No. _____

IN THE

Supreme Court of the United States

HARINDER SINGH,

Applicant/Petitioner,

v.

UNITED STATES OF AMERICA,

Respondent.

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Where the evidence at trial was insufficient was insufficient to prove that the design or purpose of the cash transmittals was to "conceal or disguise the nature, location, source, ownership, or control" of the drug proceeds, as required for a violation of 18 U.S.C. § 1956(a)(1)(B), did the Ninth Circuit's split 2-1 decision affirming Petitioner's conviction conflict directly with this Court's decision in *Regalado Cuellar v. United States*, 553 U.S. 550, 568 (2008), and the decisions of other circuit courts of appeals?

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PETITION FOR A WRIT OF CERTIORARI

Harinder Singh petitions this Court for a writ of certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit.

JUDGMENT BELOW

The judgment for which review is sought is *United States v. Singh*, 995 F.3d 1069 (9th Cir. 2021). (Appendix ("App.") at 2-31.)

JURISDICTION

The Ninth Circuit issued its published, 2-1 decision affirming Singh's convictions and sentence on May 3, 2021. (App. 2-31.) A timely petition for rehearing en banc was denied, over Judge Paul J. Watford's dissenting vote, on June 30, 2021. (App. 1.) Pursuant to this Court's order dated March 19, 2020 concerning filing deadlines in light of the Covid-19 pandemic, the deadline to file this petition was 150 days from the date of the lower court's judgment, or November 22, 2021. This petition, accordingly, is being timely filed. The Court has jurisdiction pursuant to 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Fifth Amendment to the United States Constitution

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury . . .; nor be deprived of life, liberty, or property, without due process of law . . . .

18 U.S.C. § 1956(a)(1)

Whoever, knowing that the property involved in a financial transaction represents some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity—

(A) (i) with the intent to promote the carrying on of specified unlawful activity; or

(ii) with intent to engage in conduct constituting a violation of section 7201 or 7206 of the Internal Revenue Code of 1986; or

(B) knowing that the transaction is designed in whole or in part—

(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity; or

(ii) to avoid a transaction reporting requirement under State or Federal law;

shall be sentenced to a fine of not more than $500,000 or twice the value of the property involved in the transaction, whichever is greater, or imprisonment for not more than twenty years, or both. . . .

STATEMENT OF THE CASE

Singh was charged alongside 21 others with conspiring to violate 18 U.S.C. § 1956(a)(1)(B), in violation of 18 U.S.C. § 1956(h), and with violating 18 U.S.C. §§ 371 and 1960. (ER 860-95.)[1] Most of his codefendants pleaded guilty, and Singh proceeded to trial alone.

[1] "ER" stands for the "Excerpts of Record" that were submitted alongside the opening brief before the Ninth Circuit.

After seven days of trial, the jury convicted Singh on all counts. The trial court denied his motions for acquittal or a new trial. (ER 8-16.) He was sentenced to 70 months in prison followed by three years of supervised release. (ER 1; App. 32.)

On appeal, Singh argued, relevant to this Petition, that the evidence was insufficient to prove that the design or purpose of the cash transmittals was to "conceal or disguise the nature, location, source, ownership, or control" of the drug proceeds, as required for a conviction of conspiring to violate 18 U.S.C. § 1956(a)(1)(B).

The Ninth Circuit affirming Singh's convictions and sentence in a published 2-1 decision. *United States v. Singh*, 995 F.3d 1069 (9th Cir. 2021). The Honorable Barrington D. Parker, United States Circuit Judge for the Second Circuit Court of Appeals, sitting by designation and joined by Judge Patrick J. Bumatay, authored the majority opinion. In the majority's view, Singh's use of a hawala system with "concealment enhancing add-ons," rather than traditional wire transfers or mailed checks, supported a finding that he intended to conceal the ownership and control of the drug proceeds. *Id.* at 1076.

Dissenting in relevant part, Judge Paul J. Watford found that "the government failed to prove that the hawala transfers were designed to conceal or disguise a listed attribute of the funds" and thus would have reversed Singh's conviction for conspiracy to commit money laundering. *Id.* at 1085 (Watford, J., dissenting in part).

STATEMENT OF FACTS

The Ninth Circuit, below, described the evidence at trial, as viewed in the light most favorable to the government, as follows:

In early 2012, Gurkaran Singh Isshpunani began to work for Deepinder "Pindi" Singh, a drug trafficker, to transfer drug proceeds from Canada to the United States. As a hawala broker, Isshpunani collected Canadian funds from Pindi and worked with other hawala dealers (including the defendant) to coordinate the transfer of equivalent U.S. funds to California where they were used to pay Mexican drug suppliers. Singh worked in California. His primary role in the conspiracy was to deliver drug proceeds to various hawala brokers in California and elsewhere who then orchestrated the delivery of the funds to a Mexican drug cartel.

Hawala is a system designed to transfer funds from point to point outside of formal money transmission channels without the physical movement of money. Typically, the system is used to transfer funds from one country to another through hawala brokers. A broker in one country receives money and then communicates with a broker in the country receiving the transfer. The broker in the receiving country then pays out an equivalent amount (deducting for fees) to the recipient in the appropriate currency. Hawala transactions are discreet. They typically involve minimal record-keeping, are not subject to government regulation and are premised on trust.

Hawala is widely used in communities that have limited access to formal banking structures and, for example, is an important vehicle for remittance payments from immigrants to family members in their home countries. But because of its informality, lack of record keeping and government oversight, hawala may be used to transfer illegally derived funds, as was the case here.

The government's proof established that the network in which Singh was involved transferred, over a considerable period of time, large sums of Canadian dollars from Pindi's Canadian drug operation to Los Angeles. Isshpunani worked with a broad network of hawala brokers, based in California and in India, to orchestrate the delivery of funds which had been sent to California to the Mexican cartel.

In spring of 2012, Singh was recruited into the operation by his uncle, Sucha Singh, who ran a hawala business. Initially, Singh worked for his uncle but later worked independently. Singh's primary responsibility was collecting and distributing money to Pindi's associates. The

government's proof at trial established that Singh knew the funds were drug proceeds. Sanjiv "Bobby" Wadhwa, a co-defendant who later became a government witness, testified at trial that he told Singh that the funds Singh moved were drug proceeds.

Singh was a hard worker. In 2012, he completed 10-15 deliveries for Isshpunani of sums ranging from $100,000 to about $800,000. He received $250 for each $100,000 delivered. Singh also worked directly with Wadhwa, ultimately completing 30-40 money collections of amounts ranging from $50,000 to $150,000 between April and October 2012.

These transactions were clothed in secrecy and a number of steps, above and beyond those routinely used in hawala transactions, were taken to hide the nature of the transactions. Singh switched out his SIM card and phone number every 20 to 25 days. Members of the conspiracy used burner phones—disposable, prepaid, effectively untraceable devices to communicate among themselves. Transfers involved code words such as "shaman" and "merchandise" to disguise the nature of the transactions. The hawala merchants used serial numbers on dollar bills to verify that the person who received the cash was the intended recipient. Higher than usual fees were charged.

The government's proof at trial included video surveillance records that showed Singh making deliveries on a number of occasions as well as Singh's own ledger which documented his activities and included cash amounts, recipients, and serial numbers. Finally, the government adduced evidence that Singh was stopped in October 2012 by a California Highway Patrol officer and told the officer that bags found in the car carried his wife's shoes, but the bags actually contained cash that he was on his way to deliver. After discovering the bags, the officer arrested Singh. After the arrest, law enforcement officers searched his home and seized large sums of cash as well as drug ledgers.

United States v. Singh, 995 F.3d 1069, 1073-74 (9th Cir. 2021).

REASONS FOR GRANTING THE WRIT

A. The Majority's Opinion, Below, Conflicts with This Court's Decision in *Regalado Cuellar v. United States*.

To violate 18 U.S.C. § 1956(a)(1)(B), a defendant must know that the financial transactions involving the proceeds of unlawful activity were "designed in whole or in part … to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of the specified unlawful activity." In 2008, this Court analyzed the identical provision of § 1956(a)(2)(B), holding that evidence that the defendant went to great lengths to conceal the funds he carried to Mexico, without more, was insufficient to satisfy the "designed … to conceal" element. *Regalado Cuellar v. United States*, 553 U.S. 550, 568 (2008).[2] In so holding, the Court explained that, in the context of the money laundering statute, "'design' means purpose or plan, *i.e.*, the intended aim of the transportation." *Id.* at 563. It does not mean the mere "structure" of how the transportation is accomplished, which is how the Fifth Circuit had erroneously interpreted the term. *Id.* at 564-65.

This Court emphasized in *Cuellar* that "[t]here is a difference between concealing something to transport it, and transporting it to conceal it; that is, *how* one moves the

[2] Although the defendant in *Cuellar* was convicted under the "transportation" subsection of the statute, 18 U.S.C. § 1956(a)(2)(B)(i), while Singh was convicted under the "financial transaction" subsection, § 1956(a)(1)(B), "the *Cuellar* analysis applies with full force to the 'designed to conceal' element, which is identical in the two [sections]." *United States v. Brown*, 553 F.3d 768, 786 n.56 (5th Cir. 2008); *see also United States v. Huezo*, 546 F.3d 174, 179 (2d Cir. 2008) ("*Cuellar* confirms that a conviction for transaction money laundering, like a conviction for transportation money laundering, requires proof that the purpose or intended aim of the transaction was to conceal or disguise a specified attribute of the funds.").

money is distinct from *why* one moves the money. Evidence of the former, standing alone, is not sufficient to prove the latter." *Id.* at 566 (internal quotation marks and citation omitted). In *Cuellar*, then, because the trial evidence established that the purpose of the transportation was to compensate the leaders of the drug smuggling operation, the defendant's conviction was reversed. *Id.* at 566-68.

Cuellar, like this case, involved a defendant transferring proceeds from drug trafficking funds for the purpose of providing the funds to members of the drug trafficking organizations. *Cuellar*, even more than this case, involved a defendant taking substantial precautions in order to prevent discovery by authorities of the funds he was moving. And yet in *Cuellar*, this Court reversed upon finding an absence of proof that the *purpose* or *reason* for the transportation was to conceal. Singh's conviction should have been reversed in this case, as well.

The majority's decision rejecting Singh's sufficiency-of-the-evidence claim below cannot be squared with *Cuellar*. For one thing, although the majority pointed out that Singh and his coconspirators "could, theoretically, have saved themselves a good deal of time and effort by using wire transfers or mailing checks" rather than moving funds with an untraceable method, the same is true of the defendant in *Cuellar*. The fact that a transaction is *structured* to be discreet or difficult to track does not mean that the *purpose* of the transaction—i.e., the reason it is undertaken—is for disguise. *See Cuellar*, 553 U.S. at 566. As Judge Watford noted in his dissent, "The Court [in *Cuellar*] stressed the distinction between purpose and effect because in that case there was no question that the effect of the transportation was to make it harder for law enforcement to track the

location and control of the funds. . . . Notwithstanding the evidence of a concealment *effect*, the Court reversed the defendant's conviction because the evidence did not establish a concealment *purpose*." *Singh*, 995 F.3d at 1083 (Watford, J., dissenting) (emphasis in original).

In *Cuellar*, the government's evidence showed that the purpose of the transfer of funds "was simply to pay the leaders of the drug-trafficking organization in Mexico, nothing more." *Id.* And, as Judge Watford correctly explained:

> The government's evidence in our case suffers from the same deficiencies the Court identified in *Cuellar*. To be sure, the government proved that the financial transactions at issue—transferring funds through a hawala network rather than by wire transfer or check—had the effect of making it harder for law enforcement to track the location and control of the funds. But just as in *Cuellar*, the government's proof did not establish that the 'intended aim' of the hawala transfers was to conceal or disguise. . . . The government's expert in this case, too, testified that the purpose of the hawala transfers was simply to pay off debts owed to the drug suppliers in Los Angeles. In other words, just as in *Cuellar*, the government proved only that the intended aim of the financial transfers was to move drug proceeds from point A to point B.

Singh, 995 F.3d at 1084 (Watford, J., dissenting).

Judge Watford was correct: this case cannot be meaningfully distinguished from *Cuellar*. The government's expert here was absolutely clear: "[T]he transactions that I reviewed in this case appear all to be payment for drugs." (ER 558; *see also* ER 539 (opining that "the hawala system was used to convert Canadian drug dollars that were generated from drug trafficking in Canada … into U.S. dollars … for payment of either drug debts or advance payments by the [drug] trafficker … to his source of supply, which

was the … Mexican drug organization"); ER 546 ("Slide 12 depicts the drug trafficker in Canada and his need to pay his source of supply. He has … the Canadian drug dollars collected, and he has to find a way to get those drug dollars back to pay a source of supply.").) The majority's focus on the "concealment enhancing" attributes of the hawala system used was misplaced; those attributes do nothing to prove that the purpose of the transfers—the reason they were undertaken in the first place—was concealment. Just as in *Cuellar*, the government's proof was insufficient in this case. And because the majority's opinion conflicts with this Court's precedent, the petition for writ of certiorari should be granted.

B. The Majority's Decision Conflicts with Decisions of Other Courts of Appeals.

Just as the majority's decision conflicts with *Cuellar*, it conflicts with authoritative decisions of other circuits, creating a circuit split. As Judge Watford pointed out in his dissent, for example, the facts of this case are similar to those in *United States v. Garcia*, 587 F.3d 509 (2d Cir. 2009), where the Second Circuit reversed the conviction of a truck driver hired to transfer millions of dollars in cash across the country to pay a debt owed to a drug supplier. *Id.* at 518-19; *see also United States v. Ness*, 565 F.3d 73, 76-68 (2d Cir. 2009); *Singh*, 995 F.3d at 1085 (Watford, J., dissenting, discussing *Garcia*). And other circuits have likewise applied *Cuellar* to reverse money laundering convictions for lack of a concealment purpose even where the transactions were structured to avoid detection, or where they were accomplished in a secretive manner. *See, e.g.*, *United States v. Faulkenberry*, 614 F.3d 573 (6th Cir. 2010) (although cash advance to investors was

structured to conceal nature of funds, government failed to prove that concealment "was one of the *purposes* that drove [defendant] to engage in the transaction in the first place") (emphasis in original); *United States v. Valdez*, 726 F.3d 684, 690 (5th Cir. 2013) (reversing conviction where defendant transferred money obtained through health care fraud; explaining that establishing "designed to conceal" element requires proof that transaction had purpose, not just effect, of making it more difficult for government to trace funds). These cases, like *Cuellar*, conflict with the Ninth Circuit majority's opinion in Singh's case. This Court should grant the petition to resolve the split among the circuits with respect to what proof is sufficient to support a § 1956(a)(1)(B) conviction post-*Cuellar*.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

DATED: November 17, 2021

By: 

ELIZABETH RICHARDSON-ROYER
Attorney-at-Law*

Attorney for Petitioner
**Counsel of Record*

APPENDIX

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

FILED

JUN 30 2021

MOLLY C. DWYER, CLERK
U.S. COURT OF APPEALS

UNITED STATES OF AMERICA, Plaintiff-Appellee, v. HARINDER SINGH, AKA Lnu, Sonu, Defendant-Appellant.	No. 18-50423 D.C. No. 2:14-cr-00648-CAS-9 Central District of California, Los Angeles ORDER

Before: WATFORD and BUMATAY, and Circuit Judge, PARKER.*

Judge Bumatay has voted to deny the petition for rehearing en banc, and Judge Parker has so recommended. Judge Watford voted to grant the petition for rehearing en banc. The full court has been advised of the petition for rehearing en banc, and no judge of the court has requested a vote on it. Fed. R. App. P. 35. The petition is DENIED.

* The Honorable Barrington D. Parker, United States Court of Appeals for the 2nd Circuit, sitting by designation.

FOR PUBLICATION

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

UNITED STATES OF AMERICA, *Plaintiff-Appellee*, v. HARINDER SINGH, AKA Lnu, Sonu, *Defendant-Appellant.*	No. 18-50423 D.C. No. 2:14-cr-00648-CAS-9 OPINION

Appeal from the United States District Court
for the Central District of California
Christina A. Snyder, District Judge, Presiding

Argued and Submitted November 9, 2020
Pasadena, California

Filed May 3, 2021

Before: Barrington D. Parker,[*] Paul J. Watford, and Patrick J. Bumatay, Circuit Judges.

Opinion by Judge Parker;
Partial Concurrence and Partial Dissent by Judge Watford

[*] The Honorable Barrington D. Parker, United States Circuit Judge for the U.S. Court of Appeals for the Second Circuit, sitting by designation.

SUMMARY**

Criminal Law

The panel affirmed Harinder Singh's convictions and sentence for conspiracy to launder money (18 U.S.C. § 1956(h)), conspiracy to operate an unlicensed money transmitting business (18 U.S.C. § 371), and operating such a business (18 U.S.C. § 1960), stemming from Singh's involvement in a hawala operation, a money transmitting network that he and his coconspirators used to move drug trafficking proceeds from Canada to the United States and eventually to Mexico.

Rejecting Singh's sufficiency-of-the-evidence challenge to his § 1956 conviction, the panel held that a jury could have reasonably concluded that Singh intended to conceal the ownership and control of the drug proceeds, as required by 18 U.S.C. § 1956(a)(1)(B)(i).

The panel also rejected Singh's sufficiency-of-the-evidence challenge to his convictions under § 1960, which provides that money transmitting "includes" transferring funds on behalf of the public. Explaining that "includes" deems what follows to be a non-exhaustive list of what the statute covers, the panel held that "on behalf of the public" is not a necessary element of § 1960. The panel disagreed with Singh's argument that because he did not advertise his services or make them generally available to everyone, his transactions were not "on behalf of the public." The panel

** This summary constitutes no part of the opinion of the court. It has been prepared by court staff for the convenience of the reader.

therefore concluded that Singh's conduct triggered liability under § 1960. The panel held that even if "on the behalf of the public" were an element—which it is not—the government proved it.

As to Singh's contention that the government's closing arguments constructively amended the indictment's § 1960 counts, the panel saw no plain error. The panel explained that the indictment charges that Singh worked with others in a money transmitting business based on the hawala network, which is not "distinctly different" from charging Singh with conducting his own money transmitting business, and that the indictment was not substantially altered at trial.

The panel held that the district court did not violate the Confrontation Clause, nor abuse its discretion, in limiting the cross-examination of a cooperating witness.

Without resolving whether a clear and convincing evidence standard or a preponderance of the evidence standard should apply, the panel held that the record supports, under either standard, the district court's application of an enhancement under U.S.S.G. § 2S1.1(b)(1) based on Singh's knowing that the laundered funds were drug trafficking proceeds.

Judge Watford concurred in part and dissented in part. He agreed with the majority that Singh's conduct rendered him guilty of operating an unlicensed money transmitting business in violation of § 1960, but in his view, Singh's conduct did not amount to participation in a money laundering conspiracy.

COUNSEL

Elizabeth Richardson-Royer (argued), San Francisco, California, for Defendant-Appellant.

Elana Shavit Artson (argued) and Carol Alexis Chen, Assistant United States Attorneys; L. Ashley Aull, Chief, Criminal Appeals Section; Nicola T. Hanna, United States Attorney; United States Attorney's Office, Los Angeles, California; for Plaintiff-Appellee.

OPINION

PARKER, Circuit Judge:

After a seven-day trial, a jury convicted Harinder Singh ("Singh") of one count of conspiracy to launder money (*see* 18 U.S.C. § 1956(h)), one count of conspiracy to operate an unlicensed money transmitting business (*see* 18 U.S.C. § 371), and one count of operating such a business (*see* 18 U.S.C. § 1960). The convictions stemmed from Singh's activities as a participant in a money transmitting enterprise which transferred and laundered drug trafficking proceeds.[1]

On this appeal, Singh raises a number of contentions, but principally argues that the government adduced insufficient evidence to support his conviction. He also argues that the government's proof at trial and its closing argument constructively amended the indictment and that the district court erroneously limited cross-examination of a

[1] The indictment, originally returned November 13, 2014, included 22 defendants. Most co-defendants entered pleas of guilty and did not proceed to trial.

government witness. Lastly, Singh argues that the court below erred in adding a six-level sentencing enhancement because he knew the laundered funds were drug proceeds. *See* U.S.S.G. § 2S1.1(b)(1). Finding no merit to these contentions, we affirm.

BACKGROUND

Singh's convictions derive from his involvement in a hawala operation, a money transmitting network that he and his coconspirators used to move drug trafficking proceeds from Canada to the United States and eventually to Mexico. Considered in the light most favorable to the government, its proof at trial established the following. In early 2012, Gurkaran Singh Isshpunani began to work for Deepinder "Pindi" Singh, a drug trafficker, to transfer drug proceeds from Canada to the United States. As a hawala broker, Isshpunani collected Canadian funds from Pindi and worked with other hawala dealers (including the defendant) to coordinate the transfer of equivalent U.S. funds to California where they were used to pay Mexican drug suppliers. Singh worked in California. His primary role in the conspiracy was to deliver drug proceeds to various hawala brokers in California and elsewhere who then orchestrated the delivery of the funds to a Mexican drug cartel.

Hawala is a system designed to transfer funds from point to point outside of formal money transmission channels without the physical movement of money. Typically, the system is used to transfer funds from one country to another through hawala brokers. A broker in one country receives money and then communicates with a broker in the country receiving the transfer. The broker in the receiving country then pays out an equivalent amount (deducting for fees) to the recipient in the appropriate currency. Hawala transactions are discreet. They typically involve minimal

record-keeping, are not subject to government regulation and are premised on trust.

Hawala is widely used in communities that have limited access to formal banking structures and, for example, is an important vehicle for remittance payments from immigrants to family members in their home countries. But because of its informality, lack of record keeping and government oversight, hawala may be used to transfer illegally derived funds, as was the case here.

The government's proof established that the network in which Singh was involved transferred, over a considerable period of time, large sums of Canadian dollars from Pindi's Canadian drug operation to Los Angeles. Isshpunani worked with a broad network of hawala brokers, based in California and in India, to orchestrate the delivery of funds which had been sent to California to the Mexican cartel.

In spring of 2012, Singh was recruited into the operation by his uncle, Sucha Singh, who ran a hawala business. Initially, Singh worked for his uncle but later worked independently. Singh's primary responsibility was collecting and distributing money to Pindi's associates. The government's proof at trial established that Singh knew the funds were drug proceeds. Sanjiv "Bobby" Wadhwa, a co-defendant who later became a government witness, testified at trial that he told Singh that the funds Singh moved were drug proceeds.

Singh was a hard worker. In 2012, he completed 10–15 deliveries for Isshpunani of sums ranging from $100,000 to about $800,000. He received $250 for each $100,000 delivered. Singh also worked directly with Wadhwa, ultimately completing 30–40 money collections of amounts

ranging from $50,000 to $150,000 between April and October 2012.

These transactions were clothed in secrecy and a number of steps, above and beyond those routinely used in hawala transactions, were taken to hide the nature of the transactions. Singh switched out his SIM card and phone number every 20 to 25 days. Members of the conspiracy used burner phones—disposable, prepaid, effectively untraceable devices to communicate among themselves. Transfers involved code words such as "shaman" and "merchandise" to disguise the nature of the transactions. The hawala merchants used serial numbers on dollar bills to verify that the person who received the cash was the intended recipient. Higher than usual fees were charged.

The government's proof at trial included video surveillance records that showed Singh making deliveries on a number of occasions as well as Singh's own ledger which documented his activities and included cash amounts, recipients, and serial numbers. Finally, the government adduced evidence that Singh was stopped in October 2012 by a California Highway Patrol officer and told the officer that bags found in the car carried his wife's shoes, but the bags actually contained cash that he was on his way to deliver. After discovering the bags, the officer arrested Singh. After the arrest, law enforcement officers searched his home and seized large sums of cash as well as drug ledgers.

In addition to arguing that this evidence was insufficient to establish his guilt on the three counts on which he was convicted, Singh argues that two errors by the trial court require reversal. As noted, Sanjiv "Bobby" Wadhwa testified for the government at trial as a cooperating witness. At some point, defense counsel received information that the

FBI had investigated him based on an allegation that he had planned to murder Taran Singh, another hawala dealer. Both were alleged to be members of the conspiracy. The FBI ultimately concluded that the allegation was unsubstantiated and closed the case. At trial, defense counsel attempted to cross-examine Wadhwa regarding his involvement in the murder-for-hire plot, arguing that the evidence was relevant to his credibility. Defense counsel also sought to have recordings of Wadhwa speaking about the murder-for-hire plans, including discussing a $30,000 payment, admitted into evidence to refresh his recollection.

The court ruled that defense could inquire into whether Wadhwa was involved in the murder-for-hire scheme but that, citing Fed. R. Evid. 608(b), if Wadhwa denied his involvement, the inquiry must end, and extrinsic evidence could not be admitted to impeach him. When questioned, Wadhwa disavowed any involvement in a murder-for-hire scheme. The court explained that it limited cross-examination in order to "prevent impeachment of [him] on a collateral matter and to avoid a mini-trial on the issue of the murder-for-hire plot[.]" The court also excluded the recordings. Singh contends that these limitations violated the Confrontation Clause, U.S. Const. amend. VI.

Next, Singh contends that he is entitled to reversal because at trial the court permitted a constructive amendment of the indictment. Singh contends that the indictment charged only "a single, joint money transmitting business consisting of the entire hawala network and the various transactions . . . within it." At trial, however, the government offered proof and argued to the jury that Singh operated a money transmitting business. This variance, he contends, violated the Fifth Amendment, U.S. Const. amend. V.

Following Singh's conviction, the Probation Office calculated an offense level of 34. The components were a base offense level of eight, an 18-level enhancement because the amount of laundered funds was between $3.5 and $9.5 million, a six-level enhancement because Singh knew or believed the funds were related to drug trafficking and a two-level enhancement because Singh was convicted under 18 U.S.C. § 1956. Based on a Criminal History Category of I, these calculations yielded an advisory Guidelines range of 151–188 months. At sentencing, Singh objected to the six-level enhancement, contending that there was a lack of clear and convincing proof that he knew the funds were derived from drugs. The court disagreed but sentenced him well below his Guidelines range to 70 months. This appeal followed. For the reasons that follow, we affirm.

DISCUSSION

I

Singh's main arguments are that the government adduced insufficient evidence of a purpose to conceal, as required by 18 U.S.C. § 1956(a)(1)(B)(i), to support his conviction for concealment money laundering under Count I, and insufficient evidence of public involvement to support his convictions for operating and conspiring to operate a money transmitting business under Counts II and III, *see* 18 U.S.C. § 1960(b)(2). When evaluating a sufficiency challenge, "the relevant question is whether, after viewing the evidence in the light most favorable to the prosecution, *any* rational trier of fact could have found the essential elements of the crime beyond a reasonable doubt." *Jackson v. Virginia*, 443 U.S. 307, 319 (1979); *Long v. Johnson*, 736 F.3d 891, 895–56 (9th Cir. 2013). We review sufficiency of evidence challenges *de novo*. *See United States v. Corrales-Vazquez*, 931 F.3d 944, 947 (9th Cir. 2019).

As noted, Singh was convicted of conspiracy to launder money in violation of 18 U.S.C. § 1956(a)(1)(B)(i). (Count I). The substantive elements of that offense are: "(1) the defendant conducted or attempted to conduct a financial transaction; (2) the transaction involved the proceeds of unlawful activity; (3) the defendant knew that the proceeds were from unlawful activity; and (4) the defendant knew that the transaction was designed in whole or in part—(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity." *United States v. Wilkes*, 662 F.3d 524, 545 (9th Cir. 2011) (internal quotations and citations omitted). On appeal, Singh only challenges the sufficiency of the Government's proof on the 4th element.

On this element, Singh argues there was insufficient evidence that the transactions he participated in were designed to conceal illicit drug money. His support for this contention is *Regalado Cuellar v. United States*, 553 U.S. 550 (2008). There, the Supreme Court held that a conviction under 18 U.S.C. § 1956(a)(2)(B)(i), the provision that criminalizes transportation money laundering and is analogous to the (a)(1) provision at issue in this case, required the government to establish that "the purpose—not merely the effect—of the transportation was to conceal or disguise a listed attribute." *Cuellar*, 553 U.S. at 566. In other words, that a transaction is structured to hide its source is not enough. The government must prove that the transaction had the purpose of concealing the source. *Id*. at 566 (explaining "*how* one moves the money is distinct from *why* one moves the money.").

Cuellar was a drug courier—a "mule"—who was arrested after law enforcement officers discovered him transporting $81,000 of drug proceeds to Mexico. They were

covered in plastic bags and animal hair and hidden in a secret compartment in his car. *Cuellar*, 553 U.S. at 552. The Court held that although petitioner hid the proceeds to transport them, the evidence showed that his ultimate purpose was to "compensate the Mexican leaders of the operation," not to conceal the funds. *Id*. In other words, according to the Court, Petitioner's conduct was not designed to conceal an attribute of the funds but simply to move them. For this reason, the Court found the evidence insufficient and reversed the conviction.

Singh argues that *Cuellar* requires reversal of his conviction because the government adduced insufficient evidence that the hawala transactions in which he participated had a concealment purpose. The purpose, according to him, was simply to pay Mexican drug suppliers. In other words, Singh believes he and *Cuellar* were similarly situated.

We are not persuaded. The money laundering statute is violated if the transaction in question is "designed in whole *or in part*" to conceal. 18 U.S.C. § 1956(a)(1)(B)(i) (emphasis added). In *Cuellar*, the government proved that the effect of the transportation was payment of the Mexican drug suppliers, but there was no proof, or at least no sufficient proof, of a concealment purpose.

We conclude, for a host of reasons, that the transactions in question had (certainly in part) a concealment purpose. First, Singh and his co-conspirators used the hawala system. They could, theoretically, have saved themselves a good deal of time and effort by using wire transfers or mailing checks: procedures used countless times everywhere every day to move funds quickly and efficiently. Instead of doing so, they used a private system that involved informality, confidentiality, and intricate pickup and delivery procedures

with person-to-person contact to move very large sums of money. This system featured minimal record keeping and no governmental regulation, oversight or reporting requirements. While hawala is a system with legitimate users and an ostensibly legitimate purpose, a jury could have reasonably concluded from this evidence that Singh used it for the purpose of concealing the location and ownership of drug money.

