

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

ORIGINAL FILED

AUG 11 2003

UNITED STATES OF AMERICA

CRIMINAL COMPLAINT
SUSAN D. WIGENTON
U.S. MAG. JUDGE

v.

HEMANT LAKHANI,
a/k/a "Hemad Lakhani"

Mag. No. 03-7106

I, James J. Tareco, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

Count One

From in or about December, 2001, to on or about August 12, 2003, in the District of New Jersey and elsewhere, defendant HEMANT LAKHANI, a/k/a "Hemad Lakhani," did knowingly and willfully attempt to provide material support and resources, and to conceal and disguise the nature, location, source, and ownership of material support and resources, intending that they were to be used in preparation for, and in carrying out, a violation of Title 18, United States Code, Sections 32, 2332a, and 2332b.

In violation of Title 18, United States Code, Sections 2339A and 2.

Count Two

From in or about December, 2001, to on or about August 12, 2003, in the District of New Jersey and elsewhere, defendant HEMANT LAKHANI, a/k/a "Hemad Lakhani," did knowingly and willfully engage and attempt to engage in the business of brokering activities with respect to the import and transfer of a foreign defense article, namely a shoulder-fired surface-to-air-missile of foreign origin, which was a non-United States defense article of a nature described on the United States Munitions List, without having first registered with and obtained from the Department of State's Directorate of Defense Trade Controls a license for such brokering or written authorization for such brokering.

In violation of Title 22, United States Code, Section 2778(b)(1) and (c), Title 22, Code of Federal Regulations, Sections 121.1, 127.1(d), 129.3, 129.6 and 129.7, and Title 18, United States Code, Section 2.

I further state that I am a Special Agent of the Federal Bureau of Investigation and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached pages and made a part hereof.

James J. Tareco, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
August 11, 2003 in Essex County, New Jersey



HONORABLE SUSAN D. WIGENTON
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

I, James J. Tareco, a Special Agent of the Federal Bureau of Investigation, having conducted an investigation and having spoken with other individuals and reviewed reports, documents, and other material, have knowledge of the following facts:

1. In or about December, 2001, an individual who was a cooperating witness under the direction of federal law enforcement officers (hereinafter "CW"), began to have conversations with defendant HEMANT LAKHANI, a/k/a "Hemad Lakhani." Many of the CW's conversations with defendant LAKHANI were audio tape recorded and several were audio and video tape recorded. From in or about December, 2001 to on or about August, 12, 2003, the CW and defendant LAKHANI had over 150 conversations that were recorded. The conversations between defendant LAKHANI and the CW were spoken primarily in the languages of Urdu and Hindi. Because this Affidavit is submitted for the limited purpose of establishing probable cause to believe that defendant LAKHANI committed violations of Title 18, United States Code, Section 2339A, and Title 22, United States Code, Section 2778(b)(1) and (c), not all facts and information from the investigation are included. The statements of defendant LAKHANI and others set forth in this Affidavit are set forth in substance and in part, and where the original conversations are not in English, the statements set forth herein represent English language translations.

2. In an audio and video recorded meeting in New Jersey on or about January 17, 2002, defendant LAKHANI represented to the CW that he could supply the CW with various weapons, including anti-aircraft guns and missiles. The CW represented himself as someone interested in purchasing weapons, including anti-aircraft guns and missiles. In particular, the CW indicated that the people he represented, a Somali group, wanted to purchase one anti-aircraft missile initially with a purchase of a greater number of missiles to follow. Defendant LAKHANI, who is a British citizen residing in London, England, informed the CW that he deliberately did not bring with him a list of weapons he could obtain for fear that someone would open his baggage and find the list. Defendant LAKHANI and the CW discussed the risk involved in the potential arms sale and agreed that they should split the commission for arranging the sale. Also during this meeting, defendant LAKHANI and the CW discussed Usama bin Laden. Defendant LAKHANI stated, in substance and in part, that bin Laden "straightened them all out" and "did a good thing." During the meeting, defendant LAKHANI provided to the CW a military arms brochure and the business cards of three individuals from a

military production company where he stated he had connections.

3. In a recorded telephone conversation on or about January 23, 2002, defendant LAKHANI confirmed for the CW that "both items," i.e., the anti-aircraft missiles and the anti-aircraft guns, were available for purchase.

