

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

CRIMINAL NO. 04-80370

Plaintiff,

HON. JOHN CORBETT O'MEARA

v.

VIOLATIONS:

- D-1 ALI ABDUL KARIM FARHAT 18 U.S.C. § 157: BANKRUPTCY FRAUD
a/k/a Allen Farhat,
- D-2 ABDULAMIR BERRO 18 U.S.C. § 371: CONSPIRACY
a/k/a Abe Berro, a/k/a "Abed" 18 U.S.C. § 1001: FALSE STATEMENTS
- D-3 HASSAN ABDUL KARIM FARHAT,
- D-4 AKRAM ABDUL KARIM BERRO, 18 U.S.C. § 1341: MAIL FRAUD
- D-5 JAMAL SAADALLAH BERRO,
- D-7 ABDUL HALIM BERRO 18 U.S.C. § 1344: BANK FRAUD
- D-8 BILAL EL-SABLANI, 18 U.S.C. § 1349: BANK FRAUD CONSPIRACY
- D-9 NOURA BERRO,
- D-10 SAMI AHMAD BERRO, 18 U.S.C. § 1956: MONEY LAUNDERING
- D-11 ZEINAB BERRO,
- D-12 SADEK BERRO 18 U.S.C. § 1957: MONEY LAUNDERING
a/k/a Sam Berro,
- D-13 AMIRA ALI FARHAT 18 U.S.C. § 1962 RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS ACT;
- D-14 ABDUL KARIM AKRAM BERRO,
- D-15 HOUDA MOHAMAD BERRO,
- D-16 LINA REDA 18 U.S.C. § 2: AIDING AND ABETTING
a/k/a LINA BERRO
- D-17 ALMIRE ALI-SADEK BERRO,
- D-18 NASSIB SAADALLAH BERRO,
- D-19 SALWA NASSIB BERRO

Defendants.

SECOND SUPERSEDING INDICTMENT

FILED
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DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE GRAND JURY CHARGES:

PART I: INTRODUCTION

The Scheme

1. From in or about March 1999 through on or about April 2004, in the Eastern District of Michigan, Southern Division, and elsewhere, various defendants, together with others known and unknown to the grand jury, devised and intended to devise a scheme and artifice to defraud numerous banks, credit card companies, creditors, merchant service providers, mortgage lenders and bankruptcy trustees, and to obtain money and property by means of false and fraudulent pretenses, representations and promises ("the scheme").

2. To execute the scheme, many of the defendants processed or caused to be processed numerous credit card transactions at companies owned by the defendants as well as other establishments knowing and intending that the banks and credit card companies would not be paid for those transactions. In executing the scheme, these defendants employed a strategy to maximize the amount of cash and merchandise obtained from their credit cards. As part of the scheme, some of the defendants declared bankruptcy so that creditors could not collect the amounts owed. Various defendants also used bank accounts of third parties, transferred title to property in sham transactions, including to wives and adult children, and laundered money to conceal assets from creditors and bankruptcy trustees.

Plan And Purposes Of The Scheme

3. The plan and purpose of the scheme was for the defendants (a) to “bust out” credit cards, as described in paragraphs eight through ten of this Count, and otherwise incur charges without payment and thereby obtain cash and merchandise; (b) to evade collection efforts by creditors by declaring bankruptcy; (c) to transfer and otherwise hide assets, property and the proceeds of their fraudulent activity from creditors and bankruptcy trustees.

Manner And Means Of The Scheme

The manner and means by which the defendants sought to accomplish the plan and purposes of the scheme included, among others, the following:

4. The defendants possessed numerous credit cards and used various means to create the appearance of credit worthiness, such as inflating annual income on the credit card applications and submitting monthly payments over a period of time in order to maintain good credit standing.

5. The defendants in some instances aided each other in making monthly payments to establish or maintain the appearance of credit worthiness. In some such cases, credit card charges were processed at companies owned by the defendants and those defendants, receiving cash for the charges, would then make monthly payments on the credit cards of the account holder.

6. The defendants also made monthly payments from proceeds of home refinancing loans, fraudulently obtained, to maintain the credit cards in good standing until the time of the bust out.

7. Although the defendants would sometimes charge credit cards to or above the maximum limit and leave the balances unpaid, typically, the defendants employed a strategy to maximize the amount of free merchandise or cash obtainable from credit cards.

8. That strategy – sometimes referred to as a “bust out”-- began with charging the credit card to or near the credit limit. Once the balance on the credit card was at its limit, the defendants knowingly submitted a bogus payment – a worthless check, electronic or other form of payment – to the credit card company which appeared to significantly reduce or eliminate the amount owing on the card balance, thereby fraudulently inflating the credit available on the card.

9. The defendants used the United States mail or commercial carriers when they sent non-sufficient funds checks falsely representing payments on credit cards to the credit issuing companies.

10. Before the credit card company became aware of the worthless nature of the payment, the defendants and others made charges and aided one another in making charges at companies owned by the defendants and other establishments, usually up to or over the limit of the fraudulently inflated balance, knowing the credit card holder would

never pay for these charges. In this way, the defendants succeeded in obtaining cash and merchandise worth twice the credit limit of the credit card.

11. The defendants repeatedly used their credit cards at businesses owned by other defendants. When charges were processed at companies owned by the defendants, the defendants usually received either cash, rather than merchandise as in a legitimate credit card transaction with a merchant, or merchandise that they would then sell at significant profit and no cost since no payment was made to the credit card company for the purchase.

12. When charges were processed at companies owned by the defendants, the credit card company would transfer funds to those companies, usually through a merchant service provider, in the amount of the charges to the credit cards. In return for processing the bogus charges at their companies, the defendant company owners would keep a portion of the money fraudulently obtained from the credit card companies.

13. The bogus payments made by the defendants on the credit cards were ultimately declined for insufficient funds and the defendants made no further payments on the credit cards.

14. The defendants then took deliberate steps to evade collection efforts by declaring bankruptcy so that creditors could not attach assets or otherwise collect on the amounts owed to them. In addition, the defendants concealed and transferred assets, and aided one another in concealing and transferring assets, in contemplation of bankruptcy

so creditors could not attach those assets. For the same reasons, the defendants concealed the extent of their assets, property and the proceeds of fraudulent activity in their bankruptcy proceedings. As a result, their creditors suffered significant losses from unpaid and uncollectible debts.

PART II: GENERAL ALLEGATIONS

At all times pertinent to this Indictment:

15. ALI FARHAT owned and operated Sigma Distribution Inc. (hereinafter "SIGMA"), a Michigan corporation, located in Dearborn, Michigan, which was a distributor of fragrances and cosmetics.

16. ABDULAMIR BERRO owned or operated Byblous Distribution Investment, Inc. (hereinafter "BDI"), a Michigan corporation, located in Dearborn, Michigan, which also operated under the names "BDI," "BDI Wholesale," and "Budget Tele-Com," and was a cigarette wholesale business.

17. At various times, businesses closely associated with BDI were created. They included Berro Enterprises, L.L.C., Smoker City Stop Inc. and Tobacco Outlet Stop Inc.

18. At various times, SIGMA and BDI had arrangements with merchant service providers who provided SIGMA and BDI with the capability of accepting credit cards and who transmitted funds via wire transfer from bank accounts outside the State of

Michigan to bank accounts of SIGMA and BDI located in Michigan on behalf of the credit card issuers for credit card transactions processed at SIGMA and BDI.

19. Advanta Bank Corp., Associated Bank, Associates National Bank, Bank of America, Bank One, Capital One Bank, Chase Bank, Citibank, Columbus Bank and Trust, Direct Merchants Bank, Discover Bank, First USA Bank, N.A., Fleet Boston Financial Corp., The Huntington National Bank, Household Bank, Household Credit Services, N.A., JP Morgan Chase Bank, MBNA America Bank, National City Bank, People's State Bank, Retailer's National Bank, Southport Bank, Standard Federal Bank, Wachovia Bank, N.A., and World Savings Bank are all financial institutions as defined by Title 31, United States Code, Section 5312(a)(2), whose deposits are insured by the Federal Deposit Insurance Corporation.

20. ABN AMRO Mortgage Group, Inc. is an affiliate of Standard Federal Bank.

21. All dates in this indictment are alleged to be "on or about" the specific date stated.

PART III: RACKETEERING CONSPIRACY

**COUNT ONE
(18 U.S.C. § 1962(d) – RACKETEERING CONSPIRACY)**

D-1 ALI ABDUL KARIM FARHAT

a/k/a Allen Farhat,

D-2 ABDULAMIR BERRO

a/k/a Abe Berro, a/k/a “Abed,”

D-12 SADEK BERRO

a/k/a Sam Berro

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

THE ENTERPRISE

2. Defendants ALI FARHAT, ABDULAMIR BERRO, SADEK BERRO, and the legal entities SIGMA and BDI, and others known and unknown to the grand jury, constituted an enterprise as that term is defined in Title 18, United States Code, Section 1961(4), namely, a group of individuals and legal entities associated in fact, which engaged in and the activities of which affected interstate commerce. The enterprise constituted an ongoing organization whose members functioned as a continuing unit for a common purpose of achieving the objectives of the enterprise.

PURPOSES OF THE ENTERPRISE

3. The purposes of the enterprise included the following:
 - A. defrauding banks, merchant service providers and credit card issuers through fraudulent schemes in order to obtain money and property;
 - B. receiving, holding and distributing money received during the course of and as a result of fraudulent schemes;
 - C. disguising and concealing the defendants' interest in and control over the money;
 - D. concealing assets from creditors;
 - E. enriching the members of the enterprise and others, both in the United States and Lebanon.

4. The roles of the defendants in the enterprise were as follows:
 - A. ALI FARHAT was the President and owner of SIGMA and a leader of the enterprise in his role as a collusive merchant for the defendants and others in the bust out of numerous credit cards. ALI FARHAT processed credit card transactions for defendants and others through SIGMA, which on paper appeared legitimate, but which, in fact, were not intended to be paid by the account holder. Relying on the integrity of the transaction at SIGMA, the credit company, through a merchant service provider, paid ALI FARHAT the amount of money (less a fee) that had been charged on the

credit card at SIGMA. ALI FARHAT retained a percentage of that money for himself and gave the rest to the account holder who had made the bogus charge. The victim credit card company was never paid for the charges at SIGMA.

ALI FARHAT also solicited individuals and otherwise offered to process credit cards at SIGMA for cash, knowing that the charges would not be paid by the account holder. In addition, ALI FARHAT instructed individuals on how to bust out credit cards, provided advice about defrauding credit card companies and other creditors, and assisted in concealing assets so creditors could not attach them for payment.

B. ABDULAMIR BERRO was the brother-in-law of ALI FARHAT.

ABDULAMIR BERRO was also the President and owner of BDI and its related companies and a leader in the enterprise in his role as a collusive merchant for defendants and others in the bust out of numerous credit cards. ABDULAMIR BERRO processed credit card transactions for defendants and others through BDI which on paper appeared legitimate, but which, in fact, were not intended to be paid by the account holder. Relying on the integrity of the transaction at BDI and its related companies, the credit company, through a merchant service provider, paid ABDULAMIR BERRO the amount of money (less a fee) that had been charged on the

credit card at BDI and its related companies. ABDULAMIR BERRO retained a percentage of that money for himself and gave the rest to the account holder who had made the bogus charge. In some instances, ABDULAMIR BERRO would provide merchandise to the account holder who would then resell the merchandise at significant profit and at no cost since the credit card charge would never be paid. In either case, the victim credit card company was never paid for the charges at BDI.

