

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA : **CRIMINAL NO. 14-**
v. : **DATE FILED: October 16, 2014**
ALEXANDER JAMES BURKE : **VIOLATIONS:**
: **18 U.S.C. § 1349 (conspiracy to commit**
: **wire fraud – 1 count)**
: **18 U.S.C. § 1343 (wire fraud –9 counts)**
: **18 U.S.C. § 1956(h) (conspiracy to commit**
: **money laundering – 1 count)**
: **18 U.S.C. § 1957 (money laundering – 12**
: **counts)**
: **18 U.S.C. § 2**
: **Notices of Forfeiture**

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

Beginning on or about September 1, 2008, and continuing until on or about June 28, 2013, in the Eastern District of Pennsylvania, and elsewhere, defendant

ALEXANDER JAMES BURKE

conspired and agreed, with Attorney DC, to execute a scheme and artifice to defraud and to obtain money by false and fraudulent pretenses, and in the course of the execution of this scheme caused the transmission of wire communications in interstate and foreign commerce for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

MANNER AND MEANS

It was part of the conspiracy that:

1. Defendant ALEXANDER JAMES BURKE was employed by Company A as an

intellectual property attorney, having begun this employment in November of 2000. In this position, BURKE was responsible for the preparation of patent applications for inventors employed by Company A, for responding to decisions of the United States Patent and Trademark Office (USPTO) when the office initially denied such patent applications, and for prosecuting appeals of final USPTO decisions denying patent applications. Company A paid BURKE a salary to perform this work.

2. When defendant ALEXANDER JAMES BURKE began employment at Company A in November of 2000, his office was in New Jersey. In approximately September of 2009 Company A moved the offices of the group of patent attorneys of which BURKE was a part to Malvern, Pennsylvania, within the Eastern District of Pennsylvania.

3. Defendant ALEXANDER JAMES BURKE was permitted, consistent with the company policy of Company A, to engage the services of outside attorneys skilled in patent preparation and prosecution to prepare patent applications, respond to initial denials by the USPTO, and to prepare appeals of final denials of patent applications.

4. Prior to September, 2008, defendant ALEXANDER JAMES BURKE engaged the services of outside counsel Attorney DC, a patent attorney, to prepare patent applications, respond to USPTO initial denials, and to appeal final denials of patent applications for Company A's inventors and for which BURKE was responsible for preparing.

5. In or about September of 2008, defendant ALEXANDER JAMES BURKE agreed with Attorney DC, a coconspirator known to the grand jury but not charged in this indictment, that BURKE would send patent work on behalf of Company A to Attorney DC, Attorney DC would do no work on the projects, and Attorney DC would bill Company A the standard fees for the project assigned. BURKE and Attorney DC further agreed that BURKE would approve the payment of the bill and when Company A paid Attorney DC for the bill submitted, Attorney DC would send most of the funds to

BURKE for his personal use.

6. In or about September of 2008, defendant ALEXANDER JAMES BURKE, on behalf of Company A, engaged the services of Attorney DC as outside counsel to prepare patents, to respond to the patent office's initial denials of the patent applications (also called "office action letters") and to prosecute appeals of final denials of patent applications. BURKE sent the projects to Attorney DC requesting that Attorney DC perform the required legal work.

7. Attorney DC, upon receiving the project, returned the material to defendant ALEXANDER JAMES BURKE. On nearly all of the projects invoiced on or after September 1, 2008, Attorney DC did not do substantive work on the project but returned it as he received it.

8. Defendant ALEXANDER JAMES BURKE himself ensured that the project was in proper form for filing with the USPTO for each of the projects for which he engaged the services of Attorney DC after approximately September of 2008.

9. Attorney DC then submitted a bill to Company A for the standard fee for the work for which defendant ALEXANDER JAMES BURKE engaged Attorney DC.

10. Defendant ALEXANDER JAMES BURKE reviewed the bill submitted by Attorney DC for the work for which Attorney DC was engaged. Although BURKE knew that Attorney DC did no substantive work on the project for which Attorney DC billed Company A, BURKE approved the bill for payment by Company A. BURKE approved the bill electronically, usually from his office. BURKE then either sent an electronic message or caused his administrative assistant to send an electronic message approving the bill to the entity which processed the approved bills for payment for Company A. The entities which processed these approved bills were outside the state of Pennsylvania, and the electronic communications from BURKE'S office to them were interstate wire communications. During later parts of this scheme, Attorney DC would initially submit, or cause to be submitted, the bill

electronically to Company A's computer in Florida, from which BURKE would receive the invoice for approval. BURKE also caused invoices submitted by Attorney DC to be electronically sent from his office in Malvern, Pennsylvania, to processing offices outside of Pennsylvania.

