

ORIGINAL *24*

UNITED STATES OF AMERICA
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

09
AUG -4
2009
FILED

UNITED STATES OF AMERICA,
Plaintiff,

CRIMINAL NO. 2:09-CR-20186
HONORABLE AVERN COHN
MAJ. JUDGE DONALD A. SCHEER

v.

- D-1 AIDARUS ABBAS MOHAMED,
 - D-2 MOHAMED MOHAMED-ABAS SHEIKH,
 - D-3 AHMED MOHAMED ABAS,
 - D-4 ABDURAHMAN MOHAMED ABAS,
 - D-5 NORTH AMERICAN MONEY TRANSFER, INC.
- Defendants.

- VIOLATIONS:
- 18 U.S.C. § 371: CONSPIRACY
 - 18 U.S.C. § 1343: WIRE FRAUD
 - 31 U.S.C. § 5324: STRUCTURING
 - 42 U.S.C. § 1760(g): WIC FRAUD
 - 18 U.S.C. § 1029: ACCESS DEVICE FRAUD
 - 7 U.S.C. § 2024: FOOD STAMP FRAUD
 - 18 U.S.C. § 1960: UNLICENSED MONEY TRANSMITTING BUSINESS
 - 18 U.S.C. 2: AIDING AND ABETTING
- FORFEITURE ALLEGATIONS

*FIRST SUPERSEDING
INDICTMENT*

THE GRAND JURY CHARGES:

GENERAL ALLEGATIONS

At all times pertinent to this indictment:

THE FINANCIAL INSTITUTIONS

1. **Comerica Bank, MidWest Financial Credit Union and Boeing Employees' Credit Union (BECU)** are domestic financial institutions as defined by Title 18, United States Code, Section 20, whose deposits are federally insured.

ABBAS PHONE CARD AND GROCERY, INC.

2. **Abbas Phone Card and Grocery, Inc.** is a retail food and convenience store located at 2279 Ellsworth Road in Ypsilanti, Michigan.
3. **AIDARUS ABBAS MOHAMED (D-1)** and **MOHAMED MOHAMED-ABAS SHEIKH (D-2)** are brothers. **AHMED MOHAMED ABAS (D-3)** and **ABDURAHMAN MOHAMED ABAS (D-4)** are the sons of **MOHAMED SHEIKH (D-2)**.
4. **Abbas Phone Card and Grocery** was originally titled in the name of Ahmed Hassan, a resident of the state of Georgia and the nephew of brothers **AIDARUS MOHAMED (D-1)** and **MOHAMED SHEIKH (D-2)**. **AIDARUS MOHAMED (D-1)** had a Power of Attorney to operate the store. However, since at least October 1, 2005, the store has been owned by **AIDARUS MOHAMED (D-1)** and others. **AIDARUS MOHAMED (D-1)** is the store manager. **MOHAMED SHEIKH (D-2)**, **AHMED ABAS (D-3)** and **ABDURAHMAN ABAS (D-4)** regularly work in the store and handle its day to day operations.

5. The store maintains an **account at Comerica Bank**. Signatories on the account are Ahmed Hassan (who has never transacted business on the account), and **AIDARUS MOHAMED (D-1)**.

MONEY TRANSMITTING BUSINESS

6. The term "**money transmitting**" includes **transferring funds on behalf of the public** by any and all means including, but not limited to, transfers within the United States or to other countries by wire, check, draft, facsimile, or courier.

7. Federal law and regulations require any **money transmitting business** which affects interstate or foreign commerce **to register with the Financial Crimes Enforcement Network (FinCEN), a part of the United States Department of Treasury**, in part to aid law enforcement authorities in detecting illegal money laundering activities and in determining whether funds are being sent out of the United States to further illegal activities in other countries.

8. The information provided to the Secretary of the Treasury when a money transmitting business is registered must include the following, at a minimum:

- a. the **name and location** of the money transmitting business;
- b. the **name and address of each person who owns, controls, directs** or otherwise participates in the conduct of the affairs of the business;
- c. the **name and address of any financial institution** at which the business maintains a transaction account; and
- d. an estimate of the **volume of business in the coming year** (which must be reported to the Secretary of the Treasury every year).

Federal law also requires money transmitting businesses to **comply with the licensing and registration requirements of every state** from which they accept money for transfer outside the United States. The **State of Michigan also requires money transmitters to register and be licensed** before engaging in the business of sending money to other countries on behalf of the public.

