

THE UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT *of* NEW YORK

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Department of Justice
U.S. Attorney's Office
Eastern District of New York

FOR IMMEDIATE RELEASE

Thursday, December 14, 2017

Long Island Woman Indicted for Bank Fraud and Money Laundering to Support Terrorists

Defendant Stole and Laundered Over \$85,000 Using Bitcoin and Other Cryptocurrencies

A five-count indictment was unsealed earlier today in federal court in Central Islip, New York, charging Zoobia Shahnaz with bank fraud, conspiracy to commit money laundering and three substantive counts of money laundering. As alleged in the indictment and court filings, the defendant defrauded numerous financial institutions and obtained over \$85,000 in illicit proceeds, which she converted to Bitcoin and other cryptocurrencies. She then laundered and transferred the funds out of the country to support the Islamic State of Iraq and al-Sham ("ISIS"), which has been designated by the U.S. Secretary of State as a foreign terrorist organization. After consummating the scheme, the defendant attempted to leave the United States and travel to Syria. Shahnaz, a U.S. citizen, was arrested yesterday, and her initial arraignment is scheduled for this afternoon before United States Magistrate Judge A. Kathleen Tomlinson.

Bridget M. Rohde, Acting United States Attorney for the Eastern District of New York, William F. Sweeney, Jr., Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI), and James P. O'Neill, Commissioner, New York City Police Department (NYPD), announced the charges.

"As alleged, the defendant Zoobia Shahnaz engaged in a bank fraud scheme, purchased Bitcoin and other cryptocurrencies and laundered money overseas, intending to put thousands of dollars into the coffers of terrorists," stated Acting United States Attorney Rohde. "The indictment reflects the resolve of this Office, together with our law enforcement partners, to investigate and prosecute anyone who would seek to support terrorists, including those who would perpetrate financial crimes to do so." Ms. Rohde extended her grateful appreciation to the FBI's Joint Terrorism Task Force comprising a large number of federal, state and local agencies from the region.

"Syria is a perilous and violent war-torn country, but the subject in this investigation was allegedly so determined to assist ISIS that she planned a covert, illegal entry into Syria," stated FBI Assistant Director-in-Charge Sweeney. "On top of which, she allegedly tried to launder virtual currency to bolster terrorists' dwindling financial support. The FBI New York Joint Terrorism Task Force kept this woman from her dangerous and potentially deadly goal. We will do all we can to stop the next person hoping to do the

same. We want to thank our law enforcement partners Suffolk County Police Department, with whom we worked this case side-by-side.”

As set forth in the indictment and court filings, in or about and between March 2017 and the date of her attempted travel to Syria on July 31, 2017, the defendant engaged in a scheme to defraud numerous financial institutions. Specifically, Shahnaz obtained a loan for approximately \$22,500 by way of materially false representations. She also fraudulently applied for over a dozen credit cards, which she used to purchase approximately \$62,000 in Bitcoin and other cryptocurrencies online. She then engaged in a pattern of financial activity, culminating in several wire transactions, totaling over \$150,000, to individuals and apparent shell entities in Pakistan, China and Turkey. These transactions were designed to avoid transaction reporting requirements, conceal the identity, source and destination of the illicitly obtained monies, and, ultimately, benefit ISIS.

After conducting these financial transactions, the defendant sought to travel to Syria herself. She was questioned by law enforcement at John F. Kennedy International Airport when she attempted to board a flight to Islamabad, Pakistan. Her itinerary included a multi-day layover in Istanbul, Turkey – a common point of entry for individuals travelling from Western countries to join ISIS in Syria.

The charges contained in the indictment are merely allegations, and the defendant is presumed innocent unless and until proven guilty. If convicted, Shahnaz faces a maximum of 30 years for the bank fraud charge and 20 years on each money laundering count.

The government’s case is being handled by the Office’s Long Island Criminal Division. Assistant United States Attorney Artie McConnell is in charge of the prosecution.

The Defendant:

Zoobia Shanaz
Age: 27
Brentwood, NY

E.D.N.Y. Docket No. 17-CR-0690

Attachment(s):

[Download Shahnaz Indictment .pdf](#)

Topic(s):

Financial Fraud
StopFraud

Component(s):

[Federal Bureau of Investigation \(FBI\)](#)
[USAO - New York, Eastern](#)

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