Ill-gotten gains? Feds target local store,

BY BRETT MCLAUGHLIN
THE JOURNAL

In a 96-page indictment, federal authorities outlined a cigarette scheme that they claim saw federal agents collect nearly $21 million in payments for untaxed cigarettes that were sold from New York to South Carolina.

As the federal government moves toward closure of a massive contraband cigarette case with ties to Oconee County, a couple of pieces of local property are clearly in the forfeiture bull's-eye being drawn by the government.

Forfeiture documents attached to plea agreements signed by at least two of the 10 defendants in the federal case indicate that the government intends to seize a convenience store and package liquor operation at 607 W. Main St., Walhalla, and a $300,000 home at 317 Blue Water Way, West Union.

Typically, forfeiture action comes at the conclusion of all other court action. Currently, four defendants in the case filed in the U.S. District Court for the Western District of Virginia are scheduled for trial in late November. Six other defendants who have pleaded guilty to reduced counts are to be sentenced next January.

In a 96-page indictment handed down last fall, federal authorities outlined a cigarette scheme that they claim saw federal agents collect nearly $21 million in payments for untaxed cigarettes that were sold from New York to South Carolina.

The 10 people, including one former Oconee County resident, charged in the indictment are alleged to have purchased untaxed cigarettes (or cigarettes carrying counterfeit tax stamps) for resale in states with higher cigarette taxes, pocketing the difference.

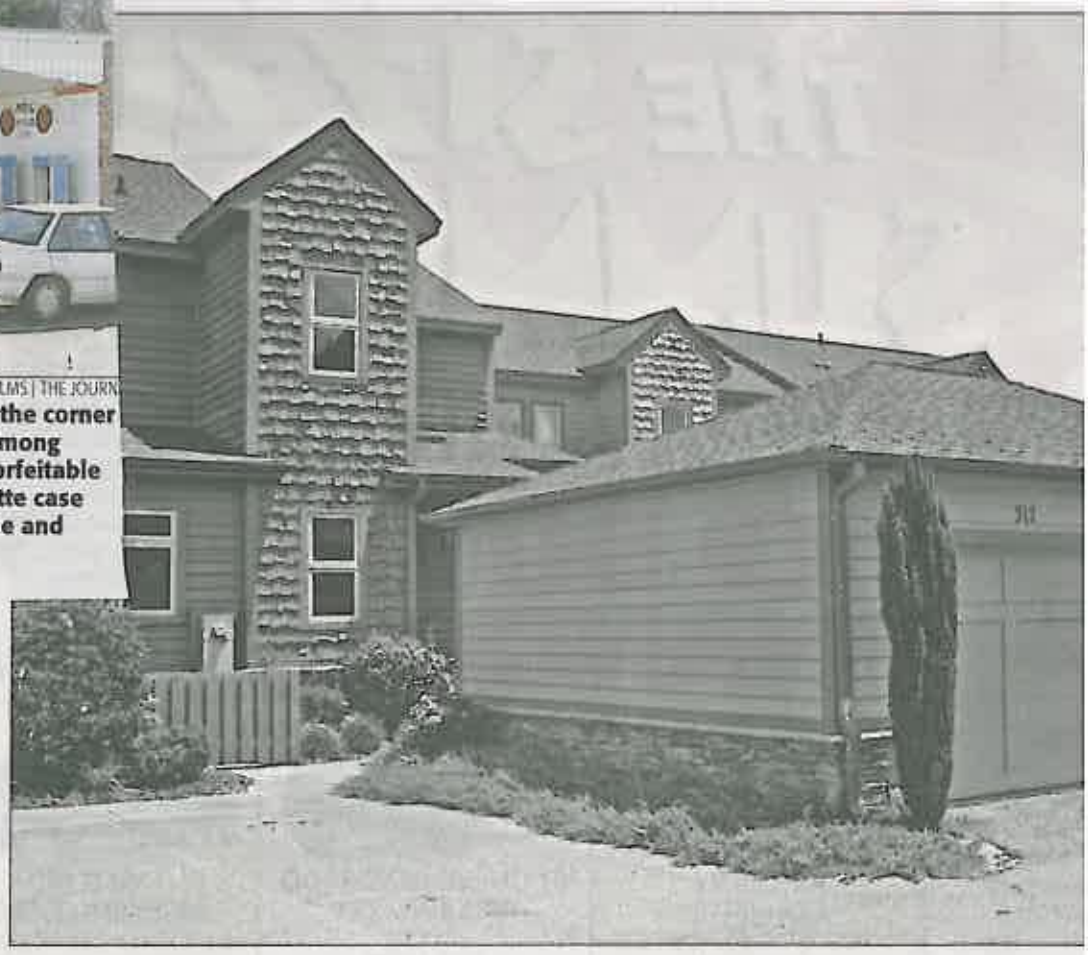
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home for forfeiture



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This convenience and package liquor store at the corner of W. Main and Poplar streets in Walhalla is among the properties the government has listed as forfeitable in connection with a major contraband cigarette case playing itself out in federal courts in Greenville and Harrisonburg, Va.



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The federal government claims that this townhouse at 317 Blue Water Way in West Union was purchased with the proceeds of contraband cigarette scheme operated by ten Upstate residents.

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Several defendants were also charged with multiple counts of laundering the gains, in most instances through the purchase of real estate.

According to the indictment, the government plans to claim 12 businesses, 11 business bank accounts, 10 vehicles and the property associated with another business in Gaffney. Additionally, the government has restrained, as potential substitute assets, 134 bank accounts, 44 properties, 23 businesses and 31 vehicles.

When the alleged ringleader of the scheme, Anjay R. Patel of Spartanburg, successfully sought postponement of his trial in May, a forfeiture notice filed with the action listed the Walhalla and West Union properties.

According to the government, the two parcels are indicative of how dirty money was washed by purchasing real estate.

In some cases, the purchases were straightforward, such as the $302,500 acquisition of the Blue Water Way home in November 2010. The purchaser was Tristar Holdings, a limited liability company doing business at 9911 Anderson Road, Easley.

Tristar Holdings, whose registered agent is the Rosemond law firm in Seneca, also purchased a Panama City Beach, Fla., condominium in September 2010, paying $10 and back taxes for a $245,000 home owned by a Michigan couple. Court records indicate the government seized the condo last November.

Even though Delaine Rosemond's law firm is listed as the registered agent for two businesses entangled in the cigarette case, there is no indication that Rosemond knew about or was involved in the alleged scheme. After the indictments were issued, he told The Journal that he had represented former Oconee resident and defendant Joseph Emmanuel in the past, but that he was not representing him in this federal case.

"I have represented Tristar," Rosemond said. "I probably incorporated Tristar, LLC."

Other real estate deals, such as the one involving the Walhalla convenience store in June 2005, are more complicated. In July 2004, Patel bought the business for $200,000 under the name of Magic Cash Properties, an LLC he had created three months earlier. When the business was sold again 11 months later, again for $200,000, the buyer was listed as Lucky Strike Investments Inc.

The registered agent for that LLC is Patel and the business address is Patel's home address of 208 Carleila Lake Way, Spartanburg.

In the forfeiture documents filed when Emmanuel pleaded guilty in March, at least six Upstate properties are held in the name of Lucky Strike Investments. The government has indicated it intends to claim all assets, inventory and property of the company.

The Fairplay Travel Center, owned by Emmanuel, was listed for forfeiture in initial court documents last fall, but was not included in the listings filed at the time of his guilty plea.

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FEDS: 'I probably incorporated Tristar, LLC,'

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