

APPROVED: Rebekah Donaleski **18 MAG 6752**
REBEKAH DONALESKI
Assistant United States Attorney

BEFORE: THE HONORABLE KATHARINE H. PARKER
United States Magistrate Judge
Southern District of New York

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UNITED STATES OF AMERICA : SEALED COMPLAINT

- v. - :

MUHAMMAD KHALID KHAN, : Violations of
a/k/a "KK," : 21 U.S.C. §§ 963 & 959;
: 18 U.S.C. § 1956, 3238,
: and 2.

Defendant.

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SOUTHERN DISTRICT OF NEW YORK, ss.:

STEPHEN CASEY, being duly sworn, deposes and says that he is a Special Agent of the Drug Enforcement Administration ("DEA"), and charges as follows:

COUNT ONE
(Attempted Narcotics Importation)

1. From at least in or about October 2017, up to and including in or about August 2018, in the Southern District of New York and elsewhere, and in an offense begun and committed out of the jurisdiction of any particular State or district, MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, who is expected to be first brought to and arrested in the Southern District of New York, intentionally and knowingly attempted to distribute a controlled substance, intending, knowing, and having reasonable cause to believe that such substance would be unlawfully imported into the United States and into waters within a distance of 12 miles of the coast of the United States, from a place outside thereof, in violation of Sections 959(a) and 963 of Title 21, United States Code.

2. The controlled substance involved in the offense was one kilogram and more of mixtures and substances containing a detectable amount of heroin, in violation of Sections 812, 960(a)(3), and 960(b)(1)(A) of Title 21, United States Code.

(Title 21, United States Code, Sections 963 and 959(d);
Title 18, United States Code, Section 3238.)

COUNT TWO
(International Promotional Money Laundering)

3. From at least in or about October 2017, up to and including in or about August 2018, in the Southern District of New York and elsewhere, MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, transported, transmitted, and transferred, and attempted to transport, transmit, and transfer, a monetary instrument and funds from a place in the United States to and through a place outside the United States, and to a place in the United States from and through a place outside the United States, with the intent to promote the carrying on of specified unlawful activity, that is, narcotics trafficking and money laundering, to wit, KHAN caused funds to be transmitted from individuals outside the United States to individuals within the United States, including in New York, New York, with the intent to promote the carrying on of a narcotics trafficking and money laundering business.

(Title 18, United States Code, Sections 1956(a)(2)(A) and 2.)

COUNT THREE
(International Concealment Money Laundering)

4. From at least in or about October 2017, up to and including in or about August 2018, in the Southern District of New York and elsewhere, MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, transported, transmitted, and transferred, and attempted to transport, transmit, and transfer, a monetary instrument and funds from a place in the United States to and through a place outside the United States, and to a place in the United States from and through a place outside the United States, knowing that the monetary instrument 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 and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, that is, illegal narcotics trafficking and money laundering, to wit, KHAN caused funds to be transmitted from individuals outside the United States to individuals within the United States, including New York, New York, with the intent to conceal and disguise the nature and source of the funds,

which funds derived from a narcotics trafficking and money laundering business.

(Title 18, United States Code, Sections 1956(a)(2)(B)(i) and 2.)

The bases for my knowledge and the foregoing charges are as follows:

5. I have been a DEA Special Agent since 1998. I am currently assigned to the DEA Special Operations Division's Bilateral Investigations Unit, which focuses on international criminal activities. During my time as a DEA Special Agent, I have become familiar with some of the ways in which narcotics traffickers operate, and have participated in numerous investigations involving international drug trafficking. This affidavit is based on my communications with other law enforcement officers and other individuals, and on my review of various reports and records. Because this affidavit is being submitted for the limited purpose of establishing probable cause for the offenses cited above, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of communications with others and statements by others are reported herein, they are reported in substance and in part, except where otherwise indicated.

