

DEPARTMENT ACCOMPLISHMENTS

BILL SCHUETTE

2011-2018



ATTORNEY GENERAL OF MICHIGAN

The state attorney general is an elected position, chosen by the people of the State of Michigan.

This Constitutional position serves as the state's top lawyer and law enforcement official, protecting and serving the people and interests of Michigan through a broad range of duties.

These responsibilities include protecting the public from violent criminals; assisting victims of crime; guarding the public health, including combatting both human trafficking and opioid abuse; protecting consumers, children, seniors and veterans; helping local communities fight crime; defending Michigan's Constitution; fighting for public integrity; and safeguarding Michigan's natural resources.

Attorney General Schuette leads a department of more than 500 lawyers, investigators, and other public servants to:

- Represent the People of Michigan in civil and criminal matters before trial courts, appellate courts and the supreme courts of Michigan and the United States.
- Serve as legal counsel to state officers and state agencies, boards and commissions.
- Assist prosecuting attorneys, local law enforcement and federal criminal justice agencies in the administration of justice.
- Render opinions on questions of law when requested to do so by the governor, legislature, or other state officers.
- Prepare and review contracts and agreements involving the State of Michigan.
- Manage programs and special projects to detect and crack down on fraudulent, unfair or illegal activities that victimize consumers or threaten public safety.

By law, the attorney general cannot provide legal advice to private citizens.

Index

Defending Public Safety	4
Supporting Crime Victims	7
Stopping Human Trafficking	11
Solving Cold Case Crimes	16
Protecting Children	18
Defending Seniors	25
Protecting Consumers	28
Protecting Homeowners	37
Protecting Veterans	39
Defending Our Constitutional Rights	43
Helping Local Communities Fight Crime	47
Fighting for Public Integrity	50
Safeguarding the Environment	55
Guarding the Public Health	60
Department Press Releases	69

Defending Public Safety

Protecting the public and prosecuting crime has been the highest priority for Attorney General Schuette. He has built his administration around this mission and delivered with an aggressive prosecution of crime and intensified defense of crime victims. Some of his more prominent actions include:

- Increasing Michigan trooper strength
- Prosecuting Michigan's first domestic terrorism case
- Responding to threats against police
- Prosecuting drunk driving
- Securing justice for sexual assault victims in Wayne County
- Securing justice for sexual assault victims statewide
- Putting away a large-scale narcotics dealer
- Prosecuting tough murder cases
- Putting away repeat violent offenders – the “VO-4” plan

INCREASING MICHIGAN TROOPER STRENGTH

In 2011, Attorney General Schuette called for additional police troopers to ramp up security across the state. Since that call, the state has seen an increase of more than 100 state troopers serving to protect Michigan communities.

PROSECUTING MICHIGAN'S FIRST DOMESTIC TERRORISM CASE

“I am so thankful that Attorney General Schuette sought to prosecute this man on terrorism charges because that is exactly how I and many of the other victims and communities involved felt: terrorized. None of us will ever be the same.”

— Jennifer Kupiec, shooting victim

In January 2014, Raulie Casteel, the “I-96 Shooter,” was convicted of numerous felony charges including one count of terrorism, the first in state history. He was sentenced to 18-40 years. This historic case brought together victims and a multi-jurisdictional law enforcement task force to see justice served.

RESPONDING TO THREATS AGAINST POLICE

“Threatening the life of a police officer is a threat against our entire community. We take these threats very seriously.”

— Detroit Police Chief James Craig

“Cops put themselves in danger to protect our safety and I will continue to treat threats against them with the highest level of caution and prosecute anyone who makes such senseless threats.”

— Attorney General Bill Schuette

In July of 2016, a Detroit man, Nheru Gowan Littleton, made numerous threats to police on Facebook. Attorney General Schuette stepped in to prosecute the case after the Wayne County prosecutor declined to do so, charging Littleton with making a terroristic threat and using a computer to commit a crime, both 20-year felonies. In 2018, Littleton plead guilty to one felony count of making a terrorist threat and was sentenced to 5 years' probation. The charges have been upheld through multiple motions and appeals.

PROSECUTING DRUNK DRIVING

In 2015, 17-year-old Mitchell Snyder of St. Ignace was on his way home from his high school homecoming dance after helping his team win their football game earlier that evening. He was hit head-on by Darrel Lovegrove, who crossed the center lane on Mackinac Trail Road in St. Ignace. Snyder died at the scene, while Lovegrove received only minor injuries from the crash. Attorney General Schuette's office charged and successfully prosecuted Lovegrove for operating under the influence of intoxicating liquor causing death and involuntary manslaughter. He was found guilty by a jury on both counts and was subsequently sentenced to 10-15 years in prison.

JUSTICE FOR SEXUAL ASSAULT VICTIMS – TESTING THE BACKLOG OF WAYNE COUNTY RAPE KITS

“Governor Snyder and Bill Schuette recognize that rapists do not stop at Eight Mile Road. They have shown a real commitment to making sure that Wayne County, the entire State of Michigan, and even citizens across the country will be safe from rapists. I applaud them today.”

— Kym Worthy, Wayne County Prosecutor

In 2009, approximately 11,300 untested rape kits dating back 25 years were discovered in a Detroit Police Department storage facility. Each rape kit has the potential to solve multiple crimes, including those committed by serial rapists. Attorney General Schuette worked to secure a \$4 million appropriation for the Michigan State Police Forensic Science Division to test the remaining rape kits. The appropriation was funded by settlement monies successfully recovered by the Attorney General from state and national litigation.

The testing, in partnership with the Wayne County Prosecutors Office, produced 184 cases and 92 convictions. Almost 800 suspected serial offenders have been identified. Many of these cases have been closed, finally providing justice for victims.

The testing has also resulted in a new law on handling of kits and a statewide inquiry into county kit inventories and turned Michigan into a model of best practices that are now taught around the country.

JUSTICE FOR SEXUAL ASSAULT VICTIMS STATEWIDE

“We in Calhoun County thank Mr. Schuette and the rest of the Michigan Attorney General's Office in their proactive stance regarding untested rape kits throughout Michigan and finding the funds for testing.”

— Dan Gilbert, Calhoun County Prosecutor

After helping resolve the Wayne County backlog, Attorney General Schuette gathered information about untested sexual assault kits throughout the rest of Michigan. In 2015, the legislature, at his request, appropriated \$1.7 million to the Department to inventory and test, investigate and prosecute, and provide victim services for untested sexual assault kits in the 82 counties outside of Wayne County. Currently, over 3,400 sexual assault kits have been inventoried. Of those, approximately over 3,300 have been tested, producing 250 DNA hits. The final testing is scheduled to be completed by fall 2018.

PUTTING AWAY A LARGE-SCALE NARCOTICS DEALER

In 2016, Schoolcraft County asked Attorney General Schuette to assist with prosecution of **Kenneth Brunke** related to a 2015 triple murder. The original murder case was handled by the county. In March 2017, the Department's Criminal Division helped secure the conviction of Brunke on three felony counts related to the delivery of cocaine. Brunke pleaded no contest and will serve 18.5 to 30 years in prison.

PUTTING AWAY REPEAT VIOLENT OFFENDERS – THE “VO-4” PLAN

From day one, Attorney General Schuette has believed Michigan must get repeat violent offenders off the streets. His “VO-4” plan (Violent Offense - 4th Felony) was built upon the state’s existing habitual offender law to impose a minimum 25-year prison sentence on any criminal convicted of a violent crime that is also his or her fourth felony conviction. The plan became law on October 1, 2012.

In 2015, Attorney General Schuette charged **Alan Donnell Broadnax** of Detroit with First Degree Criminal Sexual Conduct. He also requested Broadnax be sentenced as a Habitual Offender under the VO-4 law.

The case against Broadnax stemmed from the 2008 rape of an 18-year-old metro-Detroit woman in Oakland County. The victim was knocked unconscious by Broadnax and sexually assaulted at a Southfield home. After being forced to walk home, she immediately reported the rape to the Hamtramck Police Department. Since the victim could not remember the exact address of the house where the alleged assault took place, her sexual assault kit ended up in the Detroit Police storage facility where it languished until the kits were discovered in 2009. Wayne County Prosecutor Kym Worthy referred this case to Attorney General Schuette’s office because the assault occurred outside of Wayne County. (It was the first case the Department received because of the Wayne County Sexual Assault Kit Task Force.)

In 2016, Broadnax was sentenced to 25-75 years in prison. Should he be released from prison, he will be required to register as a sex offender for life and wear an electronic monitor for life.

Supporting Crime Victims

“I am committed to making sure there is a voice for crime victims in our state.”
— Attorney General Bill Schuette

Attorney General Schuette took office in 2011 with a promise to elevate victims’ voices. He pledged to work with law enforcement, the courts and victim organizations to build a stronger statewide support system for crime victims, and to ensure they are not forgotten when new laws and policies are crafted. He has kept his promise. Some of his more prominent actions include:

- Appointing Michigan’s first-ever crime victims advocate
- Strengthening the Crime Victim’s Rights Act
- Assisting victim support groups
- Establishing the OK2SAY crime prevention hotline
- Standing with victim families against parole of juvenile murderers
- Prosecuting witness intimidation and retaliation
- Upholding Michigan’s truth-in-sentencing law

APPOINTING FIRST-EVER DIRECTOR OF CRIME VICTIM ADVOCACY

In May 2011, Attorney General Schuette created the position of Director of Crime Victim Advocacy in the Attorney General’s Office and named the highly regarded John H. Lazet to the office – the first ever in Michigan state government. The director serves as a voice for crime victims, an information resource for both victims and law enforcement, a watchdog over enforcement of the Crime Victim’s Rights Act, a coordinator of victim rights initiatives between various agencies, and an advocate for legislative changes to the act as needed.

STRENGTHENING THE CRIME VICTIM’S RIGHTS ACT

The Michigan Constitution guarantees rights to crime victims “as provided by law.” To date, Attorney General Schuette has helped update that law, the Crime Victim’s Rights Act, to:

- Allow child victims to address the court at sentencing;
- Allow parents of minor victims to address the court at sentencing;
- Enhance privacy protections for minor victims of sexual assault;
- Allow victims’ heirs to receive restitution, in the case of defendants outliving their victims;
- Allow all victims of a prisoner’s course of conduct to address the parole board;
- Allow photos and exhibits at parole or commutation hearings;
- Notify victim of prisoner requests for reprieve, commutation, or pardon, and the decision;
- Notify the victim if a prisoner or parolee dies;
- Require 24-hour notice to the victim of prisoner escape;
- Require defendants to be present when victims give their impact statement; and
- Request notice when an incarcerated juvenile is estimated to be released.

ASSISTING VICTIM SUPPORT GROUPS

Since 2011, Attorney General Schuette has reached out directly to victim advocates for Michigan's 83 county prosecutors, helped train victim advocates, and launched a dialogue on common areas of concern, best practices and needed updates in law and policy. At his direction, the Department is in regular communication with victim support groups statewide and attends many of their monthly meetings and special events. Other state and local agencies regularly refer victims to the Attorney General, knowing they will receive personal attention and the best possible answers to their questions.

When the federal government brought charges in 2013 against former doctor Farid Fata for misdiagnosing and mistreating cancer patients, over 1500 patients were impacted. The Department met monthly with these victims for almost three years, helped them understand the legal process and the outcomes of court rulings, and assisted with various related requests. Most importantly, based on their experience and testimony at legislative committees, the law was changed to allow for permanent license revocation of health care professionals who knowingly harm multiple victims.

In a 2012 criminal case involving the New England Compounding Center, hundreds of Michigan residents were injected with tainted pharmaceuticals, leading to 23 deaths and hundreds of life-changing injuries. Over the years the case was tried in federal court in Boston, the Department kept Michigan victims up to date on significant events in the case, responded to numerous questions, and assisted them in applying for crime victim compensation through the Commonwealth of Massachusetts.

PREVENTING CRIME BEFORE IT CREATES VICTIMS WITH "OK2SAY"

Attorney General Schuette believes the ultimate crime victim right is to *not* be a victim in the first place. That's why in 2013 he established the OK2SAY student safety hotline that allows for school-related crime prevention tips to be submitted 24/7. OK2SAY lets students confidentially report potentially dangerous situations from their cellphones and provides in-school events that highlight the damage and dangers of bullying. With over 14,000 tips to date, interventions have been made in numerous cases of planned school attacks, abuse, physical and sexual assaults, weapons in schools, and other potentially violent events.

STANDING WITH VICTIMS' FAMILIES AGAINST PAROLE FOR JUVENILE MURDERERS

Attorney General Schuette has been a tireless and vocal advocate for families deeply traumatized by teenage murderers.

In its 2012 *Miller v. Alabama* decision, the U.S. Supreme Court deemed mandatory sentences of life without parole to be unconstitutional for juvenile murderers. Attorney General Schuette, joined by a bipartisan group of prosecutors including Kim Worthy and David Leyton, testified against legislation that would have incorrectly implemented that decision in Michigan and caused undue trauma for victims' families.

The Michigan legislation would have allowed resentencing and possible parole for approximately 300 teenage murderers – already convicted and serving life sentences – as early as 15 years into their sentences. It also would have required crime victims and their families to go through the emotional trauma of re-sentencing hearings that were not required by the U.S. Supreme Court. Attorney General Schuette urged legislators to remember that each of the teenage criminals had been found guilty of felony murder – all premeditated, without regard for the life that was taken.

A different approach that would keep the victims in mind was agreed to, and a new law was enacted, bringing Michigan into compliance with the U.S. Supreme Court decisions without the earlier emphasis

on releasing as many murderers as possible. The Michigan Supreme Court agreed with Attorney General Schuette that addressing the sentences of convicted teenage murderers did not apply retroactively under existing federal or state retroactivity precedent.

Then in January of 2016, the U.S. Supreme Court held that its prior decision in *Miller v. Alabama* should be applied retroactively. In other words, the new decision required resentencing for all juvenile murderers previously sentenced to life imprisonment without the chance of parole. The new nightmare for victim families was having to endure resentencing hearings after they thought justice had been served.

After one murderer had been sentenced three times and asked for a fourth sentencing based on technical matters, the Department worked with local prosecutors to secure a Michigan Supreme Court decision in June of 2018 that closed the door on requests for ever more lenient processes for these murderers.

The Michigan Legislature tasked Attorney General Schuette with the responsibility of distributing a one-time \$700,000 appropriation for investigations, prosecutions, appeals, and crime-victim rights in retroactive juvenile murderers without parole cases. Michigan had about 365 juvenile murderers, all of whom are now entitled to resentencing, including:

William Morton was 15 when he shot an AK-47 at about 500 students leaving Henry Ford High School in Detroit on October 16, 2008. Morton and his co-defendant Devon Bell killed a 16-year-old student; Morton also wounded three others. A jury convicted Morton of first-degree murder, three counts of assault with the intent to commit murder, and possession of a firearm during the commission of a felony. The court sentenced Morton to life without parole for the murder and to 15-25 years' imprisonment for assault with intent to commit murder.

John Ronald Espie was 17 when he strangled to death a 71-year-old civilian transport officer who was driving him from a juvenile detention facility to a neuropsychological evaluation on November 25, 1998. Espie alleged that the victim sexually touched Espie during the transport, triggering a flashback to an earlier assault. After using the victim's credit card, Espie was captured the next day; the victim's body was not found until December 4. A jury convicted Espie of first-degree murder, both premeditated and felony-murder, and car-jacking. Consistent with the law at the time, the court vacated Espie's car-jacking conviction and sentenced him to life without parole.

PROSECUTING WITNESS INTIMIDATION AND RETALIATION

"Living in fear is no way to live, and I won't stand by and let a victim continue to fear for her life and the lives of her children when I believe there is evidence of another crime having been committed. Continued and targeted intimidation and retaliation is something that no one should have to experience."

— Attorney General Bill Schuette

Nicole Beverly landed on the front page of every major Michigan news outlet in 2017 after sharing her story of abuse. Her former husband, Kevin Beverly, who was serving time for an aggravated stalking conviction involving Nicole, allegedly openly and frequently made statements to other inmates that he blamed her for his incarceration and that he intended to kill her in retaliation. His alleged statements included: "I'm going to get out and kill that ---- because she put me in here and I'm going to kill the kids in front of her."

After conducting a thorough investigation, Attorney General Schuette charged Kevin Beverly with seven felonies in three counties related to his alleged threats to his former wife and their two children. Evidence indicated threats against Nicole were made both directly to her and to inmates housed at the same correctional facility and were meant to influence or control her testimony at a child support hearing, as well as in retaliation for having previously reported his criminal activity and made victim impact statements at a sentencing proceeding.

In March 2018, Beverly pleaded guilty to the charges relating to threats he made against his ex-wife in Wayne County and in May 2018 was sentenced to 5–10 years in prison. On May 15, 2018, Beverly was sentenced to up to 20 years in Washtenaw County after being found guilty by a jury of witness intimidation and extortion in April 2018.

Finally, on May 23, 2018, Kevin Beverly pleaded guilty in Jackson County to one felony count of Attempted Witness Retaliation and was sentenced to 14 months to 5 years in prison.

UPHOLDING MICHIGAN'S TRUTH-IN-SENTENCING LAW

Attorney General Schuette has repeatedly warned of the risk of releasing dangerous criminals too early. He also believes victims deserve the assurance that convicted criminals will serve at least their minimum sentences, as promised by Michigan's Truth-in-Sentencing law (TIS). For these reasons, he has consistently battled efforts to weaken the law.

In 1998, then-state Senator Schuette voted for the bills that first established TIS in Michigan. In the face of relentless demands that repeat, violent offenders be released back into communities as soon as possible, Schuette has worked diligently to protect the public by exempting murderers and rapists from these as-soon-as-possible releases.

DENOUNCING HOLDING OF RAPE VICTIM NEAR ATTACKER

In July 2011, Attorney General Schuette issued the following statement denouncing placement of a rape victim in a jail cell near her alleged attacker (the woman was released the next day):

"I don't have words to express my outrage at how this victim was placed in a jail cell next to her alleged attacker. Our constitution says crime victims have "the right to be treated with fairness and respect for their dignity and privacy throughout the criminal justice process." There is absolutely no excuse for treating a woman who has been abducted, kidnapped, repeatedly raped and brutally beaten in the same way as her alleged rapist. This is precisely why I created a Crime Victim's Rights Advocate, and why I am committed to making sure there is a voice for victims in our state."

Stopping Human Trafficking

Human trafficking is modern-day slavery and a terrible violation of human dignity. It is the fastest-growing and, reportedly, second-largest criminal industry in the world after drug trafficking. Traffickers exploit children, women, and men regardless of age, race, ethnicity, national origin, or socioeconomic status. Victims of human trafficking are controlled through force, fraud or coercion, solely for sex or labor exploitation. Children are especially vulnerable, and existing data strongly suggest that current statistics do not provide a complete picture of the prevalence of human trafficking in Michigan.

Attorney General Schuette has made historic steps in fighting human trafficking, including:

- Established first Human Trafficking Unit within the Department of Attorney General.
- Successfully convicted 19 individuals.
- Launched the Michigan Commission on Human Trafficking.
- Drafted the final commission report, including recommendations for stronger laws.
- Worked with the legislature to pass stronger, more effective anti-human trafficking laws.
- Established state agency protocols for sex trafficking of minors.
- Led national efforts to combat the scourge of human trafficking.

NEW HUMAN TRAFFICKING UNIT

Upon taking office in 2011, Attorney General Schuette launched the department's first Human Trafficking Unit to prosecute human traffickers under state law. Since then, the unit has secured at least nineteen human trafficking convictions, with several additional cases pending. The unit has also provided training about human trafficking to thousands of people statewide – including law enforcement, victim service providers, medical providers, and the public.

PROSECUTIONS

Detroit Man Convicted of Child Sex Trafficking

In 2011, the unit arrested Sedrick Leman-Isaac Mitchell, 32, of Detroit, for human trafficking and other crimes. The charges resulted from an investigation by Michigan State Police and the FBI through the Southeast Michigan Crimes Against Children (SEMCCAC) task force. Mitchell was accused of enslaving two girls, ages 14 and 15, and forcing them to engage in prostitution for approximately two months; the victims also faced physical and sexual assaults. Mitchell was convicted by a Wayne County jury on eight criminal counts on March 23, 2012 and sentenced to 35-60 years in prison.

Prison Sentence for “Detroit Pink” Prostitution Ringleader

Also in 2011, the unit arrested five individuals for conducting a human trafficking operation through a prostitution ring called “Detroit Pink.” Mustafaa Hassan Muhammad, 31, of Detroit; Tara Muhammad, 32, of Chesterfield Township; Brooklyn Marie Siebert, 29, of Warren; Rita Jean Jemison, 25, of Detroit; and Jason Michael Sherrill, 31, of Detroit were each charged with multiple felonies including human trafficking, pandering, accepting the earnings of a prostitute and racketeering. Four of the five defendants pled guilty to human trafficking, served jail sentences and continue to be monitored on probation. The primary defendant, Mustafaa Muhammad, pled guilty to minor sex trafficking and labor trafficking on August 29, 2013, and was sentenced to prison for 6-20 years.

Auburn Hills Man Convicted of Child Sex Trafficking

In 2012, the unit arrested 35-year-old Jackie Robinson Harris, of Auburn Hills, on charges of sex trafficking of a minor, prostitution, and criminal enterprises for allegations of sexually exploiting a 16-year-old girl by recruiting her to work as a prostitute. Harris was convicted by an Oakland County Jury on February 13, 2014 and sentenced to 25-80 years in prison.