10. **NORTH AMERICAN MONEY TRANSFER, INC. (D-5) (NAMT)** is a for-profit corporation headquartered in Stone Mountain, Georgia, in partnership with African Horn, a network of money transfer services. NAMT (D-5) is registered with FinCEN and licensed to operate in the States of Georgia, Arizona, Colorado, Minnesota, Missouri, North Carolina, Ohio, Tennessee and Washington. **NAMT is not registered in the State of Michigan** (or in the States of California, Oregon, Utah or Vermont). Therefore it is **not licensed to operate in Michigan, or to engage in the business of transferring money from persons or accounts located in the State of Michigan to persons or accounts outside of the United States.**
11. Between January 3, 2008 and April 15, 2009, NAMT (D-5) wire transferred approximately **\$12,820,000** from the United States to African Horn in the United Arab Emirates, for distribution to the intended recipients in Somalia and other countries located in the Horn of Africa, as well as countries in Europe, the Persian Gulf, and West Africa.
12. NAMT (D-5) maintains an account at **Boeing Employees' Credit Union (BECU) in Seattle, Washington**. BECU is affiliated with the Shared Branching Network, a cooperative service of participating credit unions. Credit unions throughout the United States may participate in this cooperative service. **MidWest Financial Credit Union in Ypsilanti, Michigan** is also a member of the Shared Branching Network. A person in Michigan who wishes to deposit money

into NAMT's account in Seattle, Washington may deposit it at MidWest Financial Credit Union in Ypsilanti, Michigan, and NAMT's account at BECU in Seattle will be credited. **NAMT's regular bank statement will indicate the address of the credit union, including the state,** where the money was first deposited.

STRUCTURING CASH DEPOSITS

13. Federal law requires financial institutions to **report all cash deposits or withdrawals in excess of \$10,000** to the Internal Revenue Service by filing a **Currency Transaction Report (CTR)**. CTRs are required to contain information regarding the **identity of the individual** depositing or withdrawing more than \$10,000 in cash into a financial institution. These regulations also require that **multiple transactions be treated as a single transaction** if the financial institution has knowledge that they are by or on behalf of the same person, and they result in the financial institution either receiving or disbursing more than \$10,000 during any one business day.
14. CTRs are often used by law enforcement to uncover a wide variety of illegal activities. The IRS makes use of information required to be reported on CTRs in connection with investigations of tax compliance and regulatory procedures. Individuals aware of the CTR reporting requirements who do not want the IRS or other law enforcement authorities to learn of their financial transactions sometimes take **active steps to cause financial institutions to fail to file CTRs**. These active steps are often referred to as "**structuring**." Structuring cash deposits or cash withdrawals to avoid triggering the filing of a CTR by a financial institution is prohibited by 31 U.S.C. § 5324(a).

THE FEDERAL FOOD STAMP PROGRAM

15. The Federal **Food Stamp Program [FSP]** is a welfare program funded by the United States Department of Agriculture and, in Michigan, administered by the Michigan Department of Human Services [MDHS] (formerly known as the Michigan Family Independence Agency). The FSP was created by statute and administered by regulation. It is designed to provide funds to economically disadvantaged people so they can purchase food for themselves and their families.

a. Recipients of FSP benefits can use those benefits **solely for the purchase of eligible food items. Redeeming the benefits for cash is expressly prohibited by law.**

b. Recipients of FSP benefits can use those benefits only at retail food stores which are formally authorized to participate in the FSP [FSP stores].

16. To become an FSP store in Michigan, a store owner is required to complete, sign and submit an **FSP Application for Stores** (FNS Form 252) to the USDA Food and Nutrition Services Division [FNS] showing that the store meets eligibility requirements, and containing an **acknowledgment by the store owner that it is unlawful to trade cash for food stamp benefits and to accept benefits in exchange for anything but eligible food items.**

17. The FNS 252 also contains an **express promise that the applicant store owner will prevent violations of the FSP rules and regulations** such as trading cash for food stamp benefits, or accepting benefits from people not authorized to use them or for payment for ineligible items.

18. FSP benefits recipients receive **Electronic Benefits Transfer Cards [EBT]**, commonly referred to as **Bridge Cards** because an image of the Mackinac Bridge appears on the face of the card, and Personal Identification Numbers [PINs] from the MDHS, which are used to make food purchases from participating merchants. The MDHS authorizes a specific monthly dollar amount of FSP benefits to eligible recipients which can be accessed only with their EBT cards and PINs. When retail food stores are authorized to participate in the FSP, they receive electronic terminals, known as Point of Sale [POS] terminals, from the FNS, which are necessary to process FSP sales.

