

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

-v.- :

ANTHONIE R. SPARROW, :
a/k/a "Ronnie Sparrow," and :
MASROOR A. KHAN, :
a/k/a "Maz Khan," :
a/k/a "Mazhar Akhtar," :
a/k/a "Mazhar Kahn," :

Defendants. :

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INDICTMENT

09 Cr.

09 CRIM. 1197

COUNT ONE

(Wire Fraud Conspiracy)

The Grand Jury charges:

The Defendants

1. At all times relevant to this Indictment, ANTHONIE

R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendant, was a United States citizen who was operating the New York offices of Lloyds & Associates Management Ltd. ("LAM"), a purported international collectible coin and precious metal business, and Pinnacle Depository Service ("Pinnacle"), a purported coin depository and secure storage entity.

2. At all times relevant to this Indictment, MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," the defendant, was a citizen of the United Kingdom who was operating the Spanish office of LAM.

The Fraudulent Scheme

3. From in or about February 2003, through and including in or about January 2005, MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, along with others known and unknown, engaged in a scheme to defraud by falsely soliciting investors to purchase, through LAM, purportedly valuable collectible coins. In truth and in fact, KHAN and SPARROW largely misappropriated the funds entrusted to them by the investors and spent only a small fraction of those funds on the purchase of coins. In the course of executing their scheme, the defendants and others caused numerous wire transfers of funds, totaling over \$15 million, to be transmitted from the investor victims in Europe to bank accounts held by SPARROW and his co-conspirators in New York, New York.

4. As a part of the fraudulent scheme, MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, held themselves out as the principals of LAM. KHAN was in charge of LAM's office in Spain and SPARROW was in charge of LAM's office in New York.

5. As a further part of the fraudulent scheme, MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," the defendant, through seminars and other methods, induced

European victims to invest in collectible coins, which KHAN led them to believe were rapidly increasing in value. KHAN instructed the investor victims to wire their funds to LAM's bank accounts in New York where, the investors were told, their funds would be used to purchase valuable coins on behalf of the investors.

6. In furtherance of the fraudulent scheme, ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendant, operated LAM's office in New York. SPARROW was in charge of the LAM bank accounts and controlled all of the investment proceeds. Contrary to the representations by MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," the defendant, and SPARROW to the investor victims, SPARROW spent only a small fraction of the investment funds provided to LAM on the purchase of coins. Instead, SPARROW transferred the majority of the investors' funds via wire to a bank account controlled by LAM in Cyprus.

7. As a further part of the fraudulent scheme, ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendant, maintained a website where the investor victims were given false and fraudulent information concerning the value of their investments in the coins that had purportedly been purchased on their behalf.

8. In furtherance of the scheme to defraud, MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, claimed that they kept the coins that they purchased for the investors at Pinnacle. SPARROW was also in charge of operating Pinnacle, but because most of the investor funds were diverted to Cyprus instead of being used to purchase coins, only a small number of coins were actually stored at Pinnacle.

9. In furtherance of the scheme to defraud and to lull its victims, when the investor victims asked to see the coins, ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendant, attempted to dissuade them from doing so. In the few cases where investor victims insisted on seeing the coins and traveled to New York, SPARROW staged elaborate ruses to prevent the investor victims from seeing any coins or only showed them a few coins.

10. In furtherance of the scheme to defraud, in or about 2004, MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, began to encourage the investor victims to convert the value of the coins that they purportedly owned through LAM into a real estate venture in Spain. The victims were told that their coins were increasing in value and that their Spanish real estate investment would be secured by the coins. Towards the end of 2004, a number of the

investor victims began to ask for the return of their coins and their investments. In furtherance of the scheme and to prevent its discovery, KHAN returned a small portion of a few of the European victims' investments.

11. In or about July 2004, ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendant, closed Pinnacle's offices in New York and a few months later, in or about January 2005, SPARROW sold the remaining coins and closed LAM's New York office.

12. As a result of the scheme to defraud perpetrated by MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, the investor victims lost their investments, totaling approximately \$15 million.

Statutory Allegation

13. From in or about February 2003, through in or about January 2005, MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit an offense against the United States, to wit, to violate Title 18, United States Code, Section 1343.

14. It was a part and an object of the conspiracy that MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, and others known and unknown, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, would and did transmit and cause to be transmitted by means of wire, radio, or television communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

Overt Acts

15. In furtherance of said conspiracy and to effect the illegal object thereof, MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, along with others known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about February 26, 2003, SPARROW opened a bank account ("LAM Account No. 1"), in the name of Lloyds and Associates Management at JP Morgan Chase Bank in New York, New York.

b. On or about July 9, 2003, SPARROW opened two additional bank accounts ("LAM Accounts No. 2 and 3," respectively), in the name of Lloyds and Associates Management LLC at JP Morgan Chase Bank in New York, New York.

c. On or about May 7, 2003, an European investor victim ("Victim 1") wired approximately \$73,500 to LAM Account No. 1.

d. On or about May 15, 2003, an European investor victim ("Victim 2") wired approximately \$55,300 to LAM Account No. 1.

e. From on or about July 25, 2003, to on or about February 19, 2004, SPARROW sent approximately 84 wire transfers, totaling approximately \$9,320,100, from LAM Account No. 2 to a bank account controlled by LAM in Cyprus.

f. From on or about July 17, 2003, to on or about July 7, 2004, SPARROW sent approximately 26 wire transfers, totaling approximately \$655,180, from LAM Account No. 3 to a bank account controlled by LAM in Cyprus.

g. From on or about March 7, 2003, to on or about August 5, 2003, SPARROW sent approximately 58 wire transfers, totaling approximately \$6,243,300, from LAM Account No. 1 to a bank account controlled by LAM in Cyprus.

h. In or about January 2005, SPARROW sold the remaining coins and closed the LAM offices in New York.

i. On or about January 20, 2005, the proceeds of the sale of the coins, approximately \$7,462, were deposited into LAM account No. 3 and approximately \$7,000 was withdrawn the next day in Spain.