Florida Man Incarcerated for Human Trafficking in Southeast Michigan

In 2013, the unit arrested a Florida man accused of assaulting a young woman and forcing her to work as a stripper in Southeast Michigan. The charges resulted from an investigation by Southfield Police Department with assistance from the FBI through SEMCAC. Vinson Alexander, 30, of Florida was charged with human trafficking, criminal enterprises, and torture. On June 11, 2013, Alexander pled guilty to human trafficking. He was sentenced to 1-10 years.

Michigan Woman Sentenced for Sex Trafficking

In February of 2015, Amy Sawulski was arrested on prostitution charges stemming from an investigation conducted by the SEMCAC task force. However, after holding the preliminary examination, the defendant was bound over on additional sex trafficking charges. In August of 2015, Sawulski pled guilty to 2 counts of human trafficking in Washtenaw County. She was sentenced to 2 years of probation.

Inkster Man Convicted of Five Human Trafficking-related Felonies

Also in 2015, Attorney General Schuette announced the unit had arrested an Inkster man for conducting an online “escort” operation in Wayne, Oakland and Macomb Counties. Jahan Satati Green, 38, was charged with multiple felonies including human trafficking, transporting for prostitution, accepting the earnings of a prostitute and conducting a criminal enterprise. The charges resulted from an extensive investigation conducted by the Department of Homeland Security that revealed human trafficking in a prostitution ring. After trial by jury in Wayne Circuit in March of 2016, Green was convicted of five felonies and sentenced to 20-40 years in prison.

New York Man Sentenced to Prison for Human Trafficking

In 2016, the unit arrested a New York man for conducting an online “escort” operation in Oakland and Macomb Counties. Jonathan Colon, 24, was charged with multiple felonies including human trafficking, transporting for prostitution, accepting the earnings of a prostitute and conducting a criminal enterprise. Colon was alleged to have posted advertisements for commercial sex for at least two women on-line. The girls, staying at metro area motels with Colon, were forced to turn over the money from the commercial sex acts to Colon who would then provide the girls with highly addictive drugs. Colon pled guilty to one count of human trafficking, and in March of 2017 was sentenced to 3-10 years in prison.

Sterling Heights Man Convicted of Sex Trafficking

In late 2016, Attorney General Schuette charged Andrew Golden, 34, of Sterling Heights with one count of human trafficking – recruiting a minor for commercial sexual activity. The charges resulted from a tip received by Ohio authorities provided to the Southeast Michigan Trafficking and Exploitation Crimes (SEMTEC) task force regarding sex trafficking of a 17-year-old female. In June of 2017, Golden pled guilty and was sentenced to 20 years in prison.

Warren Man Charged with Sex Trafficking of Minors

In January of 2017, Attorney General Schuette charged 19-year old Tremaine Woodall of Warren with two counts of human trafficking – recruiting a minor for commercial sexual activity, and two counts of pandering for sex trafficking a 17-year-old and attempting to sex traffic a 16-year old. The charges are a result of an anonymous tip received by the SEMTEC task force regarding sex trafficking of a minor female. Another adult woman was also originally charged. However, when investigators discovered she was herself a victim of Woodall, her case was resolved allowing her safe harbor from a conviction. Woodall pleaded guilty to two counts of human trafficking and two counts of felony prostitution/pandering in September 2017. He was sentenced in January 2018 to two years in youth prison.

Lansing Woman Convicted of Sex Trafficking Minors

In February of 2018, the unit successfully prosecuted Amber Speed, 40 formerly of Lansing. Speed was originally charged with multiple 20-year felonies, including minor sex trafficking, pandering, accepting the earning of a prostitute and debt bondage. She was found guilty by a jury of one felony count of conducting a criminal enterprise for running a sex trafficking ring comprised of minors in the Lansing area in January 2018 and was sentenced to 5–20 years in prison.

Four Members of a Southeast Michigan Human Trafficking and Opioid Ring Pleaded Guilty

In December of 2017, in a joint prosecutorial effort between his Human Trafficking Unit and Opioid Trafficking and Interdiction Unit, Attorney General Schuette secured the sentencing of four individuals in Warren, Madison Heights, and Southfield. Melvin Niblett, Corey Cooper, Maurice Rushton, and Jasmin McGinnis engaged in a multi-county drug and human trafficking ring.

The case began in September 2016 when the joint FBI and Oakland County Gang and Violent Crimes task force received a tip that an individual was running a drug and prostitution operation in Madison Heights. While under investigation, Niblett and Cooper were caught selling drugs in Warren and charged in a separate but related case by the Macomb County Prosecutor Eric Smith. Niblett and Cooper were later released on bond.

In October 2016, police received a tip that Niblett was using rooms at a hotel in Southfield to conduct his drug and human trafficking operation. While dozens of individuals were involved, Niblett is alleged to have been at the top of the operation. Niblett and three others have been arrested and charged with a total of 24 felonies.

Niblett pleaded guilty to a 20-year drug felony and 3 counts of Human Trafficking, 10-year felonies. Cooper pleaded guilty to a 20-year drug felony; Rushton pleaded guilty to 1 count of Human Trafficking a 10-year felony, and McGinnis pleaded guilty to a 20-year drug felony and 1 county of Human Trafficking, a 10-year felony. All 4 must pay courts fees and are prohibited from having contact with their co-defendants and victims.

Detroit Man Pleads Guilty to Human Trafficking Forced Labor

In April of 2018, Christopher Lowery of Detroit, was sentenced to 7-15 years on charges of human trafficking for his role in a Southeast Michigan human trafficking operation. The FBI and SEMTEC task force, as part of an ongoing investigation, conducted an undercover operation in Redford, MI which led to Lowery's arrest for suspicion of running a prostitution operation at a motel. Lowery, who was previously incarcerated, was also found to have also been conducting a prostitution operation from his jail cell in 2016. Lowery pleaded guilty to Human Trafficking Forced Labor, a ten-year felony.

MICHIGAN HUMAN TRAFFICKING COMMISSION

In March of 2013, Attorney General Schuette convened the first Michigan Commission on Human Trafficking. Over the next eight months, the commission held more than sixty meetings and consulted with numerous stakeholders, including victims, law enforcement, legislators, victim advocates and service providers, academicians, and national experts.

From the moment the commission was formed, Attorney General Schuette insisted on that innocent trafficking victims must be treated as victims and not be revictimized by being punished for "crimes" over which they had no control. The commission found significant gaps within the state's victim servicing framework. Attorney General Schuette committed then and continues to work with service providers to ensure that victims receive the care they need to become regain their independence and reintegrate into society.

After thorough review, the commission issued the following recommendations:

- Stronger Laws and Victim Protections – including passage of a "safe harbor" law to ensure minor victims are treated as victims in need of services, not as criminals.
- Target Traffickers and "Johns" – tougher punishments for those who solicit sex from minors by raising the penalty from a misdemeanor to a felony.
- Real Victim Assistance – housing for victims who have nowhere to turn after being rescued.
- Greater Public Awareness – statewide public awareness campaign to raise awareness that human trafficking happens in Michigan and encourage watchfulness amongst residents.
- Track Progress – create a standard, comprehensive method for capturing human trafficking data from entities that interact with trafficking victims.

STRONGER STATE LAWS

The commission recommended several bills which were passed into law in 2016, including:

- 2016 Public Act 336 and 337 - Let trafficking victims fully clear their records of any related past convictions for which they were not at fault.
- 2016 Public Act 338 – Safe harbor provisions for minors; stiffer penalties for traffickers.
- 2017 Public Act 34 - Gives adult trafficking victims "safe harbor" from prostitution convictions.
- 2017 Public Act 53 -Permits expert testimony at trial to explain victim behavior where it could deviate from what the public would expect.
- 2018 Public Act 119 – Adds to the definition of "coercion" in the human trafficking chapter to specifically include controlling or facilitating access to highly addictive controlled substances.

MINOR SEX TRAFFICKING PROTOCOL

Attorney General Schuette worked with the Department of Human Services in 2012 to finalize a protocol for addressing minors subjected to sex trafficking and has worked with the department each year since to update the protocol to reflect changes in the law.

NATIONAL LEADER ON HUMAN TRAFFICKING

Attorney General Schuette is one of ten attorneys general nationwide selected to lead the National Association of Attorneys General (NAAG) Presidential Initiative on Combatting Human Trafficking, called Pillars of Hope. Attorney General Schuette has worked closely with his colleagues to craft a coordinated national strategy to combat human trafficking, including efforts to prosecute offenders, assist victims, analyze the impact of this crime, and raise public awareness nationwide. Attorney General Schuette continues to serve in a leadership capacity with NAAG to combat human trafficking.

JOINING PRESIDENT TRUMP TO UNVEIL NEW HUMAN TRAFFICKING LAW

In April of 2018, Attorney General Schuette joined President Donald Trump in the oval office for the signing of a new federal law that helps state attorneys general better pursue legal action against websites that promote commercial sex advertisements. Anti-human trafficking advocates have long cited these websites as profiting from sex trafficking, including the sex trafficking of children.

The new Fight Online Sex Trafficking Act (FOSTA) means website owners can no longer claim ignorance of these advertisements appearing on their website nor an inability to prevent them. Under FOSTA, state and local prosecutors can now charge website operators for "promotion or facilitation of prostitution" in state court. FOSTA also increases penalties for operating an interactive computer service to promote or facilitate the prostitution of another person, and penalties for acting with reckless disregard that such conduct contributes to sex trafficking.

Solving Cold Case Crimes

When asked by the Michigan State Police or a county prosecutor, an Attorney General Criminal Division attorney will participate in the investigation and prosecution of a “cold case” crime. Relying on DNA analysis and other scientific and investigative tools, the division’s legal teams have joined with county officials to solve numerous such cases.

PROMINENT COLD CASES SOLVED SINCE 2011

The Murder of Shannon Sider (1989)

In 2015, Attorney General Schuette, along with Newaygo County Prosecutor Robert Springstead and local and state law enforcement, finally brought brothers Matthew and Paul Jones to justice for the 1989 murder of 18-year-old Shannon Sider of Newaygo. Shannon was last seen alive riding in a car with the two brothers, and in October 1989, her decomposing body was discovered by a hunter in the Manistee National Forest. Shannon’s death was ruled a homicide, and it was found that she had been sexually assaulted and beaten before she was killed. In 2011, a cold case task force was assembled, and in 2014 the Jones brothers were arrested. That same day, Schuette and Springstead filed first degree murder charges against the pair. A jury later found Matthew Jones guilty of first degree murder, which carries a mandatory sentence of life in prison, and Paul Jones guilty of second degree murder, which carries a sentence of up to life in prison. The brothers are currently behind bars.

The Murder of Deborah Boothby (1998)

Deborah Boothby was killed April 1998 in Van Buren County. Ivory Shaver, Scottie Shaver, Shevolier Gill, Ed Foster, and Adrienne Burnette all played a role in her death. She was viciously beaten before being kidnapped and thrown into a car. Boothby was then transported to a remote wooded location and beaten several more times. Shaver, Shaver, Gill, and Foster devised a plan to take her back near the bar, and run her over, to make her death appear as a hit-and-run accident. Foster was previously convicted in the first trial in September of 2010; Shaver, Shaver, and Gill were previously tried, but that jury could not reach a verdict. However, Schuette pressed for retrial, and in 2011 new information came to light when Adrienne Burnette, of South Haven, admitted to participating in Boothby’s killing. Burnette pled guilty to one count of second degree murder and one count of perjury, and testified against Shaver, Shaver, and Gill. As a result, they were convicted of premeditated first-degree murder and felony murder, which carry a life sentence without the possibility of parole.

The Murder of Vincent Adamczak (1995)

Adamczak was last seen alive in 1995 but not reported missing until 2002; his case then became an open murder investigation by the Michigan State Police Manistee Post and the Manistee County Prosecutor’s office. In March 2014, county prosecutor asked the Department of the Attorney General to take on the case. Six months later, Schuette announced first degree murder charges against Pete Peterson, 65, and Robert Scott Knauss, 49, both of Manistee County. They were found guilty in 2015 and sentenced to life in prison.

James Francis Rapp – Sexual Assaults 1982-1986 – Plea based conviction in 2016

In 2016, James Rapp pleaded no contest to three counts of first degree criminal sexual conduct as well as three counts of second degree criminal sexual conduct.

As a priest, coach, trainer, and maintenance supervisor at Jackson Lumen Christi High School from 1980-1986, Rapp used his position of authority to coerce six victims into having sexual contact. In 2013, when Rapp was already serving a 40-year prison term in Oklahoma for lewd molestation charges, his Michigan victims – five students and one custodian – finally were able to come forward. Schuette’s Criminal Division assisted the Jackson County Sherriff’s Department with an extensive investigation. In April 2016, Rapp was sentenced to 20-40 years in prison.

Anthony Tyrone Brown – Sexual Assaults 2003-2007 – Conviction in 2017

In February of 2017, Anthony Tyrone Brown was convicted by a Wayne County jury following a trial prosecuted by the Attorney General’s Criminal Division. Brown was convicted of two counts of first-degree criminal sexual conduct one count of third-degree criminal sexual conduct for repeated sexual assaults he committed against a minor female victim between the ages of 14-18 from 2003-2007. The abuse was reported to the Detroit Police Department in spring of 2013, and the Attorney General’s office investigated. Brown will spend 18-40 years in prison.

Arthur David Long – Alleged Sexual Assault in 1998 – August 2018 Jury Trial

The Attorney General’s office alleges that in 1998 Arthur David Long, together with Sonny Molina, broke into a woman’s home in Flint, raped the victim while threatening her with a weapon, tied her up, set fire to the house, and left the scene of the crime. Molina, who was identified by the victim, was tried and convicted of first-degree criminal sexual conduct and home invasion in a 1998 jury trial. He remains incarcerated serving a life sentence.

In 2015, new DNA testing conducted by Michigan State Police identified Long as the second perpetrator. At the time, Long was incarcerated for a separate third-degree sexual assault (statutory rape) conviction. Long had admitted to the 1998 rape of the Flint victim during interviews with special investigators from the Attorney General’s office. However, Long was paroled from his separate criminal charge by the Michigan Department of Corrections in November of 2016. Considering the new evidence presented to the court, Long pleaded guilty to two counts of Criminal Sexual Conduct in the first degree in August 2018. He is scheduled to be sentenced on those counts in September 2018.

SEXUAL ASSAULT UNIT HONORED WITH COMPETITIVE FEDERAL GRANT FOR THE THIRD TIME

For a third time, the Michigan Department of Attorney General in 2017 received the prestigious and highly competitive “Improving Criminal Justice Response to Sexual Assault, Domestic Violence, Dating Violence, and Stalking Grant Program” funding award from the U.S. Department of Justice’s Office on Violence Against Women. The grant supports the Department’s Sexual Assault Unit, which investigates, prosecutes, and assists county prosecutors on sexual assault, domestic violence, and stalking cases throughout Michigan, including sexual assault cold cases. Notorious cases funded by previous grants received in 2011 and 2014 include Alan Broadnax, James Rapp, and Larry Nassar.

Protecting Children

Attorney General Schuette's leadership, has been vigilant in the pursuit of justice for our youngest, often most vulnerable citizens. Our agenda, while unfinished, has been aggressive and successful. Since 2011, the Department has:

- Prosecuted 34 cases of crimes against children, including 27 against child pornographers
- Sent former MSU and USA Gymnastics doctor Larry Nassar to prison for decades
- Developed legislation to fight child pornography
- Obtained 126 child pornography felony convictions
- Collected over \$250 million in child support
- Created the OK2SAY school violence prevention hotline: 14,697 tips to date
- Presented the Cyber Safety Initiative (CSI) program to over 860,763 students
- Handled 8,984 child abuse and neglect cases
- Protected the rights of child crime victims who testify in court

PROSECUTING CRIMES AGAINST CHILDREN

During Attorney General Schuette's term, his department has prosecuted seven child predator cases, resulting in 17 convictions.

In April 2014, Attorney General Schuette's Criminal Division charged **Jacob Perritt**, of St. Clair, with soliciting a 14-year-old minor for sex online. These charges came because of an investigation led by the Michigan State Police and the FBI through the Southeast Michigan Crimes Against Children Task Force. Perritt was sentenced to, and is currently serving, five years in prison with the opportunity for parole.

In May 2015, a jury convicted **Jean-Claude Toviave** of three counts of first-degree child abuse. After a federal conviction against Toviave was overturned, Schuette had him tried in Washtenaw County on the state charges. Toviave was found guilty of abusing children he helped bring to Ypsilanti from the West African country of Togo. A federal Judge sentenced Toviave to federal prison for eleven and one quarter years, the maximum term sought by prosecutors.

In October 2015, Attorney General Schuette secured a guilty conviction against **Cary Jones** on six counts of second degree criminal sexual assault and two counts of accosting and soliciting a child for immoral purposes. Jones' crimes took place at his home, a daycare. He often transported the children from school to daycare and was frequently left alone with them at the residence. He was sentenced to 14-30 years in prison.

In 2013, Attorney General Schuette's sexual assault prosecutor secured a guilty plea from **Jerry Campbell, Jr.**, just days before a jury trial was to begin in this case involving multiple counts of first degree criminal sexual conduct. The charges arose from sexual acts perpetrated on a 13-year-old girl from which she was infected with two sexually transmitted diseases.

The case was tried by the department at the request of the Kalamazoo County Prosecutor's Office. The Attorney General's Criminal Division located two other victims of similar crimes and successfully argued for their admission into evidence to establish the defendant's pattern of preying upon young victims. He was sentenced to 12-20 years in prison.

THE LARRY NASSAR CASE

The Attorney General's most high-profile child protection prosecution is that against former physician Larry Nassar. Nassar, who worked for Michigan State University (MSU) and USA Gymnastics, was considered one of the most sought-after physicians in the gymnastics world. However, Nassar allegedly abused his medical profession to sexually assault young women for years.

Nassar's first alleged assault was in 1992, while he was still in medical school. He has been accused of sexually abusing more than 100 girls during his professional career, at work and in his home. The sexual assaults were also carried out at a U.S. Olympic training facility and during the Olympic Games.

The first publicized abuse allegations against Nassar were made in September 2016, by two former gymnasts in an Indianapolis newspaper. MSU Police Department received its first complaint against Nassar in August 2016.

Following the published news story, the MSU Police received multiple other complaints alleging abuse by Nassar. In October 2016, MSU Police Chief James Dunlap recommended charges to the Michigan Attorney General's office.

Meanwhile, U.S. Attorneys from the Western District of Michigan charged Nassar with possessing 37,000 images of child pornography found on external hard drives, files he knowingly downloaded from 2003 to 2016. Nassar pleaded guilty to three child pornography charges in federal court in 2016. He also faces federal charges of destruction of evidence after it was alleged that he attempted to destroy the hard drive on which he was storing the pornographic images of children.

At the state level, Attorney General Schuette charged Nassar with 22 felony counts of first-degree sexual conduct in two counties. The state's charges are related to the victims being under the age of 13 at the time of the alleged assault, as well as Nassar taking advantage of his position of authority to commit the alleged sexual assaults. On November 22, 2017, Nassar pleaded guilty to 7 counts of Criminal Sexual Conduct First Degree and on November 29, 2017 he pleaded guilty to three counts of Criminal Sexual Conduct-First Degree. He was sentenced in January 2018 in both counties. Nassar was sentenced to 40-175 years in Ingham County and 40-125 years in Eaton County. Schuette's office has been the prosecuting agency, with the MSU Police Department conducting the investigation.

Nassar is currently serving a 60-year federal sentence in a Florida federal prison for child pornography. If he completes the federal sentence, he will begin serving his state sentence which is up to 300 years in prison for Criminal Sexual Conduct.

PUTTING AWAY CHILD PORNOGRAPHERS

"Child pornography is a despicable crime that victimizes kids over and over again. Michigan will not be a haven for this terrible corruption of innocent children."

— Attorney General Bill Schuette

Attorney General Schuette recognizes child pornography as an especially pernicious attack on our children that leaves lifetime scars.

That's why he initiated two new laws in 2013 that:

- Expanded the definition of “produce” or “make” to include duplicating materials.
- Required child pornography “discovery” to remain in control of the prosecutor, not be returned to the defendant, thereby limiting opportunities for its further dissemination.

The Attorney General's Criminal Division is also a member of the Michigan State Police Internet Crimes Against Children (ICAC) Task Force. The ICAC is part of a nationwide partnership of law enforcement agencies with the mission of protecting children online and holding offenders accountable. Using specialized equipment and training, officers identify Child Sexually Abusive Materials (CSAM) being transferred across networks, and develop cases against those who make, transfer or possess such material. Attorneys in the Department of Attorney General then prosecute cases referred by the ICAC.

During Bill Schuette's term as Attorney General, his department has prosecuted 27 child pornography cases resulting in 126 felony convictions, including:

In 2012, Attorney General Schuette charged **Michael Smith**, a former Royal Oak Police Officer, with 20 felony counts for the alleged possession and distribution of child pornography. Smith pled guilty to 2 counts of child sexually abusive material and two counts of using a computer to commit a crime. He was sentenced to 5 years' probation with the first year in the Oakland County jail.

In 2013, Attorney General Schuette filed child pornography charges against **Kenneth Bruce Hilton**, of Wixom, after a department investigation revealed Hilton possessed child pornography on his home computer. Hilton was arraigned on twelve felony charges, including ten counts of possession of child sexual abusive materials. He pled guilty in March 2014 and was sentenced to 5 years' probation and required to register as a sexual offender.

In 2014, Attorney General Schuette filed 20 felony child pornography charges against **Walter Stampor**, the former executive secretary of the Detroit Policemen and Firemen Retirement System for the City of Detroit. Stampor plead guilty to six counts of possession of sexually abusive material and five counts of using a computer to commit a crime. He was required to serve four years' probation and register as a sex offender.