19. **The purchase of eligible food items using FSP benefits is accomplished in the following manner:**

- a. The recipient selects authorized food items at an FSP store and presents them for purchase.
- b. The recipient's EBT card is then scanned by the POS terminal which reads the magnetic strip on the EBT card containing the basic electronic information necessary to make the purchase.
- c. The FSB recipient enters the PIN into the POS terminal.
- d. The POS terminal then communicates electronically with a central database located outside of the State of Michigan by electronic transmission to determine whether sufficient benefits are available for the purchase.
- e. The central database computer sends the POS terminal, by wire, information that the purchase is authorized or denied based on the amount of benefits available.
- f. If authorized, the central database deducts the purchase price from the balance on the recipient's account and adds a corresponding amount to the FSP store's account.
- g. The central database calculates the cumulative FSP benefit sales for each FSP store on a daily basis, and initiates electronic wire transfers of Department of Agriculture funds from the United States Treasury to the FSP participating retail store's designated bank account, to pay the FSP store for FSP purchases made that day.

20. On December 24, 2005, **AIDARUS MOHAMED (D-1)** completed USDA-FNS Form 252 "Food Stamp Application For Stores" on behalf of **Abbas Phone Card and Grocery**, and submitted the form to USDA-FNS. In completing the application, **AIDARUS MOHAMED (D-1)** certified, in pertinent part, that:

- a. he would follow, and ensure that his employees followed, the Food Stamp Program regulations;
- b. he was aware that violations of the Food Stamp Program rules can result in fines, legal sanctions, withdrawal or disqualification from the Food Stamp Program;
- c. he accepted responsibility on behalf of **Abbas Phone Card and Grocery** for violations of the Food Stamp Program regulations, including, but not limited to:
 - i. trading cash for food stamp benefits,
 - ii. accepting food stamp benefits from people not authorized to use them,
 - iii. accepting food stamp benefits as payments on credit accounts or loans, or
 - iv. accepting food stamp benefits as payments for ineligible items.

21. Vendors are reimbursed by the USDA through electronic fund transfers from the Government directly to the vendors' bank accounts. The USDA electronic fund transfers for food stamp transactions processed by **Abbas Phone Card and Grocery** were credited to the Comerica Bank account in the name of **Abbas Phone Card and Grocery**.

WIC PROGRAM

22. Similarly to the Federal Food Stamp Program, the **Women, Infants and Children Program [WIC]** is funded by the United States Department of Agriculture and, in Michigan, administered by the Michigan Department of Community Health. WIC is a welfare program created by statute and administered by regulation, and designed to assure that economically

disadvantaged women and their children who meet specified eligibility criteria have adequate nutrition.

23. As with the food stamp program, WIC recipients are given **Electronic Benefits Transfer Cards [EBT]** which authorized vendors use to access the program benefits by swiping the card through a POS device, and having the holder of the benefits enter a PIN. Funds are then wire transferred from the federal repository into the merchant's bank account.

24. In October 2005, **AIDARUS MOHAMED (D-1)** completed the WIC Vendor Application on behalf of Abbas Phone Card and Grocery, Inc., and represented that the store carried the required amount of food products that could be lawfully purchased through WIC (such as baby formula, milk, eggs, cheese, peanut butter, juices, and so on). The application listed **AIDARUS MOHAMED (D-1)**, **MOHAMED SHEIKH (D-2)**, **ABDURAHMAN ABAS (D-4)** and Ahmed Hassan as the incorporators of the store.

25. On January 24, 2006, the Michigan Department of Community Health authorized Abbas Phone Card and Grocery, Inc. to access WIC benefits on behalf of the recipients, in exchange for eligible food items.

FRAUD IN CONNECTION WITH ACCESS DEVICES

26. The term "access device" includes any card, electronic serial number, personal identification number, account number or code that can be used, alone or in connection with another access device (such as a merchant's Point of Sale terminal) to obtain money, goods, services, or any other thing of value, or that can be used to initiate a paperless transfer of funds.

27. WIC cards and EBT cards are access devices that have limited and defined lawful uses. Knowingly using the cards to obtain things of value that are not authorized is a violation of federal law.

28. All **dates** in this indictment are alleged to be “**on or about**” the specific date stated.

COUNT 1
(CONSPIRACY TO COMMIT FEDERAL CRIMES –
18 U.S.C. § 371)

- D-1 AIDARUS ABBAS MOHAMED
- D-2 MOHAMED MOHAMED-ABAS SHEIKH
- D-3 AHMED MOHAMED ABAS
- D-4 ABDURAHMAN MOHAMED ABAS
- D-5 NORTH AMERICAN MONEY TRANSFER, INC.

