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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

D-1 AHMED ALABADI

Defendant.

Case:2:11-cr-20476
Judge: Hood, Denise Page
MJ: Komives, Paul J.
Filed: 07-28-2011 At 03:25 PM
INDI USA V. SEALED MATTER (DA)

VIOLATIONS:
18 U.S.C. § 1349 - *Attempted Bank Fraud*
18 U.S.C. § 1957 - *Money Laundering*

INDICTMENT

THE GRAND JURY CHARGES:

COUNT ONE

(18 U.S.C. § 1349 – *Attempted Bank Fraud*)

1. On or about February 19, 2004, in the Eastern District of Michigan, Southern Division, the defendant, AHMED ALABADI, executed a scheme and artifice to defraud and to obtain money under the custody and control of Union Bank of California, a federally-insured financial institution, by means of materially false and fraudulent pretenses and representations.

2. It was part of the scheme and artifice that:

A. Defendant AHMED ALABADI solicited investments from individuals, promising that the money invested would be utilized for various rebuilding projects in Iraq, property purchases, and an exporting/importing business.

B. Defendant AHMED ALABADI represented investor A. A. could expect returns of 10% per month for the period of the investment.

C. Relying upon these representations, investor A. A., through his brother-in-

law H. A.H., provided a check for \$9,000 to defendant AHMED ALABADI from A. A.'s account at Union Bank of California. The check was not addressed to anyone in particular in that the "Pay to the order of" line of the check was left blank.

D. On or about February 19, 2004, Defendant AHMED ALABADI provided A. A.'s \$9,000 check to an individual who had previously invested money with, and was promised money in return from, defendant AHMED ALABADI.

E. Defendant AHMED ALABADI never informed investor A. A. or his brother-in-law H. A.H. that the check would be given to another individual who had previously invested money with defendant AHMED ALABADI.

F. The \$9,000 check was rejected by Union Bank of California when the previous investor attempted to deposit it.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWO

(18 U.S.C. § 1344 – *Bank Fraud*)

3. In or around May 2008, in the Eastern District of Michigan, Southern Division, the defendant, AHMED ALABADI, executed a scheme and artifice to defraud and to obtain money under the custody and control of Bank of America, a federally-insured financial institution, by means of materially false and fraudulent pretenses and representations.

4. It was part of the scheme and artifice that:

A. Defendant AHMED ALABADI solicited investments from individuals, promising that the money invested would be utilized for various rebuilding projects in Iraq, property purchases, and an exporting/importing business.

B. Defendant AHMED ALABADI, through an agent, represented that investor R. A. could double his money and would not lose his money if he invested it with him.

C. Relying upon these representations, investor R. A., agreed to invest \$50,000 with defendant AHMED ALABADI. Defendant AHMED ALABADI, through his agent, instructed R. A. to provide the \$50,000 in six separate checks. The checks were drawn against R. A.'s account held by Bank of America. As instructed, R. A. provided six checks to defendant's agent: five checks in the amount of \$9,000 each and one check in the amount of \$5,000. R. A. was instructed to leave the "Pay to the order of" line of the check blank so that the check would not be addressed to anyone in particular.

D. Defendant AHMED ALABADI's agent provided the checks to defendant who then provided three of the \$9,000 checks to individuals who had previously invested money with, and demanded money in return from, defendant AHMED ALABADI. The remaining two \$9,000 checks were provided to the Karbala Islamic Education Center, and the \$5,000 check was provided to another individual who was not associated with defendant AHMED ALABADI's investment activity or business operations.

E. Neither defendant AHMED ALABADI nor his agent informed investor R. A. that the checks he provided would be given to other individuals who had previously invested money with defendant AHMED ALABADI or other organizations.

F. From on or about May 22, 2008 through on or about May 27, 2008, the checks provided to the previous investors, the Karbala Islamic Education Center, and the other individual who was not associated with defendant's investment activity or business operations were cashed and funds were released by Bank of America to the check recipients.

All in violation of Title 18, United States Code, Section 1344.

COUNT THREE

(18 U.S.C. § 1957 - *Money Laundering*)

5. In or around May 2008, in the Eastern District of Michigan, Southern Division, and elsewhere, the defendant, AHMED ALABADI, knowingly engaged in monetary transactions in criminally derived property of a value greater than \$10,000 and derived from specified unlawful activity that took place in the United States, that is, proceeds of bank fraud (Title 18, United States Code, Section 1344), to wit, the defendant caused transfers of investor funds

derived from bank fraud to bank accounts in other investors' names and to other individuals and entities, which transfers were neither disclosed to nor authorized by the investors.

All in violation of Title 18, United States Code, Section 1957.

FORFEITURE ALLEGATIONS

6. Pursuant to Federal Rule of Criminal Procedure 32.2(a), the government hereby provides notice to the defendant of its intention to seek forfeiture of all proceeds, direct or indirect, or property traceable thereto; all property that facilitated the commission of the violations alleged, or property traceable thereto; and all property involved in, or property traceable thereto, of the violations set forth in this Indictment.

THIS IS A TRUE BILL.

Grand Jury Foreperson
GRAND JURY FOREPERSON

BARBARA L. MCQUADE
United States Attorney

/s Cynthia Oberg
CYNTHIA OBERG
Chief, White Collar Crime Unit
Assistant United States Attorney

/s Louis P. Gabel
LOUIS P. GABEL
Assistant United States Attorney

Date: July 28, 2011

United States District Court
Eastern District of Michigan

Criminal Case Cov

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NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to com

Reassignment/Recusal Information This matter was opened in the USAO prior to August 15, 2008 []

Companion Case Information	Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :	Judge Assigned:
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	AUSA's Initials: LPG <i>LPG</i>

Case Title: USA v. AHMED ALABADI

County where offense occurred : WAYNE

Check One: **Felony** **Misdemeanor** **Petty**

- Indictment/ Information --- no prior complaint.
- Indictment/ Information --- based upon prior complaint [Case number: 10-mj-30462]
- Indictment/ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information

Superseding to Case No: _____ **Judge:** _____

- Original case was terminated; no additional charges or defendants.
 - Corrects errors; no additional charges or defendants.
 - Involves, for plea purposes, different charges or adds counts.
 - Embraces same subject matter but adds the additional defendants or charges below:
- | <u>Defendant name</u> | <u>Charges</u> | <u>Prior Complaint (if applicable)</u> |
|-----------------------|--------------------------------------|--|
| Ahmed Alabadi | 18 U.S.C. §1349 Attempted Bank Fraud | |
| Ahmed Alabdi | 18 U.S.C. §1957 Money Laundering | |

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

July 28, 2011
Date

Louis P. Gabel

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¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.