In 2016, **Michael Skupin** of Farmington Hills was convicted of four counts of possession of child sexually abusive materials and sentenced to 1-4 years in prison. In February 2016, Schuette investigated Skupin for an alleged Ponzi scheme, and during that investigation found images of underage children in sexual situations on Skupin's laptop. Once out of prison, Skupin will have to register as a sex offender and be restricted from using a computer outside of work purposes. He was also sentenced to pay restitution of \$31,800 and probation for his financial crimes.

On 2017, **Jerimiah Moore** of Farmington Hills, was sentenced to 18 months – 15 years in prison on 10 counts of Possession Child Sexually Abusive Material and 18 months – 25 years in prison on one count of Using a Computer to Commit a Crime. Moore was previously convicted on felony child pornography charges, filed by the Department of Attorney General, in 2015, and was serving five years' probation at the time of his March 2017 arrest. In January 2017, Attorney General agents alerted a multi-jurisdictional law enforcement task force, led by the Michigan Department of Corrections, that Moore could be out of compliance with his parole conditions. During a compliance check at Moore's home, the task force found multiple child pornography videos and hundreds of photos.

In 2017, Attorney General Schuette's office helped secure the conviction of **John Cafarelli** a Sterling Heights man found guilty of 12 felony counts of possessing and distributing child pornography. In 2014 an undercover investigation by the ICAC into the internet sharing of child pornography pointed to an IP address that belonged to Cafarelli. A search warrant was first issued for the owner of the IP address.

It was determined that it belonged to Cafarelli, at which point a search warrant of his home was issued. When that search warrant was executed, Cafarelli answered the door partially clothed with child pornography actively running on his computer; numerous child sexually abusive materials were found on his personal computer. Cafarelli was found guilty in a trial that lasted two days, with the jury deliberating less than one hour; he was immediately taken to county jail.

In 2017, **Daniel Smith** of Grawn pleaded guilty to 10 counts of Possession of Child Sexually Abusive Materials, a 4-year felony. Smith was charged after an investigation by the Internet Crimes Against Children (ICAC) taskforce discovered child pornography on a laptop which he owned and exclusively used. Over 2,000 images of child pornography were found on computers and hard drives owned and exclusively used by Smith. The ICAC uncovered Smith's IP address during a routine online investigation into offenders who share child pornography. The ICAC task force is comprised of more than 50 state, local and federal law enforcement agencies to investigate offenders who use the computer and internet to sexually exploit children.

INCREASING CHILD SUPPORT COLLECTIONS

“Our message is clear: if you have the ability to pay child support and refuse to do so, we will hold you accountable.”

– Attorney General Bill Schuette

Under Bill Schuette's leadership, the Attorney General's Child Support Division has **doubled the collection rate for child support payments** compared to operational expenses, **impacting over 8,000 children and families**. As of June 2018, the division has collected over \$252,567,153 in child support since it was created in 2003. Of that more than half has been collected since Schuette was elected in 2011 as compared to the \$98,599,689 which was collected during the eight years from 2003 to 2010 under the previous Attorney General.

The Department of Attorney General more than recoups the state general funds it spends in this area. In 2017, the Child Support Division spent \$858,600 for operational costs and so far in FY 2017 has secured over \$14.8 million in collections for children, families and the State of Michigan. This amount represented a return on investment (ROI) of over 26 times the cost of operations, as compared to a 23:1 ROI before 2011. This means that for every dollar spent on the Attorney General's Child Support Division, more than 26 times the benefit is returned to the State of Michigan, children, and families.

Additionally, the Child Support Division recovers taxpayer dollars that are spent from the TANF (Temporary Assistance to Needy Families) program to assist needy families when they do not receive the child support to which they are entitled. In 2017, a total of \$1,157,708.00 was returned to the State of Michigan for reimbursement of TANF costs.

The Attorney General's Child Support Division also provides a key role in prosecuting out-of-state offenders. Since most county prosecutors lack the money and resources to pursue and transport out-of-state offenders, Schuette's office fills this gap in the system. Nearly half of the child support cases handled by Schuette's office involve out-of-state defendants. This assistance has been welcomed by prosecutors and families across the State of Michigan.

For example, in 2015, Jesse Pace, a former resident of Clare, Michigan, was arrested by Alaska State Police at his Wasilla home on a warrant filed by Schuette for failing to pay years of child support for his daughter in Clare. Schuette's office began the extradition process for Pace to face charges in Michigan, but dismissed the charges after he paid \$95,625, the total amount due in back child support payments and penalties.

In total, more than **\$233 million** in child support has been collected on behalf of Michigan children since the Child Support Division was launched in 2003.

Michigan remains the only State to make failure to pay child support a felony punishable by up to 4 years in prison or by a fine of \$2,000 or both.

OK2SAY SCHOOL VIOLENCE PREVENTION HOTLINE

“OK2SAY will empower children with a safe avenue to share information that has the potential to save lives. If just one child’s life is saved - and we believe it will be many more - the program will be a success.”

— Sandra York, Executive Director of the Michigan PTA

In May 2013, Attorney General Bill Schuette unveiled the OK2SAY Student Safety Initiative with Col. Kriste Kibbey Etue, Director of the Michigan State Police, and Mike Flanagan, State Superintendent of Education.

The program is designed to stop violence and tragedy before it happens by facilitating confidential tip-sharing among students, parents, school personnel, and law enforcement officials. OK2SAY specifically aims to discourage the culture of silence among students who fear reporting threatening behavior will lead to retaliation or result in the tipster being branded a snitch by his or her peers. Importantly, the program has one telephone number that can be used toll-free in any county of the state. It also accepts tips by text, mobile app, and through the OK2SAY website.

Since the program was launched in September 2014, operators have received almost 15,000 tips. The most-reported tips are for bullying, cyberbullying, suicide, and other self-harm threats.

Attorney General Schuette’s staff have presented OK2SAY in schools more than 4,000 times to over 860,763 individuals in 72 counties, with the goal of eventually reaching every county in the state.

In 2017, after committee hearings featuring a thorough legislative review and testimony from the Attorney General’s department, the state legislature gave the program its stamp of approval by extending OK2SAY funding through 2021.

KEY FEATURES OF OK2SAY

- Confidential Reporting – The reporter’s identity is protected under state law.
- Comprehensive Technology – OK2SAY is operational 24/7/365.
- Coordinated Intervention – Trained operators in the Department of Michigan State Police field tips and promptly notify appropriate local school districts, law enforcement, and community mental health agencies as necessary.
- State Oversight – To ensure tips are properly handled, agencies must submit an annual report to the Governor and Legislature outlining response actions and outcomes.

OK2SAY A NATIONAL MODEL

“I am honored to join Attorney General Schuette to see the OK2SAY safety program in action, school safety must be a top priority. I am encouraged by the success of OK2SAY and the work General Schuette has done to make school safety a top priority in Michigan.”

— Florida Attorney General Pam Bondi

On February 17, 2018 – the day of the Marjory Stoneman Douglas High School shooting that left 17 students and faculty dead in Parkland, Florida – Florida Attorney General Pam Bondi called Attorney General Schuette to learn about his department’s school safety program, OK2SAY. Bondi then visited Michigan to view OK2SAY in action and praised its ability to save lives and prevent school shootings. The Florida attorney general’s office plans to roll out their own version of OK2SAY in 2018.

ATTACKING INTERNET PREDATORS WITH THE CYBER SAFETY INITIATIVE: “MICHIGAN CSI”

“Schools can never do enough to communicate with students and parents about school safety issues, and the Attorney General’s CSI program provides an easy, accessible, and cost-free option for schools to use.”

— Larry D. Johnson, Assistant Superintendent, Grand Rapids Schools

Whether it’s cyber-bullying or exposure to sexual predators, the Internet can be a dangerous place – especially for children. That is why Attorney General Bill Schuette is such a strong advocate of the Michigan Cyber Safety Initiative (CSI). The CSI program features customized school safety presentations by specially trained professionals designed to teach K-8th grade children how to spot and avoid dangers on the Internet. Since 2011, the Attorney General’s Consumer Protection Division has **presented the CSI program over 10,246 times to more than 860,763 students.**

PROTECTING CHILDREN IN THE HOME

Nowhere is a child in greater danger than in the home of an abusive parent, guardian, or custodian. Bill Schuette’s defense of these children is in the hands of his Children and Youth Services Division, where the goal is to ensure that all children are safe in their homes and to reunify families whenever possible.

Focusing on areas of greatest need, the division is based in Detroit and handles all child protection proceedings in Wayne County. Since 2011, in Wayne County alone, there have been 8,305 original petitions involving 14,964 children filed in civil child abuse and neglect cases.

The Attorney General’s child protection division also provides critical statewide training to all child welfare workers and helps state courts improve practices to protect children from neglect and abuse. Each year, the division publishes the “Child Protection Law Cases at a Glance” handbook and the “Appellate Manual for Child Welfare Attorneys” which are widely used by prosecutors statewide. In addition, the division has created petition templates for original and supplemental petitions filed by child welfare workers across the state. All of these resources are provided and used by county prosecutors in child protection matters.

SHIELDING CHILD SEX CRIME VICTIMS WHO TESTIFY IN COURT

“There is no constitutional right to stare down a child victim.”

— Attorney General Bill Schuette

Attorney General Schuette and his department continually seek to protect children, whether by direct action or assisting prosecutors with amicus briefs and strategic counsel. Attorney General Schuette also filed an amicus brief to protect the rights of child crime victims who testify in court.

In *People v. Rose*, the Michigan Supreme Court in December 2011 agreed with Attorney General Schuette’s position that a child could be protected from the trauma of facing his or her accused rapist. The decision upheld lower court rulings which approved Allegan County Prosecutor Frederick Anderson’s request to allow an eight-year-old child rape victim to testify with a one-way screen between the witness stand and the defendant’s table. The screen allowed everyone in the courtroom – including the defendant, defense counsel, judge and jury – to see the child victim, but shielded the child victim from having to see the defendant.

After reviewing briefs and hearing oral arguments by Schuette's office and other parties, the court allowed the Court of Appeals decision to stand. At trial, the defendant was convicted of four counts of criminal sexual conduct in the first degree.

In 2017, Attorney General Schuette once again ensured these protective measures were put in place for minors testifying in the sexual assault case against Larry Nassar.

SCHUETTE WINS HIGH COURT RESTORATION OF CHILD-ABUSE CONVICTION

The U.S. Supreme Court, in *Howes v. Fields*, agreed with Michigan Attorney General Schuette in reinstating the conviction of a man who had sexually abused a 12-year-old child. Attorney General Schuette, through then-Solicitor General John Bursch, convinced the court that police investigators acted properly in questioning the suspect.

Defending Seniors

Attorney General Schuette has persevered on all fronts to protect Michigan seniors from financial scams, fraud, exploitation, and abuse that can rob them of their life savings and their physical wellbeing. Under his guidance, the Department has:

- Championed stronger elder rights laws.
- Created a new Elder Financial Crimes Unit in the department.
- Helped develop Michigan's first protocol for investigation of vulnerable adult abuse.
- Won over \$1 billion in annual insurance subsidies and historic insurance security for seniors.
- Fought unreasonable rate increases on seniors by Blue Cross and Blue Shield of Michigan.
- Secured justice and restitution for senior victims of fundraising and Ponzi investment schemes.
- Collaborated in Project \$CAMS ("Stop Crimes Against Michigan Seniors").
- Provided free consumer education seminars, advice and support to more than 38,500 seniors throughout the state.

ELDER-RIGHTS LAWS

In June 2012, Governor Rick Snyder signed into law a 10-bill legislative package that provided enhanced protections and rights to Michigan's elderly population. These protections were developed by a broad coalition of advocacy groups, with input from Attorney General Schuette, and now include:

- Greater penalties for financial exploitation of a vulnerable adult.
- The first-ever statewide protocol for the investigation of vulnerable adult abuse.
- Special teams to investigate the suspicious death of a vulnerable adult.
- Allowing vulnerable adult victims to testify via closed-circuit television or pre-recorded video.

NEW ELDER FINANCIAL CRIMES UNIT

Created in February 2018, Attorney General Schuette established the Elder Financial Crimes Unit (EFCU) to assist law enforcement and county prosecutors in more effectively investigating and prosecuting financial crimes targeting elder or vulnerable adults.

West Michigan Man Arrested for Stealing Over \$300,000 from an Elderly Widow

In May of 2018, Attorney General Schuette charged Gary "Duke" Haynes, 57, of Comstock Park, with 14 felonies for allegedly stealing over \$300,000 from an elderly widow living on her own. The victim met Haynes when she attended a financial planning seminar that he was conducting and gave him access to her financial accounts, so he could help her pay her bills. The case was investigated by the EFCU team after having been referred to the Department of Attorney General by LARA. The case is pending.

Paw Paw Insurance Agent Charged for Stealing \$270,000 from an Elderly Victim

In April of 2018, Attorney General Bill Schuette charged Brian Lietzau, 57, of Paw Paw, with 7 felonies stemming from his abuse of his position, including allegedly stealing \$270,000, when given Power of Attorney for a woman suffering from Alzheimer's Dementia. The case was initially investigated by the Department of Insurance and Financial Services (DIFS) and referred to the Department of Attorney General EFCU for prosecution. The case is pending.

\$600,000 IN RESTITUTION FOR SENIORS

In 2017, Attorney General Schuette's office secured felony convictions against Paul Garceau, Jr. for embezzling his elderly clients' life insurance policies. Garceau was sentenced to six years in prison and ordered to pay over \$600,000 in restitution. The case was initially investigated by the Department of Insurance and Financial Services (DIFS) and referred to the Department of Attorney General for prosecution.

OVER \$1 BILLION IN BLUES SAVINGS FOR SENIORS

Attorney General Schuette has repeatedly used his legal authority to challenge unjustified rate increases on behalf of seniors and other Michigan insurance subscribers. In 2011, Schuette preserved up to \$1 billion in annual insurance subsidies and won historic security for seniors with a five-year freeze on Blue Cross and Blue Shield of Michigan (BCBSM) Medigap rates.

The 2011 "Blues Accord" settlement, which Attorney General Schuette helped negotiate between BCBSM and the state's Office of Financial and Insurance Regulation, froze Medigap rates for 215,000 Michigan seniors for five years. Best estimates of the savings from this settlement are that it preserved the Medigap subsidy of about \$181.5 million a year for five years totaling \$907.5 million. In addition, the rate freeze prevented rate increases for five years which could have totaled hundreds of millions. Therefore, it is safe to say that the settlement saved these 215,000 Michigan seniors over \$1 billion. The settlement ended December 31, 2016, is not ongoing, and BCBSM is no longer rate-regulated pursuant to a 2013 change in state statute.

WARNING ABOUT PROPOSED BLUES CHANGES

Concerned that Michigan seniors and other vulnerable citizens would see higher health insurance costs under proposed Blue Cross-Blue Shield reforms, Attorney General Schuette called for a cost analysis of the changes before the Legislature acted to privatize the insurance company. Addressing the House Insurance Committee in 2012, Schuette warned of specific risks to Michigan seniors under the proposed legislation. Seniors could face a "senior cliff" and rate increases of 66 percent on July 31, 2016, he argued, the expiration date of a five year rate freeze he negotiated with the Blues in 2011.

SHIELDING SENIORS FROM NURSING HOME SCAMS

Attorney General Schuette maintains a partnership with other government agencies and senior-oriented associations in support of Project \$CAMS (Stop Crimes Against Michigan Seniors), a statewide criminal enforcement initiative to protect residents of nursing homes from financial exploitation.

Project \$SCAMS covers all licensed nursing homes in the state (about 440) and their more than 40,000 residents. Since the project began in 2006, it has amassed 84 convictions, and since 2011 when Attorney General Schuette took office, there have been 39 convictions.

SECURING JUSTICE FOR SENIORS IN FUNDRAISING/PONZI SCAMS

"We will remain aggressive in our efforts to prosecute scam artists who prey on our parents and grandparents."
— Attorney General Bill Schuette

In 2016, Attorney General Schuette won the **conviction of Petoskey lawyer Michael Aho Kennedy**, 67, for stealing over \$100,000 from his elderly client who suffered from Alzheimer's disease. Kennedy was given 6-20 years in prison and ordered to pay \$1,141,298 in restitution as well as any state costs.

Also in 2016, Attorney General Schuette obtained **convictions against twin brothers James and Thomas Mulholland**. The Mulhollands ran a real estate investment operation that became a Ponzi scheme. Their investors, mostly seniors or retired, lost \$18.3 million. Both defendants were sentenced to prison terms of 10 to 20 years for conducting a criminal enterprise, securities fraud and false pretenses.

In 2015, the Attorney General Schuette secured **five convictions against officials of API Worldwide Holdings, LLC**, who scammed over 140 people out of \$9 million in the largest Ponzi scheme in Michigan history. Sentences included prison time, fines, community service and millions in restitution.

In 2014, Attorney General Schuette's office **secured extradition, felony convictions, and over \$600,000 in restitution** against perpetrators of the Diversified Group multi-county Ponzi scheme that defrauded hundreds of Michigan victims of over \$8 million. Mastermind **Joel Wilson** was extradited back to Michigan after fleeing to Europe, convicted of six felony charges, and sentenced up to 20 years in prison. **Shawn Dicken** was convicted on nine felony counts, sentenced to 140 months to 20 years and ordered to pay over \$663,000 in restitution. **Mary Faher** pled no contest to four counts of securities fraud and waived her right to a preliminary examination; she agreed to pay restitution for all victims and cooperate in the prosecution of Joel Wilson and other Diversified employees. **She was also sentenced to a prison term of 2 to 10 years.**

Also in 2014, Attorney General Schuette negotiated a **\$45,000 settlement with professional fundraiser Associated Community Services (ACS)** to resolve complaints that it wrongly used the Attorney General Office's name to convince senior citizens to contribute credit card information via fundraising calls. ACS will also revise their disputed script for future solicitations.

In 2012, Attorney General Schuette secured the **conviction of Charles David Eizelman** for conducting a Ponzi scheme targeting seniors. The court ordered that \$387,100 in restitution be paid to the victims, with Eizelman also sentenced to five years' probation with a year of incarceration in the Wayne County jail with incarceration to begin on the date he fails to make the required quarterly payment of \$34,000.

CONSUMER EDUCATION

Since 2011, Attorney General Schuette's senior consumer education program has presented nearly 1,700 free seminars to more than 38,500 Michigan seniors, including 662 seminars on phone and mail scams (15,834 attendees) and 482 seminars on identity theft (12,122 attendees).

The program offers seniors and their caregivers trustworthy information and advice about such matters as residential care choices, home repair, identity theft, investment decisions and online safety, as well as solicitations and the many schemes and tricks that are used to prey upon the elderly.

Protecting Consumers

From fighting insurance fraud and price fixing, to prosecuting bogus charities and gas gouging scams, consumer protection is an integral part of the Department of Attorney General.

Since 2011, Attorney General Schuette has:

- Been a national leader in litigation settlements
- Responded to more than 76,964 inquiries and complaints
- Secured more than \$141 million for the state of Michigan (2011-2014)
- Secured almost \$7 million in direct recoveries for Michigan consumers (2011-2014)
- Won over \$86 million in state recoveries, forgiven debts and consumer refunds (2015-2018)
- Curbed excessive gas and energy costs for \$1.5 billion in savings for Michigan ratepayers
- Led the nation in investigating false charities
- Recovered \$6.6 million to protect Michiganders' financial investments
- Prosecuted cemetery and funeral home fraud
- Settled with American Airlines and U.S. Airways to keep Michigan jobs
- Combated fraud against the state

Schuette's Consumer Protection Division also issues specific, detailed advisories to arm Michigan consumers against retail pricing overcharges, investment fraud, home repair cheats, purchasing virtual currency, mortgage settlement schemes, and credit card surcharges & identity scams, and scams that target grandparents, travelers and donors to charities.

A LEADER IN LITIGATION SETTLEMENTS

Johnson & Johnson Drug Marketing – \$42 Million for Michigan

As part of his ongoing effort to clamp down on health care fraud, in 2013 Attorney General Schuette joined a federal and state coalition in bringing legal action against Johnson & Johnson and its subsidiary, Janssen Pharmaceuticals, Inc., alleging unlawful marketing practices to promote the sales of their atypical antipsychotic drugs, Risperdal and Invega, often prescribed to treat bipolar disorder, schizophrenia and autism.

The companies promoted the drugs for off-label uses, made false and misleading statements about the safety and efficacy of the drugs, and in the case of Risperdal, paid illegal kickbacks to persuade healthcare professionals and pharmacy providers to persuade them to promote or prescribe the drug to children, adolescents and the elderly despite no FDA approval for use in these patient populations.

Under the terms of a civil settlement, the companies paid over \$1.2 billion to the states and the federal government. Michigan's share was approximately \$42 million. Most of the money from the settlement went back to the state Medicaid program.

As part of the global resolution, the companies also entered into a Corporate Integrity Agreement with the U.S. Department of Health and Human Services, Office of the Inspector General, which will closely monitor the company's future marketing practices.

Western Sky/CashCall – \$24.7 Million Settlement for Michigan Consumers

Together with Michigan Department of Insurance and Financial Services Director Patrick McPharlin, Schuette in 2015 secured a large cash settlement for Michigan consumers with South Dakota-based Western Sky Financial, LLC and California-based CashCall, Inc. Over 6,500 Michigan residents had filed a claim related to illegal, high-interest loans from the companies.

Apple E-Book Price-Fixing – Approximately \$14.3 Million for Michigan Consumers

In May 2012, Attorney General Schuette joined thirty other state attorneys general and the attorneys general of the District of Columbia and Puerto Rico seeking penal ties and damages to compensate for a price-fixing scheme by Apple Inc. and two of the nation's largest book publishers. The overcharges were alleged to amount to over \$100 million nationwide. Nearly one year later, the publishers settled before trial for a combined amount of \$166 million. Then Apple settled after trial for \$400 million in consumer restitution. From those amounts, Michigan consumers would receive approximately \$4.2 million in compensation from the settlement with the five publishers and another \$10.1 million from the settlement with Apple.