29. The General Allegations are included in this Count.

30. From January 2005 through April 8, 2009, in the Eastern District of Michigan, Southern Division, and elsewhere, **AIDARUS ABBAS MOHAMED (D-1), MOHAMED MOHAMED-ABAS SHEIKH (D-2), AHMED MOHAMED ABAS (D-3), ABDURAHMAN MOHAMED ABAS (D-4), NORTH AMERICAN MONEY TRANSFER, INC. (D-5)** and others both known and unknown to the grand jury, did knowingly combine, conspire, confederate and agree with each other and others known and unknown to the grand jury to commit federal crimes and to defraud the United States, that is:

- a. **to violate Title 7, United States Code, Section 2024(b)(1), Food Stamp Fraud,** by knowingly using FSP authorization cards and access devices contrary to law to obtain things valued at \$5,000 or more;

- b. **to violate Title 18, United States Code, Section 1343, Wire Fraud**, by transmitting and causing the transmission of writings, signs and signals by means of wire and radio transmission in interstate commerce in order to execute their scheme to defraud the United States;
- c. **to violate Title 18, United States Code, Section 1029, Access Device Fraud**, by knowingly and with the intent to defraud effecting illegal transactions with access devices, in order to receive things of value aggregating over \$1,000 during a one-year period;
- d. **to violate Title 18, United States Code, Section 1960, Operating an Unlicensed Money Transmitting Business**, by knowingly conducting, managing, supervising or owning a money transmitting business affecting interstate or foreign commerce which was not in compliance with federal or state registration requirements, or which was used to transmit the proceeds of unlawful activity; and
- e. **to violate Title 31, United States Code, Section 5324, Structuring Transactions to Evade Reporting Requirements**, by causing or attempting to cause a domestic financial institution to fail to file a Currency Transaction Report (CTR) with the Internal Revenue Service as required by Title 31, United States Code, Section 5313(a) for currency transactions (that is, deposits or withdrawals) in excess of \$10,000 in a single day.

OBJECT OF THE CONSPIRACY

31. The object of the conspiracy was **to use Abbas Phone Card and Grocery, Inc. to obtain money in knowing violation of the laws governing federal welfare benefits programs and money transmitting businesses**, as more fully described below.

MEANS AND METHODS OF THE CONSPIRACY

32. To effectuate the goals of the conspiracy, **MOHAMED SHEIKH (D-2), AHMED ABAS (D-3) and ABDURAHMAN ABAS (D-4)** knowingly and unlawfully offered to purchase, through Abbas Phone Card and Grocery, FSP benefits from FSP recipients for a discounted rate, **usually taking for their own illegal profit at least 20% of each ineligible transaction.** The defendants also permitted WIC recipients to purchase ineligible, non-food items with their WIC benefits.
33. In addition, acting through Abbas Phone Card and Grocery, **MOHAMED SHEIKH (D-2), AHMED ABAS (D-3) and ABDURAHMAN ABAS (D-4)**, fraudulently accessed the FSP and WIC benefits accounts of those recipients from whom they purchased benefits using the recipients' EBT cards and PIN numbers, and falsely processed their purchase of FSP and WIC benefits through the store's POS terminal as though they were purchases of eligible food items, thereby obtaining the full dollar amount of the federal benefits from the United States Department of Agriculture which they had purchased at a discounted rate from the recipients.
34. Further, **MOHAMED SHEIKH (D-2), AHMED ABAS (D-3) and ABDURAHMAN ABAS (D-4)** would sometimes disguise the purchase of large amounts of FSP and WIC benefits as a series of smaller purchases of eligible food items to hinder the detection of their purchase of benefits from recipients.

35. Also, by processing their purchases of FSP and WIC benefits through the POS terminals of Abbas Phone Card and Grocery, **MOHAMED SHEIKH (D-2)**, **AHMED ABAS (D-3)** and **ABDURAHMAN ABAS (D-4)** would cause the full value of the federal benefits to be electronically transferred directly into the store's Comerica Bank account.

36. **AIDARUS MOHAMED (D-1)** would then access and use the proceeds of the benefits on his own behalf and for his co-conspirators. The monies were used both to unlawfully purchase additional FSP and WIC benefits from eligible recipients, and to pay the co-conspirators' personal expenses and to otherwise enrich themselves.

