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# Carlyle Group subsidiary in Michigan bribery trial...

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Crooks Testify

*Carlyle/Synagro, murderers, money launderers, drug traffickers and gangsters*

By Diane Bukowski with Zenobia Jeffries

Michigan Citizen

DETROIT — The prosecution's cast of witnesses in the Sam Riddle bribery trial is dominated by shady characters, with Carlyle Group subsidiary Synagro starring. Jurors have heard Synagro's vice president of business development Pam Racey on tape apparently discussing bribes of former City Council President Monica Conyers.

Former interim Detroit Mayor and City Council member Kenneth Cockrel, Jr.'s, Chief of Staff John Clark admitted earlier to taking Synagro bribes. Nonetheless, Cockrel Jr. testified Feb. 1 about City of Detroit and General Retirement System ethics codes. Riddle's attorneys objected that he is not being tried for conflict of interest.

Porn king Harry Mohny, founder of Déjà Vu Consulting, a national strip club chain, plays his trial role in the wings. He spent three years in prison for evading over \$14 million in taxes amid allegations of money laundering and mob connections.

One Déjà Vu witness, Joe Hall, has ties to a defendant in the government's current trial of 78 members of the Highwaymen Motorcycle Club for racketeering, drug trafficking, and numerous counts of conspiracy to commit murder. Another, Chris Jackson, is a Greektown Casino partner, Michigan Chronicle investor and chief of staff to former City Council President Gil Hill, who admitted to bribing Riddle.

It is not just illegal to accept bribes, but to offer them, too.

U.S. District Court Judge Avern Cohn, presiding over Riddle's trial after authorizing the wiretaps, also has presided over the trials of several prosecution witnesses, who are testifying under grants of immunity. Some remain under his supervision.

**Bombshell: Carlyle knew**

Jurors may never hear key evidence regarding Synagro. Carlyle/Synagro executives at a national level likely approved, and at least knew about, Synagro's 2007 efforts to obtain a \$1.2 billion city wastewater sludge contract through bribery, according to court testimony.

**“Why don’t you go after the Carlyle-Synagro group?” Riddle asked Detroit’s FBI Chief Andrew Arena in published pre-trial remarks before Cohn gagged him. “Deal with people on the board, like the Bush family.”**

The Riddle wiretaps were conducted while former President George W. Bush was still in office. The U.S. Attorney’s office at that time was also Republican-led. The federal investigation began more than a year before the presidential election.

Cohn issued an order barring Riddle or his attorneys from pursuing the matter. During a cross-examination Jan. 29, he barred the defense from even asking about the Carlyle Group.

In wiretaps played for the jury that day, Synagro consultant Rayford Jackson tells restaurateur Kevin Ransom that Carlyle/Synagro warned Racey to stay away from Monica Conyers. Racey apparently disobeyed.

“How’s Monica?” Racey asks Jackson on tape Nov. 17, 2007. “She not gon’ flip,” Jackson replies. Racey also refers to James Rosendall, Synagro’s Michigan vice president, who has pled guilty to bribery.

On Nov. 20, 2007, the City Council voted 5-4 vote to approve the contract, with Conyers reversing her earlier “No” vote. Synagro and the city later voided it, but Synagro has since resurfaced with another bid.

Racey’s role was first exposed in The Michigan Citizen. She signed a memorandum with four Detroit community groups in 2007, promising them \$50,000 for supporting Synagro’s contract.

Earlier, Racey was involved in giving campaign donations to Philadelphia Mayor Michael Nutter and a city council member, after the FBI had already indicted former Mayor John Street for taking \$91,000 from the company. Philadelphia now has a Synagro sludge facility.

Racey has dealt with officials in Riverside County and Sacramento, Calif., Honolulu, Hawaii, New York City, and the state of Maryland, among others. Synagro spokespersons will not confirm or deny if she still works for them.

Where’s the money?

Also on Jan. 29, the jury heard Synagro consultant Rayford Jackson tell Rosendall that he paid bribes of \$25,000 to the NAACP, \$40,000 to city council members, \$30,000 to the water department, and \$30,000 to Monica Conyers.

Jackson says he gave nothing to Riddle, but claims Conyers gave him a cut. Conyers herself is not expected to testify to confirm this.

A videotape of a meeting between Jackson, Riddle and Conyers at Metro Airport was played with no sound. An FBI agent claimed he saw Rayford Jackson pass what “looked like money” to Riddle, who then passed it to Conyers, as they were standing outside a terminal, with the agent inside. However, the videotape does not clearly show a money exchange.