Moreover, Singh did not simply use a basic hawala system. He used a stepped up system that included a number of concealment enhancing add-ons. He and his associates used coded words for drug money ("saman", "merchandise") to facilitate cash pick-ups and drop offs. Instead of using an iPhone or an Android, he used burner phones which he changed every 20 to 25 days. Burner phones obviously have legitimate uses. But they are often used in connection with drug transactions because there are no readily retrievable records of who owns them, calls are difficult to trace and it is considerably more difficult for law enforcement to get wire-tap authorizations for them. He also used serial numbers on currency, which were used to verify the identity of the courier receiving funds. When cash was delivered, the receiving courier was required to provide a serial number as verification. Moreover, the hawala system Singh used charged premium fees to move the Canadian money. Finally, when Singh was arrested, he falsely stated that a bag in his car that contained large amounts of drug proceeds held his wife's shoes. Based on this constellation of facts, a jury could have reasonably concluded that Singh intended to conceal the ownership and control of drug proceeds.

In *United States v. Wilkes*, the defendant was convicted of concealment money laundering under § 1956(a)(1)(B)(i) for payments and gifts to a California congressman in

exchange for government contracts. 662 F.3d 524, 530 (9th Cir. 2011). Wilkes transferred a $525,000 mortgage payment to the congressman in exchange for a contract; instead of transmitting the funds directly, Wilkes conducted a series of transfers, moving the money between different bank accounts. We concluded that the transactions, "which provided additional buffers between the corrupt contract and the payoff of [the congressman's] mortgage" were intended to conceal the source of the funds because, as here, they were "convoluted" and not "simple transactions," which were intended to mask the link between the funds and their source. *Id*. at 547.

Decisions from other courts reinforce our conclusion. In *United States v. Brown*, 553 F.3d 786, 787 (5th Cir. 2008), the Fifth Circuit found a concealment purpose where "the defendants intended to and did make it more difficult for the government to trace and demonstrate the nature of [] funds[,] . . . the transactions were in cash [and] [m]ost deposits were below ten thousand dollars" to dodge reporting regulations.[2] In *Magluta v. United States*, 660 Fed. App'x 803, 807–08 (11th Cir. 2016), the Eleventh Circuit found a concealment

[2] *Accord United States v. Diaz*, 2008 WL 4387209, *1 (S.D.N.Y. 2008) (finding a concealment purpose from a "sophisticated and complex financial scheme" that moved drug funds from New York to the Dominican Republic); *United States v. Spencer*, 2008 WL 4104693, *4 (D. Minn. 2008) (concluding that "mak[ing] it harder to trace the source of [] money" suggests a concealment purpose); *but see United States v. Garcia*; 587 F.3d 509 (2d Cir. 2009) (declining to find a concealment purpose where defendant secretly transported $2.2 million in drug proceeds across the U.S.); *United States v. Ness*, 565 F.3d 73, 78 (2d Cir. 2009) (finding no concealment purpose where defendant transported millions of dollars in drug proceeds abroad because there was only "an intent to conceal the transportation, not an intent to transport in order to conceal.").

purpose where checks (derived from drug funds) given to criminal defense lawyers had false payees and the funds themselves were moved from "Miami to New York to Israel and then back to Miami." In sum, we conclude that the Government adduced sufficient evidence of Singh's concealment purpose.

II

Next, Singh argues that the evidence introduced by the Government was insufficient to support his conviction under 18 U.S.C. § 1960, which bars the operation of an unlicensed money transmitting business. "Money transmitting" under § 1960(b)(2) "includes transferring funds on behalf of the public by any and all means including but not limited to transfers within this country or to locations abroad[.]"

"A money transmitting business receives money from a customer and then, for a fee paid by the customer, transmits that money to a recipient in a place that the customer designates[.]" *United States v. Velastegui*, 199 F.3d 590, 592 (2d Cir. 1999). That is precisely what Singh did. The government's proof at trial established that Singh's conduct fit this definition.

Singh contends that "on behalf of the public" is an essential element of § 1960 which the government failed to prove beyond a reasonable doubt. The reasoning behind this, Singh maintains, is that "includes" in the statute's text should be understood as signifying "means." We disagree. We believe that "includes" deems what follows to be read as

a non-exhaustive list of what the statute covers.[3] Thus, we hold that "on behalf of the public" is not a necessary element of § 1960.

To address what constitutes "on behalf of the public:" we believe that for money transmission to be conducted "on behalf of the public" under § 1960, it must occur within a transactional, business dealing or for a member of the broader community rather than within a personal or close relationship. *See*, *e.g.*, *United States v. $215,587.22 in U.S. Currency*, 306 F. Supp. 3d 213, 218 (D.D.C. 2018) (defining "on behalf of the public" as a money transmission that is "made for third-parties or customers as part of a commercial or business relationship, instead of with one's own money or for family or personal acquaintances."). That is what occurred here.

Singh argues that because he did not advertise his services or make them generally available to everyone, his transactions were not "on behalf of the public." We disagree. We find it highly unlikely—indeed inconceivable—that Congress intended to limit § 1960 to money transferring businesses that used TV commercials, business cards or billboards. For these reasons, we conclude that Singh's conduct triggered liability under § 1960.

However, even if "on behalf of the public" were an element—which it is not—the government proved it. Given the numerosity, scale, and frequency of Singh's transactions, a jury could reasonably have concluded that his conduct was what Congress intended to proscribe and what the statute in

[3] *Cf. United States. v. Wyatt*, 408 F.3d 1257, 1261 (9th Cir. 2005) (interpreting the statutory definition of "includes" as "non-exhaustive rather than exclusive.").

fact proscribes. Singh, after all, was not a small-time hawala courier who limited his dealings to a small circle of family and friends: he was involved in dozens and dozens of transactions. For example, he picked up hundreds of thousands of dollars from Taran on 30–35 occasions, and he made 10–15 deliveries on Isshpunani's behalf in amounts between $100,000 and $800,000. He also transacted with various parties in parking lots, apartment complexes, warehouses, electronics stores and elsewhere. These activities were extensive, involving many people and lots of money. Drawing all inferences in the government's favor, it was reasonable for the jury to conclude that Singh was operating a sufficiently publicly oriented money transmitting business to fall under § 1960. *See* S. Rep. No. 101-460, at 14 (1990), reprinted in 1990 U.S.C.C.A.N. 6645, 6658–59; *United States v. $215,587.22 in U.S. Currency*, 306 F. Supp. 3d 213, 218 (D.D.C. 2018); *see also United States v. Banki*, 685 F.3d 99, 114 (2d Cir. 2012) (defining "business" under § 1960 as "an enterprise that is carried on for profit or financial gain"). In sum, the government adduced sufficient evidence to support Singh's convictions under § 1960 (Counts II and III).

III

Next, Singh argues that the government's closing arguments constructively amended Counts II and III of the indictment. He contends that the indictment charged a "single, joint money transmitting business consisting of the entire hawala network and the various transactions . . . within it," but the government argued at trial that he operated a money transmitting business of his own. Because Singh

failed to object at trial, we review for plain error.[4] We see none.

A constructive amendment is an alteration to the indictment's terms "either literally or in effect, by the prosecutor or a court after the grand jury has last passed upon them." *Id*. at 1182–83. We have identified two kinds of constructive amendments: (1) those involving a "complex of facts presented at trial distinctly different from those set forth in the charging instrument" and (2) those where "the crime charged in the indictment was substantially altered at trial, so that it was impossible to know whether the grand jury would have indicted for the crime actually proved." *United States v. Davis*, 854 F.3d 601, 603 (9th Cir. 2017). Neither occurred here.

The facts the government presented at trial were not "distinctly different" from those in the indictment. The government's proof established that the hawala network in which Singh operated was an extensive one involving many brokers and many transactions. Initially, Singh worked for his uncle but, as time went on, he worked independently. Further, the government's trial arguments did not substantially alter the indictment. Both the indictment and the government's proof at trial were directed at the same offense: operating an unlicensed money transmitting business. Whether he shared income with his uncle or kept it for himself is of no moment. He was still operating an

[4] Plain error occurs "if there has been (1) error; (2) that was plain; (3) that affected substantial rights; and (4) that seriously affected the fairness, integrity, or public reputation of the judicial proceedings." *United States v. Mickey*, 897 F.3d 1173, 1183 (9th Cir. 2018).

unlicensed business. Thus, we see no error and certainly no plain error.

Singh seeks support from *Stirone v. United States*, 361 U.S. 212, 217 (1960) and *United States v. Ward*, 747 F.3d 1184, 1192 (9th Cir. 2014), both cases where the courts found a constructive amendment. In *Stirone*, the Supreme Court found a constructive amendment when the indictment charged the defendant with unlawful interference with the interstate movement of sand, while the trial court's instruction allowed the jury to convict for either unlawful sand or steel shipments. The Court held that the indictment could not "fairly be read" as containing the same charge as the conviction. *Stirone*, 361 U.S. at 217. In *Ward*, this court found a constructive amendment where there was ambiguity around whether identity theft convictions were based on the indictment's charge or "uncharged conduct." 747 F.3d at 1191. In that case, the jury may have convicted the defendant for aggravated identity theft against victims who were not specified in the indictment. A constructive amendment occurred because, since "the identity of the victims was necessary to satisfy an element of the offense," the conviction was not unequivocally based on the indictment's charged conduct. *Id*. at 1192.

In contrast to these cases, the indictment charges that Singh worked with others in a money transmitting business based on the hawala network, which is not "distinctly different" from charging Singh with conducting his own money transmitting business and did not "substantially alter" the charges Singh faced.

IV

Next, Singh argues that the trial court violated the Confrontation Clause by limiting the cross-examination of

Sanjiv "Bobby" Wadhwa, who testified at trial as a cooperating witness. At some point, defense counsel received information that the FBI had investigated Wadhwa based on an allegation that he had planned to murder Taran Singh, another hawala dealer. Both were alleged to be members of the conspiracy. The FBI ultimately concluded that the allegation was unsubstantiated and closed the case. At trial, defense counsel attempted to cross-examine Wadhwa regarding his involvement in the murder-for-hire plot, arguing that the evidence was relevant to his credibility. Defense counsel also sought to have recordings of Wadhwa speaking about the murder-for-hire plans, including discussing a $30,000 payment, admitted into evidence to refresh his recollection.

The district court ruled that defense could inquire into whether Wadhwa was involved in the murder-for-hire scheme; but, citing Rule 608(b), if Wadhwa denied his involvement, the inquiry would need to end and extrinsic evidence could not be admitted to impeach him. When questioned, Wadhwa disavowed any involvement in a murder-for-hire scheme. The court explained that it limited cross-examination in order to "prevent impeachment of [him] on a collateral matter and to avoid a mini-trial on the issue of the murder-for-hire plot[.]" The court also excluded the recordings. Singh contends that these limitations violated the Confrontation Clause, U.S. Const. amend. VI. This court reviews Confrontation Clause-based challenges to a district court's limitations on cross-examination *de novo*. *See United States v. Larson*, 495 F.3d 1094, 1101 (9th Cir. 2007). However, this court will review "[a] challenge to a trial court's restrictions on the manner or scope of cross-examination on non-constitutional grounds" for an abuse of discretion. *Id.*

The Confrontation Clause secures a defendant's right "to be confronted with the witnesses against him." U.S. Const. amend. VI. The Clause also guarantees "the right of effective cross-examination." *Larson*, 495 F.3d at 1102. However, the right to cross-examine is subject to very well-established limitations that permeate the Federal Rules of Evidence. "[T]rial judges retain wide latitude insofar as the Confrontation Clause is concerned to impose reasonable limits on such cross-examination based on concerns about . . . harassment, prejudice, confusion of the issues. . . or interrogation that is. . . only marginally relevant." *Id*. at 1101 (citation omitted).

At trial, Singh made extensive use of his right to "confront" Wadhwa. Wadhwa testified for approximately two and a half hours, and he was cross-examined extensively about meeting with his cellmate's wife and one of her associates and about whether, during that meeting, he agreed to have Taran killed in exchange for a payment of $30,000. The court below imposed limitations on cross-examination, invoking Rules 608(b) and 403, but there are precious few federal criminal trials in which limitations of one kind or another on cross-examination are not imposed.

United States v. Mikhel, 889 F.3d 1003, 1048 (9th Cir. 2018), is our test for when restrictions on cross-examination become sufficiently extensive to raise Confrontation Clause concerns that may undermine the fairness of a trial. Under *Mikhel*, the inquiry is "(1) whether the excluded evidence was relevant; (2) whether there were other legitimate interests outweighing the defendant's interest in presenting the evidence; and (3) whether the exclusion of evidence left the jury with sufficient information to assess the witness's credibility." *Id*. (citing *Larson*, 495 F.3d at 1103).

Here, the relevance of the additional questioning Singh's counsel wished to pursue—about recordings of meetings between Wadhwa and his cellmate and the cellmate's wife related to the murder-for-hire—was, as the district court ruled, highly attenuated and convoluted. The line of examination defense counsel wished to pursue "becomes a he-said/he-said/he-said and then she-said/he-said . . . [i]t's confusing because there's a lot of different versions." Moreover, the trial judge concluded that the line of cross-examination in question was not sufficiently relevant to any potential bias Wadhwa might harbor because it involved events that were simply too peripheral.

Under *Mikhel*'s second prong, it was well within the trial judge's discretion to limit cross-examination to prevent "a trial-within-a-trial." 889 F.3d at 1048. The trial judge did just that, explaining "[w]e are not here to try Mr. Wadhwa for a plot to murder another witness. It is collateral . . . we are not trying the murder for hire case. We are trying the hawala money laundering case."

Lastly, the exclusion in question certainly left the jury with enough evidence to assess Wadhwa's credibility. The jury already knew that Wadhwa had pleaded guilty, that the government first approached him about testifying against Singh while Wadhwa was in prison after sentencing, and that Wadhwa was seeking a lower sentence. Moreover, the trial judge did not completely exclude any inquiry about the murder-for-hire plot. He permitted a question as to whether Wadhwa had been involved in the scheme. Wadhwa denied his involvement, and under Rule 608(b), the trial court acted well within its discretion in ending the matter there. The court also invoked Rule 403: "I'm not going to have a trial on whether there was, in fact, a murder-for-hire plot and all the meetings he may have had to effectuate those things

because I think that they are collateral, time-consuming, and unfairly prejudicial, and they're going to divert the jury from this case." Later, when denying defendant's motion for a new trial, the judge elaborated: "the probative value of Wadhwa's involvement in a murder-for-hire plot was substantially outweighed by the danger of confusing the issues before the jury and wasting time with a mini-trial [especially considering] that the murder-for-hire allegations against Wadhwa were found to be unsubstantiated." We see no Confrontation Clause violation and no abuse of discretion in these rulings.

