

B

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

D-1 MIKE BAYDOUN,  
D-2 ALI BAYDOUN, and  
D-3 JALAL BAYDOUN,

Defendants.

Case:2:17-cr-20470  
Judge: Friedman, Bernard A.  
MJ: Majzoub, Mona K.  
Filed: 07-11-2017 At 02:51 PM  
INDI USA V. SEALED MATTER (DA)

VIOLATIONS:  
18 U.S.C. § 371 (Conspiracy)  
18 U.S.C. § 666 (Bribery)

**INDICTMENT**

THE GRAND JURY CHARGES:

**GENERAL ALLEGATIONS**

At all times relevant to this Indictment:

1. The City of Garden City ("Garden City") was a local government operating within Wayne County, Michigan, in the Eastern District of Michigan.
2. Garden City received in excess of \$10,000.00 under one or more federal programs involving grants, contracts, subsidies, loans, guarantees, insurance and other forms of federal assistance in each one-year period for fiscal years 2015 through 2017.

3. Garden City Official A was an employee and agent of Garden City.
4. All members of the Garden City Council were agents of Garden City.
5. The power to enact and amend Garden City ordinances was vested in the Garden City Council.
6. Garden City Official B was an employee and agent of Garden City.
7. Garden City Official B had an equal voice and vote in the proceedings of the Garden City Council.
8. Garden City ordinance defined “marijuana growing center” as any site or business where marijuana is distributed, compensated, exchanged, processed, delivered, given away or cultivated.
9. Under existing Garden City ordinances, only two medical marijuana growing centers could lawfully be operated in Garden City.
10. There were two medical marijuana growing centers operating in Garden City.
11. In order for defendants MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN, to operate a medical marijuana dispensary or grow operation in Garden City, the Garden City Council had to amend existing ordinances which in effect would allow for the operation of an additional medical marijuana growing center in Garden City.

**COUNT ONE**

(Conspiracy to Commit Federal Program Bribery-  
18 U.S.C. §§ 371, 666(a)(2))

D-1 MIKE BAYDOUN  
D-2 ALI BAYDOUN  
D-3 JALAL BAYDOUN

12. Paragraphs 1 through 11 of the General Allegations are hereby incorporated in this Count.

13. From approximately September 2016, through approximately December 7, 2016, in the Eastern District of Michigan, defendants MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN, did knowingly and willfully combine, conspire, confederate, and agree with each other to commit the crime of corruptly giving and offering things of value, to wit: cash payments totaling \$15,000, to an agent of Garden City, Michigan, with intent to influence and reward agents of Garden City in connection with business, transactions, or a series of transactions of Garden City involving \$5,000 or more, to wit: to secure the votes needed to change Garden City's ordinance which would allow the defendants to operate a medical marijuana growing center in Garden City, in violation of Title 18, United States Code, Section 666(a)(2).

**Manner and Means of the Conspiracy**

14. The conspiracy was carried out through the following manner and means:

15. MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN conspired and agreed to pay bribes to Garden City officials in order to secure the approvals and other official actions needed to obtain a permit to operate a medical marijuana growing center in Garden City.

16. MIKE BAYDOUN offered bribes to Garden City Official B in exchange for the official's approval of a building located in Garden City for operation of a medical marijuana growing center.

17. MIKE BAYDOUN offered Garden City Official A a percentage of the medical marijuana growing center profits to be paid on a monthly basis in exchange for the issuance of a license to operate a medical marijuana growing center in Garden City.

18. Unbeknownst to MIKE BAYDOUN, while Garden City Official A was acting in conjunction with federal law enforcement, MIKE BAYDOUN communicated with and met with the official on numerous occasions to cultivate and use the official as an intermediary in MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN's attempts to bribe members of the Garden City Council.

19. MIKE BAYDOUN discussed with Garden City Official A his willingness to bribe members of the Garden City Council in order to influence their votes regarding a an ordinance change which would allow the defendants to operate a medical marijuana growing center in Garden City.

20. MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN agreed to deliver and did deliver to Garden City Official A, \$15,000 in cash for three Garden City Council members to ensure that the Council members would vote in favor to amend the Garden City ordinance so that the defendants could operate a medical marijuana growing center in Garden City.

21. MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN also agreed to place \$150,000 in an escrow account to demonstrate their good faith intent to pay additional bribes to Garden City Official A, Garden City Official B and unknown State of Michigan officials in order to obtain from the State of Michigan a permit to grow 1500 marijuana plants in Garden City.

