U.S. DEPARTMENT OF THE TREASURY

Treasury Disrupts International Money Laundering and Sanctions Evasion Network Supporting Hizballah Financier

April 18, 2023

Over Fifty Individuals and Companies Targeted Across Nine Countries in Coordinated Action

WASHINGTON – Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) designated a vast international money laundering and sanctions evasion network of 52 individuals and entities in Lebanon, the United Arab Emirates, South Africa, Angola, Côte d'Ivoire, the Democratic Republic of the Congo, Belgium, the United Kingdom, and Hong Kong. This network facilitated the payment, shipment, and delivery of cash, diamonds, precious gems, art, and luxury goods for the benefit of Hizballah financier and Specially Designated Global Terrorist Nazem Said Ahmad, who was designated on December 13, 2019, for providing material support to Hizballah. The network designated today includes dozens of individuals and their associated companies involved in assisting Nazem Said Ahmad in evading U.S. sanctions to maintain his ability to finance Hizballah and his luxurious lifestyle. This designation is a part of a coordinated action with the Department of Homeland Security, the Department of State's Rewards for Justice program, and the United Kingdom.

"The individuals involved in this network used shell companies and fraudulent schemes to disguise Nazem Said Ahmad's role in financial transactions," said Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson. "Luxury good market participants should be attentive to these potential tactics and schemes, which allow terrorist financiers, money launderers, and sanctions evaders to launder illicit proceeds through the purchase and consignment of luxury goods."

Treasury has documented the money laundering and terrorist financing risks associated with the trade of works of art in its February 2022 report titled "Study of the Facilitation of Money Laundering and Terror Finance Through the Trade of Works of Art" and the October 2020 OFAC Art Advisory.

OFAC is designating this complex network of family members, business associates, and companies under Executive Order (E.O.) 13224, as amended, which targets terrorists, terrorist

organizations, leaders, and officials of terrorist groups, and those providing support to terrorists or acts of terrorism.

A GLOBAL NETWORK

With operations in Beirut, Lebanon; Dubai, United Arab Emirates; Johannesburg, South Africa; and Hong Kong, Nazem Said Ahmad directs a global network of family members, associates, and companies that take advantage of the permissive nature of the global diamond, precious gems, and art market to facilitate payment for, and shipment and delivery of, luxury goods. The network utilizes legal and illegal arrangements to coerce both witting and unwitting participants into falsely engineering certificates, which are required under the Kimberley Process, to manipulate diamond prices and taxes, and to give their business the appearance of legitimacy. The network also uses aliases, front companies, and fraudulent paperwork to enable Nazem Said Ahmad to purchase or consign high-priced luxury goods and artwork from auction houses and galleries worldwide. The network undervalued invoices for imported goods and cleared bulk items through seaports, leveraging Hizballah's influence at these ports of entry to move assets into Lebanon without paying the applicable taxes and duties.

Nazem Said Ahmad eludes safeguards within the U.S. and international financial system by using associates and front companies that transact on his behalf, while also clandestinely storing large amounts of currency outside the reach of Lebanese banking officials and regulators. To circumvent cash reserve restrictions set by central banking authorities and avoid scrutiny by the Lebanese and international banking communities, the network facilitated a complex scheme of bulk cash transfers, intra-network accounting book transfers, and payments from personal bank accounts and credit cards for business transactions. Nazem Said Ahmad's associates, along with their legitimate and illegitimate businesses, played an important role in the overall scheme by engaging in "layering," the name used for the stage in a money laundering operation that disconnects proceeds from the nefarious activity that generated them. Trusted couriers transported cash and other tangible assets, such as diamonds and art, for the financial benefit of Nazem Said Ahmad, his family, and his close associates.

The luxury goods and art market has been an ideal avenue for Nazem Said Ahmad and his co-conspirators to move funds out of Lebanon, capitalizing on schemes to overvalue and undervalue artwork and Nazem Said Ahmad's background as an experienced collector to exploit the industry's practices. Since 2012, Nazem Said Ahmad has acquired over $54 million in

works of art from major auction houses, galleries, and exhibitions, or even directly from artists' studios, often concealing his beneficial ownership by having official invoices drawn up using cover companies, family members, or business associates as the owners.

Map of international money laundering and sanctions evasion network of Hizballah Financier Nazem Said Ahmad

KEY FACILITATORS AND ASSOCIATES

Nazem Said Ahmad's Family Members

Firas Ahmad, Nazem Said Ahmad's son, handles many of his father's business affairs in South Africa. Firas Ahmad is the director of South Africa-based diamond company **Mega Gems (PTY) LTD (Mega Gems)** and controls another diamond company, **Thula Uzwe Trading**, also in South Africa.

