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LOCAL JEWELER AND CORPORATIONS CONVICTED AFTER TRIAL FOR LAUNDERING DRUG MONEY, FACE MULTI-MILLION DOLLAR FORFEITURE

Atlanta, GA -TOROS SEHER, 38, of Atlanta, Georgia, was convicted by a federal jury late today relating to a money laundering scheme that concealed illegal drug proceeds among legitimate sales made, among other places, at SEHER's two jewelry stores, "Chaplin's" and "Chaplin's Midtown," which were also charged and convicted by the jury.

United States Attorney David Nahmias said of the verdict, "Retailers cannot turn a blind eye when drug dealers try to use them to launder money. Businesses who try to conceal drug money within their legitimate revenues are gambling, and risk losing everything."

IRS Criminal Investigation Special Agent In Charge Rebecca A. Sparkman said, "Let today's guilty verdict and the guilty pleas serve as notice to anyone who launders cash for drug dealers - Atlanta is closed for business."

Under the law, trades and businesses must report cash transactions in amounts of more than \$10,000.00 to the IRS using specific forms (Forms 8300). An indictment handed down by a federal grand jury on July 26, 2006, charged SEHER, "Chaplin's," and "Chaplin's Midtown" with failing to file these forms and money laundering. On the same day, the IRS executed search and seizure warrants at those two stores owned and/or operated by SEHER, his partner's Alpharetta residence, and his Atlantic Station condominium. Pursuant to seizure warrants, the IRS seized approximately \$6 million in jewelry from the two retail locations.

According to United States Attorney Nahmias and evidence at trial: Undercover IRS agents pretended to launder drug proceeds with SEHER's guidance at SEHER's jewelry stores "Chaplin's," located in the Merchandise Mart/America's Mart in downtown Atlanta; and "Chaplin's Midtown," located in Atlantic Station.

Cooperating defendants and witnesses provided other historical information regarding SEHER's money laundering. According to witnesses, from 1997 to as late as

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

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

After the presentation of the government's evidence at trial, but prior to the jury's deliberations, SEHER, Chaplin's and Chaplin's Midtown pleaded guilty to six violations of the Bank Secrecy Act relating to the money laundering. The Bank Secrecy Act requires such individuals and/or businesses to report to the IRS any cash purchases over \$10,000.

As a result of the convictions, the Government will seek forfeiture of Chaplin's and Chaplin's Midtown's entire inventories as well as a money judgment against SEHER personally. SEHER further faces up to 20 years imprisonment on each of the four money laundering and conspiracy charges, and up to 5 years imprisonment on each count of failing to file the required Form 8300 for large cash transactions. SEHER is scheduled to be sentenced on July 11, 2007, before United States District Judge Timothy C. Batten.

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

Assistant United States Attorneys J. Gabriel Banks, Evan Weitz, Mary Jane Stewart, and Jenny Turner are prosecuting the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney or Charysse Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan