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UNITED STATES DISTRICT COURT
for the
Eastern District of Michigan

ORIGINAL

United States of America,

Plaintiff,

v.

MICHAEL LOVELOCK,

Defendant(s).

Case: 2:16-mj-30523
Assigned To : Unassigned
Assign. Date : 11/16/2016
Description: SEALED MATTER (BG)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief:

On or about the date(s) of between 2010 and April 2016, in the county of Macomb
in the Eastern District of Michigan, the defendant(s) violated:

Code Section
18 U.S.C. § 666

Offense Description
Federally Funded Program Bribery

This criminal complaint is based on these facts:

See attached Affidavit

Continued on the attached sheet.

Complainant's signature

FBI Special Agent Kelli C. Hodges

Printed name and title

Sworn to before me and signed in my presence.

Date: November 16, 2016

Judge's signature

City and state: Detroit, Michigan

Hon. Anthony P. Patti, U.S. Magistrate Judge

Printed name and title

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

Affidavit in Support of Complaint and Arrest Warrant

I, Kelli C. Hodges, Special Agent of the Federal Bureau of Investigation (FBI), having been duly sworn, depose and state that:

1. I have been a Special Agent with the FBI for more than 13 years. I have worked a variety of violations throughout my career to include public corruption investigations. I am currently assigned to the Macomb Resident Agency of the Detroit Field Division, which is located in the Eastern District of Michigan. I have been involved personally in numerous investigations concerning corruption of public officials.

2. This investigation is being conducted by the Macomb Resident Agency of the FBI and the Detroit Area Corruption Task Force, a multi-agency task force comprised of the FBI and other federal and local agencies. I am familiar with all aspects of this investigation. Because this affidavit is submitted for the limited purpose of establishing probable cause, I have not set forth every fact known to me about this investigation.

3. This is an extensive investigation into systemic corruption in multiple municipalities in Southeast Michigan, primarily Macomb County. The investigation has employed multiple telephone wiretaps, cooperating individuals

making consensual audio and video recordings, an undercover FBI agent, physical surveillance, telephone tracking warrants, and subpoenas of financial and other records. The payment and receipt of bribes have been captured on videotape on multiple occasions.

MICHAEL LOVELOCK

4. MICHAEL LOVELOCK is the elected Supervisor of Chesterfield Township, Michigan. The investigation has revealed that LOVELOCK has engaged in a pattern of corrupt activity, including demanding and accepting money in exchange for official acts as the township supervisor. There is probable cause to believe that LOVELOCK has violated 18 U.S.C. §666, which provides, in pertinent part:

(a) Whoever, if the circumstance described in subsection (b) of this section exists –

(1) Being an agent of ... a State, local, or Indian tribal government, or any agency thereof –

...

(B) corruptly solicits or demands for the benefit of any person, or accepts or agrees to accept, anything of value from any person, intending to be influenced or rewarded in connection with any business, transaction, or series of transactions of such organization, government, or agency involving any thing of value of \$5,000 or more;

...

shall be fined under this title, imprisoned not more than 10 years, or

both.

5. Subsection (b) of the statute requires that the governmental agency in this case must receive “in any one-year period, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of Federal assistance.” In each pertinent calendar year, including 2010 through 2016, Chesterfield Township received far in excess of \$10,000 per year in federal funds. For example, in 2016, Chesterfield Township received over \$93,000 in Federal Community Development Block Grants.¹

6. MICHAEL LOVELOCK’s telephone conversations and text messages have been intercepted pursuant to a court order. I have participated in monitoring and reviewing his recorded calls. The recordings revealed a conspiracy between LOVELOCK and a principal of a vendor [“Company A”] who had a contract with Chesterfield Township and was pursuing a renewal of the contract. The value of the contract far exceeds the \$5,000 value required by 18 U.S.C. §666, as does the value of the money paid to LOVELOCK.