ABDULAMIR BERRO also solicited individuals and otherwise offered to process credit cards at BDI for cash, knowing that the charges would not be paid by the account holder. In addition, ABDULAMIR BERRO instructed individuals on how to bust out credit cards and provided advice about defrauding credit card companies and other creditors and assisted in concealing assets so creditors could not attach them for payment.

- C. SADEK BERRO was the brother of defendant ABDULAMIR BERRO and brother-in-law of defendant ALI FARHAT. Defendant SADEK BERRO was a close associate of both defendants ALI FARHAT and ABDULAMIR BERRO in the scheme. Defendant SADEK BERRO's responsibilities included, but were not limited to, making payments on the credit cards of defendants in order to keep them in good standing before the time of the defendants' bust out. Defendant SADEK BERRO also used and caused

credit cards of defendants and others to be used for the benefit of defendants ALI FARHAT and ABDULAMIR BERRO and their companies. Defendant SADEK BERRO also recruited defendants to bust out their cards at SIGMA and BDI. Further, he taught defendants how to bust out their credit cards and how to file for bankruptcy in order to evade creditors and assisted in concealing assets so creditors could not attach them for payment.

THE RACKETEERING CONSPIRACY

5. From approximately March 1999 through approximately April 2004, in the Eastern District of Michigan, Southern Division, and elsewhere, defendants ALI FARHAT, ABDULAMIR BERRO, and SADEK BERRO, being persons employed by and associated with the enterprise described above in paragraphs 2 through 4 of Count One, which enterprise was engaged in, and the activities of which affected, interstate commerce, did knowingly and intentionally conspire and agree with each other and with persons known and unknown to the grand jury, to violate Title 18, United States Code, Section 1962(c), that is, to conduct and participate, directly and indirectly, in the conduct of the affairs of the enterprise, through a pattern of racketeering activity, as that term is defined in Title 18, United States Code, Sections 1961(1) and (5).

6. The pattern of racketeering activity consisted of multiple acts indictable under the following laws of the United States:

- A. Title 18, United States Code, Section 1344 (Bank Fraud);
- B. Title 18, United States Code, Section 1343 (Wire Fraud);
- C. Title 18, United States Code, Section 1956 (Money Laundering);
- D. Title 18, United States Code, Section 1957 (Money Laundering).

7. It was part of the conspiracy that each defendant agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the enterprise.

MANNER AND MEANS OF THE CONSPIRACY

8. Among the manner and means by which the defendants conducted and participated in the affairs of the enterprise, and accomplished and attempted to accomplish the objectives of the conspiracy, were the following:

THE SCHEME

9. The defendants devised and intended to devise the scheme as set forth in paragraphs 1 through 14 of the Introduction to this Indictment.

10. Defendants ALI FARHAT, ABDULAMIR BERRO and SADEK BERRO together with others known and unknown to the grand jury processed and caused to be processed credit card transactions at SIGMA, BDI and other establishments and fraudulently obtained money and merchandise, including tobacco inventory for defendant

ABDULAMIR BERRO and BDI, through those credit card transactions, knowing that payment would not be made for the transactions. Defendants ALI FARHAT, ABDULAMIR BERRO and SADEK BERRO fraudulently caused funds to be deposited via wire transfers from bank accounts held by merchant service providers to bank accounts of SIGMA and BDI as reimbursement for the credit card transactions occurring at SIGMA and BDI. Defendant ALI FARHAT caused fake invoices to be transmitted via facsimile to SIGMA's merchant service provider purporting to substantiate credit card transactions that had been processed at SIGMA. Defendants ALI FARHAT, ABDULAMIR BERRO and SADEK BERRO fraudulent concealed and assisted others known and unknown to the grand jury in concealing assets and funds from creditors and bankruptcy trustees and conducted financial transactions designed to conceal the nature and source of the proceeds of their fraudulent activity.

11. Defendants ABDULAMIR BERRO and SADEK BERRO, together with Zeinab Berro (not named as a defendant in this Count) made or caused to be made charges at BDI and other establishments on credit cards of defendant SADEK BERRO and his wife, Zeinab Berro, and fraudulently obtained money and merchandise, including tobacco inventory for defendant ABDULAMIR BERRO and BDI, through these credit card transactions, knowing that defendant SADEK BERRO and Zeinab Berro did not intend to make payments for those transactions.

12. Defendants ALI FARHAT and ABDULAMIR BERRO assisted defendant SADEK BERRO in concealing his true ownership of property and of funds in contemplation of the filing by SADEK BERRO and Zeinab Berro of bankruptcy and in order to avoid any application of assets and funds to offset his and Zeinab Berro's debts to creditors in bankruptcy.

13. Defendants ALI FARHAT, ABDULAMIR BERRO, together with Akram Berro and Jamal Berro (not named as defendants in this Count) made or caused to be made charges at SIGMA, BDI and other establishments on credit cards in the names of Akram Berro and his wife, Jamal Berro, and fraudulently obtained money and merchandise, including tobacco inventory for defendant ABDULAMIR BERRO and BDI, through these credit card transactions, knowing that Akram Berro and Jamal Berro did not intend to make payments for those transactions.

14. Defendant ABDULAMIR BERRO assisted Akram Berro and Jamal Berro in concealing their interest in the residence at 7510 Appoline, Dearborn, through the selling of that property to their son, Abdul Karim Berro (not named as a defendant in this Count), and then laundered the \$128,000 Akram and Jamal Berro received in that sale in order to conceal their true ownership of those funds.

15. Defendant ALI FARHAT assisted Akram Berro and Jamal Berro in fraudulently concealing their true ownership in the property at 25800 Labana Woods, Taylor, through the purchase of that property with his wife, Amira Farhat (not named as a defendant in this Count), who acted as a nominee buyer.

16. At the direction of ALI FARHAT, Hassan Farhat (not named as a defendant in this Count), the brother of defendant ALI FARHAT and an employee at SIGMA, processed fraudulent credit card transactions at SIGMA for cash.

17. Defendants ALI FARHAT, ABDULAMIR BERRO, SADEK BERRO, together with Sami Berro and his wife, Noura Berro (not named as a defendant in this Count), made or caused to be made charges at SIGMA, BDI and other establishments on credit cards in the name of defendant NOURA BERRO, and fraudulently obtained money and merchandise through these credit card transactions, knowing that defendant NOURA BERRO did not intend to make payments for those transactions.

18. Defendant SADEK BERRO assisted Noura Berro in her bankruptcy filing and proceedings in the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division, which Noura Berro initiated so that credit card companies and other creditors could not collect payment.

19. With defendant ALI FARHAT's approval, Sami Berro (not named as a defendant in this count) arranged for other individuals to process credit card transactions at SIGMA for cash.

20. Defendants ALI FARHAT, ABDULAMIR BERRO, SADEK BERRO, together with Nassib Berro (not named as a defendant in this Count) and his wife, Salwa Berro (not named as a defendant in this count) made or caused to be made charges at SIGMA, BDI and other establishments on credit cards in the name of Salwa Berro and fraudulently obtained money and merchandise through those credit card transactions, knowing that Salwa Berro did not intend to make payments for those transactions.

21. Defendant SADEK BERRO assisted Nassib Berro and Salwa Berro in their bankruptcy filing and proceedings in the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division, which Nassib Berro and Salwa Berro initiated so that credit card companies and other creditors could not collect payment

22. Defendant ABDULAMIR BERRO and Abdul Halim Berro (not named as a defendant in this Count) made or caused to be made charges at BDI and other establishments on credit cards in the name of Abdul Halim Berro and fraudulently obtained money and merchandise through these credit card transactions, knowing that defendant Abdul Halim Berro did not intend to make payments for those transactions.

23. Defendants ALI FARHAT, ABDULAMIR BERRO, SADEK BERRO and Bilal El-Siblani (not named as a defendant in this Count) made or caused to be made charges at BDI and other establishments on credit cards in the name of Bilal El-Siblani and fraudulently obtained money and merchandise through these credit card transactions,

knowing that Bilal El-Siblani did not intend to make payments for those transactions.

24. Defendant SADEK BERRO assisted Bilal El-Siblani in this fraudulent activity by making payments on credit cards held by Bilal El-Siblani.

25. All in violation of Title 18, United States Code, Section 1962(d).

**PART IV: BANK FRAUD AND BANKRUPTCY FRAUD COUNTS
(Counts 2 through 34)**

**COUNTS TWO THROUGH TWENTY-EIGHT
(18 U.S.C. §§ 1344, 2 – BANK FRAUD,
AIDING AND ABETTING)**

- D-1 ALI ABDUL KARIM FARHAT
a/k/a Allen Farhat,**
- D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a “Abed”,**
- D-4 AKRAM ABDUL KARIM BERRO,**
- D-5 JAMAL SAADALLAH BERRO,**
- D-7 ABDUL HALIM BERRO**
- D-8 BILAL EL-SABLANI,**
- D-9 NOURA BERRO,**
- D-10 SAMI AHMAD BERRO,**
- D-11 ZEINAB BERRO,**
- D-12 SADEK BERRO
a/k/a Sam Berro**
- D-18 NASSIB BERRO**
- D-19 SALWA BERRO**

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. From on or about March 1999 to on or about April 2004 in the Eastern

District of Michigan, Southern Division, defendants ALI FARHAT, ABDULAMIR BERRO, AKRAM BERRO, JAMAL BERRO, ABDUL HALIM BERRO, BILAL EL-SABLANI, NOURA BERRO, SAMI AHMAD BERRO, ZEINAB BERRO, SADEK BERRO, NASSIB BERRO and SALWA BERRO devised and executed, and aided and abetted each other and others known and unknown to the grand jury in devising and executing, a scheme to defraud financial institutions and to obtain credits, moneys and other property owned by, or in the custody or control of, federally insured financial institutions by means of materially false and fraudulent pretenses, representations and promises.

3. The defendants devised and intended to devise the scheme as set forth in paragraphs 1 through 14 of the Introduction to this Indictment, to fraudulently obtain money and property from financial institutions through credit card transactions knowing that no payment would be made for those transactions.

4. As part of the scheme, defendants used credit cards or caused others to use credit cards at BDI and SIGMA and at other establishments, with the assistance of ALI FARHAT, ABDULAMIR BERRO and SADEK BERRO, and then knowingly submitted or caused to be submitted non-sufficient funds checks and other forms of bogus payments to financial institutions falsely representing them as payments on credit card balances in order to defraud those financial institutions and to fraudulently obtain credit from them.