**Overt Acts Which Furthered the Conspiracy**

22. In order to further the unlawful conspiracy, one or more of the conspirators committed the following acts, among others:

23. On September 28, 2016, during a meeting with Garden City Official A., defendant MIKE BAYDOUN told Official A that he had offered to Garden City Official B to buy a police car and pay for one police officer's yearly wages in exchange for Official B's approval to operate a medical marijuana growing center in Garden City.

24. On September 28, 2016, MIKE BAYDOUN told Garden City Official A that his nephew (defendant JALAL BAYDOUN) and brother (defendant ALI

BAYDOUN) were involved in the medical marijuana dispensary business.

25. On September 28, 2016, MIKE BAYDOUN assured Garden City Official A that he would keep their bribe payment arrangement a secret.

26. On September 28, 2016, MIKE BAYDOUN offered to make a monthly bribe payment of \$20,000 to Garden City Official A and Garden City Official B, or give them 20% of the marijuana growing center proceeds which could amount to as much as \$40,000 per month.

27. On September 29, 2016, MIKE BAYDOUN met with Garden City Official A and discussed obtaining a marijuana grow license from the State of Michigan which would allow BAYDOUN to grow 1500 marijuana plants.

28. On September 29, 2016, MIKE BAYDOUN told Garden City Official A that he had \$150,000 to be used for bribes to get the marijuana grow license from the State of Michigan.

29. On September 29, 2016, MIKE BAYDOUN offered to pay Garden City Official A, Garden City Official B and an unknown official from the State of Michigan \$150,000 or 25% of the proceeds, in exchange for their assistance in helping him obtain a permit to grow 1500 marijuana plants in Garden City.

30. On November 30, 2016, MIKE BAYDOUN met Garden City Official A and agreed to pay three Garden City Council members \$5,000 each, for a total of \$15,000, in exchange for the Council members' votes in favor of

amending the Garden City ordinance which would allow the defendants to operate a medical marijuana growing center near Ford Road and Hubbard Street in Garden City.

31. On November 30, 2016, MIKE BAYDOUN agreed to put \$150,000 in escrow to be used for bribes to Garden City Official A, Garden City Official B and an unknown state official in exchange for their assistance in helping him obtain a permit to grow 1500 marijuana plants in Garden City.

32. On November 30, 2016, MIKE BAYDOUN told Garden City Official A that his nephew (defendant JALAL BAYDOUN) and brother (defendant ALI BAYDOUN) were involved in the business.

33. On November 30, 2016, MIKE BAYDOUN told Garden City Official A that he would introduce the official to his nephew (defendant JALAL BAYDOUN).

34. On December 2, 2016, MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN met with Garden City Official A inside the official's Garden City police car, which was parked in the back parking lot of MIKE BAYDOUN's restaurant.

35. On December 2, 2016, JALAL BAYDOUN asked Garden City Official A if it would be possible to have the grow operation at a building near Ford Road and Hubbard Street, and the dispensary in a separate location in a

building located on Ford Road.

36. On December 2, 2016, JALAL BAYDOUN asked Garden City Official A to confirm that the city ordinance will be changed to allow them to operate a marijuana grow operation in the building near Ford Road and Hubbard Street in Garden City.

37. On December 2, 2016, after Garden City Official A asked MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN if they have the cash bribes for the Garden City Council members, MIKE BAYDOUN directed ALI BAYDOUN and JALAL BAYDOUN to “take care of business.”

38. On December 2, 2016, ALI BAYDOUN, in the presence of MIKE BAYDOUN and JALAL BAYDOUN, handed Garden City Official A an envelope containing \$15,000 cash, intending for the official to deliver \$5,000 each to three Garden City Council members as bribes to ensure that defendants would receive the needed votes to change the city ordinance to allow the defendants to operate a medical marijuana growing center in Garden City.

39. On December 2, 2016, MIKE BAYDOUN told Garden City Official A that the \$15,000 in cash was for all three Garden City Council Members.

40. On December 2, 2016, JALAL BAYDOUN told Garden City Official A that the three Garden City Council Members should get \$5,000 each and that each banded group of cash contained \$5,000.



41. On December 2, 2016, ALI BAYDOUN told Garden City Official A that the cash came from the bank.

42. On December 2, 2016, MIKE BAYDOUN and JALAL BAYDOUN told Garden City Official A that they had the funds ready to put \$150,000 in escrow.