4. On or about April 25, 2002, defendant LAKHANI and the CW had an audio and video recorded meeting at a hotel in New Jersey. When the CW indicated that the buyer whom he represented wanted to purchase shoulder-fired missiles, defendant LAKHANI recommended certain models and described their capabilities. Defendant LAKHANI stated that he had traveled from London to New Jersey specifically to meet with the CW concerning this deal, indicating that "it can be done" and that he wanted the buyer whom the CW represented to know that he was "a serious businessman." When defendant LAKHANI asked who would "take them," i.e., who the buyer of the missiles was, the CW responded that the buyer wanted the missiles for a "jihad," "a plane," and "want[ed] to hit the people over here." Defendant LAKHANI also commented, "The Americans are bastards." When the CW remarked that "this is not a legal business," defendant LAKHANI confirmed his understanding of the illegal nature of the transaction. Defendant LAKHANI also discussed with the CW prior arms sales in which he had been involved. Toward the end of the meeting, defendant LAKHANI confirmed, "I am ready to work with you" and asked the CW if he could place an order for 200 missiles. The CW responded that initially defendant LAKHANI should order just one sample.

5. In a recorded telephone conversation on or about May 2, 2002, defendant LAKHANI informed the CW that he had met with the supplier and provided the CW with certain specifications of the missile, including its range and distance capabilities. Defendant LAKHANI told the CW that he would fax the specifications to the CW. On or about May 16, 2002, defendant LAKHANI sent by facsimile to the CW a brochure containing information and specifications for shoulder-fired surface-to-air missile systems. In a recorded conversation on or about May 17, 2002, defendant LAKHANI confirmed that the CW had received the fax and that it was the type of item in which the buyer was interested.

6. In numerous recorded conversations between in or about May, 2002 and August, 2002, defendant LAKHANI and the CW continued to discuss the importation of the surface-to-air missile into the United States. They discussed, among other things, what type of merchandise would be listed on the shipping

documentation and who would be responsible for paying the cost of shipment. In a recorded conversation on or about August 17, 2002, regarding delays in completing the deal, defendant LAKHANI stated that he understood that the buyer of the missile wanted it for "the anniversary" -- a reference to the upcoming one-year anniversary of the terrorist attacks of September 11, 2001. On or about August 20, 2002, defendant LAKHANI faxed to the CW in New Jersey a document listing the price for an "'Igla-S' portable anti-aircraft missile complex," including a price breakdown between "missile" and "launcher device." In a recorded conversation on or about August 21, 2002, defendant LAKHANI explained to the CW different features of certain of the missiles highlighted in the materials he had faxed to the CW. In a recorded conversation on or about August 29, 2002, defendant LAKHANI told the CW that he had spoken to the supplier, who was concerned that the deal involving just one missile was "too risky." As a result, defendant LAKHANI informed the CW, defendant LAKHANI had committed to the supplier that there would be a purchase of at least an additional 20 missiles.

7. On or about September 17, 2002, defendant LAKHANI flew from London, England to New Jersey to meet with the CW. In an audio and video recorded meeting at a hotel overlooking Newark Liberty International Airport, defendant LAKHANI and the CW discussed the ongoing deal. In particular, they discussed how the missile to be imported would be used. When, in this regard, the CW gestured to commercial aircraft taking off and landing at the airport, defendant LAKHANI confirmed his understanding that such aircraft would be the target of a missile attack and asked the CW who would do it. The CW confirmed for defendant LAKHANI that the CW's role was simply to help arrange the purchase and importation and that the rest would be up to the "Somalis," who believed in "jihad" and favored American domestic targets rather than American targets abroad. Defendant LAKHANI further verified with the CW that the purpose of shooting down a commercial aircraft was to cause economic harm to the United States, stating, "make one explosion . . . to shake the economy." Defendant LAKHANI and the CW also discussed the price of the missile and the launcher.

8. In recorded telephone conversations in or about September, 2002, subsequent to the September 17, 2002 in-person meeting, defendant LAKHANI reminded the CW that the CW, on behalf of the buyer, was responsible for paying for all expenses, including bribes which had to be paid. On or about September 24, 2002, defendant LAKHANI caused additional specifications regarding shoulder-fired surface-to-air missiles to be sent by facsimile to the CW. This information included distances for the

engagement of aerial targets, missile weight, missile caliber, missile length, and warhead weight. Later on or about September 24, 2002, defendant LAKHANI caused to be sent by facsimile to the CW bank account information to be used in directing payment for the missile.