5. Each of the following constitutes a separate count of this Indictment:

Ct.	Defendant	Financial Institution	Credit Card Account Number	Location of Unpaid Charges	Date Insufficient Funds Posted To Account As Credit	Amount of Insufficient Funds Check
2	Zeinab Berro	Peoples Bank	5416-5100-0479-6764	At Martin & Snyder for BDI	03/23/01	\$9,800.00
3	Zeinab Berro	Citibank	5424-1800-7964-4354	At Martin & Snyder for BDI	04/05/01	\$12,600.00
4	Sadek Berro	Bank of America	5414-4131-0035-6637	Cash Advances	05/16/00	\$6,500.00
5	Sadek Berro	Citibank	5410-6540-4737-4118	Cash Advances	05/17/00	\$7,000.00
6	Sadek Berro	Direct Merchants Bank	5458-0040-1912-6125	BDI	05/21/01	\$800.00
7	Noura Berro	Discover	6011-3003-2800-1654	BDI	02/02/01	\$6,000.00
8	Noura Berro	MBNA America	5329-0005-9480-8852	BDI	02/05/01	\$4,000.00
9	Noura Berro	First National Bank	4418-0290-0095-9319	BDI	02/05/01	\$6,000.00
10	Bilal El-Sablani	MBNA	4264-2904-5264-4073	BDI	02/08/01	\$5,000.00
11	Bilal El-Sablani	Citibank	4128-0032-1308-2392	BDI	02/08/01	\$4,600.00
12	Bilal El-Sablani	Peoples Bank	4388-3201-0841-4208	BDI	02/13/01	\$7,500.00
13	Nassib Berro	Huntington National Bank	5422-2830-1007-8567	Jewelry Store	07/16/99 07/19/99	\$3,000.00 \$2,700.00

14	Nassib Berro	Capitol One	5291-0715-0899-8463	Miscellaneous Locations	07/16/99 07/23/99	\$500.00 \$450.00
15	Salwa Berro	Direct Merchant's Bank	5458-0005-7900-2334	BDI	11/21/01	\$2,412.00
16	Akram Berro	First USA Bank	4085-6700-0076-8283	Sigma; Martin & Snyder for BDI	12/20/01	\$8,000.00
17	Akram Berro	National City Bank Visa	4311-9660-1406-2838	Sigma; Budget Telecom; Martin & Snyder for BDI	12/27/01	\$5,500.00
18	Akram Berro	The Edvance Card	4305-5006-0202-7719	Sigma; Martin & Snyder for BDI	12/27/01	\$9,000.00
19	Akram Berro	Citibank Platinum Visa	5424-1805-2684-2684	Martin & Snyder for BDI	12/27/01	\$4,000.00
20	Jamal Berro	Citibank Associates National Bank	4018-0401-8064-4716	Sigma	12/21/01	\$3,000.00
21	Jamal Berro	Citibank Associates Gold Mastercard	5418-8703-7023-4826	Appliance & Electrical Stores	12/21/01	\$5,000.00
22	Jamal Berro	First National Bank of Omaha	4418-0290-0118-1731	Sigma; BDI; Martin & Snyder for BDI	12/21/01	\$6,400.00
23	Abdul Halim Berro	Discover	6011-0057-0062-0688	Sam's Club & elsewhere	06/16/02	\$14,250.00
24	Abdul Halim Berro	People's Bank	4017-3500-0215-7222	BDI	06/24/02	\$7,500.00

25	Abdul Halim Berro	People's Bank	5466-7470-0152-5635	BDI	06/24/02	\$5,450.00
26	Abdul Halim Berro	Citibank	4128-0039-8457-1953	BDI	06/12/02	\$8,550.00
27	Abdul Halim Berro	National City	4311-9660-1300-3130/4311-9660-1739-5268	BDI	06/23/02	\$6,750.00
28	Abdul Halim Berro	Capital One-Kmart	5397-0020-6550-7218	BDI	06/23/02	\$9,750.00

6. All in violation of Title 18, United States Code, Sections 1344 and 2.

**COUNTS TWENTY-NINE THROUGH THIRTY-FOUR
(18 U.S.C. §§ 157(1), 2 – BANKRUPTCY FRAUD,
AIDING AND ABETTING)**

D-4 AKRAM ABDUL KARIM BERRO,
D-5 JAMAL SAADALLAH BERRO,
D-7 ABDUL HALIM BERRO,
D-8 BILAL EL-SABLANI,
D-9 NOURA BERRO,
D-11 ZEINAB BERRO,
D-12 SADEK BERRO
a/k/a Sam Berro,
D-18 NASSIB BERRO
D-19 SALWA BERRO

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. From approximately March 1999 to April 2004, in the Eastern District of Michigan, Southern Division and elsewhere, defendants, AKRAM BERRO, JAMAL BERRO, ABDUL HALIM BERRO, BILAL EL-SABLANI, NOURA BERRO, ZEINAB BERRO, SADEK BERRO, NASSIB BERRO and SALWA BERRO knowingly devised and executed, and aided and abetted each other and others known and unknown to the grand jury, in devising and executing, a scheme and artifice to defraud numerous issuers of credit cards as set forth in paragraphs 1 through 14 of the Introduction to this Indictment, hereby incorporated into this count.

3. In order to execute the scheme and artifice to defraud creditors and in order to evade collection efforts by those creditors for their credit card debts, defendants, AKRAM BERRO, JAMAL BERRO, ABDUL HALIM BERRO, BILAL EL-SABLANI, NOURA BERRO, ZEINAB BERRO, SADEK BERRO, NASSIB BERRO and SALWA BERRO on the dates noted below, signed and filed in United States Bankruptcy Court for the Eastern District of Michigan petitions under Title 11 of the United States Code, the Bankruptcy Code, claiming the approximate amounts noted below in debt, including credit card debt. Each filing noted below constitutes a separate count of this Indictment.

Ct.	Defendant	Date of Bankruptcy Petition Filing	Total Bankruptcy Amount	Number of Credit Cards on Bankruptcy Petition	Approximate Amount of Credit Card Debt	Claimed Assets
29	Zeinab Berro Sadek Berro	08/29/01	\$554,878.34	37	\$280,000.00	\$208,700.00
30	Noura Berro	09/19/01	\$124,549.77	15	\$98,199.00	\$2,500.00

31	Bilal El-Sablani	12/18/01	\$489,174.25	23	\$240,000.00	\$22,300.00
32	Nassib Berro Salwa Berro	04/25/02	\$468,301.09	71	\$430,000.00	\$5,350.00
33	Akram Berro Jamal Berro	05/23/02	\$521,657.09	76	\$440,000.00	\$8,676.00
34	Abdul Halim Berro	02/11/03	\$421,120.00	40	\$325,000.00	\$1,000.00

4. All in violation of Title 18 United States Code, Sections 157(1) and 2.

**PART V: THE SADEK BERRO AND ZEINAB BERRO FRAUD ACTIVITY AND
MONEY LAUNDERING
(Counts 35 through 36)**

**COUNT THIRTY-FIVE
(18 U.S.C. § 371 – CONSPIRACY)**

- D-1 ALI ABDUL KARIM FARHAT
a/k/a Allen Farhat,
D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a “Abed,”
D-11 ZEINAB BERRO,
D-12 SADEK BERRO
a/k/a Sam Berro**

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. Between May 2000 and September 2001, in the Eastern District of Michigan, Southern Division, defendants ALI FARHAT, ABDULAMIR BERRO, SADEK BERRO and ZEINAB BERRO did knowingly combine, conspire and agree with each other and persons known and unknown to the grand jury:

- A. to violate Title 18, United States Code, Section 1344 (Bank Fraud), by knowingly executing and attempting to execute a scheme and artifice to defraud financial institutions, as set forth in paragraphs 1 through 14 of the Introduction to this Indictment and to obtain money, funds, or other property owned by, or in the custody or control of, federally insured financial institutions by means of materially false and fraudulent pretenses, representations and promises;
- B. to violate Title 18, United States Code, Section 1341 (Mail Fraud) by knowingly placing and causing to be placed in an authorized depository for mail, for delivery by the United States Postal Service and private or commercial interstate mail carriers, non-sufficient funds checks representing payments on credit cards, for the purpose of executing and in furtherance of the scheme and artifice to defraud, as set forth in paragraphs 1 through 14 of the Introduction to this Indictment, and to obtain money or property by means of materially false and fraudulent pretenses, representations and promises.

OBJECTS OF THE CONSPIRACY

3. The defendants conspired and agreed with each other and others known and unknown to the grand jury a) to defraud financial institutions and other credit card issuers by busting out credit card accounts and otherwise incurring charges without making payments; b) to obtain cash and merchandise by using credit cards at BDI and other establishments for which payment was never made; c) to evade collection efforts by creditors by declaring bankruptcy; and d) to conceal assets and the proceeds of their fraudulent activity in order to evade creditors and avoid detection.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, on or about the dates set out below, one or more of the defendants performed and caused to be performed overt acts, including but not limited to the following, in the Eastern District of Michigan, Southern Division, and elsewhere:

Citibank, account no. 5424-1800-7964-4354

4. On April 5, 2001, the defendants mailed or caused to be mailed non-sufficient funds check no. 392 in the amount of \$12,600.00 as payment on the Citibank account of ZEINAB BERRO, account number 5424-1800-7964-4354.

5. On April 16, 2001, defendants ABDULAMIR BERRO and SADEK BERRO caused a transaction in the amount of \$9,500 to be processed at Martin & Snyder, a cigarette wholesaler, on ZEINAB BERRO's Citibank account for the purchase of tobacco products for ABDULAMIR BERRO's business, BDI.

Purchase of 7749 West Morrow, Dearborn

6. From June 15, 2001 through August 31, 2001, defendant SADEK BERRO, with the assistance of defendants ALI FARHAT and ABDULAMIR BERRO, participated in a transaction to purchase a residence located at 7749 West Morrow, Dearborn, Michigan in the name of defendant SADEK BERRO's son, Almire Berro (not named as a defendant in this Count).

7. On June 14, 2001, defendant ALI FARHAT, at defendant SADEK BERRO's request, provided \$12,399 as part of the down payment for the property as a "gift" on June 14, 2001.

8. On June 14, 2001, defendant ABDULAMIR BERRO provided \$27,400 as part of the down payment as a "gift" on June 14, 2001. Defendant SADEK BERRO had previously deposited that approximate amount into a BDI account held by ABDULAMIR BERRO.

Bankruptcy Filing

9. On August 29, 2001, defendants SADEK BERRO and ZEINAB BERRO jointly filed or caused to be filed a voluntary petition for bankruptcy, under Chapter 7 of Title 11, United States Code, in United States Bankruptcy Court for the Eastern District of Michigan, Southern Division.

10. Defendant SADEK BERRO failed to disclose in connection with their bankruptcy case that he had an interest in the real property located at 7749 West Morrow, Dearborn, Michigan.

11. All in violation of Title 18, United States Code, Sections 371.

**COUNT THIRTY-SIX
(18 U.S.C. § 1956(h) - CONSPIRACY TO LAUNDER MONEY)**

**D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a "Abed"**

**D-12 SADEK BERRO
a/k/a Sam Berro**

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. From March 31, 2001 to June 15, 2001, in the Eastern District of Michigan, Southern Division, defendants ABDULAMIR BERRO and SADEK BERRO did knowingly combine, conspire and agree with each other and persons known and unknown to the grand jury to conduct a financial transaction, knowing the funds involved were proceeds derived from some form of unlawful activity, and in fact involved proceeds of

bankruptcy fraud, 18 U.S.C. § 152, a specified unlawful activity within the meaning of Title 18, United States Code, Section 1956(c)(7), knowing that the transaction was designed, in whole or part, to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of the above specified unlawful activity.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, defendants ABDULAMIR BERRO and SADEK BERRO performed or caused to be performed the following overt actions, among others:

3. From March 31, 2001 through June 14, 2001, defendant ABDULAMIR BERRO deposited funds into BDI's Bank One account, number 362435504, in the form of checks made payable to defendant SADEK BERRO that had been issued by insurance companies.

