



UNITED STATES ATTORNEY'S OFFICE

Southern District of New York

U.S. ATTORNEY PREET BHARARA

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CONTACT: Herbert Hadad, Ellen Davis,
Carly Sullivan, Jerika Richardson
(917) 993-1900 / (212) 637-2600

ICE, HSI

Lynda Echegoyen, Luis Martinez
(646) 230-3289, (646) 313-2716

U.S. ATTORNEY CHARGES LAWYER AND BUSINESSMAN WITH CONSPIRING TO VIOLATE CUBA TRADE EMBARGO AND WITNESS TAMPERING

Lawyer Also Charged with Obstruction of Justice for Allegedly Lying Under Oath in White Plains Federal Court

Preet Bharara, the United States Attorney for the Southern District of New York, and James T. Hayes, Jr., the Special Agent-in-Charge of the New York Field Office of the U.S. Immigration and Customs Enforcement's ("ICE") Homeland Security Investigations ("HSI"), announced charges yesterday against attorney MARC E. VERZANI and his client ADEM ARICI, a businessman who invested millions of dollars in Cuban real estate. They are charged with violating the Trading with the Enemy Act, which prohibits unlicensed financial transactions with Cuban nationals, and with witness tampering. VERZANI is also charged with obstruction of justice. Both defendants were arrested yesterday – VERZANI at John F. Kennedy International Airport in Queens, New York, and ARICI in Englewood, New Jersey – and presented in White Plains Magistrate Court.

U.S. Attorney Preet Bharara stated: "As alleged, these defendants were prepared to place their business interests before compliance with a clearly established trade embargo with Cuba. They then allegedly engaged in a cover-up, which underscores the fact that their conduct was illegal. They will now be held to account for their crimes."

ICE HSI Special Agent-in-Charge James T. Hayes stated: "These individuals allegedly violated travel restrictions to Cuba to set up business deals to circumvent the trade embargo – in an attempt to line their pockets with ill-gotten profits. Protecting the integrity of our nation's imports and exports is among HSI's highest priorities."

According to the criminal Complaint filed in White Plains federal court, and statements made during the court proceedings:

Since 1962, the United States has maintained an economic embargo against Cuba. This embargo is enforced through various laws and regulations known as the Trading with the Enemy

Act ("TWEA"), as well as related federal regulations. With narrow exceptions, it prohibits all commercial transactions with Cuba or Cuban nationals unless licensed in advance by the Office of Foreign Assets Control ("OFAC").

In 2011, VERZANI traveled to Cuba with a third party, identified in the Complaint as the "CW," for the purpose of purchasing property. VERZANI told the CW to bring cash for a down payment and indicated that he would also be bringing money to purchase property. On September 8, 2011, VERZANI and the CW flew from Cancun, Mexico to Havana, Cuba. VERZANI paid for the flight by wire transferring the money to a Mexican travel agent through a Western Union money transmitter.

Upon arrival in Havana, VERZANI and the CW, with the assistance of a Cuban National employed by ARICI, exchanged their U.S. dollars for Cuban currency. While in Cuba, VERZANI and the CW met with ARICI, who showed them a hotel that he was building and a house that he owned. VERZANI and the CW decided not to purchase Cuban real estate, but they, along with ARICI, spent money on food, drinks, transportation, entertainment, and personal services. VERZANI and the CW left Cuba on September 13, 2011.

Under the Trading with the Enemy Act, ARICI and VERZANI, who are both U.S. citizens, are required to apply for licenses from OFAC before engaging in any financial transaction with a Cuban national. Records indicate that neither ARICI nor VERZANI applied for a license. Furthermore, ARICI had been specifically advised of the licensing requirements during a previous investigation into unlicensed Cuban travel. In addition, the Complaint alleges that ARICI and VERZANI engaged in witness tampering when, during several secretly recorded conversations, they instructed the CW to conceal from, and lie to, federal agents about their trip to Cuba.

The Complaint also alleges that in order to conceal his illegal travel, VERZANI obstructed justice and lied under oath during a proceeding in White Plains federal court. Specifically, in an October 2011 hearing, VERZANI gave false and misleading information in response to questions about this travel with ARICI to Cuba.

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VERZANI, 45, of Scarsdale, New York, and ARICI, 49, of Brooklyn, New York, are each charged conspiracy to violate the Trading with the Enemy Act and witness tampering. VERZANI is also charged with obstruction of justice. The conspiracy charge carries a maximum sentence of 5 years in prison and a maximum fine of \$250,000 or twice the gross gain or loss derived from the crime. The witness tampering charge carries a maximum sentence of 20 years in prison and a maximum fine of \$250,000 or twice the gross gain or loss derived from the crime. The obstruction of justice count carries a maximum sentence of 10 years in prison and a maximum fine of \$250,000 or twice the gross gain or loss derived from the crime.

Mr. Bharara praised the work of ICE HSI and the IRS Criminal Investigation Division in the investigation.

This case is being handled by the Office's White Plains Division. Assistant U.S. Attorneys Cynthia K. Dunne and Perry A. Carbone are in charge of the prosecution.

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

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