

UNITED STATES OF AMERICA	:	CRIMINAL COMPLAINT
v.	:	
SCHMULIK COHEN	:	Mag. No. 09-3619

Signature of Judicial Officer

Attachment A

COUNT 1

From in or about June 2007 to in or about January 2009, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

SCHMULIK COHEN

did knowingly and willfully conspire with others to conduct and attempt to conduct financial transactions involving property represented to be the proceeds of specified unlawful activity, specifically, bank fraud, bankruptcy fraud and trafficking in counterfeit goods, with the intent to conceal and disguise the nature, location, source, ownership, and control of the property believed to be proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(3).

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

COUNT 2

From in or about June 2007 to in or about January 2009, in Monmouth County, in the District of New Jersey, and elsewhere, defendant

SCHMULIK COHEN

did knowingly and willfully conspire with others to conduct, control, manage, supervise, direct and own all and part of an unlicensed money transmitting business--such operation being punishable as a misdemeanor and felony under New Jersey and New York law, namely, N.J.S.A. 17:15C-24 and McKinney's Banking Law §§ 641, 650--contrary to Title 18, United States Code, Section 1960, where a coconspirator committed an overt act to effect the object of the conspiracy.

In violation of Title 18, United States Code, Section 371.

Attachment B

I, Robert J. Cooke, a Special Agent with the Federal Bureau of Investigation ("FBI"), following an investigation and discussions with other law enforcement officers, am aware of the following facts. Because this Attachment B is submitted for the limited purpose of establishing probable cause, I have not included herein the details of every aspect of this investigation. Nor have I recounted every conversation involving the defendant. All meetings referred to in this attachment were recorded, and all conversations are related in substance and in part.

1. At all times relevant to this Complaint, a defendant using the name Schmulik Cohen ("defendant COHEN") resided in Brooklyn, New York, and worked at an electronics store in Brooklyn. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking revealed that defendant COHEN does not hold a license to transmit or remit money.

2. At all times relevant to this Complaint:

(a) There was a coconspirator named Eliahu "Eli" Ben Haim (hereinafter, "Coconspirator Ben Haim"), who was a resident of Elberon, New Jersey, and the principal rabbi of Congregation Ohel Yaacob, a synagogue located in Deal, New Jersey. Coconspirator Ben Haim operated several charitable tax-exempt organizations in conjunction with his synagogue, including one called Congregation Ohel Eliahu (hereinafter, "COE"). A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator Ben Haim does not hold a license to transmit or remit money;

(b) There was a coconspirator with the initials I.M. (hereinafter, "Coconspirator I.M.") who was an individual based in Israel. A check with the New Jersey Department of Banking and Insurance and the New York State Department of Banking has revealed that Coconspirator I.M. does not hold a license to transmit or remit money; and

(c) There was a cooperating witness (the "CW") who had been charged in a federal criminal complaint with bank fraud in or about May 2006. Pursuant to the FBI's investigation and under its direction, the CW from time to time represented that the CW purportedly was engaged in illegal businesses and schemes including bank fraud, trafficking in counterfeit goods and

concealing assets and monies in connection with bankruptcy proceedings.

3. On or about June 26, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the meeting, Coconspirator Ben Haim accepted a \$50,000 check, drawn upon an account for a fictitious company set up by the FBI for the purpose of enabling the CW to launder money represented to be the proceeds of illegal activities. The check was made payable to his charitable organization, COE, and was provided to Coconspirator Ben Haim with the expectation that the proceeds would be returned to the CW at a later date, minus a ten percent fee to be retained by Coconspirator Ben Haim. The CW represented that the proceeds of this \$50,000 check came from "that guy who was holding, uh, my, uh, money for me on that Florida insurance, uh, scam that I did." In response to that statement, Coconspirator Ben Haim asked "[a]nd you need forty-five thousand?" The CW responded in the affirmative, prompting Coconspirator Ben Haim to reply "[o]kay . . . Give me a couple days." During the same conversation, Coconspirator Ben Haim described Coconspirator I.M.'s activities in the following manner: "He washes money for people [u/i]. He washes money for people here . . . He gives me a check. I deposit it . . . from a third party . . . He give me -- I deposit it. I wire it to him. He gives me, uh, like, one percent." Coconspirator Ben Haim further stated that he had known Coconspirator I.M. for four to five years. At the conclusion of the conversation, the CW mentioned that the CW would be in Brooklyn the following Thursday, and offered to pick up cash on Coconspirator Ben Haim's behalf. Coconspirator Ben Haim seemed hesitant because he anticipated that it would be a large amount of money. The CW asked if the amount would be "half a mill," prompting Coconspirator Ben Haim to respond "yeah."