Overview

6. As set forth in greater detail below, since at least in or about October 2017, MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, an Asia-based drug trafficker, has attempted to import large quantities of heroin into the United States, and has laundered drug proceeds from Australia into the United States. Specifically, over the past approximately 11 months, KHAN has participated in a meeting and numerous recorded telephone calls, and has exchanged electronic communications with individuals whom KHAN understood to be affiliated with an international drug trafficking and money laundering organization, for the purpose of arranging to import heroin into the United States and launder drug proceeds into the United States. One of these individuals was, in fact, a DEA confidential source (the "CS"¹). One of these individuals was a

¹ The CS has been a paid DEA confidential source since approximately 2017. Information provided by the CS has been deemed reliable and has been corroborated by independent evidence, including audio/video recordings and other source information.

foreign undercover law enforcement agent ("UC-1"), and another of these individuals was, in fact, an undercover DEA agent ("UC-2"; collectively, the "UCs").

7. In or around October 2017, the CS met with MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, in a country in Southwest Asia ("Country-1"). During the course of that conversation, the CS and KHAN discussed executing a large-scale heroin deal with UC-2, as well as laundering drug proceeds from Australia to the United States. See infra ¶ 14.

8. Beginning in approximately November 2017, MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, communicated with the UCs by telephone. See infra ¶ 15. For purposes of this investigation, the UCs posed as partners in a large-scale narcotics trafficking business based in the United States and Australia; UC-1 was responsible for Australia, while UC-2 was responsible for the United States. During the calls and messages, which were saved and/or recorded, KHAN and the UCs discussed, among other things, arranging for KHAN to provide the UCs with large quantities of heroin for shipment to, among other places, the United States and Australia, as well as laundering drug proceeds from Australia to the United States.

9. Between in or about December 2017 and June 2018, MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, laundered, from Australia to the United States, hundreds of thousands of dollars of what KHAN believed to be the UCs' narcotics proceeds. See infra ¶¶ 16, 21.

10. In or around January 2018, MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, agreed to provide a sample shipment of approximately four kilograms of heroin (the "Four Kilo Shipment") to the UCs in a country in Southwest Asia ("Country-2"). See infra ¶ 18. The UCs had explained that the UCs would transport half of the heroin from Country-2 to New York, and the other half of the heroin to Australia. KHAN and the UCs agreed that, following the successful importation of the Four Kilo Shipment into the United States and Australia, the UCs would purchase larger, multi-hundred kilogram quantities of heroin from KHAN for importation to and distribution within the United States and Australia.

11. In or about March 2018, MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, communicated by telephone with UC-2 to arrange for the pickup of the Four Kilo Shipment in a city in Country-2. See infra ¶ 19. On or about March 24, 2018, a DEA

employee, posing as an associate of UC-2, picked up the Four Kilo Shipment in Country-2, and subsequently delivered the Four Kilo Shipment to DEA agents in Country-2.

12. On or about March 26, 2018, UC-1 arranged to deliver payment for the Four Kilo Shipment to an associate of MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, in Australia. See infra ¶ 19.

13. Throughout April to June 2018, the UCs continued to communicate with MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, by phone. During those conversations, which were recorded, KHAN agreed to provide the UCs with hundreds of additional kilograms of heroin for importation into the United States. See infra ¶ 20.

The Investigation

October 2017: The Defendant Communicates with the CS Concerning a Heroin Transaction and International Money Laundering

14. Based on my conversations with other law enforcement officers involved in this investigation, my review of DEA reports, and my review of foreign law enforcement reports, I have learned, among other things, the following:

a. In or about October 2017, at the DEA's direction, the CS visited MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, in Country-1. During a meeting with KHAN, the CS told KHAN that the CS worked with a U.S.-based drug trafficker who wanted to move drug proceeds from Australia to the United States, and to purchase heroin from KHAN for importation into the United States.

b. KHAN told the CS to pass KHAN's contact information to the CS's customer, i.e., UC-2. Shortly thereafter, the CS provided UC-2's contact information to KHAN through an intermediary.²

² The CS directed a sub-source, who was unaware of the DEA's investigation or the CS's role in it, to provide UC-1's contact information to KHAN on the CS's behalf.

