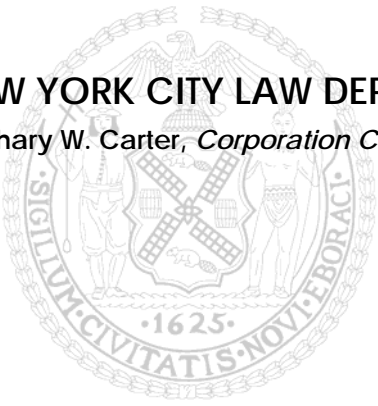


NEW YORK CITY LAW DEPARTMENT

Zachary W. Carter, Corporation Counsel



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Contact: pressoffice@law.nyc.gov or (212) 356-4000

CITY FILES SUIT TO RECOUP \$10 MILLION IN DAMAGES FOR LOST TAX REVENUE FROM CIGARETTE TRAFFICKERS

NEW YORK -- New York City Corporation Counsel Zachary W. Carter announced today the filing of a federal lawsuit to recoup approximately \$10 million in damages for lost City and State taxes from individuals who trafficked tens of thousands of cartons of cigarettes into the City between 2011 and 2013.

Sixteen defendants are charged with purchasing about 155,000 cartons from undercover officers in Virginia on dozens of occasions. The suit claims the defendants loaded rental vehicles with cigarettes and brought them to New York for sale. The bootleggers even requested that cigarettes be delivered to Bronx storage sites, which the officers did in order to gather information on the illegal operation, according to the suit.

Cigarette traffickers earn illegal profits by purchasing cigarettes in places like Virginia, where cigarette taxes are low, and selling them in New York, where cigarette taxes are high to discourage smoking. Corporation Counsel **Zachary W. Carter** said: "We will continue to vigorously pursue damages from traffickers who cost the City millions in lost tax revenue and circumvent laws designed to protect the public health."

The City's civil action, brought under the Contraband Cigarette Trafficking Act (CCTA) and the Racketeering Influenced Corrupt Organization Act (RICO) is part of a recent effort by the New York City Sheriff's Office to partner with law enforcement agencies in other states to work cooperatively against cigarette trafficking.

The suit was filed in the Federal District Court for the Eastern District of New York.

The defendants are also being criminally prosecuted by authorities in Shenandoah County Virginia.

Defendants: John Charles Tavares; Thaer Nimer Khashman; Ronald Vasconcelas; Abelis Vasconcelas, Tito Llanes, Juan P. Encarnacion, and John Does 1-10.

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