

[US Investigators Probe Massive Global Financial Crime Network. Silicon Valley Oligarchs Have Political Money Laundering Networks Ten Times This Size](#)

By [Scott Stedman](#)

Court documents, source interviews, and a confidential report by the business intelligence company Kroll reviewed by *Forensic News* show that a partner who handled credit card processing for the marijuana delivery business Eaze and who was arrested by the FBI on bank fraud charges relating to his work for the company was a key figure in the scandal-ridden and now-defunct FBME Bank.

The man recently charged with bank fraud was identified as the “controller or UBO [Ultimate Beneficial Owner] of the wrongdoing” at FBME Bank, according to the Kroll report.

That partner, Ray Akhavan, appears to be part of a shell company and banking web that spans at least eleven countries and has been connected to multiple allegations of wrongdoing.

FBME Bank is notorious for its large money-laundering [fines](#) by the US Treasury, a key part of which appears to be the Eaze partner, according to the confidential Kroll report. In 2014, Financial Crime Enforcement Network (FinCEN) banned US financial institutions from dealing with FBME Bank, concluding:

FBME facilitates money laundering, terrorist financing, transnational organized crime, fraud schemes, sanctions evasion, weapons proliferation, corruption by politically exposed persons, and other financial crimes.

Cypriot authorities [raided](#) the now-defunct bank in May 2019, indicating an ongoing criminal probe. Cypriot police [told](#) BuzzFeed News that they are “are formally investigating the bank for “conspiracy to commit a felony, money laundering, obtaining money by means of false pretences, document fraud and other related offences.”

The bank fraud indictment against Akhavan and a German businessman named Ruben Weigand was [first reported by the Wall Street Journal](#).

Hamid “Ray” Akhavan, who is mentioned in the Kroll report as having “collaborated... with FBME senior management to... launder the proceeds of potentially illegal activity through FBME,” partnered with the marijuana business Eaze to process at least some of the credit card payments for the company, as laid out in court documents by SDNY prosecutors who charged Akhavan with bank fraud after the FBI arrested him in California in late March. Akhavan is a resident of Los Angeles County in California.

BuzzFeed News originally ran [a series of articles](#) detailing the inner workings of FBME Bank and Akhavan, though they did not name the businessman because he was not mentioned in the

FinCEN report. The publication instead referred to Akhavan as “the porn baron” due to his management of pornography websites. A [heavily redacted version](#) of one Kroll report was first published by *BuzzFeed News* as well during their intrepid reporting.

Forensic News is revealing Akhavan’s name in relation to FBME’s wrongdoing for the first time due to the overwhelming amount of public interest in Eaze, a large company with [over](#) 250,000 users in the US accounting for over 4.6 million [deliveries](#), and the unsealing of the charge against Akhavan with regards to his payment processing with Eaze.

A fuller picture of Akhavan reveals that he is not merely a “porn baron” but the owner of a massive global shell company and dark money empire that have been credibly accused of multiple financial crimes.

 FBME Bank review by Kroll naming Akhavan.

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A civil [complaint](#) filed in June by an Eaze competitor, Herban Industries, accused Eaze of a host of crimes, mainly by conducting a scheme to change bank statement receipts to avoid the detection of credit cards being used to purchase marijuana, something that is illegal. “Eaze is directing, coordinating, and participating in a scheme to defraud credit and debit card companies and financial institutions into processing cannabis transactions in violation of a host of criminal laws,” the attorneys for Herban Industries said. Eaze vigorously denies any claims of wrongdoing.

As one local [news report](#) put succinctly,

“The suit...claims payments for cannabis delivery on Eaze are routed through phony businesses to get around credit card companies’ rules against using their services to purchase pot, making it look like customers instead bought pet supplies or outdoor gear, not joints or edibles.

The practice allows the San Francisco-based company to offer the option to pay with plastic, while other marijuana delivery firms are cash-only, giving Eaze an unfair advantage, the lawsuit alleges.”

The civil allegations against Eaze and Akhavan were settled in a California court earlier this year before the FBI brought the federal charges. Lawyers for Eaze and Herban Industries did not respond to requests for comment when contacted for this story in December 2019. Eaze is not accused of any criminal wrongdoing and has said that they are cooperating in the matter.

