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Southern District of New York*

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**UNITED STATES RECOVERS \$4.3 MILLION
FROM NARCOTICS MONEY LAUNDERING**

LEV L. DASSIN the Acting United States Attorney for the Southern District of New York, announced today the entry of judgment granting the United States forfeiture of over \$4.3 million seized from bank accounts in New York that had been used to launder the proceeds of narcotics sales in Europe through the United Arab Emirates ("UAE") and into the United States.

According to the Verified Complaint previously filed in this action:

Law enforcement authorities in Italy learned through an investigation that began in 2004 that a network of Albanian narcotics traffickers operating in Italy distributed heroin and cocaine throughout Italy and then used a network of money remitters in Italy and other European countries, as well as in the UAE and Pakistan, to launder their drug proceeds. Several of the Albanians coordinated the transportation of heroin and cocaine from the Balkans to Italy, where the drugs were then distributed in various Italian cities. The Albanian narcotics trafficking organization also utilized "hawalas" -- informal networks of money remitting businesses commonly used in the Middle East to transfer money -- to move their narcotics proceeds out of Italy and into a financial network based in the UAE, among other places. NARESH JAIN KUMAR PATEL, who operated out of Dubai, UAE, controlled some or all of these hawalas.

On February 20, 2007, Dubai law enforcement authorities arrested PATEL and 39 other individuals associated with this extensive money laundering operation. PATEL and others have been charged with offenses contrary to the UAE's Anti-Money Laundering Legislation of 2002. In conjunction with the arrest of PATEL, Dubai law enforcement authorities executed numerous search warrants and recovered banking and wire transfer records demonstrating that PATEL directed transfers from entities under his control in Dubai, through various banks and exchange houses in Dubai, into various bank accounts at Man Financial in

Manhattan. Activity in the Man Financial accounts demonstrated that PATEL engaged in "layering," a money laundering technique that seeks to disguise the origin of funds by engaging in transactions that are designed merely to make tracing more difficult, and sham commodities trades in which he and his nominees would always suffer losses and other entities would enjoy profits -- all with no real change in trading position for either party. Such "wash" commodities trades have no commercial justification and resulted in the filing of a civil lawsuit by the U.S. Commodities and Futures Trading Commission ("CFTC") on April 5, 2007.

On May 18, 2007, the Government obtained a seizure warrant for the funds in the Man Financial accounts, as property involved in money laundering. On June 16, 2009, United States District Judge SIDNEY H. STEIN issued an Opinion and Order dismissing claims to the forfeited funds that had been filed by PATEL, KANTA NATH JAIN, and PANKAJ JAIN, HAINKE & ANDERSON TRADING LLC and TRADING CO. ("Claimants"), and ordered that judgment be entered in favor of the United States. As set forth in the Opinion and Order, the claims asserted by the Claimants were dismissed as a sanction for the Claimants' "willful and longstanding" violation of the Court's discovery orders. Today, Judge STEIN entered judgment in favor of the United States and ordered the forfeiture to the United States of over \$4.3 million in seized funds.

Mr. DASSIN praised the investigative work of the New York Organized Crime Drug Enforcement Strike Force, comprised of law enforcement agencies including the Drug Enforcement Agency, New York City Police Department, Immigration and Customs Enforcement, Internal Revenue Service, Federal Bureau of Investigations and the New York State Police. Mr. DASSIN also thanked the CFTC and the New York Mercantile Exchange for their role in discovering the suspicious commodities trading in several of the forfeited accounts.

This civil forfeiture action is being handled by the Asset Forfeiture Unit. Assistant United States Attorney JEFF ALBERTS is in charge of the case.

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