4. On or about June 28, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the meeting, Coconspirator Ben Haim accepted from the CW a bank check in the amount of \$50,000 made payable to COE. Coconspirator Ben Haim was informed by the CW that this check represented the proceeds of what the CW termed "that insurance, uh, scam deal from Florida." The CW also purported to Coconspirator Ben Haim that the CW had a great deal of money available to the CW because the CW was able to shield from the CW's ongoing bankruptcy court proceedings the money that the CW was earning on property deals involving "silent partnerships." The CW explained that "this way, you know, they give me a check or a bank check to you. They get a write off. It's good for them. I get the money back. So this way there's no trace, you

know, through you, and it works out for everybody. That's why I have a lot of money coming through." Coconspirator Ben Haim was further informed by the CW that the CW's reason for laundering the money through Coconspirator Ben Haim was "so the court doesn't know, the [bankruptcy] trustee doesn't know, no one knows nothin'." In exchange, Coconspirator Ben Haim gave the CW cash totaling approximately \$53,140, which represented the completion of two money laundering transactions: \$45,000 in cash for a \$50,000 check that the CW had provided to Coconspirator Ben Haim on June 26, 2007, and \$8,100 from a separate \$9,000 check which Coconspirator Ben Haim had received from the CW the previous day.¹ As he collated the cash to give to the CW, Coconspirator Ben Haim ran the bills through a cash-counting machine. Coconspirator Ben Haim also mentioned that he owed another individual \$495,000. This individual, according to Coconspirator Ben Haim, had wired money from Hong Kong to Israel, and stated that "he has money in Hong Kong from his -- the kickbacks from the factories." Coconspirator Ben Haim also further described the activities of Coconspirator I.M. in the following terms: "The head contact's in Israel . . . He has different people, he has, . . . he has a hundred cus-, no customer in New York [u/i] money in Israel [u/i] real estate investments, they, they want to hide their money. They don't want it to show. So they give the cash here to him and he gives me the cash . . . You see the merry-go-round? This guy's been doing it for 20, 30 years." Coconspirator Ben Haim also indicated that he would pick up cash, as coordinated by Coconspirator I.M., at locations in Brooklyn. The CW offered to pick up the cash that Coconspirator Ben Haim anticipated would be available to him the following week.

5. On or about August 1, 2007, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle, as it was parked in front of a residence in Deal. During the meeting, Coconspirator Ben Haim accepted from the CW a bank check made payable to COE. The CW described the bank check, which was in the amount of \$75,000, as follows, "This is 75 from that bank schnookie deal. And I have one more 75 from him and that's the -- we got a half million from a bank . . ." Coconspirator Ben Haim wondered what he should tell authorities "[i]f they ask me where did you get this check from?" After the CW again referred to the check as stemming from a fraudulent loan, Coconspirator Ben Haim answered his own question by stating that he would tell authorities that "[the CW] mailed me an anonymous donation. . . ." During the same conversation, Coconspirator Ben Haim provided

¹ An additional \$40.00 was included in the sum of cash provided to CW on this date.

further details about Coconspirator I.M.'s laundering operation and referred to a specific individual as Coconspirator I.M.'s partner, and further stated that "there's six people involved in this thing." Coconspirator Ben Haim also referred to the pickups of cash in New York City, and the CW offered to pick up the cash for Coconspirator Ben Haim. When the CW asked whether it would be the same guy from whom the CW had previously received money several weeks earlier, Coconspirator Ben Haim stated that the pickup "[c]ould be [in] Queens, could be a hotel in Manhattan, it could be anywhere. Lately, it's been Boro Park."

