

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION**

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.) Civil No.
)
 \$599,206.22 SEIZED FROM INTRUST)
 BANK ACCOUNT IN THE NAME OF)
 CHEAP TOBACCO WHOLESALE, LLC.,)
)
 \$740,000.00 IN UNITED STATES)
 CURRENCY,)
)
 \$18,260.00 IN UNITED STATES)
 CURRENCY,)
)
 \$58,129.58 SEIZED FROM CENTRAL)
 BANK ACCOUNT IN THE NAME OF)
 P&J DIVERSIFIED, INC.,)
)
 \$299,428.63 SEIZED FROM BANK OF)
 AMERICA IN THE NAME OF BRAND)
 NAME CONNOISSEURS CORPORATION)
 D/B/A/ BNC CORPORATION,)
)
 \$266,704.28 SEIZED FROM BANK OF)
 OKLAHOMA IN THE NAME OF)
 SENECA-CAYUGA TOBACCO)
 COMPANY,)
)
 \$4,000.00 IN UNITED STATES)
 CURRENCY,)
)
 258 CASES OF MARLBORO)
 CIGARETTES,)
)
 144 CASES OF NEWPORT)
 CIGARETTES,)
)
 10 PACKS OF NEWPORT CIGARETTES,)
)

ONE OPEN PACK OF NEWPORT)
CIGARETTES,)
))
2009 CESSNA T206H STATIONAIR,)
FFA NUMBER N5170H, SERIAL)
SERIAL NUMBER T20608932,)
))
2012 PETERBILT 389,)
VIN:1XPXDP9X5CD135417,)
))
2012 PETERBILT 389,)
VIN: 1XPXDP9X3CD135416,)
))
2012 PETERBILT 386,)
VIN: 1XPHDP9X6CD154403,)
))
2012 PETERBILT 386,)
VIN: 1XPHDP9X7CD135388,)
))
\$615,661.00 IN UNITED STATES)
CURRENCY,)
))
Defendants.)

COMPLAINT FOR FORFEITURE IN REM

Plaintiff, United States of America, by its attorneys, David M. Ketchmark, Acting United States Attorney for the Western District of Missouri, and James Curt Bohling, Assistant United States Attorney, brings this complaint and alleges as follows in accordance with Supplemental Rule G(2) of the Federal Rules of Civil Procedure:

NATURE OF THE ACTION

1. This is an action to forfeit property to the United States for violations of 18 U.S.C. §§ 981(a)(1)(A), (a)(1)(C), and 18 U.S.C. § 2344, and 31 U.S.C. § 5317.

THE DEFENDANTS IN REM

2. The defendant property consists of the following property:

\$599,206.22 in United States currency seized on January 26, 2012, pursuant to a federal seizure warrant from InTrust Bank account number ending in 9213 in the name of Cheap Tobacco Wholesale, LLC. The \$599,206.22 is presently in the custody of the Internal Revenue Service (IRS);

\$740,000.00 in United States currency seized on January 26, 2012, after undercover agents sold cigarettes to Craig Sheffler. The \$740,000.00 is currently in the custody of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF);

\$18,260.00 in United States currency seized on January 26, 2012 and is presently in the custody of IRS;

\$58,129.58 in United States currency seized on January 26, 2012, from Central Bank of Kansas City account number ending in 7750 in the name of P&J Diversified, Inc. The \$58,129.58 is presently in the custody of the IRS;

\$299,428.63 in United States currency seized on January 26, 2012, from Bank of America account number ending in 7568 in the name of Brand Name Connoisseurs, Corp., d/b/a BNC Corp. The \$299,428.63 in United States currency is presently in the custody of the IRS;

\$266,704.28 in United States currency seized on January 27, 2012, from Bank of Oklahoma account number ending in 8830 in the name of Seneca-Cayuga Tobacco Company. The \$266,428.63 in United States currency is presently in the custody of the IRS;

\$4,000.00 in United States currency seized on January 26, 2012, from Gholamreza Tadaiyon during a traffic stop. The \$4,000.00 in United States currency is presently in the custody of the ATF;

258 cases of Marlboro cigarettes, 144 cases of Newport cigarettes, ten packs of Newport cigarettes and one open pack of Newport cigarettes were seized on January 26, 2012, from Gholamreza Tadaiyon during a traffic stop. The cigarettes are in the custody of the ATF;

2009 Cessna T206H Stationair aircraft bearing FAA Number N5170H and serial number T20608932. The Cessna is presently in the custody of the ATF;

2012 Peterbilt 389, VIN: 1XPXDP9X5CD135417, presently in the custody of the ATF;

2012 Peterbilt 389, VIN: 1XPXDP9X3CD135416, presently in the custody of the ATF;

2012 Peterbilt 386, VIN: 1XPHDP9X6CD154403, presently in the custody of the ATF.;

2012 Peterbilt 386, VIN: 1XPHDP9X7CD135388, presently in the custody of the ATF;

\$615,661.00 in United States currency seized from Brad Aboud on April 11, 2102, presently in the custody of the IRS.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction over an action commenced by the United States under 28 U.S.C. § 1345, and over an action for forfeiture under 28 U.S.C. § 1355(a). This Court also has jurisdiction over this particular action under 18 U.S.C. §§ 981(a)(1)(A), (a)(1)(C) and 31 U.S.C. § 5317.

4. This Court has *in rem* jurisdiction over the defendant property pursuant to 28 U.S.C. § 1355(b)(1)(A) because acts or omissions giving rise to the forfeiture occurred in this district and pursuant to 28 U.S.C. § 1355(b)(1)(B), incorporating 28 U.S.C. § 1395, because the defendant property which was seized outside this district has been brought into this district.

5. Venue is proper in this district pursuant to 28 U.S.C. §1355(b)(1)(A) because acts or omissions giving rise to the forfeiture occurred in this district and pursuant to 28 U.S.C. § 1395, because the defendant property which was seized outside this district has been brought into this district.

BASIS FOR FORFEITURE

6. The defendant properties are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A), because they constitute property involved in a transaction or an attempted transaction in violation of sections 1956, 1957 and 1960 of title 18, United States Code, or is property traceable to such property.

7. The defendant properties are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) because they constitute property derived from proceeds traceable to a violation of . . . any offense constituting “specified unlawful activity” (as defined in sections 1956(c)(7) and 1961(1) of this title), or a conspiracy to commit such offense, including, but not limited to violations of 18 U.S.C. §§ 2342 and 2343 (contraband cigarette trafficking) and 18 U.S.C. § 1343 (wire fraud).

8. The defendant properties are subject to forfeiture pursuant to 31 U.S.C. § 5317 because they constitute property involved in a violation of 31 U.S.C. § 5313 or were involved in a conspiracy to commit such a violation, or is property traceable to a violation or conspiracy of 31 U.S.C. § 5313.

FACTS

SUBJECTS OF INVESTIGATION

9. The individuals who are subjects of the investigation or persons of interest resulting in the facts set forth below include, but are not limited to, the following:

- A. James Aboud (Aboud), a/k/a “Jim” was a United States citizen, who was the main target of this investigation until October 27, 2011, when he passed away. Aboud operated Cheap Tobacco Wholesale LLC (“CTW”)

with material assistance from Craig Sheffler. After Aboud's death, Craig Sheffler took control of and operated CTW as his own. It is worth noting that IRS-CI seized approximately \$58,000 from Aboud in 2007 for structuring currency transactions of his tobacco business, Mr. Cinnamon of Kansas.

- B. Craig Sheffler is a United States citizen believed to be residing in Independence, Missouri. According to NCIC, Craig Sheffler has the following criminal history: In 2004, Craig Sheffler pled guilty to Distribution of a Listed 1 Chemical Without Required DEA Registration from Drug Enforcement Administration from the District of Kansas. Craig Sheffler is a co-conspirator who assumed control of Aboud's organization and handled the day to day operations. Craig Sheffler identifies himself as office manager of CTW on reports filed with the Missouri Department of Revenue. During ATF undercover (UC) operations, UC Agents dealt directly with Craig Sheffler. In particular, Craig Sheffler provided payment to and received contraband cigarettes from UC Agents. Craig Sheffler had signature authority on CTW's Intrust Bank account number ending in 9213, hereinafter referred to as 9213.
- C. Nicole Sheffler, a/k/a Nicole Davis, is a United States citizen believed to be residing in Independence, Missouri. Nicole Sheffler is Craig Sheffler's wife and she worked at CTW. Nicole Sheffler maintained the office for the business and produced paperwork for the business. Nicole Sheffler

assisted in falsifying cigarette invoices to conceal the source of the contraband cigarettes and assisted in delivering money used to purchase contraband cigarettes. Nicole Sheffler has been present during several UC sales of cigarettes to Aboud and Craig Sheffler.

- D. Eiad Musallet a/k/a Eddie, was born in Jerusalem. He is a naturalized United States citizen. His most recent address is believed to be in Lee's Summit, Missouri. According to NCIC, Eiad Musallet has criminal history including but not limited to: pleading guilty to Conspiracy to Possess and Distribute Pseudoephedrine. Eiad Musallet assists Craig Sheffler in obtaining large amounts of unreported bulk cash to purchase contraband cigarettes. Eiad Musallet is able to obtain unreported bulk cash because he owns and operates P&J Diversified (P&J) which is a Registered Money Service Business (a check cashing business), located at 5712 E Independence Avenue, Kansas City, Missouri. This unreported cash conceals contraband cigarette purchases. Eiad Musallet obtains the cash from Central Bank of Kansas City account number ending in 7750 in the name of P&J, hereinafter referred to as 7750.
- E. Gholamreza Tadayon (Tadayon) a/k/a "Reza" was born in Iran and is a citizen of Canada. Tadayon is currently in the United States on a IR6 Visa (Spousal Visa). Tadayon's most recent address is believed to be in Weston, Florida. According to NCIC, Tadayon has no criminal history. Tadayon has brokered/trafficked contraband cigarettes following

undercover ATF operations from the State of Missouri to Nebraska, Oklahoma, and New York. Tadaiyon operates a tobacco import/export business called Brand Name Connoisseurs Corp (BNC), located in Florida. The name of BNC was used on fraudulent invoices associated with shipments of contraband cigarettes coming from ATF UC operations. These false invoices are believed to be used to conceal or deter law enforcement during transport of contraband cigarettes. Tadaiyon has signature authority on Bank of America account number ending in 7568 in the name of BNC, hereinafter referred to as 7568.

- F. Thomas Cameron Jones (Jones), a/k/a T. Cameron Jones, is a United States citizen believed to be residing in Quilcene, Washington. Jones has been identified by investigators as a contraband cigarette broker. An ATF UC agent utilized Aboud's telephone while meeting with Aboud to contact Jones. During the conversation, Jones arranged a meeting between Tadaiyon and an ATF UC agent to discuss the future sales of contraband cigarettes. Jones has signature authority on U.S. Bank account number ending in 7468 in the name of Manufacturer's Production Exchange (MPX), hereinafter referred to as 7468.
- G. David Bishop is believed to be a Canadian citizen residing in Quebec, Canada. David Bishop is the owner of DKB Trade Concepts Inc. (DKB) and associated with BTDL Development, Incorporated, both located at 311 Place d'Youville Montreal, Quebec, Canada. Based on undercover

conversations with Aboud and records obtained during the investigation in this case, David Bishop charges a brokering fee associated with trafficking contraband cigarette. Some of these fees may be paid through Piotr Hoffman, Mark Bishop, and Tadaiyon. Agents have determined that most, if not all, of these contraband cigarettes have been shipped to New York defrauding the state of taxable income. David Bishop owns account number ending in 6110 at Toronto Dominion Bank, hereinafter referred to as 6110. David Bishop also owns account number ending in 8136 at Canadian Imperial Bank of Commerce, hereinafter referred to as 8136. As owner of DKB, David Bishop controls account number ending in 9267 in the name of DKB Trade Concepts at National Bank of Canada, hereinafter referred to as 9267.

- H. Mark Bishop is believed to be a Canadian citizen residing in Quebec, Canada. Mark Bishop is David Bishop's brother. Mark Bishop has described himself as transporting cigarettes to Canada during ATF UC operations. Mark Bishop is a driver for David Bishop and on multiple occasions took possession of contraband cigarettes sold through Aboud and Sheffler. Mark Bishop also received cash from Aboud and Sheffler to take back to Canada.
- I. Piotr Hoffmann (Hoffmann), a/k/a "Peter Hoffmann," is a Canadian Citizen residing in Vaudreuil-Dorion, Quebec, Canada. David Bishop currently holds a second mortgage on Hoffmann's residence. Hoffmann is

the majority shareholder and President of 9176 6436 Quebec Inc (9176). 9176 owns Toronto Dominion Bank account number ending in 1146, hereinafter referred to as 1146. Hoffmann is believed to traffic contraband cigarettes by receiving and transporting contraband cigarettes sold by Aboud and Craig Sheffler to various destination states. Hoffmann participated in the illegal purchase of contraband cigarettes which were obtained during ATF undercover operations. Law enforcement surveillance observed Hoffmann receiving cigarettes and subsequently meeting with Tadaiyon. On at least two occasions, Hoffmann and Tadaiyon have transported the contraband cigarettes to the States of Oklahoma and Nebraska from the State of Missouri.

- J. 9169 3242 Quebec Inc. (9169), a/k/a UPS Store 358, is owned by Ester Sinai and is a UPS Store which rents mailboxes and is located next door to David Bishop's business, DKB, in Montreal, Quebec. David Bishop also rents a mailbox at this address. 9169 owns Toronto Dominion Bank account number ending in 0829, hereinafter referred to as 0829.
- K. Harry Najim (Najim) is a United States citizen with a business address of 1635 North Waterfront Parkway, #200, Wichita, Kansas. According to NCIC, Najim does not have a criminal history. Najim was formerly the lawyer for Aboud and Craig Sheffler. Najim facilitated a money laundering scheme related to the purchases of high value assets with the proceeds of contraband cigarettes. Najim is also believed to have traveled

overseas to consult legal associates regarding the concealment of cash money from illegitimate sources. In particular, on April 28, 2011, undercover ATF Special Agent Wesley Williamson (UC Williamson) credited Aboud \$7,500 to pay Najim for assisting with the Tadaiyon contraband cigarette transaction and for fees associated with Najim traveling to England to consult lawyers in regards to setting up foreign bank accounts to hide money. In June of 2011, Najim assisted in setting up a false corporation, or shell company, in the State of Missouri. Aboud provided proceeds of contraband cigarette trafficking in the form of checks to the shell company which Najim used to purchase an airplane. In turn, Aboud was credited \$550,000 for contraband cigarettes by UC Williamson. This transaction is part of a scheme to purchase large ticket items in order to conceal the true source and location of proceeds from specified unlawful activity. On June 23, 2011, Najim was paid \$16,500 for services associated with the airplane purchase.

- L. Robert Bell (Bell) is a United States citizen residing in Blanchard, Oklahoma. According to NCIC, Bell has no criminal history. Bell has an outstanding tax warrant from the State of Oklahoma for delinquent cigarette taxes in excess of \$600,000. Bell is believed to frequently traffic contraband cigarettes and other tobacco products (OTP) from Missouri and Kansas to Oklahoma. Bell has illegally purchased contraband cigarettes from Aboud as well as from ATF UC agents. Law enforcement

surveillance has observed Bell distributing cigarettes, believed to be trafficked from Missouri, throughout the Oklahoma City Metropolitan Area. On November 17, 2011, Bell and Suzanne Ruby (Ruby), his girlfriend, were en route to the UC Warehouse to purchase contraband cigarettes when they were stopped by the Kansas State Highway Patrol resulting in the seizure of \$75,339.00 in currency, marijuana, and a firearm. On January 21, 2012, Bell and Ruby were en route to the UC Warehouse to purchase contraband cigarettes when they were stopped by the Missouri State Highway Patrol, resulting in the seizure of \$82,601.00 in United States currency and a small amount of marijuana.

- M. William Parry (Parry) is believed to be living in Irving, New York. Parry is the owner of Wolf's Run Transport located at 12795 Route 438, Irving, New York. Parry also owns a smoke shop called Wolf's Run which is at the same location. Both will hereinafter be referred to as Wolf's Run. Parry resides and his businesses are located on the Cattaraugus Reservation for the Seneca Nation of Indians. Wolf's Run is not a licensed New York wholesaler authorized to bring cigarettes into the State of New York. Wolf's Run owns Evans Bank account number ending in 9399, hereinafter referred to as 9399.
- N. Jacob Kern & Sons, Inc. (JK&S) is located in Lockport, New York. JK&S is a licensed wholesaler of tobacco products and is required to report to the state of New York. Jacob P. Kern, III, is the Chairman/CEO of JK&S.

JK&S owns M&T Bank account number ending in 3008, hereinafter referred to as 3008.