Ocwen Loan Servicing – \$2.1 Billion National Settlement, \$6 Million for Michigan

In December 2013, Attorney General Schuette announced a \$2.1 billion joint state-federal settlement with Ocwen Financial Corporation of Atlanta, Georgia, and its subsidiary, Ocwen Loan Servicing, to settle allegations of loan servicing misconduct. The settlement, which involved 48 additional states, the District of Columbia, and the federal Consumer Financial Protection Bureau (CFPB), brought more than \$6 million in foreclosure-relief benefits to thousands of state residents. Finalized in February 2014, the settlement included \$6,115,614 in payments to 5,234 Michigan borrowers, as well as aggregate consumer relief from first-lien forgiveness of \$54,623,258, with over 1,000 Michigan consumers receiving on average \$51,923 in benefit.

SunTrust Mortgage Abuse – \$4.6 Million for Michigan Homeowners

In June of 2014, Attorney General Schuette helped secure a \$550 million national settlement with SunTrust Mortgage Inc. to address mortgage-related abuses, with Michigan receiving a share of that settlement including \$3.6 million in first lien principal reductions or other consumer relief and approximately \$1 million to eligible homeowners who went through foreclosure. The average payment amount, contingent on the number of consumers submitting valid claims, was projected to exceed \$1,000. Apart from the monetary relief, the settlement also imposes significant business reforms designed to improve how SunTrust treats borrowers moving forward. The new standards will cover all aspects of mortgage servicing including account accuracy, document production processes, foreclosure practices, and information provided to borrowers. The settlement does not preclude Michigan, or any other state, from filing criminal charges in the future, should they be warranted; nor does the settlement preclude individuals or other governmental units from pursuing their own claims.

Chase Bank Credit Card Debt Collection – \$3.1 Million for Michigan

Attorney General Schuette joined with attorneys general in 47 states, plus the District of Columbia and the federal government, to secure this \$136 million national settlement against Chase Bank for unlawful credit card debt collection. The agreement required Chase to significantly reform its credit card debt collection practices in areas of declarations, collections litigation, debt sales and debt buying. Among other reforms, the agreement requires new safeguards to help ensure debt information is accurate and inaccurate data is corrected, provides additional information to consumers who owe debts, and bars Chase's debt buyers from reselling consumer debts to other purchasers.

Chase agreed to cease all collection efforts on more than 12,953 Michigan consumers. The state of Michigan will receive over \$3 million from the national settlement.

A.I.G. Securities Fraud – \$970.5 Million National Settlement, \$1.6 Million for Michigan

The State of Michigan retirement systems, represented by attorneys hired by Attorney General Schuette's office, was the lead plaintiff in this securities class action lawsuit brought against A.I.G. The lawsuit alleged that A.I.G. violated federal securities law by misrepresenting and concealing the full extent of its exposure to the U.S. subprime residential mortgage market. In 2014, the parties agreed to settle all claims for \$970.5 million. The claims administrator has paid the State of Michigan retirement systems just over \$1.6 million.

Toyota Sudden Unintended Acceleration – \$1.6 Million for Michigan

Under a 2013 national settlement negotiated by Michigan and 28 other states, Toyota agreed to pay a total of \$29 million to settle consumer protection claims that alleged Toyota concealed safety issues related to unintentional acceleration. In Michigan, 56,660 drivers were affected by floor mat recalls issued by Toyota from 2009 to 2010. Michigan's share of the settlement is \$1.6 million. In addition, Toyota must provide additional restitution to vehicle owners affected by unintended acceleration safety recalls.

Beginning in 2010, the Michigan Attorney General's office launched an investigation with other state attorneys general and played a lead role on the executive committee that investigated the recalls. During settlement negotiations, emphasis was placed on improving the corporate culture and corporate chain of command to enhance Toyota's responsiveness to regulatory agencies responsible for vehicle safety in the United States. Schuette noted that the agreed upon changes would allow the company to move forward in a positive manner with improved responsiveness to consumer safety concerns.

PHH Mortgage Corporation Settlement – Over \$1 Million for Michigan

In 2018, Attorney General Schuette, along with 48 other state attorneys general, the District of Columbia, and over 45 state mortgage regulators reached a \$45 million settlement with PHH Mortgage Corporation. The \$45 million settlement includes \$30.4 million in payments to borrowers, and a separate payment to state mortgage regulators. The settlement stems from the New Jersey-based mortgage lender and servicer providing improper loans from 2009 to 2012. The agreement requires PHH to adhere to comprehensive mortgage servicing standards, conduct audits, and provide audit results to a committee of states. The settlement does not release PHH from liability for conduct occurring outside that timeframe. Borrowers who were subjected to PHH foreclosures during the eligible period will qualify for a minimum \$840 payment, and borrowers who faced foreclosures that PHH initiated during the eligible period, but did not lose their home, will receive a minimum \$285 payment. It is estimated that over 2,800 Michigan residents will be eligible for relief payments

Sprint and Verizon “Mobile Cramming” – Nearly \$540,000 for Michigan

Attorney General Schuette and his Consumer Protection Team – along with attorneys general of the other 49 states, the District of Columbia, and the federal government – reached settlements with Sprint Corporation and Verizon Wireless that included \$158 million in payments to resolve allegations that Sprint and Verizon placed unauthorized charges for third-party services on consumers' cellphone bills, a practice known as “mobile cramming.” Michigan received \$307,998 from the Verizon settlement and \$230,936 from Sprint.

Target Corporation Data Breach – Nearly \$400,000

In 2013, Attorney General Schuette's Corporate Oversight Division – along with attorneys general of 46 other states and the District of Columbia – negotiated an \$18.5 million settlement with Target Corporation to resolve the states' investigation into the Target's 2013 data breach.

Michigan received \$399,459 from the settlement. The settlement represents the largest multistate data breach settlement achieved to date.

Volkswagen Emissions Fraud – \$570 Million National Settlement

In 2016, Attorney General Schuette announced Volkswagen would pay more \$570 million to states for violating state laws prohibiting unfair or deceptive trade practices by marketing, selling and leasing diesel vehicles equipped with illegal and undisclosed defeat device software. Under the settlements, Volkswagen was required to implement a restitution and recall program for more than 475,000 owners and lessees of certain diesel vehicles at a maximum cost of just over \$10 billion. This included 10,984 vehicles in Michigan. Volkswagen also agreed to pay \$20 million to states for their costs in investigating this matter, and to establish a fund that state attorneys general can utilize for future training and initiatives, including investigations concerning emissions violations, automobile compliance, and consumer protection.

In 2017, James Robert Liang, a Volkswagen engineer who had a key role in the company's emissions scandal, was sentenced to more than three years in prison and ordered to pay a \$200,000 fine. Liang's fraud conviction is the first in a potentially long list of defendants.

Classmates and FTD Florists – \$11 Million Multistate Settlement

Attorney General Schuette and his consumer protection team – along with attorneys general of 21 other states – negotiated an \$11 million settlement with Classmates, Inc., Florists' Transworld Delivery, Inc. and FTD.com, Inc. to resolve allegations that the companies engaged in deceptive marketing and billing practices. Classmates.com is a social networking website and FTD.com is a floral delivery service.

Classmates and FTD agreed to make an \$8 million payment to the states as well as establish a \$3 million restitution fund to provide refunds to consumers who were enrolled into subscription service without authorization or who had trouble cancelling their subscriptions.

Pursuing Illegal Tax Embezzlement and Evasion Schemes

In April of 2017, Attorney General Schuette charged Christina and Dong Hyun Chang, of Orchard Lake, and their business Shushi Samurai Inc. with multiple felonies for embezzling over \$100,000 in sales taxes. The Changs were charged after a joint investigation by the Department of Attorney General and the Department of Treasury into whether the restaurant was using illegal Point of Sale (POS) sales suppression software.

The investigation uncovered that restaurants' sales records were significantly higher than those reported to the state. Additionally, the illegal software had been deleting thousands of sale receipts from the POS records. The Changs embezzled over \$170,000 in sales tax receipts alone and \$2.5 million in sales were allegedly never reported or accounted for in income tax filings between 2012-2016.

The Changs have been ordered to pay \$980,479.59 in restitution and given a delayed sentencing date of October 11, 2018. They are required to make payments of \$7,500 per month toward restitution on the balance until then.

NATIONAL LEADER IN INVESTIGATING FALSE CHARITIES

In both 2017 and 2018, the National Association of State Charities Officials recognized Attorney General Schuette's Charitable Trust Section for its aggressive pursuit of charitable solicitation fraud. Michigan's enforcement actions were more than any other state during this period. Additionally, Michigan routinely shares information with other state charity regulators, helping investigations and actions in other states.

Shortly after taking office, Attorney General Schuette established an online search database, so donors can easily find information about charities registered in Michigan.

In March 2013, Schuette announced the first annual “Professional Fundraising Charitable Solicitation Report” which has since then been published annually.

The Attorney General’s Nonprofit Council for Charitable Trusts, which includes leaders from Michigan’s nonprofit sector, continues to meet regularly, and is a national model of collaboration between a charitable regulator and the regulated community.

Each year, the department has collaborated with the Michigan Nonprofit Association, Council on Michigan Foundations, and the Michigan Association of United Ways to develop “Giving Wisely,” a publication to inform Michigan donors about wise charitable donation practices.

Shutting Down Deceptive Veterans Charities

In 2017, Attorney General Schuette’s actions led to the dissolution of three deceptive veterans charities that had been raising millions annually from donors nationwide; a fourth action is pending in court.

- In March 2017, Attorney General Schuette alleged thousands of deceptive solicitation violations against Illinois-based VietNow. Schuette’s allegations led other states to open investigations against VietNow. Soon, a multistate working group was formed to negotiate a settlement, with Schuette’s Charitable Trust Section acting as a leader. In November 2017, the multistate succeeded in negotiating a settlement whereby VietNow agreed to penalties and dissolution.
- In July 2017, Attorney General Schuette alleged thousands of acts of deceptive solicitation against Texas-based Healing American Heroes for raising millions to send phone cards to deployed servicemembers, but using the funds raised for other purposes. In November 2017, the Attorney General settled the case, with Healing American Heroes agreeing to pay penalties, to dissolve, and to distribute its remaining assets to a reputable veterans’ charity. Healing American Heroes’ fundraiser also settled by paying a penalty and agreeing to a ten-year ban on Michigan solicitations.
- In 2016, Attorney General Schuette’s Charitable Trust Section began investigating Michigan-based Foundation for American Veterans. That investigation revealed deceptive solicitations and that the charity lacked internal controls over its charitable assets, which led to a criminal referral for embezzlement. The charity has since ceased solicitations and is dissolving; the criminal investigation remains pending.
- In 2017, Attorney General Schuette alleged deceptive solicitation violations against Florida-based American Veterans Foundation. When the charity failed to resolve the allegations, in February 2018, Attorney General Schuette sued. The case remains pending.

Other Charitable Trust Actions

- February 2014, a \$45,000 settlement with professional fundraiser Associated Community Services of Southfield, Michigan for deceptive solicitations.
- September 2015, a \$7,500 settlement with New Jersey-based Childhood Leukemia Foundation over false financial statements and solicitation violations.
- May 2016, a \$90,000 settlement and four-year fundraising ban with professional fundraiser Corporations for Character of Utah regarding deceptive phone solicitations.
- May 2016, a \$144,000 settlement and dissolution of Firefighters Support Services of Wyandotte, Michigan, regarding deceptive solicitations.
- December 2016, a \$35,000 settlement with clothing donation bin operator Golden Recyclers of Dearborn, Michigan, regarding deceptive clothing donation bins.

- January 2017, Breast Cancer Outreach Foundation agrees to \$150,000 settlement and 10-year fundraising ban over deceptive solicitations.
- January 2017, a five-year withdrawal settlement with Florida-based Help the Vets regarding false financial statements and other misrepresentations.
- April 2017, a Notice of Intended Action and Cease and Desist Order against Texas-based clothing donation bin operator ATRS over deceptive bin disclosures. Schuette later sued and ATRS agreed to a settlement involving a \$75,000 fine.

Also see “Protecting Veterans” for prosecutions of false veterans’ charities.

CURBING EXCESSIVE GASOLINE & ENERGY COSTS

“Michigan families have enough rising costs to worry about without being concerned that they may be taken advantage of by their gas or energy supplier.”

— Attorney General Bill Schuette

Stopping Excessive Energy Rate Increases

Since January 2011, Attorney General Schuette’s Special Litigation Division has appeared in more than 120 cases and helped prevent nearly \$1.5 billion dollars in potential utility rate increases for homeowners and businesses. Two cases stand out. In 2017, the Attorney General intervened in a case involving Detroit Edison’s electric customers and helped reduced the rate request by \$139 million. Similarly, Attorney General Schuette’s participation in a 2017 case, involving a request by Consumers Energy, saw a reduction in that requested rate increase by \$101 million. Also, Attorney General Schuette participated in a half of dozen utility cases producing rate reductions totaling nearly \$50 million because of the federal tax law rewrite called the Tax Cut and Jobs Act. Additional savings this year will be passed along to ratepayers throughout the state as a result of the federal tax law rewrite and further litigation before the Michigan Public Service Commission.

Chesapeake and Encana Settlements – \$5 Million for Michigan Consumers

In 2013, Attorney General Schuette’s Corporate Oversight Division filed criminal charges against Oklahoma-based Chesapeake Energy Corporation and Delaware based Encana Oil and Gas USA for an alleged collaboration to avoid bidding wars against each other in Michigan public auctions and private negotiations for oil and gas leases that caused prices to plummet. In 2010, this alleged conspiracy may have been a key driver behind Michigan’s state-held lease price going from \$1,510 per acre in May to less than \$40 an acre at the October auction.

In 2014, before a scheduled probable cause hearing could take place, Encana agreed to a \$5 million civil settlement to resolve allegations the company conspired with Chesapeake. It also pleaded no contest to one count of attempted antitrust violations, a misdemeanor. A Judge then ordered Chesapeake to trial on one count of Violating Michigan’s anti-trust law, and in April of 2015, Schuette reached a \$25 million civil settlement with Chesapeake. The settlement resolved allegations the company conspired with Encana and addressed complaints that Chesapeake defrauded hundreds of private citizens by fraudulently cancelling their oil and gas leases in 2010.

Gasoline Price Fixing Convictions

In 2011, Attorney General Schuette was quick to investigate alleged gasoline price-fixing in Madison Heights, Michigan. The investigation revealed details of a price-fixing scheme involving five gas stations located within two miles of each other. The five owner/operators were convicted for their roles in a gasoline price-fixing operation, and collectively required to pay \$180,000 in fines.

Propane Industry Pricing Probe – \$700,000 Settlement

When hundreds of complaints about potentially illegal propane pricing and delivery were brought to his attention in early March 2014, Attorney General Schuette instructed his Consumer Protection Division to launch a fact-finding mission. In 2014, Attorney General Schuette entered into agreements with two propane retailers, Ferrellgas and AmeriGas. Together, the two settlements provided more than 6,800 Michigan consumers with a share in almost \$700,000 in credits and refunds.

Phony Petroleum Products – Over \$700,000 in Fines

In 2013, Attorney General Schuette and Michigan Department of Agriculture and Rural Development (MDARD) inspectors investigated City Petroleum and Star Petroleum and found their products to be short in volume and not matching the identity of product stated on the label. MDARD's Weights and Measures Program had received citizen complaints that both companies did not fill their products to the 32 ounces listed on the product label and that products contained used motor oil instead of new motor oil. Schuette filed felony charges in 2014 and obtained a default judgement on January 26, 2015. The companies were ordered to pay a civil fine in the amount of \$711,415.

Consumers Energy Natural Gas Incident Response Fund

Following a February 2013 Royal Oak natural gas explosion that claimed the life of one resident and damaged 30 homes, Attorney General Schuette reached an agreement with Consumers Energy to create a million dollar "Natural Gas Incident Response Fund" to help victims of natural gas disasters and to provide improved training and safety practices for utility workers and first responders in Michigan. The fund does not replace any other obligations or responsibilities Consumers Energy has under state law to address the consequences of natural gas pipeline disasters.

PROTECTING MICHIGANIANS' FINANCIAL INVESTMENTS

"Investment firms will be held accountable for reckless actions that caused Michigan taxpayers to lose millions of their hard-earned dollars. Violations of the public trust will not be tolerated."

— Attorney General Bill Schuette

Wall Street Fraud – \$1.5 Million for State of Michigan Pension Funds

The State of Michigan was the court-appointed lead plaintiff in a national securities fraud lawsuit against the Bear Stearns investment bank and Deloitte & Touche financial advisors. In June 2012, Attorney General Schuette announced a tentative settlement that would pay investors nationwide \$294.9 million. The State of Michigan's pension funds have received over \$1.5 million.

Phony Stock Scheme Peddler – \$867K in Restitution for Victims

In 2013, The Attorney General's Corporate Oversight Division secured approximately \$100,000 in restitution in an investment scam for the victims of Hiep The Trinh of Fullerton, California. Trinh targeted Michigan's Vietnamese community with promises of high returns on their investments in an oil field in Kazakhstan. Trinh pocketed the money he collected to support an extravagant lifestyle that included luxury cars, expensive jewelry and a multi-million-dollar home, while investors received nothing. Trinh pled guilty to three felonies, was sentenced to 3-20 years in prison, and ordered to pay an additional \$767,000 in restitution.

Ottawa County Ponzi Scheme – \$4.3 Million in Restitution

In January of 2016, Scott Rookus was sentenced to 7-20 years in prison for one count of racketeering and one count of fraudulent securities sales in Ottawa County. He was also ordered to pay \$4,393,420 in restitution to victims of his Ponzi scheme that ran from 2010 to 2015. During that time, Rookus obtained approximately \$1.5 million in investments for his company, New Haven Holdings. His customers, many of whom were senior citizens, were promised returns on their investments. Instead, he used the funds to pay his personal expenses, and issued fraudulent returns to some investors using the money from newer investors. The scheme was uncovered after Rookus filed for personal bankruptcy in March 2015. The case was referred to the Department of the Attorney General by the Department of Licensing and Regulatory Affairs.

Real Estate Investment Scheme – 10-20 Years of Prison Time

In 2016, James and Thomas Mulholland were sentenced to 10-20 years in prison after being found guilty by a jury in Ingham County of eight felonies related to their Lansing-area real estate investment scheme. The Mulholland brothers had operated Mulholland Financial since 1987, buying real estate to be used as rental properties, mostly in college towns. From 2009 until they filed for bankruptcy in 2010, they raised almost \$2 million from investors. They made no mention that their business was in trouble and promised a 7% rate of return from the real estate profits. In reality, the business lost money almost every month, and new investor money was used to pay off earlier investors. Mulholland Financial was forced to file bankruptcy in February 2010. Over 250 investors lost \$18.3 million. The case sat dormant with another agency until Attorney General Schuette's office decided to act.

PROSECUTING CEMETERY AND FUNERAL HOME FRAUD

In 2011, **Clayton Smart** was sentenced up to 20 years in prison and ordered to pay restitution of over \$48 million for having raided the money placed in trust by thousands of Michigan citizens intended to pay for burials in 28 cemeteries located throughout Michigan. Attorney General Schuette convicted Smart of 39 felonies, including conducting a criminal enterprise, and worked with the United States Justice Department and other State Attorneys General to ensure that Smart served no less than seven and one-half years in prison.

Attorney General Schuette's Criminal Division filed multiple felony charges against **Richard Weishuhn**, a Standish funeral chapel owner, in 2014 for embezzling money from his customers' prepaid funerals. Weishuhn pleaded guilty and receive a one-year jail sentence.

SETTLEMENT WITH AMERICAN AIRLINES AND U.S. AIRWAYS

In 2013, Attorney General Schuette took legal action against American Airlines and U.S. Airways to address concerns that their proposed merger would decrease competition and adversely impact Michigan markets. Included in these concerns was the potential for reduced airline service and jobs at several of Michigan's smaller airports. Schuette's legal action resulted in a successful settlement. The "New American Airlines" agreed to maintain daily scheduled service at several airports across Michigan for at least the next five years, and to continue daily scheduled service in Detroit, Flint, Kalamazoo, Grand Rapids, Traverse City, and Marquette. His action ensured better access to air transportation and protected the Michigan jobs related to that service.

COMBATTING FRAUD AGAINST THE STATE

In 2011, Attorney General Schuette secured felony convictions against Jamaal Cann, Kellee Norfleet-Cann and Darnell Bailey for a massive identify theft and racketeering scheme that defrauded the Unemployment Insurance Agency out of over \$160,000 in taxpayer funds. In addition to being ordered to make full restitution to the state, Cann was sentenced to 3-20 years in prison, Norfleet-Cann was sentenced to 90 days in jail and five years' probation, and Bailey was sentenced to two years' probation.

SETTLEMENT FOR SNOW-PLOWING FRAUD

In March 2018, Attorney General Schuette's Corporate Oversight Division secured \$20,000 in reimbursements of Oakland County residents who paid for snow-plowing services but were not properly accommodated. In June 2018 the first round of settlement checks was sent out to Michigan consumers.

FELONY CHARGES BROUGHT AND SUSTAINED AGAINST CEO CAUGHT EMBEZZLING

In April of 2018, Attorney General Schuette announced that Stanley Hayes, 45, of Saginaw, was sentenced to up to 20 years in prison on 13 felony counts after he stole \$710,000 from his former credit union. Hayes was CEO of Valley State Credit Union (VSCU) from 2005 until his termination in 2016. During this time, he embezzled hundreds of thousands of dollars to pay for personal expenses and even took cash from teller drawers. Hayes also used embezzled funds to pay defaulted loans and even pay on loans held by dead persons, pay his taxes, and car insurance.

