



U.S. Department of Justice

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Eastern District of New York

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FOR IMMEDIATE RELEASE

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PRESS RELEASE

**NINE INDIVIDUALS INDICTED AND FOURTEEN 7-ELEVEN STORES SECURED AS
FEDERAL AUTHORITIES SHUT DOWN MULTI-STATE SCHEME TO CONCEAL
SYSTEMATIC EMPLOYMENT OF ILLEGAL IMMIGRANTS, VICTIMIZE
IMMIGRANT EMPLOYEES, AND STEAL IDENTITIES**

**7-11 Store Owners and Operators Used Identities Stolen from U.S. Citizens, Including the
Deceased and Children, to Conceal Their Scheme, and Harbored Illegal Immigrant Workers
at Houses Owned by the Defendants**

BROOKLYN, NY – Earlier today, two indictments were unsealed charging eight men and one woman from Long Island, New York, with conspiring to commit wire fraud, stealing identities, and concealing and harboring illegal immigrants employed at 7-Eleven, Inc. (7-Eleven) franchise stores located throughout Long Island and Virginia.¹ Through this scheme, the defendants, who owned, managed and controlled fourteen 7-Eleven franchise stores during the course of the conspiracies, allegedly hired dozens of illegal immigrants, equipped them with more than 20 identities stolen from United States citizens, housed them at residences owned by the defendants, and stole substantial portions of their wages. If convicted, the defendants will face 20 years' imprisonment on wire fraud conspiracy and alien harboring charges, as well as multiple counts of aggravated identity theft, which carries a mandatory, consecutive two-year term of incarceration. In addition, all property used to facilitate the harboring of illegal immigrants, together with all proceeds of the wire fraud conspiracy and alien harboring charges, are subject to forfeiture. The defendants will be presented for arraignment later today at the United States Courthouses in Central Islip, New York and Norfolk, Virginia.

The indictments, arrests and seizures are the result of one of the largest criminal immigrant employment investigations ever conducted by the Department of Justice and the

¹ The charges contained in the indictments are merely allegations, and the defendants are presumed innocent unless and until proven guilty.

Department of Homeland Security. As set forth in court filings, the government has moved to forfeit the franchise rights to ten 7-Eleven stores in New York and four 7-Eleven stores in Virginia. In the indictments, the government has also moved to forfeit five houses in New York worth over \$1.3 million. According to the Department of Homeland Security, the case announced today constitutes the largest criminal immigration forfeiture in its history. In addition, earlier today, federal agents fanned out across the country to execute multiple search and seizure warrants and inspect approximately 30 7-Eleven franchise stores. The actions taken are the initial results of an ongoing investigation into the employment and exploitation of illegal immigrants at 7-Eleven franchise stores nationwide.

The charges, arrests and seizures were announced by Loretta E. Lynch, United States Attorney for the Eastern District of New York; James T. Hayes, Jr., Special Agent-in-Charge, U.S. Immigration and Customs Enforcement's Homeland Security Investigations, New York Field Office (HSI); Edward Ryan, Special Agent-in-Charge, Social Security Administration, Office of the Inspector General (SSA-OIG); Joseph A. D'Amico, Superintendent, New York State Police; and Edward Webber, Commissioner, Suffolk County Police.

"As set forth in the indictments, the defendants used 7-Eleven as a platform from which to run elaborate criminal enterprises. From their 7-Eleven stores, the defendants dispensed wire fraud and identity theft, along with Slurpees and hot dogs. In bedroom communities across Long Island and Virginia, the defendants not only systematically employed illegal immigrants, but concealed their crimes by raiding the cradle and the grave to steal the identities of children and even the dead. Finally, these defendants ruthlessly exploited their immigrant employees, stealing their wages and requiring them to live in unregulated boarding houses, in effect creating a modern day plantation system," stated United States Attorney Lynch. "As this case shows, we are committed to preserving the rule of law and protecting our communities from the abuses of corrupt businessmen seeking to gain illegal advantage. I would like to thank our partners at HSI, New York State Police, Suffolk County Police and SSA-OIG for their hard work on this important investigation."

"The 7-11 franchises seized today will be better known for their big fraud than their Big Gulp. As alleged, the franchise owners knowingly and repeatedly employed an illegal workforce and abused and exploited that workforce for more than 13 years," said HSI Special Agent-in-Charge Hayes. "This charged criminal scheme had a vast detrimental effect on both the employees who were overworked and cheated out of wages, as well as the more than 25 American citizens whose lives were upended by the theft of their identities in furtherance of the scheme."

New York State Police Superintendent D'Amico, stated, "As alleged in the indictment, these nine individuals took full advantage of illegal immigrants through a multi-state scheme that generated millions in profits for themselves while ignoring the common decency in the employer/employee relationship. The defendants allegedly provided the illegal immigrants with false documentation, stole significant portions of their wages and set them up in living arrangements that left the individuals completely beholden to them. I commend the unwavering dedication of the State Police Investigators who worked with our partners from federal, state and local law enforcement to make these defendants accountable for their actions."