- O. Mousa Juma (Juma) lives in Chesapeake, Virginia. Juma owns and operates Juma Brothers, which is a tobacco wholesale business. Juma has used Juma Brothers to facilitate transactions brokered by Tadaiyon. Juma uses account number ending in 9910 in the name of Juma Brothers at Bank of Hampton Roads, hereinafter referred to as 9910.
- P. The Seneca-Cayuga Tribe of Oklahoma (SCTO), a federally recognized tribe, owns and operates the Seneca Cayuga Tobacco Company (SCTC), which is located in Grove, Oklahoma. SCTO owns a convenience store in Seneca Falls, NY where they have been selling tax-free cigarettes and fuel. SCTC manufactures the Skydancer brand of cigarettes. SCTC brokered numerous transactions with Tadaiyon for smoke shops in New York. However, SCTC is not a licensed wholesaler in the state of New York. SCTC holds account number ending in 8830 at Bank of Oklahoma, hereinafter referred to as 8830.
- Q. Ho-Chunk, Inc., is the economic development corporation for the Winnebago Tribe of Nebraska, a federally recognized tribe. Ho-Chunk, Inc., owns multiple enterprises including HCI Distribution (HCI). HCI claims to be one of the largest Tribal cigarette and tobacco distributors in the United States and is located at 701 Buffalo Trail in Winnebago, Nebraska. However, HCI is not a licensed wholesaler in the state of

Nebraska or New York. HCI holds account number ending in 1101 at NCB FSB, hereinafter referred to as 1101. However, 1101 is a sweep account connected to NCB FSB account number 9423 in the name of Ho-Chunk, Inc. Therefore, positive or negative daily balances are automatically transferred to or funded by 9423, respectively.

- R. SSB Totem Pole Corporation, a/k/a Totem Pole Smoke Shop (Totem Pole), is a smoke shop located at 1031 Ledge Road, Basom, NY, which is on the Tonawanda Seneca Reservation. Totem Pole is owned by Keith & Winifred Stoldt who reside in Cowlesville, NY. Totem Pole holds account number ending in 2366 at M&T Bank, hereinafter referred to as 2366.
- S. Tonawanda Seneca Nation Enterprise (Tonawanda Seneca) is located in Basom, New York. This business is located at the same address as the Tonawanda Band of Senecas, a federally recognized tribe. Totem Pole and Arrowhawk Smoke Shop are among several businesses on the reservation which sell untaxed cigarettes. Tonawanda Seneca owns account numbers ending in 5186 and 5062 at Bank of Akron, hereinafter referred to as 5186 and 5062, respectively.
- T. AJ's Wholesale (AJ's), 12587 Route 438 in Irving, New York, is a tobacco distribution company owned by Aaron Pierce. Aaron Pierce also owns Hurricane Management, among other companies, which is in the

business of online and retail tobacco sales. AJ's Wholesale holds account number ending in 1554 at M&T Bank, hereinafter referred to as 1554.

REGULATORY BACKGROUND FOR CIGARETTES

10. All 50 States, excluding North Carolina, South Carolina, and North Dakota, require a stamp to be affixed to cigarette packs purchased by retail outlets for resale to the public. Cigarettes transferred to other wholesalers, both within the state and outside the state, must also be reported to the Department of Revenue of the licensee selling the cigarettes and by the wholesaler receiving the product. The total amounts of cigarettes reported to the state include both stamped and unstamped cigarettes. A wholesaler must also have a license for each state for which they are stamping. In regards to this case, ATF UC Agents sold unstamped cigarettes, other tobacco products (OTP), and Georgia stamped cigarettes, to Aboud and Craig Sheffler. None of the subjects reported to the States of Missouri, Oklahoma, Nebraska, or New York that they purchased cigarettes from the purported business run by ATF UC Agents.

11. Specifically, New York State Department of Taxation and Finance (NYDTF) precollects an excise tax of \$4.35/pack and sales tax of \$0.61/pack from wholesalers for sales to Indian nations and tribes as a result of Chapter 134 of the Laws of 2010. The State provided Indian nations and tribes with two options: 1) use a tax-exempt coupon system with coupons issued by the state, or 2) wholesalers must receive prior approval from NYDTF to make tax-exempt sales to Indian nations or tribes. This law was challenged by multiple Indian nations in both Federal and State courts which all ended with rulings favorable for the State of New York. Those include Case 10-475, *Oneida Nation of New York v. Cuomo*, 645 F.3d 154 (2d Cir. 2011), decided on May 9, 2011. In this decision, the court said the plaintiffs (multiple Indian nations

and tribes) failed to demonstrate their claims that New York's system imposed an unnecessary economic burden and interfered with their rights of self-government. After winning the appeals, the NYDTF implemented, on or about June 21, 2011, the coupon and prior approval system and announced as such on their website, http://www.tax.ny.gov/bus/cig/cigind_report_sales.htm.

12. Referenced in this civil forfeiture Complaint are various quantities of cigarettes. For the purpose of this civil forfeiture action, a pack contains 20 cigarettes; a carton contains 10 packs of cigarettes (200 cigarettes) and each case classified, or "12M" case, contains 60 cartons of cigarettes per case (12,000 cigarettes) and a master case classified, or "6M" case, contains 30 cartons of cigarettes each (6,000 cigarettes).

13. In December 2009, ATF agents initiated an investigation into the illegal sales of contraband cigarettes being sold at a local convenience store. Investigators ultimately developed information that Aboud and Craig Sheffler supplied stores in the Kansas City Metropolitan Area with cigarettes through CTW.

14. A Title III Intercept was granted for Craig Sheffler's cellular telephone. This telephone was monitored starting November 10, 2011, for a period of 30 days. A second Title III Intercept of Craig Sheffler's cell phone and his business office phone were granted and monitoring of these two phones began January 5, 2012. After it was determined that Craig Sheffler was also utilizing a second phone to conduct business, a Title III Intercept was granted for Craig Sheffler's new cell phone and monitoring of this phone started January 25, 2012.

CONTRABAND CIGARETTE SALES

15. From August 2010 until January 26, 2012, UC ATF Special Agents conducted over 55 undercover cigarette transactions with the above-listed subjects. A significant number of

these transactions were arranged by Aboud or Craig Sheffler. The following paragraphs are summaries of transactions with Aboud, Craig Sheffler and other subjects from August 2010 through March 2011:

- A. In August of 2010, UC Williamson sold a total of 102,270 packs (170.45 cases) of unstamped cigarettes to Aboud and Craig Sheffler during four undercover sales. During this period the contraband cigarettes were delivered to 1701 Noland Road, Independence, Missouri, where CTW was operating out of a back room.
- B. In September of 2010, UC Williamson sold a total of 196,500 packs (327.5 cases) of unstamped cigarettes to Aboud and Craig Sheffler during four undercover sales.
- C. In October of 2010, UC Williamson sold a total of 369,600 packs (616 cases) of unstamped cigarettes to Aboud and Craig Sheffler during five undercover sales.
- D. In November of 2010, UC Williamson sold a total of 435,600 packs (726 cases) of unstamped cigarettes to Aboud and Craig Sheffler during four undercover sales.
- E. In December of 2010, UC Williamson sold a total of 464,700 packs (774.5 cases) of unstamped cigarettes to Aboud and Craig Sheffler during three undercover sales.

- F. In January of 2011, UC Williamson sold a total of 549,600 packs (916 cases) of unstamped cigarettes to Aboud and Craig Sheffler during three undercover sales.
- G. In February of 2011, UC Williamson sold a total of 520,200 packs (867 cases) of unstamped cigarettes to Aboud and Craig Sheffler during four undercover sales. During one transaction that occurred on February 24, 2011, Aboud provided UC Williamson a bag that contained currency that Aboud said came from Bell. In the bag, UC Williamson received approximately 15 Oklahoma tax stamps with the currency. It was later determined that these were counterfeit Oklahoma cigarette tax stamps.
- H. In March of 2011, UC Williamson sold a total of 628,200 packs (1047 cases) of unstamped cigarettes to Aboud and Craig Sheffler during four undercover sales.

16. Aboud and Craig Sheffler began trafficking contraband cigarettes to New York and other states in April 2011 through Tadaion. After August 2011, the UC contacted Craig Sheffler to arrange the transactions. The following paragraphs are details of select transactions with Aboud, Craig Sheffler and other subjects from April 2011 through January 2011.

Undercover Transaction on April 15, 2011

17. On April 15, 2011, ATF UCs sold a total of 127,800 packs (213 cases) to Aboud which were then sold to Tadaion. The following events occurred in relation to this transaction:

- A. Tadaion arrived on April 14, 2011, with Salvatore Tornabene (Tornabene), who is an employee of Parry and Wolf's Run. Tornabene

was driving a Penske rental truck. While waiting for wire transfers to pay for the cigarettes, Tadaiyon attached labels to each pallet of cigarettes and loaded the cigarettes in the Penske truck. These labels indicated that the cigarettes were going to three locations: 1) AJs Wholesale, 12587 Route 438, Irving, NY; 2) Arrowhawk Smoke Shop, 852 Bloomingdale Rd, Basom, NY; and 3) Totem Pole, 1031 Ledge Rd, Basom, NY. All of these are on Seneca lands, the first being the Cattaraugus Reservation and the latter two being on the Tonawanda Reservation.

- B. Tornabene claimed that they rented the Penske truck under the sovereign nation, which made the truck part of the sovereign nation and prevented anyone but the federal authorities from searching the truck. The truck was set for drop off in Angola, New York, which is near the Cattaraugus Reservation and Parry's business.
- C. Tracking devices were placed in the load of cigarettes picked up by Tornabene on April 15, 2011. The truck departed the UC warehouse at 1:33 p.m. on April 15, 2011, and arrived near 1376 Route 438, Irving, NY at 11:27 a.m. on April 16, 2011. This area is the approximate location of Wolf's Run convenience store.
- D. Since Tadaiyon did not get all of the money transferred to his account (BNC 7568) by April 14, 2011, the transaction was completed the following day, April 15, 2011. Financial transactions which occurred in relation to the sale of contraband cigarettes occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
04/13/2011	Xfer	Totem Pole	2366	\$116,024.40	JK&S	3008
04/14/2011	Wire	AJ's	1554	\$263,080.80	JK&S	3008
04/15/2011	ACH	Arrowhawk	4120	\$79,920.00	JK&S	3008
04/14/2011	Wire	JK&S	3008	\$371,184.00	BNC	7568
04/15/2011	Wire	JK&S	3008	\$78,033.00	BNC	7568
04/15/2011	Wire	BNC	7568	\$383,400.00	CTW	9213
04/15/2011	Cash	Aboud/Sheffler		\$338,670.00	ATF UCA	
04/18/2011	Wire	BNC	7568	\$9,585.00	MPX	7468
04/18/2011	Wire	BNC	7568	\$13,250.00	9176	1146
04/18/2011	Wire	BNC	7568	\$7,000.00	9169	0829

E. Invoices and purchase orders between the parties to the financial transactions listed above were reviewed by IRS Special Agent Karl Bolte. The documents reveal that Tadaiyon purchased the cigarettes from CTW and, in turn, sold an identical amount to JK&S. JK&S directed these cigarettes to be shipped to Totem Pole, AJ's, and Arrowhawk and invoiced each of them. The wires received by JK&S and BNC match the amounts invoiced for the cigarettes. The available wire instructions also match the invoice numbers for these transactions.

F. Records recovered during a search warrant show that 9169 submitted invoice BNC01 in the amount of \$7,000 to BNC for "Commission." These same records show that Hoffmann submitted invoice 20110007 from 9176 in the amount of \$13,250 to BNC for "Professional services rendered." Agents also found Invoice 11-0414-1 from MPX in the amount of \$9,585 for "tobacco source" at \$0.75/carton (9585 = 0.75 x 12780). Tadaiyon, through BNC, sent wires to 9176, 9169, and MPX after the

transaction to pay these invoices. Tadaiyon stated that he would have to send an email through David and Cameron (referring to David Bishop and Jones) for ordering the next shipment even though Tadaiyon wrote the order down in person. This is all evidence that David Bishop, through 9169, Hoffmann, through 9176, and Jones, through MPX, have facilitated these transactions by trafficking cigarettes in exchange for money.

- G. Based on the analysis of records as summarized above, the United States believes that JK&S, Tadaiyon through BNC, and Aboud and Craig Sheffler through CTW, conspired amongst themselves and others to broker, facilitate, promote, and conceal the sale of contraband cigarettes to smoke shops in New York by providing false reports to Missouri thus defrauding the State of New York of tax revenue. Each party benefits financially by keeping a portion of the state taxes they evade. For example, Tadaiyon profited \$35,982 $((371,184+78,033)-383,400-9,585-13,250-7,000)$ and Aboud profited \$44,730 $(383,400-338,670)$ to broker the cigarettes to New York.
- H. Through P&J, Eiad Musallet provided at least \$200,000 in United States currency to Aboud and Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Aboud and Craig Sheffler brought two bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Aboud and Craig Sheffler did not withdraw this amount from CTW's account, and Aboud

and Craig Sheffler wrote checks to P&J for similar amounts to get cash.

Bundles, as defined by Federal Reserve Bank Cash Procedures, are 1,000 currency notes of the same denomination in 10 equal straps of 100 notes.

Therefore, a bundle of 1,000 \$100 notes equals \$100,000.

Undercover Transaction on May 6, 2011

18. On May 6, 2011, UC Williamson and UC Lester sold a total of 138,000 packs (230 cases) of contraband cigarettes to Aboud. Tadaiyon purchased approximately 108,000 packs (180 cases) from Aboud. The following events occurred in relation to this transaction:

- A. UC Williamson told Aboud and Craig Sheffler that he was very upset with Tadaiyon and did not want to deal with him any more after the April 15th transaction. Due to this, Aboud told UC Williamson that he had worked with Jones to get a new buyer out of Virginia. However, they were still dealing with Tadaiyon. This is why the wires go through Juma Brothers before reaching CTW. Additionally, during interviews of Juma, he claimed that Tadaiyon was using him as a proxy for the transactions. However, Craig Sheffler falsely reported to the State of Missouri that 180 cases were sold to Juma Brothers in Portsmouth, Virginia.
- B. Financial transactions which occurred in relation to the sale of contraband cigarettes by UC Williamson occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
05/02/2011	Wire	AJ's	1554	\$388,260.00	JK&S	3008
05/03/2011	Wire	JK&S	3008	\$379,620.00	BNC	7568
05/03/2011	Wire	BNC	7568	\$345,600.00	Juma Brothers	9910
05/03/2011	Wire	Juma Brothers	9910	\$340,200.00	CTW	9213

05/03/2011	Cash	Aboud/Sheffler		\$286,200.00	ATF UCA	
05/03/2011	Wire	CTW	9213	\$8,100.00	MPX	7468
05/05/2011	Wire	CTW	9213	\$8,100.00	David Bishop	6110

- C. Invoices and purchase orders between the parties to the financial transactions listed above were reviewed by IRS Special Agent Karl Bolte. The documents reveal that Tadaiyon purchased the cigarettes from CTW and, in turn, sold an identical amount to JK&S. JK&S directed these cigarettes to be shipped to AJ's and invoiced AJ's. The wires received by JK&S and BNC match the amounts invoiced for the cigarettes. The available wire instructions also match the invoice numbers for these transactions.
- D. Subpoenaed records show that JK&S purchased 108,000 packs (180 cases) of Marlboro cigarettes from BNC and then resold them to AJ's. BNC provided invoice 124 to JK&S as indicated in the wire. Aboud paid the commissions to David Bishop and Jones on this transaction by wiring \$8,100 to both. This represents a \$0.75/carton fee for brokering the transaction.
- E. Based on the analysis of records as summarized above, the United States believes that JK&S, Tadaiyon, through BNC and Juma Brothers, and Aboud and Craig Sheffler, through CTW, conspired amongst themselves and others to broker, facilitate, promote, and conceal the sale of

contraband cigarettes to smoke shops in New York by providing false reports to Missouri thus defrauding the State of New York of tax revenue.

- F. Through P&J, Eiad Musallet provided at least \$300,000 in United States currency to Aboud and Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Aboud and Craig Sheffler brought three bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Aboud and Craig Sheffler did not withdraw this amount from CTW's account, and Aboud and Craig Sheffler wrote checks to P&J for similar amounts to get cash.

Undercover Transaction on May 26, 2011

19. On May 26, 2011, UC Williamson and UC Lester sold a total of 324,000 packs (540 cases) of contraband cigarettes to Aboud. Mark Bishop was present during the transaction and purchased 126,000 packs (210 cases) from Aboud. The following events occurred in relation to this transaction:

- A. As in the prior transaction, Tadaiyon was still using Juma Brothers as a proxy to purchase the cigarettes from Aboud and CTW, which Aboud bought from UC Williamson.
- B. Aboud provided part of his payment to UC Williamson for contraband cigarettes in the form of a cashier's check. Aboud explained to Craig Sheffler that Aboud was going to make a \$280,000.00 cashier's check out to Craig Sheffler's company, KC Kush Incense, and that Aboud was going to call it a loan. UC Williamson would then hold the check and Aboud

would later trade it for cash. However, this check funded part of the airplane purchase (around June 9, 2011) put together by Najim to launder UC Williamson's proceeds from illegal activity.

