ensured compliance with federal regulations regarding the release of information from agency files in numerous cases in which federal employees were subpoenaed to testify or produce documents.

### Federal Tort Claims Act (FTCA) Defense:

***Mattfolk v. United States:*** The plaintiff alleged that a provider at a federally supported health clinic failed to diagnose deep vein thrombosis. The United States moved to dismiss the complaint on the basis that the plaintiff had failed to timely file an administrative claim. The district court determined that the claim accrued when the plaintiff was diagnosed with deep vein thrombosis, that the plaintiff was not entitled to equitable tolling, and that the plaintiff's notice of intent that he sent to the clinic did not toll the statute of limitations. The Sixth Circuit subsequently dismissed plaintiff's appeal. AUSA: Carolyn Almassian.

***Price v. United States.*** The plaintiff alleged that the United States Postal Service failed to deliver a number of items that he mailed overseas. The Court granted a motion to dismiss the claim because the Federal Tort Claims Act does not waive sovereign immunity for claims for negligent transmission of the mail. AUSA: Carolyn Almassian.

### Program Litigation:

***Ocon-Fierro v. DEA et al.*** In this Freedom of Information Act (FOIA) case, the plaintiff sought records from USAO and DEA files following his prosecution. Even after the Defendants produced responsive records, mooted his initial FOIA case, he sought to challenge the Department's release decisions. After the magistrate judge issued a favorable report and recommendation for dismissal, the plaintiff sought an extension of time to object to the report and recommendation based on difficulties associated with his incarceration, rather than making any timely objections on the merits. The magistrate judge denied the request for an extension of time, and plaintiff failed to object to the report and recommendation, but then appealed the decision to the 6th Circuit. Following briefing, the Sixth Circuit ruled that plaintiff had waived any right to appeal based on his failure to timely object to the report and recommendation and his failure to object to the magistrate judge's decision not to give him more time to object to the report and recommendation. AUSAs: Jeanne Long and Ryan Cobb.

***Ivey v. McHugh:*** The USAO obtained summary judgment on claims brought by an Army National Guard flight surgeon who was attempting to force the Army to award him the Army Aviator designation. The Court ultimately concluded that because the Civilian Aviation Accession Program had been

discontinued years before the plaintiff ever sought to qualify as an Army Aviator under it, the plaintiff could not show that the decision not to award the designation to him was arbitrary, capricious, or unsupported by substantial evidence. The case is now on appeal. AUSA: Carolyn Almassian.

***Herr v. United States Forest Service.*** Plaintiffs filed suit challenging the 2006 U.S. Forest Service Plan and 2007 Order prohibiting the use of motorboats on the wilderness portions of a lake that is largely within the Sylvania Wilderness and establishing penalties for violations. They argued that agency's actions were arbitrary and capricious and violate the plaintiffs' riparian rights in view of a previous district court decision enjoining enforcement of these rules against other riparian landowners who had sued over the rules many years earlier. The USAO prevailed on a motion to dismiss the case on statute of limitations grounds. The case is currently on appeal to the Sixth Circuit. AUSA: Ryan Cobb.

### Immigration Litigation:

The USAO handled a number of habeas corpus petitions filed by persons detained pending removal from the country. Many of the cases were resolved without need for formal court involvement, but several resulted in significant briefing and favorable decisions. For example, in ***Koech v. Stanway***, the district court upheld the continued detention pending removal of a Kenyan citizen, reasoning that the petitioner had not met his burden of demonstrating that there was no significant likelihood of his removal from the United States in the reasonably foreseeable future. It noted that mere bureaucratic delay in a home country is not sufficient to meet this burden and that immigration officials had established that there were no institutional barriers to removal and they had provided Kenya with the necessary documentation. The case was subsequently dismissed on appeal. The district court reached a similar decision in ***Toth v. Stanaway***, which involved a citizen of Hungary. AUSAs: Carolyn Almassian, Ryan Cobb, Michael Shiparski, Jeanne Long.

### Employment Litigation:

***Crawford v. Hagel.*** After obtaining partial summary judgment on plaintiff's disability discrimination claims under Section 504 of the Rehabilitation Act, the U.S. Attorney's Office secured a stipulated dismissal without prejudice of the Plaintiff's remaining claims under Section 501 of the Rehabilitation Act. More than three months later, Plaintiff filed a new suit alleging claims under Section 501. The U.S. Attorney's Office demonstrated that the Plaintiff had failed to file this suit within the 90-day time period for filing after receiving notice of the final agency decision on his administrative complaint of discrimination. The Court further ruled that the plaintiff's initial suit and the dismissal without prejudice did not operate to extend this time period and that the Defendant had not waived this timeliness defense. AUSA: Jeanne Long.

*Bowman v. Donahoe.* A U.S. Postal Service (USPS) worker who obtained an administrative determination that the USPS discriminated against him on the basis of race sued to enforce the administrative law judge's order that he be detailed to a certain position or a substantially equivalent one for approximately 18 months. We demonstrated that the USPS did offer him details to several positions that met the criteria, but he rejected them based on his mistaken belief that the detail appointments needed to be signed/offered by higher-level managers within USPS. The court granted summary judgment to USPS, reasoning that Plaintiff's own actions were what led to the termination of the detail assignment and prevented him from obtaining the full scope of the relief that the administrative law judge ordered. AUSA: Carolyn Almassian.

*Chui v. Donahoe.* The USAO obtained summary judgment at the district court level, as the court rejected claims that the United States Postal Service discriminated against the plaintiff on the basis of her race/national origin and disability and then retaliated against her through criticism, threats, and eventually placing her on permanent standby status. We demonstrated that the plaintiff was not qualified to hold her position as a mail processing clerk because the extent of her disability prevented her from performing the essential functions of the position, that the Postal Service was permitted to place the plaintiff on standby pursuant to a national reassessment process, and that there was no vacant position plaintiff was qualified for and could perform. On appeal, the Sixth Circuit affirmed the decision. AUSA: Michael Shiparski.

#### Proceedings Relating to Government Lien Claims:

The USAO continued to respond to a high volume of foreclosure litigation and other cases in which federal liens were at issue. We defended approximately 60 new cases in 2014. Due to the large number of foreclosures in the district, the USAO devotes significant AUSA and staff time to handling these cases. AUSAs: W. Francesca Ferguson, Michael Shiparski, Jeanne Long.

#### Social Security:

The U.S. Attorney's Office oversaw the preparation of answers and briefs primarily handled by Special Assistant United States Attorneys from the New York Regional Chief Counsel's office of the Social Security Administration. In 2014, the USAO opened 229 new cases in which plaintiffs challenged unfavorable Social Security disability benefits determinations. The USAO continued to work on a high volume of cases filed in prior years.

#### Bankruptcy:

The USAO represented the interests of the United States in approximately 151 new bankruptcy matters it opened in 2014; the USAO also resolved its issues or claims in 140 cases. AUSAs: W. Francesca Ferguson; Michael Shiparski.

## REPRESENTATIVE CRIMINAL MATTERS

### Financial Crimes Section:

#### HEALTH CARE FRAUD:

*United States v. Shannon Wiggins.* Dr. Shannon Wiggins, a licensed physician, was sentenced to two years in prison following her guilty plea to charges of receiving health care kickback payments and falsifying an income tax return. In addition, she was ordered to pay over \$285K in restitution to Medicaid and the IRS and to forfeit \$550K, including her former medical offices, a 2009 Jaguar and a 2006 Cadillac Escalade. Her co-conspirator husband, **Mohamed Abduljaber**, also pled guilty and was sentenced to 3.5 years in prison. The physical therapist who made the kickback payments, **Chywan Bansil**, was sentenced to 13 months in prison. The case arose from an investigation into prescription drug diversion. Undercover investigators were referred for suspicious electrodiagnostic testing by Bansil and discovered that he was billing for services that he did not perform and paying Dr. Wiggins and her husband illegal kickback payments to refer him patients. AUSAs: Ray Beckering, Adam Townshend. Agencies: FBI; HHS-OIG; Blue Cross/Blue Shield of Michigan; IRS-CID; Michigan Attorney General's Office.

#### INVESTMENT/BANK FRAUD:

*United States v. David McQueen.* After six weeks of trial -- the longest trial in the district's history -- a federal jury convicted David McQueen on multiple mail fraud and money laundering counts in connection with his \$46M Ponzi scheme. McQueen, a former salesman, initially borrowed money to invest in 2006 in an entity called "Multiple Return Transactions" (MRT), which promised 10% returns per month. He appeared to do so well after a few months that he formed his own company, Accelerated Income Group (AIG), and invited others to invest with him and to help him sell his investments to others, using MRT's promise of 10% monthly returns to promise 5% per month with AIG. Within a year, MRT stopped making its payments and it was apparent that MRT was itself a Ponzi scheme. McQueen did not, however, advise his investors. Instead he continued recruiting and selling AIG as a success in an effort to use new investor money to keep AIG afloat. He made speculative investments that did not pan out, issued fraudulent account statements to clients, falsely assured clients they could liquidate at any time and used investor money to make interest payments to other investors, co-mingled investor money in various supposedly distinct investment funds, and lived lavishly off of investor money. The investor-victims were not financially trained or experienced; many elderly investors lost their livelihoods and retirement savings. Over 800 families were affected. McQueen was later sentenced to 30 years in prison and ordered to pay over \$32M in restitution to his individual victims and over \$926K in restitution to the IRS. Twelve other defendants who had assisted McQueen pled guilty earlier in the case and received sentences ranging from

one year to seven years, depending on their role in the case and degree of assistance to the government after getting caught. AUSAs: Matt Borgula, Sally Berens, Joel Fauson and Heath Lynch. Agencies: FBI, IRS, SEC.

***United States v. Freeman "Buck" Reed.*** After his direct marketing business failed, Buck Reed engaged in a scheme to defraud investors by soliciting money to recover "Yamashita's gold"—a legendary gold hoard supposedly left behind by Japanese soldiers in the Philippines when they were defeated by the U.S. Army in WWII. He claimed to investors that he and a co-conspirator had located the gold and simply needed financing to extract it. He obtained \$1.3M from investors, but spent the money on himself to maintain a façade of wealth. Despite the extravagant lifestyle and substantial income (investor money), he filed no tax returns for almost ten years. A jury convicted him for failing to file tax returns in February and he later pled guilty to the gold fraud scheme. At his sentencing, he was ordered to pay \$1.3M in restitution to investors, to pay \$500K in restitution to the IRS and to spend the next 87 months in prison. AUSAs: Clay Stiffler, Matt Borgula. Agencies: IRS, FBI.

***United States v. Roger Andrews.*** From 2006 to June 2010, Andrews devised a scheme to defraud and to obtain money from friends and acquaintances by concocting a story that he owned an investment property in Indiana worth over \$2 million. He told investors that he would use their money to improve the property prior to selling it to the State of Indiana at a substantial profit. In fact, Andrews never owned any real property in Indiana; instead he used investor money for personal expenses, including online market trading. A jury convicted Andrews of wire fraud after a week-long trial and he was later sent to prison for seven years. AUSA: Christopher O'Connor. Agency: FBI.

#### **MORTGAGE/INSURANCE FRAUD:**

***United States v. Seamus Dillon.*** In 2007, Seamus Dillon conspired to defraud a bank in connection with a property in NW Grand Rapids. As a result of a series of false statements designed to defraud the lender, Dillon and his cohorts obtained approximately \$850K which they used for their own purposes. Dillon pled guilty to mortgage fraud and received a sentence of two years in prison and an order to pay over \$755K in restitution. AUSA Tim VerHey. Agencies: IRS, FBI.

***United States v. Richard Hollern.*** Richard Hollern conspired with others at his company, CDC Investments, to defraud banks in connection with mortgage loans. The scheme enabled the perpetrators to use bank funds to enrich themselves as a result of sham real estate transactions. Hollern and his co-conspirators allegedly defrauded mortgage lenders on 30 separate occasions resulting in losses of over \$2.3M. After pleading guilty, Hollern was sentenced to 30 months in prison and ordered to pay over \$186K in restitution. AUSA: Tim VerHey. Agencies: FBI, USSS, USPIS, HUD OIG.

#### **CORRUPTION & EMBEZZLEMENT:**

***United States v. Kirk Weir.*** Between 2007 and 2012, Kirk Weir, a technology administrator at AAR Mobility Systems, caused AAR to purchase approximately \$290K in equipment and software and used \$60K in company credit card purchases for items ostensibly for AAR that, in fact, Weir diverted to sell on the Internet and to purchase personal items, such as sports equipment, boating accessories and clothing. He also altered company records and manipulated internal controls to conceal his crimes. After pleading guilty, he was sentenced to nearly two years in federal prison and ordered to pay over \$370K in restitution and to forfeit \$350K to the United States in the form of a money judgment. AUSA: Chris O'Connor. Agencies: FBI, Cadillac Police Dept., Wexford County Pros. Office.

#### **PROGRAM FRAUD:**

***United States v. James Ortman.*** James Ortman submitted false claims to the U.S. Department of Housing and Urban Development (HUD) in connection with grants administered by the City of St. Johns and the Michigan State Housing Development Authority. Following his guilty plea, he was sentenced to two years in prison and ordered to pay \$235,412.00 in restitution to HUD. At sentencing, presiding U.S. District Court Judge Janet Neff commented that "these kinds of crimes really are corrosive to our trust and faith in our government." AUSA: Ronald Stella. Agency: U.S. Department of Housing and Urban Development-Office of Inspector General; FBI.

#### **TAX FRAUD:**

***United States v. Jeffrey Rodger Richter.*** Richter, part owner of a janitorial service company, was sentenced to prison for 30 months and ordered to pay \$882,655 in restitution for filing false and fraudulent federal income tax returns. For multiple years, he had failed to report as income personal expenditures he made on company credit cards. AUSA: Rene Shekmer. Agency: IRS Criminal Investigation.

#### **ENVIRONMENTAL CRIMES:**

***United States v. Allen P. Chadderton et al.*** Two insurance agents, Allen Chadderton and Dean Tucker, sold fake insurance certificates for underground gasoline storage tanks to service stations throughout Michigan. Each pled guilty late in the year. The purchasing service stations were primarily those with tanks that were uninsurable or very expensive to insure due to age or condition. The EPA and State of Michigan investigated which service stations received the fake certificates and shut them down until the service stations could demonstrate compliance with the law. AUSA: Chris O'Connor. Agencies: EPA; FBI.

## National Security Section:

### **NATIONAL SECURITY/CRITICAL INFRASTRUCTURE:**

*United States v. Howard "Jack" Cahn.* Cahn, the owner of Aerospace Manufacturing Services (AMS), a West Michigan company, was convicted of fraudulently attempting to sell to the Department of Defense defective machine gun components. He coerced an employee to provide false test results and personally prepared false certification documents, until his employees turned him in. In early 2015, he was sentenced to 30 months in prison, with Chief Judge Paul Maloney commenting "I don't know how you could ever explain to the parents of a Marine or a Soldier that their loved one had been killed because their machinegun stopped firing when they needed it most." AUSAs Hagen Frank and Russ Kavalhuna. Agencies: U.S. Army Criminal Investigation Division (Army CID); Defense Criminal Investigative Service (DCIS).

### **IDENTITY THEFT:**

*United States v. Mateo Velasquez-Garcia.* Velasquez-Garcia pled guilty to and was sentenced to four years in prison for fraudulently endorsing \$750,000 in U.S Treasury tax refund checks payable to third parties. The investigation further revealed that a total of \$2.9M in fraudulently obtained federal tax refund checks were deposited into the bank accounts of the grocery store Velasquez-Garcia operated between 2011 and 2012. Velasquez-Garcia was also convicted of re-entering the United States without proper authority after previously having been removed. AUSA: Michael MacDonald; Agency: HSI; IRS Criminal Investigation.

### **ALIEN RE-ENTRY INITIATIVE:**

During fiscal 2014, of all criminal case filings brought in the district, 26.2% involved the charging of undocumented aliens for returning to the United States without authorization after having been removed previously and typically also after having been convicted of one or more criminal offenses. AUSAs: Donald Daniels, Clay West. Agency: ICE-Enforcement & Removal Operations.

## Organized Drug Crime Section:

### **MAJOR NARCOTICS/OCDETF:**

*United States v. Francis Block.* In a case involving the largest seizure of methamphetamine in West Michigan history (just over nine pounds/four kilograms), federal and State law enforcement agents brought down a methamphetamine interstate distribution ring led by Francis Block. Through multiple undercover transactions, surveillance and timely execution of search warrants, agents recovered the drugs (with a street value of \$350K), over \$20K in cash, ledgers and all the proof they would need to later convict Block and five others. Block convinced his own sister to help him attempt to tamper with witnesses, which merely netted her a federal charge and conviction. Block, through his sister, had tried to hire a hitman to kill an informant. Block was the only defendant to take his

case to trial. After a five-day trial in October, the jury found him guilty of all charges. Under federal sentencing guidelines, due to the quantity of drugs, his role in the offense, and his witness tampering efforts, Block faced life in prison—which he duly received in early calendar 2015. AUSA: Heath Lynch. Agencies: DEA; Kalamazoo Valley Enforcement Team (KVET).

*United States v. Joseph Jackson, et al.* A federal grand jury indicted in late November nine defendants for their alleged roles in supplying and distributing heroin in Benton Harbor, Michigan. According to a 100 page affidavit filed in support of an initial complaint, Joseph Jackson acquired heroin in Chicago, Illinois, and then recruited others to transport it to Benton Harbor for him. Once in Benton Harbor, he tasked others with the heroin's storage and further distribution. If convicted, the lead two defendants face a minimum of five years in prison up to a maximum of 40 years. The remaining seven face up to 20 years in prison. Charges are still pending. Charges in any indictment are merely accusations, and all defendants are presumed innocent until and unless proven guilty in a court of law. AUSA: Steve Baker. Agencies: DEA, FBI, Berrien County Sheriff's Dept., Michigan State Police, Berrien County Prosecutor's Office.

*United States v. Scott Will.* In a case prosecuted out of the Marquette branch office, the USAO became one of the first offices in the country to take a "bath salts" case to trial. After more than a week of testimony that involved addicts as key prosecution witnesses and chemists flown in from across the country, the jury convicted Scott Will of distributing and conspiring to distribute alpha-PVP, a synthetic controlled substance analog. Will later received a sentence of 11 ½ years in prison. The government's direct examinations have become model training material for similar prosecutions around the country. The attorneys on the case were later nominated for a Directors Award for their work. AUSAs: Maarten Vermaat, Paul Lochner. Agencies: BIA, Michigan State Police.

### **PRESCRIPTION FRAUD/DRUG DIVERSION:**

*United States v. Shelley Wilson, DDS.* Based on past allegations of drugs diversion, Dr. Wilson, a dentist, voluntarily surrendered her DEA registration number and entered into a civil agreement with the DEA and the US Attorney's Office which required a \$10,000.00 monetary penalty and a prohibition on applying for another DEA registration number. When it was discovered that Dr. Wilson wrote controlled substances prescriptions using the surrendered DEA number, she was indicted. In December 2013, she pled guilty to a felony charge of omission of material information from a drug record and faces up to four years in prison and a \$250,000.00 fine. AUSA: Ray Beckering. Agency: DEA

### **ASSET FORFEITURE/FINANCIAL LITIGATION UNIT:**

In fiscal 2014, the office collected over \$6.7 million from civil and criminal actions and forfeitures. The office obtained judgments, fines, penalties, and restitution in various criminal

and civil actions totaling over \$5.5 million paid by defendants in fiscal 2014. Of this amount, \$3.88 million came from criminal actions and \$1.68 million came from civil actions. In addition, the office collected over \$1.2 million in criminal, civil, and administrative forfeitures.

### Violent Crimes Section:

#### **CHILD EXPLOITATION:**

***United States v. James Beckman.*** Beckman received thirty years in prison and was ordered to pay over \$32K in restitution for his convictions on multiple child exploitation counts after a two-week trial. The novel prosecution required the government to prove its case without the benefit of any preserved images of the abuse because Beckman live-streamed his exploitive activity over the internet. Presiding Judge Janet Neff described the conduct as “about as serious as it gets” and that, on a scale of 1 to 10, this case was “way past 10.” The attorneys handling this case were nominated for a Director’s Award for their efforts overcoming numerous evidentiary challenges on the case. AUSAs: Sean Lewis and Tim VerHey. Agencies: FBI and Michigan State Police (MSP).

***United States v. Eddie Allen Jackson.*** In the district’s first-ever child sex-trafficking case, Jackson was convicted after trial and later sentenced to 30 years in prison. Jackson recruited three teenage girls, ages 14, 15 and 16, in Muskegon to work for him by prostituting on the streets of Grand Rapids in the summer of 2010. He targeted girls with troubled backgrounds and controlled those he recruited through drugs, alcohol, threats and his claims that he loved them whereas no one else would or did. Presiding Judge Robert Holmes Bell commented at sentencing that Jackson showed no remorse while the victims had been “stripped of innocence and decency that these girls were entitled to have.” AUSAs: Tessa Hessmiller, Russ Kavalhuna. Agencies: FBI, Grand Rapids Police Dept., Muskegon Police Dept.

***United States v. John Balyo*** and ***United States v. Robert Moser.*** In a case that truly shocked the community, a local Christian radio host, John Balyo, was charged, convicted and sentenced to 40 years in prison for sexually exploiting a 12 year-old child and possessing child pornography. Robert Moser provided the child Balyo exploited. Moser was likewise later federally charged, convicted and sentenced to 35 years for child exploitation. AUSA Tessa Hessmiller. Agencies: HSI, Michigan State Police, Battle Creek Police Dept., Kalamazoo Dept. of Public Safety, Kent County Sheriff’s Dept.

#### **COORDINATED VIOLENT CRIME INVESTIGATIONS:**

***United States v. Joseph Sweet and Ronald Cook*** Joseph Sweet and Ronald Cook broke into firearm dealerships in Spring Lake and Dalton Township, Michigan in the summer of 2013, stealing a total of 32 firearms. Nine firearms were later recovered by law enforcement; the rest had been sold or traded to drug dealers. Federally charged and convicted, Sweet

received 188 months in prison and Cook 156 months. AUSA Phil Green. Agencies: ATF, Muskegon County Sheriff’s Office, Grand Haven Public Safety Department, Spring Lake/Ferrysburg Police Department, Michigan State Police.

***United States v. Eric Ruibal, et al.*** After a two-week trial in early June, a federal jury convicted the last two of 31 members of the Holland Latin Kings gang charged with RICO and drug trafficking offenses. David Casillas was later sentenced to 30 years in prison, with 12 years credit for time served on earlier Latin King related offenses. Antonio Rios was sentenced to 25 years in prison with five years’ credit for related time already served. Of the 31 defendants, three were regional leaders in the organization and several others held local leadership roles. For the 29 who pled guilty, their sentences ranged from a low of two to a high of 20 years in prison. All told, the prosecution wiped out the organization and resulted in a total of 340 years of prison time. AUSAs: Phil Green, Russell Kavalhuna; Agencies: ATF; City of Holland P.D.; Michigan State Police; Ottawa County Sheriff’s Office.

***United States v. Dennis Love.*** Federal and State law enforcement collaborated in bringing down a serial bank robber. Dennis Love was caught, charged and convicted for the 2013 armed bank robbery of Consumers Credit Union in Kalamazoo and for brandishing firearm in the course of that robbery. He received a total of 9 ½ years in prison. Love had also been charged with robbing other credit unions in Kalamazoo, Tekonsha, Berrien Springs and Martin, Michigan. AUSA Clay West. Agencies: FBI, Berrien Springs-Oronoko Police Dept., Berrien County Sheriff’s Office, Kalamazoo County Sheriff’s Office, Calhoun County Sheriff’s Office, Allegan County Sheriff’s Office and Michigan State Police.

#### **INDIAN COUNTRY:**

***United States v. Peter Mechigaud.*** Mechigaud received five years in prison for domestic assault as a habitual offender for beating-up his girlfriend at their residence on the Hannahville Indian Community reservation. His prior criminal record included domestic assault, malicious destruction of property, assault and battery. AUSA Hannah Bobee. Agencies: FBI; Hannahville Tribal Police.

***United States v. John Michael Koster, at al.*** Six defendants were convicted of conspiring to steal from the Kewadin casino after investigators discovered that, over the course of 2009 and 2010, they had taken approximately \$310K by using a device to trick gaming machines into delivering payouts. The conspirators played different roles, with some operating the device while others acted as lookouts, for example. Each conspirator received prison time, with the lead defendant sentenced to three years in prison. AUSA Paul Lochner. Agencies: FBI; Sault Ste. Marie Tribal Police.