6. On or about August 6, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the conversation, Coconspirator Ben Haim accepted a bank check in the amount of \$50,000 from the CW. As with previous checks, this bank check was made payable to COE. The CW described the check as follows: "This is a check for, uh, fifty thousand from that, uh, bank, uh, schnookie deal." On this occasion, Coconspirator Ben Haim gave the CW approximately \$67,500 in cash to complete the money laundering transaction from August 1, 2007, during which the CW had provided Coconspirator Ben Haim with the aforementioned \$75,000 check. Coconspirator Ben Haim also indicated that he had picked up cash from numerous individuals over the years, stating that "[i]n the five years [I'm] with [Coconspirator I.M.], maybe I saw over a hundred different people."

7. On or about September 11, 2007, after Coconspirator Ben Haim asked the CW to pick up cash from defendant COHEN in Brooklyn, the CW in New Jersey received a telephone call from defendant COHEN in New York. During the conversation, defendant COHEN inquired whether the CW was going to pick up cash in Brooklyn the next day, as defendant COHEN had \$100,000 in cash available. Defendant COHEN also stated that he did not wish to travel to New Jersey, but would meet the CW at his store in Brooklyn. Despite this discussion, this cash pickup did not occur.

8. On or about October 31, 2007, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim accepted two checks from the CW -- both of which were made payable to COE as part of money laundering transactions. One of these checks was a bank check in the amount of \$50,000, while the other check was in the amount of \$22,500 and drawn upon the account of a charitable organization administered by another money launderer, Rabbi Saul Kassin. During the meeting, Coconspirator Ben Haim remarked that he was currently low on cash, and that it was difficult to get a

sufficient supply of cash on a timely basis from Coconspirator I.M. to keep pace with the demand of his customers. Coconspirator Ben Haim stated that "four, five years I'm doing this with this guy. I know at the end of the year it's tight." Coconspirator Ben Haim related that prior to his dealings with Coconspirator I.M., he had moved cash through another individual, but stated that "they caught him laundering . . . he got a slap on the wrist." Coconspirator Ben Haim indicated that this individual was finishing a ten-month sentence that he was serving at F.C.I. Otisville. Subsequently, Coconspirator Ben Haim complained that he was "lucky" if he could move one to two million dollars a year at present. He remarked that "the most I ever did was seven to eight" million dollars in a year, and indicated that he earned "a million dollars a year" during that period.

9. On or about December 19, 2007, after Coconspirator Ben Haim and the CW coordinated by telephone a cash pickup by the CW from defendant COHEN, the CW met with defendant COHEN outside defendant COHEN's residence in Brooklyn. During the meeting, defendant COHEN handed the CW a plastic bag containing a Cinnabon Crunch cereal box and a Hefty garbage bag box. Secreted within those containers were bundles of cash, totaling approximately \$118,000. The CW asked "if we need something else next week, do you have more next week?" Defendant COHEN replied that "I should get, I think, the way I understand from [Coconspirator I.M.] . . . after tomorrow, I should get more stuff." By way of clarification, the CW then asked "[s]o if I need like 200 [thousand] next week, you're okay?" In response, defendant COHEN stated "[u]h, yeah, I think so."

10. On or about December 20, 2007, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During this meeting, the CW gave to Coconspirator Ben Haim the \$118,000 in cash that the CW had received from defendant COHEN earlier that day. Coconspirator Ben Haim also accepted a bank check from the CW in the amount of \$50,000 made payable to COE as part of a money laundering transaction. When the CW handed the check to Coconspirator Ben Haim, the CW stated that "[t]his is on that [] Bank schnookie deal. . . The guy owes me another hundred [thousand] on that, but not till after the New Year." The CW also informed Coconspirator Ben Haim that "I should have another check today from [another organization] for twenty-five [thousand]," a reference to a laundering deal that the CW hoped to consummate with another money launderer, Rabbi Saul Kassin, later that day. In exchange for the \$50,000 check and as payment on a prior laundering deal, Coconspirator Ben Haim counted out approximately \$55,000 from the cash that the CW had delivered and

gave it to the CW. Coconspirator Ben Haim stated that he was unable at that time to provide any additional cash to the CW to complete other prior deals, as he needed the cash for two other individuals bringing him checks for \$52,000 and \$28,000, respectively. This prompted Coconspirator Ben Haim to place a call to Coconspirator I.M., and, upon conclusion of that call, Coconspirator Ben Haim stated that "[h]e's gonna let me know" if there will be a cash pickup in Brooklyn later that day.

