ORIGINAL FILED

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

SEP 1 0 2010

CLAIRE C. CECCHI, U.S.M.J.

UNITED STATES OF AMERICA	:	
	:	**CRIMINAL COMPLAINT**
-v-	:	
	:	**Mag. No. 10-4145(CCC)**
MAHDI SOCARA,	:	
a/k/a "MAHDI SAKARA,"	:	
a/k/a "MAHDI SOKARA,"	:	
a/k/a "MEHDI SACARA," and	:	
a/k/a "ROGER LEE VLAAR."	:	

I, Robert E. Van Etten, Jr., being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent with the U.S. Department of Homeland Security Immigration & Customs Enforcement and that this Complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.

Robert E. Van Etten, Jr., Special Agent
U.S. Department of Homeland Security
Immigration & Customs Enforcement

Sworn to before me and subscribed in
my presence,
September 10, 2010, in Newark, New Jersey

Claire C. Cecchi

HONORABLE CLAIRE C. CECCHI
UNITED STATES MAGISTRATE JUDGE

ATTACHMENT A

COUNT ONE

(Violating the International Emergency Economic Powers Act and the Iranian Transactions Regulations)

From in or about June 2005 through in or about July 2010, in the District of New Jersey and elsewhere, defendant

MAHDI SOCARA

unlawfully, willfully and knowingly violated and caused violations of orders, regulations and prohibitions issued under the International Emergency Economic Powers Act, Title 50, United States Code, Sections 1701 through 1706, by conducting financial transactions and money remitting services without a license or permit issued pursuant to the Iranian Transactions Regulations, 31 Code of Federal Regulations, Part 560, and in so doing caused the prohibited importation of goods and services of Iranian origin, contrary to Title 31, Code of Federal Regulations, Section 560.201 and the prohibited exportation, sale and supply of goods and services to Iran, contrary to Title 31, Code of Federal Regulations, Section 560.204.

In violation of Title 50, United States Code, Section 1705 and Title 18, United States Code, Section 2.

COUNT TWO

(Conducting an Unlicensed Money Transmitting Business)

From in or about June 2005 through in or about July 2010, in the District of New Jersey and elsewhere, defendant

MAHDI SOCARA

knowingly conducted, controlled, managed, supervised, directed and owned all and part of an unlicensed money transmitting business affecting interstate and foreign commerce, and said business (a) operated without an appropriate money transmitting license in New Jersey, where such operation is punishable as a felony in the State of New Jersey, pursuant to N.J.S.A. §§ 17:15C-4 and 17:15C-24.; and (b) failed to comply with the money transmitting business registration requirements under Section 5330 of Title 31, United States Code, and regulations prescribed under such section.

In violation of Title 18, United States Code, Sections 1960 and 2.

ATTACHMENT B

I, Robert E. Van Etten, Jr., a Special Agent of the U.S. Department of Homeland Security Immigration & Customs Enforcement, am aware of the following facts as a result of having conducted an investigation and after having spoken with other law enforcement officials and witnesses:

1. The International Emergency Economic Powers Act (the "IEEPA"), Sections 1701 to 1706 of Title 50 of the United States Code, grants to the President of the United States a broad spectrum of powers necessary to "deal with any unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States, if the President declares a national emergency with respect to such threat." 50 U.S.C. § 1701(a).

2. Pursuant to IEEPA, the President of the United States is authorized, among other things, to "investigate, regulate, or prohibit—(I) any transactions in foreign exchange, (ii) transfers of credit or payments between, by, through, or to any banking institution, to the extent that such transfers or payments involve any interest of any foreign country or a national thereof, [and] (iii) the importing and exporting of currency or securities." 50 U.S.C. § 1702(a)(1)(A). Also pursuant to IEEPA, the President is authorized, among other things, to "investigate, block during the pendency of an investigation, regulate, direct and compel, nullify, void, prevent or prohibit, any acquisition, holding, withholding, use, transfer, withdrawal, transportation, importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest by any person, or with respect to any property, subject to the jurisdiction of the United States." 50 U.S.C. § 1702(a) (1) (B). The President exercises these IEEPA powers through Executive Orders that impose economic sanctions to address particular emergencies and delegate IEEPA powers for the administration of those sanctions programs.

3. On or about March 15, 1995, President William J. Clinton issued Executive Order 12957, which, among other things, stated that "the actions and policies of the Government of Iran constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States," and therefore declared "a national emergency to deal with that threat." At all times relevant to this Complaint, Presidents of the United States have exercised their authority to continue the national emergency declared in Executive Order 12957 through successive presidential notices.

