



***United States Attorney
District of New Jersey***

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**NUTLEY, NEW JERSEY MAN CHARGED WITH CRIMINAL VIOLATIONS
OF IRAN TRADE EMBARGO**

NEWARK, N.J. – Mahdi Socara, 38, an Iranian citizen and a resident of Nutley, N.J., was arrested today on a criminal Complaint charging him with violating federal law governing trade with Iran by operating an unlicensed money transfer business serving customers in New York, New Jersey, and Iran, United States Attorney Paul J. Fishman announced.

Socara, who was already in federal custody based on an order of deportation, is charged in the Complaint with violating the International Emergency Economic Powers Act (“IEEPA”) and federal Iranian Transactions Regulations, and with conducting an unlicensed money transmitting business. Socara is expected to appear before United States Magistrate Judge Michael A. Shipp this afternoon in Newark federal court.

According to the Complaint:

From June 2005 through July 2010, Socara and a relative in Iran operated an illegal money transmitting business by which they transferred millions of dollars between individuals in the United States and Iran. Such businesses, or “hawalas,” are a type of informal value transfer system in which money does not physically cross international boundaries through the banking system. In the hawala system, funds are transferred by customers to a hawala operator or “hawaladar” in one country, and corresponding funds, less any fees, are disbursed to recipients in another country by a second hawaladar in that country.

The investigation began when ICE agents received information that Socara was involved in illegal activity. On July 20, 2010, ICE agents arrested Socara based on an outstanding order of deportation.

During a subsequent search, over 850 bank deposit and withdrawal slips from approximately 11 different banking institutions were discovered among Socara’s personal belongings. The deposit and withdrawal slips contained over 200 different account numbers and indicate that Socara deposited over \$2 million into numerous United States bank accounts from June 2005 through 2010.

If convicted, Socara faces a maximum potential penalty of 20 years in prison and a fine of up to \$1 million on the IEEPA violation count, and five years in prison and a fine of up to \$250,000 on the unlicensed money transmitting count.

U.S. Attorney Fishman credited special agents of ICE's Office of Homeland Security Investigations, under the direction of Special Agent in Charge James T. Hayes Jr., in New York, for the investigation leading to Socara's arrest. Mr. Fishman added that the investigation is continuing.

The government is represented by Assistant U.S. Attorney Frances C. Bajada of the U.S. Attorney's Office Criminal Division in Newark.

The charges and allegations contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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