4. On June 15, 2001, defendant ABDULAMIR BERRO withdrew funds from BDI's Bank One account, number 362435504, in the form of an official check, number 262274629, in the amount of \$27,400 and made payable to defendant ALMIRE BERRO, defendant SADEK BERRO's son.

5. All in violation of Title 18, United States Code, Section 1956(h).

**PART VI: THE AKRAM BERRO AND JAMAL BERRO
FRAUD ACTIVITY AND MONEY LAUNDERING
(Counts 37 through 39)**

**COUNT THIRTY-SEVEN
(18 U.S.C. § 371 – CONSPIRACY)**

- D-1 ALI ABDUL KARIM FARHAT**
a/k/a Allen Farhat,
D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a “Abed,”
D-4 AKRAM ABDUL KARIM BERRO,
D-5 JAMAL SAADALLAH BERRO,
D-12 SADEK BERRO
a/k/a/ Sam Berro

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.
2. From December 2000 until November 2002, in the Eastern District of Michigan, Southern Division, defendants ALI FARHAT, ABDULAMIR BERRO, SADEK BERRO, AKRAM BERRO, and his wife, defendant JAMAL BERRO, did knowingly combine, conspire and agree with each other and persons known and unknown to the grand jury:
 - A. to violate Title 18, United States Code, Section 1344 (Bank Fraud), by knowingly executing and attempting to execute a scheme and artifice to defraud financial institutions, as set forth in paragraphs 1 through 14 of the Introduction to this Indictment and to obtain money, funds, or other property owned by, or in the custody or control of, federally insured

financial institutions by means of materially false and fraudulent pretenses, representations and promises;

- B. to violate Title 18, United States Code, Section 1341 (Mail Fraud) by knowingly placing and causing to be placed in an authorized depository for mail, for delivery by the United States Postal Service and private or commercial interstate mail carriers, non-sufficient funds checks representing payments on credit cards, for the purpose of executing and in furtherance of the scheme and artifice to defraud, as set forth in paragraphs 1 through 14 of the Introduction to this Indictment, and to obtain money or property by means of materially false and fraudulent pretenses, representations and promises.

OBJECTS OF THE CONSPIRACY

3. The defendants conspired and agreed with each other and others known and unknown to the grand jury a) to defraud financial institutions and other credit card issuers by busting out credit card accounts and otherwise incurring charges without making payments; b) to obtain cash and merchandise by using credit cards at SIGMA, BDI and other establishments for which payment was never made; c) to evade collection efforts by creditors by declaring bankruptcy; and d) to conceal assets and the proceeds of their fraudulent activity in order to evade creditors and avoid detection.

OVERT ACTS

4. In furtherance of the conspiracy and to accomplish its objects, on or about the dates set out below, one or more of the defendants performed and caused to be performed overt acts, including but not limited to the following, in the Eastern District of Michigan and elsewhere:

5. In a telephone conversation on September 8, 2001, defendant AKRAM BERRO asked defendant ABDULAMIR BERRO to process a credit card transaction for \$2,000 cash for defendant AKRAM BERRO to bring to Lebanon.

First USA Bank, account no. 4085-6700-0076-8283

6. On November 17, 2001, a credit card transaction on the First USA Bank credit card of defendant AKRAM BERRO was processed at Martin & Snyder on the account and for the benefit of BDI.

7. On December 20, 2001, defendant AKRAM BERRO made or caused a payment to be made by non-sufficient funds check 2023 to First USA Bank in the amount of \$8,000 falsely representing it as payment on the account.

8. On December 21, 2001, a credit card transaction on defendant AKRAM BERRO's First USA Bank credit card in the amount of \$6,940 was processed at defendant ALI FARHAT's company, SIGMA.

**Citibank Associates National Bank,
account no. 4018-0401-8064-4716**

9. On December 20, 2000, a credit card transaction was processed at BDI in the amount of \$4,700 on the Citibank Associates National Bank credit card of JAMAL BERRO, account number 4018-0401-8064-4716.

10. Between March 7, 2001 and September 22, 2001, ABDULAMIR BERRO mailed and caused to be mailed to Citibank Associates checks representing monthly payments on JAMAL BERRO's Citibank credit card account.

11. On December 21, 2001, JAMAL SAADALLAH BERRO mailed and caused to be mailed a non-sufficient funds check in the amount of \$3,000 falsely representing it as payment on the account.

12. On December 22, 2001, a credit card charge in the amount of \$2,800 was processed at SIGMA, ALI FARHAT's company.

7510 Appoline, Dearborn, Michigan

13. On February 15, 2002, defendants AKRAM BERRO and JAMAL BERRO transferred title to their residence at 7510 Appoline, Dearborn, Michigan, to their son, Abdul Karim Berro (not named a defendant in this Count) in a sale of the property to him.

14. In his mortgage loan application, Abdul Karim Berro falsely represented that he earned \$3,900 from BDI, defendant ABDULAMIR BERRO's company.

15. At the time of the "sale" of the 7510 Appoline residence to their son,

defendants AKRAM BERRO and JAMAL BERRO failed to disclose in closing affidavits and elsewhere that there was a lien on that residence held by ABN AMRO Mortgage Group, Inc.

16. On February 15, 2002, defendants AKRAM BERRO and JAMAL BERRO received \$128,094 in a check issued by the Title Company of Michigan.

17. On the same date, February 15, 2002, defendants AKRAM BERRO and JAMAL BERRO caused a certified check to issue to ABDULAMIR BERRO's company, Berro Enterprises, in the amount of \$128,089.37.

Bankruptcy Filing

18. On May 23, 2002, defendants AKRAM BERRO and JAMAL BERRO jointly filed or caused to be filed a voluntary petition for bankruptcy, under Chapter 7 of Title 11, United States Code, in United States Bankruptcy Court for the Eastern District of Michigan, Southern Division.

19. Defendants AKRAM BERRO and JAMAL BERRO failed to disclose in connection with their bankruptcy case that they had received \$128,000 in proceeds from the sale of their residence at 7510 Appoline, Dearborn, Michigan in April 2002.

20. From October 2002 through November 2002, while the bankruptcy petition of defendants AKRAM BERRO and JAMAL BERRO was pending, defendant ALI FARHAT participated and assisted in the purchase of property located at 25800 Labana Woods, Taylor, Michigan, in which the wife of ALI FARHAT, AMIRA ALI FARHAT,

was a nominee buyer and fraudulently concealed that defendants AKRAM BERRO and JAMAL BERRO were the true owners of the property.

21. All in violation of Title 18, United States Code, Sections 371.

COUNT THIRTY-EIGHT
(18 U.S.C. § 1956(h)- CONSPIRACY TO LAUNDER MONEY)

D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a "Abed"
D-4 AKRAM ABDÚL KARIM BERRO
D-5 JAMAL SAADALLAH BERRO

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. From February 15, 2002 to May 14, 2002, in the Eastern District of Michigan, Southern Division, defendants ABDULAMIR BERRO, AKRAM BERRO and JAMAL BERRO did knowingly combine, conspire and agree with each other and persons known and unknown to the grand jury to conduct a financial transaction, knowing the funds involved were proceeds derived from some form of unlawful activity, and which in fact involved proceeds of bank fraud, a specified unlawful activity within the meaning of Title 18, United States Code, Section 1956 (c)(7), with the intent to promote specified unlawful activities, namely bank fraud (18 U.S.C. § 1344) and bankruptcy fraud (18 U.S.C. § 152) and knowing that the transaction was designed, in whole or part, to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of the specified unlawful activity.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, defendants ABDULAMIR BERRO, AKRAM BERRO and JAMAL BERRO performed or caused to be performed the following overt actions, among others:

3. On February 15, 2002, AKRAM BERRO and JAMAL BERRO used proceeds of a bank fraud associated with their sale of 7510 Appoline, Dearborn, Michigan to purchase an official check, number 0052703, in the amount of \$128,089.37 at Fifth Third Bank payable to Berro Enterprises, representing proceeds of bank fraud.

4. On February 15, 2002, ABDULAMIR BERRO deposited that official check into the Bank One account, number 175001965821, of Berro Enterprises.

5. On February 21, 2002, ABDULAMIR BERRO withdrew funds from the Berro Enterprise Bank One account in the form of an official check in the amount of \$84,000 made payable to Metropolitan Title for the purchase of 22640 Kelly Road and 18700 Nine Mile Road, Eastpointe, Michigan.

6. On February 28, 2002, ABDULAMIR BERRO transferred \$70,000 from the Berro Enterprises Bank One account to Berro Enterprises Fifth Third account.

7. From February 28, 2002 through May 7, 2002, defendant ABDULAMIR BERRO and AKRAM ABDUL KARIM BERRO engaged in a number of financial transactions whereby ABDULAMIR BERRO withdrew from the Berro Enterprises Fifth

Third account approximately \$48,000 in the form of checks made payable to AKRAM ABDUL KARIM BERRO.

8. From May 10, 2002 to May 14, 2002, ABDULAMIR BERRO withdrew funds from the Berro Enterprises Fifth Third account in the form of checks for expenses associated with establishing a business, A & S Oil, for and on behalf of AKRAM ABDUL KARIM BERRO.

9. All in violation of Title 18, United States Code, Section 1956(h).

**COUNT THIRTY-NINE
(18 U.S.C. § 1349- CONSPIRACY TO COMMIT BANK FRAUD)**

**D-1 ALI ABDUL KARIM FARHAT
a/k/a Allen Farhat,
D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a "Abed,"
D-4 AKRAM ABDUL KARIM BERRO,
D-5 JAMAL SAADALLAH BERRO,
D-13 AMIRA ALI FARHAT**

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. From approximately October 2002 to March 8, 2005, in the Eastern District of Michigan, Southern Division and elsewhere, defendants ALI FARHAT, ABDULAMIR BERRO, AKRAM BERRO, JAMAL BERRO, and AMIRA ALI FARHAT, did knowingly combine, conspire and agree with each other and persons known and unknown to violate Title 18, United States Code, Section 1344, Bank Fraud,

by knowingly executing and attempting to execute a scheme and artifice to obtain money, funds, or other property owned by, or in the custody or control of, federally insured financial institutions by means of materially false and fraudulent pretenses, representations and promises.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects defendants ALI FARHAT, ABDULAMIR BERRO, AKRAM BERRO, JAMAL BERRO, and AMIRA FARHAT performed or caused to be performed the following overt actions, among others:

3. On October 14, 2002, defendant AMIRA FARHAT made false representations in a mortgage loan application for the purchase of 25800 Labana Woods, Taylor, regarding her use of that property as her primary residence, when, in fact, she was acting as a nominee buyer for defendants AKRAM BERRO and JAMAL BERRO.

4. In October 2002, defendant AKRAM BERRO participated in the negotiations for the purchase of the residence located at 25800 Labana Woods, Taylor, Michigan.

5. On or about November 7, 2002, defendant ABDULAMIR BERRO caused official checks to issue made payable to defendant AMIRA FARHAT for a total approximate amount of \$23,000 for the purchase of the property.

6. On November 12, 2002, World Savings Bank issued a mortgage loan for

\$197,250 to defendants AMIRA FARHAT and ALI FARHAT based on information in the loan application, including false information relating to defendant AMIRA FARHAT's employment at and income from SIGMA.

