

**ASSORTED JEWELRY AND :
PRECIOUS METALS SEIZED :
FROM 5 HARTLAND :
COMMONS, NORTH :
BRUNSWICK, NEW :
JERSEY;**

**THE REAL PROPERTY LOCATED :
AT 19 CUNNINGHAM DRIVE, :
WEST ORANGE, NEW JERSEY;**

AND

**THE REAL PROPERTY LOCATED :
AT 770 GEORGES ROAD, NORTH :
BRUNSWICK, NEW JERSEY.**

Defendants *in rem*.

Plaintiff, United States of America, by its attorney, Paul J. Fishman, United States Attorney for the District of New Jersey (by Evan S. Weitz, Assistant United States Attorney) brings this Verified Complaint for Forfeiture *in Rem* and alleges as follows in accordance with Rule G(2) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, Federal Rules of Civil Procedure.

NATURE OF THE ACTION

1. This is a civil action *in rem* to forfeit and condemn to the use and benefit of the United States the above-captioned defendant properties, which constitute: (a) property, real or personal, involved in a transaction or attempted transaction in violation of 18 U.S.C. §§ 1956 and/or 1957 (money laundering) and/or property traceable to such property, and subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A); and (b) property, real or personal, which constitutes or is derived from proceeds traceable to a violation

of 18 U.S.C. § 2314 (Interstate Transportation of Stolen Property), which is an offense constituting a specified unlawful activity, as defined in 18 U.S.C. § 1956(c)(7), and subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C).

THE DEFENDANTS IN REM

2. The defendant property consists of: (a) assorted jewelry and precious metals, more particularly described in the schedule attached hereto as Exhibit A, consisting of: (i) approximately 30,000 individual pieces of jewelry and precious metals seized from a retail store named “More Cash 4 Gold” located at 770 Georges Road, North Brunswick, New Jersey; (ii) assorted jewelry and precious metals seized from three safe deposit boxes controlled by Mehran “David” Balazadeh at Wells Fargo Bank, 775 Georges Road, North Brunswick, New Jersey; and (iii) assorted jewelry and precious metals seized from 5 Hartland Commons, North Brunswick, New Jersey (items (i)-(iii) collectively the “defendant jewelry”); (b) the real property located at 19 Cunningham Drive, West Orange, New Jersey; and (c) the real property located at 770 Georges Road, North Brunswick, New Jersey (items (b)-(c) collectively the “defendant real property”). The defendant jewelry is currently in the custody of the United States.

3. The defendant real property has not been seized, but it is located within this district and within the jurisdiction of the United States District Court for the District of New Jersey.

4. The United States does not request authority from the Court to seize the defendant real property at this time.

5. The United States, as provided by 18 U.S.C. § 985(c)(1) and Supplemental Rule G(4)(b), will do the following:

- a. post notice of this action and a copy of the Verified Complaint for Forfeiture *in Rem* on the defendant property;
- b. serve notice of this action on the defendant property owner, along with a copy of this complaint;
- c. send notice of the action and a copy of the complaint to any person who reasonably appears to be a potential claimant on the facts known to the government; and
- d. file a lis pendens against the defendant property with the County Clerk's Office.

JURISDICTION AND VENUE

6. Plaintiff brings this action *in rem* in its own right to forfeit and condemn the defendant property. This Court has 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).

7. This Court has *in rem* jurisdiction over the defendant property under 28 U.S.C. § 1355(b)(1). Upon the filing of this Verified Complaint, plaintiff requests that the Clerk of the Court issue an arrest warrant *in rem* pursuant to Supplemental Rule G(3)(b)(i), which plaintiff will execute upon the defendant jewelry pursuant to 28 U.S.C. § 1355(d) and Supplemental Rule G(3)(c).

8. Venue is proper in this district pursuant to 28 U.S.C. § 1395, because the defendant property is located in the District of New Jersey, and pursuant to 28 U.S.C. §1355(b)(1), because the acts or omissions giving rise to the forfeiture occurred in this district.