**November 2017: The Defendant Communicates with the UCs
Concerning a Heroin Transaction and International Money
Laundering**

15. Based on my conversations with other law enforcement officers involved in this investigation, my review of DEA reports, and my review of foreign law enforcement reports, I have learned, among other things, the following:

a. On or about November 9, 2017, UC-2 participated in several phone calls with KHAN. During those conversations, which were recorded, the following was discussed, in substance and in part:

i. UC-2 introduced himself as the CS's friend, and provided his name as "Abdullah."³

ii. UC-2 explained that he had money in Australia that he wanted KHAN to move to New York, in the amount of "every two weeks or every three weeks, about a hundred thousand dollars each time." UC-2 explained that the funds in Australia were proceeds from drug trafficking by telling KHAN, "I have some products that I need to, some stuff I need to sell, and so I have about a hundred of them, but once I get the money for that I just need some help with you, for you to free the money from that also." Based on my training, experience, and conversations with UC-2, I understand "products" to refer to kilograms of heroin. KHAN replied, "okay," and told UC-2 "yes, I would, I would do that for you." UC-2 and KHAN agreed to continue their conversation on an electronic messaging application ("Application-1").

b. Later on or about November 9, 2017, UC-2 exchanged messages with KHAN on Application-1. During the conversations, which were saved, the following was discussed, in substance and in part:

³ UC-2 initially posed as "Abdullah," the Australia-based drug trafficking partner. However, after the November 9, 2017 communications referenced above, UC-1 (rather than UC-2) proceeded to communicate with MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, while posing as "Abdullah." Beginning in or about January 2018, UC-2 began communicating with KHAN while posing as "Ahmad," the U.S.-based drug trafficking partner.

i. KHAN introduced himself to UC-2 as "Haji Khalid," and used the same telephone number as he had in the November 9, 2017 telephone calls, see supra ¶ 15(a).

ii. UC-2 told KHAN, "I need help with a few things, move my money out of Australia and I need a new supplier to sell me products at a low rate." KHAN responded, "I will help."

December 2017-January 2018: The Defendant Lauanders Drug Proceeds from Australia to the United States and Canada

16. Based on my conversations with other law enforcement officers involved in this investigation, my review of DEA reports, and my review of foreign law enforcement reports, I have learned, among other things, the following:

a. Between in or about November 2017 and January, 2018, UC-1 exchanged messages with MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, on Application-1, posing as "Abdullah." During the conversations, which were saved, the following was discussed, in substance and in part:

i. Between in or about November 2017 and January 2018, KHAN agreed to launder approximately AU\$100,000 (i.e., Australian dollars), which represented drug proceeds from UC-1's narcotics distribution, from Australia to Canada, and subsequently did so.

ii. On or about November 29, 2017, UC-1 wrote KHAN that "cash is ready," referring to the AU\$100,000 in drug proceeds that UC-1 and KHAN had agreed to move from Australia to Toronto, Canada.

iii. On or about December 12, 2017, KHAN wrote UC-1, "my boy ready" and provided a telephone number for his associate in Australia.

b. On or about December 15, 2017, an undercover foreign law enforcement officer contacted KHAN's associate at the number KHAN had provided, and subsequently provided KHAN's associate with AU\$100,000 in Australia.

c. On December 15, 2017, KHAN wrote UC-1 on Application-1, which message was saved, to confirm that KHAN had received "100k."

d. On or about December 20, 2017, an undercover Canadian law enforcement agent, posing as UC-1's associate, picked up the money, which equaled approximately C\$87,000 (i.e., Canadian dollars), in Toronto, Canada, from an individual KHAN identified as his associate.

e. Between in or about December 30, 2018, UC-1 exchanged messages with KHAN on Application-1. During the conversation, which was saved, the following was discussed, in substance and in part:

i. On or about December 30, 2017, UC-1 asked KHAN to transfer AU\$130,000 from Melbourne, Australia to my [people] in New York," to which KHAN replied "Ok." On or about January 8, 2018, KHAN gave UC-1 the number for KHAN's associate who would pick up UC-1's money in Melbourne, Australia.

f. On or about January 8, 2018, an undercover law enforcement officer, posing as UC-1's associate, delivered AU\$130,000 to KHAN's associate in Australia.

g. On or about January 12, 2018, KHAN, through his New York-based associate, delivered approximately \$10,000 to an individual posing as UC-1's New York-based associate, who was in fact an undercover law enforcement officer.

