

Presented to the Court by the foreman of the Grand Jury in open Court, in the presence of the Grand Jury and FILED in the U.S. DISTRICT COURT at Seattle, Washington.

October 10 2019
WILLIAM M. McCOOL, Clerk
By [Signature] Deputy

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

ANTHONY EDWIN PAUL and
THEODORE KAI SILVA,

Defendants.

CR19-194 RSL

INDICTMENT

The Grand Jury charges that:

COUNT 1

(Conspiracy to Commit Wire Fraud and to Receive, Possess, and Sell Contraband Smokeless Tobacco)

1. Beginning on a date unknown, but no later than January 2012, and continuing until on or about April 26, 2017, at Federal Way, and elsewhere, within the Western District of Washington, ANTHONY EDWIN PAUL and THEODORE KAI SILVA did knowingly and willfully combine, conspire, and agree among themselves and with other persons both known and unknown to the Grand Jury to commit offenses against the United States, to wit: wire fraud, in violation of Title 18, United States Code, Section 1343, and to ship, transport, receive, possess, sell, distribute, and purchase contraband smokeless tobacco, as that term is defined in Title 18, United States Code, Section 2341(7), in violation of Title 18, United States Code, Section 2342(a).

I. THE AGREEMENT

2. ANTHONY EDWIN PAUL and THEODORE SILVA, owner and manager, respectively, of three smoke shops located on the Puyallup Indian Reservation ("Puyallup Tribal Smoke Shops"), agreed with Hyung Il Kwon, Tae Young Kim, and others, to undertake and facilitate a multi-faceted scheme to evade Washington State tobacco taxes due from non-tribal tobacco wholesaler TK Mac Enterprises ("TK Mac") to the Washington State Department of Revenue ("WADOR") by, among other things, selling tobacco products to TK Mac partially in cash and partially by check, in an effort to allow TK Mac to drastically understate the amount of chewing tobacco products purchased from the Puyallup Tribal Smoke Shops, and by collaborating on a false-invoice scheme, which allowed TK Mac to fraudulently claim a tax credit for non-existent and sham tobacco product sales to the Puyallup Tribal Smoke Shops.

3. Additionally, by such actions, ANTHONY EDWIN PAUL and THEODORE KAI SILVA facilitated and conspired with Hyung Il Kwon and Tae Young Kim to receive, purchase, possess, transport, sell and distribute, contraband smokeless tobacco.

II. BACKGROUND

At all times relevant to this Indictment:

A. Entities and Individuals.

4. TK Mac purchased and sold wholesale cigarette and non-cigarette tobacco products. TK Mac had been licensed with the Washington State Department of Revenue (WADOR) as a cigarette wholesaler since May 2002, and as a tobacco product distributor since September 2005. TK Mac had two retail locations, one in Federal Way, Washington ("TK Mac South"), and the other in Lynnwood, Washington ("TK Mac North").

5. From 2001 through at least April 26, 2017, Tae Young Kim operated and managed TK Mac. Washington State Secretary of State records listed Tae Young Kim as the governing person holding all offices of TK Mac. Tae Young Kim shared in all business and

1 financial decisions related to TK Mac and submitted and caused the submission of Combined
2 Excise Tax Returns (CETRs) to WADOR on behalf of TK Mac.

3 6. From no later than 2012 through April 26, 2017, Hyung Il Kwon operated as
4 the true owner of TK Mac. Hyung Il Kwon and Tae Young Kim oversaw the business and
5 financial operations of TK Mac.

6 7. Riverside Smoke Shop ("Riverside"), D&A Smoke Shop ("D&A") and Valley
7 Smoke Shop ("Valley") were commonly owned smoke shops located on the Puyallup Indian
8 Reservation (collectively "Puyallup Tribal Smoke Shops"). K.P. was the listed owner of the
9 Puyallup Tribal Smoke Shops.

