

**Department of Justice**  
U.S. Attorney's Office  
Eastern District of Michigan

---

FOR IMMEDIATE RELEASE

Monday, September 21, 2015

## **Former Detroit City Treasurer Sentenced to Eleven Years in Prison for Taking Bribes in Exchange for Tens of Millions in Detroit Pension Investments**

Former Detroit City Treasurer Jeffrey Beasley was sentenced to eleven years in prison today for taking bribes and kickbacks from businessmen who sought and received hundreds of millions of dollars from Detroit's two pension systems, U.S. Attorney Barbara L. McQuade announced today.

McQuade was joined in the announcement by FBI Acting Special Agent in Charge John Shoup, IRS Special Agent in Charge Jarod J. Koopman, and James Vanderberg, Special Agent in Charge for the U.S. Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations in Chicago.

During a hearing today before U.S. District Judge Nancy G. Edmunds, Beasley, 46, of Chicago, was sentenced to eleven years in prison and a term of supervised release based on his four convictions by a jury for honest services fraud conspiracy, extortion and bribery. Beasley, who was appointed by former Mayor Kwame Kilpatrick, served as Treasurer of Detroit from 2006 through September 2008. As Treasurer, Beasley oversaw Detroit's two pension systems and served as a Trustee for both Detroit's General Retirement System and the Police and Fire Retirement System. Detroit's two pension systems service more than 30,000 pensioners, beneficiaries, and city employees. While city Treasurer, Beasley demanded and accepted bribes of more than \$250,000 in cash, all-expense paid trips to Miami Beach, Las Vegas and the Turks and Caicos Islands, an \$800 set of golf clubs, massages, limousine rides, free liquor, meals and entertainment, among other things of value. Beasley accepted these bribes and kickbacks from men seeking investment money from the two Detroit pension systems, including investment sponsors, third party marketers and the former General Counsel of the pension systems, Ronald Zajac. In addition, Beasley pressured businessmen appearing before the pensions systems to contribute more than \$400,000 to the Kilpatrick Civic Fund in exchange for pension system investment money. The former Mayor then used the civic fund money as a slush fund for personal and political expenses.

The investigation of corruption in the pension systems of Detroit resulted in a number of convictions. Four other men convicted for their involvement in paying and accepting bribes in connection with the Detroit pension system will be sentenced over the next two weeks. They are: Paul Stewart, a former police officer, pension trustee, and Vice President of the Detroit Police Officer's Association; Chauncey Mayfield, the former CEO of Mayfield Gentry Realty Advisors; Roy Dixon, the former CEO of Onyx Capital Advisors; and George Stanton, the former Chief of Staff of a Detroit city councilwoman and pension trustee.

In addition, a number of other defendants were convicted in relation to the pension fund investigation, including (1) Monica Conyers, a former Trustee of the General Retirement System and former member of the Detroit city council, for conspiracy to take bribes, including bribes relating to a proposed multi-million dollar pension fund investment in Wireless Resources and a \$10,000 extortion payment relating to the Police and Fire Retirement System's investment in the Romulus Deep Injection Waste Well; (2) Samuel L. Riddle, Conyers' Chief of Staff, for conspiracy to commit bribery and extortion relating to the Wireless Resources and Romulus Deep Injection Well investments; (3) DeDan Milton, a former Trustee of Detroit's two pension funds; (4) Andrew Park, an owner of Asian Village, who paid a bribe to obtain a \$2.75 million loan from Detroit's General Retirement System; (5) Derrick Miller, former Chief Information Officer of Detroit, who accepted the bribe from Park and who took a kickback of more than \$500,000 on a \$44 million investment by Detroit's two pension funds; and (6) the late Ronald Zajac, former General Counsel of Detroit's two pension systems for over 30 years, who was convicted prior to his death of collecting and delivering almost \$20,000 in cash bribes to trustees in order to secure a huge raise in salary for himself.

United States Attorney McQuade said, "Beasley robbed city employees and retirees of pension benefits they had earned through their hard work and dedication to public service. The court's sentence today sends a strong message that public officials will be punished when they abuse their positions of trust to personally profit at the expense of pensioners."

"With this sentencing, we move closer to closing an ugly chapter of corruption in Detroit", said John R. Shoup, Acting Special Agent in Charge of the FBI Detroit Division. "We are committed to protecting our citizens from officials who abuse their positions of trust, and steal from the hard-working people of this city."

"IRS Criminal Investigation is committed to working with the US Attorney's Office and its law enforcement partners to detect and investigate public officials that choose to abuse their position for their own personal enrichment", said Special Agent in Charge Jarod J. Koopman.

"Public officials who betray their trust by extorting financial vendors undermine the viability of pension plans like the City of Detroit Retirement System. Corrupt actions have cheated hard working City of Detroit employees out of what they rightfully earned. Our office will continue to work with the United States Attorney's Office and our law enforcement partners to detect and deter crimes against American workers and their benefits," stated James Vanderberg, Special Agent in Charge for the U.S. Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations in Chicago.

The case was investigated by agents of the FBI, the Internal Revenue Service, and the Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations. It is being prosecuted by Assistant United States Attorneys David A. Gardey, Stephanie Dawkins Davis, and Julie Beck.

Updated September 22, 2015

Copied from: <http://www.justice.gov/usao-edmi/pr/former-detroit-city-treasurer-sentenced-eleven-years-prison-taking-bribes-exchange-tens>