BASIS FOR FORFEITURE

9. The defendant jewelry and the defendant real property (collectively the “defendant property”) is subject to forfeiture pursuant to the provisions of 18 U.S.C. § 981(a)(1)(A), which subjects to forfeiture to the United States any property, real or personal, involved in a transaction or attempted transaction in violation of 18 U.S.C. §§ 1956 and/or 1957 (money laundering) and any property traceable to such property; and pursuant to 18 U.S.C. § 981(a)(1)(C), which subjects to forfeiture to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to a violation of 18 U.S.C. § 2314 (Interstate Transportation of Stolen Property), which is an offense constituting a specified unlawful activity, as defined in 18 U.S.C. § 1956(c)(7).

OVERVIEW

10. On December 18, 2012, North Brunswick, New Jersey police executed a New Jersey state search warrant at a retail store named “More Cash 4 Gold” located at the defendant property 770 Georges Road, North Brunswick, New Jersey. During the course of executing that warrant, North Brunswick, New Jersey police seized the defendant jewelry, which constitutes almost 500 pounds of jewelry and precious metals with an estimated retail replacement

value of approximately \$800,000. While cataloging the defendant jewelry, law enforcement has been able to identify jewelry owned by five separate burglary victims believed to be valued at approximately \$100,000.

11. The execution of the state search warrant was the culmination of a long-term investigation conducted by numerous state and local law enforcement agencies of More Cash 4 Gold and the store's owner, Mehran David Balazadeh ("Balazadeh"). That investigation revealed that Balazadeh was receiving large amounts of stolen property at his retail store, a combined furniture and jewelry store, which were the proceeds of burglaries conducted in Middlesex County, New Jersey and elsewhere. The stolen property was then, in part, sold outside of New Jersey by Balazadeh.

12. As part of this scheme, financial transactions in illicit proceeds were conducted using the retail store located at the defendant property 770 Georges Road, North Brunswick, New Jersey, and bank accounts held by the retail store. By using both the location and bank accounts of a purportedly legitimate retail store, the true nature of the illicit transactions were concealed.

13. Additional financial transactions were conducted using illicit proceeds to pay promotional and operational expenses of the ongoing scheme, including the purchase of additional stolen jewelry that formed the inventory of More Cash 4 Gold, and to pay expenses associated with the defendant properties 19 Cunningham Drive, West Orange, New Jersey, and 770 Georges Road, North Brunswick, New Jersey.

BACKGROUND

14. Under New Jersey state law, persons who are engaged in the primary business of retailing or wholesaling jewelry who purchase any article of used or secondhand jewelry must maintain records of those purchases and file them with their local police department. The records must contain the following: (i) the name, address and telephone number of the person from whom the item was purchased; (ii) a descriptive list of any used jewelry purchased from that seller, including any identifying characteristics of that jewelry; (iii) digital photographs of any used jewelry purchased from that seller; and (iv) a photocopy of the seller's identification. N.J.S.A. 2C:21-36.

15. Individuals or businesses that receive and sell stolen property frequently fail to file forms evidencing transactions in stolen property, or maintain business records of such transactions, in an effort to conceal their illicit conduct.

16. On September 7, 2011, New Jersey state law enforcement officers met with Balazadeh and advised him that More Cash 4 Gold was not in compliance with the State's used-jewelry purchases records law.

FACTS

17. During the course of the investigation described above, numerous pieces of stolen jewelry were recovered from More Cash 4 Gold for which it did not file any transaction receipts. For instance, on November 29, 2010, a ring was recovered from More Cash 4 Gold which was positively identified by the ring's owner as having been previously reported stolen. Balazadeh was unable

to provide law enforcement with a transaction receipt or invoice demonstrating how the ring was acquired.

18. On December 2, 2011, law enforcement learned from an employee of More Cash 4 Gold that two suspects in a robbery had recently sold jewelry to Balazadeh at the store. Law enforcement positively identified the subjects from in-store surveillance cameras and observed the suspects on the recording sell jewelry to Balazadeh. Again, Balazadeh was unable to provide law enforcement with a transaction receipt or invoice demonstrating how the jewelry was acquired.