V

Finally, Singh challenges the district court's application of a six-level sentencing enhancement under USSG § 2S1.1(b)(1) because Singh knew that the laundered funds were drug trafficking proceeds. Under Count I, the government was required to prove, and did prove, that the funds in question were derived from illegal activity but was not required to prove that the funds were drug proceeds. The parties disagree over the proper standard of proof the district court should have applied to establish the facts supporting the enhancement. Singh, relying on *United States v. Staten*, 466 F.3d 708 (9th Cir. 2006), argues that a clear and convincing evidence standard should apply because the application of the enhancement produces a disproportionate impact on the sentence compared to the offense of conviction. The government argues that the preponderance of the evidence standard should apply. It reasons that once the Guidelines became permissive, and not mandatory, the binary approach to uncharged enhancements under *Staten* was no longer appropriate and that this case should become the vehicle for the Circuit to revisit the decision.

We are not required to resolve this issue because the record supports the application of the enhancement under either standard of proof. The government's proof at trial that the funds were derived from drug trafficking and that Singh knew that source was overwhelming. The entirety of Singh's seven-day trial centered around drug money. In fact, the government's only theory of illegality was that the funds were the proceeds of drug trafficking. Moreover, the government proved Singh knew the funds were drug proceeds. Wadhwa testified that he told Singh that the hawala money was from "davai" or drugs. Sucha also made statements during a telephone call that was introduced into evidence that strongly suggest Singh knew about the funds were related to drug trafficking. On the strength of this record, the district court concluded—quite correctly in our view—that there was "substantial evidence that defendant knew that the proceeds and the laundered funds were connected to drug activity."

Finally, we note the district court ultimately imposed a sentence of 70 months, which is well below Singh's Guidelines range of 151–188 months. For these reasons, we see no merit to Singh's challenge to his sentence.[5]

[5] Moreover, even under this court's disproportionate impact test in *United States v. Gonzalez*, the clear and convincing evidence standard would not apply. 492 F.3d 1031, 1039 (9th Cir. 2007); *see also United States v. Johansson*, 249 F.3d 848 (9th Cir. 2001); *United States v. Jordan*, 256 F.3d 922 (9th Cir. 2001). *Gonzalez* lists the six factors that comprise the disproportionate impact test: "1. Does the enhanced sentence fall within the maximum sentence for the crime alleged in the indictment? 2. Does the enhanced sentence negate the presumption of innocence or the prosecution's burden of proof for the crime alleged in the indictment? 3. Do the facts offered in support of the enhancement create new offenses requiring separate punishment? 4. Is the increase in

CONCLUSION

The judgment of the District Court is **AFFIRMED**.

WATFORD, Circuit Judge, concurring in part and dissenting in part:

Harinder Singh helped transfer drug proceeds from a drug trafficker in Canada to drug suppliers in Los Angeles. I agree with my colleagues that this conduct rendered Singh guilty of operating an unlicensed money transmitting business in violation of 18 U.S.C. § 1960. In my view, however, Singh's conduct did not amount to participation in a money laundering conspiracy. I therefore join Parts II through IV of the majority opinion but am unable to join Parts I and V.

I will be the first to concede that, on the surface, using a hawala network to transfer hundreds of thousands of dollars

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sentence based on the extent of a conspiracy? 5. Is the increase in the number of offense levels less than or equal to four? 6. Is the length of the enhanced sentence more than double the length of the sentence authorized by the initial sentencing guideline range in a case where the defendant would otherwise have received a relatively short sentence?" The enhanced sentence of 151–188 months falls within the maximum sentence (20 years) and the enhanced sentence does not negate the presumption of innocence or the government's burden of proof. Moreover, the enhancement facts do not create a new offense and the sentence increase is not derived from the extent of a conspiracy. While the offense level increase (six) is greater than four and the enhanced sentence length (151 to 188 months) more than doubles the length based on the initial guidelines range (78 to 97 months), these factors, considered in the aggregate, do not require application of a clear and convincing evidence standard.

in drug proceeds from Canada to Los Angeles certainly *seems* like it should violate 18 U.S.C. § 1956(a)(1)(B)(i), the statutory provision at issue here. The provision prohibits engaging in a "financial transaction" involving the proceeds of unlawful activity "knowing that the transaction is designed in whole or in part . . . to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity." Using a hawala network to transfer money undoubtedly qualifies as a "financial transaction" as that term is defined. § 1956(c)(3)–(4). In addition, transfers through a hawala network unquestionably have the *effect* of concealing the flow of money; they are far less transparent from law enforcement's perspective than, say, wire transfers through a bank. While hawala brokers may keep informal ledgers recording the senders, recipients, and amounts transferred, they do not maintain the kind of detailed transactional records that banks and other financial institutions must. And it's a safe bet that hawala brokers do not alert the government to suspicious transactions involving large amounts of cash, as banks and other financial institutions are required to do.

But does that mean anyone who uses a hawala network to transfer illicit funds from point A to point B is guilty of money laundering? The Supreme Court's decision in *Regalado Cuellar v. United States*, 553 U.S. 550 (2008), suggests that the answer is no.

In *Cuellar*, the Court reviewed a defendant's conviction for transporting $81,000 in drug proceeds to Mexico. The conviction arose under a neighboring provision of the money laundering statute that prohibits transporting, transmitting, or transferring proceeds of unlawful activity into or out of the United States "knowing that such transportation, transmission, or transfer is designed in whole or in part . . .

to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity." 18 U.S.C. § 1956(a)(2)(B)(i). As one can see, this provision directly parallels the provision at issue in our case, § 1956(a)(1)(B)(i). Both prohibit engaging in conduct with proceeds of unlawful activity for any of the same forbidden purposes. One simply targets financial transactions involving illicit funds, while the other targets transporting, transmitting, or transferring such funds. Because the "designed . . . to conceal or disguise" clause of the two provisions is identically worded, lower courts have held that *Cuellar*'s holding applies with equal force to § 1956(a)(1)(B)(i). *See, e.g.*, *United States v. Brown*, 553 F.3d 768, 786 n.56 (5th Cir. 2008); *United States v. Huezo*, 546 F.3d 174, 179 (2d Cir. 2008).

The Court said two things in *Cuellar* that are of prime importance to the analysis in our case. First, the Court interpreted the statute's use of the term "design" to mean "purpose or plan; *i.e.*, the intended aim of the transportation." *Cuellar*, 553 U.S. at 563. Thus, a conviction under § 1956(a)(2)(B)(i) "requires proof that the purpose—not merely effect—of the transportation was to conceal or disguise a listed attribute" of the funds. *Id.* at 567. The Court stressed the distinction between purpose and effect because in that case there was no question that the effect of the transportation was to make it harder for law enforcement to track the location and control of the funds. Rather than sending the money by wire transfer, the defendant tried to transport $81,000 in cash to Mexico in a Volkswagen Beetle. He went to considerable lengths to conceal the fact that he was transporting the money across the border. Officers found the cash hidden in a secret compartment beneath the car's rear floorboard, bundled in plastic bags and duct tape. Animal hair had been spread over

the secret compartment, presumably to mask the smell of marijuana emanating from the money. And someone had taken steps to cover up the recent creation of the secret compartment. *Id.* at 554.

Notwithstanding this evidence of a concealment *effect*, the Court reversed the defendant's conviction because the evidence did not establish a concealment *purpose*. The government's expert testified that the purpose of transporting the cash to Mexico was to pay the leaders of the drug-trafficking organization located there. *Id.* at 566 & n.7. In other words, the "intended aim" of the transportation was simply to move the money from point A to point B. The government did not prove that, in addition, the transportation was designed to conceal or disguise a listed attribute of the funds. Such a purpose might have been shown if, for example, the defendant had transported the funds to Mexico so that they could be buried in the desert, thereby concealing their location from authorities. *See id.* at 558–59, 565.

Second, the Court drew a distinction between proof concerning *how* the funds were transported and proof concerning *why* they were transported. The concealment evidence the government offered related to "the manner in which [the transportation] was carried out." *Id.* at 564. The Court noted that the elaborate steps the defendant took to conceal his transportation of the funds could serve as circumstantial evidence that transporting the cash was designed in part to conceal a listed attribute of the funds. But, the Court held, evidence concerning *how* the defendant moved the money was not sufficient on its own to prove *why* he moved the money. *Id.* at 566. As far as the government's evidence showed, the "why" was simply to pay the leaders of the drug-trafficking organization in Mexico, nothing more.

The government's evidence in our case suffers from the same deficiencies the Court identified in *Cuellar*. To be sure, the government proved that the financial transactions at issue—transferring the funds through a hawala network rather than by wire transfer or check—had the effect of making it harder for law enforcement to track the location and control of the funds. But just as in *Cuellar*, the government's proof did not establish that the "intended aim" of the hawala transfers was to conceal or disguise a listed attribute of the funds. *Id.* at 563. The government's expert in this case, too, testified that the purpose of the hawala transfers was simply to pay off debts owed to the drug suppliers in Los Angeles. In other words, just as in *Cuellar*, the government proved only that the intended aim of the financial transactions was to move drug proceeds from point A to point B.

The majority suggests that this case involves something more than using ordinary hawala transfers to move illicit funds from one location to another. It relies on evidence that the defendants tried to conceal the hawala transfers by using code words, burner phones, and serial numbers on the currency to verify the identity of the recipient—what the majority refers to as "concealment enhancing add-ons." Maj. op. at 12. But the use of code words, burner phones, and serial numbers during the hawala transactions is equivalent to the efforts to prevent detection of the funds during transportation that the Supreme Court found insufficient to prove purpose in *Cuellar*. 553 U.S. at 563, 566. The evidence cited by the majority relates to the manner in which the hawala transfers were carried out, not *why* they were carried out. As noted, when the government's expert addressed the "why" question, he testified that the purpose of the hawala transfers was to pay debts owed to the leaders of the drug-trafficking organization in Los Angeles.

The government introduced no other evidence concerning the purpose of the transfers, so Singh's conviction cannot be saved by resorting to the statute's "designed in whole or in part" language.

The majority states that our decision in *United States v. Wilkes*, 662 F.3d 524 (9th Cir. 2011), and cases from other courts support its conclusion that these transactions evince a concealment purpose, even under *Cuellar*. But our case lacks what was critical in each of those other cases: evidence of unnecessarily complex transactions. In *Wilkes*, for example, the defendant moved funds intended as a bribe through a series of "convoluted" transactions rather than transmitting the money directly to the recipient of the bribe. *Id.* at 547. Because the transactions between various accounts were unnecessary, the evidence supported the conclusion that the "dominant, if not the only, purpose" of these transactions was to conceal the source and ownership of the money. *Id.* Here, by contrast, there is no evidence that the defendants carried out superfluous transactions or that any of the transactions were intended to create a buffer between the source and recipient of the funds.

Nor did the funds in our case travel a circuitous route to their destination, as in *Magluta v. United States*, 660 F. App'x 803 (11th Cir. 2016). In *Magluta*, the defendant transferred funds from Miami to New York to Israel; deposited cash in a bank account in Israel under a false name; and then issued checks from that sham account to pay his lawyers back in Miami. *Id.* at 807. The court held that this evidence "would permit the jury to infer that Magluta's intent in paying his attorneys was at least in part to cover up the fact that the payments derived from Magluta's drug proceeds." *Id.* at 808. Here, the defendants moved money directly from the drug trafficker in Canada to the drug

suppliers in Los Angeles. They did not engage in unnecessarily convoluted transactions from which one could infer an intent to conceal a listed attribute of the funds.

The facts of our case are far more similar to those in *United States v. Garcia*, 587 F.3d 509 (2d Cir. 2009). There, the Second Circuit reversed a defendant's conviction for conspiracy to commit money laundering in violation of 18 U.S.C. § 1956(a)(1)(B)(i). The financial transaction at issue involved transferring $2.2 million in cash by truck from the East Coast to California or Texas to pay a debt owed to the drug supplier. The defendant was the truck driver hired to make the trip. Relying on *Cuellar*, the court found insufficient proof that a purpose of the transaction was to conceal a listed attribute of the funds. 587 F.3d at 518–19. The court rejected the government's argument that such a purpose could be inferred from the chosen method of transfer (one that left no paper trail) and the steps taken by the defendant to conceal the transaction from the authorities. "At bottom," the court concluded, "the purpose of the transaction here, as in *Cuellar*, was merely to pay for narcotics." *Id.* at 519; *see also United States v. Ness*, 565 F.3d 73, 76–78 (2d Cir. 2009).

I would reach the same conclusion in this case. Because the government failed to prove that the hawala transfers were designed to conceal or disguise a listed attribute of the funds, Singh's conviction for conspiracy to commit money laundering should be reversed.

United States District Court
Central District of California

UNITED STATES OF AMERICA vs. **Docket No.** 2:14-CR-00648-CAS - 9

Defendant HARINDER SINGH **Social Security No.** 9 2 4 9

akas: LNU, Sonu (Last 4 digits)

JUDGMENT AND PROBATION/COMMITMENT ORDER

In the presence of the attorney for the government, the defendant appeared in person on this date.

MONTH	DAY	YEAR
11	26	2018

COUNSEL **Peter Johnson, CJA, Appointed**
(Name of Counsel)

PLEA [X] **GUILTY,** and the court being satisfied that there is a factual basis for the plea. [ ] **NOLO CONTENDERE** [ ] **NOT GUILTY**

FINDING There being a finding/verdict of **GUILTY,** defendant has been convicted as charged of the offense(s) of: Conspiracy to Launder Money, in violation of 18 U.S.C. § 1956(h), as charged in Count 1 of the Indictment; Conspiracy to Operate an Unlicensed Money Transmitting Business, in violation of 18 U.S.C. § 371, as charged in Count 2 of the Indictment; and Operating an Unlicensed Money Transmitting Business, in violation of 18 U.S.C. § 1960(a), (B)(1)(C), as charged in Count 3 of the Indictment.

JUDGMENT AND PROB/ COMM ORDER The Court asked whether there was any reason why judgment should not be pronounced. Because no sufficient cause to the contrary was shown, or appeared to the Court, the Court adjudged the defendant guilty as charged and convicted and ordered that: Pursuant to the Sentencing Reform Act of 1984, it is the judgment of the Court that the defendant is hereby committed on Counts 1, 2 and 3 of the Indictment to the custody of the Bureau of Prisons to be imprisoned for a term of: **SEVENTY (70) MONTHS.** This term consists of seventy (70) months on Count 1 and sixty (60) months on each of Counts 2 and 3 of the Indictment, to be served concurrently.

It is ordered that the defendant shall pay to the United States a special assessment of $300.00, which is due immediately. Any unpaid balance shall be due during the period of imprisonment, at the rate of not less than $25.00 per quarter, and pursuant to the Bureau of Prisons' Inmate Financial Responsibility Program.

Pursuant to Guideline § 5E1.2(a), all fines are waived as the Court finds that the defendant has established that he is unable to pay and is not likely to become able to pay any fine.