Firas Ahmad obfuscated his ultimate beneficial ownership of Mega Gems through a front company, **Oriental Dynasty Limited**, directed by his wife, **Rim Nasser**, who acted as a nominee shareholder. Concealment of his ultimate beneficial ownership is a common tactic used by Nazem Said Ahmad, which his children have also adopted to insulate themselves from legal scrutiny and assist in sanctions evasion schemes on behalf of their father.

Since 2018, Nazem Said Ahmad's daughter, **Hind Ahmad**, has brokered deals on behalf of her father, as well as coordinating the creation of an alias to help her father evade sanctions and purchase artwork from U.S. companies. Hind Ahmad also acted as a broker for the sale of art in the ultimate beneficial interest of her father, including approaching witting and unwitting studios and galleries to change the provenance line of certain pieces to make their onward sale more attractive to prospective buyers. Hind Ahmad directly owns and operates two galleries, **Artual Gallery** in Beirut, Lebanon and **DIDA** in Abidjan, Côte d'Ivoire. She is also indirectly associated with several other galleries but has obfuscated her connections to these entities to insulate them from the impact of her father's designation.

Rami Baker, Nazem Said Ahmad's brother-in-law, is a close friend and business associate who served as a proxy for Nazem Said Ahmad in many companies in Lebanon and Angola. On behalf of Nazem Said Ahmad, Rami Baker is the proxy owner of **United Investment Group SAL**, a Beirut-based real estate company that develops luxury real estate projects. Rami Baker is also the trustee for the **76 Benmore Gardens Trust** that manages the expansive property portfolio

owned by the Ahmad family in the Johannesburg area, including the home inhabited by Firas Ahmad, Rim Nasser, and their family. Rami Baker also owns a Romania-based company, **Collecting Bee SRL**.

Nazem Said Ahmad's wife, **Rima Baker**, served as a proxy for Nazem Said Ahmad for both the purchase as well as the consignment of works of art in his collection. Additionally, the network used her name to circumvent UK anti-money laundering procedures covering art market transactions related to a purchase of a work of art from a London-based gallery in the interest of Nazem Said Ahmad.

Rima Baker is the majority shareholder of Beirut-based **Park Ventures SAL** and a Beirut-based real estate company **Debbiye 383 SAL**. Park Ventures SAL handled the shipping and logistics of importing millions of dollars of art from U.S. and foreign art galleries into Beirut, and circumvented U.S. sanctions through a proxy ownership structure that purposefully registered shares of the company in the names of Rima Baker and Hind Ahmad.

Hind Ahmad's husband, French-Senegalese national **Da'ud El Riz**, facilitated the acquisitions by his wife and conducted personal and professional business transactions for the benefit of his wife and her galleries. Several of these transactions were the subjects of a scheme to undervalue invoices in a manner that would allow the network to circumvent taxes and duties levied on high-value imports by the Lebanese government.

Nazem Said Ahmad's Business Associates and Accountants

Mohamad Hijazi directs Dubai-based **White Star DMCC**, a front company that was used as the primary financial front for Nazem Said Ahmad to purchase art imported both legally and illegally into Lebanon. Mohamad Hijazi maintained a financial ledger that detailed cash transactions, intra-company book transfers, personal bank account transfers, and credit card transactions, in addition to the use of White Star DMCC's multiple bank accounts for cross-border payment settlements. Many of the transactions listed in the ledgers recorded the movement of cash to Lebanon for use by Nazem Said Ahmad or remitted to Firas Ahmad or Rami Baker for their personal or business operations. Mohamad Hijazi also coordinated with Hind Ahmad to create an alias to facilitate the purchase of artwork from U.S. companies, and his identification was used to circumvent UK anti-money laundering procedures covering transactions related to the purchase of a work of art from a London-based gallery in the interest of Nazem Said Ahmad.

Sundar Nagarajan acted as Nazem Said Ahmad's primary international accountant, providing material support through his management of, and accounting for, businesses in Nazem Said Ahmad's network. Sundar Nagarajan was the central manager of financial ledgers detailing the network's operations in Hong Kong, the United Arab Emirates, and South Africa. Sundar Nagarajan also facilitated payment for and shipment of art that Nazem Said Ahmad purchased from major auction houses and galleries.

