

18-010

#hawala

#punjabi

#sinaloa

#canada

#unitedstates

<https://www.justice.gov/usao-cdca/pr/monrovia-man-found-guilty-hawala-scheme-move-money-international-drug-trafficking>

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Monrovia Man Found Guilty in 'Hawala' Scheme to Move Money for International Drug Trafficking Organizations, Included Drug Cartels

LOS ANGELES – A federal jury has convicted a Monrovia man for his role in an international money laundering organization that conspired to move millions of dollars in proceeds for narcotics traffickers that included the Sinaloa Cartel.

Harinder Singh, 32, who also goes by “Sonu,” was found guilty late Friday of conspiracy to commit money laundering, conspiracy to operate an unlicensed money transmitting business, and operating an unlicensed money transmitting business.

The jury deliberated for less than two hours on January 19 before finding Singh guilty of all three charges. With the verdicts against Singh, prosecutors have convicted 18 defendants who were named in a 2015 grand jury indictment that was the first major case in the United States involving “hawala” transfers of drug money.

The evidence presented during the two-week trial in United States District Court – which included Punjabi language wiretap calls, Punjabi-speaking witnesses and a money laundering expert – showed that Singh participated in a “hawala” conspiracy that was moving money generated from drug sales in Canada to the United States to pay for multi-kilogram drug shipments that were purchased in Los Angeles and then routed back to Canada for distribution.

According to the indictment, a hawala is an alternative form of money remittance which operates outside of traditional banking or financial systems. The transfer of monetary value occurs between the brokers – who are typically located in different countries, but sometimes in different cities in one nation – based solely upon the trust that exists between the brokers. The

hawala system, which originated on the Indian subcontinent, does not rely on promissory instruments; rather, it relies on trust and long-established connections between brokers that are typically based on familial, ethnic, religious, regional and/or cultural grounds. Through hawala transactions, only the value of the money is transferred, not the money itself.

Singh was stopped by the California Highway Patrol in October 2012, which led to the discovery of \$274,980 in United States currency in rubber-banded stacks wrapped in black plastic. While the traffic stop was being conducted, special agents with the Drug Enforcement Administration were conducting surveillance and observed Singh's wife exiting the couple's apartment complex carrying a bag – which later revealed \$388,100 in United States currency, again rubber-banded in stacks and similarly wrapped in black plastic.

Prior to the traffic stop and the seizure at Singh's apartment complex, a federal wiretap intercepted Punjabi language calls indicating that Singh and co-conspirators communicated over multiple telephones to arrange for the pick-up, transport and delivery of large amounts of United States currency – in amounts of up to \$800,000 – across the Los Angeles area.

In this case, drug traffickers used a traditional hawala network of brokers spanning the United States, Canada and India to secretly transfer millions of dollars of drug proceeds to the United States, where brokers such as Singh delivered money to couriers acting on behalf of the Canadian drug traffickers and Mexican drug cartels.

During the course of a four-year investigation by the DEA's LA Strike Force and IRS Criminal Investigation, authorities seized nearly \$15.5 million in bulk United States currency, 321 kilograms of cocaine, 98 pounds of methamphetamine, 11 kilograms of MDMA ("ecstasy") and nine kilograms of heroin.

Previously in this case, 17 defendants have pleaded guilty, and several have already been sentenced, receiving prison terms as high as 70 months. The indictment also charges four other defendants who are currently fugitives.

Singh is scheduled to be sentenced by United States District Judge Christina A. Snyder on April 30. At the time of sentencing, Singh will face a statutory maximum penalty of 20 years in federal prison for the conspiracy count, and five years for each of the other two charges.

The investigation in this case was conducted by the Drug Enforcement Administration and IRS Criminal Investigation. These agencies received assistance and support from the Santa Ana Police Department, the Beverly Hills Police Department and the Pomona Police Department.

This case is being prosecuted by Assistant United States Attorneys Carol Alexis Chen of the Organized Crime Drug Enforcement Task Force and Ellen E. Lansden of Cyber and Intellectual Property Crimes Section.

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