



*United States Attorney
Southern District of New York*

**FOR IMMEDIATE RELEASE
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LEADER OF MULTIMILLION-DOLLAR FRAUD RING PLEADS GUILTY

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and ANDREW CUOMO, the Attorney General of the State of New York, announced that TAHIR ALI KHAN pleaded guilty yesterday to a four-count superseding Information charging him with conspiracy to commit bank, wire and credit card fraud, and aggravated identity theft. ALI KHAN was the lead defendant in a 15 defendant, multi-count Indictment unsealed on August 15, 2007, and is the tenth defendant to plead guilty. According to the Indictment, the Superseding Information, other documents filed in the case, and statements made in court in connection with ALI KHAN's guilty plea:

ALI KHAN was the leader of a fraud ring (the "Khan Ring") that produced false identification documents purporting to have been issued by state and federal government authorities, including driver's licenses, resident alien cards, social security cards, and tax identification documents. The false identification documents were produced in the names of fraudulent identities, to which members of the Khan Ring referred to among themselves as "chickens." In order to build financial credit for these fake identities, the Khan ring fraudulently established bank accounts, credit card accounts, apartment leases, and telephone and utility accounts in the names of the "chickens." The Khan Ring also applied for and obtained lucrative bank loans, home mortgage loans, increased credit card limits, lines of credit, and other financial benefits in the names of the fraudulent identities or in the names of sham businesses supposedly operated by those fraudulent identities. The Khan Ring then defaulted on the loans and credit card debt, causing millions in losses to numerous financial institutions, including the Bank of America. Current loss estimates from the Khan Ring's fraudulent activities exceed \$20 million.

ALI KHAN is scheduled to be sentenced on February 10, 2009, at 4:30 p.m., before United States District Judge LORRETTA A. PRESKA. ALI KHAN faces a statutory maximum sentence of 14 years in prison, a maximum fine of \$250,000 or twice the gain or loss from the offense, and mandatory restitution to the victims of the offense. ALI KHAN, 32, has been held in custody since his arrest on August 15, 2007.

In addition to ALI KHAN, nine other defendants have pleaded guilty:

OSCAR SANCHEZ pleaded guilty on November 13, 2008 to one count of bank fraud, and is scheduled to be sentenced on February 10, 2009 at 4:00 p.m.

NAVEED ALI BHINDAR pleaded guilty on June 6, 2008 to one count of money laundering, and is scheduled to be sentenced on December 22, 2008, 10:30 a.m.

FRANKLIN RODRIGUEZ pleaded guilty on July 1, 2008, to three counts of conspiracy - to commit identification document fraud, bank fraud, and to transport and sell stolen vehicles - and is scheduled to be sentenced on February 11, 2009 at 4:00 p.m.

NADEEM KHAN pleaded guilty on July 31, 2008, to one count of conspiracy to commit identification document fraud, and was sentenced on November 24, 2008 to 46 months in prison.

MUHAMMAD ISHAQ pleaded guilty on September 26, 2008 to three counts of conspiracy - to commit identification document fraud, access device fraud, and bank fraud - and is scheduled to be sentenced on March 26, 2009, at 4:00 p.m.

BASHARAT JARRAL pleaded guilty on September 29, 2008, to one count of storage and sale of stolen vehicles, and is scheduled to be sentenced on January 6, 2009, at 4:00 p.m.

QAISER QURESHI pleaded guilty on October 27, 2008, to one count of conspiracy to commit identification document fraud, and is scheduled to be sentenced on February 11, 2009, at 4:30 p.m.

SHAHEEN MUKHTAR pleaded guilty on November 5, 2008, to one count of conspiracy to commit identification document fraud, and one count of wire fraud, and is scheduled to be sentenced on February 11, 2009 at 3:00 p.m.

FAYYAZ AHMED pleaded guilty on November 12, 2008, to one count of access device fraud, and is scheduled to be sentenced on February 17, 2009, at 10;00 a.m.

All of the defendants awaiting sentencing are scheduled to be sentenced by Judge PRESKA.

Criminal charges remain pending against the following defendants: ARIE BENSHIMON, SYED HASSAN, GHULAM MEHMOOD, and MOHAMMAD SHARIF. One defendant, SYED SHAH, remains a fugitive. As to these five defendants, the charges contained in the Indictment are merely accusations and the defendants are presumed innocent unless and until proven guilty.

The filing of these charges is the culmination of a 16-month investigation conducted by the New York State Attorney General's Office with the New York City Police Department, Federal Bureau of Investigation, New York State Police, the Hoover, Alabama Police Department, and the New York State Banking Department. Valuable assistance was provided by the Department of Homeland Security's U.S. Immigration and Customs Enforcement, the United States Postal Inspection Service, the New York State Department of Motor Vehicles, the Social Security Administration, and the United States Secret Service.

Mr. GARCIA praised the Attorney General's Office and the federal, state and local law enforcement agencies for their outstanding work in the investigation.

Assistant United States Attorneys LISA ZORNBERG and ANNA ARREOLA, and Assistant Attorney General MERYL LUTSKY -- who is designated as a Special Assistant U.S. Attorney in this case -- are in charge of the prosecution.

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