In many cases, Nazem Said Ahmad would personally negotiate the purchase of art from artists and galleries via email or messaging on a social media platform. He would then direct **Ali Mossalem** and **Mohamad Ismail**, both Beirut-based accountants in Nazem Said Ahmad's employ, to coordinate all logistics related to the payment of invoices, shipment, and delivery of art, including the customs process at Lebanese ports of entry.

Mohamad Ismail facilitated the payment, shipment, and delivery of art that Nazem Said Ahmad purchased, including acting as a personal courier to ferry works of art from European galleries to Lebanon. Mohamad Ismail also coordinated the collection of rental income for tenants of properties owned by Park Ventures SAL and coordinated with outside accountants to prepare tax documents for companies such as Park Ventures SAL and Blue Star Diamonds SAL—Offshore, a Lebanese company previously designated for its connection to Nazem Said Ahmad.

Mohamad Ismail directs, owns, or controls several trading companies, including Lebanon-based **Ismail General Trading**; Lebanon-based **Joud General Trading**; Sofia, Bulgaria-based **TIA Trading 2013 OOD**; and Lebanon-based **Associates of Partners SAL**.

Ali Mossalem also coordinated with Hind Ahmad regarding the creation of false invoices for pieces of artwork on behalf of Nazem Said Ahmad and conspired to draw up false invoices under the name of Rami Baker or United Investment Group SAL.

Ali Osseiran, who directs three Dubai-based companies, **Best Diamond House DMCC**, **G and S Diamond FZE**, and **Bexley Way General Trading LLC**, facilitated the payment, shipment, and importation of works of art purchased by Nazem Said Ahmad from major auction houses and international galleries. Dubai-based company **IDIAMS DMCC** was involved in several of these art purchases. **Maricel Francisco** is an employee of Bexley Way General Trading LLC who has handled payments for art purchases through companies controlled by Ali Osseiran.

Fadi Sader, a dual Canadian-South African national of Lebanese origin, has provided material support to Firas Ahmad. Fadi Sader directs, owns, or controls Hong Kong-based **House of Art Limited**, Hong Kong-based **Fadico HK Limited**, and South Africa-based **Fadico S A CC.** Mega

Gems, a company directed and indirectly owned or controlled by Firas Ahmad, acted as a sister company with House of Art Limited to serve as the network's conduit to clientele in Asia looking to purchase polished stones or finished jewelry, with Mega Gems serving as the intermediary to rough diamonds in Africa. Fadi Sader and his businesses also acted as a hub for art and luxury goods to be sold at or purchased from Hong Kong-based auction houses or other vendors in the Pacific, including acting as a courier for a work of art purchased on behalf of Nazem Said Ahmad, personally transporting the item from a Hong Kong auction house to Lebanon.

Mohamad Wehbe, a Lebanese national and co-director of Mega Gems and sole director of **Gavia Tradings (PTY) LTD**, provided material support to Firas Ahmad by handling a variety of business operation functions for Firas Ahmad's business ventures in South Africa. This included assisting Firas Ahmad in changing the ownership structure of South Africa-based **Thula Uzwe**, allowing Firas Ahmad to be the authorized representative for rough diamond purchases, with the hopes of expanding the company into new markets. Mohamad Wehbe was also a director of South Africa-based, real estate holding companies **Oxfocento (PTY) LTD** and **Diotrix (PTY) LTD**.

Bassem Murad is a Belgian national who owns, controls, or directs Antwerp, Belgium-based **M.S.D.**, South Africa-based **MSD Capital (PTY) LTD**, Dubai-based **MSD DMCC**, and South Africa-based **MSD SPRL Diamond Trading**. Both Bassem Murad and MSD SPRL Diamond Trading are involved in the business venture for the design, development, and construction of a new diamond center to house the offices and facilities for Mega Gems and other diamond businesses owned or directed by the directors of Oxfocento (PTY) LTD and Diotrix (PTY) LTD. Bassem Murad also conducted transactions or acted as a pass-through for funds in the interest of Firas Ahmad in a money laundering layering scheme.

Hussein Nachar is a longtime associate of Nazem Said Ahmad, who operated with the total confidence of Nazem Said Ahmad while the 50 percent owner of DRC-based company, Primo-Gem Diamond, which was associated with money laundering, tax evasion, the blood diamond trade, and financial support to Hizballah. Between 2020 and 2021, Hussein Nachar and **Ali Nachar** engaged in transactions with Firas Ahmad, many of which were likely in cash and circular in nature, a practice which is known to be an indicator of money laundering.