h. On or about January 20, 2018, UC-1 exchanged messages with KHAN on Application-1. During the conversation, which was saved, the following was discussed, in substance and in part:

i. UC-1 wrote KHAN to ask when the money would be available for pickup in New York, writing that the delay had "delay[ed] my coke shipments. Causing me problems. This is part payment of a load of coke and everyone is waiting for next payment." KHAN responded on January 20, 2018, that UC-1 would receive the money that day, and noted that he (KHAN) had conducted this business "in amirca [sic] last 15 years."

i. On or about January 30, 2018, UC-2 exchanged messages with KHAN on Application-1. During the conversations, which were saved, the following was discussed, in substance and in part:

i. KHAN told UC-2 that KHAN had \$30,000 available for pickup in New York, and \$50,000 available for

pickup in Dallas. KHAN forwarded UC-2 the number for his associate in New York, from whom UC-2 could pick up the cash.

j. On or about January 31, 2018, KHAN, through his Dallas-based associate, delivered approximately \$50,000 to an individual posing as UC-1's associate, who was in fact an undercover law enforcement officer.

k. On or about February 7, 2018, KHAN, through his New-York based associate, delivered approximately \$10,000 to an individual posing as UC-1's associate, who was in fact an undercover law enforcement officer.

January 2018: The Defendant Plans to Import Heroin into the United States and Australia

17. Based on my conversations with other law enforcement officers involved in this investigation, my review of DEA reports, and my review of foreign law enforcement reports, I have learned, among other things, the following:

a. On or about January 8, 2018, UC-2 participated in a telephone call with MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant. During the conversation, which was recorded, the following was discussed, in substance and in part:

i. UC-2 introduced himself as Abdullah's — meaning UC-1's — New York-based drug trafficking partner, "Ahmad." UC-2 and KHAN agreed to communicate on Application-1.

b. On or about January 10, 2018, UC-2 exchanged messages with KHAN on Application-1. During the conversations, which were saved, the following was discussed, in substance and in part:

i. KHAN introduced himself to UC-2 as "Khalid," and noted that he also goes by "k.k."

ii. UC-2 asked KHAN, "can you introduce me to your supplier? I'm looking for [a] new supplier that can supply good quality mal," and noted that UC-2 had customers in "New York and Australia." Based on my conversations with UC-2, I understand that "mal" is a foreign-language word used in Country-2 to refer to "stuff," meaning heroin.

iii. UC-2 told KHAN that UC-1 and UC-2 were looking to buy "500 kilo," and more specifically, "200 [pieces]

for New York and 300 [pieces] for Australia." UC-2 explained that "first we want to buy [a] small sample" for "my customers to test the quality. If we like it, then we will buy large amount." KHAN responded with an emoji indicating "ok," and wrote UC-2 "yes."

**February 2018: The Defendant Agrees to Sell the UCs the Four
Kilo Shipment for Importation into the United States and
Australia**

18. Based on my conversations with other law enforcement officers involved in this investigation, my review of DEA reports, and my review of foreign law enforcement reports, I have learned, among other things, the following:

a. On or about February 6, 2018, UC-2 exchanged messages with KHAN on Application-1. During the conversations, which were saved, the following was discussed, in substance and in part:

i. UC-2 told KHAN that UC-2 was interested in purchasing heroin from Country-2. When asked if KHAN could sell heroin to UC-2 and send that heroin to New York, KHAN replied, "Yess 100%."

ii. KHAN agreed to sell heroin to the UCs "in [Country-1] or [Country-2]," which UC-2 would then transport to New York and Australia. UC-2 explained, "First I want to buy 4 kilograms as a sample to test the product. 2 Kg will come to New York[,] 2 kg will go to Melb[ourne], Australia. After my customers in New York and Melbourne test the product and if they are happy, I will order more from you." KHAN responded, "Ok no problem." UC-2 told KHAN that "I sell \$65,000 per kg in New York and \$110,000 per kg in Melbourne, Australia." KHAN replied, "Ok good."

