



**U. S. Department of Justice**

United States Attorney  
Northern District of Illinois

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**U.S. INDICTS 10 DEFENDANTS ARRESTED FOR ALLEGEDLY TRAFFICKING  
MILLIONS OF UNSTAMPED, UNTAXED CIGARETTES IN UNDERCOVER STING**

CHICAGO — At an undercover warehouse in suburban Hickory Hills, defendants allegedly brought millions of dollars in cash, firearms, narcotics, and counterfeit cigarette tax stamps to purchase millions of unstamped, untaxed cigarettes from two cooperating individuals working undercover with federal agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives. Altogether, between March 2010 and March 2012, defendants allegedly paid more than \$20 million to buy more than 100 million cigarettes without paying Cook County and State of Illinois taxes. The investigation resulted in federal charges against more than a dozen defendants, including a veteran Cook County sheriff's police officer.

Following their arrest on March 13, 2012, 10 of those defendants were formally charged in six indictments that were returned yesterday by a federal grand jury, while other defendants remain charged in complaints that were filed previously. The indictments were announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Andrew L. Traver, Special Agent-in-Charge of the Chicago Office of ATF; and Thomas M. Jankowski, Acting Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago. The Illinois

Department of Revenue and the Hickory Hills Police Department provided valuable assistance in the investigation.

“The distribution of untaxed cigarettes deprives the state and county of significant revenue and this investigation shows that we will work aggressively to ensure that those who allegedly traffic in contraband cigarettes are prosecuted,” Mr. Traver said.

According to court documents, distributors or wholesalers of cigarettes in Illinois must apply for and receive a license from the Illinois Department of Revenue. Licensed distributors must also purchase tax stamps from the state and Cook County and affix the stamps to each pack of cigarettes that they sell, evidencing proof that the taxes have been paid. Beginning in March 2010, two cooperating individuals (CS1 and CS2) sold unstamped cigarettes under the direction of ATF agents, and they recorded their telephone conversations and in-person meetings with their customers. After October 2010, the vast majority of sales of unstamped cigarettes occurred at an undercover warehouse operated by ATF agents, with hidden cameras capturing audio and video recordings of meetings between CS1 and CS2 and their customers.

Between June 2011 and February, 2012, a pending criminal complaint alleges that **Lawrence E. Draus**, also known as “Eric,” 33, of Peotone, and his father, **Lawrence A. Draus**, also known as “Larry,” 62, of Lansing, a Sheriff’s Police officer who was assigned to the Special Operations Division, Vice Unit, in Maywood, conspired to commit extortion by obtaining at least \$10,000 to protect the cigarette trafficking from the warehouse. Lawrence E. Draus, was also charged with purchasing contraband cigarettes. Both defendants were released on bond and the charges remain pending.

The following six indictments were returned yesterday against a total of 10 defendants, all of whom were released on bond following their arrest in March and will be arraigned on later dates in U.S. District Court:

**United States v. Mustafa Mohd Shaikh, 12 CR 166**

**Mustafa Mohd Shaikh**, 47, of Tinley Park, was charged with 17 counts of trafficking contraband cigarettes, two counts of money laundering, and two counts of filing false federal income tax returns in a 21-count indictment. Between March 2010 and February 2012, Shaikh allegedly conducted at least 66 transactions in which he paid the two cooperating individuals more than \$9 million for more than 32 million unstamped cigarettes. The indictment seek forfeiture of at least \$680,000, including \$600,000 that was seized when Shaikh was arrested, as well as an additional \$37,200 that was seized a day later from two bank accounts and his residence, and two vehicles that were seized, a 2012 Infiniti QX56 and a 2009 Nissan Altima. One money laundering count alleges that Shaikh attempted to illegally transfer money to Jordan, and the tax counts allege that he under-reported his total income on his 2010 and 2011 income tax returns.

**United States v. Zulfiqar Alvi and John James, 12 CR 173**

**Zulfiqar Alvi**, 62, of Justice, was charged with four counts of trafficking contraband cigarettes and two counts of filing false federal income tax returns, and **John James**, 66, of Bourbonnais, was charged with three counts of trafficking contraband cigarettes and one count of possessing and selling counterfeit tax stamps, in an eight-count indictment. Alvi allegedly conducted approximately 69 transactions in which he paid the two cooperating individuals more than \$4 million for more than 32 million unstamped cigarettes. James allegedly conducted 11 transactions in which he paid approximately \$675,000 for more than 6 million unstamped cigarettes. Alvi also allegedly under-reported his total income on his 2010 and 2011 income tax returns.