- C. Mark Bishop arrived at the UC warehouse in a Penske truck. This truck was rented in the Kansas City area under the name Wolf's Run of Irving, New York with the driver listed as Sal Tornabene. The truck was set for drop off in Angola, New York, which is near the Cattaraugus Reservation and Parry's business. This would indicate that the contraband cigarettes were again going to the same, or similar, customers as on previous occasions.
- D. Tracking devices were placed in the load of cigarettes picked up by Mark Bishop on May 26, 2011. The truck departed the UC warehouse at 1:37 p.m. on May 26, 2011, and arrived near 1376 Route 438, Irving, New York at 11:27 a.m. on May 27, 2011. This area is the approximate location of Wolf's Run convenience store. Craig Sheffler falsely reported to the State of Missouri that CTW sold 210 cases to Juma Brothers in Portsmouth, Virginia.
- E. Financial transactions which occurred in relation to the sale of contraband cigarettes by UC Williamson occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
05/24/2011	Wire	Wolf's Run	9399	\$154,395.00	JK&S	3008
05/25/2011	Wire	AJ's	1554	\$295,509.00	JK&S	3008
05/25/2011	Wire	JK&S	3008	\$442,890.00	BNC	7568
05/26/2011	Wire	BNC	7568	\$403,200.00	Juma Brothers	9910

05/26/2011	Wire	Juma Brothers	9910	\$396,900.00	CTW	9213
05/26/2011	Cash	Aboud/Sheffler		\$333,900.00	ATF UCA	
05/26/2011	Wire	CTW	9213	\$9,450.00	MPX	7468
05/27/2011	Wire	BNC	7568	\$4,000.00	New Century	5056
06/01/2011	Wire	CTW	9213	\$9,450.00	9169	0829
06/06/2011	Wire	BNC	7568	\$15,000.00	DKB	9267

- F. Invoices and purchase orders between the parties to the financial transactions listed above were reviewed by IRS Special Agent Karl Bolte. The documents reveal that Tadaiyon purchased the cigarettes from CTW and, in turn, sold an identical amount to JK&S. JK&S directed these cigarettes to be shipped to Wolf's Run and AJ's and invoiced each of them. The wires received by JK&S and BNC match the amounts invoiced for the cigarettes. The available wire instructions also match the invoice numbers for these transactions.
- G. Aboud, through CTW, wired brokerage fees or commissions to MPX and Quebec, Inc., for Jones and David Bishop after the transaction. Again, Aboud paid each party \$0.75 per carton to broker the transactions. Aboud wired money for David Bishop to account 0829 at Toronto Dominion Bank in the name of 9169. Aboud wired Jones' money to 7468 at US Bank.
- H. Records recovered during a search warrant show that DKB submitted invoice BNC02 in the amount of \$4,000 to BNC for "Commission" and directed payment to New Century Int'l. These records also show that DKB submitted invoice 14250 in the amount of \$15,000 to BNC for

“Commission.” This is further evidence that David Bishop, through DKB, is facilitating these transactions by trafficking cigarettes in exchange for money. Tadaiyon, through BNC, sent wires to New Century Int’l and DKB after the transaction to pay the invoices from David Bishop. The wire to DKB references Invoice 14250.

- I. Based on the analysis of records as summarized above, the United States believes that JK&S, Tadaiyon through BNC and Juma Brothers, and Aboud and Craig Sheffler through CTW, conspired amongst themselves and others to broker, facilitate, promote, and conceal the sale of contraband cigarettes to smoke shops in New York by providing false reports to Missouri thus defrauding the State of New York of tax revenue.
- J. Through P&J, Eiad Musallet provided at least \$200,000 in United States currency to Aboud and Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Aboud and Craig Sheffler brought two bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Aboud and Craig Sheffler did not withdraw this amount from CTW’s account, and Aboud and Craig Sheffler were writing checks to and cashing checks at P&J.

Undercover Transaction on June 9, 2011

20. On June 9, 2011, UC Williamson and UC Lester sold a total of 279,000 packs (465 cases) of contraband cigarettes to Aboud. Mark Bishop was present during the transaction

and purchased 97,200 packs (162 cases) from Aboud. The following events occurred in relation to this transaction:

- A. On June 9, 2011, at approximately 11:10 a.m., Jim ABOUD arrived at the UC warehouse to pick up cigarettes from UC Williamson. During this transaction, Aboud telephoned Najim (to discuss the UC Williamson's purchase of an airplane with proceeds from the sales of contraband cigarettes). During the telephone call, Najim informed Aboud and UC Williamson that Najim was coming to Kansas City. Najim stated that the airplane company would take a check made to the Missouri Corporation and endorsed over to the airplane company. Najim described how the checks should be made out saying that tobacco should not be listed in the names on the checks. Najim stated that he had been working with the airplane company to include hanger storage and training. Najim stated the price of the airplane was \$550,000. Najim asked Aboud and UC Williamson to meet him later that evening. Both agreed to do so.
- B. As in the prior transactions, Tadayon was still using Juma Brothers as a proxy to purchase the cigarettes from Aboud and CTW, which Aboud bought from UC Williamson.
- C. Tracking devices were placed in the load of cigarettes picked up by Mark Bishop on June 9, 2011. The truck departed the UC warehouse at 12:51 p.m. on June 9, 2011, and arrived near Reuben Road in Basom, NY at 3:44 a.m. on June 10, 2011. This area is the approximate location of

Arrowhawk or Totem Pole. It is not normal business practice to drive through the night and deliver cigarettes in the middle of the morning.

Craig Sheffler falsely reported to the State of Missouri that CTW sold 162 cases to Juma Brothers in Portsmouth, Virginia on June 7, 2011.

- D. Financial transactions which occurred in relation to the sale of contraband cigarettes by UC Williamson occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
06/06/2011	Xfer	Totem Pole	2366	\$348,073.20	JK&S	3008
06/07/2011	Wire	JK&S	3008	\$341,658.00	BNC	7568
06/08/2011	Wire	BNC	7568	\$311,040.00	Juma Brothers	9910
06/09/2011	Wire	Juma Brothers	9910	\$306,180.00	CTW	9213
06/09/2011	Cash	Aboud/Sheffler		\$257,580.00	ATF UCA	
06/09/2011	Check	Aboud/Sheffler		\$7,290.00	DKB	9267
06/09/2011	Wire	CTW	9213	\$7,290.00	MPX	7468
07/11/2011	Wire	BNC Corp	7568	\$2,000.00	9176	1146

- E. Invoices and purchase orders between the parties to the financial transactions listed above were reviewed by IRS Special Agent Karl Bolte. The documents reveal that Tadaiyon purchased the cigarettes from CTW and, in turn, sold an identical amount to JK&S. JK&S directed these cigarettes to be shipped to Totem Pole and invoiced Totem Pole for the cigarettes. The wires received by JK&S and BNC match the amounts invoiced for the cigarettes. The available wire instructions also match the invoice numbers for these transactions. Totem Pole and JK&S both bank with M&T Bank and simply transferred the amount between accounts.

- F. Aboud, through CTW, wired brokerage fees or commissions to MPX for Jones after the transaction. During the transaction with UC Williamson, Aboud wrote the above check to “DKB Trade Concepts” as fees for David Bishop. This is evidenced by the math on the memo line of the check which says, “9720 @ 75¢.” Again, Aboud paid each party \$0.75 per carton to broker the transactions.
- G. Records recovered during a search warrant show that Hoffmann submitted invoice 20110013 dated June 16, 2011, in the amount of \$2,500 to BNC for “Professional services rendered.” This is further evidence that Hoffmann, through 9176, is facilitating these transactions by trafficking cigarettes in exchange for money.
- H. Based on the analysis of records as summarized above, the United States believes that JK&S, Tadaiyon through BNC and Juma Brothers, and Aboud and Craig Sheffler through CTW, conspired amongst themselves and others to broker, facilitate, promote, and conceal the sale of contraband cigarettes to smoke shops in New York by providing false reports to Missouri thus defrauding the State of New York of tax revenue.
- I. Through P&J, Eiad Musallet provided at least \$200,000 in United States currency to Aboud and Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Aboud and Craig Sheffler brought two bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Aboud and Craig

Sheffler did not withdraw this amount from CTW's account, and Aboud and Craig Sheffler wrote checks to P&J for similar amounts to get cash.

Purchase of 2009 Cessna with Proceeds of Illegal Activity

21. On the evening of June 9, 2011, UC Williamson drove to Houston's Restaurant located at 4640 Wornall Road, Kansas City, Missouri to meet with Najim to finalize the purchase of the 2009 Cessna, among other things. The following events occurred in relation to this transaction:

- A. Najim provided UC Williamson with documents, including an email, describing the airplane that Najim had facilitated to purchase for UC Williamson. Najim also provided documents relating to the FBNA. FBNA is the Missouri Corporation Najim formed as a shell company to launder proceeds for UC Williamson.
- B. Aboud provided Najim with two checks. Najim directed UC Williamson how to endorse the checks. As directed, UC Williamson forged the signature of the president of FBNA on the check and wrote pay to the order Kansas Aircraft Corp. After endorsing the checks, UC Williamson returned the checks to Najim.
- C. Aboud converted the \$280,000 cashier's check from the May 26, 2011, transaction to Intrust Bank Official Check 314543 payable to FBNA, with CTW, LLC as the remitter. Account 9213 funded the original \$280,000 cashier's check to KC Kush. After the June 9, 2011, transaction, Aboud wrote a \$270,000 check on 9213 to fund InTrust Bank Official Check

314545 payable to FNBA with CTW, LLC, as the remitter. These are the same checks mentioned above that UC Williamson endorsed over to Kansas Aircraft, Corp., as directed by Najim. Najim used these checks to purchase the defendant 2009 Cessna.

Undercover Transaction on June 23, 2011

22. On June 23, 2011, UC Williamson and UC Lester sold a total of 246,000 packs (410 cases) of contraband cigarettes to Aboud. Hoffmann was present during the transaction and purchased 75,600 packs (126 cases) from Aboud. The following events occurred in relation to this transaction:

- A. As in the prior transactions, Tadaiyon was still using Juma Brothers as a proxy to purchase the cigarettes from Aboud and CTW, which Aboud bought from UC Williamson. Hoffmann carried documents which showed that the cigarettes were being sold to “Jume Bros. in Portsmouth, Virginia.” Hoffmann also had a set of printed directions to Virginia which included a map. The United States believes that these documents would be provided to law enforcement in the event of a traffic stop.
- B. Hoffmann was driving a Penske rental truck. This truck was rented in Kansas City under the name of Wolf’s Run out of Irving, New York. The truck was set for drop off in Angola, New York, which is near the Cattaraugus Reservation and Parry’s business.
- C. Tracking devices were placed in the load of cigarettes picked up by Hoffmann on June 23, 2011. The truck departed the UC warehouse at

12:13 p.m. on June 23, 2011. Based on the information from the tracking device, the truck arrived near 1198 Route 438, Irving, New York at 8:14 a.m. on June 24, 2011. This area is near Wolf's Run convenience store. Craig Sheffler falsely reported to the State of Missouri that CTW sold 126 cases to Juma Brothers in Portsmouth, Virginia on June 21, 2011.

D. Financial transactions which occurred in relation to the sale of contraband cigarettes by UC Williamson occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
06/16/2011	Xfer	Gail's		\$57,105.00	JK&S	3008
06/20/2011	Wire	AJ's	1554	\$215,028.00	JK&S	3008
06/21/2011	Wire	JK&S	3008	\$265,684.00	BNC	7568
06/22/2011	Wire	BNC	7568	\$241,920.00	Juma Brothers	9910
06/23/2011	Wire	Juma Brothers	9910	\$238,140.00	CTW	9213
06/23/2011	Cash	Aboud/Sheffler		\$200,340.00	ATF UCA	
06/23/2011	Cash	Aboud/Sheffler		\$5,670.00	David Bishop	
06/24/2011	Check	CTW	9213	\$5,670.00	MPX	7468
06/23/2011	Wire	BNC	7568	\$10,000.00	DKB	9267

E. Invoices and purchase orders between the parties to the financial transactions listed above were reviewed by IRS Special Agent Karl Bolte. The documents reveal that Tadaiyon purchased the cigarettes from CTW and, in turn, sold an identical amount to JK&S. JK&S directed these cigarettes to be shipped to AJ's and Gail Anderson and invoiced each of them. The wires received by JK&S and BNC match the amounts invoiced for the cigarettes. The available wire instructions also match the invoice numbers for these transactions. Gail's paid JK&S the above amount via ACH, however, the bank the proceeds came from is not yet known to the

United States. It may be another transfer since it was not received via wire.

- F. Based on the same documents, Gail Anderson's address is in Sanborn, New York. She appears to own Gail's Tobacco & Gas Outlet (Gail's), which is located at this address. The cigarettes were shipped to what is referred to in documents as Gail's 2, which is located at 2280 Upper Mountain Road in Sanborn, New York.
- G. Aboud provided cash to Hoffmann during the transaction on June 23, 2011, presumably as fees for David Bishop. Aboud or Craig Sheffler deposited a check in the account of MPX for Jones after the transaction. Evidence of the fees is included on the memo line of the check which says, "9720 @ 75¢." Again, Aboud paid each party \$0.75 per carton to broker the transactions.
- H. Records recovered during a search warrant show that DKB submitted invoice 14264 in the amount of \$10,000 to BNC for "RFB 62635668 Comm." Tadaiyon, through BNC, sent a wire to DKB after the transaction for the benefit of David Bishop. The wire instructions state to, "APPLY AS COMMISSION PAYMENTS." This is further evidence that David Bishop, through DKB, is facilitating these transactions by trafficking cigarettes in exchange for money.
- I. Based on the analysis of records as summarized above, the United States believes that JK&S, Tadaiyon through BNC and Juma Brothers, and

Aboud and Craig Sheffler through CTW, conspired amongst themselves and others to broker, facilitate, promote, and conceal the sale of contraband cigarettes to smoke shops in New York by providing false reports to Missouri thus defrauding the State of New York of tax revenue.

- J. Through P&J, Eiad Musallet provided at least \$300,000 in United States currency to Aboud and Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Aboud and Craig Sheffler brought three bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Aboud and Craig Sheffler did not withdraw this amount from CTW's account, and Aboud and Craig Sheffler wrote checks to P&J for similar amounts to get cash.

Undercover Transaction on July 14, 2011

23. On July 14, 2011, ATF UC Agents sold a total of 253,500 packs (422.5 cases) of contraband cigarettes to Aboud. Mark Bishop was present during the transaction and purchased 79,200 packs (132 cases) from Aboud. The following events occurred in relation to this transaction:

- A. This is the first transaction that occurred after two key events. The first is that IRS-CI and FBI executed a search warrant of Juma Brothers in Chesapeake, VA. Second, the State of New York began aggressively enforcing the prepayment of excise and sales taxes on the sales of cigarettes to Indian nations and tribes within the state of New York. These events appear to have influenced the method of delivery the conspirators

chose. This is evidenced by the fact that Juma Brothers was eliminated as a proxy for Tadaiyon and that the cigarettes were delivered to HCI in Nebraska after being purchased from ATF UC Agents and CTW.

- B. Mark Bishop arrived for this transaction in a U-Haul truck which had been rented on July 14, 2011, in the Kansas City area under the name of Wolf's Run. Mark Bishop returned the truck on July 15, 2011, in Omaha, Nebraska at approximately 7:06 a.m., which corresponds with the transport of the cigarettes to HCI.
- C. Tracking devices were placed in the load of cigarettes picked up by Mark Bishop on July 14, 2011. The truck departed the UC warehouse at 12:03 p.m. on July 14, 2011. Based on the information from the tracking device, the truck arrived in Winnebago, Nebraska at approximately 5:40 p.m., which is where HCI is located.
- D. Craig Sheffler again falsely reported the related transactions to the State of Missouri. He reported that CTW received 250 cases from CrossBridge, LLC, and sold 132 cases to BNC at 2017 Sacramento, Weston, Florida.
- E. Financial transactions which occurred in relation to the sale of contraband cigarettes occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
07/13/2011	Wire	HCI	1101	\$285,120.00	BNC	7568
07/14/2011	Wire	BNC	7568	\$249,480.00	CTW	9213
07/14/2011	Cash	Aboud/Sheffler		\$209,880.00	ATF UCA	
07/14/2011	Cash	Aboud/Sheffler		\$5,940.00	David Bishop	
07/15/2011	Check	Aboud/Sheffler	9213	\$5,940.00	MPX	7468
07/15/2011	Wire	BNC	7568	\$7,920.00	SCTC	8830

- F. Invoices and purchase orders between the parties to the financial transactions listed above were reviewed by IRS Special Agent Karl Bolte. The documents reveal that Tadaiyon purchased the cigarettes from CTW and, in turn, sold an identical amount to HCI. The wire from HCI to BNC references invoice number 133. The records show that BNC provided Invoice 133 to HCI for the cigarettes.
- G. Records recovered during a search warrant show that Hoffmann submitted invoice 20110016 in the amount of \$6,000 to BNC for “Professional services rendered.” This is further evidence that Hoffmann, through 9176, is facilitating these transactions by trafficking cigarettes in exchange for money. Tadaiyon, through BNC, sent a wire referencing Invoice 20110013 to 9176 to pay the invoice from Hoffmann.
- H. Aboud provided cash to Mark Bishop during the transaction on July 14, 2011, presumably as fees for David Bishop. Aboud or Craig Sheffler deposited the check in the account of MPX for Jones after the transaction. Again, Aboud paid each party \$0.75 per carton to broker the transactions.
- I. Based on the analysis of records as summarized above, the United States believes that HCI, SCTC, Tadaiyon through BNC, and Aboud and Craig Sheffler through CTW, conspired amongst themselves and others to broker, facilitate, promote, and conceal the sale of contraband cigarettes to

smoke shops in New York by providing false reports to Missouri, thus defrauding the State of New York of tax revenue.

- J. Through P&J, Eiad Musallet provided at least \$200,000 in United States currency to Aboud and Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Aboud and Craig Sheffler brought two bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Aboud and Craig Sheffler did not withdraw this amount from CTW's account, and Aboud and Craig Sheffler wrote checks to P&J for similar amounts to get cash.
- K. Based on the above facts, the United States believes that the conspirators agreed to use the cover of HCI to deliver cigarettes to smoke shops in New York or elsewhere under the color of what is often referred to as nation-to-nation shipments. HCI already openly distributes Tribal produced cigarettes and tobacco to businesses located on other Indian nations and tribes. HCI can easily conceal the contraband cigarettes with the shipments they already make.