37. At times, **MOHAMED SHEIKH (D-2)**, **AHMED ABAS (D-3)**, **ABDURAHMAN ABAS (D-4)** would transmit value from customers' FSP and WIC benefits to designated recipients in other countries. To facilitate the transmission of the money to the designated countries (including Somalia and other countries located in the Horn of Africa, as well as countries in Europe, the Persian Gulf, and West Africa), the defendants unlawfully used **NORTH AMERICAN MONEY TRANSFER, INC. (D-5)**, well-knowing that the money remitting service was not licensed to operate in the State of Michigan. To conceal the extent of their cash business and their participation with **NAMT (D-5)** in an unlawful money remitting operation, **MOHAMED SHEIKH (D-2)** and others known and unknown to the grand jury structured the cash deposits into Comerica Bank, to cause the bank to fail to file a Currency Transaction Report (CTR) with the Internal Revenue Service.

OVERT ACTS

38. In order to further the conspiracy and effect the objects thereof, the following overt acts, among others, were performed by the named conspirators at Abbas Phone Card and Grocery in the Eastern District of Michigan, Southern Division:

- a. On June 3, 2008, **ABDURAHMAN ABAS (D-4)** sold a customer ineligible items, including a **phone card and laundry detergent**, in exchange for **\$30.98 in food stamp benefits**.
- b. On August 22, 2008, **MOHAMED SHEIKH (D-2)** and his brother-in-law, Mohamed Omar, made the following **cash deposits** into the Boeing Employees' Credit Union account of **NAMT (D-5)** at MidWest Financial Credit Union in Ypsilanti, Michigan:
 - i. At 1608 hours (4:08 p.m.), Mohamed Omar deposited **\$9,850**;
 - ii. **One minute later**, at 1609 hours (4:09 p.m.), **MOHAMED SHEIKH (D-2)** deposited **\$9,750** into the same account.

By **dividing the cash deposit of \$19,600 into two separate transactions**, the conspirators caused the financial institution to fail to file a CTR.
- c. On September 10, 2008, **AHMED ABAS (D-3)** purchased **\$32.76 in food stamp benefits** from a customer in exchange for ineligible items, including **four phone cards** and several food items.
- d. On October 6, 2008, **ABDURAHMAN ABAS (D-4)** purchased **\$49.96 in food stamp benefits** from a customer in exchange for **\$10 cash, two phone cards**, and several food items.
- e. On October 17, 2008, **AHMED ABAS (D-3)** purchased **\$74.96 in food stamp benefits** from a customer in exchange for **\$20 cash, three phone cards**, and several food items.
- f. On November 20, 2008, **ABDURAHMAN ABAS (D-4)** purchased **\$88.45 in food stamp benefits** from a customer in exchange for **\$50 cash, one phone card**, and food items.
- g. On December 4, 2008, a customer entered **Abbas Phone Card and Grocery** and approached both store owner **MOHAMED SHEIKH (D-2)** and **AHMED ABAS (D-3)**.

The customer asked **AHMED ABAS (D-3)** if he could get cash in exchange for his food stamp benefits. **AHMED ABAS (D-3)** told the customer the store was out of cash, and instead sold him a **phone card** and several food items in exchange for **\$28.98 in food stamp benefits**. **MOHAMED SHEIKH (D-2)** told the customer to come back the next day.

h. On December 9, 2008, **AHMED ABAS (D-3)** purchased **\$87.95 in food stamp benefits** from a customer in exchange for **\$40 cash, three phone cards**, and food items.

i. Later on that same day, December 9, 2008, the customer re-entered **Abbas Phone Card and Grocery** and approached **AHMED ABAS (D-3)**, who purchased **\$36.99 in food stamp benefits** from the customer in exchange for **\$20 cash and a package of diapers**.

j. On March 6, 2009, a customer entered **Abbas Phone Card and Grocery** and approached both store owner **MOHAMED SHEIKH (D-2)** and **AHMED ABAS (D-3)**, who were working together behind the sales counter. The customer asked **AHMED ABAS (D-3)** to sell him \$40 in cash in exchange for food stamp benefits. **AHMED ABAS (D-3)** stated he did not have any cash left in the register, and referred the customer to **MOHAMED SHEIKH (D-2)**, who retrieved \$20 cash from underneath the computer area behind the counter. **MOHAMED SHEIKH (D-2)** passed the \$20 cash to **AHMED ABAS (D-3)**, who purchased **\$56.97 in food stamp benefits** from the customer in exchange for **\$20 cash, two phone cards**, and food items.

k. On April 6, 2009, a customer entered **Abbas Phone Card and Grocery** and approached store owner **MOHAMED SHEIKH (D-2)**, who then engaged in two separate fraudulent transactions:

i. **MOHAMED SHEIKH (D-2)** first purchased \$82.21 in WIC benefits from the customer in exchange for tobacco and phone cards, both ineligible items, and

ii. then **MOHAMED SHEIKH (D-2)** purchased \$148.80 in food stamp benefits from the customer in exchange for transmitting \$100 to a person designated by the customer at an overseas location.