In a statement, an Eaze spokesperson said “We are aware of this matter, and are fully cooperating with the relevant authorities. Eaze transitioned to supporting new payment systems over a year ago, and this matter does not impact the current customer experience. We have no additional comment at this time.”

The indictment, seen below, exactly mirrors the type of activity Akhavan conducted on behalf of FBME Bank, according to the Kroll report.



Prosecutors allege that Akhavan went to extraordinary lengths to process over \$100m in credit card transactions for the purchase of marijuana. The purchase and sale of marijuana are legal under California law but companies cannot use the federal banking system to conduct transactions.

To get around the law, prosecutors say, Akhavan created fake companies and websites to “miscode” credit card transactions to appear as if they were for legitimate purposes such as dog products or health supplements like face cream. These phony bank statements are the basis for the bank fraud charge against Akhavan and his alleged co-conspirator Weigland. The prosecutors dubbed this scheme “transaction laundering.”

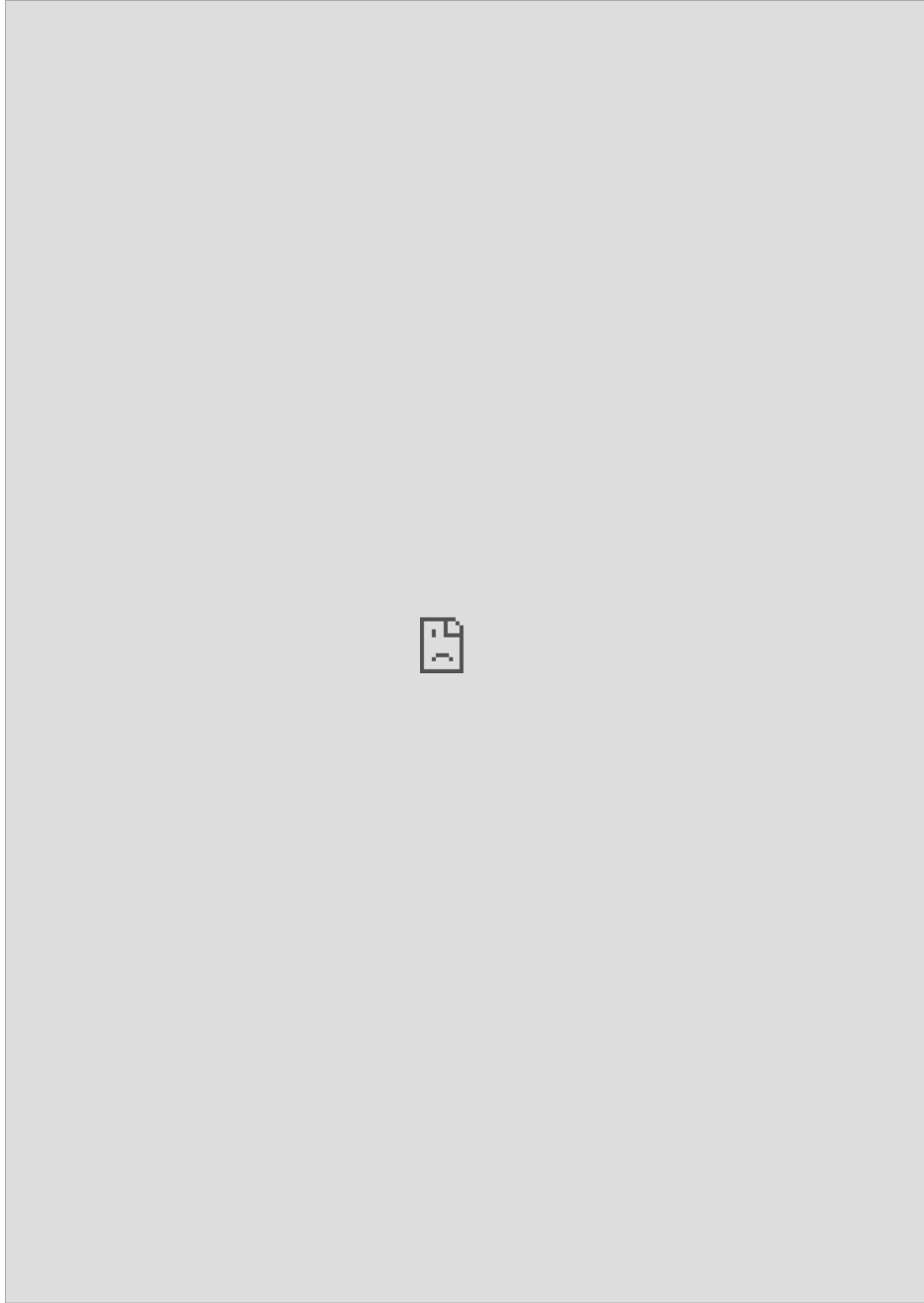
Akhavan and Weigland have both pleaded not guilty.