## REPRESENTATIVE APPEALS

***United States v. Stacey Fields.*** In a published decision, the Sixth Circuit affirmed the dismissal for lack of jurisdiction Field's motion to expunge her FBI record. Eleven years earlier, then District Court Judge Richard Enslin suppressed from admission at trial incriminating statements and evidence Field gave to agents about her and her boyfriend's involvement in a bank robbery. Judge Enslin later granted the government's subsequent motion to dismiss the charges without prejudice. Fields was never again charged in connection with the robbery. In her motion to expunge, she claimed the FBI's record of charges having been brought against her was hampering her efforts to obtain employment with financial institutions, even though those records indicated that the charges had been dismissed. She urged the District Court to expunge the record because the charges were the result of unconstitutional law enforcement action. U.S. District Court Judge Paul Maloney held he lacked jurisdiction and the Sixth Circuit, while holding out the theoretical possibility of jurisdiction for some constitutional infirmities, agreed here. The Court of Appeals explained that, while a court may exercise ancillary jurisdiction where necessary "to manage its proceedings, vindicate its authority, and effectuate its decrees," there were no longer any proceedings in her criminal case to manage and no further order was necessary to effect the decrees suppressing evidence as those orders had been fully effected years earlier without further government challenge requiring vindication by a court. First AUSA Andrew Birge briefed and argued the appeal.

***United States v. Brian Fisher.*** In another published victory, the Sixth Circuit upheld the use of a GPS tracking device under the "good faith" exception to the rule requiring suppression of evidence obtained in violation of the Fourth Amendment. In 2010, officers attached a GPS tracking unit to the defendant's car without first obtaining a warrant. They used a combination of physical surveillance and the GPS to follow the defendant and eventually stop him while he was transporting cocaine. The Supreme Court subsequently decided in *United States v. Jones* that the installation and use of a GPS tracker constitutes a search within the meaning of the Fourth Amendment and, thus, requires a warrant. Prior to *Jones*, the Sixth Circuit had approved of the warrantless use of beepers and cell phones to track a subject. The Sixth Circuit panel in *Fisher* acknowledged the differences between the various devices and noted the possibility that GPS trackers could be used in a more invasive way that would make prior precedent inapposite, but the use of the GPS in this case did not cross that line. This decision became frequently cited persuasive authority in other circuits likewise addressing the "good faith" exception for the use of GPS devices prior to *Jones*. AUSA Sally Berens briefed and argued this appeal.

***United States v. Jose Sierra-Villegas.*** The Sixth Circuit upheld the informant's privilege in this third published win for the office. At trial, Sierra-Villegas, represented by our former

colleague Brian Lennon, sought to compel public disclosure of an informant's identity and permission for the informant to testify. The informant's identity had been disclosed to the defense. U.S. District Court Judge Robert Jonker found that the evidence sought was not so essential to the defense as to overcome the government's informant privilege. The Sixth Circuit affirmed, noting that the government does not necessarily waive the privilege when the defendant finds out the informant's identity: "The government's interest in protecting the flow of information to law enforcement includes the need to protect informants from vague and speculative threats, and even from reputational harms. This need will more easily give way to a defendant's need to present an effective defense than the need to protect an informant from a ruthless mob bent on uncovering his identity, but the need still suffices for the application of the qualified privilege." AUSA John Bruha briefed and argued the appeal.

## ADMINISTRATIVE DIVISION

The Administrative Division took on several projects this past year to continue to reduce operational costs, increase effectiveness, create needed policy, implement new technology, increase safety and security of the workspace, and enhance the use of existing resources. Though we had no additional budget cuts, many of the cost saving measures implemented in the previous year were maintained.

Approximately 430 travel requests were processed by Budget Analyst Marge Moody during the year. Budget Officer Mee Thao-Khang handled additional requests for reporting and analyses to support decisions for hiring and additional expenditures for office improvements. The budget section also provided support to the office in seeking approval and documenting cost for the conferences and trainings our district was involved in.

Human Resources Officer (HRO) Ellie Drumm worked throughout the year to ensure adequate office staffing levels. She processed four new hires and transferred one Assistant US Attorney into our district from northern Illinois. The hires included one Legal Assistant, one Information Receptionist and two Assistant US Attorneys. A second Legal Assistant and an HRO were recruited but not hired until after the close of the year. Ellie also saw to it that the on-boarding of six legal interns and five undergraduate interns went smoothly. A total of four employees left our office last year. The four consisted of two Assistant US Attorneys, a Legal Assistant and a student employee. In addition to the movement of employees in and out, Ellie continued to fortify our succession plans by cross-training staff within the Administrative Division to do many of the ongoing Human Resource functions. Human Resources Assistant Tia Ramey continued to provide secretarial support to our US Attorney and First Assistant US Attorney while also accomplishing much work and training in Human Resources.

In addition to maintaining all office space within the District, Support Services Supervisor Warren "Skip" Olson and Support Services Specialist Kelly Johnson executed 296 purchase card transactions and 174 contracting actions in the past year to provide necessary supplies and services for district operations. Skip also prepared designs to modify existing office space in response to the increased need for trial preparation space and digitally capable conference space. He proposed upgrades to several file storage areas to increase capacity and in some cases, reduced the footprint of shelving in order to increase usable work space. Those upgrades were designed and completed within the same year. The space modifications were planned and finalized but the actual construction will be completed in the upcoming year.

The IT Unit, including IT Manager Roger Hensley, Assistant IT Manager Tom Keating and ALS Coordinator Cindy Niblick, worked through several software and equipment upgrades this year to keep electronic resources secure and running in optimal condition at all locations. A review with an eye toward cost savings was done to identify areas where a few unnecessary recurring costs could be reduced or eliminated with little to no impact to office operations. Roger and Tom worked to increase available electronic storage space by the reduction of duplicate files. With the help of each division, a new file structure was implemented to help combat the creation of duplicate files in the future. Cindy processed approximately 376,000 pages of electronic material in her work to coordinate and support the litigation mission. She opened 56 new projects and assisted with the preparation of 11 trials. Cindy personally supported our Assistant US Attorneys by presenting in the courtroom for several of those trials.

The Administrative Division had a busy and productive year. We anticipate an event filled upcoming year which will include the integration of the new receptionist, the upcoming retirement of our current HRO, and the installation of a new HRO. It is our plan to build upon the progress made this past year while continuing to provide excellent support to our District.

## OUTREACH, TRAINING & PROFESSIONAL DEVELOPMENT

### Community Initiatives:

#### **CIVIL RIGHTS:**

U.S. Attorney Miles continued to serve as co-chair of the Michigan Alliance Against Hate Crimes (MIAAHC), supported by Executive Counsel Don Daniels. At the annual MIAAHC Hate Crimes Conference in East Lansing in November, U.S. Attorney Miles delivered formal remarks. In addition, the USAO participated in the state-wide Human Trafficking, Health Care Fraud and Hate Crimes Task Forces.

U.S. Attorney Miles also co-chaired the Advocates and Leaders

for Police and Community Trust (ALPACT) group in Grand Rapids and helped launch one in Benton Harbor, supported in the latter by AUSA Francesca Ferguson. The groups engage in topical discussions with area law enforcement and community leaders to establish lines of communication and trust between law enforcement and the residents they serve.

U.S. Attorney Miles and First Assistant Andrew Birge met with Arab-American and Muslim leaders in the Grand Rapids area in both the spring and fall. In May, U.S. Attorney Miles spoke in the Capital Building rotunda in Lansing at the invitation of the Michigan Muslim Community Council for the Michigan Muslim Capital Day, an event designed to foster and encourage civil engagement with and by Muslim residents of Michigan.

#### **TRIBAL RELATIONS:**

U.S. Attorney Miles met with the leaders of all federally-recognized Tribes in the District over the course of the year, listening to and addressing their concerns. In addition, Tribal Liaison Jeff Davis regularly communicated with Tribal leaders and law enforcement on everything from day-to-day law enforcement concerns to more long-standing challenges.

#### **DRUG DIVERSION & ADDICTION:**

AUSA Clay Stiffler, a criminal prosecutor who is head of the Drug Diversion Task Force, led the Office's outreach efforts concerning prescription drug abuse. Those outreach efforts included presentations to Bronson Hospital, Integrated Health Partners of Michigan, and the Great Lakes Native American Conference. Clay's presentations addressed the current prescription drug abuse problem within the United States and Michigan, how prescription drug abuse can lead to the use of heroin, which kinds of drugs are most commonly abused, how the drugs are acquired, and what people can do to address prescription drug problems in their homes and communities.

#### **HEALTH CARE FRAUD AWARENESS:**

Criminal Health Care Fraud Coordinator Ray Beckering and Affirmative Civil Enforcement (ACE) AUSA Adam Townshend picked up where they left off last year with their outreach efforts. They discussed health care statutes and fraud schemes affecting nurse practitioners at a plenary conference session of the Michigan Council of Nurse Practitioners Annual Conference (Lansing 2/16/14); presented on topics relating to health care fraud investigations and provided case updates to health care fraud investigators at quarterly HCF Task Force Meetings (Lansing 3/7/14, 6/6/14, 12/12/14); led panel discussion regarding parallel civil and criminal investigations, internal corporate investigations and self-disclosures at the Federal Bar Association, Bench Bar Conference (Mackinac Island, 9/26/14); trained FBI agents at HCF Investigations Training (Lansing 2/13/14); trained lawyers at the ICLE Health Care Law Conference: Fraud & Abuse Presentation (3/7/14); trained physicians assistants with the Michigan Association of Physician Assistants on kickbacks and drug diversion (presentation included a convicted physician assistant) (4/4/14).

**IDENTITY THEFT AND STOLEN IDENTITY REFUND FRAUD:**

U.S. Attorney Miles and IRS Criminal Investigations Supervisor Carolyn Weber held multiple press conferences and media interviews in Grand Rapids and Lansing during tax preparation season to warn citizens about emerging telephone scams and identity theft frauds.

**RE-ENTRY:**

Seeking to understand and address the challenges faced by citizens upon re-entering society from prison, U.S. Attorney Miles and Eastern District of Michigan U.S. Attorney McQuade jointly hosted an Effective Prisoner Re-entry Summit in the spring. Law enforcement, service providers and interested community members alike attended. The Summit planners intend to take what was learned and apply it through on-going cooperative efforts.

In the meantime, as described in the New Initiatives portion of this report, U.S. Attorney Miles launched the *Facing Choices* program, first in Muskegon and then in Grand Rapids. The coming year will see the program in other communities in the district with high rates of violent crime recidivism.

AUSA Tessa Hessmiller, the USAO's re-entry coordinator, continued to cover the district court's Accelerated Community Entry (ACE) program. She also joined the Re-Entry Clearinghouse in Grand Rapids as a representative of this office. The Re-Entry Clearinghouse is a network of faith-based and community-based service providers, as well as state corrections personnel, who meet periodically to discuss the coordination of re-entry efforts in Grand Rapids from a multi-disciplinary perspective, formerly known as the Grand Rapids Community Re-Entry Coordinating Council. U.S. Attorney Miles and AUSA Hessmiller were featured speakers at one of the Re-Entry Clearinghouse's meetings in 2014.

**OUTREACH TO LOCAL SCHOOLS:**

U.S. Attorney Miles and several AUSAs reached out to high school students in a number of ways. In January, high school students from South Christian High School in Cutlerville, Michigan, came to the office to learn about federal law enforcement and the federal judicial system. U.S. Attorney Miles and AUSA Tim VerHey spoke about their careers and highlighted recent significant casework. Later in the year, U.S. Attorney Miles spoke with student athletes from Grand Rapids Ottawa Hills High School about the importance of staying in school and pursuing their career ambitions. In addition, AUSA Rene Shekmer participated in a high school mock trial program and Appellate Chief Jen McManus participated in a mentoring program sponsored by the Grand Rapids Bar Association. U.S. Attorney Miles helped judge a mock election campaign advertisement and speech contest at Kent Innovation High School in Grand Rapids. U.S. Attorney Miles plans on expanding outreach to schools in the coming year as part of the Smart on Crime initiative.

Lena Newton, who is our Special Emphasis Program Committee Chairperson, spoke at the request of Junior Achievement on several occasions to students at Burton Middle School, University Preparatory Academy, Westwood Middle School and City Middle and High School. She spoke about the prevention of bullying, about how bad decisions can impact a young person's future, about her own career and the importance of making good choices to achieve one's dreams, among other topics.

Throughout the year, US Attorney Miles mentored a number of students of color at Aquinas College, Grand Valley State University, and Thomas M. Cooley Law School about their education and career choices.

**FEDERAL BENCH-BAR CONFERENCE:**

In the fall, U.S. Attorney Miles and members of his management team and several senior AUSAs attended and lectured at the Federal Bench/Bar Conference held on Mackinac Island. U.S. Attorney Miles, Criminal Chief Nils Kessler, Deputy Criminal Chief Dan Mekaru and Appellate Chief Jen McManus explained and discussed the Department of Justice's Smart on Crime approach to law enforcement. They discussed prison rates, costs of incarceration and the office's priorities for prosecution. First Assistant Andrew Birge and Deputy Criminal Chief Matt Borgula, along with a member of the defense bar, addressed the implications of Federal law & policy in a medical marijuana state, fielding spirited questions from the bench and practicing members of the defense bar in the process. In the most widely attended seminar, AUSAs Ray Beckering and Adam Townshend, along with two members of the defense bar, addressed best practices in conducting internal investigations. Other seminars at the event attended by the office ranged from ADR strategies, to the latest amendments to the Rules of Evidence, the Great Lakes Legacy Act, effective appellate advocacy and presenting evidence at trial electronically. The Conference also included an in-depth presentation on the *Salim Hamdan* case, which made its way to the Supreme Court, and a keynote address from the Clerk of the Court on some historical statistics for the district.