The embezzlement was discovered after an investigation by the Michigan Department of Insurance and Financial Services (DIFS) found several financial irregularities, including overly high risk in its loan portfolio, lack of internal controls, inaccurate reporting and failure of management and the Board of Directors to address these problems. VSCU was then ordered into a conservatorship where DIFS was directly responsible for the management of the credit union and Hayes was terminated. The Attorney General's office prosecuted the case and Hayes pleaded guilty as charged to all 13 felonies.

TIMELY CONSUMER PROGRAMS AND ALERTS

In addition to aggressively pursuing those who would defraud the public, Attorney General Schuette provides regular consumer alerts from the department's Consumer Protection division. The alerts inform the public of unfair, misleading, or deceptive business practices, and provide information and guidance on other issues of concern, including:

- Identity theft
- Phone, mail, and e-scams
- Online safety
- Credit card fraud
- In-home care and senior residence safety
- Ticket-purchasing scams
- Small business owner protections
- Investment fraud
- Credit, loans and debt collection
- Home repair and improvement best practices
- Foreclosure fraud

Protecting Homeowners

Michigan residents caught up in the national mortgage foreclosure crisis are better off thanks to Attorney General Schuette's relentless prosecution of foreclosure and mortgage fraud along with legislative reforms to strengthen state law. His work since 2011 includes:

- An historic \$25 billion national settlement with mortgage servicers
- \$780 million for Michigan consumers
- \$97 million for Michigan's Homeowners Protection Fund
- Nearly \$2 million in restitution for foreclosure and mortgage fraud
- 23 successful prosecutions of foreclosure and mortgage fraud
- Prison time for a mortgage scam operator

NATIONAL FORECLOSURE SETTLEMENT

In 2012, Attorney General Schuette, 48 other state attorneys general and the federal government announced an historic \$25 billion joint state-federal mortgage settlement with the country's five leading mortgage servicers (Ally, Bank of America, Citi, JPMorgan Chase, and Wells Fargo) to address allegations of faulty foreclosure processes and shoddy mortgage servicing that hurt Michigan homeowners.

The settlement included \$780 million in benefits for Michigan consumers and an additional direct payment of \$97.2 million to the state of Michigan that went directly toward the Homeowners Protection Fund, that Schuette worked with the legislature and governor's office to establish the Michigan. The fund ensures families affected by the foreclosure crisis received the most benefit as well as residents who fall victim to mortgage and foreclosure fraud. The fund supports the following initiatives:

- Restitution payments for victims of foreclosure scams.
- Michigan Veterans Homeowner's Assistance Program (MiVHAP) – grants to military service members, veterans and their families.
- Michigan Attorney General Home Protection Unit – funding for investigation and prosecution of foreclosure-related crimes.
- Blight elimination funds through the Michigan Department of Treasury.
- Free counseling services for homeowners trying to avoid foreclosure, provided by the Michigan State Housing and Development Authority (MSHDA).
- Grants to help pay the closing costs of citizens who use the Home Affordable Refinance Program, provided by MSHDA.
- Grants to offset the purchase price of a home for low-income families.
- Michigan Housing and Community Development Fund which coordinates public and private resources for low-income family housing and to revitalize downtown areas and neighborhoods.

TARGETING FORECLOSURE AND MORTGAGE FRAUD

Since 2011, Attorney General Schuette's Homeowner Protection Unit has successfully prosecuted 23 individuals and companies involved in various foreclosure fraud and mortgage scams. Many of the convictions carried prison sentences, including:

- **Kenneth Sandoval** of Dearborn was sentenced to 20 years in prison for mortgage modification fraud in which he cheated 84 victims out of over \$914,000. Schuette secured nearly \$750,000 in restitution for the 36 southeastern Michigan victims of Sandoval's racketeering scheme.
- **Tonya Raisbeck** of Fennville was convicted of one count of felony racketeering for operating illegal "foreclosure rescue" operations that scammed at least 85 West Michigan homeowners facing foreclosure out of thousands of dollars. Raisbeck was sentenced to 3-20 years in prison. The Attorney General requested that all 85 known victims be declared eligible for restitution payments from the Victim Restitution Program.
- Schuette brought racketeering charges against **Rickey White** of Westland and his company, Braunstein & Associates, for a wide-ranging foreclosure rescue scam that swindled at least 360 people. White pleaded guilty to three felonies. He was sentenced to a prison term of 23-40 years and ordered to pay \$283,245 in restitution to nearly 150 victims.
- Schuette's Corporate Oversight Division secured a 10-20 year prison sentence for a Holly woman, **Tashia Winstanley**, for running a fraudulent foreclosure-rescue operation that took more than \$250,000 from at least 60 people across the state. Winstanley was also ordered to pay \$243,474 in restitution.
- In 2015, **Anthony Carta** was sentenced to 30-99 years in prison in addition to his company, Freedom By Faith Ministries, being ordered to pay more than \$674,000 in restitution. From 2009 through 2013, Carta defrauded more than 100 victims out of hundreds of thousands of dollars by convincing them his company would assist with their mortgages. Instead, he pocketed the money. Carta himself was ordered to pay \$400,000 in victim restitution and was convicted of seven felony charges filed by Schuette.
- In 2017, **Robert Shumake** of Southfield pleaded guilty to 2 misdemeanor violations of the Credit Services Protection Act; and his business, Mortgage Auditors of America, pleaded guilty to 2 felony counts of Obtaining Money by False Pretenses Over \$1,000 and 13 misdemeanor violations of the Credit Services Protection Act. As a condition of his plea, Shumake was ordered to pay \$28,970 in restitution.

PUNISHING A MORTGAGE ROBO-SIGNING SCAM

In 2013, the woman at the center of a massive robo-signing scandal, Lorraine Brown, was sentenced to 40 months to 20 years in prison after pleading guilty to one count of racketeering. An investigation revealed that Lorraine Brown orchestrated widespread forgery on mortgage documents to increase profits for her company, DocX. The investigation revealed that more than 1,000 unauthorized and improperly executed documents were filed with county registers of deeds throughout Michigan. Attorney General Schuette had previously reached a \$2.5 million civil settlement with the DocX parent company, Lender Processing Services, Inc.

Attorney General Schuette has also supported new laws to clarify the crime of mortgage fraud, increase penalties, expand rights for victims of mortgage fraud and extend time limits for prosecuting crimes involving property transactions.

Protecting Veterans

"Our obligation for the sacrifices our veterans have made is to stand with them and ensure the institutions they volunteered to defend serve them well."
— Attorney General Bill Schuette

Attorney General Schuette has been vigilant in protecting those who have protected us:

- Defended overseas military voting rights.
- Filed criminal charges against staff at Grand Rapids Home for Veterans.
- Won \$5 million for the Michigan Veterans Homeowners Assistance Program (MiVHAP).
- Secured \$1 million restitution for Michigan veterans and consumers.
- Obtained prison time and \$1.9 million restitution for veterans' credit union embezzlement.
- Led the nation in prosecuting fake and exploitative veterans' charities.
- Secured debt relief from an abusive military lender for 200 Michigan service members.
- Urged Congress to close for-profit college's military 'loophole.'
- Waived building inspector fees for veterans.
- Made information about legal services easily available to veterans.

DEFENDING OVERSEAS MILITARY VOTING RIGHTS

In 2012, Attorney General Schuette joined Michigan Secretary of State Ruth Johnson in suing 24 local clerks to protect the voting rights of soldiers and other Michigan citizens overseas. The suit asked that the clerks be ordered to extend the counting deadline for ballots not properly mailed out to overseas voters by the deadline set in Michigan election law. Schuette and Johnson secured consent agreements with all 24 communities to assure that all military ballots were counted.

CRIMINAL CHARGES FOR VETERANS' HOME STAFF

After the Michigan Auditor General issued a blistering report in February of 2016 criticizing operations and conditions at the Grand Rapids Home for Veterans (GRHV), Attorney General Schuette immediately began investigating. The federal Veterans Administration provides oversight of the home, but it is operated and managed by the State of Michigan.

Attorney General Schuette's investigation found evidence that staff routinely failed to perform required room checks that were intended to ensure the health and safety of the residents, yet falsified records to indicate that they had. In July 2017, Attorney General Schuette filed felony charges against 11 former caregivers at the GRHV. Attorney General Schuette also released a report providing additional details associated with his investigation of the home. The cases are pending in the 61st District Court in Kent County.

\$5 MILLION FOR MILITARY AND VETERANS HOUSING ASSISTANCE

In 2013, Attorney General Schuette directed \$5 million in funds his department had secured in a \$1.5 billion national mortgage settlement to be set aside specifically for veterans and military service members negatively affected by the national foreclosure crisis. Schuette and then-director of the Michigan Veterans Affairs Agency Jeff Barnes used the funds to launch the Michigan Veterans Homeowners Assistance Program (MiVHAP).

MiVHAP provided financial assistance to active, reserve, air and army national guard, and honorably discharged veterans living or having lived in a home in Michigan. Surviving spouses of Michigan military service members whose death occurred in combat were also eligible. Grants were awarded on a first-come, first-served basis. By August 2015, MiVHAP had distributed the \$5 million to more than 700 eligible service members and veterans, including:

- A 33-year-old Iraq combat veteran who lost his job as a social worker due to cut backs and was unable to sustain his mortgage. When the mortgage company initiated foreclosure proceedings, MiVHAP paid roughly \$8,000 to secure the home for this disabled veteran and his family.
- A 54-year-old Vietnam veteran who lost his job, mother and wife in a space of four years and fell roughly \$6,000 behind on his mortgage. Yet, the mortgage owed on his home was only \$9,000. For just over \$10,000 (the cost of delinquent payments, legal fees and remaining mortgage balance), MiVHAP was able to secure the home outright and protect the veteran from future threats of foreclosure. MiVHAP also helped him file for long unused VA benefits, including health insurance and disability compensation, through the Michigan Veterans Affairs Agency.

OVER \$1 MILLION IN RESTITUTION FOR MICHIGAN VETERANS AND CONSUMERS

In 2016, Attorney General Schuette secured about \$1,116,530 in restitution for 437 Michigan veterans and consumers. The national settlement with 48 other state attorneys general was worth a larger \$95.9 million. The settlement resolved that USA Discounters engaged in unfair, abusive, false and deceptive acts and practices, constantly contacted service members' chains-of-command, and caused some service members to lose security clearances or face demotions.

USA Discounters, which also operated as USA Living and Fletcher's Jewelry, sold consumer products principally on credit and typically marketed to members of the military and veterans, advertising that they would never be denied credit for goods purchased from the retailer. The company's unlawful business practices were secured through misrepresentations and omissions in advertising, during the loans' origination, and during the collection process. USA Discounters closed its stores in the summer of 2015 before later declaring bankruptcy.

PRISON TIME FOR VETERANS CREDIT UNION EMBEZZLER

As president of the Veterans Health Administration Credit Union in Westland, Fuatina Afutiti stole nearly \$2 million from 2012-2016 and spent the funds on luxury cars, vacations and gambling. The embezzlement forced the credit union to close and defrauded thousands of Michigan military veterans, many of whom were disabled or on a fixed income. Attorney General Schuette filed criminal charges, and Afutiti pled guilty on two counts. She was sentenced up to 20 years in prison and agreed to pay restitution in the amount of \$1.9 million.

PROSECUTING FAKE, DECEPTIVE, EXPLOITATIVE VETERANS' CHARITIES

In 2012, Attorney General Schuette charged a West Bloomfield man with creating two fake charities, each using names that were nearly identical to those of two longstanding national groups that have assisted veterans for many years. Neil Thrasher, 37, pleaded no contest to the charges, and was sentenced to spend 17 months to 10 years in prison; he must also pay a combined \$74,400 to the Disabled American Veterans and the Paralyzed Veterans of America.

In 2017, Attorney General Schuette and the Charitable Trust Section reached a settlement with Texas-based Healing American Heroes, Inc. and its professional fundraising arm Jeremy Squire & Associates. The charity will be dissolved and forced to pay restitution, for violating the Charitable Organizations and Solicitations Act and be banned from Michigan for 10 years.

During 2016 and 2017 the Charitable Trust Section brought six actions against fraudulent veterans' charities – more than any other state:

- In August 2016, Veterans Relief Network withdrew registration following department questioning of their activities.
- In January 2017, Florida-based Help the Vets agreed to a five-year solicitation ban.
- In May 2017, Healing Heroes Network agreed to withdraw solicitations from Michigan rather than produce their solicitations materials to the Attorney General's office for review.
- In September 2017, Attorney General Schuette alleged violations against American Veterans Foundation (AVF) for deceptive solicitations.
- Also in 2017, Attorney General Schuette investigated and brought action against Illinois-based VietNow for deceptive solicitations and led a 24-state action resulting in VietNow's dissolution.
- Michigan-based Foundation for American Veterans is also pending criminal and civil investigation and is in the process of dissolving.
- In February 2018, Attorney General Schuette sued AVF; the suit remains pending.

SECURING DEBT RELIEF FROM AN ABUSIVE MILITARY CONSUMER LENDER

In 2014, at Attorney General Schuette's instruction, Michigan joined eleven other states in a settlement with Rome Finance, a military consumer lender based in California and Georgia. The states had alleged multiple illegalities by the firm including:

- Failing to accurately disclose finance charges and interest rates;
- Knowingly or recklessly financing contracts with inflated prices of goods sold;
- Violating the Military Lending Act for excessive interest, onerous provisions, and requiring allotment payment backed by access to a bank account;
- Violating State and CFPB's unfair, deceptive, or abusive acts and practices prohibitions by financing consumer loans and/or collecting on consumer loans; and,
- Failing to provide required periodic disclosures.

The settlement liquidated Rome Finance and its successor corporations, provided more than \$91 million in debt relief to approximately 17,000 affected United States service members worldwide, marked all outstanding debt “paid in full” with consumer finance reporting agencies, and banned new business by the company and its principals. Approximately 200 Michigan service members saw their outstanding debts to the company forgiven.

URGING CONGRESS TO CLOSE FOR-PROFIT COLLEGE MILITARY ‘LOOPHOLE’

In May 2012, Attorney General Schuette joined 20 other state attorneys general in urging Congress to close a regulatory for-profit college funding “loophole” for military members, stating that it encourages for-profit colleges to use “high-pressure recruiting tactics” on veterans. The federal calculation unintentionally creates an incentive for colleges to use aggressive, even deceptive, recruiting practices with military members, and the states attorneys general strongly urged Congress to correct the law. U.S. Senator Richard Durbin, of Illinois, introduced a bill in a previous session of Congress, but it was not enacted.

WAIVING BUILDING INSPECTOR FEES FOR VETERANS

In 2014, Attorney General Schuette issued a formal opinion stating that fee waivers for an “initial license” or “registration” in the Building Officials and Inspectors Registration Act usually available to building officials, plan reviewers, and inspectors, should also be available to honorably discharged veterans.

NEW LEGAL RESOURCES FOR VETERANS

Attorney General Schuette has collaborated with two law schools to ensure fair and appropriate legal outcomes for veterans.

In a joint effort with the University of Detroit Law School, Schuette created a Legal Services Guide that provides one central location for veterans, military service members and their families to find detailed, up-to-date information about available legal resources.

The second project, a collaboration between the Department of Attorney General and the Thomas Cooley Law School, is a “Bench Book” that gives quick, authoritative answers to judges across Michigan who are dealing with legal issues specific to veterans and their families.

Defending Our Constitutional Rights

Attorney General Schuette has litigated in both the United States and Michigan Supreme Courts some of the most important issues facing the state and the country:

- Fighting for Constitutionally-Guaranteed Pensions
- Protecting Second Amendment Rights
- Defending Religious Freedom
- Upholding Equal Treatment Under the Law
- Defending Michigan’s Constitutional Amendments
- Fighting Voter Fraud
- Defending Freedom of Speech
- Limiting Federal Overreach
- Restoring Fair, Open Competition on Public Construction Projects

FIGHTING FOR CONSTITUTIONALLY-GUARANTEED PENSIONS

“As Attorney General, I will defend the rights of Michigan citizens and defend the Constitution of the State of Michigan.”

— Attorney General Bill Schuette

In 2013, Attorney General Schuette joined the City of Detroit federal bankruptcy case on behalf of Southeast Michigan pensioners who were at risk of completely losing their hard-earned benefits. Schuette argued that Michigan’s constitution, Article 9, Section 24, clearly provides that pension obligations “shall not be diminished or impaired.” His position contradicted a ruling from U.S. bankruptcy judge Steven Rhodes. Schuette continued to aggressively defend the constitution throughout the bankruptcy proceedings, stating that “hard-working retired firefighters and police officers, many of whom live on fixed incomes, should not be victimized by this process.” Eventually, a “grand bargain” was reached between the city, its pensioners and state taxpayers.

PROTECTING SECOND AMENDMENT RIGHTS

Under Attorney General Schuette’s leadership, Michigan in 2011 became the first state in the nation to reach reciprocity agreements with all other states having “shall issue” concealed carry laws – a total of 40 states, including Michigan. Because of these accords negotiated by the Attorney General, Michigan residents holding concealed pistol licenses may lawfully carry their guns in those 39 other states without obtaining separate licenses for each state – a victory for the second amendment and personal safety.

DEFENDING RELIGIOUS FREEDOM

Opposing “Obamacare” Orders to Religious Organizations

“Any rule, regulation or law that forces faith-based institutions to provide for services that violate their free-exercise of religion, or that penalizes them for failing to kneel at the altar of government, is a flat-out violation of the First Amendment.”

— Attorney General Bill Schuette

In 2012, Attorney General Schuette led a multi state lawsuit to block the “Obamacare” rule forcing religious organizations to provide health-insurance benefits that are in violation of their religious beliefs. Schuette’s office coordinated the drafting and filing of the multi-state brief.

The Obama Administration amended the original religious exemption to the mandate on July 2, 2013, extending the final exemption to formal houses of worship and their integrated auxiliaries, such as church-run soup kitchens. All other religious employers – hospitals, schools, social service organizations, and the like – and all for-profit businesses must still comply with the mandate or risk burdensome fines.

Protecting Religious Employment Rights

In 2011, Attorney General Schuette filed a brief with the U.S. Supreme Court in support of religious organizations’ right to hire and dismiss their religious employees without government interference.

The case developed out of the dismissal of a teacher by a Lutheran school in the Detroit suburb of Redford. The teacher performed both secular and religious duties, including instruction for religions and leadership in prayer. The teacher asserted that she had a physical disability and that the dismissal was an instance of employment discrimination.

Schuette’s brief, filed on behalf of Michigan and seven other states, supported the school’s claim of a right to manage its religious employees. In a major ruling in January 2012, the high court unanimously agreed with Schuette and in support of the religious liberty of the school.

Preserving Religious Freedom in Higher Education

“The religious freedoms enshrined in our Constitution do not evaporate when you step foot on campus.”

— Attorney General Bill Schuette

In 2011, Attorney General Schuette sided with former student, Julea Ward, in her lawsuit against Eastern Michigan University. The university had dropped her from its graduate counseling program after she refused to provide counseling that conflicted with her religious convictions. An appeals court reversed a lower court’s dismissal of the case, and the university settled with Ward for \$75,000.

Religious Freedom for Local Lawmakers

In the case of Bormuth v. County of Jackson, Attorney General Schuette filed an Amicus Brief on behalf of Michigan and 21 other states to defend the right of local legislators to begin their sessions with prayer. The case was argued en banc and prevailed.

UPHOLDING EQUAL TREATMENT UNDER THE LAW

Eight years after a 58 percent majority of Michigan voters approved the Michigan Civil Rights Initiative (Proposal 2 of 2006, which banned racial preferences in admission to public universities and other institutions), that constitutional amendment came under fire. In October 2013, the Department of Attorney General argued before the U.S. Supreme Court that the ban embodied the fundamental American promise of equal opportunity under the law. Attorney General Schuette noted, “It is absurd to conclude that banning racial discrimination somehow perpetuates racial discrimination. It simply defies common sense.”

The U.S. Supreme Court sided with Attorney General Schuette, upholding Michigan’s constitutional requirement for equal treatment in college admissions.

DEFENDING MICHIGAN’S CONSTITUTIONAL AMENDMENTS

When a federal judge struck down Michigan’s Marriage Amendment that had been approved by 2.7 million voters, Attorney General Schuette appealed the ruling to the U.S. Court of Appeals.

In contrast with other federal judges handling similar cases across the country, Judge Friedman did not stay his ruling pending the outcome of appeal. Schuette filed an emergency request for stay and appeal on March 21, 2014 with the U.S. Court of Appeals for the Sixth Circuit. On March 26, 2014, the 6th Circuit issued a permanent stay, pending outcome of appeal. On November 6, 2014, the Sixth Circuit reversed the district court and held that Michigan’s Marriage Amendment was constitutional.

Attorney General Schuette sought final resolution from the courts as quickly as possible to conserve taxpayer resources and provide a clear direction for the state.

The 2004 popular vote had added an amendment to the state constitution to ban recognition of same-sex unions in any form. Per the U.S. Supreme Court ruling of Obergefell v. Hodges, on June 26, 2015, same-sex marriage is legal in Michigan and all other U.S. states.

FIGHTING VOTER FRAUD

“The right to vote is sacred and must be protected for all American citizens. Strict enforcement of state election laws preserves the integrity of our democratic system.”