9. In a recorded conversation on or about October 2, 2002, defendant LAKHANI informed the CW that a downpayment was necessary and that he had someone who would pick up money from "there" and bring it "over here." Defendant LAKHANI stated that the CW would be able to verify that he was dealing with the correct person by means of a code. On or about October 3, 2002, an individual (hereinafter referred to as "the Individual") contacted the CW by telephone from the United Kingdom. In recorded conversations that day, the Individual told the CW that he was calling on behalf of defendant LAKHANI regarding the money transfer. The Individual stated that he would put the CW in touch with his contact in New York for purposes of facilitating a cash downpayment by the CW. The Individual told the CW that he had to have only \$100 bills, no smaller bills. The Individual gave the CW the telephone number for a second individual (hereinafter identified as "YA"). The Individual also gave the CW as a code the serial number of a \$1 bill -- F83616063J -- which bill the Individual stated YA would have in his possession. At the time the CW made the cash downpayment to YA, the CW was to verify that YA was the correct contact person by verifying that YA had the \$1 bill with that serial number. Shortly after the CW had a telephone conversation with the Individual, YA called the CW to discuss the money transfer. In a recorded conversation on or about October 4, 2002, defendant LAKHANI told the CW that there should be an advance payment of \$30,000, with the balance to be paid after the missile parts had been taken out of the source country, assembled, packed into boxes, and placed into a sea container for shipment. In a recorded conversation on or about October 7, 2002, defendant LAKHANI and the CW discussed that the price of the missile would be \$85,000.

10. On or about October 8, 2002, defendant LAKHANI caused to be faxed to the CW a document dated October 4, 2002, which stated in pertinent part that an "advance payment" of \$30,000 was required and that the balance of funds would be due when the "launcher and missile" were packaged and loaded into the sea container. In a recorded conversation on or about October 8, 2002, defendant LAKHANI confirmed that the CW had received the fax and commented that although this was not an "easy job," they would get "the merchandise" from Moscow, Russia, and it will be "high class stuff."

11. On or about October 16, 2002, the CW met with YA in an office in New York City and gave YA \$30,000 in cash. When the CW asked YA if he had the dollar bill, YA produced a \$1 bill with the serial number, F83616063J, that the Individual had previously provided to the CW. Later on or about October 16, 2002, in a recorded telephone conversation, the CW confirmed for defendant LAKHANI that he had given \$30,000 in cash to YA. With regard to the larger deal in the future, defendant LAKHANI recommended that the buyer purchase one launcher, which he called "the one that throws," for ten missiles, which he called "the one to throw." In a recorded conversation on or about October 17, 2002, defendant LAKHANI confirmed for the CW that defendant LAKHANI had verified with the Individual that the CW had given the money to YA. Defendant LAKHANI noted that the five percent commission for the transfer was still outstanding.

12. In or about November, 2002, defendant LAKHANI and the CW had numerous recorded conversations regarding shipment and payment for the surface-to-air missile. In a recorded conversation on or about November 12, 2002, defendant LAKHANI told the CW that the supplier wanted full payment before the missile would be shipped. During a recorded conversation on or about November 20, 2002, defendant LAKHANI remarked to the CW that the deal was "very dangerous" and "not very easy." In a recorded telephone conversation on or about November 21, 2002, defendant LAKHANI noted that after "that accident," an apparent reference to the September 11, 2001 terrorist attacks in the United States, it has become more difficult to engage in international arms trafficking. When the CW suggested that the next payment be made by depositing money directly into the supplier's account, defendant LAKHANI responded, "No, you will get caught. Try to save your skin . . . This business is getting so dangerous. No one has the guts to do it . . . I won't do anything if it is risky."

13. In a recorded conversation on or about December 6, 2002, defendant LAKHANI told the CW to obtain the issues of Time and Newsweek magazines dated December 9, 2002. Both of those magazines featured stories concerning the attempt by terrorists to shoot down a commercial aircraft with a shoulder-fired surface-to-air missile in Kenya on November 28, 2002. In a recorded conversation on or about December 7, 2002, defendant LAKHANI made an apparent reference to the model of surface-to-air missile used in the Kenya attack, stating, "ours is much higher quality" and that the one referenced in the news story was a "60s model." The SA-7 model surface-to-air missile used in the Kenya attack was first manufactured in the 1960s.

14. In numerous recorded conversations from in or about December, 2002 through March, 2003, defendant LAKHANI and the CW continued to discuss payment arrangements for the missile. In a recorded conversation on or about February 11, 2003, defendant LAKHANI told the CW that he had received a fax from the supplier and that he would forward it plus a news article to the CW. Later that day, the CW received a two-page fax. The first page of this fax contained bank account information. The second page was a copy of a news article from the Financial Times of London discussing attempted sales of surface-to-air missiles by unauthorized Russian suppliers to Iraq. On or about February 16, 2003, defendant LAKHANI faxed to the CW a letter purporting to be from the supplier requesting that the "required amount" be transferred "to the new banking details" forwarded previously. On or about February 20, 2003, defendant LAKHANI faxed to the CW an invoice purporting to be from a company in Cyprus for "spare parts for medical facilities" and "spare parts for laboratory bench," with a total price of \$60,000. The origin of the goods was listed as Russia, and the buyer of the goods was left blank on the invoice. The invoice also provided account information for a foreign bank account where payment was to be made. On or about March 4, 2003, law enforcement wire transferred as final payment \$56,500 to the foreign bank account according to the instructions of defendant LAKHANI. Thereafter, defendant LAKHANI and the CW continued to discuss shipment arrangements for the missile.