19. Similarly, on April 13, 2012, law enforcement officers recovered another stolen ring from More Cash 4 Gold. Again, the ring's owner positively identified the ring as being the same ring that had been previously reported stolen. Again, Balazadeh was unable to provide law enforcement with a transaction receipt or invoice demonstrating how the ring was acquired.

20. On July 10, 2012, law enforcement officers spoke with Balazadeh at More Cash 4 Gold and asked if he had recently purchased any silver coins. Balazadeh initially denied that he had recently purchased silver coins, but subsequently produced a zip lock bag of silver coins that were later identified as stolen during a recent burglary. A suspect later taken into custody for the burglary admitted to having sold the stolen coins to Balazadeh. As in previous instances, Balazadeh was unable to provide law enforcement with a transaction receipt or invoice demonstrating how the coins were acquired.

21. On November 27, 2012, law enforcement officers observed a red Dodge Charger parked outside More Cash 4 Gold, which matched the description of a vehicle recently used in a burglary. Balazadeh later admitted to law enforcement officers that he had met with the driver and passengers of the red Dodge Charger and that they had attempted to sell him Chinese currency. Balazadeh stated that he did not buy the currency because he did not know its value.

22. On November 28, 2012, North Brunswick police officers conducted a traffic stop of the same red Dodge Charger observed the day before at More Cash 4 Gold. The police officers found the driver of the vehicle had Chinese currency in his possession. Video surveillance taken at More Cash 4 Gold confirmed that the driver had met with Balazadeh the day before. The officers searched the vehicle and recovered numerous stolen valuables. The officers then arrested the driver of the vehicle.

23. Law enforcement officers interviewed the driver of the red Dodge Charger on November 28, 2012 and July 2, 2013. During the interviews, the driver admitted that he was a member of a gang called the "Brown Pride Gang" and was involved in numerous burglaries in North Brunswick and other counties. The driver stated that on 10 to 15 occasions he and other members of the Brown Pride Gang sold stolen jewelry, from those burglaries, to Balazadeh. The driver further stated that Balazadeh had directed the driver and others to target individuals from India because they tend to have higher grade jewelry.

24. On December 18, 2012, pursuant to a New Jersey state arrest warrant, law enforcement officer arrested Balazadeh for possessing stolen property.

25. On December 18 and 19, 2012, law enforcement officers searched three separate locations controlled by Balazadeh, pursuant to New Jersey state search warrants and a consensual search. The officers seized from those locations the defendant jewelry, which has a retail replacement value of approximately \$800,000. However, at that time More Cash 4 Gold had only filed transaction receipts with the North Brunswick Police Department for approximately \$15,000 worth of jewelry purchases. During the search, law enforcement also found approximately 15 grams of opium inside Balazadeh's desk drawer.

26. A search of the More Cash 4 Gold location on December 18, 2012 recovered no logbook for jewelry purchases, as required by ordinance, and virtually no business records, receipts, invoices, or any indicia of a legitimate jewelry purchase business.

27. Also on December 18, 2012, Balazadeh's wife told police that she and Balazadeh maintained several safe deposit boxes that contained precious metals and gem stones. The safe deposit boxes were at a Wells Fargo Bank branch located at 775 Georges Road, North Brunswick, New Jersey. Balazadeh's wife subsequently stated that her husband would remove pieces "too nice to sell" and would place them into the safe deposit boxes or store them in the attic at their residence. A consensual search of the Balazadeh

residence, 5 Hartland Commons, North Brunswick, New Jersey, resulted in the seizure of assorted jewelry and precious metals. A number of the pieces of the jewelry seized from the residence have been identified by their legitimate owner as stolen.

28. On December 19, 2012, North Brunswick Police officers executed a New Jersey state search warrant on three safe deposit boxes controlled by Balazadeh at Wells Fargo Bank, 775 Georges Road, North Brunswick, New Jersey. During the execution of the warrant, law enforcement seized additional assorted jewelry and gemstones.