Upon release from imprisonment, the defendant shall be placed on supervised release for a term of three (3) years. This term consists of three (3) years on each of Counts 1, 2 and 3 of the Indictment, all such terms to run concurrently under the following terms and conditions:

1. The defendant shall comply with the rules and regulations of the United States Probation Office and General Order 05-02 with the exception of Conditions 5, 6, and 14 of that order;
2. The defendant shall not commit any violation of local, state, or federal law or ordinance;
3. During the period of community supervision, the defendant shall pay the special assessment in accordance with this judgment's orders pertaining to such payment;
4. The defendant shall cooperate in the collection of a DNA sample from the defendant;

5. As directed by the probation officer, the defendant shall notify specific persons and organizations of specific risks and shall permit the probation officer to confirm the defendant's compliance with such requirement and to make such notifications; and
6. The defendant shall comply with the immigration rules and regulations of the United States, and if deported from this country, either voluntarily or involuntarily, not reenter the United States illegally. The defendant is not required to report to the Probation Office while residing outside of the United States; however, within 72 hours of release from any custody or any reentry to the United States during the period of Court-ordered supervision, the defendant shall report for instructions to the United States Probation Office located at: the United States Court House, 312 North Spring Street, Room 600, Los Angeles, California 90012.

The drug testing condition mandated by statute is suspended based on the Court's determination that the defendant poses a low risk of future substance abuse.
Defendant's oral request for bail pending appeal is hereby denied.
It is further ordered that the defendant surrender himself to the institution designated by the Bureau of Prisons at or before 12 noon, on January 31, 2019. In the absence of such designation, the defendant shall report on or before the same date and time, to the United States Marshal located at the Roybal Federal Building, 255 East Temple Street, Los Angeles, California 90012.
Defendant is informed of his right to appeal.
Bond is exonerated upon surrender.
The Court hereby recommends that defendant be designated to a facility in Southern California, or as close thereto as possible.

In addition to the special conditions of supervision imposed above, it is hereby ordered that the Standard Conditions of Probation and Supervised Release within this judgment be imposed. The Court may change the conditions of supervision, reduce or extend the period of supervision, and at any time during the supervision period or within the maximum period permitted by law, may issue a warrant and revoke supervision for a violation occurring during the supervision period.

November 26, 2018
Date

Christina A. Snyder
CHRISTINA A. SNYDER, U. S. District Judge

It is ordered that the Clerk deliver a copy of this Judgment and Probation/Commitment Order to the U.S. Marshal or other qualified officer.

Clerk, U.S. District Court

November 26, 2018
Filed Date

By /S/
Catherine Jeang, Deputy Clerk

USA vs. HARINDER SINGH Docket No.: 2:14-CR-00648-CAS - 9

The defendant must comply with the standard conditions that have been adopted by this court (set forth below).

STANDARD CONDITIONS OF PROBATION AND SUPERVISED RELEASE

While the defendant is on probation or supervised release pursuant to this judgment:

1. The defendant must not commit another federal, state, or local crime;
2. he defendant must report to the probation office in the federal judicial district of residence within 72 hours of imposition of a sentence of probation or release from imprisonment, unless otherwise directed by the probation officer;
3. The defendant must report to the probation office as instructed by the court or probation officer;
4. The defendant must not knowingly leave the judicial district without first receiving the permission of the court or probation officer;
5. The defendant must answer truthfully the inquiries of the probation officer, unless legitimately asserting his or her Fifth Amendment right against self-incrimination as to new criminal conduct;
6. The defendant must reside at a location approved by the probation officer and must notify the probation officer at least 10 days before any anticipated change or within 72 hours of an unanticipated change in residence or persons living in defendant's residence;
7. The defendant must permit the probation officer to contact him or her at any time at home or elsewhere and must permit confiscation of any contraband prohibited by law or the terms of supervision and observed in plain view by the probation officer;
8. The defendant must work at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons and must notify the probation officer at least ten days before any change in employment or within 72 hours of an unanticipated change;
9. The defendant must not knowingly associate with any persons engaged in criminal activity and must not knowingly associate with any person convicted of a felony unless granted permission to do so by the probation officer. This condition will not apply to intimate family members, unless the court has completed an individualized review and has determined that the restriction is necessary for protection of the community or rehabilitation;
10. The defendant must refrain from excessive use of alcohol and must not purchase, possess, use, distribute, or administer any narcotic or other controlled substance, or any paraphernalia related to such substances, except as prescribed by a physician;
11. The defendant must notify the probation officer within 72 hours of being arrested or questioned by a law enforcement officer;
12. For felony cases, the defendant must not possess a firearm, ammunition, destructive device, or any other dangerous weapon;
13. The defendant must not act or enter into any agreement with a law enforcement agency to act as an informant or source without the permission of the court;
14. As directed by the probation officer, the defendant must notify specific persons and organizations of specific risks posed by the defendant to those persons and organizations and must permit the probation officer to confirm the defendant's compliance with such requirement and to make such notifications;
15. The defendant must follow the instructions of the probation officer to implement the orders of the court, afford adequate deterrence from criminal conduct, protect the public from further crimes of the defendant; and provide the defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner.

☐ The defendant must also comply with the following special conditions (set forth below).

STATUTORY PROVISIONS PERTAINING TO PAYMENT AND COLLECTION OF FINANCIAL SANCTIONS

The defendant must pay interest on a fine or restitution of more than $2,500, unless the court waives interest or unless the fine or restitution is paid in full before the fifteenth (15th) day after the date of the judgment under 18 U.S.C. § 3612(f)(1). Payments may be subject to penalties for default and delinquency under 18 U.S.C. § 3612(g). Interest and penalties pertaining to restitution, however, are not applicable for offenses completed before April 24, 1996.

If all or any portion of a fine or restitution ordered remains unpaid after the termination of supervision, the defendant must pay the balance as directed by the United States Attorney's Office. 18 U.S.C. § 3613.

The defendant must notify the United States Attorney within thirty (30) days of any change in the defendant's mailing address or residence address until all fines, restitution, costs, and special assessments are paid in full. 18 U.S.C. § 3612(b)(l)(F).

The defendant must notify the Court (through the Probation Office) and the United States Attorney of any material change in the defendant's economic circumstances that might affect the defendant's ability to pay a fine or restitution, as required by 18 U.S.C. § 3664(k). The Court may also accept such notification from the government or the victim, and may, on its own motion or that of a party or the victim, adjust the manner of payment of a fine or restitution under 18 U.S.C. § 3664(k). See also 18 U.S.C. § 3572(d)(3) and for probation 18 U.S.C. § 3563(a)(7).

Payments will be applied in the following order:

1. Special assessments under 18 U.S.C. § 3013;
2. Restitution, in this sequence (under 18 U.S.C. § 3664(i), all non-federal victims must be paid before the United States is paid):
   Non-federal victims (individual and corporate),
   Providers of compensation to non-federal victims,
   The United States as victim;
3. Fine;
4. Community restitution, under 18 U.S.C. § 3663(c); and
5. Other penalties and costs.

CONDITIONS OF PROBATION AND SUPERVISED RELEASE PERTAINING TO FINANCIAL SANCTIONS

As directed by the Probation Officer, the defendant must provide to the Probation Officer: (1) a signed release authorizing credit report inquiries; (2) federal and state income tax returns or a signed release authorizing their disclosure and (3) an accurate financial statement, with supporting documentation as to all assets, income and expenses of the defendant. In addition, the defendant must not apply for any loan or open any line of credit without prior approval of the Probation Officer.

The defendant must maintain one personal checking account. All of defendant's income, "monetary gains," or other pecuniary proceeds must be deposited into this account, which must be used for payment of all personal expenses. Records of all other bank accounts, including any business accounts, must be disclosed to the Probation Officer upon request.

The defendant must not transfer, sell, give away, or otherwise convey any asset with a fair market value in excess of $500 without approval of the Probation Officer until all financial obligations imposed by the Court have been satisfied in full.

These conditions are in addition to any other conditions imposed by this judgment.

RETURN

I have executed the within Judgment and Commitment as follows:

Defendant delivered on _____ to _____

Defendant noted on appeal on _____

Defendant released on _____

Mandate issued on _____

Defendant's appeal determined on _____

Defendant delivered on _____ to _____

at _____

the institution designated by the Bureau of Prisons, with a certified copy of the within Judgment and Commitment.

United States Marshal

_____ By _____

Date Deputy Marshal

CERTIFICATE

I hereby attest and certify this date that the foregoing document is a full, true and correct copy of the original on file in my office, and in my legal custody.

Clerk, U.S. District Court

_____ By _____

Filed Date Deputy Clerk

FOR U.S. PROBATION OFFICE USE ONLY

Upon a finding of violation of probation or supervised release, I understand that the court may (1) revoke supervision, (2) extend the term of supervision, and/or (3) modify the conditions of supervision.

These conditions have been read to me. I fully understand the conditions and have been provided a copy of them.

(Signed) _____ _____

Defendant Date

_____ _____

U. S. Probation Officer/Designated Witness Date

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

January 2014 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

GURKARAN ISSHPUNANI,
aka "Karan,"
SANJEEV BHOLA,
aka "Vant,"
BALWAT BHOLA,
aka "Titu,"
BAKSHISH SIDHU,
SANJIV WADHWA,
aka "Bobby,"
RAMESH SINGH,
aka "Jag,"
aka "Ajaib,"
SUCHA SINGH,
HARMEET SINGH,
HARINDER SINGH,
aka "Sonu,"
BRADLEY JOHN MARTIN,
Aka "Bob,"
SHANNON AUBUT,
CHRISTOPHER FAGON,
JASON ROBERT CAREY,
JOSE LUIS BARRAZA,
MIGUEL MELINDEZ GASTELUM,
BREIDI ALBERTO ESPINOZA,
JESUS MANUEL RIOS,
JOSE DE JESUS MONTENEGRO,

CR No. ~~14-~~ CR 14 00648

I N D I C T M E N T

[18 U.S.C. § 1956(h): Conspiracy to Launder Money; 18 U.S.C. § 371: Conspiracy to Operate an Unlicensed Money Transmitting Business; 18 U.S.C. §§ 1960(a), (b)(1)(A), (b)(1)(B), (b)(1)(C): Operating an Unlicensed Money Transmitting Business; 18 U.S.C. § 982; 18 U.S.C. § 981(a)(1)(C); 21 U.S.C. § 853; 28 U.S.C. § 2461(c): Criminal Forfeiture]

ALBERTO DIAZ,
FNU LNU,
aka "Buddy,"
PAUL ALLEN JACOBS, and
TINA PHAM,

Defendants.

The Grand Jury charges:

INTRODUCTORY ALLEGATIONS

Hawala Money Remittance Systems

1. A "hawala" is an alternative money remittance system conducted by brokers known as "hawaladars" that operates outside of the traditional banking and financial systems and is premised on relationships of mutual trust. The hallmark of a hawala is the transfer and receipt of the value of currency without its actual physical movement.

2. In its most basic form, a hawala network involves at least two hawaladars. A customer approaches a hawaladar and gives the hawaladar a sum of money to be transferred to a beneficiary in another city or country. The customer also provides the hawaladar with an identification code, often referred to as a "token," for the transaction, which he, in turn, had obtained from the beneficiary or a representative of the beneficiary. The hawaladar then contacts a hawaladar in the recipient city/country, instructs this individual to deliver equivalent funds in the recipient country's currency to the beneficiary, and promises to settle the debt between the two hawaladars at a later time. The hawaladar in the recipient city/country then contacts the beneficiary, confirms that the beneficiary possesses the code previously provided to the customer,

and delivers the funds to the beneficiary. The recipient typically receives the funds without producing identity documents other than the identification code.

3. In a hawala system there is no recorded agreement or written contract for the transaction and no legal means of reclamation. Rather, the deal is secured by the trust between the parties which is often forged through familial, ethnic, religious, regional, and/or cultural bonds, and which undergirds the "honor system" that a hawala requires. Typically, a hawala network is quite extensive, involving the transfer of many types of currencies between various hawaladars in different cities/countries and across different continents, with the value of money moving in a variety of directions from one city/country to another. In addition, hawaladars in the same country often "pool" together bulk currency to effectuate an "order" from another hawaladar if the amounts they individually possess are insufficient to satisfy an order.

4. Each time a hawaladar gives payment instructions and a transaction occurs, a debt is created. Hawaladars typically maintain a running tally or balance sheet and settle their debts vis-à-vis one another on a regular basis. Money inflows and outflows are generally kept in relative balance with respect to the total amount of money each hawaladar puts into the network. Settlement between hawaladars can occur in several ways. Mostly, settlement occurs through monetary value being placed upon the "books" of a given hawaladar in either the hawaladar's home country or in another country designated by the hawaladar. In other instances, hawaladars "settle up" with the receipt of goods, real estate, or other assets in lieu of money.

5. Hawala networks engage in transactions where the source of

the money is legitimate and those where the source and intent of the transactions are illegitimate. The term "white hawala" refers to transactions involving funds generated through legitimate income. The term "black hawala" refers to transactions involving funds generated through illegitimate means and often involves the transmission of funds from the drug trafficking trade.

COUNT ONE

[18 U.S.C. § 1956(h)]

A. OBJECTS OF THE CONSPIRACY

Beginning on an unknown date and continuing until on or about December 8, 2012, in Los Angeles County, within the Central District of California, and elsewhere, defendants GURKARAN ISSHPUNANI, also known as ("aka") "Karan" ("KARAN"), SANJEEV BHOLA, aka "Vant" ("VANT"), BALWAT BHOLA, aka "Titu" ("TITU"), BAKSHISH SIDHU ("SIDHU"), SANSIV WADHWA, aka "Bobby" ("WADHWA"), RAMESH SINGH, aka "Jag," aka "Ajaib" ("R. SINGH"), SUCHA SINGH, ("S. SINGH"), HARMEET SINGH ("H. SINGH"), HARINDER SINGH, aka "Sonu" ("SONU"), BRADLEY JOHN MARTIN, aka "Bob" ("MARTIN"), SHANNON AUBUT ("AUBUT"), CHRISTOPHER FAGON ("FAGON"), JASON ROBERT CAREY ("CAREY"), JOSE LUIS BARRAZA ("BARRAZA"), MIGUEL MELINDEZ GASTELUM ("GASTELUM"), BREIDI ALBERTO ESPINOZA ("ESPINOZA"), JESUS MANUEL RIOS ("RIOS"), JOSE DE JESUS MONTENEGRO ("MONTENEGRO"), ALBERTO DIAZ ("DIAZ"), First Name Unknown ("FNU"), Last Name Unknown ("LNU"), aka "Buddy" ("BUDDY"), PAUL ALLEN JACOBS ("JACOBS"), and TINA PHAM ("PHAM"), co-conspirator T. Singh, and others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly and intentionally commit offenses against the United States, namely:

1. Knowing that property involved in financial transactions represented the proceeds of some form of unlawful activity, and which property was, in fact, the proceeds of a specified unlawful activity, that is, conspiracy to distribute controlled substances, in violation of Title 21, United States Code, Section 846, conducted and attempted to conduct financial transactions, affecting interstate and foreign commerce:

a. With the intent to promote the carrying on of said specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1); and

b. Knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and control of the proceeds of said specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i);

2. Transporting, transmitting, and transferring monetary instruments and funds from a place outside of the United States, namely, Canada and India, to a place inside of the United States:

a. With the intent to promote the carrying on of said specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(2)(A); and

b. Knowing that the monetary instrument or funds represented the proceeds of some form of unlawful activity, namely, conspiracy to distribute controlled substances, in violation of Title 21, United States Code, Section 846, with the intent to conceal and disguise the nature, the location, the source, the ownership, and control of the proceeds of said specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(2)(B)(i).