**U.S. ATTORNEY KEYNOTE ADDRESSES AND FEATURED PRESENTATIONS:**

U.S. Attorney Miles also met with and spoke to numerous local organizations and their representatives on a weekly basis throughout the year about the U.S. Attorney's Office and this office's priorities in the Western District of Michigan, including: Speeches at a Grand Rapids Bar Association Young Lawyers' Section monthly meeting, Grand Rapids YMCA Service Club luncheon meeting, Michigan Alliance Against Hate Crimes annual conference in East Lansing, Michigan, and half hour television interviews on ABC10 - Marquette's "In Focus," and "Black Perspectives" in Grand Rapids. U.S. Attorney Miles also was the Black History Month keynote speaker at Grand Valley State University and for the Social Security Administration office in Grand Rapids. In January, he was the graduation ceremony

speaker for ITT Tech-Grand Rapids, and the speaker who offered opening remarks at the Debtor's Bar of West Michigan annual seminar. U.S. Attorney Miles was the Law Day speaker for both the Grand Rapids Bar Association – with a speech titled "Moving History Toward Equality" about the importance of diversity and inclusion in the legal profession, as well as the Mecosta-Osceola Bar Association – with a speech titled "Every Voter Matters" about the importance of protecting and exercising voting rights. He was the keynote speaker at the Michigan State University Chapter NAACP's inaugural awards ceremony.

In addition, U.S. Attorney Miles accepted numerous opportunities to offer his perspective as a leader and person of color at themed events. He was: the Martin Luther King, Jr. Day speaker at Davenport University in Grand Rapids, represented the office at the Urban Core Transformative Leadership graduation ceremony in Grand Rapids in February, the Black History Month speaker for the Grand Valley State University Professionals of Color Lecture Series, and keynote speaker for Black History Month at the local Social Security Office.

#### Law Enforcement Training Program:

Continuing her Director's Award winning training program, LEC Kaye Hooker coordinated with the LEC from the Eastern District of Michigan and her own victim/witness staff to organize the training for thousands of law enforcement officers in the areas of hate crimes, active shooter scenarios, criminal justice in Indian Country, utilization of social media as in investigative tool, interview and interrogation techniques and handling investigations involving "sovereign citizens," among other topics. [See training list in appendix.] The programs were held in locations throughout the state, at no cost to attendees and minimal (local travel) costs to the office. Anne Towns, Kathy Schuette, Janet Strahan and Gary Gibbons assisted Kaye in organizing the programs, along with EDM I LEC Bob Pokey. Numerous AUSAs lectured for the programs.

#### Victim/Witness Unit:

Victim/Witness Unit personnel again counseled hundreds of lay witnesses and crime victims this year. Given the many large-scale fraud prosecutions pending, they processed thousands of notifications of proceedings to victims as required by federal law. But their more difficult work came in their one-on-one contact with crime victims, particularly the victims of violent crime, including children. No attorney having had a case involving victims left the experience without feeling profoundly grateful for our Victim/Witness personnel. Victim/Witness Coordinators Kathy Schuette and Janet Strahan also participated in substantial outreach. Kathy participated in the Human Trafficking Task Force; Janet participated in the Michigan Alliance Against Hate Crimes; both were involved in Domestic Violence Task Forces at the State and Tribal level. Janet, Kathy, Teresa Kauppila and AUSAs Jeff Davis, Paul

Lochner and Hannah Bobee participated in multi-disciplinary team meetings of Tribal law enforcement and civil service agencies addressing child abuse in both the Upper and Lower Peninsulas of Michigan.

#### Legal Community Training:

Members of our staff were again selected by the Department's National Advocacy Center (NAC) to instruct on various topics. AUSAs Tim VerHey, Rene Shekmer, Matt Borgula, Jeff Davis, Paul Lochner, John Bruha, Phil Green and Mike MacDonald lectured at the NAC on subjects ranging from criminal trial advocacy, to evidence, to crime in Indian Country. Legal Administrative Specialist Cindy Niblick trained support staff from other districts on the latest software for electronically scanning discovery material, and Paralegal Specialist Donna Justice-VanGessel trained staffers from other districts on how to manage the transition to covering more bankruptcy matters in house.

Similarly, AUSAs Mike MacDonald, Hagen Frank and Ron Stella hosted and presented a white collar crime seminar for bank officials, state law enforcement and federal investigators at Cooley Law School at which U.S. Attorney Miles gave opening remarks. AUSA Joel Fauson taught agents the finer points of asset forfeiture. At the Michigan State University Arson School, AUSAs Mike MacDonald and Chris O'Connor taught local law enforcement about legal issues that arise in arson investigations.

For the annual Hillman Trial Advocacy Program in Grand Rapids, AUSAs Rene Shekmer and Tim VerHey lent their expertise and guidance as instructors.

Indicative of the quality of the lawyers in the USAO and their commitment to the future of the profession, a number of AUSAs also taught in an adjunct capacity or guest-lectured at local universities in their private capacities.

#### Special Emphasis Program Committee:

Through several unique events, U.S. Attorney Miles and/or the office's Special Emphasis Program Committee raised cultural awareness and sensitivity within the office as well as public awareness of the Department's civic mission and career opportunities in order to broaden the appeal of federal employment. Legal Assistant Lena Newton Chaired the Committee, which was also staffed by AO Sheryl Brugh, AUSA Clay West, HRO Ellie Drumm, IT Roger Hensley, AUSA Tessa Hessmiller, LA Jessica Wright, HRO Tia Ramey, Janet Strahan and June VanWingen. Jennifer McManus and Andrew Birge, Chair and Vice-Chair of the Diversity Committee, also assisted.

The SEP Committee's cultural awareness programs began with Mrs. Anita Peek from the Rosa and Raymond Parks Institute for Self Development honored the office as a guest speaker for

Black History Month. She spoke about several distortions and myths regarding Rosa Parks and her role in the Civil Rights Movement. After the discussion, the office and guests sampled soul food, which had been prepared by members of the SEP Committee.

For an Asian American Pacific Islander program in May, Connie Dang, Director, Office of Multicultural Affairs, Grand Valley State University, and Commissioner, Michigan Asian Pacific American Affairs Commission spoke on "Diverse Leadership and Expanding Opportunity: An Imperative for America."

In celebration of Women's Equality Day, on August 27th, the SEP Committee conceived and coordinated a reenactment of the 19<sup>th</sup> Century trial of Susan B. Anthony. The reenactment took place in the Federal Courthouse in Grand Rapids, Michigan. Numerous members from the US Attorney's Office, U.S. District Court and even attendees participated in the program. Active participants wore period costume, including several appearing in the gallery dressed as notable characters from the era. Janet Coryell, a historian from Western Michigan University, followed the reenactment with a lecture over lunch on the importance of the Susan B. Anthony trial and how it led to the passage of the 19th Amendment, giving women the right to vote.

On November 7<sup>th</sup>, the office honored Veteran's Day. A Marine Corps Color Guard posted the Colors, the Pledge of Allegiance was recited, a video tribute to Vietnam War Veterans was viewed and guest speaker, Vietnam War Veteran T.W. Lane delivered a talk about the importance of continued service to the community. Afterward, a traditional Marine cake cutting ceremony was performed with an authentic Marine Corps officer's sabre.

In terms of raising public awareness of careers with our office, in addition to SEP Chair Newton's efforts with members of the workforce of the more distant future, three representatives from our office engaged current college students on opportunities within our office, and federal careers in general at the Davenport University Career Fair on March 25th. Likewise, Human Resources Officer Ellie Drumm spoke to numerous veterans and veteran representatives about our current and upcoming job opportunities at the Hiring Our Heroes event at the local armory in March.

Similarly, Appellate Chief Jen McManus, Deputy Criminal Chief Dan Mekaru and AUSA Ray Beckering met University of Michigan Law School students to discuss careers as part of the "Careers over Coffee" program. AUSAs Beckering and McManus serve as official "ambassadors" to area law schools on behalf of the Department to reach a broader pool of individuals and strengthen our connections with law schools and bar associations around the country. Likewise, U.S. Attorney Miles spoke to the Grand Rapids Bar Association Young Lawyers Section in the spring about moving from

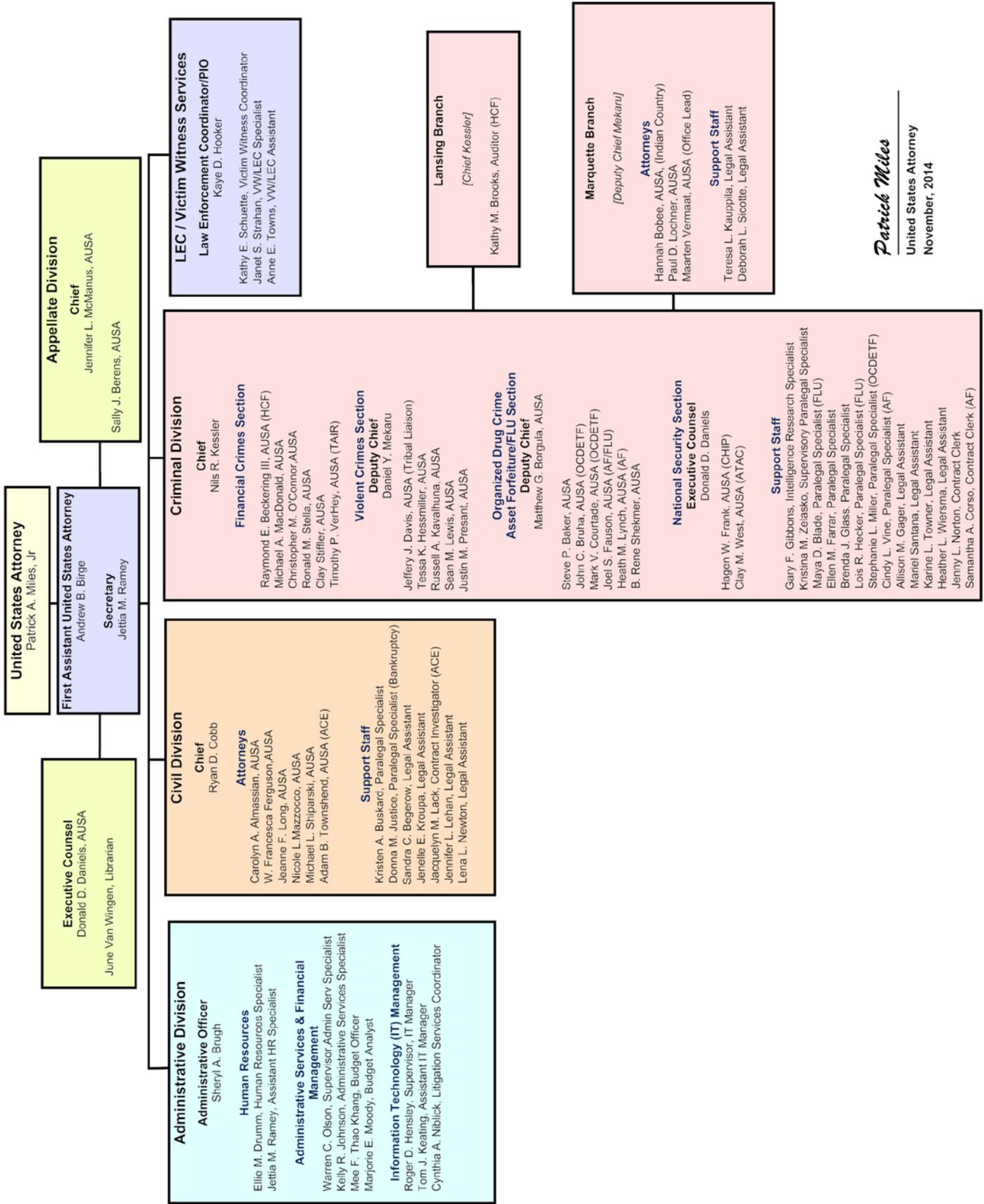
private practice to a federal government career.

More broadly, U.S. Attorney Miles offered the commencement address at the graduation ceremony for the ITT Technical Institute – Grand Rapids Campus. He spoke of the importance of education, employment, and service.