All in violation of Title 18, United States Code, Sections 371 and 666.

**COUNT TWO**

(Federal Program Bribery, Aiding and Abetting—  
18 U.S.C. §§ 666, 2)

D-1 MIKE BAYDOUN  
D-2 ALI BAYDOUN  
D-3 JALAL BAYDOUN

1. Paragraphs 1 through 11 of the General Allegations are hereby incorporated in this Count.
2. On or about December 2, 2016, in the Eastern District of Michigan, defendants MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN, aided and abetted by each other, knowingly and corruptly gave approximately \$15,000 in cash to an agent of Garden City, Michigan, with intent to influence and reward agents of Garden City in connection with business, transactions, or a series transactions of Garden City involving \$5,000 or more, to wit: to secure the votes needed to change Garden City's ordinance which would allow the defendants to

operate a medical marijuana growing center in Garden City, in violation of Title 18, United States Code, Section 666(a)(2).

**CRIMINAL FORFEITURE**

(18 U.S.C. § 981(a)(1)(C) with 28 U.S.C. § 2461(c))

D-1 MIKE BAYDOUN  
D-2 ALI BAYDOUN  
D-3 JALAL BAYDOUN

1. The above allegations contained in this Indictment are incorporated by reference as if set forth fully herein for the purpose of alleging forfeiture pursuant to the provisions of 18 U.S.C. § 981(a)(1)(C) together with 28 U.S.C. § 2461(c).

2. As a result of the violation, as set forth in Count One (18 U.S.C. §§ 371, 666(a)(2)) of this Indictment, defendants MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of such violation, pursuant to 18 U.S.C. § 981(a)(1)(C) together with 28 U.S.C. § 2461(c), including but not limited to the following:

- a. **\$133,071.54, constituting all funds seized from JP Morgan Chase Bank: Account No. XXXXX1702, titled to International Medical Equipment, on or about December 13, 2016.**

3. **Money Judgment:** Such property includes, but is not limited to, a forfeiture money judgment in an amount to be proved in this matter representing the total amount of proceeds traceable to violations of defendants MIKE

BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN, as set forth in Count One (18 U.S.C. §§ 371, 666(a)(2)) of this Indictment, entered against defendants MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN, in favor of the United States.

4. **Substitute Assets:** If the property described above as being subject to forfeiture, as a result of any act or omission of defendants MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN:

- 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 that cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek to forfeit any other property of defendants MIKE BAYDOUN, ALI BAYDOUN, and JALAL BAYDOUN, up to the value of the forfeitable property described above, as a substitute asset.

THIS IS A TRUE BILL.

*s/Grand Jury Foreperson*  
GRAND JURY FOREPERSON

DANIEL L. LEMISCH  
Acting United States Attorney

*s/J. Michael Buckley*  
J. MICHAEL BUCKLEY  
Assistant United States Attorney  
Deputy Chief, Public Corruption Unit

*s/Frances Lee Carlson*  
FRANCES LEE CARLSON  
Assistant United States Attorney  
Public Corruption Unit

*s/Shankar Ramamurthy*  
SHANKAR RAMAMURTHY  
Assistant United States Attorney  
Asset Forfeiture Unit  
211 W. Fort St., Ste. 2001  
Detroit, MI 48226  
313-226-9100

Dated: July 11, 2017

United States District Court  
Eastern District of Michigan

**Criminal Case Cover**

Case: 2:17-cr-20470  
Judge: Friedman, Bernard A.  
MJ: Majzoub, Mona K.  
Filed: 07-11-2017 At 02:51 PM  
INDI USA V. SEALED MATTER (DA)

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete

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

Case Title: USA v. D-1 MIKE BAYDOUN, et al

County where offense occurred : Wayne

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: \_\_\_\_\_ Judge: \_\_\_\_\_

- 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:

<u>Defendant name</u>	<u>Charges</u>	<u>Prior Complaint (if applicable)</u>
-----------------------	----------------	--

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

July 11, 2017  
Date

*Michael Buckley*  
 J. MICHAEL BUCKLEY  
 Assistant United States Attorney  
 211 W. Fort Street, Suite 2001  
 Detroit, MI 48226-3277  
 Phone: 313-226-9581  
 Fax: 313-226-3413  
 E-Mail address: Michael.Buckley@usdoj.gov  
 Attorney Bar #: P36167

<sup>1</sup> Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, or (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.