7. All in violation of Title 18, United States Code, Section 1349.

PART VII: THE HASSAN FARHAT FRAUD ACTIVITY

COUNT FORTY (18 U.S.C. § 371 – CONSPIRACY)

D-1 ALI ABDUL KARIM FARHAT
a/k/a Allen Farhat,

D-3 HASSAN ABDUL KARIM FARHAT

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. From January 17, 2001, until January 2004, in the Eastern District of Michigan, Southern Division, defendants ALI FARHAT and HASSAN FARHAT did knowingly combine, conspire and agree with each other and persons known and unknown to the grand jury:

- A. to violate Title 18, United States Code, Section 1344 (Bank Fraud), by knowingly executing and attempting to execute a scheme and artifice to defraud financial institutions, as set forth in paragraphs 1 through 14 of the Introduction to this Indictment and to obtain money, funds, or other property

owned by, or in the custody or control of, federally insured financial institutions by means of materially false and fraudulent pretenses, representations and promises;

- B. to violate Title 18, United States Code, Section 1343 (Wire Fraud) by knowingly executing and attempting to execute a scheme to defraud, as set forth in paragraphs 1 through 14 of the Introduction to this Indictment, and to obtain money or property by means of materially false and fraudulent representations, and for the purposes of executing the scheme, causing the interstate wire transmission of writings, signs, signals and sounds.

OBJECTS OF THE CONSPIRACY

3. The defendants conspired and agreed with each other and others known and unknown to the grand jury (a) to defraud financial institutions and other credit card issuers by processing fraudulent credit card transactions; and (b) to conceal the fraudulent transactions.

OVERT ACTS

4. In furtherance of the conspiracy and to accomplish its objects, on or about the dates set out below, one or more of the defendants performed and caused to be performed overt acts, including but not limited to the following, in the Eastern District of Michigan and elsewhere:

5. On February 4, 2002, a false invoice was created showing purchases of fragrance products totaling \$7,450 by Hussein Berro at SIGMA, and listing the "REP" as "HF." The invoice was created to make fraudulent credit card transactions appear to be legitimate.

6. On September 27, 2002, ALI FARHAT, HASSAN FARHAT and another individual discussed processing a \$5,000 charge on the American Express card of the card holder at SIGMA, without the knowledge of the card holder, to obtain cash to satisfy a debt owed by the card holder to ALI FARHAT.

7. On December 15, 2003, at the direction of ALI FARHAT, HASSAN FARHAT caused a \$250 transaction to be processed at SIGMA's perfume counter at the Gibraltar Trade Center on the Aspire Visa credit card of an individual known to the grand jury, kept \$20, and gave \$230 to the individual.

8. All in violation of Title 18, United States Code, Section 371.

**PART VIII: THE SAMI BERRO, NOURA BERRO AND LINA BERRO
FRAUD ACTIVITY
(Counts 41 and 42)**

**COUNT FORTY-ONE
(18 U.S.C. § 371 – CONSPIRACY)**

- D-1 ALI ABDUL KARIM FARHAT
a/k/a Allen Farhat,**
- D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a “Abed,”**
- D-9 NOURA BERRO,**
- D-10 SAMI AHMAD BERRO**

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. From August 1999 until October 2002, in the Eastern District of Michigan, Southern Division, defendants ALI FARHAT, ABDULAMIR BERRO, NOURA BERRO and SAMI BERRO did knowingly combine, conspire and agree with each other and persons known and unknown to the grand jury:

- A. to violate Title 18, United States Code, Section 1344 (Bank Fraud), by knowingly executing and attempting to execute a scheme and artifice to defraud financial institutions, as set forth in paragraphs 1 through 14 of the Introduction to this Indictment and to obtain money, funds, or other property owned by, or in the custody or control of, federally insured

financial institutions by means of material false and fraudulent pretenses, representations and promises;

- B. to violate Title 18, United States Code, Section 1341 (Mail Fraud) by knowingly placing and causing to be placed in an authorized depository for mail, for delivery by the United States Postal Service and private or commercial interstate mail carriers, non-sufficient funds checks representing payments on credit cards, for the purpose of executing and in furtherance of the scheme and artifice to defraud, as set forth in paragraphs 1 through 14 of the Introduction to this Indictment, and to obtain money or property by means of materially false and fraudulent pretenses, representations and promises.

OBJECTS OF THE CONSPIRACY

3. The defendants conspired and agreed with each other and others known and unknown to the grand jury a) to defraud financial institutions and other credit card issuers by busting out credit card accounts and otherwise incurring charges without making payments; b) to obtain cash and merchandise by using credit cards at SIGMA, BDI and other establishments for which payment was never made; c) to evade collection efforts by creditors by declaring bankruptcy; and d) to conceal assets and the proceeds of their fraudulent activity in order to evade creditors and avoid detection.

OVERT ACTS

In furtherance of the conspiracy and to effect its objects, the defendants, and others known and unknown to the grand jury, performed overt acts, including, but not limited to the following:

4. In a telephone conversation on April 3, 2001, defendant SAMI BERRO requested that defendant ALI FARHAT process a credit card transaction on the American Express card of a third party for cash.

First National Bank, account no. 4418-0290-0095-9319

5. On November 22, 1999, a transaction in the amount of \$2,950 was processed at BDI on NOURA BERRO's First National Bank credit card account, number 4418-0290-0095-9319.

6. On May 13, 2000, a Western Union money order issued from the account of defendant SAMI BERRO in the amount of \$294.00 was mailed to First National Bank as payment on the credit card.

7. On February 1, 2001, a transaction in the amount of \$1,791 was processed at BDI on defendant NOURA BERRO's First National Bank credit card.

8. On February 5, 2001, defendant NOURA BERRO mailed or caused to be mailed non-sufficient funds check number 629 in the amount of \$6,000 to First National Bank falsely representing it as payment on the account.

Bankruptcy Filing

9. On September 19, 2001, NOURA BERRO filed a voluntary petition for bankruptcy on September 19, 2001, under Chapter 7 of Title 11, United States Code, in United States Bankruptcy Court for the Eastern District of Michigan, Southern Division.

10. In that bankruptcy petition, defendant NOURA BERRO stated that she held no interest in real property when, in fact, defendant NOURA BERRO had an interest in the real property located at 6479 Hartwell, Dearborn, Michigan.

11. On October 18, 2001, defendant SADEK BERRO drove defendant NOURA BERRO to the to attend a hearing on her bankruptcy filing.

12. On October 18, 2001, defendant SADEK BERRO attended the bankruptcy hearing of defendant NOURA BERRO before a U.S. Bankruptcy Trustee at the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division.

13. All in violation of Title 18, United States Code, Sections 371.

**COUNT FORTY-TWO
(18 U.S.C. §§ 1001, 2 - FALSE STATEMENTS,
AIDING AND ABETTING)**

D-10 SAMI AHMAD BERRO

D-16 LINA REDA

a/k/a/ LINA BERRO

1. On or about October 11, 2002, in the Eastern District of Michigan, Southern Division, defendants SAMI AHMAD BERRO and LINA REDA did knowingly and willfully make, and aid and abet in making, false, fictitious, and fraudulent materially

statements and representations in a matter within the jurisdiction of the United States Department of Housing and Urban Development, a department of the executive branch of the government of the United States, in that in a Uniform Residential Loan Application for a Federal Housing Administration-insured loan for the purchase of property located at 6479 Hartwell, Dearborn, Michigan, defendant LINA REDA a/k/a/ LINA BERRO stated that she earned a monthly income of \$5,277.37 working at a Subway restaurant, 8001 Gratiot Avenue, Detroit, Michigan, knowing the same to be false.

2. All in violation of Title 18, United States Code, Sections 1001(a)(2) and 2.

**PART IX: THE NASSIB BERRO AND SALWA BERRO
FRAUD ACTIVITY
(Count 43)**

**COUNT FORTY-THREE
(18 U.S.C. § 371 – CONSPIRACY)**

- D-1 ALI ABDUL KARIM FARHAT
a/k/a Allen Farhat,**
- D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a “Abed,”**
- D-12 SADEK BERRO
a/k/a Sam Berro**
- D-18 NASSIB BERRO,**
- D-19 SALWA BERRO,**

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. From June 1999 until April 2002, in the Eastern District of Michigan,

Southern Division, defendants ALI FARHAT, ABDULAMIR BERRO, SADEK BERRO, NASSIB BERRO and SALWA BERRO did knowingly combine, conspire and agree with each other and persons known and unknown to the grand jury:

- A. to violate Title 18, United States Code, Section 1344 (Bank Fraud), by knowingly executing and attempting to execute a scheme and artifice to defraud financial institutions, as set forth in paragraphs 1 through 14 of the Introduction to this Indictment and to obtain money, funds, or other property owned by, or in the custody or control of, federally insured financial institutions by means of material false and fraudulent pretenses, representations and promises;
- B. to violate Title 18, United States Code, Section 1341 (Mail Fraud) by knowingly placing and causing to be placed in an authorized depository for mail, for delivery by the United States Postal Service and private or commercial interstate mail carriers, non-sufficient funds checks representing payments on credit cards, for the purpose of executing and in furtherance of the scheme and artifice to defraud, as set forth in paragraphs 1 through 14 of the Introduction to this Indictment, and to obtain money or property by means of materially false and fraudulent pretenses, representations and promises.

OBJECTS OF THE CONSPIRACY

3. The defendants conspired and agreed with each other and others known and unknown to the grand jury a) to defraud financial institutions and other credit card issuers by busting out credit card accounts and otherwise incurring charges without making payment; b) to obtain cash and merchandise by using credit cards at BDI and other establishments for which payment was never made; c) to evade collection efforts by creditors by declaring bankruptcy; and d) to conceal assets and the proceeds of their fraudulent activity in order to evade creditors and avoid detection.

OVERT ACTS

In furtherance of the conspiracy and to effect its objects, the defendants, and others known and unknown to the grand jury, performed overt acts, including, but not limited to the following:

4. In a telephone conversation on June 12, 2001, defendant NASSIB BERRO offered defendant ALI FARHAT his credit cards to process transactions on them for \$10,000 cash.

**American Express Card
account no. 3783-480958-71007**

5. On June 1, 1999, a transaction in the amount of \$7,208.00 was processed at Palisades Jewelers on defendant NASSIB BERRO's American Express credit card account, number 3783-480958-71007.

6. On July 28, 1999, defendant NASSIB BERRO mailed or caused to be mailed a non-sufficient funds check in the amount of \$25,400.00 to American Express falsely representing it as payment on the credit card.

Bank of America Card, account no. 4024-1150-1135-2119

7. On November 26, 2001, a transaction in the amount of \$1,100 was processed at BDI on defendant SALWA BERRO's Bank of America credit card, account number 4024-1150-1135-2119.

8. On December 12, 2000, defendant SALWA BERRO mailed or caused to be mailed non-sufficient funds check number 1403 in the amount of \$2,000, falsely representing it as payment on her Bank of American credit card.

9. On December 22, 2001, a transaction in the amount of \$1,700 was processed at BDI on defendant SALWA BERRO's Bank of America credit card.

Direct Merchants Bank, account no. 5458-0005-7501-9373

10. On November 21, 2001, defendant SALWA BERRO caused a fraudulent payment in the amount of \$2,260 to be made on her Direct Merchants Bank credit card, account number 5458-0005-7501-9373.

