

## **A.G. Schneiderman & NYPD Commissioner Kelly Announce Take Down Of Massive Eastern Seaboard Unstamped Cigarette Trafficking Enterprise**

Year-Long Joint OCTF-NYPD Investigation Revealed That Ring Laundered More Than \$55 Million In Illegal Proceeds; Dodged At Least \$80 Million In New York Taxes

Schneiderman: This Indictment Is The Result Of Our Relentless Fight Against Organized Crime Rings

NEW YORK – Attorney General Eric T. Schneiderman and NYPD Commissioner Raymond W. Kelly today announced the indictment of 16 members of a criminal ring that flooded New York City, Albany County and Schenectady County with more than a million cartons of untaxed cigarettes illegally imported from Virginia. A 244-count indictment, unsealed in Brooklyn Supreme Court, charges 16 co-conspirators with enterprise corruption, money laundering and related tax crimes. Each of the defendants faces up to 25 years behind bars.

During a 12-month investigation, law enforcement seized more than 65,000 forged NYC/NYS cigarette tax stamps that were not yet affixed to packs of cigarettes, and nearly 20,000 cartons of untaxed cigarettes. The investigation, which has so far uncovered \$55 million in illegal cigarette sales, is continuing. While it hasn't been established yet where the illicit proceeds ended up, similar schemes have been used in the past to help fund organizations like Hamas and Hezbollah. "By cheating New Yorkers out of tens of millions of dollars in tax revenue, this dangerous criminal ring was able to generate astounding profits that we are still continuing to trace," said **Attorney General Schneiderman**. "Not only did this organized crime ring hurt law abiding mom-and-pop shops and other businesses in New York by putting those who do pay taxes at a competitive disadvantage, there is a very real concern about the possibility of violence related to this type of enterprise. I am committed to putting criminals like this behind bars."

**Police Commissioner Raymond W. Kelly** said, "The association of some of the suspects in this case to the Ari Halbestram's killer, the Blind Sheik and a top Hamas official concerns us. While it hasn't been established yet where the illicit proceeds ended up, we're concerned because similar schemes have been used in the past to help fund terrorist organizations like Hamas and Hezbollah. I want to commend Attorney General Schneiderman and Homeland Security Investigations Special Agent in Charge James Hayes for their outstanding work in this case, as well as our Operation Sentry partners including the States Police of Delaware, Maryland, and New Jersey, and of course our own NYPD personnel, including Deputy Commissioner of Intelligence David Cohen, Assistant Chief Thomas Galati and the lead investigator on the case Detective Sean Foley."

"The proceeds from this alleged scheme can be used to fund a host of other criminal acts that threaten national security and public safety of Americans at home and abroad," said **James T.**

**Hayes Jr., special agent in charge of HSI New York.** “We remain committed to working with our local, state and federal law enforcement partners to ensure criminals are tracked down and brought before a court of law.”

As search warrants were executed up and down the Eastern Seaboard yesterday, investigators seized three handguns from ring-leader Basel Ramadan. The Attorney General’s Office also grabbed \$1.4 million stashed throughout Ramadan’s Ocean City, Maryland, residence, including stuffed into black plastic garbage bags. Investigator seized over 20,000 cartons of cigarettes from defendants’ homes, cars and storage facilities in four states. They seized \$200,000 in cash from defendants’ located in New York City.

Sales of non-taxed cigarettes deprive the state of millions of dollars in lost cigarette tax revenues, hurt law-abiding small businesses and undercut public health measures designed to discourage smoking.

This joint investigation by the Attorney General's Organized Crime Task Force and the New York City Police Department, and with the assistance of Homeland Security Investigations, uncovered the trafficking ring and its connections to Brooklyn, Queens, Staten Island, the Bronx, Albany, Schenectady and multiple other states, including Maryland, Delaware, Virginia and New Jersey.

Through the use of electronic surveillance, physical surveillance and the review and analysis of financial records in conjunction with other investigative tools, the Attorney General’s investigation revealed that the head of the enterprise, Basel Ramadan, and his brother, Samir Ramadan, obtained cigarettes from a wholesaler, Cooper Booth Wholesale, Inc., in Virginia and stored them in a public storage facility in Delaware. Several times a week, co-conspirator Adel Abuzahrieh, of Brooklyn, drove with tens of thousands of dollars in cash from New York to Delaware where he gave the Ramadans the cash in exchange for cigarettes. Beyond the \$55 million in purchases to cigarettes, the Ramadans have generated more than \$10 million in profits from their illegal activities.

