

The Story Behind the Closing of Michigan Avenue Books and News

BY EDWARD B. KORYZNO, JR.

The Business in Question

The building located at 208 West Michigan Avenue was the location of many retail businesses during the twentieth century. A furniture store operated there for most of the century until it was replaced for a brief period by a pet store and then a bookstore. But no business had been more controversial than Michigan Avenue Books and News, an adult bookstore that opened in 1991. Many downtown business owners found the store's material offensive and not conducive to creating a family environment for shopping. However, it was not possible to force the store to close because of the freedom of speech clause contained in the U.S. Constitution.

Beginning in 1999, a series of events took place which would seal the bookstore's fate and also become the most significant and far-reaching undercover operation in the history of the Ypsilanti Police Department.

Mayor Dr. Cheryl Farmer had expressed concern about the health conditions inside Michigan Avenue Books and News. The AIDS epidemic had peaked, but the disease was still prevalent. Rumors of lewd behavior, sexual encounters, and several "cruising for sex" internet sites were associated with the bookstore.

Soliciting a Solution

The Ypsilanti Police Department (YPD) began an investigation of the store's activities under the direction of Police Chief George Basar. Four YPD detectives and two undercover officers from police departments in Wayne County composed the core group who gathered information during the eight-month investigation. The investigation included studying traffic patterns at the stores and then moving inside by posing as customers and employees.

Chief Basar wanted to have a dedicated prosecutor on the case, but Washtenaw

County Prosecutor Brian Mackey rejected the city's request. Undeterred, Chief Basar asked City Attorney John Barr for assistance, and Barr designated Assistant City Attorney Jack Gilbreath as the city's prosecutor on this case.

Because the First Amendment prevented closing the store, another applicable law had to be found. Jack Gilbreath knew one possible option was having the building forfeited under a Racketeer Influenced and Corrupt Organizations Act (RICO) action in federal court.

Gilbreath knew the attorney in charge of the U.S. Attorney's Office for the Eastern District of Michigan, as he had attended high school with him. He contacted the attorney with a twofold purpose. Gilbreath was hoping to discover a federal predicate act the bookstore owner may have violated and to determine whether the U.S. attorney was interested in pursuing the case. Unfortunately, he was unsuccessful on both counts.

Jack Gilbreath was also aware of a state public nuisance statute that could possibly close the business. The city could file an injunction, claiming the property was operating as a "bawdy house," as would-be customers were paying for sex. If successful, perhaps the business would be closed for a year, but that was an unsatisfactory outcome to the city.

Legal Briefs

It appeared that the City of Ypsilanti was running out of legal options. Then Ypsilanti Police Detective Amy Walker contacted Gilbreath with important information. She told him that she had researched the owner of the bookstore, James Olsafsky, and her research revealed that he owned a number of bookstores all over the state of Michigan. All of them were structured in such a way that Olsafsky owned the properties but not the businesses operating on the premises. This information was essential to further the city's case against the bookstore.

Gilbreath was also aware of an adult entertainment venue which had recently been raided by the Wayne County sheriff's department. He contacted the Wayne County Prosecutor and inquired about the adult entertainment venue closing. He was told that Larry Roberts, an appellate attorney, was the lead attorney on the case. Roberts had busted a movie theatre named the Melody Fine Arts Theatre.

Based upon this information, Basar, Walker, and Gilbreath met with Roberts. They discovered that Roberts had used a Michigan law which was comparable to RICO to close the theatre. This was the Continuing Criminal Enterprise Act, which requires an enterprise and more than one violation of the predicate acts.

Roberts had used the Continuing Criminal Enterprise Act in combination with operating a "bawdy house" to prosecute and close the theatre. Customers who went into the theatre bought a ticket to watch the movie, but then engaged in sex acts. The owner of the theatre was selling tickets at the door, so he could not hide behind "ignorance"; instead, he had a full view of what was going on. The theatre operation was a continuing

criminal enterprise, and the predicate acts that were violated were “operating a house of ill repute” and “lewdness.”

The City of Ypsilanti had now discovered a potential statute to pursue closure of the bookstore, but there was a problem: Olsafsky had no connection to the business operating on his property. Unfortunately, another individual owned that business, and Olsafsky was insulated from the criminal enterprise allegations.

This recent discovery meant that the city had to find someone who could visit the bookstore. Chief Basar contacted the Wayne County Sheriff for assistance, and they provided an officer. The officer discovered that as soon as he walked in the door of the bookstore, money was exchanged for tokens. He then proceeded downstairs where the booths were located. The booths played videos in exchange for tokens, and customers could engage in sexual activity as long as they kept putting tokens in the booth.

Ypsilanti could not prosecute Olsafsky unless he was connected to the tokens. The city was aware of other jurisdictions in which were located bookstores owned by Olsafsky. Basar had undercover officers in Taylor, Detroit, Lansing, Grand Rapids, and Traverse City plant marked bills in the bookstores. The city now had a money trail and a method of connecting the continuing criminal enterprise between the store owner and the booths.