Now, *Forensic News* can reveal Akhavan's deep involvement in the wrongdoing committed by FBME Bank, based on confidential documents and a source with knowledge of the bank's operations.

FBME Bank

FBME Bank has been [cut off from the US financial system](#) since 2017 due to their status as a “primary money-laundering concern” by the Treasury Department’s Financial Crimes Enforcement Network (FinCEN). At the time, FinCEN [determined](#) that FBME allowed “large amounts of funding to pass to terrorist or criminal activity.”

What the Kroll report, published for the first time in its entirety below, and the source close to FBME establish is that Ray Akhavan was at the center of this wrongdoing. Akhavan is mentioned 122 times in the report.



The network of associates linked to Akhavan were found to have links to online pornography, dating scam websites, fraudulent websites selling dubious health supplements and gambling. Furthermore, the lack of transparency and frequent large movements between accounts held by numerous shell companies in often offshore jurisdictions are characteristic of money laundering activity.

In the years prior to the fraud associated with Eaze, Akhavan allegedly moved tens of millions of dollars through shell companies and fake merchants for FBME Bank, which has been fined for money laundering activity numerous times.

Last month, Akhavan hired William Burck, an extremely high-profile attorney out of Washington DC who [previously represented](#) Don McGahn, Reince Preibus, and Steve Bannon in the Mueller probe.

More importantly, however, Burck fought vigorously as [counsel for FBME Bank](#) in [its lawsuits](#) against the US. Both lawsuits appear to have ended approximately two and a half years ago and there is no information suggesting that Burck continued representing the bank after November 2017.

A source familiar with Akhavan said that he had not been questioned by investigators about his work with FBME and that the FBME “had no involvement” in the current SDNY case where Akhavan is represented by FBME’s former lawyer Burck.

Robert Mueller [reportedly investigated](#) the bank in his probe into Russian interference in the 2016 US election.

Eerily similar to the Eaze bank fraud charge, Akhavan appears to have “miscoded” credit card transactions for FBME to hide the true nature of the illicit business. At least some of these credit card transactions were connected to Akhavan’s various companies and accounts in the United States.

The CEO of FBME, “stated that EPS, an internet Gateway through which FBMECS transacted with merchants, intentionally miscoded credit card transactions in order to conceal the true nature of the transaction, including gambling.” Many of the miscoded descriptions related to fake websites promoting health supplements including face cream which was specifically noted in the Eaze indictment. One such website had the URL “wrinklesolver.com”

Many websites set up by Akhavan allegedly stole money from victims by, for example, tricking them to sign up for a free trial and then charging them without their consent. The money was then carefully laundered through FBME.

The Kroll report also raises a host of other potentially criminal acts by Akhavan on behalf of FBME. For example, a Mastercard report from 2012 indicated that FBME had a fraud ratio that was 30 to 50 times higher than the average of European banks.

In order to avoid suspicion for the voluminous amount of fraud conducted by companies connected to Akhavan, Kroll detailed a scheme that FBME and Akhavan undertook to create over a million fake transactions to reduce the fraud ratio. The higher the fraud ratio for a company banking with FBME, the more fake transactions were cooked up to reduce the ratio and avoid scrutiny by major credit card companies like MasterCard.

No charges relating to FBME activity have been brought against Akhavan.

Any names mentioned in the 48-page report have also not faced any criminal charges and the report should not be considered proof of criminality. They are presumed innocent of any criminal wrongdoing unless they are charged and convicted.

Wirecard and Ongoing Investigations

The Wall Street Journal [further reported](#) that investigators are probing German lender Wirecard in an ongoing investigation related to the Eaze bank fraud conspiracy. Wirecard quickly fell from grace into insolvency after multiple executives were arrested for inflating the true assets of the company.