10 8. From no later than 2012 through, at least, April 26, 2017, Defendant
11 ANTHONY EDWIN PAUL operated as the true owner of the Puyallup Tribal Smoke Shops
12 and oversaw the business operations of the Puyallup Tribal Smoke Shops.

13 9. Beginning in or about 2012, ANTHONY EDWIN PAUL began to invest
14 money into TK Mac, through his friend, Hyung Il Kwon. In total, ANTHONY EDWIN
15 PAUL invested approximately \$400,000 into TK Mac. Over the next five years,
16 ANTHONY EDWIN PAUL invested approximately \$1.5 million in other businesses
17 controlled by Hyung Il Kwon. ANTHONY EDWIN PAUL never redeemed any of these
18 investments. ANTHONY EDWIN PAUL left the investments in Hyung Il Kwon's
19 businesses, where they accrued interest.

20 10. From no later than 2012 through, at least April 26, 2017, Defendant
21 THEODORE KAI SILVA operated as the general manager of Riverside. In that role,
22 THEODORE KAI SILVA was responsible for payment for tobacco and other products
23 purchased by the Puyallup Tribal Smoke Shops. THEODORE KAI SILVA also had
24 signature authority on the bank accounts of Riverside and D&A.

25 **B. Washington State Tobacco Tax Background**

26 11. Under Washington State law, all non-cigarette tobacco products were classified
27 as "tobacco products."
28

1 12. A “distributor” of tobacco products meant (a) any person engaged in the
2 business of selling tobacco products in this state who brings, or causes to be brought, into
3 this state from without the state any tobacco products for sale, (b) any person who makes,
4 manufactures, fabricates, or stores tobacco products in this state for sale in this state, (c) any
5 person engaged in the business of selling tobacco products without this state who ships or
6 transports tobacco products to retailers in this state, to be sold by those retailers, (d) any
7 person engaged in the business of selling tobacco products in this state who handles for sale
8 any tobacco products that are within this state but upon which tax has not been imposed.
9 RCW 82.26.010(8).

10 13. Tobacco products were taxed at various rates depending on the product.
11 RCW 82.26.020.

12 14. Under Washington State law, tobacco taxes were “levied and collected” upon
13 the sale, handling, or distribution of all tobacco products. RCW 82.26.020(1). The tobacco
14 taxes “must be imposed at the time the distributor (a) brings, or causes to be brought, into
15 this state from without the state tobacco products for sale, (b) makes, manufactures,
16 fabricates, or stores tobacco products in this state for sale in this state, (c) ships or transports
17 tobacco products to retailers in this state, to be sold by those retailers, or (d) handles for sale
18 any tobacco products that are within this state but upon which tax has not been imposed.”
19 RCW 82.26.020(2).

20 15. Federally recognized Indian tribes and enrolled tribal members conducting
21 business within the boundaries of an Indian reservation were not among the group of
22 “persons” that qualified as “distributors” under the statute, and thus were exempt from state
23 taxation for tobacco products under RCW 82.26.020. RCW 82.26.010(14).

24 16. If a tobacco distributor such as TK Mac sold tobacco products, on which
25 tobacco tax had previously been paid, to a federally recognized Indian tribal smokeshop, the
26 tobacco tax paid on the product could be claimed as a credit by the distributor on the next
27 WADOR CETR filed.
28

III. MANNER AND MEANS OF THE CONSPIRACY

17. Beginning no later than January 1, 2012, and continuing through April 26, 2017, at Federal Way, within the Western District of Washington, and elsewhere, ANTHONY EDWIN PAUL, THEODORE KAI SILVA, Tae Young Kim, Hyung Il Kwon, and others known and unknown to the Grand Jury, knowingly devised a scheme and artifice to defraud the Washington State Department of Revenue (WADOR) and others, to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and to possess, receive, transport and sell contraband smokeless tobacco, as further described below.

