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AGENTS SEIZE \$2 MILLION IN JEWELRY

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Article Text:

Federal authorities seized inventory worth more than \$2 million Tuesday from two Oak Park jewelry stores, accusing their owners of laundering drug money since the 1970s.

Federal agents spent the day carting away jewelry from Khalife Brothers Jewelry and Goldcorp, Inc., located in adjoining office suites on Greenfield.

According to an affidavit submitted by U.S. Customs and IRS agents, the businesses are run by three brothers -- Fadi, Jamal and Walid Khalife -- who were "first identified as part of the Detroit narcotics underworld during the late 1970s and early 1980s."

The IRS said the brothers have laundered money for major drug dealers, including Detroit's notorious Young Boys, Inc. heroin ring.

"Money-laundering" is the term used for concealing illicit income through legitimate fronts. According to the affidavit, the Khalifes sold jewelry for cash at exorbitant prices to people they knew were narcotics traffickers.

The inventory was taken under federal laws providing for seizure of assets from business shown to have taken in proceeds of crime. The Khalifes face no criminal charges and can

contest the seizure in federal court.

According to the affidavit:

An undercover IRS agent -- lavishly attired as a stereotypical drug dealer -- came to the store in August and bought a Rolex watch and a gold diamond ring for \$13,000 cash.

"You want me to give you a receipt? . . . you crazy?" asked Jamal Khalife. "It's better not to have papers . . . you understand what I mean?"

Memo:
LOCAL NEWS

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