The Journal said that “the Manhattan U.S. Attorney’s office and the New York field office of the Federal Bureau of Investigation are examining whether Wirecard played a role in the alleged conspiracy by serving as both a payment processor and an offshore merchant bank...The people familiar with the investigation said Wirecard executives worked with Messrs. Akhavan and Weigand to create a payment processing network that authorities say skirted banking rules and defrauded U.S. banks.”

The FBI appears to be on the right track.

Included in the Kroll report on FBME are two mentions of Wirecard. One company used by Akhavan to pay associates and private jet costs had at least \$1.3 million sent to the company’s account at FBME from an account at Wirecard in Germany.

The other email clearly indicated that FBME and Wirecard had companies with bank accounts at FBME run by Akhavan and his network of associates.

An email sent from an Akhavan associate (with Akhavan CC’d) asked FBME’s co-founder Michel Saab to, “open up FBME Bank accounts for companies that we currently have at Wirecard.” The associate further stated that the purpose of the accounts was for the “settlement of processing funds [which would be] swept into our Operations account which we currently have at FBME.”

The mention of Wirecard accounts processing payments for FBME is likely to draw the intense scrutiny of FBI investigators, given their questions about whether the German company did the same for Eaze.

The full extent of the relationship between Wirecard and FBME is yet to be uncovered.

The numerous investigations into Wirecard and its executives have been expanding in recent weeks to include [probing the company for possible money laundering](#). Investigations in multiple countries, including by the FBI in the United States, are ongoing and rapidly evolving.

One source with deep knowledge of FBME’s previous operations told *Forensic News* that the allegations against Wirecard mirror those of FBME “to a T.” Akhavan, as seen in the emails above, appears to be a key link between the two entities.

Investigators and prosecutors in New York and at the FBI continue to scrutinize Wirecard and Akhavan.

In June, the University of Toronto’s cybersecurity watchdog group Citizen Lab [published a report](#) that detailed a so-called hack-for-hire plot that targeted “hedge funds, short sellers, journalists,

and investigators working on topics related to market manipulation at German payment processor Wirecard AG.”

“Some individuals were targeted almost daily for months, and continued to receive messages for years,” the report concluded.

Wirecard denied any wrongdoing. Bloomberg [later reported](#) that US prosecutors in New York and FBI agents were probing the hacking operations.

A spokeswoman for Wirecard said that the company was not making any further statements at this time.

Shell Company Empire

Though the FBME activity appears to be in the past, Akhavan maintains a vast global shell company empire that spans at least 12 countries, according to a *Forensic News* analysis.

The most lucrative businesses under Akhavan's control appear to operate out of London and Luxembourg, though their ownership structure spans to Malta, Luxembourg, and the Cook Islands.

[Buddy Loans](#) in the UK is a professional lender regulated and accredited by the Financial Conduct Authority that provides loans up to 10,000 euros. The company appeals to those who may have trouble getting loans elsewhere: "If you've got a good BUDDY, you can get a loan!" the company website reads.

On the [terms and conditions page](#) for the Buddy Loans website, the company notes that it is owned by Advancis Limited, which is in turn [owned by Advancis Holdings](#), whose ultimate beneficial owner was, up until weeks before his arrest, [Ray Akhavan](#). For the fiscal year 2018, the company reported over 22 million euros in assets. The same Akhavan associate who set up bank accounts at FBME for companies at Wirecard appears as the Director for Advancis Holdings.

Akhavan currently [owns another UK company](#), Euro Traffic Exchange, which says it conducts "business support service activities." Akhavan's ownership in this company is via a Luxembourg based shell company Five Lions Holding, which according to a [2018 disclosure](#) had nearly \$90 million in assets.

The only known public information about Euro Traffic Exchange is that it is [involved with a company](#) in the online advertising space.

Another company owned by Akhavan is [Cryptonder Limited](#). The company was a web browser extension that [claimed](#) to allow cryptocurrency users to earn cashback on their transactions. Security researcher SerHack, however, [did a deep dive into the website](#) and concluded that it was a scam: "Often behind these methods, hackers and scammers take advantage of the victim to spread the scam, or malicious softwares. Cryptonder (hxtps://cryptonder[.]com) is one of these scams"

Reached for further comment by *Forensic News*, Serhack explained that the browser extension was configured to steal a user's cookies. "By stealing your cookies, it could log in to any services," the security researcher said.