#### Diversity Committee:

The USAO's Diversity Committee focuses on the office's hiring, retention and mentoring decisions, practices and policies. Chaired by Appellate Chief Jennifer McManus, the Diversity Committee this year focused on our job posting practices, internal promotion review procedures and forms and outreach efforts. Members of the Diversity Committee sat on all hiring committees for attorney, staff and law student intern positions, and helped the SEP Committee roll-out its annual events. In addition to Appellate Chief McManus, First Assistant Andrew Birge, Deputy Criminal Chief Dan Mekaru, AO Sheryl Brugh, AUSA Carolyn Almassian, AUSA Chris O'Connor, HRO Ellie Drumm, and Legal Assistant Lena Newton sat on the Diversity Committee this year.

**UNITED STATES ATTORNEY'S OFFICE - WESTERN DISTRICT OF MICHIGAN**



*Patrick Miles*

United States Attorney  
November, 2014

**CRIMINAL DIVISION**

Nils Kessler, Chief

**ORGANIZED DRUG  
CRIME SECTION**

Matt Borgula, Supervisor &  
Deputy Chief

**MAJOR NARCOTICS UNIT &  
ORGANIZED CRIME AND DRUG  
ENFORCEMENT TASK FORCE:**

John Bruha, Principal  
Steve Baker  
Mark Courtade  
Matt Borgula  
Heath Lynch  
Rene Shekmer  
Stephanie Miller, Paralegal

**DIVERSION/PRESCRIPTION FRAUD  
TASK FORCE:**

Clay Stiffler, Principal  
Matt Borgula  
Ray Beckering\*  
Stephanie Miller, Paralegal

**ASSET FORFEITURE & FINANCIAL  
LITIGATION UNIT:**

Joel Fauson, Coordinator &  
Principal  
Heath Lynch  
Cindy Vine, AF Paralegal  
Lois Hecker, FLU Specialist &  
Supervisor  
Maya Blade, FLU Specialist

**VIOLENT CRIMES  
SECTION**

Dan Mearu, Supervisor &  
Deputy Chief

**PROJECT SAFE CHILDHOOD UNIT:**

Tessa Hessmiller, Principal  
Jeff Davis (Southern Indian  
Country)  
Dan Mearu  
Sean Lewis  
Hannah Bobee (Northern  
Indian Country)  
Ellen Farrar, Paralegal

**FIREARMS, BANK ROBBERY,  
VIOLENT CRIMES UNIT AND  
PROJECT SAFE NEIGHBORHOOD  
TASK FORCE:**

Russ Kavalhuna  
Sean Lewis, Principal  
Dan Mearu  
Justin Presant  
Ellen Farrar, Paralegal

**INDIAN COUNTRY UNIT:**

Jeff Davis, Principal & Tribal  
Liaison  
Hannah Bobee  
[Paul Lochner, Major Felony  
VC, Northern  
Division]  
[Tim VerHey, SLC, Major  
Felony VC, Southern  
Division]  
Ellen Farrar, Paralegal

**MARQUETTE BRANCH:**

Maarten Vermaat, Principal  
Paul Lochner  
Hannah Bobee

**FINANCIAL CRIMES  
SECTION**

Nils Kessler, Supervisor  
Kris Zelasko, Paralegal  
(Supervisory Paralegal  
Specialist)

**INVESTMENT / BANK FRAUD UNIT:**

Mike MacDonald, Principal  
Chris O'Connor  
Tim VerHey, SLC & TAIR  
Clay Stiffler  
Sally Berens\*

**PROGRAM FRAUD UNIT:**

Tim VerHey, Principal  
Clay Stiffler

**TAX FRAUD UNIT:**

Mike MacDonald, Principal  
Rene Shekmer\*

**ENVIRONMENTAL TASK FORCE:**

Chris O'Connor, Principal  
Maarten Vermaat

**HEALTH CARE FRAUD TASK  
FORCE:**

Ray Beckering, Principal  
Ron Stella  
Sally Berens\*  
Kathy Brooks, Auditor

**MORTGAGE FRAUD TASK FORCE:**

Ron Stella, Principal  
Chris O'Connor  
Clay Stiffler

**OFFICIAL CORRUPTION TASK  
FORCE:**

Nils Kessler, Principal  
Chris O'Connor,

**SAR TASK FORCE:**

Chris O'Connor, Principal  
Joel Fauson\*  
Gary Gibbons, Intelligence  
Specialist  
June VanWingen, SAR  
Specialist

**NATIONAL SECURITY  
SECTION**

Don Daniels, Supervisor &  
Exec. Counsel

**ALIEN OFFENSES UNIT:**

Don Daniels, Principal  
Clay West

**ANTI-TERRORISM TASK FORCE:**

Clay West, Principal  
Hagen Frank  
Gary Gibbons, Intelligence  
Specialist

**IDENTITY THEFT/CYBERCRIME  
TASK**

**FORCE:**  
Hagen Frank, Principal  
Clay West

**CRIMINAL CIVIL RIGHTS  
VIOLATIONS TASK FORCE:**

Don Daniels, Principal  
Russ Kavalhuna\*

**CIVIL DIVISION**  
Ryan Cobb, Chief

**APPELLATE DIVISION**  
Jennifer McManus, Chief

**DEFENSIVE TORTS & IMMIGRATION UNIT:**

Ryan Cobb, Principal  
Carolyn Almassian  
Jeanne Long  
Nicole Mazzocco

**BANKRUPTCY UNIT:**

W. Francesca Ferguson, Principal  
Michael Shiparski  
Donna Justice, Paralegal

**EMPLOYMENT UNIT:**

Carolyn Almassian, Principal  
Ryan Cobb  
Jeanne Long  
Nicole Mazzocco

**COMMERCIAL LITIGATION/PROGRAM LITIGATION  
UNIT:**

Michael Shiparski, Principal  
W. Francesca Ferguson  
Jeanne Long

**AFFIRMATIVE CIVIL ENFORCEMENT TASK FORCE:**

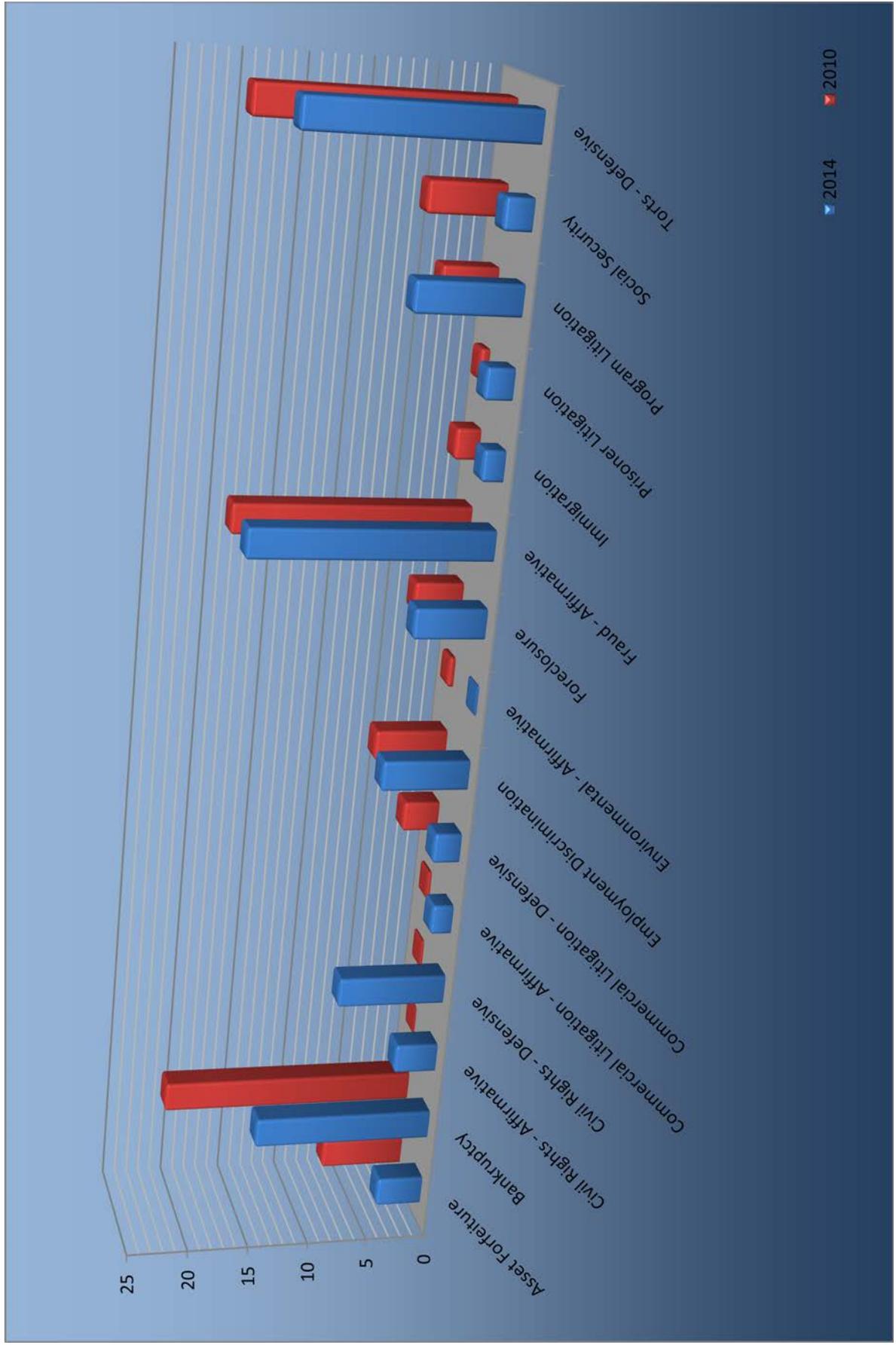
Adam Townshend, Principal  
Carolyn Almassian  
Ryan Cobb  
Jeanne Long  
Nicole Mazzocco  
Kristen Buskard, Paralegal

**CIVIL RIGHTS TASK FORCE:**

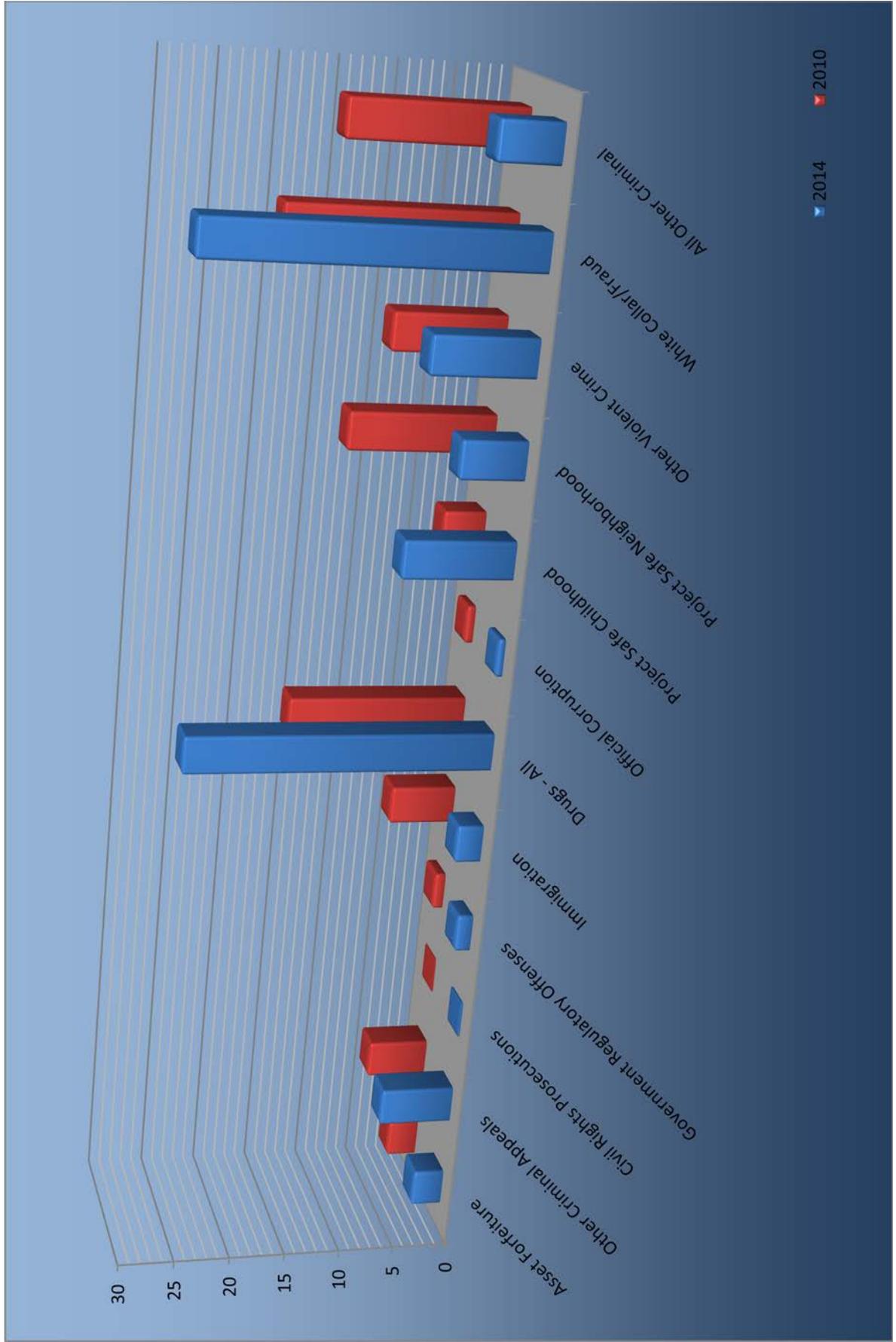
W. Francesca Ferguson, Principal  
Ryan Cobb

Jennifer McManus, Principal  
Sally Berens

WDMI CIVIL WORKYEAR STATISTICS  
 [Time spent on various types of matters as a percentage of the total.]