iii. KHAN and UC-2 agreed that KHAN would enter into a heroin-trafficking partnership in which KHAN would supply the heroin and share in the profits of the sale of that heroin, which would be sold in the United States and Australia, with the UCs. UC-2 wrote: "I will make you rich," to which KHAN responded with heart emojis and smiling emojis, and wrote: "we will help each other." KHAN promised UC-2 that the quality of his heroin was "strong."

b. On or about March 3, 2018, and March 9, 2018, 2018, UC-2 and KHAN spoke during a telephone call. During the

conversation, which was recorded, the following was discussed, in substance and in part:

i. On or about March 3, 2016, KHAN asked UC-1, "can u recived [sic] good in austrila [sic] in water by ship." UC-1 confirmed, in sum and substance, that he could receive goods, a reference to heroin, by water in Australia.

ii. On March 9, 2018, UC-1 asked KHAN, "need 4 kg sample I will send two to [UC-2] and two to me." UC-1 and KHAN then agreed on the price for the Four Kilo Shipment and that KHAN would deliver the Four Kilo Shipment to UC-2's associate in a city in Country-2. UC-1 asked KHAN if the Four Kilo Shipment was "good," and whether KHAN could then "send bulk on ship," a reference to sending bulk quantities of heroin by ship. KHAN responded, "Yesss I can send 100 kg 200 kg in ship."

March 2018: The Defendant Delivers the Four Kilo Shipment

19. Based on my conversations with other law enforcement officers involved in this investigation, my review of DEA reports, and my review of foreign law enforcement reports, I have learned, among other things, the following:

a. On or about March 12, 2018, UC-2 and MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, spoke during a telephone call. During the conversation, which was recorded, the following was discussed, in substance and in part:

i. UC-2 asked KHAN when he could prepare the Four Kilo Shipment, and KHAN confirmed that it was "ready." KHAN explained that he could deliver the Four Kilo Shipment to UC-2's associate in a city in Country-2.

ii. UC-2 confirmed that from the Four Kilo Shipment, two kilograms of heroin would be sent to New York, and two kilograms of heroin would be sent to Australia.

iii. KHAN told UC-2, in sum and substance, that he was capable of supplying up to 1,000 kilograms of heroin at a time.

b. On or about March 23, 2018, UC-2 and KHAN exchanged messages on Application-1. During the conversation, which was saved, the following was discussed, in substance and in part:

i. UC-2 told KHAN that if the Four Kilo Shipment was "good," UC-2 would need "150 kg for New York and 100 kg for Australia." KHAN replied "No problem," and promised that "I can supply 1000 kg[,] 10,000 kg" but that he wanted a "share." Later, UC-2 and KHAN confirmed again that they would sell heroin going forward in a partnership.

c. On or about March 24, 2018, UC-2 and KHAN spoke during a telephone call. During the conversation, which was recorded, the following was discussed, in substance and in part:

i. KHAN called UC-2 to confirm that KHAN's associate was ready to deliver the Four Kilo Shipment in Country-2.

ii. KHAN told UC-2, in sum and substance, that KHAN had produced the Four Kilo Shipment "fresh" for UC-2, and that KHAN could stockpile and deliver heroin to the UC-2 at any time. KHAN reported that he told his "associates" that the "stuff" was "going far away" and needed to be good quality. Based on my training, experience, and conversations with UC-2, I understand that KHAN was confirming that he directed the individuals at the heroin lab that produced the Four Kilo Shipment that the heroin should be high quality, because it would be traveling a significant distance.

iii. KHAN asked UC-2 how long it would take for the "stuff" to arrive; UC-2 reported that it would take approximately one-and-a-half months to transport the heroin to New York.

iv. Later that day, UC-2 called KHAN to confirm that UC-2's associate had received the Four Kilo Shipment. KHAN promised to provide contact information for his associate in Australia to whom UC-1 could direct payment for the Four Kilo Shipment. Finally, UC-2 told KHAN that UC-2 would be meeting with his customers in New York to discuss a future larger deal, to which KHAN replied that they should do a large deal "soon."