7. LOVELOCK’s calls established that a principal of Company A was involved in providing an on-going stream of benefits to LOVELOCK in order to obtain payment from Chesterfield Township for services rendered and to secure the extension of Company A’s contract with Chesterfield Township. The principal was the subject of a court-authorized telephone wiretap. The principal was later

¹ Charter Township of Chesterfield Minutes of the Regular Board Meeting, February 1, 2016.

confronted with the evidence in the case. He retained counsel, admitted responsibility, and agreed to cooperate with the investigation. He is referred to in this affidavit as Cooperating Human Source One (CHS1).

8. In January of 2016, CHS1 provided information in a series of proffer sessions. CHS1 described his relationship with LOVELOCK and many other individuals. I have found CHS1 to be credible and reliable, and his information has been corroborated in great detail by telephone wiretaps, consensual recordings, meetings with public officials attended by an undercover FBI agent, surveillance, and other evidence.

9. LOVELOCK has been the Chesterfield Township Supervisor since November 2008. In 2010, Company A had past due accounts in Chesterfield Township, and Company A wanted to put those accounts on the Chesterfield Township tax roll. The tax roll records amounts owed by a homeowner, and homeowners want their tax roll clear so as to maintain clear title to their property. Putting the past due accounts on the tax roll would expedite and help secure payment to Company A. LOVELOCK told CHS1 he would stop putting the past due accounts on the tax roll if CHS1 did not pay him money. LOVELOCK wanted CHS1 to provide financial help with his campaign in exchange for LOVELOCK using his official position as township supervisor to keep the past due accounts on the Chesterfield Township tax roll. LOVELOCK wanted cash from CHS1.

Initially, CHS1 started off giving LOVELOCK \$500 in cash, but then LOVELOCK wanted more money from CHS1. CHS1 gave LOVELOCK approximately two payments of \$1,500 in exchange for getting Company A's Chesterfield Township past due accounts onto the tax roll.

10. In late 2012 or early 2013, LOVELOCK started demanding more cash from CHS1. LOVELOCK threatened CHS1 that he would not give Company A a good reference with other municipalities and would talk negatively about Company A to other communities. In response to LOVELOCK's threats, CHS1 continued to make payments to LOVELOCK.

11. Throughout the wiretap of CHS1's telephone, LOVELOCK was intercepted on multiple occasions requesting bribe payments from CHS1. In response to LOVELOCK's requests, CHS1 stated that he paid LOVELOCK approximately \$30,000 between 2010 and January 2016. CHS1 paid LOVELOCK to obtain his vote in favor of the trash contract, to prevent LOVELOCK from talking negatively about CHS1 or Company A to other communities, and to prevent LOVELOCK from holding back payment to Company A.

12. Company A did a substantial amount of work helping to clean-up after an August 2014 flood in Chesterfield Township. Chesterfield Township never paid Company A for the work. LOVELOCK wanted to wait until Macomb County reimbursed Chesterfield Township for the flood expenses before he paid

Company A for the services already rendered. A Macomb County official (MCO1) was the point of contact for the flood reimbursement to Chesterfield Township.

13. On September 25, 2015, FBI physical surveillance was conducted on CHS1 and LOVELOCK in a parking lot located in Troy, Michigan. During the surveillance, LOVELOCK was observed meeting with CHS1. After CHS1 started cooperating with the FBI investigation, CHS1 was debriefed about the meeting with LOVELOCK surveilled by the FBI in the Troy parking lot. During the meeting in the parking lot, LOVELOCK told CHS1 that he would make a call to get Company A paid for the flood clean-up work. CHS1 gave LOVELOCK \$2,500 in cash in the parking lot in exchange for his assistance in getting Company A paid.

14. On September 25, 2015, prior to the surveilled meeting between LOVELOCK and CHS1, LOVELOCK sent a text message to CHS1 using coded language to request a cash payment.

ML: I hope for lots of carrots maybe 60 bundles just kidding rabbits hungry

15. During a consensually monitored text message exchange on March 25, 2016, CHS1 asked LOVELOCK to use his official position as Chesterfield Township Supervisor to influence Macomb County to make a \$25,000

payment to CHS1/Company A for the expenses related to its clean-up services following the flood in Chesterfield Township. In return, CHS1 offered to pay LOVELOCK ten percent of the payment received by Company A from Macomb County. LOVELOCK agreed to pursue the matter with MCO1 to get the flood reimbursement paid directly to Company A:

CHS1: Can we met next Thursday afternoon regarding 2014 storm cleanup \$\$? Let me know, thanks!