B. MEANS BY WHICH THE OBJECTS OF THE CONSPIRACY WERE TO BE ACCOMPLISHED

The objects of the conspiracy were to be accomplished in substance as follows:

1. Drug traffickers in Canada would generate drug proceeds from multi-kilogram and multi-pound-quantity sales and distributions of drugs provided by Mexican cartels, including the Sinaloa Cartel,

and their affiliated Mexican-based drug trafficking organizations ("DTOs").

2. The drug traffickers would arrange the transfer of drug proceeds to their confederates in Mexico as either profits or payment for additional purchases of drugs for sale and distribution.

3. To disguise and transfer the money to the cartels and their affiliated DTOs, the drug traffickers would contact defendants KARAN, SIDHU, VANT, and TITU, hawaladars in Canada, and WADHWA, a hawaladar in India, and place an order that a specified amount of money be delivered to couriers (working on behalf of such unindicted drug traffickers or the cartels and affiliated Mexican-based DTOs) in the United States.

4. Defendants KARAN, SIDHU, VANT, TITU, and WADHWA would receive orders and would contact hawaladars in the United States, including defendants R. SINGH, S. SINGH, H. SINGH, and SONU, and co-conspirator T. Singh, to determine whether there were sufficient funds in place to allow for the order to be fulfilled.

5. Hawaladars in the United States, including defendants R. SINGH, S. SINGH, H. SINGH, and SONU, and co-conspirator T. Singh, would confirm to defendants KARAN, SIDHU, VANT, TITU, and WADHWA that sufficient funds were available or could be pooled from other hawaladars as necessary to meet the order.

6. Defendants KARAN, SIDHU, VANT, and TITU would receive bulk Canadian currency from couriers sent by drug traffickers (and in the case of WADHWA, would arrange for bulk Canadian currency to be delivered to Canadian hawala counterparts, including defendant KARAN), as well as a banknote serial number to be used as a "token" by the recipient party or his representative to secure the release of

an equivalent amount of United States currency from hawaladars operating in the United States.

7. Defendants KARAN, SIDHU, VANT, and TITU would then instruct defendants R. SINGH, H. SINGH, S. SINGH, SONU, and co-conspirator T. Singh, to deliver the equivalent amount of bulk United States currency to a designated courier in the Los Angeles, California area.

8. Defendants R. SINGH, H. SINGH, S. SINGH, SONU, and co-conspirator T. Singh, would then arrange to meet the courier to deliver this money.

9. Defendants MARTIN, AUBUT, FAGON, ESPINOZA, MONTENEGRO and DIAZ would serve as couriers who would pick up and deliver bulk United States currency to facilitate the transfer of this money to drug traffickers in Mexico.

10. Defendant MARTIN would deliver bulk United States currency that he obtained from hawaladars to defendants BARRAZA, GASTELUM, and RIOS and pick up drugs from undisclosed drug stash locations which were to be sold and distributed in Canada.

11. Defendant FAGON would deliver bulk United States currency to defendant CAREY, who would deliver the money to unindicted co-conspirator(s) to transmit to Mexico.

12. Defendant S. SINGH, at defendant KARAN's direction, would deliver money to defendant JACOBS as payment for picking up cocaine and methamphetamine purchased with the United States currency transferred through the hawala system.

13. At the direction of defendant BUDDY, defendant JACOBS would pick up and deliver drugs and drug proceeds transferred through the hawala system.

14. Defendant PHAM would receive drugs from defendant JACOBS

for distribution in Canada.

C. OVERT ACTS

In furtherance of the conspiracy and to accomplish the objects of the conspiracy, on or about the following dates and times, defendants KARAN, VANT, TITU, SIDHU, WADHWA, R. SINGH, H. SINGH, S. SINGH, SONU, MARTIN, FAGON, CAREY, AUBUT, BARRAZA, GASTELUM, ESPINOZA, RIOS, MONTENEGRO, DIAZ, JACOBS, BUDDY, and PHAM, co-conspirator T. Singh, and others known and unknown to the Grand Jury, committed various overt acts within the Central District of California, and elsewhere, including but not limited to the following:

MARCH 20, 2012 TRANSFER OF $522,000

1. On March 14, 2012, at 3:38 P.M., using coded language in a telephone conversation, defendant SIDHU confirmed with defendant R. SINGH that defendant R. SINGH would have $500,000 available to distribute in Los Angeles to meet a pending order.

2. On March 14, 2012, at 4:00 P.M., using coded language in a telephone conversation, defendant SIDHU confirmed with defendant R. SINGH that the money would be available for delivery that Saturday night.

3. On March 15, 2012, at 7:46 P.M., using coded language in a telephone conversation, defendant SIDHU told defendant R. SINGH that "they" (the drug trafficker and his DTO) had increased the order to $1,000,000 and changed the delivery date to that Monday or Tuesday, to which defendant R. SINGH responded by noting that he preferred to satisfy the order through two deliveries of $500,000 because a $1,000,000 delivery would look "weird."

4. On March 16, 2012, at 9:57 A.M., using coded language in a

telephone conversation, defendant SIDHU told defendant R. SINGH that an unindicted co-conspirator had called to say that he had $75,000 that could be included as part of funds pooled by R. SINGH to satisfy this order.

5. On March 17, 2012, at 10:47 A.M., using coded language in a telephone conversation, defendant SIDHU confirmed with defendant R. SINGH that defendant R. SINGH intended to charge a commission fee for the transaction.

6. On March 19, 2012, at 9:16 A.M., using coded language in a telephone conversation, defendant SIDHU told defendant R. SINGH that it would be better to deliver the $1,000,000 in two separate deliveries of $500,000 as defendant R. SINGH previously had suggested.

7. On March 20, 2012, at 7:06 A.M., using coded language in a telephone conversation, defendant R. SINGH informed defendant SIDHU that defendant R. SINGH had scheduled the delivery of bulk cash to the courier for 10:00 A.M. that day and asked defendant SIDHU to confirm when defendant SIDHU received the money drop-off in Canada that morning.

8. On March 20, 2012, at 9:54 A.M., at his residence in Alhambra, California, defendant R. SINGH loaded into his car a Bud Light cardboard drink box and a Diet Coke cardboard drink box that together contained $522,000 and departed for the scheduled meeting with the courier.

9. On March 20, 2012, defendant R. SINGH met defendant MARTIN at a parking lot in Alhambra, California, and the two then drove together to a temple in Alhambra, California.

10. On March 20, 2012, at 10:16 A.M., at the temple in

Alhambra, California, defendant R. SINGH delivered to defendant MARTIN $522,000 cash, which remained concealed in the two cardboard drink boxes.

11. On March 20, 2012, at 10:30 A.M., using coded language in a telephone conversation, defendant SIDHU confirmed with defendant R. SINGH that the first installment of $500,000 had been delivered as previously planned.

12. On March 20, 2012, at 1:37 P.M., defendant MARTIN arrived at a residence in Coachella, California, and parked inside the garage, to deliver the $522,000 to defendants BARRAZA and GASTELUM.

13. On March 20, 2012, at 5:30 P.M., defendants BARRAZA and GASTELUM left the residence in Coachella in a green Chevy Trailblazer, with the $522,000 secreted in hidden compartments of the vehicle, for the purpose of transporting the money to unindicted co-conspirators.

MARCH 21, 2012 TRANSFER OF $600,000

14. On March 21, 2012, at 1:19 P.M., using coded language in a telephone conversation, defendant SIDHU informed defendant R. SINGH that a courier identified as "Bob" had been told that $600,000 in bulk United States currency would be delivered to him at 6:00 P.M.

15. On March 21, 2012, at 6:00 P.M., at a location in Monterey Park, California, defendant MARTIN (using the cover name "Bob") received $600,000 in bulk United States Currency from defendant R. SINGH that defendant MARTIN was responsible for then delivering to unindicted co-conspirators.

16. On March 21, 2012, at 6:31 P.M., using coded language in a telephone conversation, defendants SIDHU and R. SINGH discussed the delivery of $600,000 to defendant MARTIN, that defendant R. SINGH

remained in possession of $100,000 of defendant VANT's money, and that defendant R. SINGH would be receiving another $100,000 in the near future.

APRIL 3, 2012 TRANSFER OF $500,330

17. On April 3, 2012, at 8:39 A.M., using coded language in a telephone conversation, defendant KARAN confirmed with defendant R. SINGH that a delivery of $400,000 was to be done that day on behalf of a drug trafficker customer and asked defendant R. SINGH for a temporary, or "burner," phone number to give to an unidentified co-conspirator.

18. On April 3, 2012, at 9:24 A.M., using coded language in a telephone conversation, defendant KARAN told defendant R. SINGH that defendant R. SINGH's "cover name" for the transaction would be "Tony" and that defendant KARAN would send the "token number" to defendant R. SINGH's via text once he got it.

19. On April 3, 2012, at 10:34 A.M., using coded language in a telephone conversation, defendant KARAN requested that defendant R. SINGH turn on his burner phone, told defendant R. SINGH that another $250,000 would be delivered to him, and instructed defendant R. SINGH to give the courier a total of $650,000.

20. On April 3, 2012, at 10:35 A.M., using coded language in a telephone conversation, defendant KARAN told defendant R. SINGH that defendant H. SINGH would provide defendant R. SINGH with $250,000, and defendant KARAN reminded defendant R. SINGH to turn on his burner phone so that defendant ESPINOSA (using the cover name "Rico") could call him.

21. On April 3, 2012, at 10:54 A.M., using coded language in a telephone conversation, defendant KARAN informed defendant R. SINGH

that the "token number" had been provided to defendant KARAN and asked defendant R. SINGH if defendant ESPINOSA had called.

22. On April 3, 2012, at 5:07 P.M., using coded language in a telephone conversation, defendant H. SINGH asked defendant R. SINGH whether he could give $250,000 directly to defendant ESPINOSA (as opposed to delivering that amount to defendant R. SINGH), in addition to the $250,000 that defendant R. SINGH would give to defendant ESPINOSA, who would be arriving around 6:30 P.M.

23. On April 3, 2012, at 5:12 P.M., using coded language in a telephone conversation, defendant KARAN told defendant R. SINGH that he had instructed defendant H. SINGH to deliver the money to defendant R. SINGH, and defendant KARAN advised defendant R. SINGH to contact defendant ESPINOSA to schedule defendant R. SINGH's delivery of the pooled funds to him.

24. On April 3, 2012, at 5:53 P.M., using coded language in a telephone conversation, defendant H. SINGH told defendant R. SINGH that he would leave the $250,000 at defendant R. SINGH's store.

25. On April 3, 2012, at 5:57 P.M., defendant H. SINGH dropped off $250,000 at defendant R. SINGH's store in Monterey Park, California.

26. On April 3, 2012, at 6:18 P.M., defendant R. SINGH picked up the $250,000 delivered by defendant H. SINGH, and defendant R. SINGH drove to his residence in Alhambra, California.

27. On April 3, 2012, at 6:37 P.M., using coded language in a telephone call, defendant R. SINGH confirmed to defendant KARAN that defendant H. SINGH had delivered the $250,000 as previously planned, that defendant R. SINGH would meet defendant ESPINOSA at 7:00 P.M., and that defendant R. SINGH would call defendant KARAN after he

delivered the money to defendant ESPINOZA.

28. On April 3, 2012, at 6:41 P.M., using coded language in a telephone conversation, defendant SONU told defendant R. SINGH that his uncle, defendant S. SINGH, instructed him to deliver $50,000 to defendant R. SINGH.

29. On April 3, 2012, at 6:56 P.M., defendant SONU arrived at defendant R. SINGH's residence with a large envelope containing $50,000 and gave the money to defendant R. SINGH.

30. On April 3, 2012, at 7:03 P.M., using coded language in a telephone conversation, defendant R. SINGH informed defendant KARAN that the money was $20,000 short and that he would call defendant ESPINOSA to let him know that he needed another 10 to 15 minutes time before he would be ready to meet for the delivery.

31. On April 3, 2012, at 7:24 P.M., using coded language in a telephone conversation, defendant KARAN confirmed that defendant SONU (referred to as "Sucha's person") delivered $50,000 to defendant R. SINGH, and defendant KARAN provided defendant R. SINGH the token number to be used with defendant ESPINOSA.

32. On April 3, 2012, at 7:26 P.M., defendant R. SINGH and two unindicted co-conspirators loaded a vehicle with bags of money at a location in Alhambra, California, after which defendant R. SINGH drove to a parking garage in Alhambra, California.

33. On April 3, 2012, at 7:31 P.M., defendant ESPINOSA met with defendant R. SINGH at this parking lot, took two bags of money from defendant R. SINGH, placed the bags of money into his vehicle, and drove from this location to transport the money to unindicted co-conspirators.

34. On April 3, 2012, at 7:37 P.M., using coded language in a

telephone conversation, defendant R. SINGH advised defendant KARAN that the transaction was complete.

35. On April 3, 2012, at 8:25 P.M., defendant ESPINOZA drove into a parking garage in Norco, California.

36. On April 3, 2012, at 11:45 p.m., at a location in Norco, California, defendant ESPINOZA possessed approximately $500,330 in bulk cash United States currency, at which time the money was seized by law enforcement.

37. On April 4, 2012, at 12:45 P.M., using coded language in a telephone conversation, defendant KARAN reassured defendant R. SINGH that the seizure of the $500,330 from defendant ESPINOSA was not defendant R. SINGH's fault because it occurred two hours later and in another city after completion of defendant R. SINGH's delivery.

38. On April 4, 2012, at 3:08 P.M., using coded language in a telephone conversation, an unindicted co-conspirator gave defendant R. SINGH the moniker and phone number of the courier to whom defendant R. SINGH would deliver $100,000 the following day and the moniker defendant R. SINGH was to use for the transaction.

APRIL 17, 2012 SEIZURE OF 32.82 KILOGRAMS OF METHAMPHETAMINE AND 9.22 KILOGRAMS OF COCAINE

39. On April 17, 2012, at the direction of defendant KARAN, defendant S. SINGH delivered a transportation fee to defendant JACOBS as payment for picking up drugs from an unidentified co-conspirator.

40. On April 17, 2012, at a location in Venice, California, defendant JACOBS possessed approximately 32.82 kilograms of actual methamphetamine and approximately 9.22 kilograms of a mixture and substance containing a detectable amount of cocaine, which were intended for delivery to a recipient in Canada at defendant BUDDY's

direction.

MAY 8, 2012 SEIZURE OF 20 KILOGRAMS OF COCAINE AND 15 POUNDS OF METHAMPHETAMINE

41. On May 8, 2012, at defendant BUDDY's direction, defendant JACOBS delivered to defendant PHAM what defendant PHAM believed to be 10 kilograms of cocaine at a location in West Hollywood, California.

42. On May 8, 2012, at a location in Los Angeles, California, defendant PHAM possessed approximately 20 kilograms of a mixture and substance containing a detectable amount of cocaine and approximately 15 pounds of a mixture and substance containing a detectable amount of methamphetamine that was to be smuggled into Canada.