But the city could not legally prosecute using the Continuing Criminal Enterprise Act. Under state law, such a case may only be brought by the county prosecutor. So Gilbreath reached out to Washtenaw County Prosecutor Brian Mackie about the possibility of bringing a continuing criminal enterprise case against Michigan Avenue Books and News. Mackie responded favorably to Gilbreath’s request and assigned two assistant prosecuting attorneys to work with him. The case was a risky venture because the city’s insinuation that the bookstore was a “house of ill repute” where “indecent exposure” occurred did not fit the stereotype of bookstores.



208 West Michigan Avenue (date uncertain)

Undercover Operations

Assistant City Attorney Jack Gilbreath and Washtenaw County Assistant Prosecutor Lenore Ferber prepared a search warrant for 208 West Michigan Avenue based upon the affidavits signed by the undercover officers working at the various stores. Prosecutors authorized the search warrants based on nearly thirty hours of surveillance footage captured by undercover investigators from the YPD, Michigan State Police, and other departments in Wayne County.

Search warrants were prepared for all of the other locations, in addition to Ypsilanti. Chief Basar met with the individual police departments the day before the search warrants were to be executed. This was to ensure that all of the search warrants would be coordinated and executed simultaneously, so no store employee would be tipped off by another employee at a different location. The YPD would lead and implement a simultaneous statewide police raid at multiple locations.

On March 22, 2000, the culmination of eight months of undercover police work came to fruition. Multiple raids occurred at all bookstores owned by James Olsafsky, including Michigan Avenue Books and News. Officers from seven counties across the state participated, and twenty-four search warrants were served in Detroit, Jackson, Flint, Grand Rapids, Westland, Hazel Park, and Waterford. Stores were linked by ownership and had the same distributor in Westland, according to corporate documents and store employees. Corporate documents also linked the company to other adult-oriented businesses in Ohio, according to Ypsilanti Police Detective Sergeant Craig Annas.

Police confiscated \$13,000 in cash from all the stores and froze more than \$120,000 of Olsafsky's assets, according to court records. Much of the cash which was found on a desk in Olsafsky's office contained the marked bills the police had planted. The importance of this find was that Olsafsky could not deny knowledge of what was taking place in the bookstores.

After the search warrants were executed, Ypsilanti building inspectors closed both Michigan Avenue Books and News and the Magazine Rack for being unfit for occupancy and for changing their authorized use without proper approval by the city. The stores remained closed until the problems were fixed. According to court documents, Chelsea resident Andrew Fields owned the Magazine Rack, 515 West Cross Street. However, he leased the area containing the booths to another company that Olsafsky operated. Washtenaw County Circuit Court Judge Donald Shelton ruled that the bookstores could remain open, but the area containing the booths had to be closed to the public.

The city's attorneys always believed they had a strong case against the bookstore owner. This was confirmed on October 12, 2000, when the president of the Michigan Avenue Books and News, Inc., and JJO Enterprises, Inc., pleaded no contest before Judge Shelton on two counts of money laundering, racketeering, and lewdness occurring between January 1, 1999, and March 22, 2000.

The owners agreed to a list of stipulations: to deed the 208 West Michigan Avenue property to the city; not to establish another adult bookstore within ten miles of downtown Ypsilanti; to phase out booths in thirteen other bookstores the company operated in Flint, Jackson, Taylor, and Grand Rapids by February 2, 2002; to pay \$225,000 to the IRS for unpaid taxes or face a \$50,000 fine for each violation; to pay \$100,000 to the City of Ypsilanti for the cost of the investigation; and to pay \$3,000 in court costs.

A Lasting Resolution

What began as a public health concern at Michigan Avenue Books and News evolved into a series of events that no city resident could have imagined. Besides closing Michigan Avenue Books and News, multiple affiliated adult bookstores were also closed in a statewide effort led by the YPD. An indirect benefit of this investigation was to use the same process to close multiple drug houses, nuisance businesses, and the city's largest slum landlord. These successes occurred because of interdepartmental cooperation and dedicated city employees. The process was slow, methodical, and meticulous.

Today, the business climate of downtown Ypsilanti has vastly improved over what existed in March 2000. It would be presumptuous to base the subsequent advancement solely upon the closing of the adult bookstore. However, it would be hard to imagine the successful reemergence of downtown without the absence of Michigan Avenue Books and News.

A Note on Sources

This information was gathered from personal recollections and newspapers. The author would like to thank former Ypsilanti Police Chief George Basar, former Ypsilanti Assistant City Attorney Jack Gilbreath, and former Ypsilanti Fire Chief/Fire Marshall Jon Ichesco for their assistance. The photograph is from the Ypsilanti Historical Society Archives.

About the Author

Edward B. Koryzno, Jr., was the Ypsilanti City Manager from 1996 to 2012. He was president of the Michigan Local Government Management Association in 2008, and he received the Michigan Municipal Executives Association Distinguished Service Award in 2019.