**United States v. Aiman Othman, 12 CR 168**

**Aiman Othman**, 32, of Oak Lawn, was charged with seven counts of trafficking contraband cigarettes, one count of money laundering, two counts of illegally possessing firearms as a previously convicted felon, and one count of dealing firearms without a license in an 11-count indictment. Othman allegedly conducted 44 transactions in which he paid the two cooperating individuals more than \$3.4 million and provided 161 firearms in exchange for more than 23.1 million unstamped cigarettes. The indictment seeks forfeiture of approximately 161 firearms that were seized during the investigation and a 2008 Cadillac Escalade.

**United States v. Firas el Matari and Ammar el Matari, 12 CR 171**

**Firas el Matari**, 37, and his brother, **Ammar el Matari**, 33, both of Tinley Park, were each charged with one count of conspiracy to traffic contraband cigarettes in an 11-count indictment. Firas el Matari was also charged with seven counts of trafficking contraband cigarettes and one count of possessing and selling counterfeit tax stamps, while Ammar el Matari was also charged with six counts of trafficking contraband cigarettes. Together, they allegedly conducted approximately 25 transactions in which they paid more than \$3.3 million for more than 23 million unstamped cigarettes.

**United States v. Mohammad al Sakhleh and Mahmoud al Qaisi, 12 CR 170**

**Mohammad Al Sakhleh**, 27, of Merced, Calif., and **Mahmoud Al Qaisi**, 41, of Justice, were each charged with one count of conspiracy to traffic contraband cigarettes in a five-count indictment. Al Sakhleh was also charged with one count each of trafficking contraband cigarettes and money laundering, while Al Qaisi was also charged with two counts of trafficking contraband cigarettes. The charges allege that Al Sakhleh obtained contraband cigarettes bearing counterfeit New York and New Jersey tax stamps, and that Al Qaisi would find buyers for the cigarettes. Together, they allegedly purchased approximately 3.6 million cigarettes for more than \$450,000. The indictment seeks forfeiture of \$100,000 that was seized when they were arrested, as well as an additional \$159,000 from Al Sakhleh in alleged money laundering proceeds.

**United States v. Victoria Jaber and Chadia Abueid, 12 CR 172**

**Victoria Jaber**, 30, of Chicago, and **Chadia Abueid**, 32, of Chicago, were each charged with one count of conspiracy to traffic contraband cigarettes in a 13-count indictment. Jaber was also charged with five counts of trafficking contraband cigarettes, two counts of possessing and selling counterfeit tax stamps, and four counts of distributing cocaine, while Abueid was also charged with four counts of trafficking contraband cigarettes and three counts of possessing and selling counterfeit tax stamps. Together, Jaber and Abueid allegedly conducted 26 transactions in which they paid \$291,000 for more than 2.8 million unstamped cigarettes. They also exchanged approximately 100,000 counterfeit tax stamps for contraband cigarettes, which they resold for a profit, the charges allege. Jaber also allegedly distributed a total of approximately 4.9 kilograms of cocaine to one of the cooperating individuals.

The government is being represented by Assistant U.S. Attorneys Sunil R. Harjani, Christopher T. Grohman, and Scott V. Bruner.

The charges in these cases carry the following maximum penalties on each count:

conspiracy and trafficking contraband cigarettes — five years in prison and a \$250,000 fine;

possessing and selling counterfeit tax stamps — 10 years in prison and a \$250,000 fine;

money laundering — different statutes carry a maximum of either 20 years in prison and a \$500,000 fine, or 10 years and a \$250,000 fine, and both provide for an alternative fine totaling twice the amount of the funds involved in the transaction;

filing a false federal income tax return — three years in prison and a \$250,000 fine. In addition, a defendant convicted of tax offenses faces mandatory costs of prosecution and remains civilly liable to the Government for any and all back taxes, as well as a potential civil fraud penalty of up to 75 percent of the underpayment plus interest; and

distribution of cocaine — mandatory minimum of five years and a maximum of 40 years in prison and a maximum fine of \$5 million.

If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

The public is reminded that indictments and complaints contain only charges and are not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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