11. On November 23, 2001, a transaction in the amount of \$1,989 was processed at SIGMA on defendant SALWA BERRO's Direct Merchants Bank credit card.

Sale of 5903 Steadman Before Bankruptcy Filing

12. On April 4, 2002, defendants NASSIB BERRO and SALWA BERRO transferred title to their residence at 5903 Steadman, Dearborn, Michigan, in a sale of that property to their son.

13. On April 4, 2002, defendants NASSIB BERRO and SALWA BERRO received \$54,000 as proceeds of the sale representing their equity in the house as a result of payments made on the mortgage.

Bankruptcy Filing

14. On April 25, 2002, defendants NASSIB BERRO and SALWA BERRO jointly filed a voluntary petition for bankruptcy, under Chapter 7 of Title 11, United States Code, in United States Bankruptcy Court for the Eastern District of Michigan, Southern Division

15. In that bankruptcy petition, defendants NASSIB BERRO and SALWA BERRO failed to disclose that they had received \$54,000 from the sale of the property at 5903 Steadman, Dearborn, Michigan.

16. On November 12, 2003, defendant NASSIB BERRO advised an individual known to the grand jury about putting assets in the names of third parties before declaring bankruptcy so that creditors could not reach those assets.

17. On May 24, 2002, defendant SADEK BERRO attended the bankruptcy

hearing of defendants NASSIB BERRO and SALWA BERRO before a U.S. Bankruptcy Trustee at the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division.

18. All in violation of Title 18, United States Code, Sections 371.

**PART X: THE ABDUL HALIM BERRO AND HOUDA BERRO
FRAUD ACTIVITY AND MONEY LAUNDERING
(Counts 44 through 46)**

**COUNT FORTY-FOUR
(18 U.S.C. § 371 – CONSPIRACY)**

**D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a “Abed,”
D-7 ABDUL HALIM BERRO**

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. From March 2000 until November 2002, in the Eastern District of Michigan, Southern Division, defendants ABDULAMIR BERRO and ABDUL HALIM BERRO did knowingly combine, conspire and agree with each other and persons known and unknown to the grand jury:

A. to violate Title 18, United States Code, Section 1344 (Bank Fraud), by knowingly executing and attempting to execute a scheme and artifice to defraud financial institution, as set forth in paragraphs 1 through 14 of the

Introduction to this Indictment and to obtain money, funds, or other property owned by, or in the custody or control of, federally insured financial institutions by means of materially false and fraudulent pretenses, representations and promises;

- B. to violate Title 18, United States Code, Section 1341 (Mail Fraud) by knowingly placing and causing to be placed in an authorized depository for mail, for delivery by the United States Postal Service and private or commercial interstate mail carriers, non-sufficient funds checks representing payments on credit cards, for the purpose of executing and in furtherance of the scheme and artifice to defraud, as set forth in paragraphs 1 through 14 of the Introduction to this Indictment, and to obtain money or property by means of materially false and fraudulent pretenses, representations and promises.

OBJECTS OF THE CONSPIRACY

3. The defendants conspired and agreed with each other and others known and unknown to the grand jury a) to defraud financial institutions and other credit card issuers by busting out credit card accounts and otherwise incurring charges without making payment; b) to obtain cash and merchandise by using credit cards at Sigma, BDI and other establishments for which payment was never made; c) to evade collection efforts by

creditors by declaring bankruptcy; and d) to conceal assets and the proceeds of their fraudulent activity in order to evade creditors and avoid detection.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, on or about the dates set out below, one or more of the defendants performed and caused to be performed overt acts, including but not limited to the following, in the Eastern District of Michigan and elsewhere:

Discover Card, account no. 6011-0057-0062-0688

4. On March 7, 2000, defendant ABDUL HALIM BERRO caused two transfers from his Discover Financial credit card, account number, 6011-0057-0062-0688 in the amount of \$14,000 to SAM BERRO.

5. On November 31, 2001, defendant ABDUL HALIM BERRO used his Discover credit card in making a payment in the amount of \$15,000 to ABN AMRO Mortgage Group Inc., for the mortgage, loan number 614455342, on the property located at 4926 Orchard, Dearborn, Michigan, held by Houda Berro (not named as a defendant in this Count).

6. On June 16, 2002, defendant ABDUL HALIM BERRO mailed or caused to be mailed non-sufficient funds check number 1115, in the amount of \$14,250, falsely representing it as payment on the Discover credit card.

People's Bank, account number 4017-3500-0215-7222

7. On November 29, 2001, defendant ABDUL HALIM BERRO used his People's Bank credit card, number 4017-3500-0215-7222 in making a payment in the amount of \$9,650 to ABN AMRO Mortgage Group Inc. for the mortgage, loan number 614455342, on the property located at 4926 Orchard, Dearborn, Michigan, held by defendant HOUDA BERRO.

8. On June 24, 2002, defendant ABDUL HALIM BERRO mailed or caused to be mailed non-sufficient funds check number 1533 in the amount of \$7,500 to People's State, falsely representing it as payment on the credit card.

9. On July 1, 2002, defendant ABDUL HALIM BERRO made or caused to be made a charge on his People's State credit card at BDI, the company of ABDULAMIR BERRO, in the amount of \$3,850.

10. On July 1, 2002, defendant ABDUL HALIM BERRO also made or caused to be made a charge on his People's State credit card at BDI, the company of ABDULAMIR BERRO, in the amount of \$3,325.

Bankruptcy Filing

11. On February 11, 2003, in order to avoid payment and efforts by creditors to collect payment, defendant ABDUL HALIM BERRO filed a voluntary petition for bankruptcy, under Chapter 7 of Title 11, United States Code, in United States Bankruptcy Court for the Eastern District of Michigan, Southern Division.

12. In that bankruptcy petition, defendant ABDUL HALIM BERRO falsely stated that he had no real property and total assets of \$1,000 and knowingly and fraudulently concealed in his bankruptcy case that he, in fact, had an interest in the property located at 4926 Orchard, Dearborn, Michigan and that he had received \$95,000 in proceeds from the refinancing of that property.

13. All in violation of Title 18, United States Code, Sections 371.

COUNT FORTY-FIVE
(18 U.S.C. § 1956(h)- CONSPIRACY TO LAUNDER MONEY)

D-7 ABDUL HALIM BERRO
D-15 HOUDA MOHAMAD BERRO

1. The General Allegations are incorporated into this count by reference.
2. From March 2001 to May 2002, in the Eastern District of Michigan, Southern Division, defendants ABDUL HALIM BERRO and HOUDA MOHAMAD BERRO did knowingly combine, conspire and agree with each other and persons known and unknown to conduct a financial transaction, knowing that the property involved in the transaction represented the proceeds of some form of unlawful activity and which did involve proceeds of bank fraud, a specified unlawful activity within the meaning of Title 18, United States Code, Section 1956 (c)(7) and knowing that the transaction was designed, in whole or in part, to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of the above specified unlawful activities.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, ABDUL HALIM BERRO And HOUDA MOHAMAD BERRO performed or caused to be performed the following overt actions, among others:

3. On April 11, 2001, defendant HOUDA MOHAMAD BERRO obtained a mortgage loan from ABN AMRO Mortgage Group, Inc., for the purchase of property located at 4926 Orchard Avenue, Dearborn, Michigan, by submitting fraudulent information relating to her income, as alleged in Count Fifty-One, and incorporated herein by reference.

4. From May 2001 though April 2002, ABDUL HALIM BERRO used credit cards to make payments, through convenience checks and electronic payments, on the mortgage for 4926 Orchard, Dearborn, Michigan, in an amount exceeding \$82,000, with credit cards he subsequently busted out, as alleged in Count Forty-Four, which, coupled with other payments, reduced the mortgage owing to approximately \$626 as of April 2002.

5. On April 4, 2002, defendant HOUDA MOHAMAD BERRO refinanced the 4926 Orchard property and obtained a mortgage loan from ABN AMRO Mortgage Group, Inc., in the amount of \$124,000, by submitting fraudulent information relating to her income, as alleged in Count Fifty-Two, and incorporated herein by reference.

6. On April 4, 2002, Golden Title Insurance Agency, Inc. issued check 005130 drawn on its account at The Huntington National Bank and made payable to defendant HOUDA MOHAMAD BERRO for \$19,542, representing the proceeds of the mortgage obtained by fraud.

7. On April 9, 2002, Golden Title Insurance Agency, Inc. issued check 1-23195 drawn on its account at The Huntington National Bank and made payable to defendant HOUDA MOHAMAD BERRO for \$100,835.94, representing the proceeds of the mortgage obtained by fraud.

8. On April 15, 2002, defendant HOUDA MOHAMAD BERRO deposited the two checks issued by Golden Title Insurance Agency, Inc. into her Huntington Bank account, number 02383200952.

9. On April 17, 2002, HOUDA MOHAMAD BERRO withdrew the money from the Huntington Bank account in the form of a check, number 168, for \$95,000 made payable to Halime Berro.

10. On April 17, 2002, the check for \$95,000 issued off of defendant HOUDA MOHAMAD BERRO's account and made payable to Halime Berro was endorsed and deposited into a Charter One bank account, number 3640622609, in the name of Halime Berro.

11. On May 23, 2002, the money was withdrawn from the Charter One account of Halime Berro in the form of a check, number 132, for \$95,000 made payable to defendant ABDUL HALIM BERRO.

12. On May 22, 2002, defendant ABDUL HALIM BERRO deposited the \$95,000 check into his Huntington bank account, number 02380635449.

13. On May 28, 2002, ABDUL HALIM BERRO caused \$95,000 to be transmitted by means of wire from his Huntington Bank account to an account at the Jammal Trust Bank in Beirut Lebanon.

14. All in violation of Title 18, United States Code, Section 1956(h).

**COUNT FORTY-SIX
(18 U.S.C. § 1956- MONEY LAUNDERING)**

D-7 ABDUL HALIM BERRO

1. The General Allegations are incorporated into this count by reference.
2. On May 28, 2002, in the Eastern District of Michigan, Southern Division, ABDUL HALIM BERRO transmitted and transferred by wire approximately \$95,000 from his bank account at Huntington National Bank in Dearborn, Michigan, to a place outside the United States, namely Beirut, Lebanon, knowing that the funds involved in that transmission and transfer represented the proceeds of some form of unlawful activity, namely bank fraud, in violation of Title 18, United States Code, Section 1344, and

knowing that such transmission and transfer was designed in whole or in part to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity.