d. On or about March 24, 2018, the Four Kilo Shipment was delivered to a foreign service national in Country-2 who was working on behalf of the DEA (the "FSN") posing as an associate of UC-2. Later that same day, the FSN provided the Four Kilo Shipment to DEA agents in Country-2. The Four Kilo Shipment field-tested positive for the presence of heroin. The total weight of the Four Kilo Shipment was approximately four kilograms.

e. On or about March 26, 2018, UC-1 provided payment, in the amount of approximately AU\$20,000, for the Four Kilo Shipment to KHAN's representative in Melbourne, Australia, who was the same individual who had picked up money on behalf of KHAN on or about January 8, 2018, see supra ¶ 16(f). Following the delivery of payment for the Four Kilo Shipment in Australia, KHAN confirmed to UC-2, in sum and substance, that he had in fact received the payment.

f. Also on or about March 26, 2018, UC-2 exchanged messages with KHAN on Application-1. During the conversations, which were saved, the following was discussed, in substance and in part:

i. KHAN again offered to send UC-2 "1 to 5kg" of heroin by mail to New York, and promised that the heroin was a "strong formula."

March - August 2018: The Defendant Plans to Import Larger Quantities of Heroin into the United States and Australia

20. Based on my conversations with other law enforcement officers involved in this investigation, and my review of DEA reports, and my review of foreign law enforcement reports, I have learned, among other things, the following:

a. On or about March 28, 2018, UC-2 and MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, spoke during a telephone call. During the conversation, which was recorded, the following was discussed, in substance and in part:

i. KHAN asked UC-2 for an address in New York to which KHAN could send "products," meaning heroin. UC-2 explained that because he and his associates were wholesale distributors of heroin, they did not traffic in small amounts of heroin. UC-2 asked if KHAN could send products, i.e., heroin, to Australia. KHAN told UC-2, in sum and substance, that he preferred to send heroin to New York. KHAN explained that he had sent "products" to New York in the past and it had worked out, which I understand to be a reference to KHAN having successfully sent heroin to New York in the past.

ii. KHAN asked UC-2 if he was capable of receiving shipments on the open sea, to which UC-2 responded in the affirmative. KHAN asked UC-2 what he planned to do after receiving the Four Kilo Shipment in New York. UC-2 told KHAN that he was interested in purchasing 100 to 150 kilograms of

heroin for importation to New York, and 100 kilograms of heroin for importation to Melbourne. KHAN agreed.

b. On or about April 3, 2018, UC-1 and KHAN exchanged messages on Application-1. During the conversation, which was saved, the following was discussed, in substance and in part:

i. KHAN asked UC-1 if he had associates in Canada, because KHAN had "150 kg" of "opium" for sale in Toronto.

ii. Later that day, referring to the Four Kilo Sample, KHAN asked UC-1 "have you transfer[ed] 4 kg from Afghan?" UC-1 responded "Yes yes. It's on its way. Takes month to get to Australia and the other 2, month and half to New York I'm sure it's good. We just need to make arrangements for big load." KHAN replied "Ohhhh good[.] Next time U will give me share But make setting bro I have my own ship I have my own captain I can be reached any where in water." Based on my conversations with UC-2, I understand KHAN to have offered to deliver a "big load" of heroin by ship anywhere in the world, because KHAN would use his own ship and boat captain to deliver the heroin.

c. On or about May 29, 2018, UC-1 and KHAN exchanged messages on Application-1. During the conversation, which was saved, the following was discussed, in substance and in part:

i. KHAN told UC-1 that KHAN would be in a country in West Africa ("Country-3") from June 19 to 20, 2018, and asked UC-1 to come to Country-3 to meet with him to discuss their heroin trafficking partnership.

d. On or about June 18, 2018, UC-2 and KHAN exchanged messages on Application-1. During the conversation, which was saved, the following was discussed, in substance and in part:

i. KHAN told UC-2 that he was in Country-3 and would be there for four days. KHAN asked UC-2 to meet him in Country-3 to discuss future business, but UC-2 reported that he was "in the middle of selling the last load I received and collecting them money for our deal with you."

