

Fact Sheet: The USA Patriot Act - A Proven Homeland Security Tool

Release Date: 12/14/05 00:00:00

The Department of Homeland Security (DHS) benefits significantly from the USA Patriot Act and urges the United States Congress to reauthorize this proven tool in the global war on terror.

The Patriot Act breaks down barriers to information sharing, enabling law enforcement and intelligence personnel to share information that is needed to help connect the dots and disrupt potential terror and criminal activity before they can carry out their plots. The broad information sharing provisions better enables U.S. Customs and Border Protection to screen international visitors and determine whether an apprehended alien presents a threat to security or public safety.

The Patriot Act also enhances DHS investigations into the international movement of illicit funds through money transmittal businesses, bulk cash smuggling and cyber crimes. The United States Secret Service, for example, has established 15 nationwide electronic crimes taskforces and 10 working groups to detect and stop computer-based crime. As part of Operation Firewall, last year the Secret Service arrested 28 individuals in eight states and six countries involved in a global cyber crime network. These suspects stole nearly 1.7 million credit card numbers.

As a result of their Patriot Act authorities, U.S. Immigration and Customs Enforcement (ICE) agents launched an investigative strategy to target the underlying financial systems that terrorist and other criminal organizations may exploit in raising, moving, and storing illicit funds. ICE seeks to deny criminal organizations access to these systems.

For example, new anti-money laundering provisions of the Patriot Act have allowed ICE to launch an unprecedented effort to combat the laundering of funds originating from foreign public corruption, bribery, or embezzlement. In 2003, ICE created the Foreign Corruption Task Force in Miami specifically to target funds being laundered in the United States that had been embezzled from foreign governments.

The ICE-led task force, which is the only one of its kind in the nation, seeks to prosecute violators, seize embezzled funds, and repatriate the money to the victimized governments. In one particular investigation, the task force has identified and seized millions of dollars worth of assets and property in South Florida that were purchased with funds embezzled from the government of Nicaragua by former Nicaraguan President Arnoldo Aleman and former Nicaraguan tax commissioner, Byron Jerez. Last year, ICE began returning some of this seized money to the government of Nicaragua.

Another system that has proven vulnerable to exploitation by criminal and terrorist organizations involves money transmittal businesses and related hawalas.

Using new provisions of the Patriot Act, ICE has launched a nationwide campaign against illegal/unlicensed money transmittal businesses that has resulted in the arrest of more than 155 individuals and 142 criminal indictments, over \$25 million in illicit profits seized, and several unlicensed money transmittal businesses shut down.

The following are examples of how the Patriot Act facilitated ICE investigations:

- On September 22, 2005, a key player in a scheme to illegally transfer more than \$100 million to Pakistan through a New Jersey money transmittal business was sentenced to nearly four years in prison as a result of an investigation by ICE and IRS agents. Umer Darr, a Pakistani native and naturalized U.S. citizen was first arrested in June 2003 along with five other men. ICE agents found that Darr and his associates were affiliated with a money transmitting firm called Access Inc. of USA, which operated out of a small, upstairs apartment of a suburban house. The business kept an unlisted number; did not advertise in the Yellow Pages, and could only be accessed through an unmarked rear door. Yet through this small hidden business, more than \$100 million in virtually untraceable funds were illegally moved to Pakistan. Several defendants in this ongoing case have been convicted.
- On September 16, 2005, a man who testified before the U.S. Senate shortly after 9/11 about the dangers of unlicensed money transmittal businesses was himself sentenced to jail for operating one of these illegal businesses. Rahim Bariiek of Herndon, Virginia, was sentenced to 18 months in jail for operating an illegal money transmitting business (commonly known as "hawala") without a license, in violation of provisions of the USA Patriot Act. In November 2001, Bariiek had testified before Congress about the need for hawala operators like himself to abide by federal laws governing such businesses. A subsequent ICE investigation revealed that Bariiek was in fact operating an illegal hawala that received at least \$4.9 million in funds to transfer to Iran and Pakistan. Bariiek also transmitted funds to Afghanistan after the September 11th terrorist attacks when

Pakistan. Banker also transmitted funds to Afghanistan after the September 11th terrorist attacks when Afghanistan was still under the control of the Taliban, and a base for Al-Qaeda operations.