39. Through their fraudulent and illegal conduct, the co-conspirators unlawfully obtained **approximately \$718,743** in federal program monies.

40. All in violation of Title 18, United States Code, Section 371.

COUNT 2

(FOOD STAMP FRAUD: \$5,000 OR MORE, AIDING AND ABETTING –
7 U.S.C. § 2024 AND 18 U.S.C. § 2)

D-1 AIDARUS ABBAS MOHAMED
D-2 MOHAMED MOHAMED-ABAS SHEIKH
D-3 AHMED MOHAMED ABAS
D-4 ABDURAHMAN MOHAMED ABAS

41. The General Allegations are included in this count.

42. From January 2005 through April 9, 2009, in the Eastern District of Michigan, Southern Division, **AIDARUS ABBAS MOHAMED (D-1), MOHAMED MOHAMED-ABAS SHEIKH (D-2), AHMED MOHAMED ABAS (D-3), ABDURAHMAN MOHAMED ABAS (D-4)** knowingly and unlawfully used, and aided and abetted each other in using, EBT authorization cards and access devices, and by such conduct **obtained approximately \$432,000** in a manner contrary to the statutes and regulations governing the FSP.

43. All in violation of Title 7, United States Code, Section 2024(b)(1), and Title 18, United States Code, Section 2.

COUNT 3

(WIC FRAUD, AIDING AND ABETTING –
42 U.S.C. § 1760(g) AND 18 U.S.C. § 2)

D-1 AIDARUS ABBAS MOHAMED
D-2 MOHAMED MOHAMED-ABAS SHEIKH
D-3 AHMED MOHAMED ABAS
D-4 ABDURAHMAN MOHAMED ABAS

44. The General Allegations are included in this count.

45. From January 2005 through April 9, 2009, in the Eastern District of Michigan, Southern Division, **AIDARUS ABBAS MOHAMED (D-1), MOHAMED MOHAMED-ABAS**

SHEIKH (D-2), AHMED MOHAMED ABAS (D-3) and ABDURAHMAN MOHAMED ABAS (D-4) knowingly and unlawfully used, and aided and abetted each other in using, WIC authorization cards and access devices, and by such conduct **obtained approximately \$285,934** in a manner contrary to the statutes and regulations governing the WIC program.

46. All in violation of Title 42, United States Code, Section 1760(g) and Title 18, United States Code, Section 2.

COUNT 4
(OPERATING AN ILLEGAL MONEY REMITTING BUSINESS,
AIDING AND ABETTING – 18 U.S.C. §§ 1960 AND 2)

D-1 AIDARUS ABBAS MOHAMED
D-2 MOHAMED MOHAMED-ABAS SHEIKH
D-3 AHMED MOHAMED ABAS
D-4 ABDURAHMAN MOHAMED ABAS
D-5 NORTH AMERICAN MONEY TRANSFER, INC.

47. The General Allegations are included in this count.

48. From January 2005 through April 9, 2009, in the Eastern District of Michigan, Southern Division, and elsewhere, **AIDARUS ABBAS MOHAMED (D-1), MOHAMED MOHAMED-ABAS SHEIKH (D-2), AHMED MOHAMED ABAS (D-3), ABDURAHMAN MOHAMED ABAS (D-4)** and **NORTH AMERICAN MONEY TRANSFER, INC. (D-5)**, together with individuals and businesses known and unknown to the grand jury, did knowingly aid and abet each other in conducting, managing, supervising or owning an unlicensed money transmitting **business which transferred money from the Eastern District of Michigan to countries outside of the United States, including but not limited to Somalia and other countries**

located in the Horn of Africa, as well as countries in Europe, the Persian Gulf, and West Africa.

49. The defendants well-knew that **NAMT (D-5) was not licensed to operate as a money transmitting business in the State of Michigan.**

50. The money transmitting business involved the transmission of funds that the defendants knew or should have known were **derived, at least in part, from criminal offenses, namely federal benefits fraud (WIC and Food Stamp Benefits).** The unlicensed money transmitting business affected interstate or foreign commerce in some manner and degree.

51. The money transmitting business failed to comply with the registration requirements of the United States Department of Treasury as set forth in Title 31, United States Code, Section 5330 and 31 CFR 103.22.