15. In recorded telephone conversations from in or about March, 2003 through in or about April, 2003, defendant LAKHANI and the CW continued to discuss shipping details regarding the missile. Defendant LAKHANI told the CW that the missile would be shipped from St. Petersburg, Russia under shipping documents listing "spare parts." Defendant LAKHANI repeatedly warned the CW of the need for caution in the transaction because of the watchful climate in the world, particularly in the United States. In or about June, 2003, defendant LAKHANI and the CW discussed arrangements for the CW to travel to Moscow with defendant LAKHANI to finalize the missile deal.

16. On or about July 12, 2003, defendant LAKHANI traveled to Moscow, Russia to meet with the suppliers and the CW in order to finalize the sale of the missile. On or about July 14, 2003, defendant LAKHANI met with the CW and two officers of the Russian Federal Security Service ("FSB"), posing in an undercover capacity as the suppliers, in an office in Moscow. During this meeting, which was audio and video taped, the FSB Officers showed defendant LAKHANI and the CW what appeared to be an actual surface-to-air missile. In reality, no real missile was present.

Rather, unbeknownst to defendant LAKHANI, law enforcement had infiltrated the deal and substituted a replica of a surface-to-air missile for a real weapon. Defendant LAKHANI observed the demonstration, at times picking up the replica missile. Also at this meeting, payment for the missile was discussed. Defendant LAKHANI indicated that he could pay the suppliers' asking price of \$70,000 for the missile when the missile was ready for shipment in St. Petersburg within a few days. During this meeting and in subsequent meetings that week in Russia, defendant LAKHANI asserted to the CW that he, defendant LAKHANI, was to take the lead in dealing with the suppliers on the missile purchase.

17. On or about July 15, 2003, defendant LAKHANI met with the CW and the two FSB Officers in St. Petersburg, Russia, the port from which the missile was to be shipped. During the conversation that night, defendant LAKHANI told the FSB Officers that he wanted a commitment from them to ship an additional 50 surface-to-air missiles to the United States by August 30, 2003. During the discussion, defendant LAKHANI wrote on a piece of paper, among other things, "Qty 50 pcs," "Delivery: 15th Aug to 30/8/03" and "Payment idea - 10% advance balance payment in cash in New York."

18. On or about July 16, 2003, in a recorded meeting, defendant LAKHANI met with the CW and the two FSB Officers near the port area of St. Petersburg, Russia. Defendant LAKHANI and the CW were once again shown the replica surface-to-air missile in order to demonstrate that the missile was ready for shipment. Defendant LAKHANI and the FSB Officers discussed how defendant LAKHANI would make payment for the missile. Defendant LAKHANI once again discussed with the FSB Officers his desire to arrange a deal for the purchase of an additional 50 surface-to-air missiles. In addition, defendant LAKHANI expressed an interest in purchasing a multi-ton quantity of C-4 plastic explosive.

19. On or about July 18, 2003, in a recorded meeting, defendant LAKHANI provided to the FSB Officers as proof of payment for the missile a document on corporate letterhead stating that the company had authorized its bank to release payment of \$70,000 to the bank account specified by the FSB Officers.

20. On or about July 25, 2003, defendant LAKHANI faxed to the CW a copy of the bill of lading for the shipment, indicating that the goods being shipped were "medical equipment." Also in or about late July, 2003, defendant LAKHANI and the CW discussed that defendant LAKHANI would travel to New Jersey for a meeting

with the CW and the buyers, whom the CW represents, to discuss the larger deal for the purchase of surface-to-air missiles.