JULY 10, 2012 TRANSFER OF $199,800

43. On July 10, 2012, at 10:53 A.M., using coded language in a telephone conversation, defendant TITU provided defendant R. SINGH with a telephone number; instructed him to set up a meeting with a courier in Los Angeles, California, at which defendant R. SINGH would provide the courier with $200,000; and informed defendant R. SINGH that defendant TITU would deliver defendant R. SINGH's money in Canada in return the next day.

44. On July 10, 2012, at 10:55 A.M., using coded language in a telephone conversation, defendant TITU provided defendant R. SINGH with the phone number of the courier and instructed defendant R. SINGH to use the "new number" to call the courier.

45. On July 10, 2012, at 12:38 P.M., using coded language in a telephone conversation, defendant TITU asked defendant R. SINGH whether he had called the courier because defendant TITU was about to accept delivery of bulk Canadian currency from an unindicted co-conspirator.

46. On July 10, 2012, at 1:22 P.M., using coded language in a telephone conversation, defendant VANT asked defendant R. SINGH if he had called the courier in Los Angeles, then told defendant R. SINGH that he (defendant VANT) was going to get another $200,000 in Canada tomorrow and would call defendant R. SINGH back.

47. On July 10, 2012, at 2:02 P.M., using coded language in a telephone conversation, defendant VANT provided defendant R. SINGH with the phone number for defendant FAGON and the token number to be verified by defendant R. SINGH during the money delivery.

48. On July 10, 2012, at 2:13 P.M., using coded language in a telephone conversation, defendant VANT instructed defendant R. SINGH to take his commission out of the total amount of cash to be delivered to defendant FAGON in Los Angeles, California.

49. On July 10, 2012, at 3:48 P.M., using coded language in a telephone conversation, defendant TITU confirmed to defendant R. SINGH that he wanted defendant R. SINGH to deliver the money to defendant FAGON.

50. On July 10, 2012, at 4:06 P.M., using coded language in a telephone conversation, defendant TITU asked defendant R. SINGH if he had delivered the money to defendant FAGON.

51. On July 10, 2012, at 4:08 P.M., defendant R. SINGH and an unindicted co-conspirator loaded a bag containing $199,800 in United States currency into the trunk of a vehicle and drove to the Hollywood, California area.

52. On July 10, 2012, at 4:29 P.M., after defendant FAGON arrived at the location in the Hollywood, California area, defendant R. SINGH delivered the bag containing $199,800 in United States currency to defendant FAGON.

53. On July 10, 2012, at 4:29 P.M., using coded language in a telephone conversation, defendant R. SINGH confirmed to defendant TITU that he had delivered the money to defendant FAGON.

54. On July 10, 2012, at 8:15 P.M., defendant FAGON delivered the $199,800 to defendant CAREY in the bathroom of a hotel located in Hollywood, California, so that defendant CAREY could then transport the money to unindicted co-conspirators.

JULY 12, 2012 TRANSFER OF $690,000

55. On July 9, 2012, at 5:10 P.M., using coded language in a telephone conversation, defendant SIDHU and defendant R. SINGH discussed the use of "code" names instead of defendant SIDHU's real name as a precautionary measure and made arrangements for an upcoming delivery of $1,000,000 in Los Angeles, California, which was to be broken into two separate money deliveries conducted by defendant R. SINGH, including one involving $700,000 for "Thursday" (July 12, 2012).

56. On July 12, 2012, at 5:00 P.M., defendant R. SINGH and an unindicted co-conspirator loaded a bag containing $690,000 into a vehicle, which defendant R. SINGH then drove to a liquor store located in Monterey Park, California.

57. On July 12, 2012, at 5:15 P.M., defendant MARTIN met defendant R. SINGH outside this liquor store, at which time defendant SINGH provided defendant MARTIN with $690,000 in United States currency.

58. On July 12, 2012, at 5:19 P.M., using coded language in a telephone conversation, defendant R. SINGH confirmed to defendant SIDHU that he had delivered the money to defendant MARTIN.

59. On July 12, 2012, at 8:32 P.M., defendant MARTIN met with

defendant RIOS in Coachella, California, and loaded the $690,000 in United States currency into the trunk of defendant RIOS' vehicle so that defendant RIOS could then transport the money to unindicted co-conspirators.

SEPTEMBER 5-6, 2012 TRANSFERS OF $310,000 AND $41,000

60. On September 5, 2012, at 9:46 P.M., using coded language in a telephone conversation, defendant WADHWA instructed defendant H. SINGH to deliver $41,000 to another hawaladar who needed additional money to complete an existing order.

61. On September 6, 2012, at 8:53 A.M., using coded language in a telephone conversation, defendant WADHWA informed defendant H. SINGH that the other hawaladar would call defendant H. SINGH to arrange the time to pick up the $41,000 from defendant H. SINGH.

62. On September 6, 2012, at 8:59 A.M., using coded language in a telephone conversation, defendant WADHWA instructed defendant H. SINGH to deliver $310,000 on behalf of defendant KARAN and another $41,000 to an unindicted co-conspirator, after which the "balance" between them would be zero.

63. On September 6, 2012, at 3:34 P.M., using coded language in a telephone conversation, defendant KARAN told defendant H. SINGH that defendant R. SINGH would deliver to defendant H. SINGH $200,000 and that defendant H. SINGH would not have to do any money deliveries until the following morning.

SEPTEMBER 7, 2012 TRANSFERS OF $399,800 AND $249,860

64. On September 6, 2012, at 6:42 P.M., using coded language in a telephone conversation, defendants H. SINGH and R. SINGH made arrangements for defendant R. SINGH to deliver $245,000 to defendant H. SINGH about 15-to-20 minutes after the completion of the call.

65. On September 6, 2012, at 6:55 P.M., using coded language in a telephone conversation, defendant KARAN asked defendant H. SINGH if he had provided defendant H. SINGH with $245,000.

66. On September 6, 2012, at 7:18 P.M., using coded language in a telephone conversation, defendant WADHWA instructed defendant H. SINGH to pick up $400,000 from co-conspirator T. Singh.

67. On September 7, 2012, at 10:33 A.M., using coded language in a telephone conversation, defendant WADHWA instructed defendant H. SINGH to confirm with defendant KARAN that there would be two separate money deliveries of $400,000 and $250,000.

68. On September 7, 2012, at 10:53 A.M., using coded language in a telephone conversation, defendant WADHWA instructed defendant H. SINGH that he would be responsible for delivering $250,000 to a courier later that day.

69. On September 7, 2012, at 12:17 P.M., using coded language in a telephone conversation, defendant KARAN confirmed to defendant H. SINGH that he had approved the delivery of $250,000 to defendant H. SINGH.

70. On September 7, 2012, at 1:16 P.M., using coded language during a telephone conversation, defendant WADHWA instructed defendant H. SINGH to approve the delivery of $400,000 to the courier and discussed commission payments with defendant H. SINGH.

71. On September 7, 2012, at 1:16 P.M., using coded language during a telephone conversation, defendant KARAN told defendant H. SINGH that he had texted the courier regarding the delivery of $400,000, asked defendant H. SINGH to call the courier to set the time of the delivery, and inquired about the separate delivery of $250,000, which was scheduled to occur in approximately the next 30

minutes.

72. On September 7, 2012, at 1:40 P.M., defendant H. SINGH loaded a bag containing $249,860 into a car and drove with an unindicted co-conspirator to a parking lot in Chino Hills, California.

73. On September 7, 2012, at 1:50 P.M., defendant MONTENEGRO met defendant H. SINGH at the parking lot in Chino Hills, California, at which time defendant H. SINGH delivered the bag containing $249,860 in United States currency to defendant MONTENEGRO so he could transport it to unindicted co-conspirators.

74. On September 7, 2012, at 1:52 P.M., using coded language in a telephone conversation, defendant H. SINGH told defendant KARAN that the courier who was supposed to accept delivery of the $400,000 did not answer the telephone, while the courier for the $250,000 delivery was ready to pick up the money.

75. On September 7, 2012, at 2:26 P.M., using coded language in a telephone conversation, defendant H. SINGH informed defendant KARAN that the $250,000 delivery had been completed as scheduled.

76. On September 7, 2012, at 3:31 P.M., using coded language in a telephone conversation, defendants KARAN and H. SINGH arranged for defendant H. SINGH to contact the courier who would pick up $400,000 from defendant H. SINGH.

77. On September 7, 2012, at 3:37 P.M., using coded language in a telephone conversation, defendant H. SINGH told defendant KARAN that the courier's telephone was still "switched off," to which defendant KARAN responded that he would call the drug customer directly to inquire about the problem.

78. On September 7, 2012, at 3:45 P.M., using coded language in

a telephone conversation, defendant KARAN told defendant H. SINGH that defendant KARAN had given defendant H. SINGH the wrong area code for the courier's telephone number, provided defendant H. SINGH with the correct area code, and told him to call again.

79. On September 7, 2012, at 4:07 P.M., using coded language in a telephone conversation, defendant H. SINGH informed defendant KARAN that he had spoken with the courier and that they would be meeting in 40 minutes.

80. On September 7, 2012, at 5:25 P.M., defendant H. SINGH drove to a location in Walnut, California, where he met defendant DIAZ, at which time he provided defendant DIAZ with a bag containing $399,800 so that defendant DIAZ could transport it to unindicted co-conspirators.

81. On September 7, 2012, at 5:27 P.M., using coded language in a telephone conversation, defendant H. SINGH told defendant KARAN that he was in the process of giving the courier (referring to defendant DIAZ) $400,000 after defendant DIAZ had provided him with the correct token number.

OCTOBER 9, 2012 TRANSFERS OF $80,000 AND $90,000

82. On October 9, 2012, at 1:43 P.M., using coded language in a telephone conversation, defendant H. SINGH told defendant SONU that an order of bulk United States currency had not yet arrived for pick-up.

83. On October 9, 2012, at 3:43 P.M., defendant H. SINGH delivered $80,000 to defendant SONU at a location in Chino Hills, California.

84. On October 9, 2012, at 3:43 P.M., using coded language in a telephone conversation, defendant H. SINGH confirmed to defendant

KARAN that he had given $80,000 to defendant SONU, and the two discussed future money deliveries with defendant SONU.

85. On October 9, 2012, at 7:56 P.M., using coded language in a telephone conversation, defendant H. SINGH confirmed to defendant KARAN that he had $30,000 in his possession and that he would soon have an additional $20,000.

86. On October 9, 2012, at 7:56 P.M., using coded language in a telephone conversation, defendant KARAN stated that defendant SONU was counting defendant KARAN's money and instructed defendant H. SINGH to deliver the money to defendant SONU.

87. On October 9, 2012, at 8:03 P.M., using coded language in a telephone conversation, defendant H. SINGH told defendant SONU that he (defendant H. SINGH) needed another $7,000, for a total of $49,500, to which defendant SONU responded that he would have to call defendant H. SINGH back so that they could set up a time and location when defendant H. SINGH could provide this money to defendant SONU.

88. On October 10, 2012, at 11:44 A.M., using coded language in a telephone conversation, defendant H. SINGH and co-conspirator T. Singh discussed the plan for co-conspirator T. Singh to receive $90,000 from defendant SONU at the current exchange rate.

OCTOBER 16, 2012 TRANSFERS OF $274,980 AND $388,100

89. On October 16, 2012, at 12:26 P.M., defendant SONU drove to a temple located in Alhambra, California, where he retrieved a bag containing $274,980 in United States currency from defendant R. SINGH's vehicle so that he could transport the money to unindicted co-conspirators.

90. On October 16, 2012, at 1:47 P.M., using coded language in a telephone conversation, defendant H. SINGH told defendant SONU that

he had another $50,000 for defendant SONU.

91. On October 16, 2012, at 2:11 P.M., using coded language in a telephone conversation, defendant H. SINGH told defendant KARAN that he had spoken with defendant SONU and was going to meet defendant SONU to give him $50,000.

92. On October 16, 2012, at a location in La Mirada, California, defendant SONU and an unindicted co-conspirator possessed $388,100 in United States currency, which was subsequently seized by law enforcement.

93. On October 16, 2012, at 5:14 P.M., using coded language in a telephone conversation, defendant H. SINGH told defendant KARAN that he had not yet given $50,000 to defendant SONU, who was not answering his telephones.

94. On October 16, 2012, at 5:45 P.M., using coded language in a telephone conversation, defendant WADHWA told defendant H. SINGH to "hide" the $50,000 that belonged to defendant WADHWA and not to give it to defendant SONU because there was likely a "problem" with defendant SONU.

95. On October 16, 2012, at 5:47 P.M., using coded language in a telephone conversation, defendant S. SINGH advised defendant H. SINGH that defendant SONU had been arrested on the way to a money delivery for defendant KARAN after having receiving money from defendant R. SINGH and that law enforcement was at defendant SONU's house.

96. On October 16, 2012, at 5:59 P.M., using coded language in a telephone conversation, defendants WADHWA and H. SINGH discussed the "problem" of defendant SONU's arrest and that the "mistake" leading to defendant SONU's arrest must have been made by someone

other than defendant R. SINGH, who was an experienced hawaladar.

97. On October 16, 2012, at 6:14 P.M., using coded language in a telephone conversation, defendant WADHWA cautioned co-conspirator T. Singh not to keep money at his house and told him to relay this instruction to T. Singh's wife.

98. On October 16, 2012, at 6:20 P.M., using coded language in a telephone conversation, co-conspirator T. Singh informed defendant R. SINGH that he had heard that "Sucha's guy" got arrested with money and cautioned defendant R. SINGH to be "careful," at which time defendant R. SINGH stated that he would find out the details of the arrest.

99. On October 16, 2012, at 6:36 P.M., using coded language in a telephone conversation, co-conspirator T. Singh and defendant R. SINGH discussed the arrest of "Sucha's nephew," after which co-conspirator T. Singh informed defendant R. SINGH that he would send "orders" for a money delivery by "message."

100. On October 16, 2012, at 7:14 P.M., using coded language in a telephone conversation, defendants S. SINGH and H. SINGH discussed the seizure of $630,000 from defendant SONU, who needed an attorney and who had to come up with a story for why he had all that money.

101. On October 16, 2012, at 7:22 P.M., using coded language in a telephone conversation, defendant S. SINGH told defendant H. SINGH that he had talked to defendant KARAN about obtaining an attorney for defendant SONU, at which time defendant H. SINGH instructed defendant S. SINGH to delete from his telephone all messages from defendant SONU.

102. On October 16, 2012, at 8:46 P.M., using coded language in a telephone conversation, defendant R. SINGH told co-conspirator T.

Singh that "the work" was "messed up" and that the money seized belonged to defendant KARAN in Canada, after which co-conspirator T. Singh told defendant R. SINGH that he would call him back on "the other number."

103. On October 16, 2012, at 9:06 P.M., using coded language in a telephone conversation, co-conspirator T. Singh and defendant WADHWA discussed the arrests of defendants SONU and H. SINGH.