4. On May 6, 1995, the President issued Executive Order 12959, which imposed comprehensive trade and financial sanctions on Iran (the "Iran Trade Embargo"). The Iran Trade Embargo prohibits, among other things, the exportation, reexportation, sale, or supply, directly or indirectly, to Iran of any goods, technology, or services from the United States or by a United States person. The Iran Trade Embargo also prohibits any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, any prohibition set forth in the Iran Trade Embargo.

5. On August 19, 1997, the President issued Executive Order 13059 consolidating and clarifying the previous orders. The Iran Trade Embargo has been continued and has been in effect at all times relevant to this Complaint. Executive Order 12957, as expanded by Executive Orders 12959 and 13059 (collectively, the "Executive Orders") was in effect at all times relevant to this Complaint.

6. The Executive Orders authorize the Secretary of the Treasury, in consultation with the Secretary of State, to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of the Executive Orders. Pursuant to this authority, the Secretary of the Treasury promulgated the Iranian Transactions Regulations (the "ITR") 31 C.F.R. Part 560, to implement the sanctions imposed by the Executive Orders. Within the Department of the Treasury, the Office of Foreign Assets Control (the "OFAC") is responsible for administering the ITR and adjudicating requests for licenses to engage in transactions otherwise prohibited by the ITR.

7. At all times relevant to this Complaint, the ITR has provided the following:

a. 31 C.F.R. § 560.201 prohibits "the importation into the United States of any goods or services of Iranian origin or owned or controlled by the Government of Iran, other than information and informational materials."

b. 31 C.F.R. § 560.204 prohibits "the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, technology, or services to Iran or the Government of Iran . . . including the exportation, reexportation, sale, or supply of any goods, technology, or services to a person in a third country undertaken with knowledge or reason to know that: (a) Such goods, technology, or services are intended specifically for supply, transshipment, or reexportation, directly or indirectly, to Iran or the Government of Iran; or (b) Such goods, technology, or services are intended specifically for use in the production of, for commingling with, or for incorporation into goods, technology, or services to be directly or indirectly supplied, transshipped, or reexported exclusively or predominantly to Iran or the Government of Iran";

c. 31 C.F.R. § 560.203 prohibits "[a]ny transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions contained in [the ITR]";

d. 31 C.F.R. § 560.206(a) prohibits a United States person, wherever located, from engaging "in any transaction or dealing in or related to: (1) Goods or services of Iranian origin or owned or controlled by the Government of Iran; or (2) Goods, technology, or services for exportation, reexportation, sale or supply, directly or indirectly, to Iran or the Government of Iran." 31 C.F.R. § 560.206(b) clarifies that "the term *transaction or dealing* includes but is not limited to purchasing, selling, transporting, swapping, brokering, approving, financing, facilitating, or guaranteeing."

e. 31 C.F.R. § 560.314 defines a "*United States person*" as, in relevant part, any United States citizen, permanent resident alien or any person in the United States.

f. Under the ITR, any United States person who wishes to engage in a transaction otherwise prohibited by the ITR must first file an application for a license and receive approval from OFAC. 31 C.F.R. §§ 560.500, 560.501, and 501.801.

8. This investigation began when ICE agents received information that MAHDI SOCARA was involved in illegal activity, to include money laundering. On or about July 20, 2010, ICE agents arrested MAHDI SOCARA based on an outstanding order of deportation.

9. Upon his administrative arrest, MAHDI SOCARA was advised of and waived his Miranda rights. MAHDI SOCARA then agreed to make a statement to ICE agents. He provided the following information, in sum and substance:

a. MAHDI SOCARA operated a money transmitting business to remit funds between the United States and Iran with a relative, who resides in Iran.

b. MAHDI SOCARA and his relative charged customers a $25.00 fee for each money transmitting transaction.

c. When a customer in Iran wants to get money to a person in the United States, the customer will give that sum of money to MAHDI SOCARA's relative in Iran. The relative then calls MAHDI SOCARA and tells him to give that same amount of money to the designated beneficiary. This procedure is reversed when a customer in the United States wants to get money to a recipient in Iran except that MAHDI SOCARA initiates the money transmission. MAHDI SOCARA's money transmitting business is known as a "hawala," and MAHDI SOCARA is known as a "hawaladar" as is his relative in Iran. When a transaction is made using a hawala, no physical currency is transferred or wired overseas. The coordination of money transfers takes place between the hawaladars and the customers with the currency being transferred within each country.