52. All in violation of Title 18, United States Code, Sections 1960 and 2.

COUNT 5
(STRUCTURING CASH TRANSACTIONS
TO EVADE REPORTING REQUIREMENTS, AIDING AND ABETTING –
31 U.S.C. § 5324 AND 18 U.S.C. § 2)

D-2 MOHAMED MOHAMED-ABAS SHEIKH
D-5 NORTH AMERICAN MONEY TRANSFER, INC.

53. The General Allegations are included in this count.

54. From May 12, 2008 through March 31, 2009, in the Eastern District of Michigan, Southern Division and elsewhere, **MOHAMED MOHAMED-ABAS SHEIKH (D-2) and NORTH AMERICAN MONEY TRANSFER, INC. (D-5)** caused and attempted to cause, and aided and abetted each other and others known and unknown to the grand jury in causing and

attempting to cause, a domestic financial institution to fail to file a Currency Transaction Report (CTR) with the Internal Revenue Service as required by Title 31, United States Code, Section 5313(a) for currency transactions (that is, deposits or withdrawals) in excess of \$10,000 in a single day, relating to the **BECU account of NAMT (D-5)**.

55. During the stated time period, **MOHAMED SHEIKH (D-2)** and others known and unknown to the grand jury deposited a **total of \$265,801.14** into the account of **NAMT (D-5)** through MidWest Financial Credit Union in Ypsilanti; of that money, **\$214,924.04 was in cash**. Thirteen of the cash deposits were over \$8,000, and only one, a deposit made by an associate of the defendants on January 30, 2009, was over \$10,000.

56. For example, **on August 22, 2008, a cash transaction totaling \$19,600** was broken into two transactions, as follows:

a. **At 4:08 p.m.**, Mohamed O. Omar, brother-in-law to **MOHAMED SHEIKH (D-2)**, deposited **\$9,850 in cash** at MidWest Financial Credit Union in Ypsilanti, Michigan, to be credited to the account of **NAMT (D-5)** at BECU in Seattle, Washington.

b. **One minute later, at 4:09 p.m.**, at the same branch of the same financial institution, **MOHAMED SHEIKH (D-2)** deposited **\$9,750 in cash** to be credited to the **NAMT (D-5)** account at BECU in Seattle.

57. Similarly, over the stated time period, **MOHAMED SHEIKH (D-2)** made, and aided and abetted others known and unknown to the grand jury in making, **at least 9 cash deposits of more than \$9,000 and less than \$10,000** at MidWest Financial Credit Union in Ypsilanti, Michigan, to be credited to the **NAMT (D-5)** account at BECU in Seattle, Washington.

58. NAMT (D-5) is not licensed to operate in the States of Michigan, California, Oregon, Utah or Vermont; however, NAMT (D-5) does accept money collected from individuals in those states and transmits it to accounts outside of the United States. Cash transactions into the NAMT (D-5) account at BECU from individuals in Oregon, Utah and Vermont display a similar pattern of intentional structuring to avoid triggering the financial institution's obligation to file CTRs.

59. The defendants acted knowingly and intentionally.

60. All in violation of Title 31, United States Code, Section 5324, and Title 18, United States Code, Section 2.

CRIMINAL FORFEITURE ALLEGATIONS
(7 U.S.C. § 2024(h))

61. Upon conviction of **food stamp fraud**, in violation of Title 7, United States Code, Section 2024, as alleged in Count 2 of this Indictment, **AIDARUS ABBAS MOHAMED (D-1), MOHAMED MOHAMED-ABAS SHEIKH (D-2), AHMED MOHAMED ABAS (D-3)** and **ABDURAHMAN MOHAMED ABAS (D-4)** shall forfeit to the United States, pursuant to 7 U.S.C. § 2024(h) and 28 U.S.C. § 2461(c), **all property, real and personal, used in a transaction or attempted transaction**, to commit, or to facilitate the commission of food stamp fraud in violation of 7 U.S.C. § 2024.
62. Upon conviction of **food stamp fraud**, in violation of Title 7, United States Code, Section 2024, as alleged in Count 2 of this Indictment, **AIDARUS ABBAS MOHAMED (D-1), MOHAMED MOHAMED-ABAS SHEIKH (D-2), AHMED MOHAMED ABAS (D-3)** and **ABDURAHMAN MOHAMED ABAS (D-4)** shall forfeit to the United States, pursuant to 7 U.S.C. § 2024(h), **all proceeds traceable to a conspiracy to commit food stamp fraud** in violation of 7 U.S.C. § 2024.
63. Upon conviction of **WIC fraud**, in violation of Title 42, United States Code, Section 1760(g), as alleged in Count 3 of this Indictment, **AIDARUS ABBAS MOHAMED (D-1), MOHAMED MOHAMED-ABAS SHEIKH (D-2), AHMED MOHAMED ABAS (D-3)** and **ABDURAHMAN MOHAMED ABAS (D-4)** shall forfeit to the United States, pursuant to 42 U.S.C. § 1786(p)(3)(A), **all property, real and personal, used in a transaction or attempted transaction**, to commit, or to facilitate the commission of WIC fraud in violation of 42 U.S.C. § 1760(g).