...
LOVELOCK: [MCO1] told me 25 000 what you said and [Company A employee] I thought all agreed.

...
LOVELOCK: Call [MCO1] tell him you need ck.

CHS:1 Can you get the check an I will give you 10%

LOVELOCK: I don't think he will I will call him Monday.

CHS1: Okay. Let me know, thanks!

16. On March 30, 2016, CHS1 sent a consensually monitored text message to LOVELOCK setting up a meeting regarding the payment for the flood clean-up. During the texted conversation, CHS1 again offered LOVELOCK ten percent of the payment to Company A for the expenses related to its clean-up services following the flood in Chesterfield Township. LOVELOCK then requested fifteen percent of the \$25,000 owed Company A if he brought the reimbursement check to the meeting:

CHS1 Can we meet tomorrow around 11am?

LOVELOCK: For what

CHS1: Regarding [MCO1] and reference calls from potential [Company A] clients. Let me know, thanks!

LOVELOCK: How about today

CHS1: I can't today, sorry buddy.

LOVELOCK: I will talk to [MCO1] today also where at 10 percent

CHS1: Yes I can give you 10% (carrots) tomorrow once he commits.

[CHS1 used the term "carrots" indicating cash, just as LOVELOCK did in his text message on September 25, 2015]

LOVELOCK: Maybe 15 if I bring ck where we meeting. Where at 11 o'clock me and you

17. On March 31, 2016, the FBI used CHS1 to make a \$2,500 controlled cash payment to LOVELOCK. The meeting was attended by CHS1 and an undercover employee (UCE) of the FBI. During the meeting, CHS1 told LOVELOCK that the purposes of the payment were to obtain LOVELOCK's vote on a trash contract renewal with Chesterfield Township and to assist in CHS1 getting paid for the flood cleanup. The UCE was acting as a representative of CHS1 and Company A. The payment was audio and video recorded, and I have reviewed the recordings. During this exchange, LOVELOCK requested an additional payment to continue his assistance:

CHS1: Here, I don't want to pay you in front of him [UCE], that alright?

LOVELOCK: Same thing, do you pay him [UCE]?

CHS1: I don't want you mad at me anymore than you are.

LOVELOCK: But I'm saying, did you...

CHS1: That's uh, twenty-five hundred [CHS1 hands LOVELOCK \$2,500 in cash].

LOVELOCK: Alright.

CHS1: Then, um, you're gonna get the check though, you said. [CHS1 is referring to the check owed to CHS1/Company A for flood clean-up work in Chesterfield Township].

LOVELOCK: I'll get you the check next week, I'm gonna...

CHS1: Then on that, um, proposal. I'll get you that proposal for adding, uh carts to the contract and you know.

LOVELOCK: Get that, 'cause people are asking, I'm going trying to figure it out.

CHS1: Alright. Alright. And then we'll wait until after the election to extend the contract. You're saying wait 'til after, right? [CHS1 is confirming with LOVELOCK that in exchange for cash, LOVELOCK will extend Company A's contract with Chesterfield Township after the election].

LOVELOCK: I can't do it now, I'll get killed.

...

CHS1: So [MCO1], you're gonna see [MCO1] you think soon or what?

LOVELOCK: Tuesday.

CHS1: You think he's really gonna come through this time?

LOVELOCK: You'll have it on your desk Wednesday.

CHS1: Alright.

LOVELOCK: Guaranteed.

...
LOVELOCK: So, I talked to him [MCO1] yesterday. He said give me a couple of days, I'll have your check. And I will call you and you can pick it up and you can hand deliver it to [CHS1].

...
LOVELOCK: I will call you Tuesday or Wednesday.

CHS1: Yeah, call me Tuesday or Wednesday, and uh...

LOVELOCK: And I'll have a coffee at your office.

CHS1: Yeah.

LOVELOCK: And uh, I'll have a present for you. [LOVELOCK is referring to the check from Macomb County to Company A for the flood clean-up].

