



Department of Justice

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MARIETTA MAN CHARGED, SEARCH WARRANTS EXECUTED IN MONEY-EXCHANGING "HAWALA" SCHEME

Khan's Alleged Transactions Were Actually With Undercover ICE Agents

ATLANTA, GA- BABAR HAKEEM KHAN, 60, of Marietta, Georgia, has been charged by a federal grand jury with three counts of money laundering, two counts of structuring financial transactions, and two counts of currency transaction reporting violations relating to a so-called "hawala" scheme. KHAN made his initial appearance today before a United States Magistrate Judge.

"Hawaladars are people who act as banks and money changers, often for immigrants who do not speak English or trust banks, or are unfamiliar with even simple bank transactions," said United States Attorney David E. Nahmias. "This makes innocent people vulnerable to greedy middlemen who simply take their money and do not provide an honest service, and break federal laws along the way. Such unregulated money exchanges could also become a pipeline for terrorist funding. In this case, the defendant allegedly used tactics that are both deceitful and difficult to trace, but ICE was in on the action with their solid undercover work."

"Hawala operations are unregulated and represent a vulnerability to the U.S. banking system that can be exploited by criminal and terror organizations to move the proceeds of their crimes and the funding for their operations to any location in the world in a manner that is both immediate and untraceable by law enforcement agencies," said Kenneth Smith, Special Agent in Charge for ICE's Office of Investigations in Atlanta. "We hope that this case sends a message to others involved in similar criminal activity that they may face federal prosecution."

Glyn Whittick, Detective Inspector for the City of London Police, Office of Fraud Investigations said, "As the UK's lead force for economic crime investigation, The City of London Police is always pleased to assist its law enforcement partners in the fight against cross border and international crime."

According to Nahmias and the documents and information presented in court: During the period from September 2006 through December 2006, KHAN facilitated six separate transactions that also involved contacts in London, England. The transactions totaled over \$101,000. KHAN used his business, "MSI," located on Franklin Road in Marietta, to facilitate the transactions with an ICE confidential informant, which were recorded on tape. According to the documents, MSI has been a commercial mail receiving agency that also engages in check cashing and related financial services, as well as general retail sales similar to a convenience store. MSI also advertises international money transfer services in locally-produced Islamic community periodicals. This investigation represents one of ICE/Atlanta's first actions in its initiative in targeting hawaladar operations and other illicit money laundering businesses in the Northern District of Georgia.

This case is being investigated by Special Agents of U.S. Immigration and Customs Enforcement (ICE), Department of Homeland Security. The England operations were conducted with the support and assistance of the City of London Police, Office of Fraud Investigations and the ICE/London Attache's Office.

This case is being prosecuted by Assistant United States Attorney BJay Pak.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.