Undercover Transaction on August 4, 2011

24. On August 4, 2011, UC Williamson and UC Lester sold a total of 279,000 packs (465 cases) of contraband cigarettes to Aboud. Mark Bishop was present during the transaction and purchased 79,200 packs (132 cases) from Aboud. The following events occurred in relation to this transaction:

- A. On August 1, 2011, UC Williamson placed a recorded telephone call to Craig Sheffler. During the ensuing conversation, UC Williamson told Craig Sheffler, "I got Newports." Craig Sheffler asked UC Williamson, "Have you talked to Jim," [referring to Aboud] and UC Williamson replied, "I just got off the phone with him." Additionally, UC Williamson asked Craig Sheffler, "Are you dealing with Cameron [referring to Thomas Cameron Jones] and them or is he dealing with them?" Craig Sheffler replied, "It's mainly him, I do talk to him but I say talk to them but it... I say talk to them mainly through e-mail or talk." The United States believes that Craig Sheffler admits in this call that he receives contraband cigarette orders via e-mail from Jones.
- B. On August 4, 2011, around 10:23 a.m., Aboud and Mark Bishop arrived at the UC warehouse. Craig Sheffler arrived shortly thereafter and met with Aboud, Mark Bishop, UC Williamson and UC Lester.
- C. On August 4, 2011, around 10:47 a.m., Craig Sheffler received an incoming telephone call and walked outside of the room in which Aboud and UC Williamson were waiting. Immediately after the call ended, Craig Sheffler returned to the room and told Aboud "It should be there." Toll record analysis revealed that at approximately the same time, Craig Sheffler received an incoming telephone call from 514-591-6562 (a Montreal, Province of Quebec (PQ) Canada phone number). DKB is located in Montreal.

- D. On August 4, 2011, around 10:58 a.m., Aboud placed an outgoing call to an unknown telephone number in the presence of UC Williamson. During the call, Aboud was recorded saying that his “account number” was “9213” and inquired about the “wire that came in this morning for \$249,480.” Immediately following the call, Aboud told Craig Sheffler, “It’s in.” Subsequent pen register analysis revealed that around 10:58 a.m., Aboud’s telephone placed an outgoing telephone call to 316-383-1302, which is subscribed to Intrust Bank, out of Wichita, Kansas. The United States believes that Aboud placed this call to Intrust Bank in order to verify that money had been transferred to account 9213 for the purchase of the contraband cigarettes from UC Williamson.
- E. On August 4, 2011, around 11:06 a.m., UC Williamson counted cash on the currency counter in the front office of the UC Warehouse. During the meeting, Aboud paid UC Williamson \$541,725.00 in cash for 279,000 packs (465 cases) of unstamped cigarettes. Of this amount, \$209,880 was for 7920 cartons (132 cases) which were separated by UC Williamson for subsequent transport by Mark Bishop.
- F. Craig Sheffler then retrieved a cardboard envelope and placed an unknown quantity of currency inside. This envelope was later given to Mark Bishop, who was present at the UC warehouse. It is believed that this money was for payment to David Bishop for brokering the contraband cigarette sale.

- G. UC Lester loaded contraband cigarettes for Craig Sheffler after which Craig Sheffler's driver left the warehouse. UC Lester then loaded the Marlboro contraband cigarettes into a U-Haul truck for Mark Bishop, who later departed the warehouse in the U-Haul. This truck was rented under the name "David Bishop" on August 4, 2011, from the U-Haul facility located at 7401 State Avenue, Kansas City, Kansas, and returned to the U-Haul facility located at 3303 South Yale Avenue, Tulsa, Oklahoma, on August 5, 2011. This would indicate that the cigarettes went to SCTC in Grove, Oklahoma.
- H. Craig Sheffler again falsely reported the related transactions to the State of Missouri. He reported that CTW received 150 cases from CrossBridge, LLC, in Miami Beach, Florida, on August 4, 2011, and sold 132 cases to BNC at 2017 Sacramento, Weston, Florida, on August 2, 2011.
- I. Financial transactions which occurred in relation to the sale of contraband cigarettes occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
08/03/2011	Wire	Totem Pole	2366	\$300,960.00	SCTC	8830
08/03/2011	Wire	SCTC	8830	\$277,200.00	BNC	7568
08/04/2011	Wire	BNC	7568	\$249,480.00	CTW	9213
08/04/2011	Cash	Aboud/Sheffler		\$209,880.00	ATF UCA	
08/04/2011	Cash	Aboud/Sheffler		unknown	Mark Bishop	

- I. Invoices and purchase orders between the parties to the financial transactions listed above were reviewed by IRS Special Agent Karl Bolte. The documents reveal that Tadaiyon purchased the cigarettes from CTW

and, in turn, sold an identical amount to SCTC. SCTC arranged to ship the cigarettes to Totem Pole and invoiced them. The wires received by SCTC and BNC match the amounts invoiced for the cigarettes. The available wire instructions also match the invoice numbers for these transactions.

- J. Based on the analysis of records as summarized above, the United States believes that SCTC, Tadaiyon through BNC, and Craig Sheffler through CTW, conspired amongst themselves and others to broker, facilitate, promote, and conceal the sale of contraband cigarettes to Totem Pole by providing false reports to Missouri, likely shipping cigarettes using Wolf's Run, and failing to obey the prepay tax system set up by the State of New York, thus defrauding the State of New York of tax revenue. Each party benefits by keeping a portion of the state taxes they evade. For example, SCTC profited approximately \$23,760 (300,960-277,200) not including any delivery expenses, Tadaiyon profited \$27,720 (277,200-249,480), and Aboud profited \$39,600 (249,480-209,800), not including any commissions.
- K. Through P&J, Eiad Musallet provided at least \$200,000 in United States currency to Aboud and Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Aboud and Craig Sheffler brought two bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Aboud and Craig

Sheffler did not withdraw this amount from CTW's account, and Aboud and Craig Sheffler wrote checks to P&J for similar amounts to get cash.

Undercover Transaction on August 18, 2011

25. On August 18, 2011, UC Williamson and UC Lester sold a total of 271,800 (453 cases) of cigarettes to Aboud for \$551,220.00 in U.S. Currency. Hoffmann took custody of 79,200 packs (132 cases) of Marlboro and stated that he was taking them to Virginia. The following events occurred in relation to this transaction:

- A. On August 18, 2011, around 10:55 a.m., Aboud arrived at UC Williamson's undercover warehouse and carried a bag into the office area. Aboud stated that he had 200 grand in the bank but he can't get any more cash out. Aboud stated that he just came from "Eddie's." Pen register analysis on Aboud's telephone revealed 5 telephone calls to and from 816-237-6987, a cellular telephone utilized by Eiad Musallet, from 9:36 a.m. to 10:31 a.m., on August 18, 2011. The United States believes that Aboud was referring to Eiad Musallet when he said he had just come from "Eddie's." This is not normal for anyone with a traditional bank account and legitimate business to have this amount of contact with and cash obtained from a check cashing business such as P&J.
- B. Through P&J, Eiad Musallet provided at least \$200,000 in United States currency to Aboud and Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Aboud and Craig Sheffler brought two bundles of \$100s in Federal

Reserve plastic wrap to the UC warehouse, Aboud and Craig Sheffler did not withdraw this amount from CTW's account, and Aboud and Craig Sheffler were writing checks to and cashing checks at P&J.

- C. Shortly thereafter, Hoffmann arrived at the warehouse driving a U-Haul truck with Arizona license plate AB89557. UC Williamson took Hoffmann into the warehouse area and showed him the cigarettes. Hoffmann stated that he did not have any paper on what he should be getting. UC Williamson stated that he doesn't give any paper and that the transaction was illegal. Hoffmann indicated that he understood. Hoffmann stated that he flew into Detroit from Montreal, Canada, and then to Kansas City. Hoffmann inquired about making a call. UC Williamson inquired what his ticket cost. Hoffmann stated that he did not know the cost since the ticket was booked by "David through the office." Hoffmann was likely referring to David Bishop when he mentioned "David."
- D. During ensuing conversation, UC Williamson asked Hoffmann where he was going this time, and Hoffmann replied "Virginia." U-Haul records revealed the aforementioned truck with Arizona license plate AB89557 was rented by "Reza Dadaiyon" using driver's license T350280631820, which belongs to Tadaiyon. This truck was rented on August 18, 2011, from the U-Haul facility located at 1015 E. 8th St, Kansas City, Missouri, and returned to the U-Haul facility located at 3303 S. Yale Avenue, Tulsa,

Oklahoma, on August 19, 2011. This would indicate that the cigarettes went to SCTC in Grove, Oklahoma.

- E. Craig Sheffler again falsely reported the related transactions to the State of Missouri. He reported that CTW received 150 cases from CrossBridge, LLC, in Miami Beach, Florida, on August 18, 2011, and sold 132 cases to BNC at 2017 Sacramento, Weston, Florida, on August 16, 2011.
- F. On August 18, around 11:33 a.m., Aboud placed a telephone call and said that his account number was “9213” and inquired about a “wire.” Aboud stated that it should be around \$200,000 dollars and that he did not know the exact amount. After hanging up, Aboud stated “it’s there.” This indicates that Aboud placed this telephone call to Intrust Bank in order to verify that a money transfer had arrived in his account.
- G. UC Williamson utilized the currency counter to count \$5,940. Craig Sheffler placed the currency in an envelope and provided it to Hoffmann. Based on later conversations with UC Williamson, Craig Sheffler and Aboud claimed that they put currency together to pay David Bishop’s commission for the cigarette transaction.
- H. Hoffmann began to leave and asked if he needed to sign anything. Craig Sheffler replied, “Nope” and asked if he had the “invoice” in the truck. Hoffmann asked, “The one you gave me,” and Craig Sheffler replied, “Yep, I have two copies there.” Hoffmann and Craig Sheffler exited the UC Warehouse.

- I. Craig Sheffler stated to UC Williamson that he was talking to Aboud about taking over the business. Craig Sheffler stated that all of the new guys were his guys anyhow. Craig Sheffler expressed disdain for Cameron (Jones) and explained that Jones is making more than Craig Sheffler.
- J. Financial transactions which occurred in relation to the sale of contraband cigarettes by UC Williamson occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
08/16/2011	Wire	Totem Pole	2366	\$148,740.00	SCTC	8830
08/17/2011	Wire	HCI	1101	\$144,300.00	SCTC	8830
08/17/2011	Wire	SCTC	8830	\$277,200.00	BNC	7568
08/18/2011	Wire	BNC	7568	\$249,480.00	CTW	9213
08/18/2011	Cash	Aboud/Sheffler		\$229,680.00	ATF UCA	
08/18/2011	Cash	Aboud/Sheffler		\$5,940.00	David Bishop	
08/26/2011	Wire	BNC	7568	\$2,500.00	9176	1146
08/26/2011	Wire	BNC	7568	\$10,000.00	DKB	9267

- K. Invoices and purchase orders between the parties to the financial transactions listed above were reviewed by IRS Special Agent Karl Bolte. The documents reveal that Tadaiyon purchased the cigarettes from CTW and, in turn, sold an identical amount to SCTC. SCTC arranged to ship the cigarettes to Totem Pole and HCI and invoiced both of them. The wires received by SCTC and BNC match the amounts invoiced for the cigarettes. The available wire instructions also match the invoice numbers for these transactions.
- L. Aboud provided cash to Hoffmann during the transaction on August 18, 2011, presumably as fees for David Bishop or Jones. Records recovered

during a search warrant show that DKB submitted invoice 14300 in the amount of \$10,000 to BNC for “Commission Aug 2011.” These records also show that Hoffmann submitted invoice 20110018 in the amount of \$2,500 to BNC for “Professional services rendered.” Tadaiyon, through BNC, sent wires to 9176 and DKB after the transaction to pay the invoices from David Bishop and Hoffmann. This is further evidence that David Bishop, through DKB, and Hoffmann, through 9176, are facilitating these transactions by trafficking cigarettes in exchange for money.

- M. Based on the analysis of records as summarized above, the United States believes that SCTC, Tadaiyon through BNC, and Craig Sheffler through CTW, brokered, facilitated, promoted, and concealed the sale of contraband cigarettes to HCI and smoke shops in New York (Totem Pole, Hurricane Mgmt, and Seneca Cayuga) by providing false reports to Missouri, likely shipping cigarettes using HCI, and failing to obey the prepay tax system set up by the State of New York, thus defrauding the State of New York of tax revenue. Each party benefits by keeping a portion of the state taxes they evade.
- N. Through P&J, Eiad Musallet provided at least \$300,000 in United States currency to Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Craig Sheffler brought three bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Craig Sheffler did not withdraw this

amount from CTW's account, and Craig Sheffler wrote checks to P&J for similar amounts to get cash.

Undercover Transaction on September 15, 2011

26. On September 15, 2011, UC Williamson and UC Lester sold 212,400 packs (354 cases) of unstamped cigarettes to Craig Sheffler. Hoffmann took custody of 82,800 packs (138 cases) of Marlboro and stated that he was taking them to Virginia. The following events occurred in relation to this transaction:

- A. On September 15, 2011, at 11:44 a.m., UC Williamson received a text message from Craig Sheffler that stated, "Be 1215 to 1230 getting monies at express." Based on knowledge of this investigation, the United States believes that Craig Sheffler was referring to obtaining United States currency from Eiad Musallet who operates P&J a/k/a Express Stop, located at 5712 Independence Road, Kansas City Missouri. Through P&J, Eiad Musallet provided at least \$200,000 currency to Aboud and Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Aboud and Craig Sheffler brought two bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Aboud and Craig Sheffler did not withdraw this amount from CTW's account, and Aboud and Craig Sheffler wrote checks to P&J for similar amounts to get cash.
- B. On September 15, 2011, around 12:24 p.m., Craig Sheffler arrived at the UC Warehouse in Kansas City, Missouri. All of the cigarettes were

loaded into two trucks. Around 1:04 p.m., the trucks left the warehouse. Surveillance units followed both trucks to CTW's warehouse at 23208 E Highway 24, Independence, Missouri.

- C. On September 16, 2011, around 8:40 a.m., surveillance personnel observed Craig Sheffler standing outside of the CTW warehouse. Surveillance personnel also observed unknown individuals transferring cigarettes into a Budget truck (with Oklahoma License 2F1677). At approximately 9:10 a.m., surveillance personnel observed Hoffmann leave the CTW parking lot driving the Budget truck. At approximately 9:30 a.m., surveillance personnel observed Hoffmann arrive at a nearby 7-11 and meet with Tadaiyon. At approximately 1:30 p.m., Missouri State Highway Patrol Trooper Carnagey observed the Budget truck (Oklahoma license plate 2F1677) make an illegal turn near Neosho, Missouri. During a subsequent vehicle stop, Trooper Carnagey identified Hoffmann as the driver and Tadaiyon as the passenger. Trooper Carnagey was shown documentation for the load of cigarettes which included a bill of lading, banking information for SCTC, and a Seneca Cayuga Tobacco Manufacturing license. The bill of lading identified the cigarettes as coming from the BNC Corporation (Tadaiyon's company name) at 22308 East US Hwy 24, Independence, Missouri (CTW's address) and going to Seneca-Cayuga Tobacco Company at 65490 East 240 Hwy 24 Road, Grove, Oklahoma. The bill of lading listed 138 cases of cigarettes but did

not list specific brands. The bill of lading also listed the carrier as being Wolf's Run Transport. Hoffmann and Tadayon were released at the scene. A tracking device was previously placed in the load, which indicated that the shipment arrived in Oklahoma at SCTC at approximately 2:33 p.m.

- D. BNC Corporation is not a legal entity in the state of Missouri. The address listed on the bill of lading for BNC Corporation is that of CTW. Additionally, BNC is not a wholesaler licensed to import cigarettes into the state of Oklahoma. In the reports Craig Sheffler filed on behalf of CTW with Missouri, he claimed that he sold 138 cases of cigarettes on September 14, 2011, and 153 cases of cigarettes on September 19, 2011, to BNC located at 2017 Sacramento, Weston, Florida. Based on these facts, The United States believes that the bill of lading contained fraudulent information in order to make the shipment of cigarettes appear legitimate. Additionally, Craig Sheffler falsely reported to the State of Missouri that CTW received 300 cases from CrossBridge, LLC, in Miami Beach, Florida, on September 14, 2011.
- E. Financial transactions which occurred in relation to the sale of contraband cigarettes occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
09/14/2011	Wire	Totem Pole	2366	\$102,600.00	SCTC	8830
09/14/2011	Wire	Wolf's Run	9399	\$235,080.00	SCTC	8830
09/14/2011	Wire	SCTC	8830	\$321,120.00	BNC	7568
09/14/2011	Cash	Sheffler		\$504,180.00	ATF UCA	

09/16/2011	Wire	BNC Tonawanda	7568	\$277,560.00	CTW	9213
09/22/2011	Wire	Seneca	5062	\$352,200.00	SCTC	8830
09/22/2011	Wire	SCTC	8830	\$350,000.00	BNC	7568
09/22/2011	Wire	BNC Tonawanda	7568	\$305,100.00	CTW	9213
09/23/2011	Wire	Seneca	5062	\$26,520.00	SCTC	8830
09/28/2011	Wire	SCTC	8830	\$19,540.00	BNC	7568
09/28/2011	Wire	BNC	7568	\$25,000.00	DKB	9267

- F. CTW invoiced BNC with numbers 9693 and 9723 on September 14, 2011, and September 19, 2011, respectively. CTW invoice 9693 was for 54,000 packs (90 cases) of Marlboro and 28,800 packs (48 cases) of Newport, which corresponds with the load picked up by Hoffmann at the UC warehouse. These 138 cases had already been sold through SCTC to Totem Pole and Wolf's Run.
- G. CTW invoice 9723 was for a subsequent sale of 77,400 packs (129 cases) of Marlboro and 14,400 packs (24 cases) of Newport to BNC. These cigarettes were again brokered through SCTC and sold to Tonawanda Seneca.
- H. Records recovered during a search warrant show that DKB submitted invoice 14329 in the amount of \$25,000 to BNC for "Commission Sept 2011 Sales." This is further evidence that David Bishop, through DKB, is facilitating these transactions by trafficking cigarettes in exchange for money. Tadaiyon, through BNC, sent a wire to DKB after the transaction to pay the invoice from David Bishop.