CHS1: Alright. And I'll get you the other piece to that too, you know. [CHS1 is telling LOVELOCK that he will pay LOVELOCK more money once LOVELOCK delivers the check to CHS1].

18. On April 27, 2016, the UCE made a \$1,500 controlled cash payment on behalf of Company A to LOVELOCK. The payment was audio and video recorded, and I have reviewed the recordings. LOVELOCK was paid this money for his assistance in LOVELOCK's official capacity as Chesterfield Township Supervisor in obtaining payment for CHS1/Company A from Macomb County for services previously performed by Company A in Chesterfield Township. During this exchange, LOVELOCK was displeased with the amount of money paid to him

by CHS1 through the UCE, as he had expected \$4,500 in exchange for his assistance:

UCE: What's up buddy.

LOVELOCK: What's up [UCE's name].

UCE: How are you?

LOVELOCK: What's happening?

UCE: How's things?

LOVELOCK: [Expletive] living the dream. What are you doing back in town?

UCE: Just taking care of [CHS1]. Somebody's got to.

LOVELOCK: [Expletive], somebody's got to watch that [expletive].

UCE: Yeah, yeah, yeah. Alright, he gave me fifteen [\$1,500] to uh, to give to you. [The UCE is observed counting the money and handing LOVELOCK an envelope with \$1,500 in cash]

LOVELOCK: Fifteen?

UCE: Fifteen.

LOVELOCK: That's not what he said.

UCE: He told me fifteen. What did he tell you?

LOVELOCK: Huh.

UCE: 'Cause he gave you twenty-five last time. [The UCE is referring to a \$2,500 payment provided to LOVELOCK the last time the UCE met with LOVELOCK and CHS1 on March 31, 2016].

LOVELOCK: Right, but he knew what it was supposed to be today and he's way off.

UCE: He told me fifteen. He's still waiting on the check though. [The UCE is letting LOVELOCK know that CHS1 has not yet received the check as payment for services rendered to Chesterfield Township during the 2014 flood.]

LOVELOCK: Right, but it's supposed to be forty-five today.

UCE: He didn't give me forty-five.

LOVELOCK: Okay. Alright.

UCE: I don't know what to tell ya. Call him if you want.

LOVELOCK: I'll call him.

UCE: But, he said give him fifteen, so.

LOVELOCK: Alright.

UCE: I think he, I think he's out of town, well I know he's out of town.

LOVELOCK: And he's on the plane now.

UCE: Yeah, so. But, um, he's still waiting on the check though.

LOVELOCK: Well yeah, but I, [MCO1] and him are sup, I'm, I'm out of it now.

UCE: Oh yeah.

LOVELOCK: Okay, I took, I told [MCO1] to call him directly and tell him when to go get the check and [MCO1] said it would be...

UCE: Okay, he didn't tell me that.

LOVELOCK: Yeah, that's what I'm saying.

UCE: Oh, so he can go get the check?

LOVELOCK: He knows about that. I don't know when. The check was supposed to be today or tomorrow I guess.

UCE: Wow, I don't know why he didn't tell me about that. Well he won't be able to get now until he gets back in town then?

LOVELOCK: Right.

UCE: Oh he didn't tell me that.

LOVELOCK: This don't do dick for me.

UCE: Well, sorry my friend, that's what he gave me though.

LOVELOCK: I'll call him.

UCE: Alright.

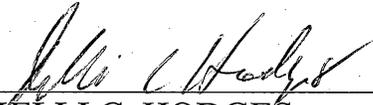
LOVELOCK: Thanks,

UCE: Thank you, yup.

Conclusion

19. Based on all of the above evidence, probable cause exists that MICHAEL LOVELOCK has committed the offense of Bribery Concerning Programs Receiving Federal Funds, contrary to 18 U.S.C. § 666.

Respectfully submitted,



KELLI C. HODGES
Special Agent, Federal Bureau of
Investigation

Subscribed and sworn to before me
on November 16, 2016, at Detroit, Michigan.



HON. ANTHONY P. PATTI
United States Magistrate Judge