— Attorney General Bill Schuette

In 2013, Attorney General Schuette’s criminal division, in cooperation with Secretary of State Ruth Johnson, charged José Antonio Ramirez-Velázquez, a Mexican citizen, for illegally registering to vote and voting while residing in Roseville, Michigan. Ramirez-Velázquez faced one count of making a material false statement when registering to vote, a 90-day misdemeanor. The charge followed an investigation by the U.S. Border Patrol and the Roseville Police Department in which Ramirez-Velazquez allegedly voted illegally in three November elections. Ramirez-Velázquez pled no contest as charged on October 9, 2013 and was sentenced to 6 months non-reporting probation with fines and costs.

Attorney General Schuette and Johnson also charged four Hamtramck men with unlawfully possessing and returning absentee election ballots in the August 2013 primary election. Armani Asad, Salim Ahmed, Russell Mohammed, and Mohammed Abdur Rahman all pled guilty to one felony count of unlawful possession of an absentee ballot. The investigation was launched after the Hamtramck clerk’s office reported unauthorized people delivered multiple absentee ballots. Under Michigan law, an absentee ballot can only be returned by a member of the voter’s immediate family or a person living in the voter’s household. Mohammed Rahman was sentenced to non-reporting probation, fines, and costs on September 16, 2014, and the three other defendants were sentenced to fines and costs.

DEFENDING FREEDOM OF SPEECH

McCullen v. Coakley

Attorney General Schuette’s Solicitor General Division submitted an amicus brief for Michigan and 11 other states in a U.S. Supreme Court case defending the right to free-speech on public sidewalks outside of abortion clinics. The Supreme Court struck down a Massachusetts statute that prohibited even peaceful sidewalk discussions near entrances to abortion clinics.

JANUS

Michigan represented 19 other states in fighting for the free-speech principle that government employees may not be compelled to fund speech with which they disagree; specifically, they should not be forced to pay fees to support collective-bargaining positions that they do not support. In June of 2018, the Supreme Court ruled in favor of Schuette's position.

LIMITING FEDERAL OVERREACH

In the case of Michigan v. EPA, Attorney General Schuette successfully limited efforts of the EPA to impose regulations on electric power plants without giving any consideration to the cost of those regulations. The U.S. Supreme Court agreed that agencies who are deciding whether it is appropriate to impose more regulations must consider whether those costs are worth it.

RESTORATION OF FAIR, OPEN COMPETITION ON PUBLIC CONSTRUCTION PROJECTS

Believing that the public contract bidding process should be open and fair, Attorney General Bill Schuette went to court in March 2012 to allow all qualified contractors to bid on public projects on an equal basis, regardless of union or non-union status. U.S. Court of Appeals for the Sixth Circuit reversed a lower court and upheld Schuette's position.

Helping Local Communities Fight Crime

- Assisting County Prosecutors
- Supporting Local Prosecutors with Criminal Appeals in State and Federal Courts
- Representing Prison Wardens in Federal Court
- Helping Distressed Cities Fight Crime

ASSISTING COUNTY PROSECUTORS

At times, elected county prosecutors choose to recuse themselves from cases, or require additional expertise. They then petition the state attorney general for appointment of a special prosecutor. In these instances, when no other local prosecutor is able or willing to act, the Criminal Division within the Department of Attorney General acts as the special prosecutor by default. As a result, Bill Schuette's attorneys have fought for justice in numerous courtrooms across the state, in both civil and criminal cases.

People v. Michael Terpening

The Attorney General's Criminal Division took on these two cases following disqualification of the Barry County Prosecutor. Upon the defendant's conviction by jury on the offense of third degree criminal sexual conduct, the judge imposed a sentence of 10-15 years, the maximum permitted by law. The defendant then pleaded guilty in a second companion case involving a minor sexual assault victim.

People v. Cody Mittig

The Charlevoix County prosecutor requested the division's assistance on his first-degree criminal sexual conduct case due to his office's lack of experience prosecuting sexual assault cases involving DNA evidence. The case involved highly specialized forensic evidence, including DNA, serology, cell phone records, surveillance video, and the testimony of a sexual assault nurse examiner. Following jury selection on the afternoon of the first day of trial, the defendant pleaded guilty.

People v. Salvador Barragan

The Charlevoix County prosecutor again requested Attorney General assistance on a case involving the sexual assault of a maid by a chef at a prestigious Northern Michigan summer resort. The case relied on DNA evidence, medical testimony and specialized knowledge on how to combat the defense of consent. The defendant pled guilty.

SUPPORTING LOCAL PROSECUTORS WITH CRIMINAL APPEALS IN STATE AND FEDERAL COURTS

Attorney General Schuette's Appellate Division represents county prosecutors in direct appeals from felony convictions in 56 of Michigan's 83 counties (any county with a population of 75,000 or less), and in appeals from cases which the Attorney General's Criminal Division originally prosecuted at the trial court level. Recent successful Appellate Division prosecutions include human trafficking, bribery, and embezzlement convictions. One of the most high-profile of these appeal cases in recent history is that of Katherine "Baby Kate" Phillips.

The “Baby Kate” Case

In 2016, Sean Phillips was sentenced to 19 -45 years in prison for the second-degree murder of his infant daughter Katherine, also known as “Baby Kate.” The conviction followed a joint prosecution by Attorney General Schuette’s office and Mason County Prosecutors Office and a multi-jurisdictional investigation by local, state and federal authorities.

Phillips was the last person to be seen with 4½-month-old Katherine on June 29, 2011 before he took the infant from her mother’s home. When Phillips resurfaced after two hours, his daughter was gone; the clothes she had been wearing were found in the pocket of Phillips’ cargo shorts, while her empty car seat and diaper bag were found in his vehicle trunk.

Mason County Prosecutor Paul Spaniola secured a conviction of unlawful imprisonment in 2012, resulting in a 10- to 15-year prison sentence for Phillips. Since August 2012, Attorney General Schuette’s Appellate Division has represented Mason County in opposing Sean Phillips’ appeal of that conviction.

Based on evidence from the first trial and statements made while Phillips was serving his unlawful imprisonment sentence, Attorney General Schuette then filed murder charges on October 4, 2013, more than two years after “Baby Kate” went missing. Phillips was found guilty by a jury in October 2016; his appeal is currently pending. Despite exhaustive efforts by law enforcement, “Baby Kate” has never been found.

REPRESENTING PRISON WARDENS IN FEDERAL COURT

Attorney General Schuette’s Criminal Division also represents state prison wardens in federal cases involving challenges to criminal convictions on constitutional grounds.

Seaman v. Washington

Attorney General Schuette filed an appeal in the U.S. Court of Appeals for the Sixth Circuit to overturn a reversal in state court. In 2012, the Sixth Circuit reversed the district court’s decision and the defendant’s first-degree murder conviction was reinstated.

Miller v. Stovall

The Criminal Division appealed a reversal of a murder conviction all the way to the Supreme Court where it got the defendant’s murder conviction reinstated and she was returned to prison.

Tremble v. Burt

The defendant, after being placed under arrest for drinking and being in possession of a stolen vehicle, confessed to murdering an elderly couple while they slept. The initial first-degree murder conviction was overturned in a federal district court. An appeal to the U.S. Sixth Circuit Court of Appeals got the conviction reinstated and the murderer put back behind bars. In a letter of appreciation, the victims’ family wrote, “Words can’t simply describe how we felt after receiving the news from your office that the 6th Circuit Court of Appeals reinstated [Tremble’s] double murder conviction... The countless hours and research put in by your office throughout this process will before ever remembered by us. Your personal touches by making yourself available to members of the family to answer our questions and address our concerns were greatly appreciated... Thank you so much and please accept our sincere gratitude for all of your efforts.”

HELPING DISTRESSED CITIES FIGHT CRIME

Attorney General Schuette’s Distressed Cities Initiative provides funding for Special Assistant Attorneys General (SAAGs) to be imbedded within county prosecuting attorney’s offices to assist in the local prosecution of criminal matters. Attorney General Schuette entered into memorandums of understanding with Genesee, Saginaw, and Wayne counties to aid in managing backlogged criminal cases.

Starting in January 2013, the Department of Attorney General began placing SAAGs in those counties. Since the program’s announcement, the SAAGs have handled a total of 83,786 cases, including felony and misdemeanors.

Fighting for Public Integrity

Believing that Michigan citizens deserve an accountable, responsive government that reflects their highest goals and aspirations, Attorney General Schuette has sought to restore the people's faith in government. Our public officials and institutions must be held to the highest standard.

Upon taking office in 2011, Attorney General Schuette created a new Public Integrity Unit (PIU). The PIU works closely with local, state and federal law enforcement agencies to aggressively investigate and prosecute public corruption at all levels of Michigan government, including elected officials, public employees and law enforcement:

- Charges against 109 public officials and 85 convictions won for offenses including fraud, embezzlement and bribery.
- Charges against 14 members of law enforcement, for offenses including theft, fraud and bribery.
- Four congressional staff convicted of election fraud.
- Pension forfeiture for corrupt public school officials.
- Conviction of former correctional supervisor in assault-for-hire plot.

THE PUBLIC INTEGRITY UNIT – NOTABLE CASES

“Criminals who abuse the public trust for their own personal gain will be brought to justice. We will restore public integrity at all levels of government.”

— Attorney General Bill Schuette

- In 2018, **36th District Court Officer William Blake** of Redford was charged with multiple felony counts of Embezzlement by a Public Official over \$50,000 by Attorney General Schuette's Public Integrity Unit (PIU). The charges were filed following an investigation by the FBI's Detroit Area Public Corruption Task Force. As a court officer, Blake was assigned writs of executions and orders to seize property authorizing him to collect judgments on behalf of the court. Blake allegedly collected judgment money from several defendants, instead of paying it to the plaintiffs, he allegedly pocketed the money. One was approximately of \$15,000.00. A criminal charge is merely an accusation and the defendants are presumed innocent unless proven guilty.
- In 2016, the FBI Detroit-Area Public Corruption Task Force investigated **State Representative Brian Banks** for bank fraud. Banks had paid an accomplice to forge paycheck stubs that he then submitted to a Detroit credit union. Based on his false salary, the credit union gave him a loan on which he later defaulted. The Attorney General charged him with multiple fraud crimes. Banks resigned from the House of Representatives and, in 2017, pleaded guilty to making a false material statement concerning his financial condition.
- In 2018, **1st District Court Judge Jarod Calkins** was charged with several crimes including transporting persons for prostitution because of a Michigan State Police investigation. The investigation showed that under a false name the judge used social media to entice considerably younger women to enter a “sugar daddy” relationship that he turned into binding and otherwise immobilizing them, beating them, choking them, applying electrical shock to some, and other violent conduct for his gratification. In June 2018 Calkins resigned as a judge. A criminal charge is merely an accusation and the defendants are presumed innocent unless proven guilty.

- In 2017 Attorney General Schuette's Public Integrity Unit charged **Maria Mason, the former Executive Director of the State's Hispanic Latino Commission of Embezzlement** by a Public Official and Embezzlement over \$50,000 but less than \$100,000, a 15 years felony. It is alleged she stolen money requested for a memorial to Caesar Chavez to be erected in Lansing. The statue was never built. Instead, it is alleged, she paid her American Express credit card bill, personal income taxes, and country club fees with the money, among other personal uses. A criminal charge is merely an accusation and the defendants are presumed innocent unless proven guilty.
- In 2016, former **state elevator inspector Werner Noll** plead guilty to a felony fraud charge and was ordered by the court to pay more than \$11,000 in restitution to the state of Michigan. Noll faced multiple felony fraud charges for golfing during work hours – when he documented he was working, and for using a state vehicle for personal use. The lost work amounted to more than \$8,000 taxpayer dollars. After the investigation into Noll concluded, it was determined that he had used state time for personal activities for a total of 83 days across 2012 and 2013.
- In 2017, a joint investigation by the FBI, U.S. Department of Transportation, Michigan Secretary of State, and Attorney General Schuette's PIU uncovered that **Detroit Department of Transportation supervisor Calvin Foulks** and retired DDOT employee Michelle Reed took bribes to issue Secretary of State Certificates falsely stating that applicants had passed commercial driver's license tests when they had not. This permitted unqualified persons to operate semi-trucks and other commercial vehicles on interstate roads. Attorney General Schuette convicted Foulks of four 14-year felonies for falsifying government documents and Reed of two counts of the same felony.
- Former **Ingham County Prosecutor Stuart Dunnings III** was sentenced to one year in jail and 3 years on probation following his conviction for felony misconduct in office and soliciting a prostitute. Attorney General Schuette charged the sitting prosecutor in 2016 following a joint investigation with the FBI and the Ingham County Sheriff's Department. Dunnings resigned from office and his law license was revoked upon pleading guilty to a felony; Attorney General Schuette requested his license be revoked.
- In 2016, the FBI Detroit-Area Public Corruption Task Force and the Attorney General Schuette's PIU investigated former **36th District Court Clerk Annette Bates** and her accomplice Charles Fair. The pair took multiple cash bribes for dismissing \$40,000 in traffic tickets and fines. The Attorney General convicted both Bates and Fair of two counts each for Forgery of Court Records. Bates' sentence included four years of probation and \$10,000 restitution to the 36th District Court, and Fair was sentenced to 6 months in the Wayne County jail.
- In 2016, former **Augusta Township Deputy Treasurer Brendan Humeniak**, was sentenced to 18 months of probation and ordered to pay over \$8,900 in restitution to the township for embezzling property taxes. A joint Michigan State Police and Department of Attorney General investigation began after residents reported receiving delinquency notices for property taxes they had already paid. Humeniak pled guilty as charged.
- In 2014, Attorney General Schuette, working with the FBI Detroit Area Public Corruption Task Force, secured the convictions of eight former **City of Detroit Building Officials** for accepting bribes to ignore the construction codes, zoning laws, and other violations of state law and ordinances. These actions endangered residents and workers in the City of Detroit. Depending on the severity of their crimes the court, sentenced the defendants from 2 years of probation with community service to 6 months in the Wayne County Jail. All the defendants had to pay fines and court costs.

- In 2011, Attorney General Schuette's PIU charged and convicted former **Detroit mayoral employee Nneka Kafi Cheeks** with nine felonies, including embezzlement from the Manoogian Mansion Restoration Society. The society was created to restore and preserve the Detroit mayoral residence. Cheeks had access to the charity's bank accounts while employed by the mayor's office. The judgment against Cheeks ordered that she pay \$138,866 to return the stolen funds, interest, and damages
- In 2011, Attorney General Schuette convicted long-time **River Rouge Councilman Anthony Laginess** of accepting a \$5,000 bribe to switch his vote and support awarding a public contract for prescription drug insurance management to Adam Korejsza of the Manhattan Group. The Attorney General had previously convicted Korejsza for racketeering, embezzlement and tax evasion related to his theft of over \$700,000 of taxpayer funds. Councilman Laginess was sentenced in October 2011 to a prison term of 17 months to 10 years and Korejsza for 6½ to 20 years.
- Working with the Michigan Department of Human Services in 2011, Attorney General Schuette's PIU successfully prosecuted **DHS Facilities Manager Brian Hengesbach**, convicting him of four counts of embezzlement. A DHS investigation revealed Hengesbach ordered \$4,750 worth of goods from vendors on behalf of the department for his own use and benefit.
- In 2011, Attorney General Schuette's PIU charged **Highland Park High School assistant principal Samuel Craig** with embezzling more than \$36,000 from the Highland Park Association of School Administrators. Craig pled guilty and was ordered to pay full restitution.
- In 2010, Attorney General Schuette convicted **Former Department of State Employee Conchithia Kelley** of stealing \$19,000 from a Clinton Township branch office. Kelley pled guilty to embezzlement by a public official, punishable by up to ten years in prison.

LAW ENFORCEMENT INTEGRITY

The Public Integrity Unit also focuses on the integrity of law enforcement, which is critical to public safety. Scofflaw police who abuse their oath to serve and protect must be held accountable.

- In 2017, Attorney General Schuette's PIU worked with the Michigan State Police, Secretary of State, and the FBI Detroit Area Public Corruption Task Force to convict **State Trooper Seth Swanson** of embezzling over \$170,000.00 in salvage title fees, designated by law to fight auto theft, and forging Michigan Secretary of State documents. Trooper Swanson was sentenced to return the monies and spend 12 months in jail as part of five years of probation.
- Former **Village of Shelby Police Chief Robert Wilson** was sentenced to five months in Oceana County jail for pocketing salvage vehicle inspection fees over the course of almost two years. He was also placed on three years of probation and ordered to pay \$70,000 in restitution to the Village of Shelby. He was originally charged following a PIU investigation in August 2016.
- In 2015, Attorney General Schuette convicted **Detroit Police Officer Tamboura Jackson** of conducting a criminal enterprise, public officer accepting bribes, and forgery. A joint PIU and FBI investigation showed Officer Jackson and his co-conspirator, Lisa Curtis, forged police reports stating Curtis' clients were victims of identity theft to improve their credit scores. (Under federal law, a credit scoring bureau must remove the negative entries when presented with such a police report.) Officer Jackson was sentenced to 2½ to 20 years in prison. Curtis pled guilty to bribery of a public officer and was given two years of probation after testifying against Jackson.

- In 2018 Attorney General Schuette's PIU charged 7 police officers with over 100 felonies for forging and publishing government documents to the Secretary of State designed to detect automobile theft while issuing salvage motor vehicle titles. **The defendants include Former Bangor Chief of Police Elena Danishevskaya, Redford Detective Kevin Reif, who served on a Michigan State Police auto theft task force, Northfield Township First Lieutenant Tim Greene, Detroit Public School Officer John Greene, and Detroit Police Officer Tammy Barnes.** A criminal charge is merely an accusation and the defendants are presumed innocent unless proven guilty.
- In 2013, working with the FBI Detroit Public Corruption Task Force and Detroit police chief James Craig, Attorney General Schuette prosecuted and convicted **Detroit Police Department employee James Kerns** of embezzlement, a ten-year felony, for demanding money from another police officer to access his official medical records.
- In 2013, the Public Integrity Unit prosecuted **Michigan State Police Lt. Luke Davis and Sgt. Emmanuel Riopelle**, along with co-conspirator **Lawrence Dusseau**, for criminal conduct associated with running a police forfeiture unit. When entrusted with seized property that was to be sold and the money returned to public purposes, they systematically stole cash, property and drugs. The Attorney General secured a twenty-year felony against Lt. Davis for conducting a criminal enterprise and convicted Sgt. Riopelle of misconduct in office and Dusseau for two other felonies. Davis was sentenced to 2-20 years in prison, Riopelle was sentenced to three years of probation and 28 hours community service, and Dusseau received two years' probation.
- In 2012, as part of the FBI Detroit-Area Public Corruption Task Force, Schuette's PIU convicted **Flat Rock Police Sgt. Charles Sanders Jr.** of two felonies for running a sport-betting operation while on duty. He took cash payouts in the police stations and his squad car. Sanders was sentenced to 12 months in the Wayne County jail.

CONGRESSIONAL STAFF CONVICTED OF ELECTION FRAUD

The integrity of Michigan's election system is critical to our democracy. In 2012, Attorney General Schuette prosecuted and convicted four employees of former U.S. Congressman Thaddeus McCotter for election fraud. McCotter was running for re-election in Michigan's 11th Congressional District, and it was alleged that his staff perpetrated a deliberate fraud involving a pattern of copying and altering petitions to qualify the five-term congressman for the 2012 Michigan ballot. McCotter resigned his congressional seat in the wake of the scandal. The charges against his staff were:

Paul Seewald, district director, pleaded no contest to 9 counts of falsely signing a nominating petition, a 93-day misdemeanor. After Attorney General Schuette successfully appealed the trial court's dismissal of conspiracy to do a legal act in an illegal manner, Seewald pleaded no contest to this 5-year felony as well. He was sentenced on January 18, 2013, to a 2-year term of probation and 100 hours of community service, costs and fines.

Don Yowchuang, deputy district director, pleaded no contest to 11 counts of election law forgery, all 5-year felonies; 6 counts of falsely signing a nominating petition, a 93-day misdemeanor; and conspiracy to do a legal act in an illegal manner, another 5-year felony. He was sentenced on January 18, 2013 to a 3-year term of probation and 200 hours of community service, costs and fines.

Melissa Turnbull, district representative, pleaded no contest to one count of conspiracy to do a legal act in an illegal manner, a 5-year felony, and one count of falsely signing a nominating petition, a 93-day misdemeanor. She was sentenced on July 9, 2013 to a 2-year term of probation with one day in jail, 200 hours of community service, costs and fees.

Lorianne O’Brady, former scheduler, pleaded no contest to 5 counts of falsely signing a nominating petition, a 93-day misdemeanor. She was sentenced on October 25, 2012, to an 18-month term of probation, and ordered to perform public speeches explaining what she learned from her conviction, plus pay costs and fines.

PENSION FORFEITURE FOR CORRUPT PUBLIC SCHOOL PRINCIPALS

“These individuals were entrusted with the education and well-being of their students and teachers. Instead of doing the job they were given, these individuals selfishly stole money to line their pockets while robbing children of better opportunities.”

— Attorney General Bill Schuette

In 2017, Attorney General Schuette secured state taxpayer-paid portions of pensions held by thirteen former Detroit Public School principals who were convicted by the U.S. Department of Justice for accepting bribes as part of a kickback scheme that dated back to at least 2002 and cheated the Detroit Public School district out of \$2.7 million. Collectively, the defendants will re-pay over \$358,000 to the Michigan Public School Employee Pension System.

FORMER CORRECTIONAL SUPERVISOR CONVICTED IN ASSAULT FOR-HIRE PLOT

In 2015, Attorney General Schuette’s Criminal Division, together with Michigan State Police and the Chippewa County Prosecutor’s office, secured the felony conviction of Michael Robert Young of Kincheloe, for attempting to hire an inmate to arrange an assault on another inmate. Young was a correctional supervisor at Kinross Correctional Facility at the time of the crime. Following a two-day trial in Chippewa County Circuit Court in Sault Ste. Marie, Young was sentenced to 2-5 years in prison and ordered to pay more than \$500 in court costs and fees.