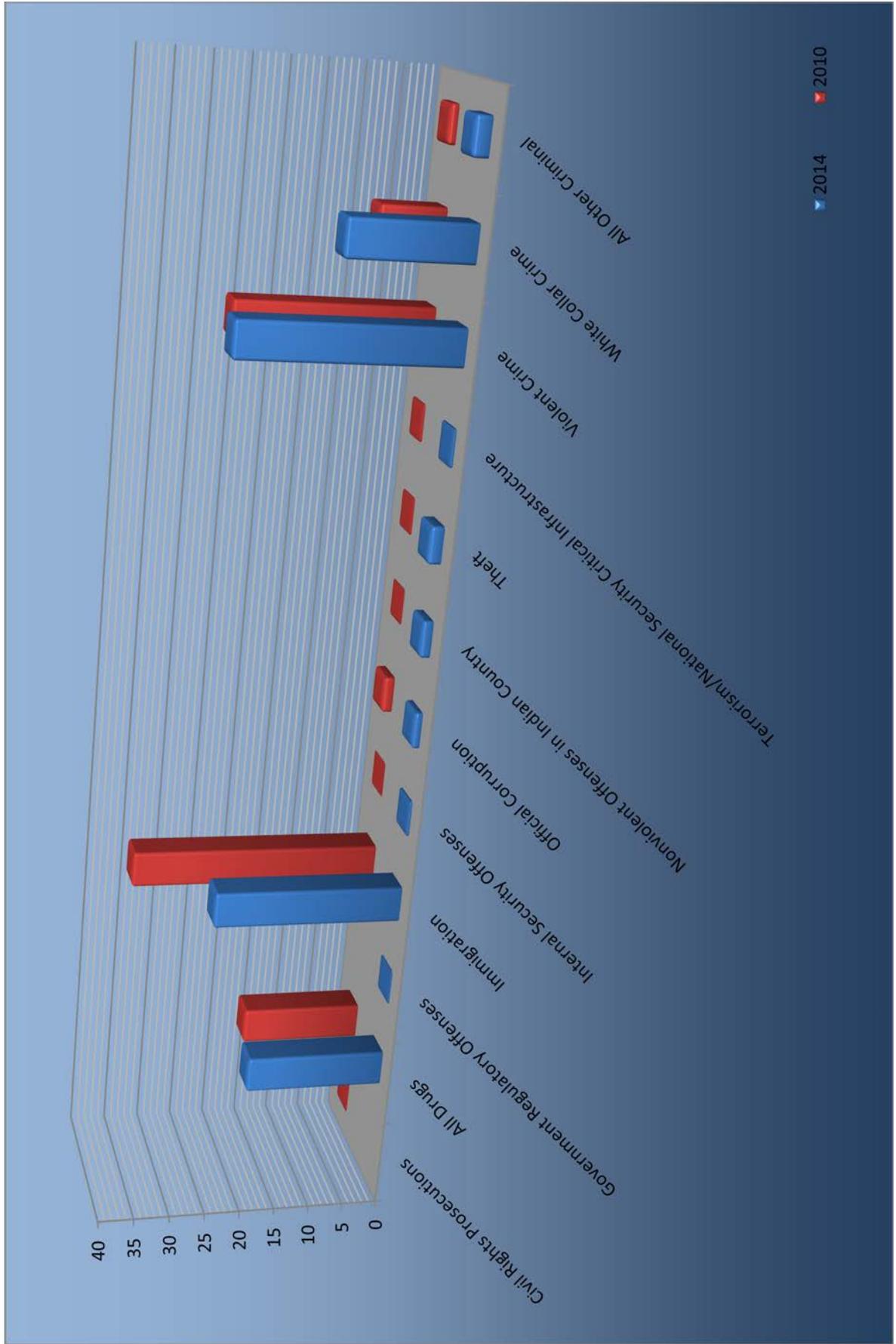


WDMI CRIMINAL WORKYEAR STATISTICS  
 [Time spent on various types of matters as a percentage of the total.]



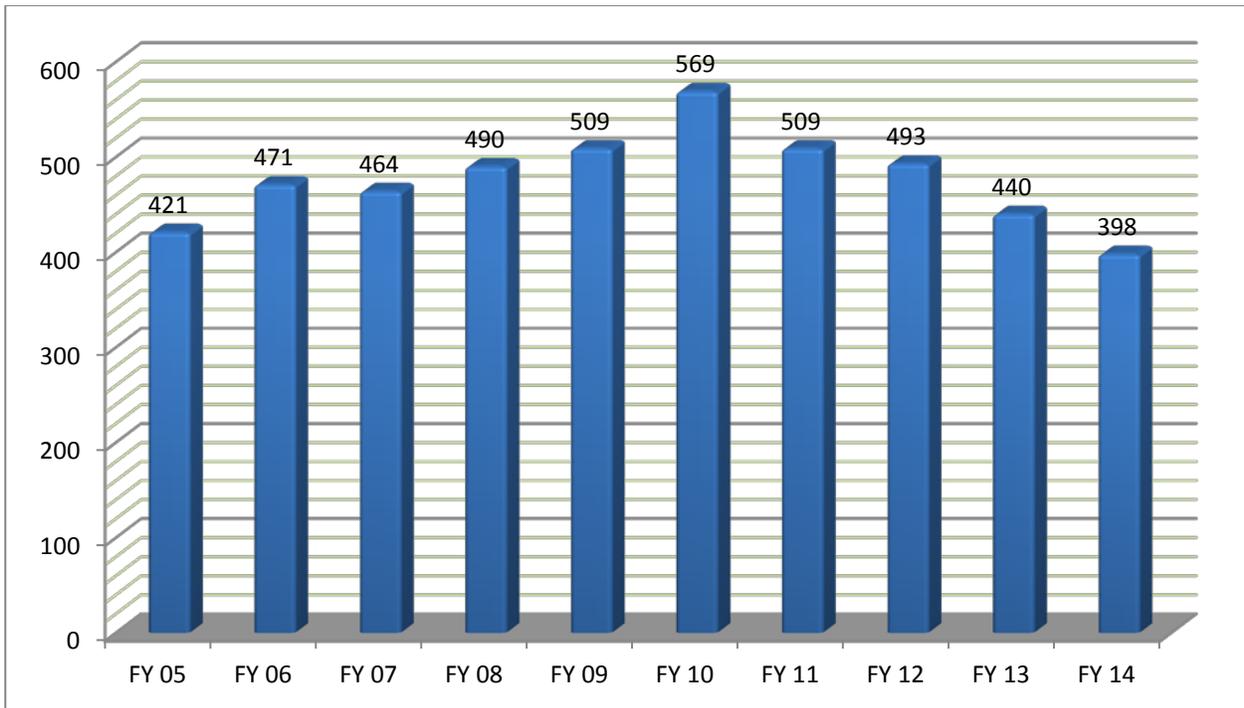
### WDMI CRIMINAL CASELOAD STATISTICS

[The types of case we are bringing as a percentage of the total.]