- I. Based on the analysis of records as summarized above, the United States believes that SCTC, Tadaiyon through BNC, and Craig Sheffler through CTW, brokered, facilitated, promoted, and concealed the sale of contraband cigarettes to smoke shops in New York (Totem Pole and Wolf's Run) by providing false reports to Missouri, likely shipping cigarettes using Wolf's Run, and failing to obey the prepay tax system set up by the State of New York, thus defrauding the State of New York of tax revenue. Each party benefits by keeping a portion of the state taxes they evade.
- J. Through P&J, Eiad Musallet provided at least \$300,000 in United States currency to Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Craig Sheffler brought three bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Craig Sheffler did not withdraw this amount from CTW's account, and Craig Sheffler wrote checks to P&J for similar amounts to get cash.

Undercover Transaction on September 29, 2011

27. On September 29, 2011, UC Williamson and UC Lester sold 212,400 packs (354 cases) of unstamped cigarettes to Craig Sheffler. Hoffmann took custody of 110,400 packs (184 cases) of Marlboro 33,600 packs (56 cases) and stated that he was taking them to Virginia. The following events occurred in relation to this transaction:

- A. On September 29, 2011, around 4:12 a.m., Craig Sheffler received an incoming telephone call from 816-237-6987 (cellular telephone utilized by Eiad Musallet), with a duration of 2 minutes and 39 seconds.
- B. On September 29, 2011, around 8:37 a.m., UC Williamson received a text message from Craig Sheffler stating “Be there by 1045 to 11. Cant get my monies til 1030.” Pen register analysis on Craig Sheffler’s telephone number revealed that this was the first out going telephone call or text message from Craig Sheffler telephone number following the aforementioned call with Eiad Musallet. The United States believes based on experience and knowledge of this investigation that Craig Sheffler sent the text message to UC Williamson pushing back the meeting time after talking to Eiad Musallet at 4:12 a.m. Therefore, the United States believes that this conversation between Craig Sheffler and Eiad Musallet was regarding the transfer of currency later used to purchase contraband cigarettes from UC Williamson.
- C. On September 29, 2011, around 10:50 a.m., Hoffmann arrived at the UC Warehouse and contacted UC Williamson. During the ensuing conversation, UC Williamson and Hoffmann discussed the cigarette count of Newport and Marlboro cigarettes.
- D. On September 29, 2011, around 10:55 a.m., UC Williamson observed Hoffmann receive a telephone call. UC Williamson overheard Hoffmann tell the caller that the count was all good. Hoffmann then asked if the

caller was going to take care of it now. UC Williamson asked Hoffmann if the wire was being sent, and Hoffmann indicated that it had. Hoffmann then backed a U-Haul (with Arizona license plate AB75037) into the warehouse where it was loaded with 33,600 packs (56 cases) of Newport cigarettes and 110,400 (184 cases) of Marlboro cigarettes. Hoffmann told UC Williamson that the cigarettes are going to be transported to “Virginia.” U-Haul records revealed that aforementioned U-Haul with Arizona license plate AB75037 was rented by “Gholamreza Tadaiyon” on September 29, 2011, from the U-Haul facility located at 2915 NE Vivion Road, Kansas City, Missouri, and returned to the U-Haul facility located at 2025 W. Broadway, Council Bluffs, Iowa, on September 30, 2011.

- E. On September 29, 2011, around 11:33 a.m., Craig Sheffler arrived at the UC Warehouse. Craig Sheffler and Hoffmann entered the office area. Craig Sheffler stated “He’s good to go.” (referring to Hoffmann). Craig Sheffler was carrying an envelope that contained U.S. currency. Craig Sheffler asked that UC Williamson utilize the money counter to count the currency from the envelope. The currency was determined to be \$8,880.00. Craig Sheffler provided the envelope with the currency to Hoffmann and stated, “There’s a break down commission sheet there, you’re all paid.” Craig Sheffler brought several paper bags containing money into the UC Warehouse.

- F. On September 29, 2011, around 11:40 a.m., Hoffmann departed the UC Warehouse in the aforementioned U-Haul.
- G. Surveillance units observed Hoffmann (in the aforementioned U-Haul) drive to a rental car facility near the Kansas City International Airport. At around 12:25 p.m., the U-Haul left and drove to Shenandoah, Iowa, where Hoffmann and Tadayon were observed exiting the truck for lunch. The U-Haul then traveled to Winnebago, Nebraska. Hoffmann, Tadayon and an unknown individual were observed unloading the cigarettes at HCI, 701 Buffalo Trail, Winnebago, Nebraska. Surveillance was then terminated.
- H. Craig Sheffler again falsely reported the related transactions to the State of Missouri. He reported that CTW received 323 cases from CrossBridge, LLC, in Miami Beach, Florida, on September 27, 2011, and sold 240 cases to BNC at 2017 Sacramento, Weston, Florida, on September 27, 2011.
- I. Financial transactions which occurred in relation to the sale of contraband cigarettes occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
09/27/2011	Wire	Totem Pole	2366	\$540,960.00	SCTC	8830
09/28/2011	Wire	HCI	1101	\$36,480.00	SCTC	8830
09/28/2011	Wire	SCTC	8830	\$545,280.00	BNC	7568
09/29/2011	Wire	BNC	7568	\$474,720.00	CTW	9213
09/29/2011	Cash	Sheffler		\$415,920.00	ATF UCA	
09/29/2011	Cash	Sheffler		\$8,880.00	David Bishop	
09/28/2011	Wire	BNC	7568	\$6,500.00	9176	1146

- J. Invoices and purchase orders between the parties to the financial transactions listed above were reviewed by IRS Special Agent Karl Bolte.

The documents reveal that Tadaiyon purchased the cigarettes from CTW and, in turn, sold an identical amount to SCTC. SCTC arranged to ship the cigarettes to Totem Pole and HCI and invoiced both of them. The wires received by SCTC and BNC match the amounts invoiced for the cigarettes. The available wire instructions also match the invoice numbers for these transactions.

- K. Records recovered during a search warrant show that Hoffmann submitted invoices 20110021, 20110023, and 20110024 totaling \$6,500 to BNC for “Professional services rendered” in relation to all September transactions. Tadaiyon, through BNC, sent a wire to 9176 after the transaction to pay the invoices from Hoffmann indicating that it was for “payment for three invoices included this week.” This, combined with cash provided during the deal for David Bishop, is further evidence that David Bishop and Hoffmann, through 9176, are facilitating these transactions by trafficking cigarettes in exchange for money.
- L. Based on the analysis of records as summarized above, the United States believes that SCTC, Tadaiyon through BNC, and Craig Sheffler through CTW, brokered, facilitated, promoted, and concealed the sale of contraband cigarettes to HCI and Totem Pole by providing false reports to MISSOURI, likely shipping cigarettes using HCI, and failing to obey the prepay tax system set up by the State of New York, thus defrauding the

State of New York of tax revenue. Each party benefits by keeping a portion of the state taxes they evade.

- M. Through P&J, Eiad Musallet provided at least \$200,000 in United States currency to Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Craig Sheffler brought two bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Craig Sheffler did not withdraw this amount from CTW's account, and Craig Sheffler wrote checks to P&J for similar amounts to get cash.

Undercover Meeting on October 1, 2011

28. On October 1, 2011, UC Williamson met with Craig Sheffler at the Ameristar Casino located at 3200 Ameristar Drive, Kansas City, Missouri 64161. The meeting was at Craig Sheffler's request to discuss business. This meeting was recorded by UC Williamson. The following are key excerpts from this meeting:

- A. During the meeting, UC Williamson asked Craig Sheffler, "You aren't listing them at all are ya?" referring to the reporting of cigarettes. Craig Sheffler stated, "Yes I am." UC Williamson asked, "Who do you say they come from?" Craig Sheffler replied "somebody out of state." Craig Sheffler stated, "It's a company somewhere else, God forbid I hope they are around...apparently they are because I haven't been fuckin' asked."
- B. As the conversation continued UC Williamson asked Craig Sheffler, "Who does your "monthlys?," referring to monthly reporting to the

Missouri Department of Revenue. Craig Sheffler replied, “Me.....I do them 2 months late.” UC Williamson asked why, and Craig Sheffler stated, “I do them 2 months late that way a lot can happen by the time I actually get it done and put in.” UC Williamson stated, “So you can cover your tracks.” Craig Sheffler stated, “They bitch a little about that, but I get near that second twenty days and they bitch...Fuck em.”

C. UC Williamson asked Craig Sheffler if he is “cool with writing a check, letting the attorney [referring to Najim] do that thing, like you did with the airplane?” Craig Sheffler replied, “Yeah, I’ll tell ya that is a big key between you and I. A big key, for my protection if we could get to something with checks or cashier’s checks regardless with what you do with them.” Additionally Craig Sheffler agreed that providing checks would relieve him from getting large amounts of currency for each transaction. Craig Sheffler stated, “Think about it.”

D. During the undercover meet on October 1, 2011, the United States believes that Craig Sheffler admitted to UC Williamson that he falsely reports the cigarettes received from UC Williamson as coming from an unknown company outside the State of Missouri. Further, Craig Sheffler also admitted that he files reports late to the State of Missouri in order to afford himself an opportunity to falsely manipulate tax reports should Craig Sheffler have an issue with an audit or with law enforcement.

Undercover Transaction on October 13, 2011

29. On October 13, 2011, UC Williamson and UC Lester sold 212,400 packs (354 cases) of unstamped cigarettes to Craig Sheffler. Hoffmann and Mark Bishop took custody of 138,600 packs (231 cases) of Marlboro and 43,200 packs (72 cases) Newports and stated that he was taking them to Virginia. The following events occurred in relation to this transaction:

- A. On October 13, 2011, at approximately 12:14 p.m., one of CTW's drivers (Brandon) arrived in CTW's white box truck at UC Williamson's warehouse. Brandon showed UC Williamson the invoices that were to be given to the drivers (later found to be Hoffmann and Mark Bishop) upon their arrival. The invoice matched in product what UC Williamson had received in the email sent by Craig Sheffler. The recipient on the invoice listed the cigarettes being delivered to the Juma Brothers in Virginia. Mark Bishop later stated that both trucks were going to Virginia.
- B. During the transaction, Craig Sheffler asked that UC Williamson utilize the money counter to count the currency. The currency was determined to be \$9,090.00. Craig Sheffler placed the currency into an envelope and provided the envelope to Hoffmann.
- C. Craig Sheffler conducted a telephone call. During the call UC Williamson overheard Craig Sheffler inquire about two wire transfers. Craig Sheffler identified the transfers in the amount of \$188,000.00 and \$413,000.00. Craig Sheffler stated that the \$188,000.00 had already been received.
- D. At approximately 12:53 p.m., Hoffmann leaves UC Williamson's warehouse driving a white Penske truck. Hoffmann drives to the Holiday

Inn Express Hotel, 1995 Macon Street, North Kansas City, Missouri, arriving at approximately 1:03 p.m., and parks the vehicle in front of the hotel. Hoffmann meets with Parry in the parking lot of the hotel. Parry retrieved a bag out of a 2012 grey Jeep brand vehicle with Illinois license plate N70 0367 and put it into the white Penske truck. Parry then got into the driver's seat of the Penske and drove away. Hoffmann stayed at the hotel with the Jeep vehicle. Parry got onto the interstate and began driving south on Interstate 35 then turned eastbound on Interstate 70. Surveillance followed the truck to the Terre Haute, Indiana, area where surveillance was terminated. The vehicle was last seen continuing eastbound on Interstate 70.

- E. On October 14, 2011, agents from New York conducted surveillance of Wolf's Run located in Irving, New York. Agents observed a white Penske truck arrive at Wolf's Run at approximately 8:31 a.m. Agents were able to confirm it was the same vehicle via the license plate and truck number. Agents observed the vehicle pull to the right side of the rear building after entering the Wolf's Run parking lot. At approximately 8:38 a.m., agents watched the truck pull up to the rear of the building near the garage door, the garage door opened, and the vehicle started backing inside. At approximately 8:39 a.m., agents observed the garage door closing and the truck parked inside the building. Once the vehicle was inside the building agents saw no further activity and ended the surveillance.

- F. On October 13, 2011, at approximately 1:30p.m., Craig Sheffler left with Mark Bishop, who was driving the U-Haul, to wait for the final amount to be wired. Due to the unexpected split in the trucks, the U-Haul could not be surveilled. However, this particular U-Haul was scheduled for return on October 14, 2011, in Council Bluffs, Iowa, which would indicate that this load went to HCI. Additionally, invoices and purchase orders which show that SCTC purchased an identical amount of cigarettes (as was loaded in the U-Haul) from BNC and then resold them to Totem Pole and HCI were reviewed by IRS Special Agent Karl Bolte. Special Agent Karl Bolte also reviewed records which show that BNC invoiced Juma Brothers for an identical amount of cigarettes as was loaded on the Penske and transported to Wolf's Run. The BNC invoice to Juma Brothers matched the wire amounts listed in the table below.
- G. Craig Sheffler again falsely reported the related transactions to the State of Missouri. He reported that CTW received 303 cases (231 Marlboro cases + 72 Newport cases) from CrossBridge, LLC, in Miami Beach, Florida, on October 13, 2011, and sold the same amounts to BNC at 2017 Sacramento, Weston, Florida, on October 11, 2011.
- H. Financial transactions which occurred in relation to the sale of contraband cigarettes occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
10/07/2011	Wire	Juma Brothers	9910	\$100,000.00	BNC	7568
10/12/2011	Wire	Totem Pole	2366	\$263,760.00	SCTC	8830

10/12/2011	Wire	HCI	1101	\$226,500.00	SCTC	8830
10/12/2011	Wire	SCTC	8830	\$465,120.00	BNC	7568
10/12/2011	Wire	Juma Brothers	9910	\$50,000.00	BNC	7568
10/12/2011	Check	BNC	7568	\$413,100.00	CTW	9213
10/13/2011	Wire	BNC	7568	\$188,550.00	CTW	9213
10/13/2011	Cash	Sheffler		\$540,180.00	ATF UCA	
10/13/2011	Cash	Sheffler		\$9,090.00	Hoffmann	
10/19/2011	Wire	Juma Brothers	9910	\$29,260.00	BNC	7568
10/21/2011	Wire	BNC	7568	\$25,000.00	DKB	9267

- I. Records recovered during a search warrant show that DKB submitted invoice 14341 in the amount of \$25,000 to BNC for “Commission Oct 2011 Sales.” This is further evidence that David Bishop, through DKB, is facilitating these transactions by trafficking cigarettes in exchange for money. Tadaiyon, through BNC, sent a wire to DKB after the transaction to pay the invoice from David Bishop.
- J. Based on the analysis of records as summarized above, the United States believes that SCTC, Tadaiyon through BNC, and Craig Sheffler through CTW, brokered, facilitated, promoted, and concealed the sale of contraband cigarettes to HCI and Totem Pole by providing false reports to Missouri, likely shipping cigarettes using HCI, and failing to obey the prepay tax system set up by the State of New York, thus defrauding the State of New York of tax revenue. Each party benefits by keeping a portion of the state taxes they evade.
- K. Through P&J, Eiad Musallet provided at least \$500,000 in United States currency to Craig Sheffler knowing that it was being used to purchase

contraband cigarettes. This amount is evidenced by the fact that Craig Sheffler brought five bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Craig Sheffler did not withdraw this amount from CTW's account, and Craig Sheffler wrote checks to P&J for similar amounts to get cash.

Undercover Transaction on October 27, 2011

30. On October 27, 2011, UC Williamson and UC Lester sold 212,400 packs (354 cases) of unstamped cigarettes to Craig Sheffler. Hoffmann took custody of 129,000 packs (215 cases) of Marlboro and 36,000 packs (60 cases) of Newports. The following events occurred in relation to this transaction:

- A. Craig Sheffler showed UC Williamson the invoice that he (Craig Sheffler) was providing to Hoffmann. The invoice listed "The Juma Bros." in Virginia as the recipients of the cigarettes. Craig Sheffler stated that he sells 25 cases of unstamped cigarettes to a store in Odessa who then sells them to a family member in New York. Craig Sheffler stated that it was 20 cases of Newport 100s and 5 cases of Newport kings. Craig Sheffler stated that if someone catches the store having unstamped cigarettes he would just take them back saying it was a mistake.
- B. At approximately 12:59 p.m. on October 27, 2011, Hoffmann arrived at UC Williamson's warehouse driving a Penske truck. Hoffmann left the warehouse and drove to CTW to wait for Craig Sheffler to be paid. Hoffmann was released after Craig Sheffler received payment. Hoffmann

then picked up Tadaiyon, who dropped of his rental vehicle. Surveillance vehicles followed Hoffmann and Tadaiyon as they drove this truck to Nebraska, stayed overnight, and made delivery in Winnebago, Nebraska, to HCI in the early morning hours of October 28, 2011. The truck was returned to Penske in Council Bluffs, Iowa.

