



Department of Justice

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LOCAL JEWELER AND CORPORATIONS SENTENCED FOR LAUNDERING DRUG MONEY

Must Forfeit Stores, Condo And Over \$6 Million

Atlanta, GA –TOROS SEHER, 39, of Atlanta, Georgia, was sentenced today by United States District Court Judge Timothy C. Batten on charges related to a scheme to launder drug money. SEHER was immediately taken into custody upon sentencing.

United States Attorney David Nahmias said, “Businesses cannot turn a blind eye when drug dealers try to use them to launder their dirty money. Businesses who try to conceal drug money within their legitimate revenues are gambling with the law and risk losing everything. Here, the defendant lost two stores, a home, more than six million dollars -- and his freedom. In the end, money laundering does not pay.”

IRS Criminal Investigation Acting Special Agent in Charge Rodney Clarke said, "The dismantling of money laundering operations is an essential front in the war on narcotics. The prosecution of this individual and the removal of the assets from these illegal organizations hits criminals where it hurts the most - it deprives them of their liberty and profits."

SEHER was sentenced to serve 6 years in prison, pay a personal money judgment of \$1,610,400, and forfeit a condominium. SEHER laundered drug proceeds and undercover sting money beginning in 1997 and ending in 2006 at various jewelry stores, including “Chaplin’s, Inc.” and “Chaplin’s Midtown, Inc.,” and failed to notify the Internal Revenue Service of cash received by those businesses. On August 28, 2007, the businesses of Chaplin’s Inc. and Chaplin’s Midtown, Inc. were sentenced to five years probation, and fines of \$100,000.00 and \$250,000 respectively. In addition, the court ordered forfeitures totaling approximately \$6,000,000 in inventory and all funds held in the companies’ bank accounts, and \$54,800 in monetary judgments.

According to United States Attorney Nahmias and evidence at trial: The law prohibits businesses from knowingly accepting proceeds of crimes from people who want to hide those funds and requires such trades and businesses to report all cash transactions of more than \$10,000.00 to the IRS using specific forms (Forms 8300). An indictment handed down by

a federal grand jury on July 26, 2006, charged SEHER, Chaplin's, and Chaplin's Midtown with laundering money by helping drug dealers and undercover agents posing as drug dealers to hide drug proceeds and by failing to report cash transactions of more than \$10,000.00. On the same day, the IRS executed search and seizure warrants at those two stores owned and/or operated by SEHER, his partner's Alpharetta residence, and his Atlantic Station condominium. Pursuant to seizure warrants, the IRS seized approximately \$6 million in jewelry from the two retail locations. Undercover IRS agents pretended to launder drug proceeds with SEHER's guidance at the two jewelry stores Chaplin's, located in the Merchandise Mart/America's Mart in downtown Atlanta; and Chaplin's Midtown, located in Atlantic Station.

Cooperating defendants and witnesses provided other historical information regarding SEHER's money laundering. According to witnesses, from 1997 to as late as 2002, SEHER assisted drug dealers in laundering their dirty money by concealing that money among funds generated by a business's legitimate sales. In many cases, SEHER accepted cash from drug dealers at an unnamed location in amounts that exceeded \$10,000 and were as much as \$200,000 for a single transaction.

SEHER continued these practices at Chaplin's and Chaplin's Midtown. Starting in April 2005, IRS undercover agents made three purchases in cash exceeding \$10,000 from SEHER, for a wedding set, a Rolex watch and two diamond bracelets. Audio and video tapes show SEHER advising the undercover agent to "use any name and address" when filling out the forms and making "choking gestures" to suggest the agents were saying too much regarding the source of the money, which SEHER believed was illegal drug trafficking. SEHER also told the undercover agents to make payments of less than \$10,000 to disguise cash transactions and avoid filling out required IRS forms. Evidence at trial showed that SEHER did not report these cash transactions and knew that the jewelry sales were being used to launder money from drugs.

This case was investigated by IRS-Criminal Investigation, the Drug Enforcement Administration, and the Atlanta Police Department as part of the High Intensity Drug Trafficking Area (HIDTA) Task Force.

Assistant United States Attorneys Jenny Turner, Evan Weitz and Mary Jane Stewart prosecuted the case.

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