



Bureau of Alcohol, Tobacco, Firearms and Explosives

News Release

Michigan State Police



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For Immediate Release

November 13, 2008

ATF, MSP ARREST SEVERAL IN CIGARETTE FRAUD SCHEME *Federal Arrest and Search Warrants Served Throughout Southeast Michigan*

DETROIT — Special agents of the federal Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and investigators from the Michigan State Police (MSP) arrested 18 individuals today as part of an ongoing criminal investigation into a contraband tobacco trafficking network alleged to have defrauded the State of Michigan, announced ATF Special Agent in Charge Thomas E. Brandon and MSP Director Colonel Peter C. Munoz.

Investigators of MSP's Tobacco Tax Unit worked alongside ATF agents in this two-year federal investigation. More than 150 law enforcement officers from ATF, MSP, and the Dearborn and Detroit Police Departments participated in the arrests and with the service of 25 federal search warrants for documents at private residences, gas stations and convenience stores throughout southeast Michigan. Items seized from various locations searched today include: documents, firearms, suspected contraband cigarettes and more than \$115,000 in U.S. currency.

“At a time when Michigan’s economy is struggling, these defendants chose to break the law for their own personal gain by not paying the required State excise taxes on over 100,000 cartons of cigarettes. They sold the contraband cigarettes out of their businesses, pocketing over two million dollars in revenue that was due to the State of Michigan,” stated Brandon.

Those arrested for their role in the contraband cigarette trafficking scheme are: Abdo AL-HANUMA, 46; Jim ATTY, 56; Salim Georges ATTY, 72; Ali BAZZI, 36; Farid BAZZI, 32; Kassem Ali BAZZI, 62; Mohammed BAZZI, 33; Nasser BAZZI, 37; Sima Dehashti FALLAHI, 54; Khalil Ibrahim GARMO, 59; Abdul HEZAM, 40; Sam Gerges JINA, 47; Ali Salah KAHWAJI, 30; Khaled Abdo MOZEP, 24; Mukhlis MURAD, 50; Raghid MURAD, 36; Najib YATOOMA, 56; and Marawan EL-TOHAMY, 27. All defendants were brought before U.S. Magistrate Judge Virginia M. Morgan, Eastern District of Michigan this afternoon for initial appearances on criminal complaints.

The joint investigation reveals that these individuals conspired to defraud Michigan the proceeds of cigarette taxes. Michigan requires every pack of cigarettes to carry a stamp showing that taxes have been paid. The state's tax on cigarettes is \$2 per pack, making it one of the highest state tax rates in the country. During the two-year criminal investigation, these defendants allegedly purchased approximately 104,310 cartons of contraband cigarettes, representing a tax loss to Michigan of \$2,086,200.

“Cigarette trafficking cases are time-intensive, complex financial investigations that go beyond the resources of any one agency,” stated Munoz. “I commend this cooperative effort between the ATF and the MSP in aggressively pursuing contraband cigarette traffickers. This case has exposed and dismantled an organization that fraudulently diverted millions in tax revenues.”

“Tobacco diversion is a global problem and believed to be one of the largest black markets of legal commodities in the world,” stated Brandon. “In the United States alone, billions of tax dollars are lost annually due to the diversion of tobacco products.”

A conviction for trafficking in contraband cigarettes carries a maximum penalty of five years in prison or a \$250,000 fine, or both. In addition, state tax penalties of up to 500% of the tax evaded may be assessed, therefore, estimating additional potential fines/tax assessments of approximately \$10,400,000. A complaint is only a charge and is not evidence of guilt. This case is being prosecuted by Assistant U.S. Attorneys Susan E. Gillooly and Philip Ross.

ATF is the principal federal law enforcement agency dedicated to reducing violent crime, and protecting our nation. ATF is committed to working directly, and through partnerships with state and local law enforcement agencies, to investigate and reduce crime involving firearms and explosives, acts of arson, and illegal trafficking of alcohol and tobacco products. More information on ATF is available at www.atf.gov.

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