104. On October 16, 2012, at 9:53 P.M., using coded language in a telephone conversation, defendant S. SINGH told defendant H. SINGH that defendant KARAN had complained that he could not "pay" all of the money seized by himself and accused defendants S. SINGH and SONU of "playing games" and pretending that defendant SONU had been arrested.

105. On October 18, 2012, at 8:23 A.M., using coded language in a telephone conversation, defendant WADHWA asked co-conspirator T. Singh if he could pick up $50,000 from defendant H. SINGH and then deliver $250,000 to "someone" (meaning a courier).

106. On October 20, 2012, at 3:52 P.M., using coded language in a telephone conversation, defendant H. SINGH asked co-conspirator T. Singh if it would be possible to get the money from co-conspirator T. Singh that day.

107. On October 21, 2012, at 9:10 A.M., using coded language in a telephone conversation, co-conspirator T. Singh and an unindicted co-conspirator discussed the deposit of $52,000, and the recent money seizures and arrests of Sikh individuals engaged in the hawala business.

DECEMBER 8, 2012 TRANSFER OF $310,000

108. On December 8, 2012, at 9:43 A.M., using coded language in

a telephone conversation, defendant WADHWA and co-conspirator T. Singh discussed the planned delivery of $100,000 to co-conspirator T. Singh later that night, and the delivery of $310,000 by co-conspirator T. Singh to another courier.

109. On December 8, 2012, at 10:43 A.M., using coded language in a telephone conversation, defendant WADHWA instructed co-conspirator T. Singh to include the $100,000 co-conspirator T. Singh would receive that day as part of the $310,000 delivery to the courier.

110. On December 8, 2012, at 2:17 P.M., co-conspirator T. Singh drove a vehicle containing $310,000 in United States currency to a parking lot located in Canoga Park, California.

111. On December 8, 2012, at 2:20 P.M., after arriving at the location in Canoga Park, California, defendant AUBUT received $310,000 in United States Currency from co-conspirator T. Singh that defendant AUBUT was responsible for transporting to unindicted co-conspirators.

112. On December 8, 2012, at 3:21 P.M., using coded language in a telephone conversation, co-conspirator T. Singh told defendant WADHWA that the "same girl" (referring to defendant AUBUT) picked up the $310,000 in United States currency, that the courier with the $100,000 had not yet called, and that he may be picking up a "big order" on Monday and therefore might be able to give "a lot" to defendant WADHWA on Tuesday.

113. On December 8, 2012, at 7:05 P.M., using coded language in a telephone conversation, defendant WADHWA asked co-conspirator T. Singh about the details of the money delivery to defendant AUBUT.

114. On December 8, 2012, at 7:12 P.M., using coded language in a telephone conversation, defendant WADHWA told co-conspirator T.

Singh that there may have been a "problem" with defendant AUBUT, whose telephone was turned off, and defendant WADHWA instructed co-conspirator T. Singh to throw away the telephone he used to speak with defendant AUBUT.

115. On December 8, 2012, at 7:29 P.M., using coded language in a telephone conversation, defendant WADHWA told co-conspirator T. Singh that defendant AUBUT had been arrested, asked T. SINGH to keep the "token number" he had received from defendant AUBUT, and discussed the fact that defendant AUBUT changed her name and telephone number for every money delivery.

116. On December 8, 2012, at 9:24 P.M., using coded language in a telephone conversation, defendant WADHWA and co-conspirator T. Singh discussed the seizure of money from defendant AUBUT, co-conspirator T. Singh's balance within the hawala system, and the perils of the hawala system, including the risk of arrest now that law enforcement seemed to also be arresting Indian individuals handling the money in addition to the non-Indian individuals working on behalf of drug traffickers; but they agreed that the drug traffickers would continue to use the hawala system since the amounts seized were insignificant to them.

COUNT TWO

[18 U.S.C. § 371]

A. OBJECT OF THE CONSPIRACY

Beginning on an unknown date and continuing until on or about December 8, 2012, in Los Angeles County, within the Central District of California, and elsewhere, defendants GURKARAN ISSHPUNANI, also known as ("aka") "Karan" ("KARAN"), SANJEEV BHOLA, aka "Vant" ("VANT"), BALWAT BHOLA, aka "Titu" ("TITU"), BAKSHISH SIDHU ("SIDHU"), SANJIV WADHWA, aka "Bobby" ("WADHA"), RAMESH SINGH, aka "Jag," aka "Ajaib" ("R. SINGH"), SUCHA SINGH ("S. SINGH"), HARMEET SINGH ("H. SINGH"), HARINDER SINGH, aka "Sonu" ("SONU"), BRADLEY JOHN MARTIN, aka "Bob" ("MARTIN"), SHANNON AUBUT ("AUBUT"), CHRISTOPHER FAGON ("FAGON"), JASON ROBERT ("CAREY"), JOSE LUIS BARRAZA ("BARRAZA"), MIGUEL MELINDEZ GASTELUM ("GASTELUM"), BREIDI ALBERTO ESPINOZA ("ESPINOZA"), JESUS MANUEL RIOS ("RIOS"), JOSE DE JESUS MONTENEGRO ("MONTENEGRO"), and ALBERTO DIAZ ("DIAZ"), and others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly and intentionally operate an unlicensed money transmitting business affecting interstate and foreign commerce, in violation of Title 18, United States Code, Sections 1960(a), (b)(1)(A), (b)(1)(B), and (b)(1)(C).

B. MEANS BY WHICH THE OBJECT OF THE CONSPIRACY WAS TO BE ACCOMPLISHED

The object of the conspiracy was to be accomplished in substance as follows:

The Grand Jury re-alleges and incorporates by reference as if fully stated herein paragraphs 1 through 12 of Count One, Section B.

13. Defendants KARAN, VANT, TITU, SIDHU, WADHWA, R. SINGH, H.

SINGH, S. SINGH, SONU, MARTIN, FAGON, CAREY, AUBUT, BARRAZA, GASTELUM, ESPINOZA, RIOS, MONTENEGRO, and DIAZ were not registered or otherwise licensed as money transmitting businesses either with the State of California or U.S. Department of Treasury Financial Crimes Enforcement Network and were not exempt from licensing.

14. Defendants KARAN, VANT, TITU, SIDHU, WADHWA, R. SINGH, H. SINGH, S. SINGH, SONU, MARTIN, FAGON, CAREY, AUBUT, BARRAZA, GASTELUM, ESPINOZA, RIOS, MONTENEGRO, and DIAZ would possess, transport, and deliver funds that they knew had been derived from a criminal offense, namely, drug trafficking, to facilitate the transfer of these funds between and among individuals involved in drug trafficking.

C. OVERT ACTS

In furtherance of the conspiracy, and to accomplish the objects of the conspiracy, on or about the following dates and times, defendants KARAN, VANT, TITU, SIDHU, WADHWA, R. SINGH, H. SINGH, S. SINGH, SONU, MARTIN, FAGON, CAREY, AUBUT, BARRAZA, GASTELUM, ESPINOZA, RIOS, MONTENEGRO, DIAZ, and others known and unknown to the Grand Jury, committed various overt acts within the Central District of California, and elsewhere, including but not limited to the following:

The Grand Jury re-alleges and incorporates by reference as if fully stated herein paragraphs 1 through 38 and 43 through 116, of Count One, Section C.

COUNT THREE

[18 U.S.C. §§ 1960(a), (b)(1)(A), (b)(1)(B), (b)(1)(C)]

Beginning on a date unknown, and continuing until on or about December 8, 2012, in Los Angeles County, within the Central District of California, and elsewhere, defendants GURKARAN ISSHPUNANI, also known as ("aka") "Karan" ("KARAN"), SANJEEV BHOLA, aka "Vant" ("VANT"), BALWAT BHOLA, aka "Titu" ("TITU"), BAKSHISH SIDHU ("SIDHU"), SANJIV WADHWA, aka "Bobby" ("WADHA"), RAMESH SINGH, aka "Jag," aka "Ajaib" ("R. SINGH"), SUCHA SINGH ("S. SINGH"), HARMEET SINGH ("H. SINGH"), HARINDER SINGH, aka "Sonu" ("SONU"), BRADLEY JOHN MARTIN, aka "Bob" ("MARTIN"), SHANNON AUBUT ("AUBUT"), CHRISTOPHER FAGON ("FAGON"), JASON ROBERT ("CAREY"), JOSE LUIS BARRAZA ("BARRAZA"), MIGUEL MELINDEZ GASTELUM ("GASTELUM"), BREIDI ALBERTO ESPINOZA ("ESPINOZA"), JESUS MANUEL RIOS ("RIOS"), JOSE DE JESUS MONTENEGRO ("MONTENEGRO"), and ALBERTO DIAZ ("DIAZ") (collectively, "defendants") knowingly conducted, controlled, managed, supervised, directed, and owned an unlicensed money transmitting business affecting interstate and foreign commerce that (1) operated without an appropriate money transmitting license in California where such operation is punishable as a felony under state law; (2) failed to comply with the money transmitting business registration requirements under Section 5330 of Title 31, United States Code, and the regulations thereunder; and (3) involved the transportation and transmission of funds that were known to defendants to have been derived from a criminal offense and were intended to be used to promote and support unlawful activity.

FORFEITURE ALLEGATION I

[18 U.S.C. § 982(a)(1)]

1. Pursuant to Federal Rule of Criminal Procedure 32.2, notice is hereby given to the defendants that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Section 982(a)(1), in the event of any defendant's conviction under either of Counts One or Three of this Indictment.

2. Defendants GURKARAN ISSHPUNANI, aka "Karan" ("KARAN"), SANJEEV BHOLA, aka "Vant" ("VANT"), BALWAT BHOLA, aka "Titu" ("TITU"), BAKSHISH SIDHU ("SIDHU"), SANJIV WADHWA, aka "Bobby", ("WADHWA"), RAMESH SINGH, aka "Jag," aka "Ajaib" ("R. SINGH"), SUCHA SINGH ("S. SINGH"), HARMEET SINGH ("H. SINGH"), HARINDER SINGH, aka "Sonu" ("SONU"), BRADLEY JOHN MARTIN, aka "Bob" ("MARTIN"), CHRISTOPHER FAGON ("FAGON"), SHANNON AUBUT ("AUBUT"), JASON ROBERT CAREY ("CAREY"), JOSE LUIS BARRAZA ("BARRAZA"), MIGUEL MELINDEZ GASTELUM ("GASTELUM"), BREIDI ALBERTO ESPINOZA ("ESPINOZA"), JESUS MANUEL RIOS ("RIOS"), JOSE DE JESUS MONTENEGRO ("MONTENEGRO"), ALBERTO DIAZ ("DIAZ"), FNU LNU, aka "Buddy" ("BUDDY"), PAUL ALLEN JACOBS ("JACOBS"), and TINA PHAM ("PHAM") shall forfeit to the United States the following property:

a. All right, title, and interest in any and all property, real or personal, involved in any offense set forth in either of Counts One or Three of this Indictment, or conspiracy to commit such an offense, and any property traceable to such property, including all monies or other property that was the subject of, all commissions, fees, and other property that were derived from, and all monies or other property that was used in any manner or part to

facilitate the commission of any violation of Title 18, United States Code, Sections 1956 or 1960, including, but not limited to:

i. Approximately $274,980.00 in U.S. currency seized on or about October 16, 2012, from defendant SONU (13-DEA-573291);

ii. Approximately $388,100.00 in U.S. currency seized on or about October 16, 2012, from the wife of defendant SONU (13-DEA-573292); and

iii. Approximately $399,800.00 in U.S. currency seized on or about September 7, 2012, from defendant DIAZ (13-DEA-571900).

b. A sum of money equal to the total value of the property described in subsection 2(a) above. For each of Counts One and Three for which more than one defendant is found guilty, each such defendant shall be jointly and severally liable for the entire amount forfeited pursuant to that Count.

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), each defendant convicted of Count One or Three of this Indictment shall forfeit substitute property, up to the total value of the property described in the preceding paragraph, if, as a result of any act or omission of a defendant, the property described in the preceding paragraph, or any portion thereof (a) cannot be located upon the exercise of due diligence; (b) has been transferred, or sold to, or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.

FORFEITURE ALLEGATION II

[18 U.S.C. § 981(a)(1)(C); 28 U.S.C. § 2461(c); 21 U.S.C. § 853]

1. Pursuant to Federal Rule of Criminal Procedure 32.2, notice is hereby given to the defendants that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Section 981(a)(1)(C), Title 28, United States Code, Section 2461(c), and Title 21, United States Code, Section 853, in the event of any defendant's conviction under Count Two of this Indictment.

2. Defendants GURKARAN ISSHPUNANI, also known as ("aka") "Karan" ("KARAN"), SANJEEV BHOLA, aka "Vant" ("VANT"), BALWAT BHOLA, aka "Titu" ("TITU"), BAKSHISH SIDHU ("SIDHU"), SANJIV WADHWA, aka "Bobby" ("WADHA"), RAMESH SINGH, aka "Jag," aka "Ajaib" ("R. SINGH"), SUCHA SINGH ("S. SINGH"), HARMEET SINGH ("H. SINGH"), HARINDER SINGH, aka "Sonu" ("SONU"), BRADLEY JOHN MARTIN, aka "Bob" ("MARTIN"), SHANNON AUBUT ("AUBUT"), CHRISTOPHER FAGON ("FAGON"), JASON ROBERT ("CAREY"), JOSE LUIS BARRAZA ("BARRAZA"), MIGUEL MELINDEZ GASTELUM ("GASTELUM"), BREIDI ALBERTO ESPINOZA ("ESPINOZA"), JESUS MANUEL RIOS ("RIOS"), JOSE DE JESUS MONTENEGRO ("MONTENEGRO"), and ALBERTO DIAZ ("DIAZ") shall forfeit to the United States the following property:

a. All right, title, and interest in any and all property, real or personal, which constitutes or is derived from proceeds traceable to any offense set forth in Count Two of this Indictment, including, but not limited to:

i. Approximately $274,980.00 in U.S. currency seized on or about October 16, 2012, from defendant SONU (13-DEA-573291);

ii. Approximately $388,100.00 in U.S. currency seized on or about October 16, 2012, from the wife of defendant SONU (13-DEA-573292); and

iii. Approximately $399,800.00 in U.S. currency seized on or about September 7, 2012, from defendant DIAZ (13-DEA-571900).

b. A sum of money equal to the total value of the property described in subsection 2(a) above.

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), each defendant convicted under Count Two of this Indictment shall forfeit substitute property, up to the total value of the property described in the preceding paragraph, if, as a result of any act or omission of a defendant, the property described in the preceding paragraph, or any portion thereof (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with a third party; (c) has been placed beyond the

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jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.

A TRUE BILL

/S/

Foreperson

STEPHANIE YONEKURA
Acting United States Attorney

ROBERT E. DUGDALE
Assistant United States Attorney
Chief, Criminal Division

KEVIN M. LALLY
Assistant United States Attorney
Chief, Organized Crime Drug Enforcement Task Force Section

ROB B. VILLEZA
Assistant United States Attorney
Deputy Chief, Organized Crime Drug Enforcement Task Force Section

CAROL ALEXIS CHEN
Assistant United States Attorney
Organized Crime Drug Enforcement Task Force Section