Tobacco Product Purchases from the Puyallup Tribal Smokeshops and Cash Sales by TK Mac.

18. Between January 2012 and April 26, 2017, Tae Young Kim and Hyung Il Kwon caused TK Mac to purchase tobacco products, including chewing tobacco, which met the definition of smokeless tobacco, as contained in Title 18, United States Code, Section 2341(6), from D&A, the significant majority of which purchases were made in cash, and the remainder of which were made by check.

19. The Puyallup Tribal Smoke Shops provided two invoices to TK Mac each time TK Mac purchased tobacco products: one invoice for tobacco products purchased with cash, and a separate invoice for tobacco products purchased with check.

20. TK Mac was the sole tobacco product purchaser allowed by ANTHONY EDWIN PAUL to purchase tobacco products by check from D&A. All other purchasers were limited to cash or credit card.

21. TK Mac was also the sole tobacco product purchaser allowed by ANTHONY EDWIN PAUL to purchase tobacco products on a line of credit from D&A. A running record of TK Mac's purchases of tobacco products and credits was tracked by D&A on a spreadsheet titled "Tiger," which was maintained separately from D&A's other customer purchase records. Versions and portions of this spreadsheet were shared with between D&A and TK Mac for record-keeping purposes.

1 22. At the direction of Tae Young Kim, invoices for check and cash purchases of
2 tobacco products were maintained separately at TK Mac. The purpose of the dual invoices
3 and the separation of invoices was to facilitate the under-reporting scheme and to avoid
4 detection of the fraud scheme in the event of an audit.

5 23. Tae Young Kim and Hyung Il Kwon caused the tobacco purchased from D&A
6 with cash not to be reported to the WADOR for assessment of tax.

7 24. TK Mac sold tobacco products, including chewing tobacco, to various retailers
8 and other purchasers throughout the Puget Sound region. A significant portion of these sales
9 were conducted in cash. Tae Young Kim and Hyung Il Kwon caused cash proceeds from the
10 sale of tobacco products, upon which the required tobacco taxes had not been paid, and other
11 items, to be stored in a safe at TK Mac's Federal Way location.

12 25. By not reporting tobacco products purchased in cash from the Puyallup Tribal
13 Smoke Shops to WADOR, TK Mac evaded more than \$8 million in tobacco taxes owed
14 from the purchase of tobacco products between January 2012 and April 26, 2017.

15 **Fraudulent Cash-for-Check Swap**

16 26. ANTHONY EDWIN PAUL, THEODORE KAI SILVA, Tae Young Kim,
17 Hyung Il Kwon, and other individuals known and unknown to the Grand Jury, devised and
18 executed an arrangement to further deceive WADOR through a false tobacco product tax
19 credit scheme, as described in this section.

20 27. At various dates between January 2013 and April 2017, Tae Young Kim
21 created invoices showing the sale of tobacco products to Riverside or D&A, and containing
22 the statement "OTP Tax Exempt for Puyallup Tribe Sale." Notwithstanding the tobacco
23 products shown on these invoices, essentially no tobacco products were, in fact, sold by TK
24 Mac to D&A or Riverside.

25 28. Approximately one to two times per month, a TK Mac representative, at the
26 direction of Tae Young Kim and Hyung Il Kwon, transported cash which had been stored in
27 the TK Mac safe, and generated by TK Mac from the sale of untaxed tobacco products,
28 among other things, to Riverside, along with the bogus invoices showing the sale of tobacco

1 products to Riverside and D&A described in the preceding paragraph. The cash transported
2 to Riverside matched the amounts shown on the bogus invoices.

3 29. The TK Mac representative provided the cash and invoices to THEODORE
4 KAI SILVA.

5 30. The Puyallup Tribal Smoke Shops, acting through ANTHONY EDWIN PAUL
6 and THEODORE KAI SILVA, provided checks in the same amount as the cash and
7 invoices. The checks were written on the accounts of D&A and Riverside and were signed
8 by THEODORE KAI SILVA. As described above, this was simply a cash-for-check swap,
9 as no tobacco products were ultimately sold by TK Mac to Riverside or D&A as part of the
10 transaction.

11 31. Tae Young Kim and Hyung Il Kwon caused the checks received from
12 Riverside and D&A to be deposited into TK Mac's bank account.

13 32. Tae Young Kim and Hyung Il Kwon claimed the check payments from
14 Riverside and D&A represented sales of tobacco products to a federally recognized Indian
15 tribal tobacco store with on-reservation delivery. Tae Young Kim and Hyung Il Kwon then
16 fraudulently claimed these payments as "credits" on TK Mac's CETRs.

17 33. By claiming fraudulent tobacco credits for sales to the Puyallup Tribal Smoke
18 Shops, TK Mac evaded about \$4.5 million in tobacco taxes owed between January 2013 and
19 April 26, 2017.

20 **Submission of False CETRs and Payment of Tax**

21 34. Tae Young Kim and Hyung Il Kwon caused the submission of monthly CETRs
22 to WADOR on behalf of TK Mac, which under-stated the amount of tobacco products
23 purchased and claimed a fraudulent tax credit, thereby causing significantly less tax to be
24 assessed than that actually owed.

25 35. Tae Young Kim and Hyung Il Kwon caused interstate wire transfers from TK
26 Mac's business bank account to WADOR for the amount of taxes shown to be due based on
27 the false CETRs.
28

36. As a result of the above-described conspiracy, ANTHONY EDWIN PAUL, THEODORE KAI SILVA, Tae Young Kim and Hyung Il Kwon caused TK Mac to avoid the payment of at least \$12.5 million in excise tax due to the State of Washington between January 1, 2012 and April 26, 2017.

IV. OVERT ACTS

37. In furtherance of the conspiracy, and to accomplish one or more of the objects of the conspiracy, ANTHONY EDWIN PAUL, THEODORE KAI SILVA, Hyung Il Kwon, and Tae Young Kim committed and caused to be committed one or more of the following representative overt acts in the Western District of Washington:

a. On or about the below dates, Tae Young Kim created the following invoices showing sales of tobacco products to Riverside:

Date	Invoice Number	Amount	Purported Purchaser
1/15/2015	5011522	\$4,032.00	Riverside Smoke Shop
1/23/2015	5012313	\$21,864.00	Riverside Smoke Shop
1/28/2015	5012866	\$12,664.00	Riverside Smoke Shop

b. On or about February 16, 2015, THEODORE KAI SILVA signed check number 7305 from the Wells Fargo bank account of Chickies Smokeshop Inc. D/B/A/ Riverside Smokeshop in the amount of \$38,560 matching the total amount of the three invoices listed in the previous sub-paragraph.

c. On or about March 23, 2015, Tae Young Kim and Hyung Il Kwon caused TK Mac to file a false CETR, which claimed a Tobacco Products/Cigar Tax Credit, in part based on the invoiced transaction described in the above two sub-paragraphs.

d. On or about March 26, 2015, Tae Young Kim caused a payment of \$30,233.28 from TK Mac's BBCN Bank Account No. xxxx-0995 to the Washington State

1 Department of Revenue (DOR) bank account as payment for TK Mac's February 2015
2 tobacco taxes.

3 e. On or about January 9, 2017, a TK Mac representative delivered to the
4 Puyallup Tribal Smoke Shops check no. 016085 in the amount of \$10,365.96 payable to
5 D&A Smokeshop for the purchase of tobacco products from D&A. The check reduced TK
6 Mac's balance owed to D&A, as reflected on the Tiger spreadsheet by \$10,365.96.
7 THEODORE KAI SILVA deposited or caused the deposit of the above check in Riverside's
8 Wells Fargo bank account on January 13, 2017.

