

31 Charged In Cigarette Smuggling Operation Based In North Carolina

By Administrator

Tuesday, 23 July 2019 09:15 -

31 INDIVIDUALS CHARGED IN CIGARETTE SMUGGLING OPERATION RALEIGH – Robert J. Higdon, Jr., United States Attorney for the Eastern District of North Carolina announced today that on June 19, 2019, a federal grand jury sitting in the Eastern District of North Carolina returned a sealed, eight-count indictment charging 31 individuals and one business entity with a scheme to defraud the federal government, the State of North Carolina, the State of New York and the Commonwealth of Virginia, of millions of dollars in tax revenues from the sale of cigarettes.

This investigation, entitled Operation Southern Lights, is an effort to end large scale tax fraud and to hold these defendants accountable for the millions in lost tax revenue as the result of their illegal scheme. The individuals charged are:

- Justin Brent Freeman, 36
 - Malek Hamoud Alsaidi, 40
 - Ibrahim Ahmed Alsaidi, 43
 - Sadek Dahan Shahbain, 38
 - Ayed Yahya Ali Alsham, 37
 - Alshami Yahya Ali Alshami, 35
 - Mohamed Hafed Abdou, 39
 - Mohamed E Ould El Bechir, 43
 - Akram Ali Amer, 32
 - Mohamed Yeslem Ould Izid Bih, 40
 - Mohammed Saaid Darweesh, 30
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- El Hassen Hamadi, 42
 - Musheer Mohammed Hezam Al Naqeb, 21
 - Ali Mohammed Mashli Al Qadhi, 41
 - Mohamed Mounir, 39
 - Aied Awad Shibli, 50

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- Shibli Abu Issa Shibli, 51
- Manar Mohammed Talal-Mustafa, 40
- Mohammed Nael Mahmou Khalayfa, 28
- Saleh Mohammed Abdeljawad, 39
- Kaid Mohamed Addailam, 32
- Amr Mousa Alhalemi, 22
- Ahmed Khalayfa, 21
- Rawhi Abdel Jabbar Khams Awad, 62
- Ali Aied Shibli, 26
- Amchad Rawhi Khamis Awad, 31
- Wachdi Rawchi Khamis Awad, 33
- Abdallahi Mohamed Elhafedh, 43
- Ahmed Elhoussein, 54
- Dedde Cheikh, 39
- Arafat A. I. Abuhammoud, 34

In Count One, the grand jury alleges that the 31 individuals and the one business entity listed in the indictment, had been engaged in a conspiracy, beginning in 2018 and continuing until at least the time the indictment was returned, to ship, transport, receive, possess, sell, distribute and purchase cigarettes, in quantities exceeding 10,000 cigarettes (as required by the relevant statute), which bore no evidence of the payment of applicable State or local cigarette taxes in the state and locality where they were found. The object of the conspiracy was to profit from the purchase of cigarettes with cash in North Carolina, drive those cigarettes to the northeast, and sell them without paying the applicable sales tax. This is all alleged to be in violation of Title 18, United States Code, Section 2342 (a) (which prohibits the trafficking in contraband cigarettes and smokeless tobacco) and Title 18, United States Code, Section 371, the general conspiracy statute.

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It is alleged in the indictment that members of the conspiracy would repeatedly purchase large quantities of cigarettes from Justin Brent Freeman, age 37, of Hope Mills, North Carolina,

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through a business he operated named Freeco, Inc. in Fayetteville, North Carolina, as well as from other cigarette wholesalers in Fayetteville, Raleigh and Goldsboro, and then transport those quantities of cigarettes to storage locations for future shipment to New York City. After purchasing the cigarettes from Freeman and Freeco, Inc., or from one of the other retailers, members of the conspiracy would then prepare for transporting the cigarettes to the Northeast by using a full size van or rental truck and cross into the Commonwealth of Virginia and travel to either Richmond or Alexandria. In Virginia, the cigarettes would be transferred to another member of the conspiracy who would continue the transportation to Syracuse, New York. There, additional members of the conspiracy would transfer the cigarettes to an as yet unknown individual for transportation and distribution in the New York City area.

Counts Two through Seven allege six specific instances where the individual named in those counts (and who were part of the conspiracy charged in Count One) knowingly shipped, transported, received and possessed contraband cigarettes (in amounts greater than 10,000) which bore no evidence of the payment of applicable state cigarette taxes in the Commonwealth of Virginia. Each of these instances is alleged to be in violation of Title 18, United States Code, Section 2342(a), as well.

Last, Count Eight alleges that all 32 defendants – the 31 individuals and Freeco, Inc. – were engaged in a conspiracy to launder money in violation of Title 18,

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United States Code, Section 1956(h). In this count, the grand jury alleges that members of the conspiracy (a) conducted and attempted to conduct financial transaction affecting interstate commerce which involved the proceeds of specified unlawful activity, that is, cigarette trafficking, with the intent to further the goals of that crime, and that they knew that the property involved in the crime was in fact the proceeds of some form of unlawful activity; and (b) that, again, while they conducted or attempted to conduct the specified unlawful activity – again, cigarette trafficking – that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of the unlawful activity. So, in sum, the money laundering conspiracy count alleges that the members of the conspiracy were trying to either further the goals of the crime or to conceal the crime by using the proceeds of the crime in some way, or do both those things.

If convicted of Count One, the general conspiracy to traffic in contraband cigarettes, each defendant faces up to five years in federal prison and fines of up to \$250,000 or both; if convicted of Counts Two through Seven, each defendant named therein faces up to five years in federal prison and fines of up to \$250,000, or twice the gain obtained, whichever is greater, or both; and, if the defendants are convicted of money laundering as alleged in Count Eight, they each face up to 20 years imprisonment, a \$500,000 fine or twice the value of the property involved in the transaction, whichever is greater, or both.

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In addition, the grand jury included a forfeiture notice in the indictment. That section of the

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indictment provides notice to each defendant that the items of property listed in that notice, and any other property which is the proceeds of or involved in the crime, is forfeitable to the United States. The forfeiture notice conservatively calculates the gross proceeds of the crimes alleged in the indictment at \$12,322.943 and designates that amount as forfeitable to the United States as well.

The charges and allegations contained in the Indictment are merely accusations. An Indictment is a formal written accusation originating with the United States Attorney and issued by a grand jury against a party charged with a crime. All defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

This case is being investigated by Homeland Security Investigations, Cumberland County Sheriff's Office, United States Marshals Service, Robeson County Sheriff's Office, and the Johnston County Sheriff's Office.