- On September 13, 2005, ICE achieved the first ever conviction in the District of Columbia under Title 18 USC Section 1960 of the USA Patriot Act. Aissatou Pita Barry, 38, of Silver Spring, Maryland, pleaded guilty to operating an unlicensed money transmitting business that illegally wired more than \$15.5 million around the globe on behalf of 5,000 relatively unknown customers. Barry's company, Guinex International, never asked customers about the source of their funds, yet conducted roughly 65,000 transactions on their behalf. Barry and other Guinex employees also provided customers with the numbers of various bank accounts controlled by Barry and instructed customers that they could make deposits directly into those accounts. Pita-Barry was in the United States on a Diplomatic Passport that authorized her only to work at the Guinea Embassy.
- On August 11, 2005, a federal grand jury in Boston indicted Mario Viana, 39, and Julio Viana, 37, for operating an illegal money transmittal business. Mario Viana was also charged with four counts of alien smuggling. In addition, Julio Viana was charged with thirteen counts of structuring. The defendants allegedly assisted in smuggling aliens into the United States, charging some \$10,000 for each person. After being smuggled into the country, the illegal aliens would work at the Viana family business to repay the debt they incurred. The pair also allegedly operated an unlicensed money remittal business, wiring some \$1.1 million within the United States and abroad.
- On July 27, 2005, Ali Abdurahman, 37, pleaded guilty to federal charges of operating an unlicensed money transfer business in California that illegally funneled nearly \$2 million to the Middle East and other countries overseas. The charge against Abdurahman is the culmination of a probe by ICE that began more than two years ago after ICE received a tip from a San Francisco-based investigator for Bank of America regarding suspicious financial transactions in the Orange County area. ICE's investigation revealed that the airport shuttle driver deposited more than \$2.4 million into his personal accounts at several local banks. Financial records show he wired more than \$1.6 million of those funds overseas, primarily to the United Arab Emirates (UAE). One of Abdurahman's clients was an Ethiopian national named Abubakar Baharun. Baharun, 37, was recently arrested and indicted by a grand jury in Santa Ana in connection with a bank fraud and check-kiting scheme. ICE investigators revealed that Baharun used Abdurahman's money transmitter service to wire the proceeds from his illegal activities to an account in the UAE.
- On May 13, 2005, Eltaib Yousif, 41, a resident of Castro Valley, California, made his initial court appearance in federal court in San Francisco after being arrested by ICE agents on charges of operating an unlicensed money transmitting business. According to the indictment, Yousif illegally moved more than \$1.5 million outside the country between September 2001 and November 2003. The investigation began after San Francisco ICE agents received a tip from ICE agents in New York about suspicious deposits being made into accounts at Citibank branches there and in the Bay Area.
- On April 19, 2005, Seide Venord, the owner and anti-money laundering compliance officer for a Philadelphia money transfer firm was indicted on 23 counts of money laundering after an undercover ICE investigation. He faces a potential 860 years in prison and a \$21.5 million fine. The indictment alleges that Venord arranged 43 wire transfers of money totaling \$267,195 that he believed were proceeds of drug activity. He is also accused of structuring these transactions to evade federal currency transaction reporting requirements and permitting the use of false identification to conceal the true identity of the sender of the money.
- On March 22, 2005, ICE agents arrested Hossein Esfahani, in Lincolnwood, Illinois, on charges of operating an illegal money transmittal business and transferring funds to Iran in violation of the U.S. embargo on Iran. The criminal complaint alleges that Esfahani moved more than \$3.75 million to domestic and international locations from his unlicensed money service business in Illinois from 1999 through 2003. The majority of Esfahani's illegal money transmittals were directed to money exchanges in Dubai, United Arab Emirates. Those Dubai money exchanges, in turn, converted the wired funds into Iranian currency and then directed the funds to recipients throughout Iran, according to the complaint. During the enforcement action, Esfahani resisted arrest and ICE agents found a loaded .22 caliber pistol in his house that he was not licensed to possess.
- On March 15, 2005, ICE agents arrested Louay Habbal, 45, a naturalized U.S. citizen from Syria, for operating

- On March 15, 2005, ICE agents arrested Louay Habbal, 45, a naturalized U.S. citizen from Syria, for operating an unlicensed money transmittal business located at his Vienna, Virginia, residence. Habbal was arrested upon his arrival at Dulles International Airport in the United States on a flight from Damascus, Syria. The indictment alleges that Habbal operated a business called Mena Exchange that received funds from customers nationwide and deposited these funds in bank accounts in Virginia and elsewhere. After taking a portion of these funds as a fee, Mena Exchange transferred more than \$23 million to Syria and other nations between November 2001 and July 2004. ICE agents seized more than \$100,000 from the company's accounts.
- On November 4, 2004, a federal grand jury in Cleveland, Ohio, issued a 38-count indictment against Mohammad Anvari-Hamedani charging him with money laundering, illegal exports to Iran, and filing false tax returns. The ICE investigation revealed that Anvari-Hamedani illegally transferred more than \$4 million to Iran using bank accounts in the United States, Great Britain, and the United Arab Emirates. In addition, the investigation revealed that funds were also transferred to Iran using a "hawala" scheme using several individuals from various locations in the United States.
- On May 5, 2004, a federal grand jury in Philadelphia, PA, charged Michael Rakita, a local businessman and Russian émigré, with one count of operating an illegal money transmitting business and four counts of money laundering. The indictment alleges that from Jan. 1994 through Feb. 2002, Rakita operated an unlicensed money transfer business that wire transferred roughly \$680 million to numerous bank/investment accounts in Europe, the Caribbean, and the United States. The indictment further alleges that in 2000, Rakita laundered roughly \$250,000 in funds that he believed to be the proceeds of health care fraud. The case was investigated by ICE, the FBI, and the IRS.
- In 2003, Libardo Florez-Gomez was convicted of operating an unlicensed money remitting business and sentenced to 18 months incarceration. Florez-Gomez had arrived in Miami on a flight from overseas in October 2002. Upon his arrival, border inspectors discovered that he had failed to declare approximately \$182,000 worth of Eurodollars. Inspectors also found documents that appeared to be from the Colombian government. Those documents and subsequent investigation by ICE determined that Florez-Gomez was a major financier for the Revolutionary Armed Forces of Colombia (FARC), a designated terrorist organization. Florez-Gomez was later charged with operating an unlicensed money transmittal business and convicted.