- C. Craig Sheffler again falsely reported the related transactions to the State of Missouri. He reported that CTW received 275 cases from CrossBridge, LLC, in Miami Beach, Florida, on October 20, 2011, and sold identical amounts to BNC at 2017 Sacramento, Weston, Florida, on October 25, 2011.
- D. Financial transactions which occurred in relation to the sale of contraband cigarettes by UC Williamson occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
		Tonawanda				
10/27/2011	Wire	Seneca	5062	\$509,400.00	SCTC	8830
10/27/2011	Wire	SCTC	8830	\$509,000.00	BNC	7568
10/27/2011	Wire	BNC	7568	\$545,250.00	CTW	9213
10/27/2011	Cash	Sheffler		\$489,300.00	ATF UCA	
10/26/2011	Wire	BNC	7568	\$3,000.00	David Bishop	8136
		Tonawanda				
11/01/2011	Wire	Seneca	5186	\$150,000.00	SCTC	8830
11/01/2011	Wire	SCTC	8830	\$150,000.00	BNC	7568
11/01/2011	Wire	BNC	7568	\$35,200.00	SCTC	8830
11/04/2011	Wire	BNC	7568	\$31,000.00	DKB	9267

- E. Invoices and purchase orders between the parties to the financial transactions listed above were reviewed by IRS Special Agent Karl Bolte. The documents reveal that Tadaiyon purchased the cigarettes from CTW

and, in turn, sold an identical amount to SCTC. SCTC arranged to ship the cigarettes to Tonawanda Seneca and invoiced them. The Tonawanda Seneca had to make two separate wires to SCTC to pay for contraband cigarettes. Both SCTC wires reference invoice number 1165. This invoice number matches SCTC's invoice to Tonawanda Seneca. BNC wired \$35,200 back to SCTC for overpayment of invoice 170, which matches BNC's invoice to SCTC.

- F. Records recovered during a search warrant show that DKB submitted invoice 14357 in the amount of \$31,000 to BNC for "Commission Oct 2011 2nd Order." This is further evidence that David Bishop, through DKB, is facilitating these transactions by trafficking cigarettes in exchange for money. Tadayon, through BNC, sent a wire to DKB after the transaction to pay the invoice from David Bishop. Tadayon also wired \$3,000 to David Bishop, individually, for reasons not yet known.
- G. Based on the analysis of bank records as summarized above, the United States believes that SCTC, Tadayon through BNC, and Craig Sheffler through CTW, brokered, facilitated, promoted, and concealed the sale of contraband cigarettes to Totem Pole by providing false reports to Missouri, likely shipping cigarettes using HCI, and failing to obey the prepay tax system set up by the State of New York, thus defrauding the State of New York of tax revenue.

H. Through P&J, Eiad Musallet provided at least \$300,000 in United States currency to Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Craig Sheffler brought three bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Craig Sheffler did not withdraw this amount from CTW's account, and Craig Sheffler wrote checks to P&J for similar amounts to get cash.

Undercover Transaction of November 10, 2011

31. On November 10, 2011, UC Williamson and UC Lester sold 212,400 packs (354 cases) of unstamped cigarettes to Craig Sheffler. Hoffmann and Mark Bishop took custody of 154,800 packs (258 cases) of Marlboro and 43,200 packs (72 cases) of Newports. The following events occurred in relation to this transaction:

- A. UC Williamson was shown the invoices that were to be given to the drivers (later found to be Hoffmann and Mark Bishop) upon their arrival. The invoice matched the product that UC Williamson had received in the email sent by Craig Sheffler. The recipient on the invoice listed the cigarettes being delivered to the Juma Brothers in Virginia.
- B. At approximately 12:25 p.m., Hoffmann arrived driving a Penske truck and Mark Bishop arrived driving a U-Haul truck. UC Williamson walked outside to meet them asking them which one was getting the Newport cigarettes. Mark Bishop looked at an invoice and provided UC

Williamson with a number of cases. UC Williamson observed the invoice that had the header with shipping information removed.

- C. Mark Bishop entered the office area. Craig Sheffler asked that UC Williamson utilize the money counter to count the currency. The currency was determined to be \$9,180.00. Mark Bishop asked that the money be split into \$6,000.00 and \$3,180.00. Mark Bishop referenced going home and that you can have up to \$10,000.00 but wanted it split. UC Williamson split the money into the requested amounts and handed the money to Mark Bishop.
- D. Craig Sheffler stated that Eiad Musallet put up a CD for collateral for cashing Craig Sheffler's checks.
- E. After leaving the UC warehouse, both the Penske and U-Haul trucks driven by Hoffmann and Mark Bishop drove to HCI in Winnebago, Nebraska. They returned both vehicles in Council Bluffs, Iowa before flying out of town.
- F. Financial transactions which occurred in relation to the sale of contraband cigarettes by UC Williamson occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
11/09/2011	Wire	Totem Pole	2366	\$736,560.00	SCTC	8830
11/09/2011	Wire	SCTC	8830	\$695,520.00	BNC	7568
11/10/2011	Wire	BNC	7568	\$607,500.00	CTW	9213
11/10/2011	Cash	Sheffler		\$587,160.00	ATF UCA	
11/10/2011	Cash	Sheffler		\$9,180.00	David Bishop	
11/10/2011	Wire	BNC	7568	\$30,000.00	DKB	9267

- G. Invoices and purchase orders between the parties to the financial transactions listed above were reviewed by Special Agent Karl Bolte. The documents reveal that Tadaiyon purchased the cigarettes from CTW and, in turn, sold an identical amount (less 14,400 packs or 24 cases) to SCTC. SCTC arranged to ship the cigarettes to Totem Pole and invoiced them. The wires received by SCTC and BNC match the amounts invoiced for the cigarettes. The available wire instructions also match the invoice numbers for these transactions. It is not yet known if and to whom BNC sold the additional 14,400 packs of Marlboros he purchased from CTW.
- H. Records recovered during a search warrant show that DKB submitted invoice 14362 in the amount of \$30,000 to BNC for “Commission November.” This is further evidence that David Bishop, through DKB, is facilitating these transactions by trafficking cigarettes in exchange for money. Tadaiyon, through BNC, sent a wire to DKB after the transaction to pay the invoice from David Bishop.
- I. Based on the analysis of records as summarized above, the United States believes that SCTC, Tadaiyon through BNC, and Craig Sheffler through CTW, brokered, facilitated, promoted, and concealed the sale of contraband cigarettes to Totem Pole by providing false reports to Missouri, likely shipping cigarettes using HCI, and failing to obey the prepay tax system set up by the State of New York, thus defrauding the State of New

York of tax revenue. Each party benefits by keeping a portion of the state taxes they evade.

- J. Through P&J, Eiad Musallet provided at least \$300,000 in United States currency to Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Craig Sheffler brought three bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Craig Sheffler did not withdraw this amount from CTW's account, and Craig Sheffler wrote checks to P&J for similar amounts to get cash.

Undercover Transaction of November 22, 2011

32. On November 22, 2011, UC Williamson and UC Lester sold 212,400 packs (354 cases) of unstamped cigarettes to Craig Sheffler. Craig Sheffler provided the proceeds of the transaction to attorney Harry Najim, who obtained four Peterbilt semi-trucks for UC Williamson in furtherance of a money laundering scheme. Craig Sheffler then immediately sold the contraband cigarettes to Tadaiyon, who trafficked part of the cigarettes to HCI. The following events occurred in relation to this transaction:

- A. On November 21, 2011, UC Williamson made a recorded call to Harry Najim at telephone number of 316-990-8566. During the telephone call, Najim discussed obtaining trucks for UC Williamson and having the trucks delivered. Najim stated, "I will do my best to get them delivered Wednesday, ok, do you know...I guess I need to talk to Craig and find out what time he is coming in, because there is a bunch of paperwork that has

to be done before you know... I get the money to them and they have to do this paperwork and I get the paperwork and I'll get it to you of course, and get it signed and delivered to them later." Najim was discussing the purchase of assets in the name of a shell company using proceeds of the contraband cigarette trafficking.

- B. On November 21, 2011, at approximately 2:49 p.m., Craig Sheffler received an incoming call from (206) 778-1582 (subscribed to Thomas Jones), wire intercept call number 626. T. Cameron Jones left a voicemail stating: "Yeah, hi Craig, Cameron here uh... say, uh... just got a call from David, I guess there was a question uh...on the Marlboro light king, you got eighty cases and uh-I guess originally we thought it was eighty-one light king and eighty-one of a full uh-flavored king. Just wanted to clarify that uh... I got a-a—they wanted three invoices uh... and we waited to clarify the eighty and the eighty-one first and then uh... I got a cryptic message here and I'm not exactly sure, now—I got twenty-seven and twenty-seven—anyways let-let-let me send you an e-mail with-with the breakdown but they'll be three invoices, okay and-and also yeah the other thing was if—I don't know if you have a common carrier uh... that uh... you use, Ray-Ray is going to pay for it all but one of the shipments is going to Juma and I don't know if you got a carrier-a common carrier that you use uh, that can go to Juma uh... and that-I believe that's the-the twenty-seven and twenty-seven uh... uh... that will be the light king,

anyways, I'll send you an e-mail on it, okay, all right, thanks, bye." Jones made this call to confirm the order and that some would go to Juma Brothers.

- C. On November 21, 2011, at approximately 6:39 p.m., Craig Sheffler received an incoming call from (206) 778-1582 (subscribed to Thomas Jones), wire intercept call number 650. {Three way call with David Bishop } Jones told Craig Sheffler he had David [Bishop] on the line and was going to put him through. [David Bishop came to the line]. David Bishop stated "you guys are gonna meet the new driver tomorrow." David Bishop stated "US Customs stopped Marky from entering." David Bishop told Craig Sheffler that as soon as the truck got loaded to take off and Reza [Tadaiyon] will meet him [Craig Sheffler]. David Bishop instructed Craig Sheffler to give whatever he [Craig Sheffler] was going to give to Mark Bishop to Reza. Craig Sheffler asked David Bishop if everything was going to be a wire. David Bishop stated "Yeah, everything's still a wire." Craig Sheffler asked if the only problem was the truck driver. David Bishop acknowledged and said the only thing was that Craig Sheffler was going to have a brand new person. Craig Sheffler told David Bishop to make sure that he [the driver] knows he's heading to Virginia [Juma]. David Bishop asked Craig Sheffler what he was going to do with the two pallets that are really going to Virginia. Craig Sheffler said that he was probably going to put them [2 pallets of contraband cigarettes] on his

truck over to ABF (Common Freight Carrier) while he (Craig Sheffler) was still in the area or he (Craig Sheffler) will take them the next morning to ABF (referring to having the cigarettes shipped by common carrier). David Bishop acknowledged and went over the situation again. Jones asked David Bishop about the possibility of another change on the invoice. David Bishop said he was waiting for Reza to land and added that he [Bishop] would probably know that in the next two hours. Craig Sheffler let David Bishop know he was not going to be able to do invoices until midnight. Craig Sheffler told David Bishop to remind the new driver about Virginia and doesn't know anything about Reza. David Bishop told Craig Sheffler he could take off within five minutes of being loaded to meet Reza. Craig Sheffler said that would not be a problem and told David Bishop they could designate a meeting spot later.

- D. The United States believes that David Bishop, who was representing Tadaiyon, and Jones, who was representing Craig Sheffler, were conversing about the upcoming sale of contraband cigarettes. The United States believes that Craig Sheffler was confirming that the payment was going to be made by David Bishop via a wire transfer. The United States believes that David Bishop's cash commission payment was to be given to a new driver known as "P.K." (later identified as Payam Kheimedooz). Additionally, these target subjects were discussing problems surrounding

Mark Bishop entering the United States and the potential for uncertainty surrounding a new driver who was to help transport the cigarettes.

- E. On November 22, 2011, at approximately 12:00 p.m., Craig Sheffler received an incoming call from (514) 591-6562, utilized by Mark Bishop, wire intercept call #665. Mark Bishop identified himself and tells Craig Sheffler there was a bit of a problem getting there, so it was looking like 1:30 instead. Craig Sheffler acknowledged. Mark Bishop said it was going to be another guy and it would be one truck. Craig Sheffler said okay. Mark Bishop said it would be yet another driver, not him [MARK] or the other guy, it was going to be a new guy. Craig Sheffler confirmed that it was going to be "P.K." Mark Bishop explained that they were only getting one single truck.
- F. The United States believes that Mark Bishop was confirming the time for the unidentified driver "P.K." to arrive to take possession of the contraband cigarettes.
- G. Craig Sheffler showed UC Williamson a piece of paper outlining checks and payments for the trucks being obtained by Harry Najim. UC Williamson observed that the paper identified that \$10,000.00 had been paid as a deposit. Then three checks were needed: the first check in the amount of \$280,000.00 (approximate), the second check in the amount of \$276,000.00 (approximate) and the third check in the amount of \$9,000.00. The third check in the amount of \$9,000.00 was notated that it

was to be paid to Najim's law firm (Adam Jones). Craig Sheffler stated that he was going to pay the remaining amount (approximately \$60,000.00) to Najim in cash.

- H. Craig Sheffler stated that the two pallets were being shipped to Virginia. Craig Sheffler stated that there is a delay in money and that he (Craig Sheffler) was getting one wire and that a second wire was coming later.
- I. Brandon left the warehouse in the white box truck at approximately 1:16 p.m. Craig Sheffler and UC Williamson discussed Mark Bishop getting stopped trying to enter the United States.
- J. On November 22, 2011, at approximately 1:35 p.m., Craig Sheffler received an incoming call from (206) 778-1582 (subscribed to Thomas Jones), wire intercept call number 675. Jones identified himself as Cameron and said he was just calling to see if everything went okay without a hitch. Craig Sheffler said not yet, adding that he was waiting on the truck and he was getting two wires, one right now and another one by 5:00. Jones asked if Craig Sheffler was at his warehouse or at Bill's. Craig Sheffler said he was at Bill's. Jones asked if there was anything he could do. Craig Sheffler said no, adding that Mark has been calling and said they should be there pretty soon. Craig Sheffler stated "Mark's been hollering and he said they should be here pretty quick but he did make aware of the, that I'll get part of it and then the second wire, like that one time a couple of months ago." Craig Sheffler told Jones he was going to

hold the truck at his warehouse until he had all the money. Jones acknowledged. The parties agreed to speak again once everything was done.

- K. The United States believes that Jones was checking the status of the contraband cigarette transaction between Craig Sheffler, Mark Bishop, and Tadaiyon.
- L. On November 22, 2011, at approximately 2:06 p.m., an unknown male who identified himself as PK, later learned to be Payam Kheimehdooz (P.K.), arrived at the warehouse driving a Budget truck bearing Oklahoma license 2FG624. Craig Sheffler confirmed the order of cigarettes with PK.
- M. On November 22, 2011, at approximately 2:45 p.m., Craig Sheffler received an incoming call from (514) 591-6562 (utilized by Mark Bishop), wire intercept call number 687. Mark Bishop told Craig Sheffler that he [David Bishop] had said that there was no need to go there because he just transferred the balance. Craig Sheffler acknowledged. Mark Bishop said that there was no need to go over there [referring to CTW warehouse], Mark Bishop told Craig Sheffler to look for that [wire transfer] and the other guy will be on his way afterwards. Craig Sheffler acknowledged and said he was going to check the bank. Craig Sheffler asked Mark Bishop if it was okay for him [Craig Sheffler] to send the money with TK [referring to PK for his brother [David Bishop]]. Mark affirmed. The United States

believes that Mark Bishop was confirming the wire transfer with Craig Sheffler for the sale of contraband cigarettes.

- N. On November 22, 2011, at approximately 2:52 p.m., Craig Sheffler made an outgoing call to number (316) 383-1302 (Subscribed to INTRUST BANK), wire intercept session 692. Jenny at Funds Management answered. Craig Sheffler said he was calling from Cheap Tobacco and he was checking on a couple of wires. Jenny asked if one was for \$101 [thousand]. Craig Sheffler said yes. Jenny said that it came in. Craig Sheffler asked about another one for \$599,400. Jenny said she would check on that one, and the one for \$101,400 had not posted yet. Craig Sheffler acknowledged. Jenny said that the other one came in already and was in Craig Sheffler's account now. Craig Sheffler did this to verify that he received payment for the contraband cigarettes before allowing the driver to leave.
- O. Craig Sheffler provided UC Williamson with an envelope. UC Williamson put the envelope into a FedEx box for Craig Sheffler. The FedEx box was provided to PK. PK departed the UC warehouse at approximately 2:58 p.m. Craig Sheffler stated "All right lets head to the bank and get Harry's (Najim) \$60,000 in ones." Craig Sheffler stated that Najim had said that he needed it so it didn't stick out.
- P. The United States believes that the Fed Ex box of cash was being taken by PK to pay David Bishop a broker fee for the sale of contraband cigarettes.

- Q. Surveillance was conducted on the Budget truck and the contraband cigarettes were ultimately delivered by PK and Tadayon to HCI Distributors in Winnebago, Nebraska, on November 23, 2011, at approximately 8:10 a.m.
- R. Craig Sheffler purchased 48 cases of Marlboro full flavor, 48 cases of Marlboro Gold 100, 81 cases of Marlboro kings, and 81 cases of Marlboro Gold kings (154,800 packs or 15,480 cartons) for \$448,920.00 (at \$29.00 per carton). Craig Sheffler also purchased 48 cases of Newport 100 and 48 cases of Newport Kings (57,600 packs or 5,760 cartons for \$184,320.00 (\$32.00 a carton). The breakdown of the transaction went as follows: \$448,920.00 Marlboro and \$184,320.00 Newport for a total of \$633,240.00 owed. The \$633,260.00 payment was to be provided to Najim to procure four semi-trucks.
- S. On November 22, 2011, UC Williamson telephoned Najim at the telephone number 316-990-8566. During the recorded call, UC Williamson and Najim discussed the particulars of the delivery of the trucks. Najim discussed getting the paperwork signed by the corporate officers. UC Williamson asked Najim how much he made. Najim stated “pretty good, got them down pretty good ok”, but Najim has to pay his firm. UC Williamson stated, “don’t log it under me.” Najim stated “Well I have a deal for FBNA, but they don’t know who the fuck that is. Your name is nowhere. You understand what I am saying?” Najim began

discussing meeting with UC Williamson in Kansas City and concluded the call.