3. All in violation of Title 18, United States Code, Section 1956(a)(2).

**PART XI: THE BILAL EL SIBLANI FRAUD ACTIVITY
(Counts 47)**

**COUNT FORTY-SEVEN
(18 U.S.C. § 371 – CONSPIRACY)**

**D-1 ALI ABDUL KARIM FARHAT
a/k/a Allen Farhat,
D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a “Abed,”
D-8 BILAL EL-SABLANI,
D-12 SADEK BERRO**

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. From August 1999 until December 2001, in the Eastern District of Michigan, Southern Division, defendants ALI FARHAT, ABDULAMIR BERRO, SADEK BERRO and BILAL EL-SIBLANI did knowingly combine, conspire and agree with each other and persons known and unknown to the grand jury:

A. to violate Title 18, United States Code, Section 1344 (Bank Fraud), by knowingly executing and attempting to execute a scheme and artifice to defraud financial institutions, as set forth in paragraphs 1 through 14

of the Introduction to this Indictment and to obtain money, funds, or other property owned by, or in the custody or control of, federally insured financial institutions by means of materially false and fraudulent pretenses, representations and promises;

- B. to violate Title 18, United States Code, Section 1341 (Mail Fraud) by knowingly placing and causing to be placed in an authorized depository for mail, for delivery by the United States Postal Service and private or commercial interstate mail carriers, non-sufficient funds checks representing payments on credit cards, for the purpose of executing and in furtherance of the scheme and artifice to defraud, as set forth in paragraphs 1 through 14 of the Introduction to this Indictment, and to obtain money or property by means of materially false and fraudulent pretenses, representations and promises.

OBJECTS OF THE CONSPIRACY

3. The defendants conspired and agreed with each other and others known and unknown to the grand jury a) to defraud financial institutions and other credit card issuers by busting out credit card accounts and otherwise incurring charges without making payment; b) to obtain cash and merchandise by using credit cards at SIGMA, BDI and other establishments for which payment was never made; c) to evade collection efforts by

creditors by declaring bankruptcy; and d) to conceal assets and the proceeds of their fraudulent activity in order to evade creditors and avoid detection.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, on or about the dates set out below, one or more of the defendants performed and caused to be performed overt acts, including but not limited to the following, in the Eastern District of Michigan and elsewhere:

MBNA, account number 4264-2904-5264-4073

4. On January 11, 2000, defendant SADEK BERRO mailed or caused to be mailed check 2006 in the amount \$200 to MBNA as payment on an MBNA credit card, number 4264-2904-5264-4073, held by defendant BILAL EL-SIBLANI.

5. On January 16, 2001, a charge in the amount of \$250 was processed at BDI on the MBNA credit card.

6. On February 8, 2001, defendant BILAL EL-SIBLANI mailed or caused to be mailed a non-sufficient funds check in the amount of \$5,000 falsely representing the non-sufficient funds check as payment on his MBNA account.

Citibank, account number 4128-0032-1308-2392

7. On February 8, 2001, defendant BILAL EL-SIBLANI mailed or caused to be mailed a non-sufficient funds check in the amount of \$4,600 falsely representing the non-sufficient funds check as payment on his Citibank account.

8. On February 10, 2001, a charge in the amount of \$4690.90 was processed at BDI on defendant BILAL EL-SIBLANI's Citibank credit card.

Bankruptcy Filing

9. In order to avoid payment and efforts by creditors to collect payment, BILAL EL-SABLANI filed a voluntary petition for bankruptcy on December 18, 2001 under Chapter 7 of Title 11, United States Bankruptcy Code, in United States Bankruptcy Court for the Eastern District of Michigan, Southern Division.

10. All in violation of Title 18, United States Code, Section 371.

**PART XII: BANK FRAUDS AND OTHER OFFENSES
RELATED TO MORTGAGES
(Counts 48 through 58)**

**COUNTS FORTY-EIGHT THROUGH FIFTY-FOUR
(18 U.S.C. § 1344 – BANK FRAUD)**

- D-1 ALI ABDUL KARIM FARHAT
a/k/a Allen Farhat,
- D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a "Abed,"
- D-4 AKRAM ABDUL KARIM BERRO,
- D-5 JAMAL SAADALLAH BERRO,
- D-7 ABDUL HALIM BERRO,
- D-11 ZEINAB BERRO,
- D-12 SADEK BERRO
a/k/a Sam Berro,
- D-13 AMIRA ALI FARHAT,
- D-15 HOUDA MOHAMAD BERRO,
- D-17 ALMIRE ALI-SADEK BERRO

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. From approximately September 12, 2000 to October 14, 2002, in the Eastern District of Michigan, Southern Division and elsewhere, defendants, ALI FARHAT, ABDULAMIR BERRO, AKRAM BERRO, JAMAL BERRO, ABDUL HALIM BERRO, ZEINAB BERRO, SADEK BERRO, AMIRA FARHAT, HOUDA BERRO and ALMIRE BERRO, knowingly devised and executed, and aided and abetted each other and others known and unknown to the grand jury, in devising and executing, a scheme to obtain moneys or other property owned by, or in the custody or control of, federally-insured financial institutions by means of false and fraudulent pretenses, representations or promises.

Ct.	Defendant	Property	Financial Institution	Mortgage Loan Account Number	Date of False Loan Application	Mortgage Loan Amount	False Information
48	Amira Farhat Ali Farhat	28500 Labana Woods Taylor, MI	World Savings Bank	0019521525	10/14/02	\$197,250	Employment, income & occupancy
49	Abdulmir Berro Jamal Berro	7510 Appoline Dearborn, MI	ABN AMRO Mortgage Group, Inc.	615314463	05/07/01	\$125,000	Employment & income
50	Akram Berro Jamal Berro	7510 Appoline Dearborn, MI	ABN AMRO Mortgage Group, Inc.	1010032688 (FHA 261-8013947/703	02/15/02	\$137,000	Failure to disclose existing ABN AMRO lien
51	Abdul Halim Berro Houda Berro	4926 Orchard Dearborn, MI	ABN AMRO Mortgage Group, Inc.	614455342	03/02/01	\$108,800	Employment & income

52	Abdul Halim Berro Houda Berro	4926 Orchard Dearborn, MI	ABN AMRO Mortgage Group, Inc.	0622010341	02/14/02	\$124,000	Employment & income
53	Sadek Berro Abdulmir Berro Almire-All Berro	7749 West Morrow Dearborn, MI	ABN AMRO Mortgage Group, Inc.	614796516	04/07/01	\$182,400	Employment & income
54	Zeinab Berro	7741 Calhoun, Dearborn, MI	Southport Bank	7061162	09/12/00	\$180,000	Employment & income

3. All in violation of Title 18, United States Code, Sections 1344 and 2.

**COUNT FIFTY-FIVE
(18 U.S.C. §§ 1001, 2 - FALSE STATEMENTS,
AIDING AND ABETTING)**

D-1 ALI ABDUL KARIM FARHAT

a/k/a Allen Farhat

D-13 AMIRA ALI FARHAT

1. On or about May 16, 2001, in the Eastern District of Michigan, Southern Division, defendants ALI FARHAT and AMIRA FARHAT did knowingly and willfully make, and aid and abet in making, false, fictitious, and fraudulent materially statements and representations in a matter within the jurisdiction of the United States Department of Housing and Urban Development, a department of the executive branch of the government of the United States, in that in a Uniform Residential Loan Application for a Federal Housing Administration-insured loan for the purchase of property located at 6703

Woodmont, Detroit, Michigan, defendant AMIRA FARHAT, stated that she earned a monthly income of \$2,792 working at SIGMA, knowing the same to be false.

2. All in violation of Title 18, United States Code, Sections 1001(a)(2) and 2.

**COUNT FIFTY-SIX
(18 U.S.C. §§ 1001, 2 - FALSE STATEMENTS,
AIDING AND ABETTING)**

D-1 ALI ABDUL KARIM FARHAT

a/k/a Allen Farhat

D-13 AMIRA ALI FARHAT

1. On or about April 25, 2003, in the Eastern District of Michigan, Southern Division, defendants ALI FARHAT and AMIRA FARHAT did knowingly and willfully make, and aid and abet in making, false, fictitious, and fraudulent materially statements and representations in a matter within the jurisdiction of the United States Department of Housing and Urban Development, a department of the executive branch of the government of the United States, in that in a Uniform Residential Loan Application for a Federal Housing Administration-insured loan to refinance the property located at 6703 Woodmont, Detroit, Michigan, defendant AMIRA FARHAT stated that she was employed at SIGMA, knowing the same to be false.

2. All in violation of Title 18, United States Code, Sections 1001(a)(2) and 2.

COUNT FIFTY-SEVEN
(18 U.S.C. §§ 1001, 2 - FALSE STATEMENTS,
AIDING AND ABETTING)

D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a "Abed"
D-14 ABDUL KARIM AKRAM BERRO

1. On or about February 15, 2002, in the Eastern District of Michigan, Southern Division, defendants ABDULAMIR BERRO and ABDUL KARIM AKRAM BERRO did knowingly and willfully make, and aid and abet in making, false, fictitious, and fraudulent materially statements and representations in a matter within the jurisdiction of the United States Department of Housing and Urban Development, a department of the executive branch of the government of the United States, in that in a Uniform Residential Loan Application for a Federal Housing Administration-insured loan relating to the purchase of property located 7510 Appoline, Dearborn, Michigan, defendant ABDUL KARIM AKRAM BERRO stated that he earned a monthly income of \$3900 working at BDI, ABDULAMIR BERRO's company, knowing the same to be false.

2. All in violation of Title 18, United States Code, Sections 1001(a)(2) and 2.

COUNT FIFTY-EIGHT
(18 U.S.C. § 1341 -- FRAUD BY COMMERCIAL CARRIER)

D-1 ALI ABDUL KARIM FARHAT
a/k/a Allen Farhat

1. On or about April 25, 2003, in the Eastern District of Michigan, Southern

Division, defendant ALI FARHAT devised a scheme to defraud Shore Mortgage and to obtain money by means of materially false and fraudulent pretenses, by providing false information on loan documents to obtain a mortgage on a residential property located at 7546 Coleman, Dearborn, Michigan.

2. It was part of the scheme that defendant ALI FARHAT provided false information about the employment and income of the loan applicant.

3. On or about April 28, 2003, in the Eastern District of Michigan, Southern Division, defendant ALI FARHAT, for the purpose of executing the scheme and attempting to do so, caused items to be sent and delivered through Federal Express, a commercial interstate carrier.

4. All in violation of Title 18, United States Code, Section 1341.

**PART XIII: ALI FARHAT AND ABDULAMIR BERRO'S MONEY
LAUNDERING ACTIVITIES
(Counts 59 through 66)**

**COUNTS FIFTY-NINE THROUGH SIXTY-FOUR
(18 U.S.C. § 1956 – MONEY LAUNDERING)**

**D-1 ALI ABDUL KARIM FARHAT
a/k/a/ Allen Farhat**

**D-2 ABDULAMIR BERRO
a/k/a Abe Berro, a/k/a "Abed"**

1. Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.

2. From May 24, 2001 through July 19, 2002, in the Eastern District of

Michigan, Southern Division, defendants ALI FARHAT and ABDULAMIR BERRO knowingly conducted and attempted to conduct financial transactions knowing that the property involved in the transactions represented the proceeds from some form of unlawful activity and which did involve the proceeds of bank fraud, a specified unlawful activity within the meaning of Title 18, United States Code, Section 1956 (c)(7), with the intent to promote the specified unlawful activity, and knowing that the transactions were designed, in whole or part, to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of the specified unlawful activity.

3. Each of the following financial transactions constitutes a separate count of this Indictment.

Ct.	Defendant	Financial Transaction	Account	Date of Financial Transaction	Amount
59	Ali Farhat	Withdrawal in form of check payable to Berro Enterprises	From Sigma Huntington National Bank account	01/18/02	\$8,000
60	Abdulmir Berro	Deposit of check	Into Berro Enterprises Bank One account	01/17/02	\$8,000
61	Ali Farhat	Withdrawal in form of check payable to BDI	From Sigma Huntington National Bank account	01/25/02	\$6,688
62	Abdulmir Berro	Deposit of check	Into BDI Bank One account	01/23/02	\$6,688

63	Abdulmir Berro	Withdrawal by means of debit memo for deposit into Daoud Faraj's Bank One account	From Berro Enterprises Bank One account	03/27/02	\$3,222
64	Abdulmir Berri	Withdrawal by means of debit memo for deposit into Daoud Faraj's Bank One account	From BDI Bank One account	07/19/02	\$6,245

4. All in violation of Title 18, Section 1956(a)(1).

**COUNTS SIXTY-FIVE THROUGH SIXTY-SIX
(18 U.S.C. § 1957)**

D-1 ALI ABDUL KARIM FARHAT

a/k/a/ Allen Farhat

D-2 ABDULAMIR BERRO

a/k/a Abe Berro, a/k/a "Abed"

- Paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 of the General Allegations are incorporated in this Count.
- On or about January 22, 2003, in the Eastern District of Michigan, Southern Division, defendants ALI FARHAT and ABDULAMIR BERRO knowingly engaged in monetary transactions in criminally derived property of a value greater than \$10,000 and derived from specified unlawful activity that took place within the United States, that is, proceeds of bank fraud, in violation of Title 18, United States Code, Section 1344.

3. Each of the following financial transactions constitutes a separate count of this Indictment.

Ct	Defendant	Financial Transaction	Account	Date of Financial Transaction	Amount
65	Ali Farhat	Withdrawal in form of check payable to BDI	From Sigma Huntington National Bank account	01/22/02	\$24,390
66	Abdulmir Berro	Deposit of check	Into BDI Bank One account	01/22/02	\$24,390

4. All in violation of Title 18, United States Code, Section 1957.

PART XIV: FORFEITURE ALLEGATIONS

RACKETEERING FORFEITURE (18 U.S.C. § 1963)

1. The allegations contained in paragraphs 1 through 14 of the Introduction to this Indictment and paragraphs 15 through 21 through 21 of the General Allegations and Count 1 of this Indictment are hereby repeated, realleged, and incorporated by reference herein as though fully set forth at length for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 1963. Pursuant to Rule 32.2, Fed. R. Crim. P., notice is hereby given to the defendants that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Section 1963 in the event of any defendant's conviction under Count 1 of this Indictment.

2. The defendants ALI FARHAT, ABDULAMIR BERR) and SADEK BERRO
 - A. have acquired and maintained interests in violation of Title 18, United States Code, Section 1962, which interests are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1);
 - B. have an interest in, security of, claims against, and property and contractual rights which afford a source of influence over, the enterprise named and described herein which the defendants established, operated, controlled, conducted, and participated in the conduct of, in violation of Title 18, United States Code, Section 1962, which interests, securities, claims, and rights are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963 (a)(2);
 - C. have property constituting and derived from proceeds obtained, directly and indirectly, from racketeering activity, in violation of Title 18, United States Code, Section 1962, which property is subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(3).

3. The interests of the defendants subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1), (a)(2), and (a)(3), include but are not limited to:

- A. at least \$868,285;
- B. Real property, including all buildings, fixtures, improvements, and appurtenances, commonly known as 24512 Michigan Avenue, Dearborn, Wayne County, Michigan, titled in the name of Allen Farhat, and more fully described as:

Lots 1873 and 1874 of Hannan's Dearborn Hills Subdivision No. 5,
as recorded in Liber 51, Page(s) 77 of Plats, Wayne County Records
82-09-204-08-013

4. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants-

- A. Cannot be located upon the exercise of due diligence;
- B. Has been transferred or sold to, or deposited with, a third person;
- C. Has been placed beyond the jurisdiction of the court;
- D. Has been substantially diminished in value; or
- E. Has been commingled with other property which cannot be subdivided without difficulty;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 1963(m), to seek forfeiture of any other property of the said defendants up to the value of the forfeitable property.

5. The above-named defendants, and each of them, are jointly and severally liable for the forfeiture obligations as alleged above.

6. All pursuant to Title 18, United States Code, Section 1963.

**MONEY LAUNDERING, BANK FRAUD AND MAIL FRAUD
FORFEITURE ALLEGATIONS.**

(18 U.S.C. §§982(a)(1) and (2)(A), 18 U.S.C. § 981(a)(1)(c) and 28 U.S.C. §2461(c))

1. Upon conviction of one or more of the offenses alleged in Counts Two through Twenty-Eight, Thirty-Five, Thirty-Seven, Thirty-Nine, Forty, Forty-One, Forty-Three, Forty-Four, Forty-Seven, Forty-Eight through Fifty-Four and Fifty-Eight and of this Indictment, defendants ALI FARHAT, ABDULAMIR BERRO, AKRAM BERRO, JAMAL BERRO, ABDUL HALIM BERRO, BILAL EL-SABLANI, NOURA BERRO, SAMI BERRO, ZEINAB BERRO, SADEK BERRO, AMIRA FARHAT, HOUDA BERRO, ALMIRE BERRO, NASSIB BERRO and SALWA BERRO shall forfeit to the United States pursuant to 18 U.S.C. §982(a)(2)(A)(c) any property constituting or derived

from proceeds obtained directly or indirectly as a result of said violations, including, but not limited to:

A. Real Property

i) The proceeds from the sale of particular property, totaling \$72,621.11, located at 25800 Labana Woods, Taylor, Wayne County, Michigan, and more fully described as:

Lot 51, Labana Woods Subdivision, as recorded in Liber 115, Pages 96 through 103, both inclusive, of Plats, Wayne County Records,

which proceeds are being held in escrow by the United States Marshals Service for the Eastern District of Michigan; and,

ii) Real property, including all buildings, fixtures, improvements, and appurtenances, commonly known as 4926 Orchard, Dearborn, Wayne County, Michigan, titled in the name of Houda and Rami Berro, and more fully described as:

Lot 99 and ½ Adjacent Vacated Alley, Orchard Boulevard Subdivision as Recorded in Liber 33, Page 13 of Plats, Wayne County Records.

82-10-081-29-033.

2. Upon conviction of one or more of the money laundering offenses alleged in Counts Thirty-Six, Thirty-Eight, Forty-Five, Forty-Six, and Fifty-Nine through Sixty-six of this Indictment, defendants ALI FARHAT, ABDULAMIR BERRO, AKRAM BERRO, JAMAL BERRO, ABDUL HALIM BERRO, HOUDA BERRO and SADEK BERRO shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(c), the following property:

A. All right, title or interest in any and all property involved in defendants' offenses in violation of 18 U.S.C. §§1956 or 1957, for which the defendant is convicted, and all property traceable to such property, including the following: (1) all money or other property that was the subject of each transaction, transportation, transmission or transfer in violation of Section 1956 or 1957; (2) all commissions, fees and other property constituting proceeds obtained as a result of these violations; and (3) all property used in any manner or part to commit or to facilitate the commission of these violations, including but not limited to the following:

i) Real property, including all buildings, fixtures, improvements, and appurtenances, commonly known as 24512 Michigan Avenue, Dearborn, Wayne County, Michigan, titled in the name of Allen Farhat, and more fully described as:

Lots 1873 and 1874 of Hannan's Dearborn Hills Subdivision No. 5,
as recorded in Liber 51, Page(s) 77 of Plats, Wayne County Records

82-09-204-08-013

ii) Real property, including all buildings, fixtures, improvements, and appurtenances, commonly known as 4926 Orchard, Dearborn, Wayne County, Michigan, titled in the name of Houda and Rami Berro, and more fully described as:

Lot 99 and ½ Adjacent Vacated Alley, Orchard Boulevard
Subdivision as Recorded in Liber 33, Page 13 of Plats, Wayne
County Records.
82-10-081-29-033.

iii) Real property commonly known as 22640 Kelly Road, Eastpointe, Macomb County, Michigan, together with all buildings, fixtures, improvements, and appurtenances, more fully described as:

Lots 8 through 11, inclusive, South 70 Feet of Lot 12, SYNDERS
ELMRIDGE SUBDIVISION, as recorded in Liber 8, Page 30 of Plats,
Macomb County Records.

iv) Real property commonly known as 18700 East Nine Mile, Eastpointe, Macomb County, Michigan, together with all buildings, fixtures, improvements, and appurtenances, more fully described as:

North 50 Feet of Lot 12 and all of Lots 13 through 17, Inclusive,
SYNDERS ELMRIDGE SUBDIVISION, as recorded in Liber 8, Page 30
of Plats, Macomb County Records.

3. A sum of money equal to the total amount of money constituting or derived from proceeds and involved in each offense, or conspiracy to commit such offense, for which the defendant is convicted. If more than one defendant is convicted of an offense, the defendants so convicted are jointly and severally liable for the amount of money involved in such offense.

4. If any of the forfeitable property described in paragraphs 1 and 2, as a result of any act or omission of the defendant(s):

- A. cannot be located upon the exercise of due diligence;
- B. has been transferred or sold to, or deposited with, a third party;
- C. has been placed beyond the jurisdiction of the court;
- D. has been substantially diminished in value; or
- E. has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of said

defendant(s) up to the value of the forfeitable property described in subparagraphs 3(a) through 3(e) above.

THIS IS A TRUE BILL.

s/Grand Jury Foreperson

STEPHEN J. MURPHY
United States Attorney

s/CATHLEEN M. CORKEN
Assistant U.S. Attorney

s/BARBARA L. McQUADE
Assistant U.S. Attorney

Dated:

United States District Court Eastern District of Michigan	Criminal Case Cover Sheet	Case Number 04-80370
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NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

Companion Case Information	Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned:
<input type="checkbox"/> Yes <input type="checkbox"/> No	AUSA's Initials:

Case Title: USA v. ALI ABDUL KARIM FARHAT, et al **JOHN CORBETT O'MEARA**

County where offense occurred : WAYNE MAGISTRATE JUDGE DONALD A. SCHEER

Check One: Felony Misdemeanor Petty

Indictment/ Information --- no prior complaint.
 Indictment/ Information --- based upon prior complaint [Case number:]
 Indictment/ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information:

Superseding to Case No: 04-80370 Judge: JOHN CORBETT O'MEARA


- Original case was terminated; no additional charges or defendants.
- Corrects errors; no additional charges or defendants.
- Involves, for plea purposes, different charges or adds counts.
- Embraces same subject matter but adds the additional defendants or charges below:

Defendant name	Charges
D-1 Ali Abdul Karim Farhat	18 U.S.C. § 1962
D-2 Abdulmir Berro	18 U.S.C. § 1962
D-12 Sadek Berro	18 U.S.C. § 1962
D-18 Nassib Saadallah Berro	18 U.S.C. § 371, 157, 1344
D-19 Salwa Nassib Berro	18 U.S.C. § 371, 157, 1344

U.S. DISTRICT COURT CLERK
 EAST DIST. HIGH
 DETROIT-PSG
 05 NOV -9 P12:44
 FILED

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

November 9, 2005
Date



 CATHLEEN M. CORKEN
 Assistant United States Attorney
 211 W. Fort Street, Suite 2001
 Detroit, MI 48226-3277
 Phone: (313) 226-0206
 Fax: (313) 226-4679
 E-Mail address: Cathleen.Corken@usdoj.gov

¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated. 5/20/04