11. On or about January 16 through January 18, 2008, in several telephone conversations, Coconspirator Ben Haim and the CW coordinated a cash pickup by the CW from defendant COHEN. During one of those conversations, Coconspirator Ben Haim informed the CW that he was expecting a "big delivery" of cash. When the CW informed Coconspirator Ben Haim of the CW's plans to be in Brooklyn, Coconspirator Ben Haim told the CW that the CW should "pick up the potatoes" (meaning cash) in "Boro Park."

12. On or about January 17, 2008, the CW in New Jersey received a telephone call from defendant COHEN in New York. During that conversation, defendant COHEN stated that he did not yet have the cash that the CW was going to pick up for Coconspirator Ben Haim.

13. On or about January 18, 2008, in a telephone conversation, defendant COHEN confirmed that cash was available to be picked up by the CW at defendant COHEN's residence the following night.

14. On or about January 19, 2008, defendant COHEN met with the CW outside defendant COHEN's residence in Brooklyn. During the meeting, defendant COHEN handed the CW a canvas bag containing approximately \$300,000 in cash. The CW asked defendant COHEN if the bag contained "300," to which defendant COHEN replied "[y]eah." The two began to discuss the store at which defendant COHEN worked, and defendant COHEN explained that he typically does not leave money at his store, preferring to "do the deals" at his residence.

15. On or about January 20, 2008, Coconspirator Ben Haim met with the CW at Coconspirator Ben Haim's residence in Elberon. During the meeting, the CW gave to Coconspirator Ben Haim the canvas bag containing approximately \$300,000 in cash that the CW had received from defendant COHEN the previous day. Coconspirator Ben Haim ran the cash provided by the CW through a cash-counting machine and then, from the cash given to him by the CW, gave the CW approximately \$95,200 to complete two earlier money laundering transactions, including the one from December

21, 2007. In addition, Coconspirator Ben Haim confirmed that he had met defendant COHEN and indicated that defendant COHEN had traveled to New Jersey to meet with Coconspirator Ben Haim on a prior occasion.

16. On or about February 7, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle, as it was parked outside a residence in Deal. During the meeting, the CW indicated to Coconspirator Ben Haim that the CW expected to launder two checks in a total amount of \$160,000 through Coconspirator Ben Haim in exchange for cash, minus a ten percent laundering fee that would be retained by Coconspirator Ben Haim. Coconspirator Ben Haim contacted Coconspirator I.M. by telephone to discuss the availability of cash. At the conclusion of that discussion, which was in Hebrew, Coconspirator Ben Haim turned to the CW and stated "[y]ou got a hundred and fifty [thousand] to pick up." This amount included \$100,000 to be retrieved from defendant COHEN and an additional \$50,000 to be retrieved from another individual. Coconspirator Ben Haim agreed to notify defendant COHEN and the other individual about the CW coming to pick up the money.

17. On or about February 7, 2008, after Coconspirator Ben Haim contacted the CW by telephone to inform the CW that cash was available to be picked up from defendant COHEN, the CW met with defendant COHEN outside defendant COHEN's residence in Brooklyn. During the meeting, defendant COHEN handed to the CW a plastic garbage bag containing two large bundles of cash, primarily in \$50 and \$100 denominations, for total cash of approximately \$100,000. Also that day, the CW retrieved a second bag of cash from another coconspirator in Brooklyn.

18. On or about February 7, 2008, after returning to New Jersey from the above-mentioned meetings in Brooklyn, the CW met with Coconspirator Ben Haim in Coconspirator Ben Haim's vehicle, as it was parked outside a residence in Deal. During the meeting, the CW gave to Coconspirator Ben Haim the two bags of cash that the CW had picked up earlier that day. As the CW handed the bags to Coconspirator Ben Haim, the CW noted "[t]his one is from [the other individual]," and "[t]his one is from [defendant COHEN]." Coconspirator Ben Haim counted out \$22,500 from the cash that the CW had delivered and then gave it to the CW to complete an earlier money laundering deal. The CW also informed Coconspirator Ben Haim that the CW still expected to receive the two checks totaling approximately \$160,000.

19. On or about March 10, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim and the CW discussed the amount of money Coconspirator Ben Haim owed to the CW to complete their prior money laundering transactions. Coconspirator Ben Haim stated that he believed that he would soon have cash, as defendant COHEN would soon have \$200,000 for him and another individual was holding \$30,000 for him.