21. Representatives of the Department of State's Directorate of Defense Trade Controls ("DDTC") have advised that the shoulder-fired surface-to-air missiles at issue in this case, i.e., the Russian manufactured Igla-S portable anti-aircraft missile complex, are foreign "defense articles" subject to their regulatory authority. DDTC representatives have further indicated that a records check reveals that defendant LAKHANI is neither registered with their agency nor licensed to engage in the business of brokering with respect to the import or transfer of any defense articles.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

ORIGINAL FILED

AUG 11 2003

UNITED STATES OF AMERICA	:	SUSAN D. WIGENTON
	:	CRIMINAL COMPLAINT MAG. JUDGE
	:	
v.	:	
	:	
YEHUDA ABRAHAM	:	Mag. No. 03-7107

I, James J. Tareco, being duly sworn, state the following is true and correct to the best of my knowledge and belief. From in or about October, 2002, to in or about August, 2003, in the District of New Jersey and elsewhere, defendant YEHUDA ABRAHAM did:

SEE ATTACHMENT A

In violation of Title 18, United States Code, Section 371.

I further state that I am a Special Agent of the Federal Bureau of Investigation and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.

James J. Tareco, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence.

August 11, 2003 in Essex County, New Jersey

HONORABLE SUSAN D. WIGENTON
UNITED STATES MAGISTRATE JUDGE



Signature of Judicial Officer

ATTACHMENT A

Knowingly and willfully conspire and agree with others to conduct, control, manage, supervise, direct, and own all or part of a money transmitting business which affected interstate and foreign commerce and which was not licensed in the State of New York, where such operation was punishable as a felony under New York State law, contrary to Title 18, United States Code, Section 1960, in violation of Title 18, United States Code, Section 371.

OVERT ACTS

In furtherance of the conspiracy and to effect its unlawful object, defendant YEHUDA ABRAHAM and other co-conspirators took the following overt acts, among others, in the District of New Jersey and elsewhere:

1. On or about October 2, 2002, a co-conspirator placed a telephone call to a Cooperating Witness operating under the direction of federal law enforcement authorities ("CW") in New Jersey for the purpose of facilitating a cash payment in the United States that would be transmitted out of the United States for the benefit of a co-conspirator located in London.

2. On or about October 16, 2002, defendant YEHUDA ABRAHAM met with the CW in New York City and accepted \$30,000 in cash which was to be transmitted out of the United States for the benefit of a co-conspirator located in London.

ATTACHMENT B

I, James J. Tareco, a Special Agent of the Federal Bureau of Investigation, having conducted an investigation and having spoken with other individuals and reviewed reports, documents, and other material, have knowledge of the following facts:

1. From in or about December, 2001 through August, 2003, an individual who was a cooperating witness under the direction of federal law enforcement officers (hereinafter "CW"), engaged in an undercover transaction to purchase a shoulder-fired surface-to-air missile, ostensibly to be used for terrorist purposes in the United States. During this time, the CW, purporting to broker the transaction on behalf of a terrorist group, had numerous audio and video recorded meetings with an individual hereinafter referred to as Co-Conspirator 1 ("CC-1"), who was acting as a broker in the illegal missile sale by finding and representing the supplier of the surface-to-air missile. For purposes of the CW making an initial cash payment toward the purchase of the missile, CC-1 put the CW in contact with another individual, hereinafter referred to as Co-Conspirator 2 ("CC-2"), who, in turn, put the CW in contact with defendant YEHUDA ABRAHAM. The CW had recorded conversations with defendant YEHUDA ABRAHAM, CC-1, and CC-2, in which the CW arranged for and ultimately made a payment of \$30,000 in cash as partial payment for the missile. The conversations between the CW and defendant YEHUDA ABRAHAM, CC-1, and CC-2 were spoken primarily in the language of Urdu. Because this Affidavit is submitted for the limited purpose of establishing probable cause to believe that defendant YEHUDA ABRAHAM committed the offense charged, not all facts and information from the investigation are included. The statements of defendant YEHUDA ABRAHAM, CC-1, CC-2, and others set forth in this Affidavit are set forth in substance and in part and where the original conversations were not in English, the statements set forth herein represent English language translations.

2. In a recorded conversation on or about October 2, 2002, CC-1 informed the CW that a downpayment was necessary to demonstrate to the suppliers of the missile that "we are serious buyers." CC-1, who was a citizen and resident of the United Kingdom and had represented to the CW that he would obtain the missile, told the CW that he had someone who "will pick up the money from there and bring it over here." In a subsequent conversation on or about October 2, 2002, CC-1 reiterated to the CW that this person "will collect it from you and send it over here." The CW verified that they were both talking about a cash payment to be made in the United States. CC-1 told the CW that

an individual who had an office located on Broadway in New York City would contact the CW. CC-1 further stated that the CW would be able to verify that he was dealing with the correct individual by using a code.