Rayford Jackson’s brother, Lennie Jackson, testified under a grant of immunity that he passed “large envelopes” to Monica Conyers, sent from his brother. He said he was often not aware of the contents. Lennie Jackson took a plea deal on a 1994 drug case also heard by Cohn, and served 12 years. He said terms of the deal could be revoked if he “lied” in the case against his brother.

He said both brothers hoped to obtain permanent employment with Synagro. Rayford Jackson, who was recruited by Rosendall to obtain “minority” participation in the contract, pled guilty with the promise that his brother would not go to jail again. Cohn sentenced him to the maximum five years, while Rosendall got 11 months.

### FBI provided for Synagro

According to government and defense briefs filed Jan. 27 and 28, the FBI recruited Brandon Rosenberg, who is awaiting sentencing in front of Cohn for drug conspiracy. He was to contact Jackson to have him bribe City Council members with money provided by the FBI.

“Jackson told Rosendall he had just been to see two council members, and that he had paid them expensive bribes,” says the defense brief, describing transcripts of a Sept. 2007 wiretap.

“He also made it sound as though the supposed bribes he had paid them were in connection with Synagro, not Rosenberg’s real estate project,” the brief says. “He expressed hope that Rosendall’s superior, Pam [Racey], would agree to reimburse him for the bribe money, and Rosendall assured him it would not be a problem.”

The defense contended that Jackson pocketed bribe money as part of a regular practice.

### Strip club owners sue city, blame Riddle

Déjà Vu Consulting, Inc.’s President Jim St. John, aide Joe Hall, and consultant Chris Jackson also took the stand against Riddle Jan. 28. St. John and Hall testified they met with Riddle to obtain Council approval of a license transfer from the Zoo bar in downtown Detroit to their proposed strip club, and expressed shock at an alleged bribery attempt.

On cross-exam, they admitted they did not report the attempt to police, but first raised it during a court appeal of the city’s denial of the license transfer.

Hall said he was testifying under a grant of immunity. Federal prosecutors withdrew drug-dealing charges against him in 2008 for unspecified reasons, according to court records.

The U.S. said Hall delivered a large shipment of the drug Oxycontin from Kentucky to 3503 Junction in Detroit, where Gary Ball, Jr., is listed as a taxpayer. Ball, Jr., is one of 78 alleged Highwaymen Motorcycle Club members currently being tried on federal counts including racketeering, drug trafficking, conspiracy to commit murder, armed robbery, arson, vehicle theft and other charges.

Déjà Vu’s founder and true operator is Harry Mohney, whose \$100 million empire is based in Lansing, Michigan. He was convicted on federal tax evasion charges in 1992 and served three years in federal prison.

Mohney’s ex-wife, porn star Gail Palmer, testified in a 1985 court deposition: “Although Mohney incorporated his business, he had total management and control over it while placing other people in positions of officers and directors to avoid being connected to the business. These named officers and directors were merely Mohney’s puppets.”

Jay Allen Sanford, a long-time Mohney associate, quoted Palmer’s statement in a semi-autobiographical history:

“Hidden paperwork reveals Mohney’s hand in more than 70 corporations,” Sanford wrote. “Evidence surfaces that he may have skimmed over a million dollars a year from some operations. The Meese Commission report on pornography (1986) links his business dealings with organized crime bosses, stating (page 1230), ‘Mohney worked closely with the La Cosa Nostra [mafia] Colombo and DeCavalcante crime families, who dominated East Coast porn distribution with the Gambinos.’ ”

Mohney himself denied any connection with the mob, says Sanford.

Federal prosecutors called Mohney the second largest purveyor of porn in the country, according to Sanford. He quotes U.S. assistant attorney Richard Delonis, “I have not encountered anyone who took cheating on their taxes to this kind of level.” A federal tax lien of over \$14 million was levied against Mohney’s companies in 1993.

Chris Jackson, Gil Hill, and Greektown Casino

Chris Jackson, of Jackson Consulting, Inc., corroborated the strip club operators’ testimony, saying he met with Riddle and gave him bribes, which Riddle’s attorneys have said were consulting fees. Jackson said he continued to give Riddle money on his own even after the license transfer was voted down by the council majority, including Conyers.

Jackson said he wanted the national chain to hire his ATM processing company. He testified he served as former City Council President Gil Hill’s chief of staff in the 1990s.

The Michigan Citizen revealed in 1998 that Hill reported \$20,000 in illegal campaign contributions from Greektown Casino in 1997. Hill voted to approve the casino deals. That year, Jackson incorporated his consulting firm and was promptly named vice-president of operations for the proposed casino. He is still a minority partner. He is also an investor in the Michigan Chronicle.

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