20. On or about March 13, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Ocean, New Jersey. During the meeting, Coconspirator Ben Haim retrieved a white bag from the back seat of his vehicle, explaining that he had sent an individual to retrieve \$150,000 in cash the day before from defendant COHEN at defendant COHEN's store in Brooklyn. Coconspirator Ben Haim reached into the bag and took out a bundle of approximately \$10,000 in cash. Coconspirator Ben Haim then counted out approximately \$5,700, and handed it to the CW to complete prior money laundering deals.

21. On or about May 15, 2008, Coconspirator Ben Haim met with the CW, while traveling in the CW's vehicle from Long Branch, New Jersey, to a location in Deal, and then back to Long Branch. During the meeting, the CW provided Coconspirator Ben Haim with a \$50,000 bank check to launder, and explained that the money came from "the Prada pocketbooks and the Gucci stuff - the knock-offs." The CW explained that "[t]hey switch the labels. They look better than the real thing. You -- your wife wouldn't be able to tell the difference. That's how good these guys are." When Coconspirator Ben Haim warned that "it's a very dangerous thing," the CW replied that "my name's not on anything. What's dangerous?" Coconspirator Ben Haim noted that "[s]o if they get caught, they go to jail." In exchange for the \$50,000 bank check, Coconspirator Ben Haim retrieved cash from a bag that was stored at the location in Deal, counted it out and provided the CW with approximately \$45,000, thus retaining a \$5,000 fee for conducting the transaction. In addition, Coconspirator Ben Haim indicated that he had received the cash for that transaction from "the other crazy guy . . . Schmulik COHEN." Coconspirator Ben Haim related that defendant COHEN had traveled from Brooklyn to Long Branch to deliver \$200,000 in cash to Coconspirator Ben Haim, who provided defendant COHEN with \$200 for cab fare.

22. On or about December 30, 2008, Coconspirator Ben Haim met with the CW in Coconspirator Ben Haim's vehicle in Deal. During the meeting, Coconspirator Ben Haim provided the CW with approximately \$64,850 in cash as partial payment for a \$160,000 check provided by the CW on or about December 16, 2008. During

the conversation, Coconspirator Ben Haim was informed by the CW that "things are picking back up in my, uh, knock-off pocketbook business, my counterfeit business." Coconspirator Ben Haim also was told that the money involved in their laundering transaction "is only profits - principal I keep in there." Coconspirator Ben Haim informed the CW that he had a lot of "orders" for laundering transactions because it was near the end of the year, but that some clients wished to wait until the turn of the year to consummate the transactions. It is believed that Coconspirator Ben Haim was referring to the efforts of some of his customers to select the year during which they would claim deductions for charitable contributions on their income tax returns based on the checks provided to Coconspirator Ben Haim.

23. On or about January 18, 2009, Coconspirator Ben Haim met with the CW at a location on Ocean Parkway in Brooklyn. During the meeting, Coconspirator Ben Haim and the CW discussed a potential pickup of approximately \$150,000 from defendant COHEN in Brooklyn during the following week, the proceeds of which would be used to complete a money laundering transaction commenced on or about December 16, 2008. Coconspirator Ben Haim told the CW about "customers from two, three years ago that are calling me," and indicated that "[t]hat's a signal that the market is tight." Coconspirator Ben Haim also discussed his source for cash, Coconspirator I.M., and stated that he spoke to Coconspirator I.M. "[e]very day - every other day." Referring to Coconspirator I.M., Coconspirator Ben Haim then asked the CW "[d]id you know that he had me in the last four years send out wires every time to a different place in the world to a different name? It's unbelievable. I never saw anything like it." When the CW asked whether Coconspirator Ben Haim was referring to different locations in only Israel, Coconspirator Ben Haim replied "[n]o, all over the world. . . All over the world. From Australia to New Zealand to Uganda. I mean [u/i] every country imaginable. Turkey, you can't believe it. . . . All different names. It's never the same name. . . . Switzerland, everywhere, France, everywhere, Spain China, Japan." Coconspirator Ben Haim also explained that the market for cash was tight "only in the beginning of the year and the end of the year."

24. Between in or about June 2007 and in or about January 2009, defendant COHEN transferred a total of more than \$850,000 to defendant BEN HAIM and the CW, as part of money laundering transactions.