

## US Sanctions Diamond Firms Over Alleged Hezbollah Links



The US has placed sanctions on 52 people and companies that, it claims, have used sales of diamonds and other luxury goods to fund an alleged financier of Lebanese terror group Hezbollah.

The network “facilitated the payment, shipment, and delivery of cash, diamonds, precious gems, art, and luxury goods” for the benefit of Nazem Said Ahmad, who has been under US sanctions since 2019, the Treasury Department [said](#) Wednesday.

“The individuals involved in this network used shell companies and fraudulent schemes to disguise Nazem Said Ahmad’s role in financial transactions,” said Brian E. Nelson, Treasury undersecretary for terrorism and financial intelligence. “Luxury-good market participants should be attentive to these potential tactics and schemes, which allow terrorist financiers, money launderers, and sanctions evaders to launder illicit proceeds through the purchase and consignment of luxury goods.”

The people and entities “take advantage of the permissive nature of the global diamond, precious gems, and art market” to facilitate payment for, and shipment and delivery of, luxury goods, the Treasury alleged. They have used “legal and illegal arrangements to coerce both witting and unwitting participants into falsely engineering certificates, which are required under the Kimberley Process, to manipulate diamond prices and taxes, and to give their business the appearance of legitimacy,” the department continued.

They use aliases, front companies, and fraudulent paperwork to enable Ahmad to obtain valuable items, it said.

Among the alleged facilitators is Firas Ahmad, Nazem Said Ahmad’s son, who handles many of his father’s business affairs in South Africa, according to the Treasury. Firas Ahmad is the director of South Africa-based diamond company Mega Gems and controls another diamond company, Thula Uzwe Trading, also in South Africa, the statement said. Mega Gems “acted as a sister company with House of Art Limited to serve as the network’s conduit to clientele in Asia looking to purchase polished stones or finished jewelry, with Mega Gems serving as the intermediary to rough diamonds in Africa,” according to the statement.

House of Art was not immediately available for comment. A spokesperson for Mega Gems told *Rapaport News* the allegations were “false.” Other alleged facilitators are named in the Treasury statement.

*Main image: Polished diamonds. (Shutterstock)*