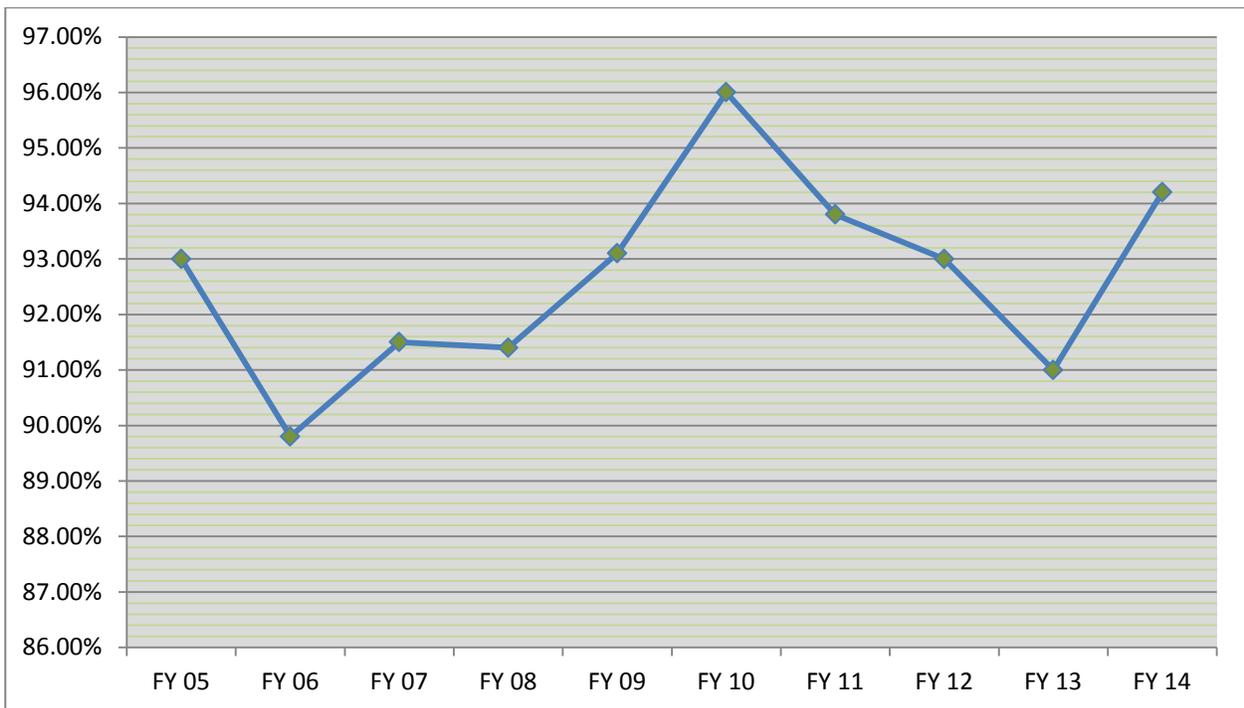


WDMI UNITED STATES ATTORNEYS CRIMINAL CASELOAD STATISTICS

Defendants Guilty

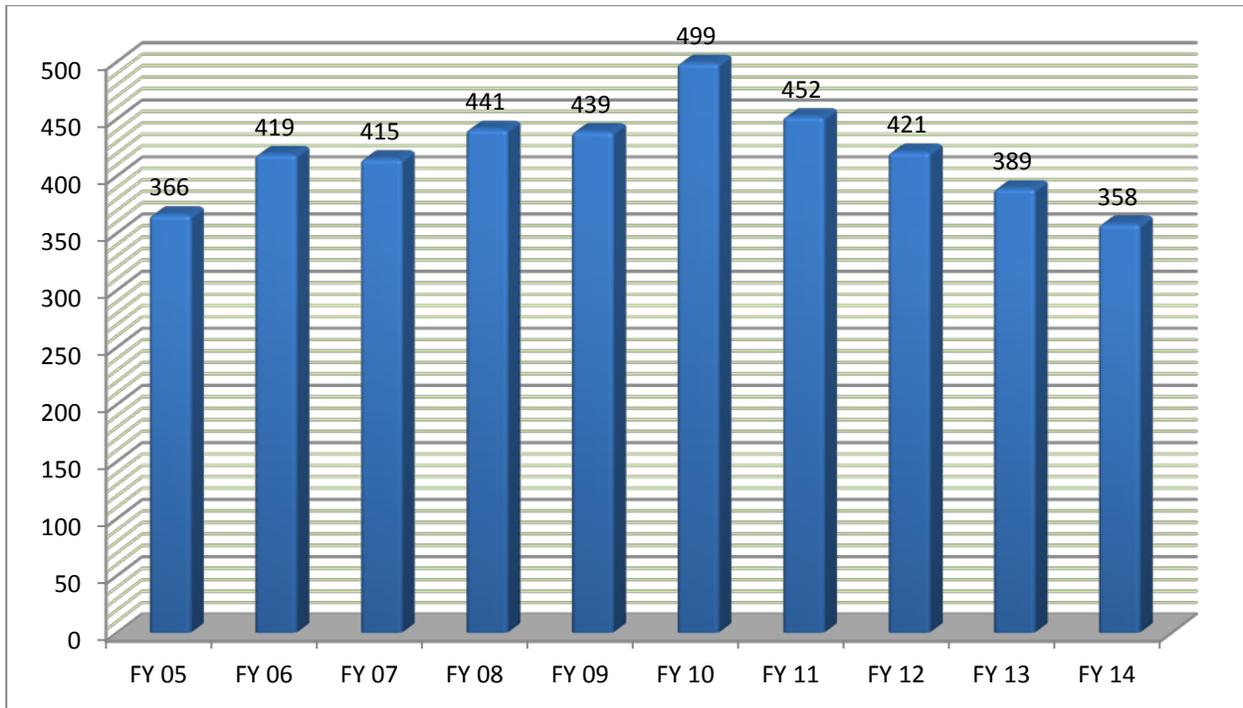


Conviction Rate



WDMI UNITED STATES ATTORNEYS CRIMINAL CASELOAD STATISTICS

Number of Guilty Defendants Sentenced to Prison

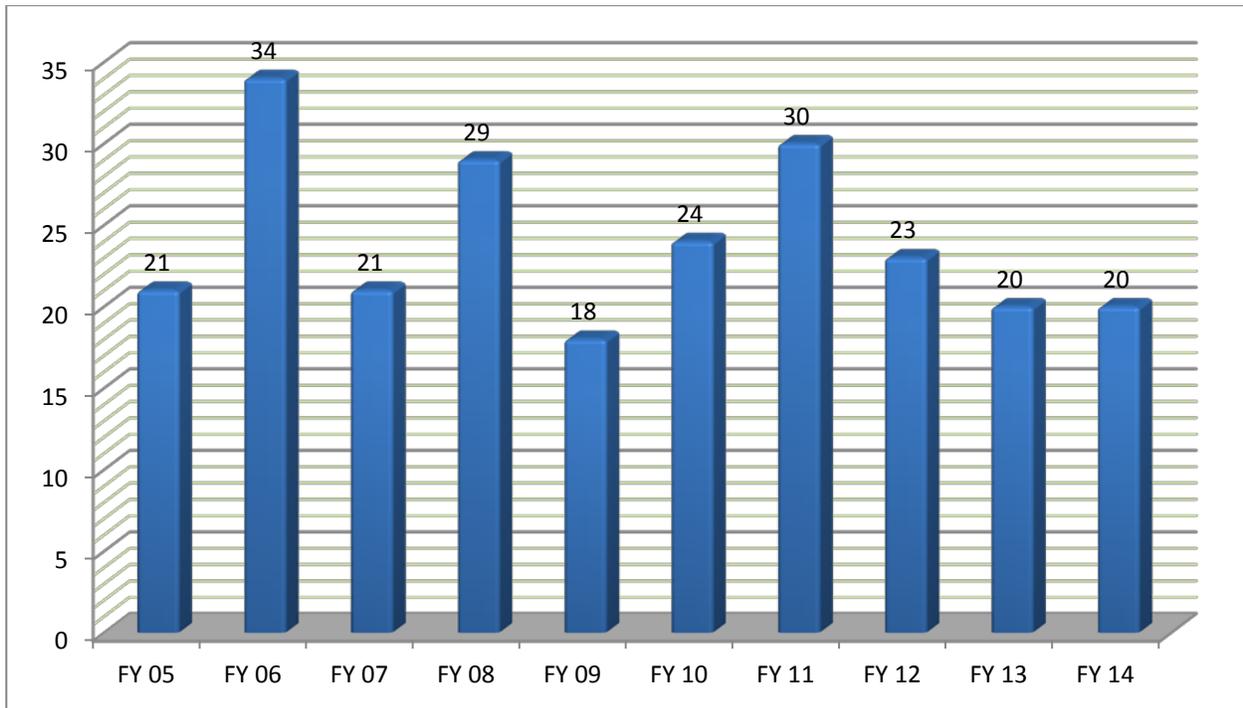


Percentage of Guilty Defendants Sentenced to Prison

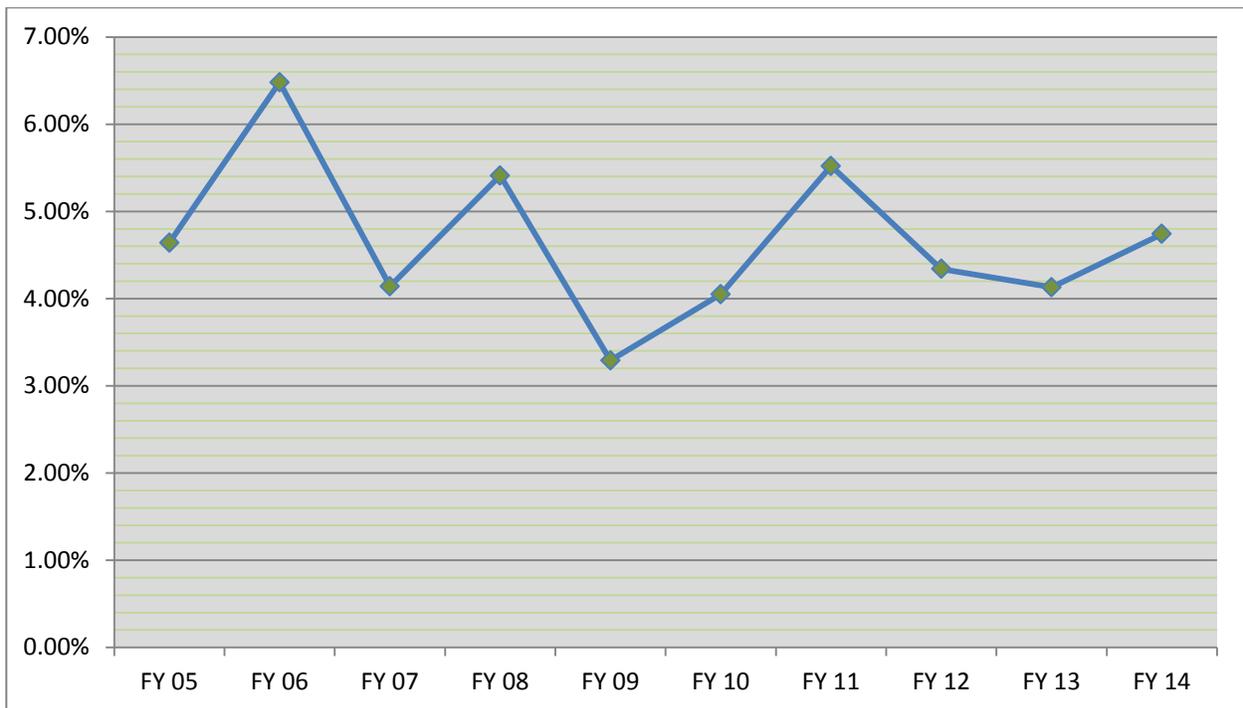


WDMI UNITED STATES ATTORNEYS CRIMINAL CASELOAD STATISTICS

Defendants Tried



Defendants Disposed of by Trial as a Percent of Defendants Terminated



## Western District of Michigan

### Smart on Crime Action Plan 2014 - 2016

#### **I. Introduction**

United States Attorney General Eric Holder announced the Department of Justice (DOJ) “Smart on Crime” Initiative in August 2013. Smart on Crime focuses on Prevention, Enforcement, and Prisoner Re-entry into communities. The United States Attorney’s Office for the Western District of Michigan (USAO-WDMI) adopted and implemented the following five key Smart on Crime principles as part of its annual strategic planning process:

- Prioritize prosecutions to focus on the most serious cases that implicate clear, substantial federal interests;
- Address unfair sentencing disparities and overburdened prisons;
- Pursue alternatives to incarceration for low-level, non-violent crimes;
- Improve re-entry to curb repeat offenses and re-victimizations; and
- Increase resources and efforts to prevent violence and protect the most vulnerable populations.

#### **II. Organizational Background**

This three year Smart on Crime Action Plan is consistent with the Attorney General’s goals and fits into the USAO’s annual Strategic Plan and structure.

In late 2012, U.S. Attorney Patrick Miles organized the Office’s Criminal Division into the following four Sections: Financial Crimes, Organized Drug Crimes, National Security, and Violent Crimes. Each Section has Task Forces and Units and each Assistant U.S. Attorney (AUSA) is assigned primarily to one Task Force or Unit (and some AUSAs are cross-designated to another Task Force or Unit on an as-needed basis). Task Forces develop and prosecute cases proactively in conjunction with law enforcement and Units prosecute reactive cases. Each Task Force or Unit is led by an AUSA (called a “Principal”) who is the point of contact or primary “go-to” person in a Unit or Task Force. The Principal also submits the group’s annual Strategic Plan for management’s approval, sets the group’s agenda, helps improve the Unit/Task Force members’ skills and knowledge, shares information within the Unit or Task Force about best practices and case strategies, maintains positive agency relations, and ensures the Unit/Task Force adheres to and accomplishes its Strategic Plan.

Beginning in calendar year 2013, each Task Force and Unit as well as the Criminal Division formulates and implements an annual Strategic Plan with specific goals, strategies, and timeframes. The relevant Task Forces/Units with responsibility to address the three Smart on Crime initiatives of Prevention, Enforcement, and Re-entry are Major Narcotics Unit & Organized Crime and Drug Enforcement Task Force, Diversion Task Force, Violent Crimes Unit & Project Safe Neighborhood Task Force, Project Safe Childhood Task Force, Indian Country Unit, Criminal Civil Rights Violations Task Force, and Civil Rights Task Force (Civil Division).

In 2013, U.S. Attorney Miles appointed an AUSA to serve as the Office's Prisoner Re-entry Coordinator who also develops and implements an annual Strategic Plan. By 2014, the USAO had fully implemented the Attorney General's Smart on Crime initiative. This document describes the elements of the USAO's Smart on Crime Action Plan in the USAO's Strategic Plan.

### **III. Prevention**

#### **A. School Programs and Mentoring.**

U.S. Attorney Miles believes in the power of education, knowledge, and mentoring. He wants young people to understand the American criminal justice system – how it works overall and how the various pieces fit together. Consequently, he supports USAO programs that educate students, encourages active attorney-student participation, and always accepts invitations to speak to students (elementary, middle school, high school, undergraduate, and law school) about the USAO's work, law careers, keys to success, effective leadership, and/or service.

##### **1. Proposed Student Criminal Justice Program.**

In 2014, at U.S. Attorney Miles' direction, the USAO-WDMI designed a program that introduces 7<sup>th</sup> grade students in urban schools to American criminal law and procedure – from an investigation and arrest through trial and an appeal. The program includes professional presenters such as law enforcement officers, prosecutors, criminal defense attorneys, judges, and parole or probation officers. Such speakers will address the educational and other requirements for their career and provide students with exposure to various law careers.

The program involves a one hour session with a group of 10 to 30 7<sup>th</sup> grade students each month during the school year. The USAO is willing to coordinate the presenters and substance of the program at a location designated by the applicable urban school district monthly on dates selected by such school district. An AUSA is the primary contact and organizer. Each school district also chooses the participating students – who could be from a government class, or those with interest at a single school or from various schools. If the school district desires students from multiple schools, the school district must arrange appropriate transportation for the students to and from the classroom.

#### **Program Schedule and Presenters**

Session One: September – Introduction to American Criminal Justice (AUSA)

Session Two: October – Arrest and Detention (Law Enforcement Officer or Agent)

Session Three: November – The Government's Case at Trial (Prosecutor)

Session Four: December – Defendant on Trial (Criminal Defense Attorney)

Session Five: January – The Judge and Jury (Judge)

Session Six: February – Prison (Deputy U.S. Marshal or Sheriff)

Session Seven: March – Parole (Parole/Probation Officer)

Session Eight: April – Mock Trial Teams (AUSAs)

Session Nine: May – Mock Trial Part II, Participation Certificates, and Closing (AUSAs and U.S. Attorney)

Each participating student receives a certificate from the USAO upon successful completion of the program.

## **2. Respect for the Rule of Law and U.S. Constitution.**

U.S. Attorney Miles and AUSAs frequently speak to students in the WDMI as part of programs or assemblies about American law. Such sessions improve students' understanding of and respect for the rule of law and the U.S. Constitution, provide mentorship to students, offer practical career counseling to focus students on their potential beyond high school, and improve the “pipeline” of diverse students flowing into legal careers in the region. Some of these students have had firsthand interaction with law enforcement and the criminal justice system (e.g., family members who are or have been in prison). USAO participation in these programs also helps give the students a balanced perspective of the system and facilitates a productive dialogue with the community.