29. On April 5, 2013, Balazadeh entered into a Consent Order issued by the New Jersey State Superior Court. The order prohibited Balazadeh, More Cash 4 Gold, and all any other entities controlled by Balazadeh from engaging in the sale or purchase of jewelry and other precious items.

30. After law enforcement officers seized the defendant jewelry, a confidential source informed law enforcement that Balazadeh began retroactively creating transaction receipts for some of the defendant jewelry. All of the transaction receipts were for individual pieces of jewelry that had been photographed and catalogued and provided to Balazadeh during the state court proceedings. Only approximately 10% of the defendant jewelry had been photographed to that point, and, notably, none of the retroactively-created transaction receipts were for any pieces of the remaining, non-photographed jewelry.

31. Additionally, many of the filed transaction receipts claim that the jewelry was purchased from a store named "Premier Jewelry" located in Boston, Massachusetts. During the investigation law enforcement learned that Balazadeh is related to someone at Premier Jewelry and that Balazadeh had fabricated a "Premier Jewelry" stamp. Balazadeh forged the receipts using his fabricated "Premier Jewelry" stamp and photographs of some of the jewelry he received from the State of New Jersey during the state court litigation.

32. On or about July 9, 2013, a confidential informant met with Balazadeh at More Cash 4 Gold and told Balazadeh that he/she had some gold to sell and was planning on "doing some houses right now" (referring to burglaries). Balazadeh told the person to come back to More Cash 4 Gold with the gold and he would buy it.

33. On or about July 31, 2013, law enforcement officers met with Gabriel Akarinam, the owner of Premier Jewelry in Boston, Massachusetts. The officers showed Akarinam a picture of Balazadeh. Akarinam initially told law enforcement that while the person in the photograph looked familiar he was uncertain of the person's identity. However, after the officers further questioned Akarinam, he admitted that Balazadeh is his uncle and they frequently communicate with each other. Akarinam also stated that they had recently been in contact and that Balazadeh asked him for blank invoices from Premier Jewelry.

34. On September 13, 2013, law enforcement agents met with a former employee of More Cash 4 Gold. The former employee stated that Balazadeh

has dealt and continues to deal in the purchase of stolen goods on a regular basis. The former employee also stated that Balazadeh pays very little for the jewelry because no one else in the area would do business with the individuals selling the stolen items. The former employee continued that Balazadeh would always handle these customers himself and would conduct the transaction out of the sight of the surveillance cameras.

35. The former employee also stated that Balazadeh frequently transported the stolen jewelry he had purchased to New York City and sold it in New York's "Diamond District."

36. Law enforcement officers interviewed at least two individuals who work in the Diamond District as jewelry purchasers. Those individuals confirmed that Balazadeh has frequently sold jewelry in the Diamond District in New York City. Law enforcement officers also interviewed a precious metal dealer in New Jersey. The dealer stated that Balazadeh is known within the industry as someone who purchases stolen jewelry and that he believes Balazadeh sells the stolen goods in New York City.

37. Furthermore, based on bank records and interviews with several jewelry purchasers who work in the Diamond District, law enforcement officers have confirmed that Balazadeh has frequently sold jewelry in the Diamond District. Based upon bank and business records, including sales receipts recovered from entities that have purchased jewelry from Balazadeh, these sales total at least \$400,000. As discussed below, however, many of these sales were conducted in cash with no corresponding record or receipt.

38. For example, one business owner in the Diamond District stated that Balazadeh had been to his business on numerous occasions with plastic bags filled with gold jewelry and that his business had purchased approximately \$250,000 in jewelry from Balazadeh. The business owner also produced business records confirming he purchased jewelry from Balazadeh totaling approximately \$250,000. The business owner stated that Balazadeh preferred to be paid in cash, not check, so there would be no record of the transaction.

39. A former employee of a New York City jewelry business told law enforcement that he routinely traveled to New Jersey to purchase jewelry from Balazadeh at More Cash 4 Gold. The former employee stated that Balazadeh was aware that the former employee was travelling from New York. The former employee also disclosed that he paid over \$100,000 in cash to Balazadeh for jewelry in 2012.

40. Additionally, while attempting to cross into Canada with jewelry in August of 2013, Balazadeh's cellular phone was searched. In the address section of the phone were numerous names that appeared to be entities or individuals who purchase jewelry. The entries included names such as "Gold Byer," "Gold Melter Mical," and "Gaby GOLD." Most of the telephone numbers associated with those entities or individuals bore area codes in New York.

41. A review of bank records revealed that when checks were received from the sale of jewelry, they were deposited into either Wells Fargo business and personal bank accounts ending in 7516 and/or 8991, which are accounts

controlled by Balazadeh. While the personal account is held in Balazadeh's name, the business account is held by a furniture store operated by Balazadeh located at the same address as More Cash 4 Gold, the defendant property 770 Georges Road, North Brunswick, New Jersey. Funds from this account were then used to pay the business expenses for the furniture store and More Cash 4 Gold, including their property taxes and the furniture store's inventory.

42. Despite the checks deposited into the furniture store bank account, based on information received during interviews of merchants in New York City, the majority of the jewelry resold by Balazadeh was paid for in U.S. currency. Furthermore, bank records reveal that Balazadeh deposited hundreds of thousands of dollars in U.S. currency into the Wells Fargo accounts ending in 7516 and 8991. Balazadeh then used those funds to pay the mortgages for the defendant property 770 Georges Road, North Brunswick, New Jersey, and at least \$100,000 in payments towards the defendant property 19 Cunningham Drive, West Orange, New Jersey. Balazadeh designed those transactions to conceal his purchasing of stolen jewelry and to promote his ongoing business of purchasing stolen property, which constitute money laundering offenses.

ADDITIONAL FACTS

43. Most individuals engaged in illegal activities fail to declare their illicit income on tax returns.

44. A review of public records has revealed that Balazadeh has reported virtually no income on his state tax return since 2008. Balazadeh has

not filed Federal Income Tax Returns for 2009, 2010, and 2012. Balazadeh did file Federal Income Tax Return for 2011 but indicated a negligible income. Additionally, despite inventory valued at approximately \$800,000 recovered during the investigation, More Cash 4 Gold has only filed a Federal Income Tax Return in 2011 alleging no income and has never remitted any state sales tax to the State of New Jersey. Neither Balazadeh nor More Cash 4 Gold was exempt from filing tax returns for the years when returns were not filed and neither party was granted an extension.

LEGAL PROCEEDINGS

45. On October 3, 2013, a State Grand Jury sitting in Middlesex County, New Jersey, indicted Balazadeh for numerous charges, including receiving stolen property, and tax evasion.

46. On October 4 and 8, 2013, the Honorable Madeline Cox Arleo, United States Magistrate Judge, for the District of New Jersey issued warrants for the seizure of:

- A. approximately 30,000 individual pieces of jewelry and precious metals seized on December 18, 2012 from a retail store named "More Cash 4 Gold";
- B. assorted jewelry and precious metals seized by the North Brunswick, New Jersey Police Department on December 18, 2012 from 5 Hartland Commons, North Brunswick, New Jersey; and
- C. assorted jewelry and precious metals seized by the North Brunswick, New Jersey Police Department on December 19, 2012 from 3 safety deposit boxes controlled by David Balazadeh at Wells Fargo Bank, 775 Georges Road, North Brunswick, New Jersey.

47. On October 15, 2013, agents of the United States Immigration and Customs Enforcement, Homeland Security Investigations ("HSI") executed the

above-referenced seizure warrants resulting in the seizure of the defendant property.

RECENT DEVELOPMENTS

48. Law enforcement has cataloged, appraised, and photographed all of the jewelry seized from Balazadeh, a process made very difficult due to the lack of any business records maintained by Balazadeh. Law enforcement has been comparing individual pieces of the jewelry to jewelry reported stolen in Middlesex County. To date, out of the cataloged portion of the jewelry seized from Balazadeh, the police have been able to identify jewelry owned by five separate burglary victims believed to be valued at approximately \$100,000.

