Cigarette trafficking investigation leads to prison, hefty fines for three men

by Bend_Weekly_News_Sources

LOS ANGELES - Three men have been sentenced to federal prison and ordered to pay more than $1.9 million to California in restitution for lost tax revenue for their part in one of the largest tobacco trafficking schemes operating from Virginia to California, Special Agent in Charge John A. Torres of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) announced today.

U.S. District Court Judge Florence Cooper sentenced Rene Khajha March 1 to six months in federal prison and 15 months home detention. Khajha was ordered to pay $965,700 in restitution to the California State Board of Equalization for his guilty plea to conspiracy and money laundering in violation of the Contraband Cigarette Trafficking Act. He will begin his prison term March 31.

Cooper sentenced Suran (Sam) Ambarchyan March 5 to six months in federal prison and six months home detention. Defendant Henri Minassian was sentenced to five months in federal prison and five months home detention. Both men pleaded guilty to receiving and possessing contraband cigarettes in violation of the Contraband Cigarette Trafficking Act. The men were each ordered to pay restitution in the amount of $495,900 to the California State Board of Equalization. Ambarchyan and Minassian will begin their prison terms March 22.

The "Country Home Tobacco" investigation began in 2002 and was conducted by ATF special agents in the Los Angeles and Washington Field Divisions, Virginia State Task Force Officers and the California State Board of Equalization (BOE). The investigation uncovered a complex conspiracy that included the trafficking of contraband cigarettes from Virginia to California, the illegal possession and distribution of contraband cigarettes by individuals in California, and money laundering.

Court records show that in January 2002, Khajha contacted undercover agents in Roanoke, Va., about purchasing large quantities of unstamped cigarettes. Khajha was the owner of a retail cigarette store, Country Home Tobacco, located in Monterey Park, Calif., but he was not a licensed cigarette distributor in California and could not lawfully possess or distribute unstamped cigarettes. Undercover agents met with Khajha, Minassian and Ambarchyan. During the meeting, Khajha told the undercover agents that he and his associates were familiar with the cigarette operation in Roanoke, and were interested in buying cigarettes, which the undercover agents said were stolen from Phillip Morris. The cigarettes were sold to the three men for $1,000 per case. A total of $3.75 million was paid in cash for the product distributed in California.

Khajha told the ATF undercover agents that he was selling the cigarettes to customers in California and then reinvesting that money into new orders of cigarettes from Roanoke. Khajha bragged about how he and associates laundered money by moving it through foreign banks. Khajha would arrange to have the cigarettes shipped by commercial trucking companies to his store in Monterey Park.

From January-June 2002, the defendants illegally imported approximately 45 million cigarettes (3,750 cartons) into California through Virginia.

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