Fadi Abbas Saad conducted transactions for funds in the interest of Firas Ahmad in a money laundering layering scheme. Fadi Abbas Saad was also Firas Ahmad's proxy director and shareholder of Oriental Dynasty Limited from 2015 to 2018, prior to Firas Ahmad's wife Rim Nasser relieving him of this position.

Additional Businesses

Dubai-based diamond company **Amana Diam DMCC** was used as a pass-through business in a money laundering scheme on behalf of Rami Baker. Antwerp-based diamond company **Helics Gemb BVBA** acted as a broker for Amana Diam DMCC for sales of over $18 million in the first half of 2022 and was likely engaged in suspicious trades in diamonds.

Individuals and Entities Designated Today

Sundar Nagarajan, Ali Mossalem, Mohamad Hijazi, Firas Ahmad, Mohamad Ismail, Hind Ahmad, Rima Baker, Rami Baker, Ali Osseiran, Ibrahim Ghaddar, Mohamad Khawaja, White Star DMCC, Best Diamond House DMCC, Bexley Way General Trading, G&S Diamonds FZE, United Investment Group SAL, and Idiams DMCC are being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Nazem Said Ahmad.

Rim Nasser, Fadi Sader, Mohamad Wehbe, Bassem Murad, Ali Nachar, Fadi Abbas Saad, Hussein Nachar, and Fadico HK Limited are being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Firas Ahmad.

Amana Diam DMCC is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Rami Baker.

Daoud El Riz is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Hind Ahmad.

Maricel Francisco is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Ali Osseiran.

Helics Gemb BVBA is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Amana Diam DMCC.

Gavia Tradings (PTY) LTD and Oxfocento (PTY) LTD are being designated pursuant to E.O. 13224, as amended, for being owned, controlled, or directed by, directly or indirectly, Mohamad

Wehbe.

MSD SPRL Diamond Trading is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Oxfocento (PTY) LTD.

High Rise Property Investments (PTY) LTD is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Oxfocento (PTY) and Diotrix (PTY) LTD.

Mega Gems (PTY) LTD, Oriental Dynasty Limited, and Thula Uzwe Trading are being designated pursuant to E.O. 13224, as amended, for being owned, controlled, or directed by, directly or indirectly, Firas Ahmad.

House of Art Limited is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Mega Gems (PTY) LTD.

Artual Gallery and DIDA are being designated pursuant to E.O. 13224, as amended, for being owned, controlled, or directed by, directly or indirectly, Hind Ahmad.

TIA Trading 2013 OOD, Associates of Partners SAL, Ismail General Trading, and Joud General Trading is being designated pursuant to E.O. 13224, as amended, for being owned, controlled, or directed by, directly or indirectly, Mohamad Ismail.

Collecting Bee SRL, Debbiye 383 SAL, and 76 Benmore Garden Trust are being designated pursuant to E.O. 13224, as amended, for being owned, controlled, or directed by, directly or indirectly, Rami Baker.

Park Ventures SAL is being designated for being owned, controlled, or directed by, directly or indirectly, Rima Baker.

Diotrix (PTY) LTD, MSD Capital (PTY) LTD), MSD DMCC, and M.S.D. are being designated pursuant to E.O. 13224, as amended, for being owned, controlled, or directed by, directly or indirectly, Oxfocento (PTY) LTD.

Fadico S A CC is being designated pursuant to E.O. 13224, as amended, for being owned, controlled, or directed by, directly or indirectly, Fadi Sader.

SANCTIONS IMPLICATIONS

As a result of today's action, unless otherwise authorized, all property and interests in property of these persons that are in or come within the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. In addition, any entities that are owned, directly or indirectly, 50 percent or more by one or more blocked persons are also blocked. OFAC regulations generally prohibit all dealings by U.S. persons or within the United States (including transactions transiting the United States) that involve any property or interests in property of designated or otherwise blocked persons.

In addition, persons that engage in certain transactions with the persons designated today may themselves be exposed to sanctions or subject to an enforcement action. Furthermore, any foreign financial institution that knowingly facilitates a significant transaction or provides significant financial services for any of the targets designated today pursuant to E.O. 13224, as amended, could be subject to U.S. sanctions.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the Specially Designated Nationals and Blocked Persons List (SDN List), but also from its willingness to remove persons from the SDN List consistent with the law. The ultimate goal of sanctions is not to punish but rather to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, please refer to OFAC's Frequently Asked Question 897. For detailed information on the process to submit a request for removal from an OFAC sanctions list, please refer to OFAC's website.

View identifying information on the persons designated today.