ii. KHAN asked UC-2 if he could "receive[]" in water," which I understand to be a reference to receiving a

shipment of heroin in open water by ship. UC-2 replied in the affirmative, and KHAN wrote that he was "ready" because he had a "big ship." When UC-2 asked if the ship could "travel to Australia and New York," KHAN replied "Yesssssss Any Wheree Austrila [sic] is near but Amrica is faar [sic]" and confirmed that "we can do by pa[rt]nership."

e. On or about June 18, 2018, UC-2 and KHAN exchanged messages on Application-1. During the conversation, which was saved, the following was discussed, in substance and in part:

i. KHAN wrote UC-2 to check in regarding the status of the Four Kilo Shipment. KHAN asked UC-2 if he had sold the Four Kilo Shipment, and what the "price in amirca [sic]" was. UC-2 replied that the Four Kilo Shipment had sold for \$70,000 a kilogram, to which KHAN responded "Wowwww."

ii. UC-2 told KHAN that UC-2 was ready to meet in August to discuss the next large heroin transaction. KHAN responded that he was "afraid to meet" because "America[n] jail[s are] very hard" and that KHAN will "Die" in jail. Nonetheless, KHAN wrote that he was willing and available to meet the UCs.

f. On or about June 29, 2018, UC-2 and KHAN exchanged messages on Application-1. During the conversation, which was saved, the following was discussed, in substance and in part.

i. KHAN told UC-2, in sum and substance, that he had 200 kilograms of heroin in a country in East Africa ("Country-4"), and asked if UC-2 was interested in purchasing any of it for \$9,500 per kilogram. KHAN also offered to ship the heroin from Country-4 to Australia.

May - June 2018: The Defendant Launderers Additional Drug Proceeds from Australia to New York

21. Based on my conversations with other law enforcement officers involved in this investigation, my review of DEA reports, and my review of foreign law enforcement reports, I have learned, among other things, that:

a. Between in or about May 9, 2018, and May 15, 2018, UC-1 and MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, exchanged messages on Application-1. During the conversations,

which were saved, the following was discussed, in substance and in part:

i. On or about May 9, 2018, KHAN facilitated for UC-1 a money transfer of AU\$120,000 from Melbourne, Australia, to New York.

ii. On May 15, 2018, KHAN sent UC-1 the name and New York-based telephone number for the contact from whom the money would be made available in New York.

b. Between in or about June 2, 2018, and June 5, 2018, UC-2 and KHAN exchanged messages on Application-1. During the conversations, which were saved, the following was discussed, in substance and in part:

i. On or about June 2, 2018, KHAN sent UC-2 the name and number for his "guy in New York," in order to facilitate the money delivery.

ii. On June 5, 2018, KHAN asked UC-2 to confirm that "50k paid already plz confirm," to which UC-2 replied that the money had been picked up.

c. On or about June 5, 2018, an undercover law enforcement officer ("UC-3") in New York contacted an unknown man ("UM-1") at the number provided by KHAN. UM-1 subsequently met UC-3 and gave UC-3 \$50,000.

d. On or about June 13, 2018, UC-3 again met UM-1, who gave UC-3 approximately \$100,000.

July 2018: Identification of the Defendant


22. Based on my conversations with other law enforcement officers involved in this investigation, my review of DEA reports, and my review of foreign law enforcement reports, I have learned, among other things, that:

a. In or about July 2018, law enforcement agents obtained a copy of the passport of "Muhammad Khalid Khan" from immigration authorities in Country-3. According to immigration records obtained from Country-3, "Muhammad Khalid Khan" entered Country-3 on or about June 19, 2018, see supra ¶ 20(c).

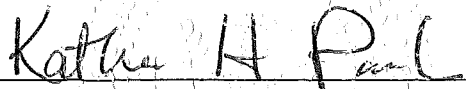
b. Law enforcement agents showed the photograph in the "Muhammad Khalid Khan" passport to the CS, who positively

identified that individual as MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant.

WHEREFORE, your deponent respectfully requests that a warrant be issued for the arrest of MUHAMMAD KHALID KHAN, a/k/a "KK," the defendant, and that he be arrested and imprisoned, or bailed, as the case may be.


STEPHEN CASEY
Special Agent
Drug Enforcement Administration

Sworn to before me this
7th day of August, 2018


THE HONORABLE KATHERINE H. PARKER
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK