



Department of Justice

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**COURT ORDERS JEWELRY RETAILERS TO FORFEIT ENTIRE
INVENTORIES AND OTHER CORPORATE ASSETS
FOR LAUNDERING DRUG MONEY**

ATLANTA, GA - In an order issued this week, United States District Judge Timothy C. Batten forfeited assets valued collectively at approximately \$3,158,867 from Atlanta-based jewelry retailers "CHAPLINS, INC.," and "CHAPLIN'S MIDTOWN, INC.," based upon money laundering and currency reporting convictions for which they were convicted in 2007. The court found that TOROS SEHER, 41, former corporate employee and CHAPLIN'S MIDTOWN shareholder, who is now serving a six-year prison sentence, engaged in "gravely serious" crimes on behalf of CHAPLIN'S and CHAPLIN'S MIDTOWN by offering to sell items in inventory in exchange for cash drug proceeds, and that CHAPLIN'S and CHAPLIN'S MIDTOWN participated in "compromis[ing] the integrity of the United States financial system" in exchange for profits.

According to Acting United States Attorney Yates, the charges and other information presented in court: Between 1997 and 2002, SEHER assisted drug dealers in laundering dirty money by concealing that money among funds generated by an unindicted jewelry retailer's sales. SEHER accepted cash from drug dealers on behalf of his employer in excess of \$10,000 on multiple occasions.

SEHER continued his practices when he came to work for CHAPLIN'S and CHAPLIN'S MIDTOWN. Starting in April, 2005, IRS undercover agents made three cash purchases exceeding \$10,000 from SEHER at retail locations operated by the corporate defendants. Although the law requires trades and businesses to report cash transactions in amounts of more than \$10,000 to the IRS using specific forms (Form 8300), audio and video recordings show SEHER suggesting that agents to give false information for transaction records, instructing them as to how avoid currency reporting requirements, and making "choking gestures" indicating that agents were saying too much about their involvement in the drug trade. Finding that the money laundering activities that SEHER engaged in with drug dealers on behalf of both corporate defendants were broader in scope than those charged in the indictment, the Court's Order concluded that forfeiture of all of both CHAPLIN'S and CHAPLIN'S MIDTOWN'S

inventories and forfeiture of all funds seized from CHAPLIN'S MIDTOWN'S corporate bank accounts were proportional to the gravity of the offenses that each defendant committed.

On August 28, 2007, Judge Batten sentenced CHAPLIN'S MIDTOWN to serve five years on probation, to pay a \$250,000 fine and a \$1,600 special assessment. On that same day, Judge Batten sentenced CHAPLIN'S to serve a five year probated sentence, to pay a \$100,000 fine and an \$800 special assessment. On December 14, 2007, Judge Batten sentenced SEHER to serve a total of six years in prison, and pay a \$700 special assessment.

This case was investigated by Internal Revenue Service and the Drug Enforcement Administration.

Assistant United States Attorneys Evan Weitz and Jenny R. Turner prosecuted the case.

For further information please contact Sally Q. Yates, Acting United States Attorney, or Charysse L. 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.