49. Even after having been indicted by a Grand Jury for numerous charges, including receiving stolen property and tax evasion, and having been prohibited by the New Jersey State Superior Court to engage in the sale or purchase of any jewelry, as further discussed below, Balazadeh is continuing to purchase stolen property at the defendant property 770 Georges Road, North Brunswick, New Jersey.

50. On February 12, 2014, law enforcement officers arrested three individuals with ties to the Brown Pride Gang for burglary. All three individuals separately stated to law enforcement officers that Balazadeh buys stolen jewelry and electronics from them and that Balazadeh does not report those purchases to the North Brunswick Police Department.

51. Also on February 12, 2014, law enforcement officers arrested Balazadeh for violating the New Jersey Superior Court's Consent Order

prohibiting him from purchasing jewelry. Immediately prior to his arrest, Balazadeh swallowed a small amount of crack cocaine. During a subsequent search of More Cash 4 Gold, law enforcement officers recovered approximately 200 pieces of jewelry and electronics which appears to have been purchased in violation of the Court Order.

52. To date, at least one item recovered from More Cash 4 Gold on February 12, 2014 has been confirmed as stolen property. Also, transaction receipts were never filed with the Township for any of the items recovered on February 12, 2014.

FIRST CLAIM FOR FORFEITURE

53. The allegations contained in paragraphs 1 through 52 of this Verified Complaint for Forfeiture *in Rem* are incorporated herein and made part hereof.

54. The defendant property constitutes property, real or personal, involved in a transaction or attempted transaction in violation of 18 U.S.C. §§ 1956 and/or 1957 and/or property traceable to such property.

55. As a result of the foregoing, the defendant property and any property traceable to such property are subject to condemnation and to forfeiture to the United States for its use, in accordance with 18 U.S.C. § 981(a)(1)(A).

SECOND CLAIM FOR FORFEITURE

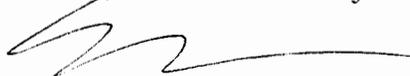
56. The allegations contained in paragraphs 1 through 52 of this Verified Complaint for Forfeiture *in Rem* are incorporated herein and made part hereof.

57. The defendant property represents property, real or personal, which constitutes or is derived from proceeds traceable to a violation of 18 U.S.C. § 2314, which is an offense constituting specified unlawful activity, as defined in 18 U.S.C. § 1956(c)(7).

58. As a result of the foregoing, the defendant property and any property traceable to such property are subject to condemnation and to forfeiture to the United States for its use, in accordance with 18 U.S.C. § 981(a)(1)(C).

WHEREFORE, plaintiff requests that the Clerk of the Court issue a warrant for the arrest in rem and seizure of the defendant jewelry; that notice of this action be given to all persons who reasonably appear to be potential claimants in the defendant property; that the defendant property be forfeited and condemned to the United States of America; that plaintiff be awarded its costs and disbursements in this action; and that the Court award such other and further relief as it deems proper and just.

PAUL J. FISHMAN
United States Attorney



By: EVAN S. WEITZ
Assistant United States Attorney

Dated: May 7, 2014
Newark, New Jersey

VERIFICATION

STATE OF NEW JERSEY :

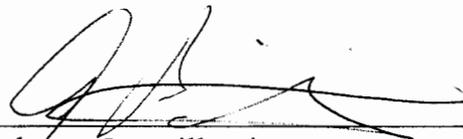
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COUNTY OF ESSEX :

I, Anthony Lanzillotti, hereby verify and declare under penalty of perjury that I am a Special Agent with the Department of Homeland Security, Homeland Security Investigations, that I have read the foregoing Verified Complaint for Forfeiture *in Rem* and know the contents thereof, and that the matters contained in the Verified Complaint for Forfeiture *in Rem* 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 information and the grounds of my belief include the official files and records of the United States, information supplied to me by other law enforcement officers, and my own investigation of this case.

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



Anthony Lanzillotti
Special Agent
Department of Homeland Security
Homeland Security Investigations

Sworn to and subscribed before me this 21st
day of May 2014, at Newark, New Jersey.



EVAN S. WEITZ, ESQ.
Attorney-at-Law of the State of New Jersey