9 f. On or about the below dates, Tae Young Kim created the following
10 false invoices showing the sale of tobacco products to D&A:

Date	Invoice Number	Amount	Purported Purchaser
2/6/2017	7020625	\$16,239.00	D&A Smoke Shop
2/13/2017	7021334	\$35,355.00	D&A Smoke Shop

15 g. On or about March 10, 2017, Hyung Il Kwon and Tae Young Kim
16 caused a TK Mac employee to transport \$100,000 to Riverside to be applied toward TK
17 Mac's balance owed for the purchase of tobacco products from D&A, including more than
18 500 single-unit consumer sized cans or packages of smokeless tobacco.

19 h. On or about March 23, 2017, THEODORE KAI SILVA signed check
20 number 9035 from the Columbia Bank account of Chickies Smokeshop Inc. D/B/A D&A
21 Smoke Shop in the amount of \$51,594 matching the total amount of the two invoices listed
22 in paragraph 37(f).

23 i. On or about March 24, 2017, Tae Young Kim and Hyung Il Kwon
24 caused check number 9035 from the Columbia Bank account Chickies Smokeshop Inc.
25 D/B/A D&A Smoke Shop in the amount of \$51,594 to be deposited into TK Mac's Bank of
26 Hope bank account.

27 All in violation of Title 18, United States Code, Section 371.
28

COUNTS 2-11
(Wire Fraud)

38. The Grand Jury realleges and incorporates, as if fully set forth herein, Paragraphs 1 through 37 of the Indictment.

39. Beginning in or before January 2012, and continuing until on or about April 26, 2017, at Federal Way, and elsewhere, in the Western District of Washington, ANTHONY EDWIN PAUL, THEODORE KAI SILVA, Hyung Il Kwon, and Tae Young Kim devised and intended to devise, and aided and abetted in devising, a scheme and artifice to defraud the Washington State Department of Revenue by means of materially false and fraudulent pretenses, representations, and promises, and the concealment of material facts.

I. OBJECT OF THE SCHEME

40. The object of the scheme is set forth in Paragraph 2 above.

II. MANNER AND MEANS

41. The manner and means of the scheme are set forth in Paragraphs 17-36 above.

III. EXECUTIONS OF THE WIRE FRAUD SCHEME

42. On or about the dates set forth below, at Federal Way, within the Western District of Washington, and elsewhere, ANTHONY EDWIN PAUL and THEODORE KAI SILVA, for the purpose of executing the above-described scheme and artifice to defraud, did knowingly cause to be transmitted, by wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, and did aid and abet the transmission of the same, with each transmission constituting a separate Count of this Indictment.

Count	Date	Sender	Recipient	Wire Transmission
2	12/29/14	TK Mac BBCN Acct. No. xxxx-0995, located in Washington.	BBCN server, located in California.	Electronic request for wire transfer in the amount of \$38,676.57 payable to WADOR for TK Mac's November 2014 CETR.

3	2/25/15	TK Mac BBCN Acct. No. xxxx-0995, located in Washington.	Wells Fargo ACH, located in Minnesota.	D&A check no. 5555 in the amount of \$30,242.40 payable to TK Mac.
4	2/25/15	TK Mac BBCN Acct. No. xxxx-0995, located in Washington.	Wells Fargo ACH, located in Minnesota.	Riverside check no. 7305 in the amount of \$38,560 payable to TK Mac.
5	3/20/15	TK Mac BBCN Acct. No. xxxx-0995, located in Washington.	Wells Fargo ACH, located in Minnesota.	Riverside check no. 7369 in the amount of \$50,712 payable to TK Mac.
6	12/29/15	TK Mac BBCN Acct. No. xxxx-0995, located in Washington.	BBCN server, located in California.	Electronic request for wire transfer in the amount of \$46,754.22 payable to WADOR for TK Mac's November 2015 CETR.
7	7/22/16	TK Mac BBCN Acct. No. xxxx-0995, located in Washington.	Wells Fargo ACH, located in Minnesota.	D&A check no. 6490 in the amount of \$55,203.20 payable to TK Mac.
8	12/28/16	TK Mac Bank of Hope Acct. No. xxxx-0995, located in Washington.	Bank of Hope server, located in California.	Electronic request for wire transfer in the amount of \$45,784.34 payable to WADOR for TK Mac's November 2016 CETR.
9	3/24/17	Bank of Hope server, located in California.	TK Mac Bank of Hope Acct. No. xxxx-0995, located in Washington.	Wire transfer of \$51,594 for collection of D&A Check no. 9035.
10	3/24/17	Bank of Hope server, located in California.	TK Mac Bank of Hope Acct. No. xxxx-0995, located in Washington.	Wire transfer of \$65,753.40 for collection of Riverside Check No. 9579.