d. MAHDI SOCARA and his relative alone ran the hawala.

e. MAHDI SOCARA is a well-known hawaladar, and he boasted that he offered the best service in New York City.

f. MAHDI SOCARA had a telephone that he used for his hawala business so that he could communicate with his relative.

g. When his hawala business was at its peak, MAHDI SOCARA transferred approximately $500,000.00 a year on behalf of his customers. During non-peak times, MAHDI SOCARA transferred approximately $100,000.00 a year.

h. MAHDI SOCARA transferred money in his hawala business only for people that he was familiar with.

i. MAHDI SOCARA has a friend who resides in Iran. This friend collects monthly benefits from the U.S. Social Security Administration. The monthly benefits are direct-deposited into a Citibank checking account in the United States. MAHDI SOCARA transfers the amount of the monthly benefits to his friend in Iran through his hawala business. MAHDI SOCARA then withdraws that amount from his friend's Citibank account using his friend's debit card.

10. Pursuant to a search warrant issued by the Honorable Mark Falk, on July 22, 2010, ICE agents searched MAHDI SOCARA's residence at an apartment in Nutley, New Jersey.

11. During that search, over 850 bank deposit and withdrawal slips from approximately 11 different banking institutions were discovered among MAHDI SOCARA's personal belongings. The deposit and withdrawal slips contained over 200 different account numbers. These deposit records indicate that MAHDI SOCARA deposited over $2,000,000.00 into numerous United States bank accounts from in or about June 2005 through in or about July 2010.

12. Among the 850 bank slips were 6 deposit slips for deposits made in New York and New Jersey Citibank branches to an account held in the name of A.A. On August 17, 2010, ICE agents conducted a telephone interview with A.A., who lives in California. A.A. stated that she is the account holder for this account. When asked about the 6 deposits made to her account from New York and New Jersey Citibank branches, A.A. stated that her father, who resides in Iran, gave money to a friend in Iran who then contacted a person in New York to deposit that sum in A.A.'s account. A.A. stated that the deposits were always made in cash. A.A. stated that she does not know her father's friend in Iran, and she does not know the person who made cash deposits to her account.

13. Based on my training and experience in cases involving hawala businesses, the purpose of a hawaladar is to facilitate the movement of money for clients who are unable to do so via traditional banking systems. In this case, over 850 deposit and withdrawal slips associated with over 200 separate accounts were seized during the execution of the search warrant. MAHDI SOCARA's possession of such voluminous amounts of bank records indicates that he is a hawaladar depositing money into beneficiary customer's United States bank accounts. The bank

records corroborate MAHDI SOCARA's post-arrest statements that he operated a hawala in the United States.

14. A forensic examination report conducted on the cell phone used by MAHDI SOCARA revealed several incoming, outgoing and missed calls from international phone numbers. Further review of the telephone numbers indicate that calls were made to and from Iran. These findings corroborate MAHDI SOCARA'S statements that he uses his cell phone to conduct his hawala business internationally.

15. The OFAC has searched its records for MAHDI SOCARA, MAHDI SAKARA, MAHDI SOKARA, MEHDI SACARA, ROGER LEE VLAAR and NOBEL ART INC., a business that has been associated with MAHDI SOCARA. This search has revealed that the OFAC has never received applications for licenses or issued licenses for these names for money remitting services pursuant to the ITR.

16. The New Jersey Department of Banking and Insurance has searched its records for MAHDI SOCARA, MAHDI SAKARA, MAHDI SOKARA, MEHDI SACARA, ROGER LEE VLAAR and NOBEL ART INC. This search has revealed that the New Jersey Department of Banking and Insurance has never issued a license for these names for money remitting services. Operating a money remitting service without an appropriate license is a felony in New Jersey State under N.J.S.A. §§ 17:15C-4 and 17:15C-24.

17. According to a Bank Secrecy Act Tax Law Specialist with the U.S. Department of the Treasury Internal Revenue Service, a Certification of Search for FinCEN Form 107 or TD F 90-22.55, Registration of Money Services Business, has been completed for MAHDI SOCARA, MAHDI SAKARA, MAHDI SOKARA, MEHDI SACARA, ROGER LEE VLAAR and NOBEL ART INC. This search has revealed that as of July 7, 2010, no registered FinCEN licenses were issued for these names for money transmitting businesses.