3. On or about October 3, 2002, CC-2 contacted the CW. Over the course of several recorded conversations that day and the following day, CC-2 told the CW that he was calling on behalf of CC-1 regarding the money transfer and that he would put the CW in touch with his contact in New York for purposes of facilitating a cash payment by the CW. CC-2 further advised the CW that he had to have only \$100 bills, no smaller bills. CC-2 and the CW discussed the "commission" and "percentage" to be paid in connection with the money transfer. CC-2 indicated that he would figure out the percentage and facilitate payment of the commission to his New York contact, stating, "I will take out his commission and give it to him." CC-2 told the CW that the New York person was very trustworthy, stating, "This is the only business we do." In a subsequent recorded telephone conversation on or about October 3, 2002, CC-2 stated that the man in New York, whom he identified as "Mr. Yehuda" with an office in the diamond district in New York, would contact the CW. CC-2 gave the CW as a code, or "token number," the serial number of a \$1 bill -- F83616063J -- which bill the co-conspirator indicated defendant YEHUDA ABRAHAM would have in his possession. According to CC-2, at the time the CW made the cash payment to defendant YEHUDA ABRAHAM, the CW was to confirm that defendant YEHUDA ABRAHAM was the correct contact person by verifying that defendant YEHUDA ABRAHAM possessed the \$1 bill with that serial number.

4. Later on or about October 3, 2002, defendant YEHUDA ABRAHAM, identifying himself as "Abraham," called the CW. In a recorded conversation, defendant YEHUDA ABRAHAM gave the CW his office address, 580 5th Avenue, Room 1206, and his telephone number, (212) 382-2203. Defendant YEHUDA ABRAHAM confirmed that the CW had been given and would bring with him "the token number." Defendant YEHUDA ABRAHAM told the CW that he would stay in the office that evening and wait for the CW to arrive. The CW, however, did not go to defendant YEHUDA ABRAHAM's office to meet defendant YEHUDA ABRAHAM on October 3, 2002 as the two had discussed.

5. In a recorded conversation on or about October 5, 2002, CC-1 indicated to the CW that he was aware that the CW had spoken with CC-2 and the people "who have a jewelry shop on Broadway." CC-1 stated that when the CW failed to show up for the meeting as scheduled, "they got scared."

6. In a consensually recorded conversation on or about October 13, 2002, the CW told CC-1 that the CW had obtained the money and that CC-2 had requested that the money be all in \$100 bills. CC-1 told the CW that he would inform CC-2 that the money was all in \$100 bills. Regarding defendant YEHUDA ABRAHAM, CC-1 commented that he was "well known there." In a recorded telephone conversation on or about October 16, 2002, CC-2 confirmed that the CW should give the \$30,000 to defendant YEHUDA ABRAHAM and reconfirmed for the CW the serial number of the dollar bill that was to serve as the code: F83616063J.

7. On or about October 16, 2002, the CW had a recorded meeting with defendant YEHUDA ABRAHAM at 580 5th Avenue, Suite 1206, New York, New York. At the meeting, the CW gave defendant YEHUDA ABRAHAM \$30,000 in cash. Defendant YEHUDA ABRAHAM counted the money to verify the amount. When the CW asked defendant YEHUDA ABRAHAM if he had the dollar bill, defendant YEHUDA ABRAHAM produced a \$1 bill with the serial number, F83616063J, which CC-2 had previously provided to the CW. Defendant YEHUDA ABRAHAM's business card, obtained by the CW at the meeting on or about October 16, 2002, lists his name as "Yehuda H.A. Abraham" with a title of "President" of "Amby Gem Corp." at the above-listed address.

8. On or about October 16, 2002, in a recorded telephone conversation, the CW confirmed for CC-1 that he had given \$30,000 in cash to defendant YEHUDA ABRAHAM. CC-1 and the CW discussed how and where the commission should be paid, and CC-1 agreed to ask the co-conspirator. When the CW asked if defendant YEHUDA ABRAHAM would transfer the money to CC-1's bank account in Europe, CC-1 replied, "I will find that out tomorrow." CC-1 stated that defendant YEHUDA ABRAHAM was "trustworthy." When the CW asked CC-1 whether he should pay by way of cash or a check, CC-1 stated "whatever" and noted that CC-2 needed "four or five days for deposit because he can't get yours."

9. In a recorded conversation on or about October 17, 2002, CC-1 told the CW that CC-1 had verified with CC-2 that the CW had given the money to defendant YEHUDA ABRAHAM. CC-1 noted, however, that the five percent commission was still outstanding. When asked how they would get the money to him, CC-1 stated that they would get it to him "the way I want it," noting that it could be in the form of a draft from the bank or hand delivered - an apparent reference to cash. CC-1 told the CW that the CW did not have to worry about a wire transfer being traced. CC-1 stated that defendant YEHUDA ABRAHAM pays through his Hawala. CC-1 once again stated that defendant YEHUDA ABRAHAM "is a very well known man."

10. In a recorded conversation on or about November 21, 2002, CC-1 and the CW discussed making a payment for the remaining balance on the missile, approximately \$55,000. CC-1 stated that the "exchange" fee for the prior payment of \$30,000 was \$1,500 and that the fee for the payment of the balance was likely to be approximately \$5,000.

11. Regulatory authorities in New York and New Jersey have indicated that a check of their records indicates that no license to operate a money transmitting business has been issued in the names of Yehuda Abraham or Ambuy Gem Corp.

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA

CRIMINAL COMPLAINT

v.

MOINUDDEN AHMED HAMEED

Mag. No. 03-7111

I, James J. Tarco, being duly sworn, state the following is true and correct to the best of my knowledge and belief. From in or about October, 2002, to on or about August 12, 2003, in the District of New Jersey and elsewhere, defendant MOINUDDEN AHMED HAMEED did:

SEE ATTACHMENT A

In violation of Title 18, United States Code, Section 371.

I further state that I am a Special Agent of the Federal Bureau of Investigation and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.

James J. Tarco, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

August 13, 2003 in Essex County, New Jersey

HONORABLE SUSAN D. WIGENTON
UNITED STATES MAGISTRATE JUDGE

Signature of Judicial Officer

ATTACHMENT A

Knowingly and willfully conspire and agree with others to conduct, control, manage, supervise, direct, and own all or part of a money transmitting business which affected interstate and foreign commerce and which was not licensed in the State of New York, where such operation was punishable as a felony under New York State law, contrary to Title 18, United States Code, Section 1960, in violation of Title 18, United States Code, Section 371.

OVERT ACTS

In furtherance of the conspiracy and to effect its unlawful object, defendant MOINUDDDEEN AHMED HAMEED and other co-conspirators took the following overt acts, among others, in the District of New Jersey and elsewhere:

On or about August 12, 2003, defendant MOINUDDDEEN AHMED HAMEED had a recorded telephone conversation with an individual who was a cooperating witness acting under the direction of federal law enforcement officers ("CW") in which defendant HAMEED and the CW discussed meeting that day so that defendant HAMEED could accept from the CW a cash payment.

ATTACHMENT B

I, James J. Tareco, a Special Agent of the Federal Bureau of Investigation, having conducted an investigation and having spoken with other individuals and reviewed reports, documents, and other material, have knowledge of the following facts:

1. From in or about December, 2001 through on or about August 12, 2003, an individual who was a cooperating witness under the direction of federal law enforcement officers (hereinafter "CW"), engaged in an undercover transaction to purchase shoulder-fired surface-to-air missiles. During this time, the CW, purporting to broker the transaction on behalf of a terrorist group, had numerous audio and video recorded meetings with certain co-conspirators of defendant MOINUDDEEN AHMED HAMEED, and with defendant HAMEED himself. Specifically, the CW had recorded conversations with Hemant Lakhani, a/k/a "Hemad Lakhani," who was acting as a broker in the illegal missile sale by finding and representing the supplier of the surface-to-air missile. The CW also had recorded conversations and meetings with Abraham Yehuda for the purpose of making an initial cash payment toward the purchase of the first "sample" missile. After making arrangements with Lakhani, Abraham, and others, on or about October 16, 2002, the CW made a payment of \$30,000 in cash to Abraham, which money was transferred to Lakhani. On or about August 12, 2003, the CW met with Lakhani for the purpose of arranging the sale of an additional 50 shoulder-fired surface-to-air missiles to the people the CW purportedly represented. Lakhani arranged to have the CW make a cash payment of approximately \$500,000 made through Abraham and defendant HAMEED. The conversations between the CW and the conspirators were spoken primarily in the language of Urdu. Because this Affidavit is submitted for the limited purpose of establishing probable cause to believe that defendant HAMEED committed the offense charged, not all facts and information from the investigation are included. Statements set forth in this Affidavit are set forth in substance and in part and where the original conversations were not in English, the statements set forth herein represent English language translations.

2. In a recorded conversation on or about October 2, 2002, Lakhani informed the CW that a downpayment for the initial missile purchase was necessary to demonstrate to the suppliers of the missile that "we are serious buyers." Lakhani, who was a citizen and resident of the United Kingdom and in London at the time of the conversation, told the CW, who was in the United States at the time of the conversation, that he had someone who "will pick up the money from there and bring it over here." In a

subsequent conversation on or about October 2, 2002, Lakhani reiterated to the CW that this person "will collect it from you and send it over here." The CW verified that they were both talking about a cash payment to be made in the United States. Lakhani told the CW that an individual who had an office located on Broadway in New York City would contact the CW. Lakhani further stated that the CW would be able to verify that he was dealing with the correct individual by using a code.

3. Through numerous recorded conversations in or about October, 2002, Lakhani and Abraham arranged for the CW to make a downpayment of \$30,000 in cash to Abraham at Abraham's office in New York City. The CW was advised to bring only \$100 bills, that the money would be transferred to Lakhani, and that there would be a commission charged by Abraham for the money transmission. The CW was given as a code, or "token number," the serial number of a \$1 bill -- F83616063J -- which bill Abraham was to have in his possession at the time of the transaction in order to confirm that the CW was dealing with the correct person.

4. On or about October 16, 2002, the CW had a recorded meeting with Abraham at 580 5th Avenue, Suite 1206, New York, New York. At the meeting, the CW gave Abraham \$30,000 in cash. Abraham counted the money to verify the amount and provided the CW with a \$1 bill with the serial number, F83616063J, which the CW had been instructed would be the code. Lakhani later confirmed to the CW that he had received the \$30,000 that the CW had given to Abraham.

5. In a recorded conversation on or about October 17, 2002, Lakhani told the CW that he had verified that the CW had given the money to Abraham. Lakhani noted, however, that the five percent commission was still outstanding. Lakhani and the CW discussed different ways Abraham might receive the commission. Lakhani stated that Abraham pays through his Hawala.

6. On or about July 12, 2003, Lakhani traveled to Moscow, Russia to meet with the suppliers of the weaponry and the CW in order to finalize the sale of the missile. On or about July 14, 2003, Lakhani met with the CW and two officers of the Russian Federal Security Service ("FSB"), posing in an undercover capacity as the suppliers, in an office in Moscow. During this meeting, which was audio and video recorded, the FSB Officers showed Lakhani and the CW what appeared to be an actual surface-to-air missile. In reality, no real missile was present. Rather, unbeknownst to Lakhani, law enforcement had infiltrated the deal and substituted a replica of a surface-to-air missile for a real weapon. During meetings in Russia in July, 2003, the

FSB Officers showed the CW and Lakhani the replica missile packaged for shipment by sea to the United States, indicating that the missile would leave the port in St. Petersburg, Russia that week. Also during the meetings in Russia in or about July, 2003, Lakhani discussed with the CW and the FSB Officers a larger deal for the purchase of 50 surface-to-air missiles by the individuals the CW purportedly represented. Lakhani indicated that the deal could be completed in August, 2003 and that an advance payment would be required.

7. In recorded conversations in early August, 2003, Lakhani agreed to travel to New Jersey to verify that the first missile had arrived safely in the United States and to take additional steps to effectuate the 50 missile deal, including meeting with the individuals whom the CW purported to represent and making arrangements for payment for the missiles. With regard to the payment arrangements, Lakhani indicated that they could use Abraham and another individual who would be in New York. The CW was told that they would once again use the serial number of a dollar bill as a code for the transaction. Lakhani confirmed for the CW that the money transaction would remain secret.

8. On or about August 12, 2003, Lakhani met with the CW in a recorded meeting in Newark, New Jersey. Lakhani told the CW that Abraham and defendant HAMEED were at Abraham's New York office and would handle the initial payment due in connection with the 50 missile purchase, which was expected to be approximately \$500,000. During the meeting, Lakhani told the CW that he was going to call defendant HAMEED about accepting the cash payment later that same day and had several telephone conversations about the financial transaction. During the meeting, the CW received a telephone call from defendant HAMEED about the money transaction.

9. On or about August 12, 2003, after the meeting with Lakhani, the CW had a recorded telephone conversation with defendant HAMEED. Defendant HAMEED stated that he was in the lobby of the building where Abraham's office was located and was awaiting the CW's arrival with the money. When the CW asked defendant HAMEED about the code, defendant HAMEED stated that he did not have the dollar bill with him but that it was in Abraham's office.

10. Later on or about August 12, 2003, law enforcement officers found defendant HAMEED at Abraham's office in possession of a \$1 bill bearing the serial number that had been given to the CW as a code for the money transaction. Defendant HAMEED stated to law enforcement officers, in substance and in part, that he

knew that the CW was to deliver money to himself and Abraham, that he and Abraham were to count the money and await further instructions with regard to transferring the money, and that he knew that he was doing something wrong.

11. Regulatory authorities in New York and New Jersey have indicated that a check of their records indicates that no license to operate a money transmitting business has been issued in the names of Yehuda Abraham or Ambuy Gem Corp.