64. Upon conviction of **WIC fraud**, in violation of Title 42, United States Code, Section 1760(g), as alleged in Count 3 of this Indictment, **AIDARUS ABBAS MOHAMED (D-1), MOHAMED MOHAMED-ABAS SHEIKH (D-2), AHMED MOHAMED ABAS (D-3) and ABDURAHMAN MOHAMED ABAS (D-4)** shall forfeit to the United States, pursuant to 42 U.S.C. § 1786(p)(3)(B), **all proceeds traceable to a conspiracy to commit food WIC fraud** in violation of 42 U.S.C. § 1760(g).

65. **Substitute Assets:** Pursuant to Title 21, United States Code, Section 853(p), **AIDARUS ABBAS MOHAMED (D-1), MOHAMED MOHAMED-ABAS SHEIKH (D-2), AHMED MOHAMED ABAS (D-3) and ABDURAHMAN MOHAMED ABAS (D-4)** shall forfeit **substitute property up to the value of the amount of fraud -\$718,743** - if, by any act or omission of the defendants, property directly subject to forfeiture cannot be located upon the exercise of due diligence; has been transferred, sold to or deposited with a third party; has been placed beyond the jurisdiction of the court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty.

66. Upon conviction for operating an unlicensed money transmitting service, aiding and abetting, in violation of Title 18, United States Code, Sections 1960 and 2, **AIDARUS ABBAS MOHAMED (D-1), MOHAMED MOHAMED-ABAS SHEIKH (D-2), AHMED MOHAMED ABAS (D-3), ABDURAHMAN MOHAMED ABAS (D-4) and NORTH AMERICAN MONEY TRANSFER, INC. (D-5)** shall forfeit to the United States any property, real or personal involved in a transaction or attempted transaction in those violations, or any property traceable to such property, pursuant to 18 U.S.C. § 982 (a)(1). If any property directly subject to forfeiture, as a result of any act or omission of the defendants, cannot be located upon

the exercise of due diligence; has been transferred, sold to or deposited with a third party; has been placed beyond the jurisdiction of the court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the defendants shall forfeit substitute property pursuant to 21 U.S.C. § 853.

THIS IS A TRUE BILL.

s/ Foreperson of the grand jury
FOREPERSON

TERRENCE BERG
United States Attorney

/s Jonathan Tukul
JONATHAN TUKEL
Assistant U.S. Attorney

s/ Cynthia Oberg
CYNTHIA OBERG
Assistant United States Attorney

s/ Julia Caroff Pidgeon
JULIA CAROFF PIDGEON
Assistant U.S. Attorney

Dated: August 4, 2009

ORIGINAL

United States District Court
Eastern District of Michigan

Criminal Case Cover Sheet

Case Number 2:09-CR-20186

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

Companion Case Information		Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :		Judge Assigned:
Yes	No <input checked="" type="checkbox"/>	AUSA's Initials: <i>SO</i>

Case Title: USA v. AIDARUS ABBAS MOHAMED, et al.

County where offense occurred : Washtenaw

Check One: Felony Misdemeanor Petty

- Indictment ___/Information ___ no prior complaint.
- Indictment ___/Information ___ based upon prior complaints [2:09-MJ-30182]
- Indictment ___/Information ___ based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information:

Superseding to Case No: 2:09-CR-20186 Judge: HONORABLE AVERN COHN

- Original case was terminated; no additional charges or defendants.
- Corrects errors; no additional charges or defendants.
- Involves, for plea purposes, different charges or adds counts.
- Embraces same subject matter but adds the additional defendants or charges below:

Defendant name

Charges

D-5	North American Money Transfer, Inc.	31 U.S.C. § 5324: Structuring 42 U.S.C. § 1760(g): WIC Fraud 18 U.S.C. § 1960: Unlicensed Money Transmitting Business
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8/4/2009
Date

Cynthia Oberg
CYNTHIA OBERG (P 36388)
Assistant United States Attorney

(313) 226-9701
Phone Number

¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.