THE ONGOING INVESTIGATION INTO MICHIGAN STATE UNIVERSITY AND ITS HANDLING OF LARRY NASSAR

After securing what is effectively a life sentence for Larry Nassar, Attorney General Schuette vowed a “full and complete” criminal investigation into Michigan State University’s handling of Nassar.

The investigation is led by Special Independent Counsel William Forsyth, with assistance from the Michigan State Police and multiple assistant attorneys general and special agents from across the Department of Attorney General. To assist with the investigation, Attorney General Schuette launched an online complaint form and hotline so individuals could share credible information with the investigation team.

In March 2018, Special independent Counsel Forsyth charged Larry Nassar’s former boss and the former Dean of the MSU College of Osteopathic Medicine William Strampel with a felony charge of misconduct in office, criminal sexual conduct in the fourth degree, a misdemeanor, and two misdemeanor counts of willful neglect of duty. Each charge is related to his duties he held while the MSU’s Dean of the College of Osteopathic Medicine. A criminal charge is merely an accusation and the defendant is presumed innocent until proven guilty. The investigation into William Strampel is ongoing.

In May 2018, the department, on behalf of the Michigan Department of Licensing and Regulatory Affairs, also filed an administrative action against William Strampel’s medical license. The complaint alleges that Strampel violated the Public Health Code while serving as the Dean of the College of Osteopathic Medicine and requests that the Board of Osteopathic Medicine and Surgery take disciplinary action against him. The complaint violations stem from Strampel’s actions towards female students, his failure to appropriately supervise Larry Nassar, and his failure to report Nassar’s violations of the Public Health Code.

As of July 2018, the MSU investigation is ongoing.

Safeguarding the Environment

“Our Great Lakes are the crown jewels of Michigan, and we have a duty preserve them for generations to come.”

— Attorney General Bill Schuette

Attorney General Schuette’s tenacious leadership in protecting our environment has made a positive difference for Michigan. He has battled an uncooperative federal bureaucracy and other risks to our Great Lakes by building coalitions and using his authority as attorney general to issue effective and essential opinions that carry the force of law. At his direction, the department has:

- Fought relentlessly against a Great Lakes invasion of Asian carp, including suing the Army Corps of Engineers to erect permanent barriers at the entrance to Lake Michigan.
- Prosecuted purveyors of invasive species.
- Investigated the safety of “Line 5”, the Enbridge oil pipeline under the Straits of Mackinac.
- Negotiated a ban on heavy crude and tar sands in the straits.
- Won over \$75 million from Enbridge for the Talmadge Creek/Kalamazoo River oil spill, in addition to the \$1 billion cost of the cleanup of the spill.
- Protected the Natural Resources Trust Fund for constitutional purposes.
- Secured stronger requirements for ballast releases in the Great Lakes.

FIGHTING OFF AN ASIAN CARP INVASION

“We need to put together an ecological barrier, an environmental separation, between Lake Michigan and the Mississippi River. Right now, we have this aquatic highway that is bringing up invasive species.”

— Attorney General Bill Schuette

Asian carp pose the most imminent invasive threat to the Great lakes, and Attorney General Schuette has been relentless in his efforts to keep these fish from entering our inland sea waters.

Upon taking office in January 2011, Attorney General Schuette publicly renewed Michigan’s commitment to block the threatened Asian carp invasion, and implemented a multi-pronged effort using all available tools, including litigation, legislation and advocacy.

He reached out to Michigan conservation leaders including the Michigan United Conservation Clubs, the Nature Conservancy and the National Wildlife Federation to build a united front and devise the best strategies for keeping Asian carp out of the Great Lakes.

When the U. S. Army Corps of Engineers (Corps) failed to take decisive action to prevent the movement of carp toward the Lakes, Attorney General Schuette joined with four other Great Lakes states to pursue dual legal tracks to force Corps action, suing in both the U.S. Supreme Court and in the U.S. District Court.

Attorney General Schuette urged the Corps to expedite a congressionally-mandated study of options for preventing the advance of invasive species, the Great Lakes Mississippi River Interbasin Study (GLMRIS).

When they failed to do so, he reached out to the attorneys general of other states, both in and outside the Great Lakes basin, to build a broad, national coalition to fight the spread of all invasive species - in either direction - through the Chicago Area Waterway. The attorneys general of 16 other states joined Schuette in a letter urging Congress to enact legislation that would force the Corps to expedite the study. At a meeting of the National Association of Attorneys General, Schuette led a panel on invasive species, to build further national support for halting the spread of Asian carp and other invasive species.

These efforts helped lay the foundation for passage, in July 2012, of key provisions of the federal Stop Asian Carp Act, which included a requirement that the Corps expedite the Chicago waterway portion of the GLMRIS.

On January 6, 2014, the Corps issued their GLMRIS as required by law. Upon review, the department found it to be incomplete, seriously flawed, and most importantly, lacking any definitive plan of action. In addition to formally responding to the report, Schuette again called upon the Corps to take immediate action and recommend a full separation of the Great Lakes and Mississippi River basins to prevent the invasion of Asian carp.

Since 2014, Attorney General Schuette has repeatedly renewed his call for the Corps to construct a permanent separation between Lake Michigan and the Mississippi River basin.

In August of 2017, the Corps issued a subsequent GLMRIS report which evaluated potential actions to block the movement of Asian carp at the Brandon Road Lock and Dam located south of Chicago. Attorney General Schuette commissioned a review of the Corps' report by independent experts in transportation and logistics which demonstrated that the Corps' transportation cost analysis of the most effective option-closing the Brandon Road Lock-was fundamentally flawed. And in December 2017, joined by the attorneys general of Minnesota and Pennsylvania, he submitted detailed written comments to the Corps urging closure of the Brandon Road Dam to prevent Asian carp from spreading through the Chicago waterway the Great Lakes.

PROTECTING OUR GREAT LAKES AND RIVERS FROM OIL SPILLS

"We have a responsibility to mitigate any risk of serious harm to our Great Lakes. If we see evidence that something isn't right with the infrastructure that lies beneath them, we will address it with every tool available. We will insist that Enbridge fully comply with the conditions of the Straits Pipeline Easement to protect our precious environmental and economic resources and limit the risk of disaster threatening our waters."

— Attorney General Bill Schuette

Enbridge "Line 5" Pipeline

The Enbridge-owned "Line 5" is a 645-mile pipeline built in 1953 which runs from Superior, Wisconsin, to Sarnia, Canada. At the Straits of Mackinac, the line splits into twin underwater pipelines that transport about 540,000 barrels of light crude oil and natural gas liquids per day under the Straits.

In July 2014, Attorney General Schuette and then-director of the Department of Environmental Quality (DEQ) Dan Wyant sent formal notice to Enbridge Energy and Enbridge Pipelines, L.L.C., regarding the requirement to install additional anchors for the two oil pipelines laid in the Straits more than sixty years ago. The notice responded to Enbridge's acknowledgement of non-compliance with their agreement with the State of Michigan, which limits the maximum span or length of unsupported pipe in Enbridge's pipelines in the Straits.

The notice to Enbridge followed Attorney General Schuette and Wyant's formal request for information from the companies, and review of existing pipelines by the Michigan Petroleum Task Force, which Attorney General Schuette and Wyant co-chaired.

In 2015, the task force produced thirteen recommendations seeking to reduce short-term risks, and, most critically, called for an independent review and risk analysis of the pipelines that run underneath the waters of the Mackinac Straits.

Under terms Attorney General Schuette helped negotiate, Enbridge agreed to pay \$3.5 million into an escrow account to fund two studies: a risk analysis would focus on identifying the current risks of the Line 5 pipelines, and an alternatives analysis would comprehensively evaluate the current pipelines and the alternatives to them. Both analyses would help the State of Michigan make decisions about the future of the pipelines.

In June 2017, the state released a draft Dynamic Risk Line 5 Alternatives Analysis and opened public comment. After thorough review of the draft analysis, Attorney General Schuette stressed the need for a comprehensive plan based on science, available technology and common sense to drive a timeline for closure of the Line 5 petroleum pipeline. Based on the alternatives analysis, Attorney General Schuette identified the following 5-point, plan to ensure the safety and protection of the Great Lakes:

- **Nothing Lasts Forever** – The draft report states that Line 5 could operate indefinitely; the Attorney General strongly disagrees. A specific and definite timetable to close Line 5 under the Straits should be established. One viable option, a tunnel under the straits, would allow for continuous visual inspection, and would create infrastructure and construction jobs in Michigan.
- **Legislative Ban on Heavy Crude and Tar Sands** – Pending closure of Line 5, the Legislature should enact a statute to prohibit heavy crude and tar sands from being transported through the Straits of Mackinac. Currently, tar sands and heavy crude oil are prohibited from the pipelines by an agreement Schuette forged with Enbridge.
- **Propane for The Upper Peninsula** – Propane processing in Rapid River, Michigan or a similar supply of propane for families in the Upper Peninsula must be provided for heating purposes.
- **Michigan Energy** – Michigan's energy industry and the jobs associated with energy production must be protected with any closure of Line 5 under the Straits of Mackinac.
- **Creation of a Michigan Pipeline Authority** – Patterned after the Mackinac Bridge Authority, a pipeline authority, appointed by the governor and confirmed by the Michigan Senate, should be established to provide recommendations to the Federal Pipeline Safety Authority on behalf of Michigan residents. The authority would work toward decommissioning Line 5, and handle issues relating to propane and energy production in Michigan.

In August 2017, Attorney General Schuette expressed concerns about new information confirming gaps in the protective coating of Line 5. He joined the directors of DNR, DEQ, MAE and the State Police in calling for the immediate inspection of the areas around every anchor on Line 5, a report to the DNR and DEQ of any findings from the inspections, a copy of the video of the recent work performed on the pipeline, and repair within 30 days of any damage to the pipeline's coating. He reiterated the need for his 5-point plan to protect the integrity of the Great Lakes.

Talmadge Creek/Kalamazoo River Oil Spill Settlement

"Michigan is the Great Lakes state and we must protect our precious natural resources now and for future generations. This settlement will help to restore affected waterways and wetlands, as well as provide improved access for families to enjoy the beauty of the Kalamazoo River."

—Attorney General Bill Schuette

In 2015, Attorney General Schuette and then-Michigan Department of Environmental Quality Director Dan Wyant secured approximately \$75 million in restoration, mitigation, monitoring, and compensation to the State of Michigan, above and beyond the over \$1 billion spent by Enbridge on the cleanup of the oil from the river and its banks and floodplains. The settlement was negotiated to address the 2010 Enbridge Energy oil spill that sent more than 800,000 gallons of oil into Talmadge Creek and the Kalamazoo River from a pipeline owned and operated by Enbridge.

Under the 2015 settlement, Enbridge agreed to pay \$30 million as estimated costs to restore 300 acres of wetlands in the watershed. Enbridge also paid \$5 million to enhance Kalamazoo River stream flows, \$10 million for construction of recreational sites in Calhoun and Kalamazoo Counties and creation of a foundation to maintain those sites, and \$18 million to restore a dammed area to its natural flow. Enbridge also reimbursed the State for \$12 million in costs for responding to the spill and overseeing Enbridge's costs, meaning that taxpayers did not pay for the work needed to fix the problems created by Enbridge. As of 2018, cleanup activities are expected to be complete by 2020.

Protecting the Natural Resource Trust Fund

*“The Michigan Natural Resources Trust Fund cannot be used as an ATM.”
— Attorney General Schuette*

The Natural Resource Trust Fund was established under Michigan's Constitution and consists of royalties paid by oil, gas, and mineral companies that buy or lease state-owned mineral rights. The fund is exclusively used to finance public recreation and conservation projects in Michigan, including trails, parks, and boat launches. The Constitution provides for a Natural Resources Trust Fund Board that is responsible for recommending the projects to be funded.

The Attorney General is asked to weigh in, through formal attorney general opinions, when legislators propose changes to the Natural Resource Trust Fund. The Attorney General is consulted for insight on the constitutional conflict that may be present in those actions.

In April 2013, Attorney General Schuette issued a formal opinion stating that the Natural Resources Trust Fund, as established in the Michigan Constitution, may only be used for the purposes specified in the Constitution and cannot be used for the maintenance of existing public recreation facilities, such as maintenance dredging of existing harbors. Conservationists from across Michigan applauded the Attorney General's action.

In November 2017, after some state legislators proposed using money from the Trust Fund for projects that had not been recommended by the board, Attorney General Schuette issued another formal opinion clarifying the respective roles of the Legislature and Natural Resources Trust Fund Board established under the Constitution.

Battling the Ballast Water Threat

Because the federal government failed to regulate and require treatment of ship's ballast discharges in the Great Lakes to prevent the release of invasive species, Michigan and other states successfully sued the federal Environmental Protection Agency (EPA) to force it to adopt standards under the Clean Water Act. When the EPA finally acted in 2009, Michigan found the federal regulation – called a Vessel General Permit (VGP) – insufficient, and again sued the EPA in the U.S. Court of Appeals.

In March 2011, Attorney General Schuette reached a settlement of that second lawsuit, under which the EPA agreed to consider stronger requirements based on scientific reviews and to speed up the development of a new VGP.

In a related case, Lake Carriers Association v EPA, Schuette and the Attorney General of New York filed a friend of the court brief in the U.S. Court of Appeals opposing arguments by shipping companies that the EPA should not incorporate state water quality standards in its VGP. In July 2011, the Court of Appeals ruled in favor of the states' position.

In February 2017, Attorney General Schuette joined nine other attorneys general in a letter to U.S. Senate leaders expressing concerns that a pending bill could “pre-empt traditional state authority to take the actions necessary for protecting state water resources” and “dramatically weaken defenses against aquatic invasive species.”

Punishing Prohibited Species Importers

In May 2012, investigators for the Michigan Department of Natural Resources arrested an Arkansas man who was illegally selling live grass carp from his truck. Attorney General Schuette's Criminal Division prosecuted the case and obtained guilty pleas on 12 felony counts of possessing and selling live Asian carp, a violation of state law protecting against the spread of invasive species. The man was sentenced to 5 months in jail and assessed \$3,700 in fines and court costs.

Protecting Michigan's Hunting and Fishing Heritage

*“Michigan was carved out of the wilderness by men and women who provided for their families with bows and rifles... While times have changed, hunting is still a vital part of Michigan's tourism economy.... These changes will protect the rights of Michigan outdoorsmen and women and preserve the state's great sporting legacy.”
— Attorney General Bill Schuette*

In November 2017, Attorney General Schuette proposed a series of legal changes and policy recommendations to enhance Michiganians' hunting rights and preserve our rich sporting heritage.

Included in the proposal is a legislative resolution upholding the right to hunt, fish, and harvest wildlife as a valued part of Michigan's heritage and a preferred means of managing wildlife for future generations. Other elements would clarify legal weapon transport for hunters on private property and in motorboats; encouraging the Natural Resource Commission to simplify turkey licensure; and strengthening property rights regarding hunting and trespassing. Discussions with the legislature about these proposals are ongoing.

Guarding the Public Health

Highlights of Attorney General Schuette's record on public health:

- Created first statewide opioid unit in the Department of Attorney General's Office.
- Filed a multi-state investigation against opioid manufacturers.
- Recovered over \$226 million in Medicaid fraud.
- Obtained 168 criminal convictions for health care fraud and abuse.
- National award for excellence in fighting health care fraud.
- Won more than \$177 million from some of the largest drug manufacturers in the country.
- Four plea agreements and fifty-one criminal charges against fifteen state and local officials in the Flint Water Crisis.

COMBATTING THE OPIOID EPIDEMIC

In 2015, almost 2,000 Michiganders died of overdoses, mostly from opioids, up more than 25 percent from just two years before. Opioid drugs, including prescription painkillers and heroin, killed over 33,000 people in the United States in 2015, more than any year on record, according to the U.S. Centers for Disease Control and Prevention. Michigan ranks tenth nationally per capita for opioid-based prescriptions, and 18th for overdose deaths.

According to the United State Center for Disease Control and Prevention (CDC), 91 Americans die every day from an opioid overdose that includes prescription opioids and heroin. Each day, more than 1,000 people are treated in emergency departments for misusing prescription opioids. Prescription opioids are a driving factor in the almost 15-year increase in opioid overdose deaths. Deaths from prescription opioids – drugs like oxycodone, hydrocodone, and methadone – have more than quadrupled since 1999. In Michigan, the CDC reports Michigan having a prescription rate of 84.9 prescriptions per 100 residents, one of the highest in the country. Prescribing rates for opioids vary across state lines, but in 2016 the overall national average was 66.5 prescriptions per 100 people. Michigan is amid an opioid epidemic.

Attorney General Schuette has been on the front lines of this battle:

- Created first statewide opioid unit in the Department of Attorney General's Office.
- Filed a multi-state investigation of opioid manufacturers.
- Sponsored a drug abuse summit to raise awareness and provide training for public officials.
- Chaired the Regulation, Enforcement and Policy Subcommittee of the Michigan Prescription Drug and Opioid Taskforce; helped produce its 2015 report and recommendations.
- Urged nearly \$1 million in settlement monies be used for opioid awareness and addiction prevention programs.
- Secured numerous convictions for prescription drug fraud, over-prescribing and other felonies
- Launched a campaign against methamphetamine "smurfing."
- Promoted drug abuse prevention and safe drug disposal programs.

New Opioid Trafficking and Interdiction Unit

Launched in 2016 as part of Attorney General Schuette's Criminal Division, the Opioid Trafficking and Interdiction Unit consists of four assistant attorneys general, each with extensive backgrounds in drug crime prosecution.

The unit focuses on cases that cross both state and county lines and involve multiple major actors and high volumes of heroin or other opioid-based drugs. The cases are charged in cooperation with local law enforcement, the Michigan State Police narcotics team and federal agencies. The unit also handles felony murder cases in which the delivery of opioids has caused death.

The new unit has already taken on more than 40 cases, with six individuals already convicted and 15 others currently facing charges.

Multi-State Investigation of Opioid Manufacturers and Distributors

"I will be working with attorneys general from across the country, pooling our resources, and digging into the marketing, distribution and sale of opioids. Once the information has been provided and reviewed, we will take further coordinated legal action as appropriate."

– Attorney General Bill Schuette

In September 2017, Attorney General Schuette and forty other state attorneys general demanded detailed information and documentation from both the manufactures and the distributors of prescription opioid drugs. The coalition of attorneys general is actively investigating Endo International PLC, Janssen Pharmaceuticals, Teva Pharmaceuticals Industries LTD/Cephalon Inc, Allergan Inc, and Purdue Pharma. The cooperative effort is also seeking information about distribution practices from AmerisourceBergen, Cardinal Health, and McKesson. The investigation is being handled by Schuette's Corporate Oversight Division.

In addition to this multistate investigation, Schuette's Licensing and Regulation Division has worked collaboratively with the Michigan Department of Licensing and Regulatory Affairs to summarily suspend the licenses of 25 prescribers since January of 2016 who engaged in overprescribing behavior.

White House Summit and President's Opioid Health Emergency Declaration

"The volume of opioid addiction and overdose in Michigan is staggering. The declaration made today by President Trump is an important step in the fight against opioid addiction... We see the effects of opioid addiction across Michigan, and it is taking a toll on our families, our workforce and the resources of our emergency services."

– Attorney General Bill Schuette

In October 2017, Attorney General Schuette joined President Trump at the White House for a declaration of a Nationwide Public Health Emergency. At the White House, Attorney General Schuette discussed specific issues effecting the health of Michigan families with members of the President's administration.

The Opioid Health Emergency Declaration expanded access to remote prescribing methods for medicine commonly used for substance abuse and mental health treatment. The declaration also allows the U.S. Department of Health and Human Services to easily hire temporary staff to meet the need of the opioid public health emergency.

The action also provides federal grants to helps workers who have been displaced by the crisis. Since President Trump took office, over \$1 billion has been allocated to addressing drug addiction and to help combat the opioid epidemic. Millions of dollars have been awarded to the state, by the President's administration to help solve the opioid crisis in Michigan.

Settlement Monies to Fund Opioid Awareness and Education

In May 2017, Attorney General Schuette urged the Michigan Legislature to direct nearly \$1 million from a settlement he negotiated with a pharmaceutical company towards opioid education and addiction prevention programs.

In a letter to Michigan’s legislative leadership, Attorney General Schuette explained that with an average of five residents dying every day from opioid overdoses, our state has been identified by the U.S. Centers for Disease Control as one of 19 states with a statistically significant increase in opioid-related deaths.

Attorney General Schuette proposed that the legislature seriously consider using the \$859,000 in settlement funds arriving next month in the state’s general fund to create effective state and/or local opioid prevention programs.

Taskforce Recommendations

As Chair of the Regulation, Enforcement, and Policy Subcommittee for the Michigan Prescription Drug and Opioid Taskforce, Schuette recommended a multi-faceted public awareness campaign be undertaken to inform the public of the dangers of abuse, how to safeguard and properly dispose of medicines, publicize improper prescribing practices, and reduce the stigma of addiction.

The taskforce also recommended additional training for law enforcement in recognizing and dealing with addiction, as well as use of the electronic Michigan’s Automated Prescription System (MAPS). In 2014, MAPS reported more than 21 million prescriptions written for controlled substances, an increase of more than four million since 2007. In many states, such technology has effectively reduced “doctor shopping” for prescription drugs.

In April 2017, as part of Michigan’s strategy to prevent opioid abuse, the state launched a new system that puts Michigan at the forefront of prescription drug monitoring technology. The new MAPS provides the state’s prescribers with a user-friendly portal, making it more efficient for practitioners to obtain information of controlled substances and Schedule 2-5 drugs that have been dispensed. The new program also has a faster response time, includes patient alerts, real-time data uploads, and interstate data sharing.

Attorney General Schuette supported legislation to require more wide-spread use of this effective tool.

Multistate Anti-Trust Suit Against Maker of Opioid Addiction Treatment Drug

“The blatantly unethical, anti-competitive actions of these companies caused the price of this drug to skyrocket for consumers, at a time when addiction rates in America are at an all-time high. Using an epidemic for financial gain is despicable.”

— Attorney General Bill Schuette

In 2016, Reckitt Benckiser Pharmaceuticals allegedly conspired with MonoSol Rx to switch Suboxone from a tablet version to a film (that dissolves in the mouth) to prevent or delay generic alternatives and maintain monopoly profits, in violation of both federal and state anti-trust laws. Suboxone is a brand-name prescription drug used to treat heroin addiction and other opioid addictions by easing cravings.

Attorney General Schuette, along with the attorneys general of 34 other states and the District of Columbia, has alleged that consumers and purchasers paid artificially high monopoly prices since 2009, when generic alternatives of Suboxone might otherwise have become available. During that time, annual sales of Suboxone topped \$1 billion.

The lawsuit, filed in the U.S. District Court for the Eastern District of Pennsylvania, accuses the companies of violating the federal Sherman Act and state laws.

Counts include conspiracy to monopolize and illegal restraint of trade. In the suit, the attorneys general have asked the court to stop the companies from engaging in anti-competitive conduct, to restore competition, and to order appropriate relief for consumers and the states, plus costs and fees. The case is still pending.

ANTI- “METH SMURFING” CAMPAIGN

In 2017, Attorney General Schuette, State Senator John Proos, Tuscola County Prosecutor Mark Reene, the Michigan Retailers Association, Michigan Pharmacists Association and Consumer Healthcare Products Association announced a new statewide campaign to raise public awareness about the criminal enterprise known as “smurfing” – the practice of purchasing cold and allergy medicines containing pseudoephedrine (PSE), such as Claritin-D and Sudafed, on behalf of criminals who then use these products to manufacture methamphetamine.

Attorney General Schuette and Oakland County Sheriff Mike Bouchard held a collective awareness event, accompanied by Eric Liu, from the Michigan Pharmacists Association, to demonstrate the partnership between law enforcement and pharmacies, the community, and to underscore the consequences of smurfing.

The campaign also promotes the NPLeX system, which allows law enforcement to track the sales of these medications electronically, in real-time, and at no cost to taxpayers or retailers. In 2016, 8,744 boxes of PSE medicine were blocked from sale after being flagged as suspect by the NPLeX system.

DRUG ABUSE PREVENTION AND SAFE DRUG DISPOSAL PROGRAMS

“The sad fact is that kids who abuse prescription drugs often obtain them straight from the medicine cabinet. The take back initiative is a simple way to get rid of unused medications and help protect our children against the dangers of prescription drug abuse.”

— Attorney General Bill Schuette

Recognizing that prescription drug abuse is one of the nation’s fastest growing drug problems, Schuette co-sponsored a two-day Prescription Drug Abuse Summit in October 2013. The summit included state and federal law enforcement agencies, health insurance providers, fraud investigators, social service agencies, treatment providers and educational institutions. Topics included diversion of controlled substances for abuse or resale, addiction, and the evolution of the drug epidemic and its societal impact.

Attorney General Schuette has also used his position as Michigan attorney general to encourage Michigan residents to participate in the annual National Prescription Drug Take-Back Day. In partnership with the U.S. Drug Enforcement Administration, state and local law enforcement agencies inform the public about opportunities to rid their homes of potentially dangerous expired, unused, and unwanted prescription drugs.

The initiative addresses a vital public safety and public health issue. Medicines that languish in home cabinets are highly susceptible to diversion, misuse, and abuse. Rates of prescription drug abuse in the U.S. are alarmingly high, as are the number of accidental poisonings and overdoses due to these drugs. Studies show that most abused prescription drugs are obtained from family and friends, including from the home medicine cabinet. Previous events have collected more than four million pounds of drugs, and in 2017, over 200 Michigan locations participated in “Take-Back Day.”

FLINT WATER CRISIS

“The crisis in Flint was a casualty of arrogance, disdain and a failure of management. All too prevalent was a priority on balance sheets and finances rather than health and safety of the citizens of Flint. An absence of accountability. We will proceed to deliver justice and hold those accountable who broke the law.”

— Attorney General Bill Schuette

On January 15, 2016, Attorney General Schuette announced the department’s criminal and civil investigations into the Flint Water Crisis, the tragic health and safety crisis which has gripped the families of Flint, Michigan for more than three years. The Flint Water Crisis caused children to be exposed to lead poisoning, witnessed an outbreak of Legionnaires’ disease resulting in multiple deaths and created a lack of trust and confidence in the effectiveness of government to solve problems. Many families still drink, cook and bathe only with bottled water.

Since the beginning of the investigation, the following has been accomplished:

- 4 plea agreements to date
- 51 criminal charges against 15 state and local officials
- Civil suit against multi-national water engineering services corporation Veolia and Texas-based water engineering services corporation Lockwood, Andrews & Newman

In June 2017, with pre-trial hearings and other legal proceedings occurring, Schuette released the initial results of the more than yearlong investigation. Included in the interim investigation report is a comprehensive look at charges made, as well as a review of the facts and evidence in the case.

The investigation remains open.

HEALTH CARE FRAUD

“The message is clear: we will not tolerate any form of health care fraud at the expense of patients and taxpayers.”

— Attorney General Bill Schuette

The Department of Attorney General Health Care Fraud Division (HCFD) exists to identify, prosecute, and prevent fraudulent activity and abuse related to the Medicaid program. Fraud negatively affects all of us, whether as patients, taxpayers, or most providers who conscientiously provide quality care.

The HCFD houses the Medicaid Fraud Control Unit, a federally certified and highly specialized unit responsible for combating provider fraud in the Medicaid program. It is vital that public dollars intended to provide health care for society’s most needy recipients be ethically and effectively spent. Under Schuette’s guidance, this unit has won national recognition as a leader in innovative methods to address Medicaid fraud.

The division has also aggressively pursued drug companies that fraudulently bill the state or put consumers at risk by misbranding or unlawfully marketing drugs. Because of his efforts, Michigan has obtained settlements from some of the largest drug manufacturers in the country, including Johnson & Johnson, Merck, GlaxoSmithKline, Abbott Laboratories, Express Scripts, Pfizer and McKesson.

Attorney General Schuette’s HCFD record since 2011:

- Recovered over \$226 million in Medicaid fraud.
- Obtained 168 criminal convictions for health care fraud and abuse.
- Aggressively pursued drug companies for unlawful drug marketing or fraudulent billings.
- Secured more than \$177 million from some of the largest drug manufacturers in the country.
- First such unit in the nation to utilize data mining to find fraud.
- National award for excellence in fighting health care fraud.
- Protected elderly and other vulnerable residents from abuse and neglect in health care facilities.

First in Nation to Utilize Data Mining to Find Fraud

In 2014, Attorney General Schuette’s Medicaid Fraud Control Unit became the first such unit in the nation to receive special permission from the U.S. Department of Health & Human Services to engage in data mining of Medicaid data for purposes of finding and eliminating fraud in the program. Historically, these units were restricted under federal rules to only act upon complaints received. This new authority allows the unit to be proactive in rooting out fraud, which has led to the recovery of approximately \$1.7 million dollars and numerous felony convictions.

National Award for Excellence in Fighting Fraud

In June of 2015, the unit was recognized nationally with the Excellence in Fighting Fraud, Waste and Abuse award given out annually by the Office of Inspector General for the U.S. Department of Health & Human Services (HHS-OIG). In granting this award, the HHS-OIG noted that during fiscal year 2014, Michigan’s Medical Fraud Control Unit charged 39 complaints, obtained 25 convictions, and secured 16 civil settlements or judgments totaling \$46,562,341 in recoveries.

Fraud Recoveries and Criminal Convictions

Since Attorney General Schuette took office in 2011, his HCFD has obtained judgments, settlements, and other recoveries in the amount of \$226,822,573.50. While most of this recovery flows from state participation in civil enforcement actions, the division has also been active in the criminal courts securing convictions for fraud and abuse during the same timeframe. Some noteworthy examples:

- **Largest Ever Nationwide Health Care Fraud Takedown, \$1.3 Billion** – In July of 2017, Schuette’s Division – along with the U.S. Department of Justice, FBI, DEA, IRS, and Attorneys General from around the country – collaborated in the largest ever enforcement action by the Medicare Fraud Strike Force. The charges involved over 412 defendants across 41 federal districts for their actions involving over \$1.3 billion in false billing.
- **Macomb Dentist gets Jail Time & Owes \$1.7 Million Restitution for Medicaid Fraud Scheme** – In May of 2018, Dr. David Johnson, 51, of Macomb County was sentenced to 218 days in jail, with 5 years’ probation, and ordered to pay \$1.7 million in restitution for committing Medicaid fraud. Schuette’s Health Care Fraud Division began an investigation into Johnson after receiving an allegation he was billing Medicaid using the identity of another dentist. He billed Medicaid and private insurance \$1.7 million over the course of three years. Johnson was originally charged in 2017 but was evading authorities outside the country until the U.S. Marshals Service caught up with him.

- **Saginaw Doctor Convicted of False Medicaid Claims for Payment** – In December of 2016, Attorney General Schuette secured a guilty plea from Dr. Chidozie Ononuju, 57, of Saginaw, on three felony counts of Medicaid Fraud-False Claim for fraudulent Medicaid billings. As part of his plea, Ononuju agreed to pay \$407,340 restitution to the Medicaid program. Ononuju was sentenced to five years' probation.
- **Former Medical Center Director Convicted of \$3.3 Million in Medicaid Fraud** – Attorney General Schuette's Medicaid Fraud Control Unit secured an Ingham County jury conviction of former Palmer Health Center medical director Deborah D'Anna, of Ocala, Florida, on 25 counts of Medicaid Fraud and one count of Racketeering for her role in a \$3.3 million Medicaid fraud scheme. D'Anna submitted thousands of fraudulent Medicaid claims to the state, collecting millions of taxpayer dollars to finance a lavish lifestyle in Florida. She was sentenced to prison.
- **False Licensure and Sexual Assault Convictions for Fake Doctor** – In September of 2012, Charles A. Mosimbwa, 43, of Berrien Springs, pled guilty to practicing medicine without a valid license and committing sexual assaults in the process. An investigation conducted by Attorney General Schuette's Medicaid Fraud Control Unit revealed that not only did Mosimbwa illegally practice medicine in Berrien Springs and Niles, he also used the guise of examining women to perpetrate sexual assaults. Mosimbwa was sentenced to prison for 5-20 years and will likely face deportation when released.
- **Felony Charges Against 11 In-Home Care Workers for Medicaid Abuse** – In January of 2014, Attorney General Schuette charged 11 individuals across Michigan for abusing the Medicaid-funded Independent Living Services Program (Home Help Services Program). In many cases the defendants, who were often family members of the Medicaid beneficiaries, allegedly received checks for services rendered to the beneficiaries after they died. All 11 were convicted via plea agreement.
- **Restitution from Oakland County Nursing Home Embezzler** – In January of 2015, secured the guilty plea of a former nursing home employee for her role in an embezzlement scheme at an Oakland County nursing home from 2010-2013. Tina Binkley, of Lapeer County, pleaded guilty to one count of Embezzlement from Vulnerable Adults. As part of the plea, Binkley agreed to pay restitution in the amount of \$460,266 to 136 victims.
- **Conviction of Former Summit Pointe CEO** – In July of 2015, Attorney General Schuette charged and subsequently convicted Ervin Brinker of Delton with offenses related to his embezzlement of public money as the CEO of Summit Pointe, a mental health contractor for Medicaid consumers in Battle Creek.
- **Southfield Doctor Convicted of Sex Offenses, Drug Delivery, Fraud** – In September of 2015, Schuette announced that John Ronald Verbovsky, of Southfield, was convicted and sentenced to five to 20 years in prison for prescribing controlled substances without any legitimate medical need in exchange for sex or cash. Verbovsky, a doctor of osteopathic medicine, also had his medical license permanently revoked in the first use of new patient protection laws that Schuette had championed in 2015.
- **\$39 Million Qualitest Pharmaceutical False Labeling Settlement** – In October of 2016, Attorney General Schuette helped secure \$693,241 for Michigan families from a national settlement worth \$39 million. Qualitest, the largest distributor of multivitamin-with-fluoride tablets in the United States, marketed tablets containing less than 50% of the fluoride claimed on its labels to child and family health care providers in Michigan. The mislabeling also caused health care providers to unknowingly submit incorrect claims to Medicaid and various federal health care plans, in violation of false claims laws.
- **\$22.8 Million GlaxoSmithKline Illegal Marketing and Pricing Settlement** – In July of 2012, Attorney General Schuette announced a settlement in a national lawsuit against U.K.-based drug manufacturer GlaxoSmithKline (GSK). As part of the agreement, the company agreed to pay Michigan approximately \$22.8 million as well as compensate other states and the federal government for its role in the illegal marketing and pricing of drugs it manufactures. By pleading guilty to criminal charges that it violated the federal Food, Drug, and Cosmetic Act, GSK admitted that the drugs Wellbutrin and Paxil were misbranded, meaning they contained labels not in accordance with Food and Drug Administration (FDA) approvals, and that GSK failed to report certain clinical data regarding their drug Avandia to the FDA. GSK also agreed to pay a \$1 billion criminal fine to the federal government.
- **\$14.5 Million Mylan EpiPen Settlement** – In October 2017, Attorney General Schuette joined other states and the federal government in a \$465 settlement against EpiPen manufacturer Mylan. Michigan's share of the settlement was just over \$14.5 million. As a precondition for obtaining Medicaid coverage for its drugs EpiPen and EpiPen Jr., Mylan was required to sign a Rebate Agreement with the Secretary of the United States Department of Health and Human Services and pay quarterly rebates to State Medicaid programs for drugs dispensed to Medicaid beneficiaries. Mylan misclassified these drugs which resulted in the underpayment of rebates to the State Medicaid programs. Because of Mylan misrepresenting the character of their drugs, Michigan Medicaid paid too much for EpiPen and EpiPen Jr.
- **\$2.4 Million Ranbaxy Medicaid Fraud Settlement** – Attorney General Schuette announced in May of 2013 that Michigan joined with other states and the federal government in a \$500 million settlement to resolve civil and criminal allegations that Ranbaxy, a generic pharmaceutical manufacturer based in Gurgaon, India, introduced adulterated drugs into interstate commerce. As a result, false or fraudulent claims were submitted to Michigan's Medicaid Program. Ranbaxy agreed to pay \$350 million dollars in civil damages and penalties to resolve civil allegations of poor manufacturing practices in two Indian manufacturing plants. Approximately \$267 million of this amount went to Medicaid programs, which are funded jointly by the states and the federal government. The total portion of the settlement amount recovered by Michigan is nearly \$2.4 million. The remaining \$83 million is designated for other federal health care programs affected by Ranbaxy's conduct. Additionally, Ranbaxy USA, a subsidiary, pled guilty to seven felony counts for violations of the U.S. Food, Drug, and Cosmetic Act, and agreed to pay \$150 million dollars in criminal fines and forfeitures.
- **\$42 Million Johnson & Johnson Settlement** – In November of 2013, Attorney General Schuette secured approximately \$41,972,615 in a settlement with New Jersey pharmaceutical manufacturer, Johnson & Johnson and its subsidiary, Janssen Pharmaceuticals, Inc., to resolve civil and criminal allegations of unlawful marketing practices to promote the sales of their atypical antipsychotic drugs, Risperdal and Invega, often prescribed to treat bipolar disorder, schizophrenia and autism. Under the terms of the civil settlement, the companies paid over \$1.2 billion to the states and the federal government. Michigan's share was approximately \$41,972,615, with most of the settlement returned to the state Medicaid program. Janssen agreed to pay an additional \$400 million in fines and forfeitures under a criminal plea agreement.

Drug Company Fraud Recoveries

As Attorney General, Schuette has aggressively pursued drug companies who commit fraud against the State of Michigan by misbranding or unlawfully marketing drugs. Because of Schuette's efforts, Michigan has recovered more than \$177 million from some of the largest drug manufacturers in the country:

- **Wyeth Pays Michigan \$17.1 Million to Resolve Drug Pricing Allegations** – In April of 2016, Attorney General Schuette announced that Michigan and 34 other states reached an agreement with Wyeth, a subsidiary of Pfizer, Inc. to resolve allegations that Wyeth knowingly underpaid rebates owed under the Medicaid Drug Rebate Program for the sales of Protonix Oral and Protonix IV between 2001 and 2006. Both drugs are used to treat conditions such as acid reflux. Under the settlement Wyeth agreed to pay \$784.6 million. Over \$371 million of this amount went to the Medicaid Program, with Michigan receiving \$17,172,274.

HEALTH CARE FACILITY RESIDENT ABUSE AND NEGLECT

Attorney General Schuette also prosecutes cases of vulnerable adult nursing home or other residential facility care abuse. Acknowledging that residents in nursing homes and other care facilities are among the most vulnerable and defenseless members of our society, Attorney General Schuette’s Health Care Fraud Division developed a brochure with them in mind. Available online, the brochure gives specific guidance on how to recognize and respond to patient abuse and neglect.

James Kelly Woods, Jr – Michigan Attorney General Bill Schuette charged CNA James Woods, Jr. with Vulnerable Adult Abuse in the Third Degree for punching a nursing home resident. On January 1, 2018, Woods was working as a charge CNA at Autumn Woods Residential Health Care in Warren. Another CNA heard Woods yell, “Didn’t I tell you to go to the toilet, you think I’m about to keep changing this [expletive],” at the victim resident. The CNA then witnessed Woods punch the resident two times in the upper left chest area and told the resident to answer him. The resident was examined after the assault and he had a hamburger bun sized bruise on the left side of his chest. This was in the same area where Woods punched him. Woods has since pled guilty.

Yahira Zamora/Denise Filcek – Michigan Attorney General Bill Schuette convicted Yahira Zamora, 21, of Wyoming, and Denise Filcek, 45, of Wayland, of felonies for their roles in the death of an 85-year-old female resident of Crystal Springs Assisted Living Center in Grand Rapids. Zamora and Filcek were working the night of October 26-27, 2016 when the victim exited the facility and became stranded outdoors in near-freezing temperatures and rain, leading to her death.

On the night in question, Zamora reset an alarmed door designed to keep residents, some of whom have advanced dementia, in the facility. She did so without determining whether any residents had exited the facility. The victim was found deceased outdoors on facility grounds several hours later.

Filcek was responsible for visual bed checks on all patients every thirty minutes, including accounting for the location of the victim. However, Filcek failed to check on the patients, instead checking off the boxes indicating she had done so without actually doing it. If Filcek had actually performed the bed checks, the victim may have been discovered outdoors in time to save her life.

In March 2017, Zamora was charged with second-degree vulnerable adult abuse and Filcek was charged with count of intentional inclusion of misleading or inaccurate information in a medical chart.

Zamora pleaded no contest in September 2017 and was sentenced to 6 months in jail. Filcek pleaded guilty in October 2017 and was given a six-month jail sentence. Her case is currently under appeal.

FUNGAL MENINGITIS OUTBREAK

“This tragedy, where hundreds of Michiganders suffered from infections and sadly, some even lost their lives, could have been deterred with more standards and requirements in place for compounding pharmacies. We owe it to these victims to put policies in place ensuring that a disaster of this magnitude does not strike twice.”

– Attorney General Bill Schuette

Attorney General Schuette took aggressive action to defend victims and survivors of the 2012 meningitis outbreak that resulted from tainted steroid injections manufactured by the New England Compounding Center (NECC). He pledged to bring those responsible for the devastation to justice, and to champion new laws that would strengthen oversight of compounding pharmacies.

In 2013, Attorney General Schuette and others proposed legislation to hold every compounding pharmacy operating in the state of Michigan responsible for the drugs they distribute and ensure pharmacists put patient safety first. The legislation passed the House and the Senate unanimously and is now state law. It added the following safeguards, among others:

- Accountability at the top
- Requirement of accurate record-keeping
- Background checks
- Frequent and robust oversight
- Consequences of criminal prosecution

On June 26, 2017 in Boston, Barry Cadden, President of NECC, was sentenced to 9 years in prison for the 76 deaths related to cost-cutting unsanitary cover-ups that caused the meningitis outbreak. NECC’s license was also suspended and the company was forced to cease operations in Michigan. The company can no longer do business in Michigan, and its surrender was reported as a disciplinary surrender to other states.

PATIENT SAFETY AT ABORTION CLINICS

In November 2011, Attorney General Schuette announced the permanent closing of two abortion clinics, in Lansing and Saginaw, due to their operating without physician ownership, a violation of state law. Per an agreement between the clinics’ owner and the Department of Attorney General, the owner was banned from ever organizing another abortion clinic in Michigan. During Attorney General Schuette’s time as attorney general, two have been closed due to unfit practices or other violations of the law that jeopardize patient safety.

MEDICAL MARIJUANA LAW LOOPHOLES

Vague wording in Michigan’s 2008 “medical marijuana” law continues to be a source of confusion for Michiganders, politicians and law enforcement. Too often, this well-intentioned reform has been abused by thousands of criminal operators trying to turn Michigan into an open market for pot dealers

Attorney General Schuette has continuously worked with lawmakers to block criminals from exploiting the law’s loopholes and has taken aggressive steps to control the distribution and sale of medical marijuana to keep illegal drugs off our streets and out of the hands of our children. This ongoing battle to return the law to its medical purposes is to protect families and communities while upholding state regulations.

[DEPARTMENT OF ATTORNEY GENERAL PRESS RELEASES 2011-2018](#)



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