11	4/26/17	TK Mac Bank of Hope Acct. No. xxxx-0995, located in Washington.	Bank of Hope Server, located in California.	Electronic request for wire transfer in the amount of \$58,869.45 payable to WADOR for TK Mac's March 2017 CETR.
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All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT 12

(Trafficking in Contraband Smokeless Tobacco)

43. The Grand Jury realleges and incorporates, as if fully set forth herein, Paragraphs 1 through 37 of the Indictment.

44. Between on or about January 1, 2012 and April 26, 2017, at Federal Way, and elsewhere, in the Western District of Washington, the defendants, ANTHONY EDWIN PAUL, and THEODORE KAI SILVA did knowingly aid and abet the receipt, possession, sale, distribution, and purchase of contraband smokeless tobacco, as that term is defined in Title 18, United States Code, Section 2341, to wit: a quantity of more than 500 single-unit consumer-sized cans or packages of smokeless tobacco, or their equivalent, that were in the possession of a person other than one described in Title 18, United States Code, Section 2341(7)(A) through (D).

All in violation of Title 18, United States Code, Section 2342(a) and 2.

COUNT 13

(Conspiracy to Commit Money Laundering)

45. The Grand Jury realleges and incorporates, as if fully set forth herein, Paragraphs 1 through 37 of the Indictment.

I. AGREEMENT

46. Beginning on or about January 1, 2013 and continuing until on or about April 26, 2017, at Federal Way, and elsewhere, in the Western District of Washington, ANTHONY EDWIN PAUL and THEODORE KAI SILVA, did knowingly and willfully

combine, conspire, and agree with each other and with other persons known and unknown to the Grand Jury to commit offenses against the United States in violation of Title 18, United States Code, Section 1956, to wit: to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of a specified unlawful activity, that is, that is wire fraud under Title 18, United States Code, Section 1343, as described above in Paragraphs 18-25, and the sale of contraband smokeless tobacco, under Title 18, United States Code, Section 2342(a), 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 a specified unlawful activity, and while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

II. MANNER AND MEANS

47. TK Mac generated proceeds of the wire fraud scheme described above in Paragraphs 18-25 by submitting false CETRs that understated the amount of tobacco purchased, and retaining the unpaid taxes.

48. TK Mac also generated proceeds from the sale of contraband smokeless tobacco, as defined in 18 U.S.C § 2341(7), as a result of the conduct described in Paragraphs 18-24.

49. The Grand Jury realleges and incorporates, as if fully set forth herein, Paragraphs 26 through 33 of this Indictment as setting forth the manner and means of the conspiracy to commit money laundering.

All in violation of Title 18, United States Code, Section 1956(h).