## **3. Mock Trial Programs.**

The USAO supports AUSA involvement with high school student mock trial programs. AUSAs coach or observe student performance in mock trials and offer critiques and suggestions based on their experiences.

### **B. Violence Prevention Outreach.**

#### **1. Neighborhood Group Violence Intervention.**

The WDMI has eight major cities with relatively high incidents of violent crime and homicides: Benton Harbor, Battle Creek, Grand Rapids, Holland, Kalamazoo, Lansing, Muskegon, and Muskegon Heights. Beginning in early 2014, U.S. Attorney Miles initiated discussions within the USAO and certain communities about introducing an interactive evidence-based approach for group violence prevention and interdiction in each of these cities. Called “Project Ceasefire” in many other districts, this approach involves periodic community group “call ins” in which members of groups who cause and suffer from most of the community’s homicides are told by community members, leaders, activists, and parents that the killing must stop. Law enforcement and prosecutors warn such group members of the serious consequences if it does not.

#### **2. Child Exploitation and Human Trafficking.**

The USAO prioritizes human trafficking and civil rights prosecutions through several coordinated efforts with federal, state, and local law enforcement and community organizations. For example, the USAO participates in the Michigan Human Trafficking Task Force (MHTTF) led by the Michigan State University School of Criminal Justice. The MHTTF is statewide and emphasizes prevention, promotes awareness, provides victim assistance, and makes referrals to law enforcement. The USAO also supports the West Michigan Based Child Exploitation Task Force (WEBCHEX) composed of FBI agents, local police officers and detectives. WEBCHEX works collaboratively on child exploitation investigations, including sex trafficking and child pornography

cases. Criminal Division AUSAs assist WEBCHEX in obtaining subpoenas or search warrants and screen matters for potential federal prosecution.

The USAO also maintains regular contact with local juvenile justice centers and shelters for young sex trafficking survivors. These contacts and connections assist in prevention as well as possible prosecutions.

**C. Hate Crime Awareness.**

U.S. Attorney Miles is a co-chair of the Michigan Alliance Against Hate Crimes (MIAAHC). MIAAHC's mission "is to reduce the occurrence and ameliorate the consequences of hate crimes and bias incidents committed in the State of Michigan. In doing so, MIAAHC will provide or assist with education, training, coordination, data collection, and support to federal, state, local, and community-based entities whose functions include preventing, investigating, prosecuting, or otherwise responding to hate crimes and bias incidents." USAO Executive Counsel Don Daniels also serves on MIAAHC's Steering Committee and is Principal of the USAO's Criminal Civil Rights Violations Task Force.

Through the participation of U.S. Attorney Miles and AUSA Daniels as well as support staff, the USAO helps organize the MIAAHC's state-wide Annual Conference. U.S. Attorney Miles gives remarks, either opening or luncheon, at such conferences.

**D. Advocates & Leaders for Police And Community Trust.**

U.S. Attorney Miles co-chairs the Grand Rapids Advocates & Leaders for Police And Community Trust (ALPACT) meetings and an AUSA attends the Southwest Michigan (Benton Harbor) ALPACT meetings. The ALPACT coalition was launched in 1998 by the Michigan Roundtable for Diversity and Inclusion to create a platform for dialogue, honest discussion, and relationship building among law enforcement officers, government officials, and community leaders. With the support of the Michigan Department of Civil Rights, several Michigan cities have ALPACT groups. The Grand Rapids ALPACT began meeting in 2012 and Southwest Michigan ALPACT began meeting in 2014.

**IV. Enforcement**

**A. Violent Crime Reduction Task Forces.**

Shortly after assuming office in July 2012, U.S. Attorney Miles instructed USAO Violent Crimes Section AUSAs to cease taking simple felon in possession 922(g) cases referred from local police departments without demonstrating a clear federal interest. Along these lines of shifting USAO prosecutions from quantity to quality, in 2013, U.S. Attorney Miles created Violent Crime Reduction Task Forces with participation from the County Prosecutor's Office, County Sheriff's Department, Police Department, Michigan State Police, and FBI or ATF in the respective cities of Benton Harbor, Battle Creek, Grand Rapids, Kalamazoo, Lansing, and Muskegon/Muskegon Heights. He designated an AUSA from the USAO's Violent Crime Task Force to lead or serve on each City's Violent Crime Reduction Task Force. Each Violent Crime Reduction Task Force develops a locally-tailored plan to address such community's violent crime, meets regularly, and coordinates investigations, arrests and prosecutions.

**B. Charging Decisions.**

The USAO's Major Narcotics Unit & Organized Crime and Drug Enforcement Task Force (OCDETF) narrowed its focus to large-scale, interstate and international narcotics distribution organizations. Deemphasizing the volume of prosecutions enables the USAO to concentrate resources on cases involving a substantial federal interest. In addition, the USAO is actively implementing the Attorney General's policy of tailoring charges to reflect the individual responsibility of each participant in a drug offense.

**C. Retroactive Sentence Reduction.**

The USAO's Criminal Division Chief participates in a WDMI Working Group convened by the Chief District Court Judge to develop and adopt procedures for the Court's consideration of motions by defendants for sentence modifications arising from Amendment 782 of the United States Sentencing Guidelines. In addition, the USAO dedicates an experienced Criminal Division AUSA to the Working Group. This AUSA not only participates in Working Group activities, but serves and will continue to serve as the centralized reviewer of modification motion responses for the USAO and tracks and advises USAO attorneys on updates in the law and procedure governing Amendment 782 motions.

**D. Clemency Initiative.**

Shortly after the April 2014 announcement of the Department of Justice's Executive Clemency Initiative, U.S. Attorney Miles directed the USAO to review, to the extent possible, all drug convictions prior to the year 2004 for potential defendants who might be suitable under the DOJ's criteria for executive clemency. The Criminal Division Chief had all available records reviewed, identified potential candidates, personally evaluated over 50 files and forwarded eligible candidates to the U.S. Attorney.

**V. Re-Entry**

**A. Accelerated Community Entry.**

In 2005 the Federal District Court in WDMI, with the assistance of the U.S. Probation Department, USAO, and Federal Defenders' Office, implemented one of the first federal re-entry programs in the United States: a Court-ordered supervised release program called "Accelerated Community Entry" (ACE) to improve re-entry for those ex-offenders with the highest risk of recidivism. The ACE program is managed by the U.S. Probation Department. Ex-offenders participate in ACE for two years. Participants can receive "rewards" by meeting certain goals established by Probation Officers and a third party contract service provider which engages participants in "Moral Reconciliation Therapy" sessions. Likewise, participants can receive a sanction each month from the Court, such as community service, reporting requirements, assignments, curfew, travel restrictions, or being placed in custody (e.g., in a half-way house for weekends).

Participants make monthly court appearances in their first year of supervised release to address their progress and receive an award or sanction. The District's Chief Judge and a Magistrate Judge preside at such appearances. An AUSA (i.e., the USAO's Re-entry Coordinator) and a Federal Defender prepare for and attend both the monthly ACE meetings to discuss each current participant as well as the monthly court appearances by participants. The ACE program also focuses on family support, employment, and community mentors.

**B. Facing Choices.**

In 2014, U.S. Attorney Miles implemented a new ex-offender outreach effort in the WDMI to reduce recidivism and, in particular, reduce gun violence. The “Facing Choices” sessions are organized by the USAO with the assistance of the Michigan Department of Corrections and occur throughout the year in the Cities of Kalamazoo, Grand Rapids, and Muskegon with recent state parolees. Speakers include representatives from the USAO (typically, U.S. Attorney Miles), County Prosecutor’s Office (typically, the County Prosecutor), local Police Department (typically, the Chief), ATF, and Michigan Department of Corrections as well as successful ex-offenders. The messages are of support, encouragement, warnings, and incentives for the parolees to make positive, law abiding decisions and to take advantage of the resources available to them during their parole or face serious consequences.

**C. Pretrial Diversion.**

Several years ago the USAO entered into a Memorandum of Understanding (MOU) with the U.S. Probation and Pretrial Services Office for the operation of a WDMI pretrial diversion program. The pretrial diversion program is under the auspices of the USAO and provides an alternative to criminal prosecution for selected persons. It places them in a program of supervision administered by the U.S. Probation and Pretrial Services Office. Pursuant to the MOU, the U.S. Attorney may divert any individual against whom a prosecutable case exists and who is not (a) accused of an offense which, under existing DOJ guidelines, should be diverted to the State for prosecution, (b) a person with two or more prior felony convictions, (c) a public official or former public official accused of an offense arising out of an alleged violation of public trust, or (d) accused of an offense related to national security or foreign affairs.

**D. West Michigan Re-Entry Coordinating Councils.**

Service providers and government agencies established the Greater Grand Rapids area established The Re-Entry Clearinghouse (f/k/a Grand Rapids Community Re-Entry Coordinating Council) in 2008 as a network of faith-based and community-based service providers, as well as state corrections, federal probation, and parole personnel, who meet periodically to discuss the coordination of re-entry efforts in Grand Rapids from a multi-disciplinary perspective. U.S. Attorney Miles and the USAO Re-entry Coordinator spoke at one of the group’s 2014 meetings. The USAO’s Re-entry Coordinator is now invited to attend the group’s meetings.

**E. Indian Country Re-Entry.**

The WDMI has 11 Federally-recognized Native American Tribes, the most of any district east of the Mississippi River. In 2015, with the USAO’s full support, one of the Tribes in the WDMI applied to participate in one of the three regional Intergovernmental Re-entry Workshops hosted by DOJ, Office of Justice Programs, Bureau of Justice Assistance (BJA), in partnership with the Executive Office for U.S. Attorney’s National Indian Country Training Initiative. The workshops are called: *From Federal, State, and Tribal Correctional Facilities to Communities in Indian Country*. The workshop will provide participant teams with a set of guidelines, principles, and tools to assist in the development of re-entry strategies for tribal members returning to their communities after a period of secure confinement in federal, state, or tribal facilities. The Tribe’s workshop

re-entry planning team includes a representative from the Tribe's Council, Court/Judiciary, Behavioral Health/Health Services/Indian Health Services, Victims' Services, Probation Office, Prosecution Office, Detention/Corrections, Law Enforcement, and Budget/Finance Department.

**F. Effective Re-Entry Summit.**

The USAO, in conjunction with the USAO-EDMI, asked Michigan law enforcement professionals, service providers, corrections and probation officers, as well as judges from every part of the state to gather and network at a prisoner re-entry summit at Cooley Law School in Lansing on May 6, 2014. Summit participants shared ideas and best practices in state and federal courts Michigan and also connected with service providers. Future collaborations and meetings are expected as a result.

## 2014 LAW ENFORCEMENT TRAINING

|                 |  |                  |
|-----------------|--|------------------|
| January 21      | Transient Criminal Training            | Mason            |
| March 5         | Asset Forfeiture Training              | Grand Rapids     |
| March 26        | Legal Update Training                  | Bay City         |
| April 24        | White Collar Training                  | Grand Rapids     |
| April 26-May 1  | CJIC (Special Commission) Training     | Mt. Pleasant     |
| May 6           | Reentry Summit                         | Lansing          |
| May 20          | VALOR Training                         | Grand Rapids     |
| May 22          | Virtual Money Training                 | Taylor           |
| June 10         | Prescription Drugs Training            | Suttons Bay      |
| June 26-27      | Interview & Interrogation Training     | Taylor           |
| July 29         | Electronic Recording Training          | Grand Rapids     |
| August 12       | Electronic Recording Training          | Grand Rapids     |
| August 20       | Terrorism Trends & Tactics Training    | Flint            |
| August 21       | Terrorism Trends & Tactics Training    | Taylor           |
| August 26-27    | Interview & Interrogation Training     | Mason            |
| September 3-5   | Great Lakes Native American Conference | Sault Ste. Marie |
| September 10-11 | Interview & Interrogation Training     | Marquette        |
| September 17    | Midwest Gangs Conference               | Allegan          |
| September 18    | Prescription Drugs Training            | Taylor           |
| September 25    | Prescription Drugs Training            | Lawrence         |
| October 1       | Sovereign Citizen Training             | Bay City         |
| November 6      | Federal Trade Commission Summit        | Detroit          |
| November 13     | VALOR Training                         | Dearborn         |
| November 14     | Hate Crimes Conference                 | Lansing          |
| December 3-5    | PSN Conference                         | Dearborn         |
| December 15-16  | Interview & Interrogation Training     | Bay City         |