(Title 18, United States Code, Section 1349.)

COUNT TWO
(Wire Fraud)

The Grand Jury further charges:

16. Paragraphs One through Twelve and Fifteen are repeated, realleged and incorporated by reference as if fully set forth herein.

17. From in or about February 2003, through in or about January 2005, in the Southern District of New York and elsewhere, MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a

"Ronnie A. Sparrow," the defendants, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, and in the course of executing such scheme transmitted and caused to be transmitted by means of wire communication in interstate commerce writings, signs, signals, pictures and sounds for the purpose of executing such scheme and artifice, namely, KHAN and SPARROW, along with others, engaged in a scheme to defraud by falsely and fraudulently representing that investors

would receive valuable collectible coins in exchange for their investments, and in the course of executing the scheme caused numerous wire transfers of funds, totaling over \$15 million, to be transmitted from victims in Europe to bank accounts held by SPARROW and his co-conspirators in New York, New York.

(Title 18, United States Code, Sections 1343 and 2.)

COUNT THREE

(Money Laundering Conspiracy)

The Grand Jury further charges:

18. Paragraphs One through Twelve and Fifteen are repeated, realleged and incorporated by reference as if fully set forth herein.

The Money Laundering Conspiracy

19. From in or about February 2003, through in or about January 2005, MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, and others known and unknown, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to commit offenses against the United States, to wit, to violate Title 18, United States Code, Sections 1956(a)(1)(B)(i), 1956(a)(2)(B)(i) and 1957(a).

20. It was a part and an object of the conspiracy that MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A.

Sparrow," the defendants, along with others known and unknown, in an offense involving and affecting interstate and foreign commerce, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, would and did conduct and attempt to conduct such a financial transaction which in fact involved the proceeds of specified unlawful activity, to wit, wire fraud, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of specified unlawful activity, in violation of Section 1956(a)(1)(B)(i) of Title 18, United States Code.

21. It was further a part and an object of the conspiracy that MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, and others known and unknown, in an offense involving and affecting interstate and foreign commerce, would and did transport, transmit, and transfer, and attempt to transport, transmit, and transfer monetary instruments and funds from a place in the United States to and through a place outside the United States, knowing that the monetary instruments and funds involved in the transportation, transmission, and transfer represented the proceeds of some form of unlawful activity and knowing that such transportation, transmission, and transfer was designed in whole

or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, to wit, wire fraud, in violation of Title 18, United States Code, Section 1956(a)(2)(B)(i).

22. It was further a part and an object of the conspiracy that MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, and others known and unknown, in an offense that took place in the United States, would and did knowingly engage and attempt to engage in monetary transactions in and affecting interstate and foreign commerce by, through and to a financial institution, in criminally derived property of a value greater than \$10,000, such property having been derived from a specified unlawful activity, to wit, wire fraud, in violation of Title 18, United States Code, Section 1957(a).

Overt Acts

23. Among the means and methods by which MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, along with others known and unknown, would and did carry out the objects of the money laundering conspiracy were the following:

a. From on or about July 25, 2003, to on or about February 19, 2004, SPARROW sent approximately 84 wire transfers, totaling approximately \$9,320,100, from LAM Account No. 2 in New York to a bank account controlled by LAM in Cyprus.

b. From on or about July 17, 2003, to on or about July 7, 2004, SPARROW sent approximately 26 wire transfers, totaling approximately \$655,180, from LAM Account No. 3 in New York to a bank account controlled by LAM in Cyprus.

c. From on or about March 7, 2003, to on or about August 5, 2003, SPARROW sent approximately 58 wire transfers, totaling approximately \$6,243,300, from LAM Account No. 1 to a bank account controlled by LAM in Cyprus.

d. On or about January 20, 2005, the proceeds of the sale of the coins, approximately \$7,462, were deposited into LAM account No. 3 and approximately \$7,000 was withdrawn the next day in Spain.

(Title 18, United States Code, Section 1956(h)).

Forfeiture Allegations

24. As the result of committing the wire fraud offenses in violation of Title 18, United States Code, Sections 1343 and 1349, alleged in Counts One and Two of this Indictment, MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the defendants, shall forfeit to the United States

pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that represents or is traceable to the gross receipts obtained, directly and indirectly, from the commission of the offenses, including but not limited to the following:

a. At least \$16,000,000 in United States currency, in that such sum in aggregate is property that represents or is traceable to the gross receipts obtained as a result of the offenses, conspiracy to commit wire fraud and wire fraud.

25. As the result of committing the money laundering offense alleged in Count Three of this Indictment, MASROOR A. KHAN, a/k/a "Maz Khan," a/k/a "Mazhar Akhtar," a/k/a "Mazhar Kahn," and ANTHONIE R. SPARROW, a/k/a "Ronnie A. Sparrow," the ~~defendants, shall forfeit to the United States pursuant to 18~~ U.S.C. § 982, all property, real and personal, involved in the said money laundering offense and all property traceable to such property, including but not limited to the following:

a. At least \$16,000,000 in United States currency, in that such sum represents in aggregate property which was involved in the money laundering offense or is traceable to such property.

Substitute Asset Provision

26. If any of the above-described forfeitable property, as a result of any act or omission of the defendants-

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendants up to the value of the forfeitable property.

(Title 18, United States Code, Sections 981, 982;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)



Preet Bharara

PREET BHARARA
United States Attorney

JSK