"As charged in the indictments, the defendants have been exploiting vulnerable individuals who, due to their immigration status, may have been afraid to come forward and report possible wrongdoing by their employers," said Suffolk County Police Commissioner

Webber. “This multi-agency investigation illustrates our commitment to fighting against employers who abuse immigrant employees for their own financial gain.”

SSA-OIG Special Agent-in-Charge Ryan stated, “The Social Security Number System within the Social Security Administration (SSA) tracks individuals’ earnings throughout their work history to later determine the SSA retirement benefit they have earned. The type of alleged actions of the individuals named in this indictment not only violates federal law, but also threatens the integrity of the Social Security Number System by causing wages to be erroneously posted to SSA’s system of records. We appreciate the cooperation of the represented law enforcement agencies here today in our ongoing initiatives to prevent fraud, waste and abuse of SSA programs.”

The Illegal Conduct

According to the indictments and court papers filed in the Eastern District of New York, the defendants Farrukh and Bushra Baig are a married couple who owned, co-owned and/or controlled twelve of the 7-Eleven franchise stores, located on Long Island, New York and in Virginia. Defendants Zahid Baig and Shannawaz Baig are Farrukh Baig’s brothers, who helped to manage and control the stores, assisted by defendants Malik Yousaf, Tariq Rana and Ramon Nanas. Brothers Ahzar Zia and Ummar Uppal, indicted separately, owned and controlled two other Suffolk County 7-Eleven franchise stores.

As franchisees of 7-Eleven, the defendants received a license from the national company to utilize the 7-Eleven trademarks, specialized equipment (such as Slurpee and hot dog machines), and the stores’ physical structures and real property, which were owned or leased by 7-Eleven. The defendants also received access to 7-Eleven’s automated payroll service, through which they inputted each employee’s personal identifying information and hours worked into the data terminals located at the stores, for electronic transmission to 7-Eleven corporate headquarters. Working with the data provided by the defendants, 7-Eleven processed the payroll and, after subtracting certain expenses, issued wages in the form of checks, direct deposits or debit cards.

According to court filings, from 2000 until the present, the defendants collectively and systematically employed more than 50 illegal immigrants at fourteen 7-Eleven franchise stores in Long Island and Virginia. Rather than transmitting the true identification information of the illegal immigrant employees to 7-Eleven headquarters for processing, the defendants allegedly used more than 20 stolen identities, submitting stolen names and Social Security numbers of United States citizens to conceal the presence of illegal immigrants on the 7-Eleven franchise store payrolls. 7-Eleven headquarters processed the payroll and sent the employees’ wages to the defendants for distribution. The defendants then allegedly stole significant portions of the illegal immigrants’ wages, rather than paying the workers in full. The defendants also required the illegal immigrant to live in residences owned by the defendants and to pay rent in cash to the defendants.

As alleged in court documents, the victims of the identity theft hail from seven states, range in age from 8 to 78 years old, and include a child, three dead people and a Coast Guard cadet. In addition, the defendants, together with others, caused the 7-Eleven payroll service to transmit this false information, including the stolen identity information, to United States regulatory agencies, such as the Internal Revenue Service and the Social Security Administration.

During the scheme, the defendants allegedly generated over \$182 million in proceeds from the 7-Eleven franchise stores. Profits from those stores were shared by the defendants and 7-Eleven.

The first status conferences in this case are scheduled for Wednesday, July 17, 2013, at 11:15 A.M., before United States District Judge Sandra J. Feuerstein, at the federal courthouse in Central Islip, New York.

The government's case is being prosecuted by Assistant United States Attorneys Christopher A. Ott, Brian Morris and Elliot M. Schachner.

Tips and Information

HSI encourages the public to report suspected labor trafficking, forced labor or the exploitation of undocumented workers through its toll-free hotline at 1-866-347-2423 (from the U.S. and Canada), or from anywhere in the world at 1-802-872-6199, or online at www.ice.gov/tips.

For questions or concerns about immigrant workers and job seekers, contact the New York State Department of Labor Division Policies and Affairs (DIPA) at its toll-free worker hotline (1-877-466-9757).

The Defendants:

FARRUKH BAIG

Citizenship: Naturalized United States Citizen

Age: 57

Head of Harbor, New York

BUSHRA BAIG

Citizenship: Naturalized United States Citizen

Age: 49

Head of Harbor, New York

MALIK YOUSAF

Citizenship: Naturalized United States Citizen

Age: 51

South Setauket, New York

ZAHID BAIG

Citizenship: Naturalized United States Citizen

Age: 52

Chesapeake, Virginia

SHANNAWAZ BAIG

Citizenship: Naturalized United States Citizen

Age: 62

Virginia Beach, Virginia

TARIQ RANA
Citizenship: Pakistan
Age: 34
Chesapeake, Virginia

RAMON NANAS
Citizenship: Republic of the Philippines
Age: 49
Great River, New York

AZHAR ZIA
Citizenship: Naturalized United States Citizen
Age: 49
Great River, New York

UMMAR UPPAL
Citizenship: Pakistan
Age: 48
Islip Terrace, New York

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