

Defendants Sentenced in India-Based Call Center Scam

Cross References

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The U.S. Department of Justice has announced that 21 members of a massive India-based fraud and money laundering conspiracy that defrauded thousands of U.S. residents of hundreds of millions of dollars were sentenced this week to terms of imprisonment up to 20 years. Three other conspirators were sentenced earlier this year for laundering proceeds for the conspiracy, which was operated out of India-based call centers that targeted U.S. residents in various telephone fraud schemes.

“The stiff sentences imposed this week represent the culmination of the first-ever large scale, multi-jurisdiction prosecution targeting the India call center scam industry,” said Attorney General Sessions. “This case represents one of the most significant victories to date in our continuing efforts to combat elder fraud and the victimization of the most vulnerable members of the U.S. public. The transnational criminal ring of fraudsters and money launderers who conspired to bilk older Americans, legal immigrants and many others out of their life savings through their lies, threats and financial schemes must recognize that all resources at the Department’s disposal will be deployed to shut down these telefraud schemes, put those responsible in jail, and bring a measure of justice to the victims.”

Taxpayers must remain wary of unsolicited telephone calls from individuals claiming to be IRS employees. If any taxpayer believes they or someone they know is a victim of an IRS impersonation scam, they should report it to TIGTA at www.tigta.gov or by calling 1-800-366-4484.

Miteshkumar Patel, 42, of Illinois, was sentenced to serve 240 months in prison followed by three years of supervised release on the charge of money laundering conspiracy. According to the factual basis of his plea agreement, Patel served as the manager of a Chicago-based crew of “runners” that liquidated and laundered fraud proceeds generated by callers at India-based call centers. Those callers used call scripts and lead lists to target victims throughout the United States with telefraud schemes in which the callers impersonated U.S. government employees from the IRS and U.S. Citizenship and Immigration Services (USCIS). The callers duped victims into believing that they owed money to the U.S. government and would be arrested or deported if they did not pay immediately. After the victims transferred money to the callers, a network of U.S.-based runners moved expeditiously to liquidate and launder fraud proceeds through the use of anonymous stored value cards. In addition to recruiting, training, and tasking runners in his crew, Patel also coordinated directly with the Indian side of the conspiracy about the operation of the scheme. Patel was held accountable for laundering between \$9.5 and \$25 million for the scheme.

Hardik Patel, 31, of Illinois, was sentenced to serve 188 months in prison followed by three years of supervised release on the charge of wire fraud conspiracy. Hardik consented to removal to India upon completion of his prison term. According to the factual basis of his plea agreement, Patel was a co-owner and manager of an India-based call center involved in the conspiracy. In addition to managing the day-to-day operations of a call center, Patel also processed payments and did bookkeeping for the various call centers involved in the fraud scheme. One of the India-based co-defendants with whom Patel communicated about the scheme was Sagar “Shaggy” Thakar, a payment processor that Indian authorities arrested in April 2017 in connection with call center fraud. After moving to the United States in 2015, Patel continued to promote the conspiracy by recruiting runners to liquidate fraud proceeds. Patel was held accountable for laundering between \$3.5 and \$9.5 million dollars for the scheme.

Sunny Joshi, aka Sharad Ishwarlal Joshi and Sunny Mahashanker Joshi, 47, of Texas, was sentenced to serve 151 months in prison on the charge of money laundering conspiracy, and 120 months in prison on the charge of naturalization fraud to run concurrent followed by three years of supervised release. According to the factual basis of his plea agreement, Joshi was a member of a Houston-based crew of runners that he co-managed with his brother, co-defendant Mike Joshi, aka Rajesh Bhatt. Sunny Joshi communicated extensively with India-based co-defendants about the operations of the scheme, and was held accountable for laundering between \$3.5 and \$9.5 million. Additionally, in connection with his sentence on the immigration charge, the judge entered an order revoking Joshi’s U.S. citizenship and requiring him to surrender his certificate of naturalization.

Twenty-two of the defendants sentenced were held jointly and severally liable for restitution of \$8,970,396 payable to identified victims of their crimes. Additionally, the court entered individual preliminary orders of forfeiture against 21 defendants for assets that were seized in the case, and money judgments totaling over \$72,942,300.

According to various admissions made in connection with the defendants’ guilty pleas, between 2012 and 2016, the defendants and their conspirators perpetrated a complex fraud and money laundering scheme in which individuals from call centers located in Ahmedabad, India, frequently impersonated officials from the IRS or USCIS in a ruse designed to defraud victims located throughout the United States. Using information obtained from data brokers and other sources, call center operators targeted U.S. victims who were threatened with arrest, imprisonment, fines or deportation if they did not pay alleged monies owed to the government. Victims who agreed to pay the scammers were instructed how to provide payment, including by purchasing stored value cards or wiring money. Once a victim provided payment, the call centers turned to a network of runners based in the United States to liquidate and launder the extorted funds as quickly as possible by purchasing reloadable cards or retrieving wire transfers. In a typical scenario, call centers directed runners to purchase these stored value reloadable cards and transmit the unique card number to India-based co-conspirators who registered the cards using the misappropriated personal identifying information (PII) of U.S. citizens. The India-based co-conspirators then loaded these cards with scam funds obtained from victims. The runners used the stored value cards to purchase money orders that they

deposited into the bank account of another person. For their services, the runners would earn a specific fee or a percentage of the funds. Runners also received victims' funds via wire transfers, which were retrieved under fake names and through the use of using false identification documents, direct bank deposits by victims, and Apple iTunes or other gift cards that victims purchased.

The indictment in this case also charged 32 India-based conspirators and five India-based call centers with general conspiracy, wire fraud conspiracy, and money laundering conspiracy.