

THE SCARY USED CAR BROKER PLOT

Consider these two data points. First, Jo Becker reports that the money laundering scheme run by the Canadian Lebanese Bank involved brokering used cars purchased in America.

In that inquiry, American Treasury officials said senior bank managers had assisted a handful of account holders in running a scheme to wash drug money by mixing it with the proceeds of used cars bought in the United States and sold in Africa. A cut of the profits, officials said, went to Hezbollah, a link the organization disputes.

[snip]

Eventually an American team dispatched to look into Mr. Joumaa's activities uncovered the used-car operation. Cars bought in United States were sold in Africa, with cash proceeds flown into Beirut and deposited into three money-exchange houses, one owned by Mr. Joumaa's family and another down the street from his hotel. The exchanges then deposited the money, the ostensible proceeds of a booming auto trade, into the Lebanese Canadian Bank, so named because it was once a subsidiary of the Royal Bank of Canada Middle East.

But the numbers did not add up. The car lots in the United States, many owned by Lebanese émigrés and one linked to a separate Hezbollah weapons-smuggling scheme, were not moving nearly enough merchandise to account for all that cash, American officials said. What was really going on, they concluded, was that European drug proceeds were being intermingled with the car-sale cash to make it appear legitimate.

Hezbollah received its cut either from the exchange houses, or via the bank itself, according to the D.E.A. And the Treasury Department concluded that Iran also used the bank to avoid sanctions, with Hezbollah's envoy to Tehran serving as go-between.

And we only indicted the guy running this plot, Ayman Joumaa, in November, 10 months after Treasury designated Ayman Joumaa as a Specially Designated Narcotics Traffickers.

Of course, November 23 is roughly two months after Manssor Arbabsiar, an Iranian used car broker whose finances had a remarkable uptick in the last two years, during which period he largely left South Texas, was arrested.

And while all of the ties Treasury noted in January were to Colombian drug networks, November's indictment rolled out this week includes a Los Zetas angle.

It was part of the conspiracy that the defendant and his co-conspirators coordinated the shipment of at least tens of thousands of kilograms of cocaine from Colombia, through Central America and Mexico, to the United States, including but not limited to 85,000 kilograms of cocaine shipped from Colombia for sale to Los Zetas drug cartel from in and around 2005 through in and around 2007.

I'll come back to this later—I'm watching Robert Mueller repeat that it's more important for FBI to entrap Muslim kids than to crack down on financial fraud at SJC.

But I'd suggest that the discovery of Scary Iran Plot as a side angle to Scary Used Auto Broker Plot would explain a lot of the problems with the case.

Update: One other thing: I'm curious why DOJ

sealed the Joumaa indictment from November 23 to December 12. I don't know the answer to that, but it's worth noting that Hezbollah and Iran rolled up US and Israeli spy rings during that period.

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