

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA	)	12 CR 173
	)	
v.	)	Violations: Title 18, United States
	)	Code, Sections 2315 and 2342(a),
ZULFIQAR ALVI and	)	and Title 26, Section 7206(1)
JOHN JAMES	)	
	)	

**COUNT ONE**

The SPECIAL SEPTEMBER 2011 GRAND JURY charges:

1. At times material to this indictment:

a. As used in this indictment, "contraband cigarettes" means a quantity in excess of 10,000 cigarettes, which bear no evidence of the payment of applicable taxes of the State of Illinois and Cook County, Illinois, which require a stamp or other indication to be placed on packages and other containers of cigarettes to evidence payment of cigarette taxes.

b. Defendants ZULFIQAR ALVI and JOHN JAMES were not persons authorized to possess contraband cigarettes within the meaning of Title 18, United States Code, Section 2341(2).

2. On or about June 14, 2010, at Justice, in the Northern District of Illinois,

Eastern Division, and elsewhere,

ZULFIQAR ALVI,

defendant herein, did knowingly receive, possess, purchase, and distribute in excess of 10,000 contraband cigarettes;

In violation of Title 18, United States Code, Section 2342(a).

**COUNT TWO**

The SPECIAL SEPTEMBER 2011 GRAND JURY further charges:

1. The allegations in paragraph one of Count One of this indictment are incorporated here.

2. On or about October 26, 2010, at Lombard, in the Northern District of Illinois, Eastern Division, and elsewhere,

ZULFIQAR ALVI and  
JOHN JAMES,

defendants herein, did knowingly receive, possess, purchase, and distribute in excess of 10,000 contraband cigarettes;

In violation of Title 18, United States Code, Sections 2342(a) and 2.

**COUNT THREE**

The SPECIAL SEPTEMBER 2011 GRAND JURY further charges:

1. The allegations in paragraph one of Count One of this indictment are incorporated here.

2. On or about May 24, 2011, at Hickory Hills, in the Northern District of Illinois, Eastern Division, and elsewhere,

ZULFIQAR ALVI and  
JOHN JAMES,

defendant herein, did knowingly receive, possess, purchase, and distribute in excess of 10,000 contraband cigarettes;

In violation of Title 18, United States Code, Sections 2342(a) and 2.

**COUNT FOUR**

The SPECIAL SEPTEMBER 2011 GRAND JURY further charges:

1. The allegations in paragraph one of Count One of this indictment are incorporated here.

2. On or about March 2, 2012, at Hickory Hills, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOHN JAMES,

defendant herein, did knowingly receive, possess, purchase, and distribute in excess of 10,000 contraband cigarettes;

In violation of Title 18, United States Code, Section 2342(a).

**COUNT FIVE**

The SPECIAL SEPTEMBER 2011 GRAND JURY further charges:

On or about March 2, 2012, at Hickory Hills, in the Northern District of Illinois,  
Eastern Division, and elsewhere,

**JOHN JAMES,**

defendant herein, knowingly possessed and sold counterfeited tax stamps, which were a part  
of and constituted interstate commerce, knowing that the stamps had been counterfeited;

In violation of Title 18, United States Code, Section 2315.

**COUNT SIX**

The SPECIAL SEPTEMBER 2011 GRAND JURY further charges:

1. The allegations in paragraph one of Count One of this indictment are incorporated here..

2. On or about March 2, 2012, at Hickory Hills, in the Northern District of Illinois, Eastern Division, and elsewhere,

ZULFIQAR ALVI,

defendant herein, did knowingly receive, possess, purchase, and distribute in excess of 10,000 contraband cigarettes;

In violation of Title 18, United States Code, Section 2342(a).

**COUNT SEVEN**

The SPECIAL SEPTEMBER 2011 GRAND JURY further charges:

1. At times material to this indictment:
  - a. Defendant ZULFIQAR ALVI resided in Illinois.
  - b. During calendar years 2010 and 2011, defendant ALVI engaged in the receipt, possession, purchase, and distribution of contraband cigarettes and earned income from that criminal activity.
  - c. Defendant ALVI was required to report his income to the Internal Revenue Service, including gross or net income derived from his cigarette transactions on his federal income tax return (Forms 1040 and 1040A).

2. On or about February 15, 2011, in the Northern District of Illinois, Eastern Division,

ZULFIQAR ALVI,

defendant herein, willfully did make and subscribe, and cause to be made and subscribed, a United States Individual Income Tax Return (Form 1040 and accompanying schedules) for calendar year 2010, on behalf of himself and his spouse, which return was verified by a written declaration that it was made under penalties of perjury, and was filed with the Internal Revenue Service, and which return he did not believe to be true and correct as to every material matter, in that it was stated in that return, line 22, that defendant's total income was \$34,467, when, in fact, defendant knew and believed that his total income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(1).



**COUNT EIGHT**

The SPECIAL SEPTEMBER 2011 GRAND JURY further charges:

1. The allegations in Paragraph One of Count Seven of this indictment are incorporated here.
2. On or about February 17, 2012, in the Northern District of Illinois, Eastern

Division,

ZULFIQAR ALVI,

defendant herein, willfully did make and subscribe, and cause to be made and subscribed, a United States Individual Income Tax Return (Form 1040 and accompanying schedules) for calendar year 2011, on behalf of himself and his spouse, which return was verified by a written declaration that it was made under penalties of perjury, and was filed with the Internal Revenue Service, and which return he did not believe to be true and correct as to every material matter, in that it was stated in that return, line 22, that defendant's total income was \$34,187, when, in fact, defendant knew and believed that his total income substantially exceeded that amount;

In violation of Title 26, United States Code, Section 7206(1).

## **FORFEITURE ALLEGATION**

The SPECIAL SEPTEMBER 2011 GRAND JURY further charges:

1. The allegations of Counts 1 through 6 are incorporated here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. As a result of the violations of Title 18, United States Code, Section 2342(a) of the foregoing indictment,

ZULFIQAR ALVI and  
JOHN JAMES,

defendants herein, 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(c), any and all right, title and interest in property, real and personal, which constitutes and is derived from proceeds traceable to the charged offenses.

3. The interest of the defendants subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(A) and Title 28, United States Code, Section 2461(c) include, but is not limited to, United States Currency in the form of proceeds traceable to the sale of contraband cigarettes.

4. If any of the forfeitable property described above, as a result of any act or omission by the defendant:

- 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,

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c);

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

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FOREPERSON

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UNITED STATES ATTORNEY