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NEW YORK MAN SENTENCED TO 21 MONTHS IN PRISON FOR TRAFFICKING IN UNTAXED CIGARETTES

Charles M. Oberly, III, United States Attorney for the District of Delaware, announced that Eduard Ifraimov was sentenced yesterday to 21 months in prison for trafficking in untaxed cigarettes, receipt of counterfeit cigarette tax stamps, and money laundering. Ifraimov also was sentenced to 3 years of supervised release, which will commence following his prison term.

Eduard Ifraimov is a 39 year old, New York City resident who emigrated to the United States from Russia in 2002 and became a naturalized citizen in 2009.

In the summer of 2008, investigators learned that for two years Eduard Ifraimov had been purchasing large amounts of cigarettes, taxed and untaxed, in Delaware and transporting them back to New York City where he sold them, avoiding the New York State and City cigarette taxes. An undercover ATF special agent, posing as a smuggler in untaxed cigarettes, was then introduced to Ifraimov, who from August 2008 to the date of his arrest on April 23, 2010, purchased from the undercover agent more than 23,000 cartons of cigarettes at a price exceeding \$900,000. These cigarettes bore counterfeit Delaware tax stamps or were unstamped. In selling the cigarettes in New York City, Ifraimov avoided New York State and City taxes totaling \$42.50 per carton, for a total tax loss in those jurisdictions exceeding \$975,000.

Following the sentencing hearing, Charles M. Oberly, III, United States Attorney for the District of Delaware, stated, "Taxes are the lifeblood of all government entities, making the evasion of taxes by traffickers in untaxed cigarettes the equivalent of a theft from the general public. When cases such as this are brought to our office to prosecute, they will be vigorously prosecuted in the same manner as any theft from the government."

"ATF is proud to work with our partners to investigate and charge those responsible for violations of the Contraband Cigarette Trafficking Act," says ATF Special Agent in Charge Theresa R. Stoop. "The defendant's actions could have had far reaching consequences, and ATF works everyday to ensure public safety, and prevent the illegal generation of revenue from these kinds of criminal activities."

Patrick Carter, Director of the Delaware Division of Revenue says, the sale of untaxed cigarettes harms legitimate businesses and costs states needed tax revenue that are used to support essential public services. The results of this enforcement effort between the Delaware Division of Revenue, Federal ATF, and other law enforcement partners reflect our joint commitment to enforcing the law and collecting taxes on cigarettes sold in the State of Delaware.

This case was jointly investigated by the Delaware Division of Revenue; the Delaware Department of Alcohol and Tobacco Enforcement; the New York Petroleum, Alcohol and Tobacco Bureau; and the United States Bureau of Alcohol, Tobacco, Firearms and Explosives. This case was prosecuted by Assistant United States Attorney Edmond Falgowski.

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