In addition to the Ramadans, the criminal enterprise – all of whose members are Palestinian – consisted of several New York-based cigarette distributors, several New York-based cigarette resellers and Abuzahrieh, who transport of cash, sometimes over \$100,000 per trip, and cigarettes between New York and Delaware.

Once the distributors took possession of the merchandise – approximately 20,000 cartons of cigarettes a week - they distributed it to the resellers, who in turn sold the untaxed cigarettes to a myriad of Arab markets and grocery stores in Brooklyn, Queens, the Bronx and Staten Island.

One of the resellers, Mohannad Seif, also resold the untaxed cigarettes to various grocery stores in Albany and Schenectady Counties. The sales tax revenue lost to New York State is estimated to be significantly in excess of \$80 million.

The Ramadan brothers furthered the criminal enterprise by depositing more than \$55 million from their untaxed cigarette sales into small local financial institutions in and around Ocean City, MD., and used that money to purchase additional cigarettes for illegal sale.

The indictment, unsealed before Brooklyn Supreme Court Justice William Miller, charged the following individuals with enterprise corruption, and other crimes in relation to their involvement in the untaxed cigarette-based money laundering enterprise. Each defendant faces up to 8 1/3 to 25 years in prison.

BASEL RAMADAN, 42, boss of the enterprise, Ocean City, MD

SAMIR RAMADAN, 40, enterprise treasurer, Ocean City, MD

ADEL ABUZAHRIEH, 42, transporter, Brooklyn, NY

AHMAD ABDELAZIZ, 42, distributor, Brooklyn, NY

YOUSSEF ODEH, 52, distributor, Staten Island, NY

MUAFFAQ D. ASKAR, 46, reseller, Brooklyn, NY

MUFEED ATTAL, 62, distributor, Brooklyn, NY

RIBHI AWADEH, 39, distributor, Guttenberg, NJ

MOHAMED AWAWDA, 47, distributor, North Bergen, NJ

SAAD BADR, 58, distributor, Brooklyn, NY

MURAD BISHARAT, 37, reseller, Ridgewood, NY

MUNTHER MAHMOUD, 52, distributor, Brooklyn, NY

IZZAT NIMER, 46, distributor, Brooklyn, NY

MOHANNAD SEIF, 39, reseller, Brooklyn, NY

ISSA SULieman, 44, distributor, Brooklyn, NY

BASSAM TWAM, 47, reseller, Brooklyn, NY

Members of the criminal enterprise are set to be arraigned before Brooklyn Supreme Court Justice William Miller beginning today.

Attorney General Schneiderman said that all packs of cigarettes sold in New York City must bear a joint New York City/New York State tax stamp and only a licensed stamping agent can possess untaxed cigarettes and affix the tax stamps on the cigarette packs.

None of the members of this untaxed cigarette distribution and money laundering operation are authorized to sell tobacco products in New York City or New York State.

Attorney General Schneiderman thanked the following agencies for their partnership in the investigation. The New York National Guard Counterdrug Taskforce; the New York State

Department of Taxation and Finance; the New York City Sheriff's Office; the Albany Police Department; The New York State Police; the Brooklyn District Attorney's Office; the Delaware and Maryland State Police Departments; and the United States Attorney's Offices in Delaware, Maryland and New Jersey and especially the U.S. Attorney's Office in the Eastern District of New York which is working together with us on the forfeiture aspect of this case.

The investigation was directed by OCTF Senior Investigators Jeffrey Sauter and Peter Odio. They were supervised by OCTF Supervising Investigators William Charles and Arthur Schwartz, Upstate Deputy Chief Eugene Black, Downstate OCTF Deputy Chief Christopher Vasta and under the overall supervision of Investigations Bureau Chief Dominick Zarrella. From the NYPD, Detective Wafkey Salem worked under the supervision of Sergeant Robert Olson and Lieutenant James O'Sullivan of the Intelligence Division and under the supervision of Deputy Commissioner David Cohen. From Homeland Security, Special Agent Andrew Borra, supervised by Deputy Special Agent-in-Charge Anthony Scandiffio.

The case is being prosecuted by OCTF Assistant Deputy Attorneys General Jonathan Sennett and Tarek Rahman, under the supervision of Deputy Attorney General Peri Alyse Kadanoff and under the overall supervision of Executive Deputy Attorney General for Criminal Justice Kelly Donovan.

The charges against the defendants are accusations and the defendants are presumed innocent until and unless proven guilty in a court of law.