T. Agents later learned that Craig Sheffler provided cashier's checks drawn on 9213, CTW's account at InTrust Bank, but listed the remitter as FBNA. FBNA is the shell company Najim set up for UC Williamson to launder the proceeds of his illegal activity. The cashier's checks included 490000002 in the amount of \$280,000 payable to Doonan Truck, 490000003 in the amount of \$276,881 payable to Doonan Truck, and 490000004 in the amount of \$9,000 payable to Adams Jones. Najim used these checks to pay for and complete the purchase of the four (4) defendant Peterbilt trucks.

U. Financial transactions which occurred in relation to the sale of contraband cigarettes occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
11/22/2011	Wire	Tonawanda Seneca	5186	\$140,000.00	SCTC	8830
11/22/2011	Wire	Tonawanda Seneca	5062	\$601,600.00	SCTC	8830
11/22/2011	Wire	SCTC	8830	\$717,840.00	BNC	7568
11/22/2011	Wire	Juma Brothers	9910	\$102,960.00	BNC	7568
11/22/2011	Wire	BNC	7568	\$599,400.00	CTW	9213
11/22/2011	Wire	BNC	7568	\$101,400.00	CTW	9213
11/22/2011	Trucks	Sheffler		\$629,760.00	ATF UCA/Najim	
11/22/2011	Cash	Sheffler		unknown	PK	
11/29/2011	Wire	BNC	7568	\$40,000.00	DKB	9267

V. IRS Special Agent Karl Bolte reviewed invoices and purchase orders which show that SCTC purchased 122,400 (204 cases) of Marlboro and 57,600 packs (96 cases) of Newports from BNC and, in turn, resold them

to Tonawanda Seneca. Juma Brothers ordered 31,200 packs (52 cases) of Marlboros directly from BNC. Craig Sheffer kept two (2) cases of Marlboro. The wires received by SCTC and BNC match the amounts invoiced for the cigarettes. The available wire instructions also match the invoice numbers for these transactions

- W. Records recovered during a search warrant show that DKB submitted invoice 14381 in the amount of \$10,000 to BNC for “Commission November Order No. 2.” This is further evidence that David Bishop, through DKB, is facilitating these transactions by trafficking cigarettes in exchange for money. Tadaiyon, through BNC, sent a wire to DKB after the transaction to pay the invoice from David Bishop.
- X. Based on the analysis of records as summarized above, the United States believes that SCTC, Tadaiyon through BNC, and Craig Sheffler through CTW, brokered, facilitated, promoted, and concealed the sale of contraband cigarettes to Tonawanda Seneca and Juma Brothers by providing false reports to Missouri, likely shipping cigarettes using HCI, and failing to obey the prepay tax system set up by the State of New York, thus defrauding the State of New York of tax revenue.
- Y. UC Williamson received no cash as a part of this transaction since Najim had arranged to conceal the proceeds through the purchase of trucks under the name of FBNA, the shell company set up by Najim.

Undercover Transaction of November 29, 2011

33. On November 29, 2011, UC Williamson sold 154,800 packs (258 cases) of Marlboro cigarettes, 57,600 packs (96 cases) of Newport cigarettes, 60,000 packs (100 cases) of 1839 cigarettes and 2,400 packs (4 cases) of Exeter cigarettes to Craig Sheffler. Craig Sheffler paid \$685,600.00 in United States currency for the cigarettes leaving a balance owed of \$35,000.

The following events occurred in relation to this transaction:

- A. On November 28, 2011, UC Williamson telephoned Craig Sheffler. During the conversation, UC Williamson and Sheffler discussed the delivery of cigarettes the following day. Sheffler said that he was going to load all of the cigarettes on his truck and bring it to his warehouse. Sheffler said that he wasn't going to wait on the Canadians. Sheffler was referring to the fact that he was going to buy the cigarettes in anticipation of selling them to Tadaiyon through Jones and David Bishop in the following days.
- B. Between 11:10 p.m. and 11:20 p.m. on November 28, 2011, Craig Sheffler exchanged several text messages with Musallet which are documented in wire intercept sessions 903, 904, and 906 through 911. In 903, Craig Sheffler asked, "You still at work?" In 904, Musallet replied, "No." In 906, Craig Sheffler said, "just found out my truck coming 1 tomorrow." In 907, Musallet replied, "Okay I'll be at store at 11 bud." In 908, Musallet asked, "You need 4?" Craig Sheffler responded in 909 by saying, "If I give you another

100 can I get 5? Bigger load. And I can give you 5 or 6 on wed. Cashier checks if you want.” Musallet responded in 910, “that’s cool. All I need wensday would be 3.” In 911, Craig Sheffler said, “Cool will call in morning. Thanks so much.” The United States believes Musallet offered to provide Craig Sheffler with \$400,000 in cash. However, Craig Sheffler asked if Musallet could give him \$500,000 if Craig Sheffler gave Musallet another check or cashier’s check in the amount of \$100,000. Craig Sheffler promised to loan Musallet another \$500,000 or \$600,000 two days later by providing Musallet with cashier’s checks. Musallet agreed to provide Craig Sheffler with the cash and said that he only needed a \$300,000 loan from Craig Sheffler.

- C. On November 29, 2011, at approximately 12:33 p.m., two of Craig Sheffler’s drivers arrived in CTW’s white box truck and a Penske truck at the UC warehouse.
- D. While the trucks were being loaded UC Williamson began counting currency that Craig Sheffler had brought in the bag. Among the currency that Craig Sheffler provided UC Williamson were five (5) sealed bags which were later determined to be \$100,000.00 each.
- E. During this transaction, Craig Sheffler stated that he had just completed all of the paperwork on the trucks for FBNA. Craig Sheffler stated that he was taking money to Najim the following day, November 30, 2011. Craig

Sheffler stated that he gave Najim a cashier's check for \$9,000.00 which represented the legal fees Najim had to pay his firm while laundering UC Williamson's proceeds from the sale of contraband cigarettes that occurred on November 22, 2011, in order to acquire the Peterbilt trucks.

- F. Financial transactions which occurred in relation to the sale of contraband cigarettes occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
11/29/2011	Cash	Sheffler		\$535,800.00	ATF UCA	
12/01/2011	Wire	Totem Pole	2366	\$503,280.00	SCTC	8830
12/01/2011	Wire	SCTC	8830	\$473,760.00	BNC	7568
12/01/2011	Wire	BNC Hurricane	7568	\$589,440.00	CTW	9213
12/05/2011	Wire	Mgmt	1554	\$237,000.00	SCTC	8830
12/06/2011	Wire	SCTC	8830	\$228,000.00	BNC	7568
12/08/2011	Wire	BNC	7568	\$40,000.00	DKB	9267

- G. IRS Special Agent Karl Bolte reviewed invoices and purchase orders between the parties to the financial transactions listed above. Tadaiyon sold the majority of the premium cigarettes (Marlboro and Newport) to SCTC. The records indicate that CTW invoiced BNC with numbers 10484 and 10485, which were both dated December 1, 2011. CTW invoice 10484 was for 61,200 packs (102 cases) of Marlboro and 57,600 packs (96 cases) of Newport, which, based on other invoices, corresponds with the amount SCTC sold to Totem Pole. CTW invoice 10485 was for 60,000 packs (100 cases) of Marlboro, which, based on other invoices, corresponds with the amount SCTC sold to AJ's. It is not yet known if

and to whom BNC sold the additional 33,600 packs of Marlboros he purchased from CTW.

- H. The wire information for SCTC's 8830 indicates that the \$237,000 wire received on December 12, 2011, was from Hurricane Management at 1554. However, 1554 belongs to AJ's and M&T Bank records indicate that the wire originated from AJ's accounting ending 1554.
- I. Records recovered during a search warrant show that DKB submitted invoice 14392 in the amount of \$40,000 to BNC for "Commission December 2011." This is further evidence that David Bishop, through DKB, is facilitating these transactions by brokering the cigarettes in exchange for a commission payment.
- J. Based on the records as summarized above, the United States believes that SCTC, Tadaiyon through BNC, and Craig Sheffler through CTW, conspired amongst themselves and others to broker, facilitate, promote, and conceal the sale of contraband cigarettes to Totem Pole and AJ's by providing false reports to Missouri, likely shipping cigarettes using HCI, and failing to obey the prepay tax system set up by the State of New York, thus defrauding the State of New York of tax revenue.
- K. Through P&J, Musallet provided at least \$500,000 in United States currency to Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Craig Sheffler brought five bundles of \$100s wrapped in Federal Reserve plastic

bags to the UC warehouse, Craig Sheffler did not withdraw this amount from CTW's account, and Craig Sheffler wrote checks to P&J for similar amounts to get cash. This is further supported by the exchange of text messages on the night of November 28, 2011.

Undercover Transaction of January 26, 2012

34. On January 26, 2011, UC Williamson sold 154,800 packs (258 cases) of Marlboro cigarettes and 86,400 packs (144 cases) of Newport cigarettes to Craig Sheffler. Craig Sheffler paid \$740,000.00 in U.S. Currency for the cigarettes leaving a balance owed of \$185,400. The following events occurred in relation to this transaction:

- A. At approximately 11:43 a.m., two of Sheffler's drivers arrived in CTW's white box truck and a Penske truck at the UC warehouse. At approximately 12:00 p.m., Craig Sheffler arrived and entered into the office area with U.S. currency. The currency that Craig Sheffler provided to UC Williamson consisted of six (6) sealed bags which were later determined to be \$100,000.00 each. UC Williamson counted \$740,000.00 in currency for the cigarettes. Craig Sheffler agreed to pay the balance of \$185,400.00 during the next meet. After loading all of the cigarettes on the trucks, Craig Sheffler's drivers left the warehouse to return to CTW's warehouse. The \$740,000 in United States currency was seized by ATF.
- B. After Craig Sheffler returned to CTW's warehouse, agents observed Craig Sheffler's employees transferring the cigarettes purchased from UC

Williamson, to one Penske and one U-Haul truck, both of which were rented by Tadaiyon.

- C. After Tadaiyon departed, seizure warrants were served on InTrust Bank, Central Bank of Kansas City, and Bank of America. Tadaiyon's two rental trucks were pulled over by Iowa State Patrol (ISP) near mile markers 29 and 31 on Interstate 29 at approximately 6:00 p.m. ISP was working in conjunction with ATF to interdict any trafficking activity. ATF Agents interviewed Tadaiyon during the traffic stop. Tadaiyon said that he was from Florida and was transporting cigarettes from Kansas City, Missouri, to Winnebago, Nebraska. Tadaiyon stated with his federal permit he can purchase cigarettes at wholesale and sell to another wholesaler. Tadaiyon explained to Agents that BNC (Brand Name Connoisseurs), acting as a middle man, has purchased cigarettes, via federal permit, to buy and sell cigarettes all over the United States. Tadaiyon stated that the Federal Tax had been paid; however, the cigarettes are stamped at the state level later. Tadaiyon stated he does not stamp cigarettes. He only sells to wholesalers. Tadaiyon claimed his permit is above wholesale and his license is for dealing in cigarettes all over the United States.
- D. ATF Agents seized all of the cigarettes, 154,800 packs (258 cases) of Marlboro cigarettes and 86,400 packs (144 cases) of Newport cigarettes, that Tadaiyon purchased from Craig Sheffler. In addition, ATF Agents also seized ten packs of Newport cigarettes and one open pack of Newport

cigarettes. These cigarettes were seized because it was apparent that Tadaiyon trafficked contraband cigarettes and was continuing to do so with this load as he had in the past.

- E. Also, \$4,000 in cash was seized from Tadaiyon during the traffic stop. In previous transactions, Aboud and Craig Sheffler provided cash to individuals (including Mark Bishop and Hoffmann) picking up the cigarettes. Additionally, IRS Special Agent Karl Bolte has reviewed numerous records of expenses incurred by Tadaiyon when he was trafficking contraband cigarettes. Tadaiyon used multiple credit cards to pay for all of his expenses. These expenses included rental trucks (from Penske and U-Haul), rental cars, airfare, hotels, and food. Based on these facts, the United States believes that Craig Sheffler gave this currency to Tadaiyon to relay to David Bishop for facilitating the trafficking of contraband cigarettes.
- F. Based on employee statements during both intercepted phone calls and interviews, Craig Sheffler had employees of CTW deliver cigarettes, including contraband cigarettes, to many customers that paid cash. Employees would pick up cash payments from CTW's customers and bring it back to CTW's warehouse for Craig Sheffler. Employees stated that they have brought as much as \$60,000 back to CTW for one day. Nicole Sheffler alleged that the defendant \$18,260.00 in United States currency represented gambling winnings. Even if this is true, she was not

employed at the time and bank records do not indicate that she withdrew any sizeable amount of cash with which she could gamble. This cash more likely came from the proceeds of unstamped cigarette sales which employees left at CTW's warehouse.

G. Subpoenaed records show that SCTC purchased the cigarettes from BNC and intended to resell them to Totem Pole. The financial transactions which occurred in relation to the sale of contraband cigarettes occurred as set forth below:

Date	Method	Sender/Payer	Acct	Amount	Receiver/Payee	Acct
01/25/2011	Wire	Totem Pole	2366	\$775,080.00	SCTC	8830
01/25/2011	Wire	SCTC	8830	\$721,620.00	BNC	7568
01/25/2011	Wire	BNC	7568	\$250,000.00	CTW	9213
01/25/2011	Wire	HCI	1101	\$221,850.00	BNC	7568
01/25/2011	Wire	BNC	7568	\$446,960.00	CTW	9213
01/26/2011	Wire	BNC	7568	\$100,800.00	CTW	9213
01/26/2012	Cash	Sheffler		\$725,400.00	ATF UCA	

H. Through P&J, Musallet provided at least \$600,000 in United States currency to Craig Sheffler knowing that it was being used to purchase contraband cigarettes. This amount is evidenced by the fact that Craig Sheffler brought six bundles of \$100s wrapped in Federal Reserve plastic bags to the UC warehouse, Craig Sheffler did not withdraw this amount from CTW's account, and Craig Sheffler wrote checks to P&J for similar amounts to get cash.

Bank Secrecy Act (Title 31) Violations

Prior Examination

35. On or about April 8, 2010, Eiad Musallet and his accountant, Allen Sander, were interviewed by Revenue Agent, David Kippley, of the Internal Revenue Service, as part of the compliance examination of P&J, which is a non-bank financial institution. During the interview, Eiad Musallet identified himself as part owner of P&J along with two of his sisters. P&J is located at 5712 Independence Avenue. Eiad Musallet began cashing checks at this location during 2008. Eiad Musallet's bank advised him to file his registration with the IRS as a Money Service Business, or MSB. Musallet's bank also provided him with a program for following Anti-Money Laundering Compliance, or AML Compliance, regulations. Eiad Musallet claimed that he did not cash checks that were more than \$7,500. Eiad Musallet said the bank made him aware of Currency Transaction Reports (CTRs).

36. During the interview which occurred on or about April 8, 2010, both Eiad Musallet and his accountant acknowledged that they received Letter 1052 in July of 2009 from the IRS. Letter 1052 informed P&J that it may be engaged in financial services, including check cashing. It further advised that providing such services may meet the definition of a financial institution under 31 C.F.R. §§ 103.11(n) and 103.11(uu) under the Bank Secrecy Act (BSA) and, therefore, subject the business to BSA requirements, which include filing CTRs. A brochure regarding these requirements was enclosed with the letter. For further reference, the letter also provided the internet address of www.fincen.gov and an IRS employee's phone number to answer any questions pertaining to P&J's BSA requirements.

37. On or about April 15, 2010, P&J sent a letter which contained a copy of an AML Program for MSBs. This document was dated May 21, 2009, and stated, in part, the following:

Eiad Musallet was responsible for policies, procedures, and internal controls to assure AML compliance. Eiad Musallet was also designated as the person responsible for day to day AML compliance. P&J adopted the policy of not cashing checks in excess of \$7,500 for any one person in one day without prior approval from the manager. P&J will file CTRs for any transaction in excess of \$10,000.

38. On or about April 22, 2010, P&J faxed a document titled Express Stop, Cashing Payroll Checks Guidelines, to the IRS. This document was not dated, but stated, in part, the following:

Do not cash check in excess of \$7500. (The) only exception is if it's an income tax return. If a situation arises and a check for \$10,000 or more is cashed a CTR (Currency Transaction Report) MUST be filed.

