

' King of Bling ' to forfeit \$2 million as part of plea deal

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DETROIT -- Jacob Arabov, the New York City man known as "Jacob the Jeweler" and "**the King of Bling**," has agreed to forfeit \$2 million in cash as part of a plea agreement to have money-laundering charges dismissed, a federal judge was told today.

Arabov, 42, known for selling extravagant watches and other expensive gems to stars such as Elton John, Madonna, and much of the hip-hop world, pleaded guilty before U.S. District Judge Avern Cohn to providing false documents and false statements to federal officials investigating the alleged Black Mafia Family Drug gang.

"I gave them false documents," Arabov said of the Drug Enforcement Administration agents who visited him in New York in 2005. "I also basically lied to them."

Arabov was indicted on federal charges in June 2006 and accused of helping an alleged drug gang called the Black Mafia Family, founded by two Detroit brothers, to launder some of their more than \$270 million in alleged drug profits. Those charges will be dismissed, Cohn was told.

The latest charges, related to falsifying records and false statements, were filed Friday.

Arabov admitted today he knew some the money he received for jewelry from alleged members of the drug gang was illegal proceeds, though his lawyer, Benjamin Brafman, said Arabov did not know the money came from drugs.

A sentencing date has not been set. Arabov, who rose from rags to riches in the jewelry business, faces 37 to 46 months in prison under federal sentencing guidelines. He is free on bond.

"America is the greatest country on earth and I have great regret that I violated the law," Arabov said in a prepared statement.

Brafman said outside court Arabov is accepting responsibility for "a terrible mistake."

The alleged drug gang operated in Atlanta, Ga. and other centers but was allegedly started by Demetrius and Terry Flenory, brothers in Detroit.

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