COUNTS 14-16 **(Money Laundering)**

50. The Grand Jury realleges and incorporates, as if fully set forth herein, Paragraphs 1 through 37 of the Indictment.

51. On or about each of the dates set forth below, at Federal Way, and elsewhere, in the Western District of Washington, ANTHONY EDWIN PAUL and THEODORE KAI SILVA, did knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, as set forth below, which involved the proceeds of a specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343, as described above in Paragraphs 18-25, and the sale of contraband smokeless tobacco, in violation of Title 18, United States Code, Section 2342(a), knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity and while conducting and attempting to conduct such financial transaction knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, with each financial transaction constituting a separate count of the Indictment:

Count	Date	Financial Transaction
14	3/20/15	Deposit of Riverside check no. 7369 in the amount of \$50,712 in TK Mac BBCN bank account.
15	7/22/16	Deposit of D&A check no. 6490 in the amount of \$55,203.20 in TK Mac BBCN bank account.
16	3/24/17	Deposit of Riverside Check No. 9579 in the amount of \$65,753.40 in TK Mac Bank of Hope bank account.

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

FORFEITURE ALLEGATIONS

52. The allegations in Counts 1 through 16 are realleged and incorporated by reference for the purpose of alleging forfeiture to the United States pursuant to Title 18, United States Code, Sections 982(a)(1), 982(a)(2)(A), 982(b)(1), and 2344(c), and Title 28, United States Code, Section 2461(c).

Wire Fraud

53. Upon conviction of any of the offenses charged in Counts 1 through 11 of this Indictment, charging Conspiracy to Commit Wire Fraud and to Receive, Possess, and Sell

1 Contraband Smokeless Tobacco and Wire Fraud, the Defendants shall forfeit to the United
2 States of America, any property constituting, or derived from, proceeds obtained, directly or
3 indirectly, as a result of such offenses.

4 **Trafficking in Contraband Smokeless Tobacco**

5 54. Upon conviction of the offense charged in Count 12 of this Indictment,
6 charging Trafficking in Contraband Smokeless Tobacco, the Defendants shall forfeit to the
7 United States of America any contraband smokeless tobacco involved in the offense.

8 **Money Laundering**

9 55. Upon conviction of Counts 13-16, charging Conspiracy to Commit Money
10 Laundering and Money Laundering, the Defendants shall forfeit to the United States of
11 America, any property, real or personal, that was involved in a transaction or an attempted
12 transaction in the above money laundering offenses, and any property traceable to such
13 property.

14 56. Upon conviction of Counts 1-11 and 13-16, the property which the Defendants
15 shall forfeit to the United States shall include but is not limited to:

16 A sum of money of twelve million five hundred thousand U.S. Dollars (\$12,500,000)
17 representing the gross proceeds that the Defendants obtained as a result of the wire fraud
18 offenses charged in Counts 1-11 and representing the amount of money involved in the
19 money laundering offenses charged in Counts 13-16.

20 57. If any of the property described above, as a result of any act or omission of the
21 Defendants:

- 22 a. cannot be located upon the exercise of due diligence;
23 b. has been transferred or sold to, or deposited with, a third party;
24 c. has been placed beyond the jurisdiction of the court;
25 d. has been substantially diminished in value; or
26 e. has been commingled with other property which cannot be divided
27
28

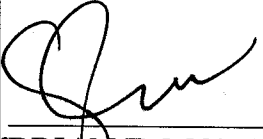
1
2 without difficulty, then it is the intent of the United States, pursuant to Title 21, United States
3 Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and
4

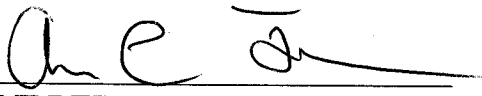
5 A TRUE BILL:


6 DATED: October 10, 2019

7
8 *[Signature of Foreperson redacted pursuant to the*
9 *policy of the Judicial Conference of the United*
10 *States]*

11
12
13 _____
14 FOREPERSON

15
16 
17 _____
18 BRIAN T. MORAN
19 United States Attorney

20
21 
22 _____
23 ANDREW C. FRIEDMAN
24 Assistant United States Attorney

25
26 
27 _____
28 MATTHEW D. DIGGS
Assistant United States Attorney