Recent Filing Compliance

39. Since the examination in 2010, P&J has filed numerous CTRs and Suspicious Activity Reports (SARs) on various check cashing customers. Those customers include Aboud and Craig Sheffler, who are employed by CTW. Eiad Musallet, Aboud, and Craig Sheffler were/are all familiar with one another since CTW provides contraband cigarettes to P&J. P&J has provided significant amounts of currency to Aboud and Craig Sheffler. Aboud and Craig Sheffler use the currency to facilitate the purchase of contraband cigarettes through CTW. Eiad Musallet told Aboud and Craig Sheffler that he would not file CTRs on them (Aboud and Sheffler) for the currency they received from P&J. In spite of this promise, P&J filed 42 CTRs on Aboud for transactions between March 1, 2011, and October 31, 2011, in which Aboud or

Craig Sheffler received approximately \$3.5 million. In partial keeping with his promise, Musallet failed to file CTRs for the following 13 transactions totaling \$1,121,081.25:

Check	Deposit	Check			
Date	Date	No.	Amount	Payor	Payee
10/28/2011	10/28/2011	2561	\$100,000.00	CTW	Express Stop
09/30/2011	09/30/2011	2530	\$100,000.00	CTW	Express Stop
09/29/2011	09/30/2011	2529	\$100,000.00	CTW	Express Stop
09/30/2011	09/30/2011	2528	\$100,000.00	CTW	Express Stop
09/27/2011	09/27/2011	2526	\$100,000.00	CTW	Express Stop
09/14/2011	09/15/2011	2514	\$100,000.00	CTW	Express Stop
09/07/2011	09/07/2011	2516	\$50,000.00	CTW	Express Stop
09/07/2011	09/07/2011	2513	\$100,000.00	CTW	Express Stop
08/24/2011	08/25/2011	2504	\$100,000.00	CTW	Express Stop
06/01/2011	06/02/2011	2442	\$80,250.00	CTW	Express Stop
05/10/2011	05/13/2011	4594	\$89,231.25	Platinum	CTW
04/29/2011	05/03/2011	2413	\$13,700.00	CTW	Express Stop
03/28/2011	03/31/2011	4456	<u>\$87,900.00</u>	Platinum	CTW
		TOTAL	\$1,121,081.25		

40. On or about March 24, 2011, Eiad Musallet and his accountant called Revenue Agent David Kippley (RA Kippley), who had conducted the Compliance Examination of P&J in 2010. Eiad Musallet called to find out if he should stop cashing checks for Aboud since Central Bank called Aboud to ask him about his business and why he was cashing large checks. RA Kippley informed Eiad Musallet that he had to file CTRs on all checks cashed in a day and to send the completed CTRs to Detroit (which is the processing center for CTRs). RA Kippley said that they could file a SAR on the customer.

41. On April 26, 2011, IRS Special Agent Karl Bolte and RA Kippley met in person with Eiad Musallet to discuss Eiad Musallet's concerns regarding Aboud. Eiad Musallet explained that he was part of a phone call Central Bank employees made to Aboud to ask about

the checks Aboud had been cashing at P&J. Aboud told the bank that he needed the cash to buy cigarettes because his supplier requires cash and his bank is in Wichita. Eiad Musallet said that he suspected Aboud of evading taxes since Aboud had his own bank account, but was cashing customer checks at P&J. Eiad Musallet told agents that Aboud recently began writing \$100,000 checks on his own account (CTW) and allowed Eiad Musallet to use cash over the weekend. Eiad Musallet also found it suspicious when Aboud insisted on paying the check cashing fee even though Eiad Musallet offered to waive it. Eiad Musallet asked RA Kippley and Special Agent Karl Bolte if P&J should stop doing business with Aboud. Special Agent Bolte advised Eiad Musallet that he must decide that himself, but Eiad Musallet still has to file any reports required by law of P&J if he continues to do business with Aboud.

42. Even though Eiad Musallet suspected Aboud and Craig Sheffler of tax evasion and spoke with law enforcement, he continued providing currency in furtherance of the conspiracy because it benefitted him financially through free loans and cheap untaxed cigarettes. On November 21, 2011, multiple law enforcement officers bought various brands of cigarettes from P&J. As suspected, these purchases revealed that the cigarettes did not bear proper stamps. Some were half stamped and nearly all of them did not have the proper Jackson County or City of Kansas City stamps affixed. Eiad Musallet stated to Special Agent Bolte that Aboud and Craig Sheffler sold him cigarettes. Phone calls between Craig Sheffler and Eiad Musallet further corroborate that Eiad Musallet orders cigarettes from CTW for the Express Stop in which P&J is located. As evidenced by his statements made during contact with law enforcement, Eiad Musallet knew that the sheer volume and regularity of cash needed by Aboud and Craig Sheffler is not a normal or ordinary business practice.

Seizure of \$615,661 from Brad Aboud

43. As was mentioned above, Musallet told Special Agent Bolte during interviews on April 26, 2011, and January 26, 2012, that Aboud and Sheffler loaned in excess of \$100,000 to Musallet. Musallet used this cash to fund check cashing operations over weekends when banks are closed. This is corroborated by a text message Musallet sent to Sheffler at 1:27 p.m. on January 12, 2012, wire intercept session number 1765, in which Musallet asked, “Creag see if you can do any money this weekend for interest because monday banks are closed.”

44. Musallet needed the loans from Craig because, as he stated in an interview on January 26, 2012, his bank (Central Bank of Kansas City) limited him to withdrawals of no more than \$200,000 in cash at a time. His bank also required him to provide two (2) Certificates of Deposit with a combined worth of approximately \$200,000 as collateral for the checks cashed by P&J. Musallet told Craig Sheffler during a recorded phone call on November 10, 2011 (wire intercept session number 12—old cell) that Musallet would not have any problems with his bank’s \$200,000 limit if Craig Sheffler was bringing cashier’s checks.

45. Bank records show that Craig Sheffler regularly wrote checks on account 9213 belonging to CTW at InTrust Bank payable to Musallet and/or his business. Craig Sheffler also wrote checks on account 9213 belonging to CTW at InTrust Bank to fund cashier’s checks payable to Musallet and/or his business. Musallet would deposit these checks in the accounts of P&J at Central Bank to obtain cash for the operations of P&J and to later provide cash to Sheffler. The text message exchange between Musallet and Craig Sheffler on November 28, 2011 (See paragraph 33(B)) corroborates not only the lending relationship, but also how Musallet provided funds to Craig Sheffler.

46. The United States believes that P&J was the source of the funds seized from Brad Aboud. The following relevant events occurred on January 11, 2012:

- A. At 11:07 a.m. (wire intercept session 1691), Sheffler sent the following text message to Eiad Mussallet:

“Man just got your message. No marl until next week. Can I get that 428 that I owe jims kids? He wants to meet me this afternoon later.”
- B. At 11:12 a.m. (wire intercept session 1693), Eiad Musallet replied, “Yea.”
- C. At 11:12 a.m. (wire intercept session 1695), Eiad Musallet texted “I’ll be at store in a couple of hours.”
- D. At approximately 11:44 a.m. (wire intercept session 367), Craig Sheffler called Brad Aboud, son of James Aboud, to arrange for Craig Sheffler to meet with Brad Aboud in Topeka, KS. Craig Sheffler said that he couldn’t meet with “Eddie” (referring to Musallet) until 3:00 or 4:00, so they would have to meet in the evening. Craig Sheffler discussed continuing to do business, but legitimately. Brad Aboud described it as on the up and up
- E. At approximately 2:45 p.m. (wire intercept session 1722), Craig Sheffler sent a text to Musallet asking, “If I come about 415 to 430 that ok?”
- F. At approximately 2:50 p.m. (wire intercept session 1724), Musallet replied to Craig Sheffler and said, “Yea.”
- G. At approximately 5:08 p.m. (wire intercept session 1733), Craig Sheffler called Brad Aboud to tell him that he was leaving the Kansas City area.

Brad Aboud said that Craig Sheffler could come to his residence near Topeka, KS.

- H. At approximately 6:13 p.m. (wire intercept session 1733), Craig Sheffler called Brad Aboud to tell him that he had just taken the south exit and should be at Brad Aboud's house in 15 to 20 minutes.
- I. At approximately 6:19 p.m. (wire intercept session 1735), Nicole Sheffler called Craig Sheffler to see what he was doing. Craig Sheffler said he was on his way to see Brad Aboud. Craig Sheffler confirmed that he had to go to "Eddie's" (referring to Eiad Musallet) before meeting with Brad Aboud. Nicole Sheffler asked if Craig Sheffler was giving Brad Aboud one million. Craig Sheffler said he planned on giving Brad Aboud at least a million, depending on where things end up.
- J. At approximately 6:30 p.m. (wire intercept session 1739), Craig Sheffler called Brad Aboud to see if it was okay to park in the drive way. Brad Aboud said it was and to come in through the garage.
- K. At approximately 7:59 p.m. (wire intercept session 1740), Craig Sheffler called Nicole Sheffler to let her know that he was on his way back from Topeka.

47. During an interview on April 10, 2012, Brad Aboud initially denied receiving any cash from Craig Sheffler as payment for Aboud's share of CTW. After being served with the notice of intercept and confronted with information from the wire intercepts, Brad Aboud admitted that he received cash from Craig Sheffler. Brad Aboud did not know the exact amount,

but said it was more than \$500,000 in cash. Brad said that he had no knowledge of the source of the money and that it had already been split up between family members. At the request of agents, Brad About agreed to gather the money from the family members and turn it over.

48. On the morning of April 11, 2012, Brad About called to inform agents that he had gathered the cash and that it was ready to be picked up. Agents learned that Brad About had \$615,661 after counting the cash.

49. Interviews and recorded conversations show that Craig Sheffler and Musallet had an extensive business relationship based on mutual benefits. The relationship encompassed, among other things, funding for Musallet's check cashing operation and bulk cash for Craig Sheffler's cigarette trafficking operation which was represented as unreported. The interview with Brad About, the series of phone calls and text messages intercepted from Craig Sheffler's phone, and Craig Sheffler's known relationship with Musallet all show that Craig Sheffler collected at least \$428,000 in cash from Musallet to give to Brad About as some payment for CTW. The source of P&J's funds was loans given by Craig Sheffler to Musallet out of CTW's InTrust Bank account ending 9213. 9213 contained the proceeds of Craig Sheffler's cigarette trafficking activity as shown by the numerous transactions listed above. Craig Sheffler told his wife in one of the recorded conversations that he planned to give Brad About and family nearly one million. While the exact amount given to Brad About is not known, the United States recovered \$615,661 from Brad About on April 11, 2012. It is not known if the remaining \$187,661 (615,661-428,000) came from Musallet. However, if it did not, the funds must have come from a cash hoard that Craig Sheffler had built from his cigarette trafficking operations given the amount and the size of CTW's customer base.

Fungible Property Can Be Forfeited

50. In pertinent part, 18 U.S.C. § 984(b) provides: 1) In any forfeiture action in rem in which the subject property is cash [or] funds deposited in an account in a financial institution- a) it shall not be necessary for the Government to identify the specific property involved in the offense that is the basis for the forfeiture; and b) it shall not be a defense that the property involved in such an offense has been removed and replaced by identical property. 2) Except as provided in subsection (c), any identical property found in the same place or account as the property involved in the offense that is the basis for the forfeiture shall be subject to forfeiture under this section.

51. In essence, Section 984 allows the United States to seize for civil forfeiture identical property found in the same place where the “guilty” property had been kept. *See United States v. All Funds Presently on Deposit at American Express Bank*, 832 F. Supp. 542, 558 (E.D.N.Y. 1993).

52. The “fungibility” rule of Section 984(b) cannot reach back in time for an unlimited period. Section 984(b) provides: “No action pursuant to this section to forfeit property not traceable directly to the offense that is the basis for the forfeiture may be commenced more than one (1) year from the date of the offense.” Section 984(b) thus applies so long as the “action” to forfeit the property is commenced within one year from the date of the offense given the base for the forfeiture. Here, as described above, the dates of the offense giving rise to the seizure are within the one year period.

53. While Section 984 does not explicitly define the term “action,” the section’s legislative history clearly establishes that Congress intended the seizure of property to constitute

the “action” to be commenced within one year of the offense in order to obtain the benefit of the application of that section’s fungibility rule: “Section 984 provides that in cases involving fungible property, property is subject to forfeiture if it is identical to otherwise forfeitable property, is located or maintained in the same way as the original forfeitable property, and not more than one year has passed between the time the original property subject to forfeiture was so located or maintained and the time for the forfeiture action was initiated by seizing the property of filing the complaint, regardless of whether or not the fungible property was continuously present or available between the time it became forfeitable and the time it was seized.” Money Laundering Enforcement Amendments of 1991, H.R. No. 102-28 (March 20, 1991), 1991 WL 42201 (emphasis added). *See American Express Bank*, 832 F. Supp. at 558 (quoting legislative history to the effect that Section 984 applies to money in seized accounts to the extent that money involved in money laundering or structuring existed in those accounts within one year of the seizure).

54. Thus, Section 984 makes the property in the accounts described below subject to seizure and forfeiture to the extent that monies involved in structuring were located in the account in the year preceding the seizure.

Specific Assets to be Forfeited

55. The defendant \$599,206.22 in United States currency seized from Intrust Bank Account in the name of Cheap Tobacco Wholesale, LLC; the defendant \$299,428.63 in United States currency seized from Bank of America in the name of Brand Name Connoisseurs Corporation, d/b/a/ BNC Corporation; and the defendant \$266,704.28 seized from Bank of

Seneca-Cayuga Tobacco Company, are the proceeds of trafficking contraband cigarettes into the State of New York and other states, and therefore, are forfeitable pursuant to 18 U.S.C.

§ 981(a)(1)(C), furthermore, these funds were involved in or are traceable to money laundering transactions conducted to promote the carrying on of and concealing of the nature, location, source, ownership, or control of proceeds of trafficking contraband cigarettes into the State of New York and other states, and therefore, are forfeitable pursuant to 18 U.S.C. § 981(a)(1)(A).

56. The defendant \$58,129.58 in United States currency seized from Central Bank account in the name of P&J Diversified, Inc., was involved in or is traceable to money laundering transactions designed to avoid transaction reporting requirements under Federal law, and therefore, are forfeitable pursuant to 18 U.S.C. § 981(a)(1)(A). The defendant \$58,129.58 was also involved in or is traceable to money laundering transactions at a licensed money transmitting business, as defined by 18 U.S.C. § 1960(b)(1)(C), and is therefore, also forfeitable pursuant to 18 U.S.C. § 981(a)(1)(A). Furthermore, the defendant \$58,129.58 in United States currency was involved in the failure to file CTRs by P&J, and therefore, are forfeitable pursuant to 31 U.S.C. § 5317.

57. The defendant \$740,000.00 in United States currency was seized on January 26, 2012, after Craig Sheffler purchased contraband cigarettes from UC Williamson. The defendant \$740,000.00 in United States currency is proceeds of trafficking contraband cigarettes into the State of New York and other states, and therefore, is forfeitable pursuant to 18 U.S.C. § 981(a)(1)(C). The defendant \$740,000.00 in United States currency was also involved in or is traceable to money laundering transactions conducted to promote and carry on the trafficking of contraband cigarettes, and therefore, is forfeitable pursuant to 18 U.S.C. § 981(a)(1)(A).

58. The defendant \$4,000.00 in United States currency was seized from Gholamreza Tadaiyon on January 26, 2012. Also, seized from Gholamreza Tadaiyon on January 26, 2012, was the defendant 258 cases of Marlboro cigarettes and defendant 144 cases of Newport cigarettes. On February 15, 2012, ATF executed a Federal search warrant at BNC, in Pompano Beach, Florida. The defendant ten packs of Newport cigarettes and defendant one open pack of Newport cigarettes were seized. The defendant \$4,000.00 in United States currency was paid to Gholamreza Tadaiyon by Craig Sheffler for brokering the sale of contraband cigarettes to other states and is therefore, forfeitable pursuant to 18 U.S.C. § 981(a)(1)(C). The defendant \$4,000.00 in United States currency is also traceable to money laundering transactions conducted to promote the carrying on of trafficking contraband cigarettes, and therefore, is forfeitable pursuant to 18 U.S.C. § 981(a)(1)(A). The defendant cigarettes are forfeitable pursuant to 18 U.S.C. § 981(a)(1)(C) as proceeds of the trafficking of contraband cigarettes and 18 U.S.C. § 2344(c) because they are contraband cigarettes.

59. The defendant 2009 Cessna T206H Stationair, and the four 2012 Peterbilts were purchased with the proceeds from the sale of the contraband cigarettes. The 2009 Cessna and the four Peterbilts were purchased as a way to launder the proceeds from the sale of the contraband cigarettes and therefore, are forfeitable pursuant to 18 U.S.C. §§ 981(a)(1)(A) and (a)(1)(C).

60. The defendant \$615,661.00 in United States currency represents proceeds from trafficking contraband cigarettes into the State of New York and other states, and therefore, is forfeitable pursuant to 18 U.S.C. § 981(a)(1)(C).

CLAIM FOR RELIEF

WHEREFORE the United States prays that the defendant properties be forfeited to the United States, that the plaintiff be awarded its costs and disbursements in this action, and for such other and further relief as the Court deems proper and just.

Respectfully submitted,

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Acting United States Attorney

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VERIFICATION

I, Special Agent Karl Bolte, hereby verify and declare under penalty of perjury that I am a Special Agent with the United States Internal Revenue Service, that I have read the foregoing Verified Complaint in Rem and know the contents thereof, and that the matters contained in the Verified Complaint are true to my own knowledge, except that those matters herein stated to be alleged on information and belief and as to those matters I believe them to be true.

The sources of my knowledge and information and the grounds of my belief are the official files and records of the United States, information supplied to me by other law enforcement officers, as well as my investigation of this case, together with others, as a Special Agent of the Internal Revenue Service.

I hereby verify and declare under penalty of perjury that the foregoing is true and correct.

Dated June 20, 2012

/s/ Karl Bolte
Karl Bolte
Special Agent
Internal Revenue Service