11. Company A, relying on BURKE'S approval of the bills submitted by Attorney DC, paid Attorney DC the amounts agreed upon as the appropriate billing for the work supposedly (but not) done, and transmitted the funds electronically from Company A's bank account to Attorney DC's bank account at the Bank of the James, account number ***8753. Attorney DC's bank was located in the Commonwealth of Virginia. The paying bank was outside of Virginia.

12. When Attorney DC electronically received payments from Company A, he then paid most of these funds back to defendant ALEXANDER JAMES BURKE, while keeping a small portion of the funds for himself. Attorney DC made these payments by electronically causing a check to be sent to BURKE.

13. When defendant ALEXANDER JAMES BURKE received checks in the mail from Attorney DC with funds which were payments of funds which Company A had paid for work supposedly done by Attorney DC, BURKE deposited these checks in his account at NJM Bank in New Jersey, account number 60002524, which Burke maintained in the name of Electrical Services & Networks.

14. Defendant ALEXANDER JAMES BURKE from time to time electronically wired funds from his account at NJM Bank in New Jersey to Barclay's Bank in the Isle of Man, account 4468-7377, which BURKE maintained in the name of Intellectual Property Management Limited jointly with another individual.

15. Beginning in approximately January of 2013, with the agreement of Attorney DC, defendant ALEXANDER JAMES BURKE obtained access to the billing system of Attorney DC and from that point forward generated the bills to Company A in the name of Attorney DC. BURKE thereafter

paid Attorney DC \$5,000 per month for his part in the scheme.

16. Between approximately September 1, 2008 and May 12, 2013, defendant ALEXANDER JAMES BURKE approved billings for work claimed to have been done by Attorney DC, but for which no work was done, in the amount of approximately \$2,481,020. Company A paid these billings until it discovered this scheme, and thus paid a total of approximately \$2,417,665 to Attorney DC's bank account at Bank of the James. These payments resulted from approximately 588 fraudulent billings by defendant ALEXANDER JAMES BURKE and Attorney DC. Company A did not pay an additional 14 fraudulent invoices after it discovered this scheme. These funds paid, approximately \$2,417,665, were proceeds of the fraud scheme.

17. Between approximately October 6, 2008 and June 28, 2013, defendant ALEXANDER JAMES BURKE and Attorney DC caused approximately \$2,098,977.00 to be transferred from Attorney DC's Bank of the James account to BURKE'S NJM Bank account. These funds were proceeds of the fraud scheme.

18. Between approximately December 11, 2008 and December 16, 2013, defendant ALEXANDER JAMES BURKE wired approximately \$1,949,846.00 of the funds that he received from Attorney DC's Bank of the James account, from his NJM Bank account to his account at Barclay's Bank in the Isle of Man. After fees were subtracted, approximately \$1,949,640.57 of funds received from Attorney DC's bank account by NJM Bank was received at BURKE'S Barclay's Bank account in the Isle of Man. These funds were proceeds of the fraud scheme.

19. On approximately December 15, 2009, defendant ALEXANDER JAMES BURKE wired approximately \$32,500 of the funds that he received from Attorney DC's Bank of the James account, from his NJM Bank account to a SEP-IRA account at Citigroup Global Markets. On approximately April 8, 2010, BURKE transferred these funds to a Fidelity SEP-IRA account, account

number 488-736708. These funds were proceeds of the fraud scheme.

20. On approximately December 10, 2010 and December 29, 2011, defendant ALEXANDER JAMES BURKE wired approximately \$32,500 on each date of the funds that he received from Attorney DC's Bank of the James account, from his NJM Bank account to his Fidelity SEP-IRA account, account number 488-387827. These funds were proceeds of the fraud scheme.

OVERT ACTS

In furtherance of the conspiracy, the defendant and others known and unknown to the grand jury committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. On or about September 1, 2008, Attorney DC submitted a bill to Company A in the amount of \$8,000 for the preparation of a patent, after having been engaged to prepare the patent application by defendant ALEXANDER JAMES BURKE, and for which Attorney DC had done no work, and this bill was invoice number 1751.

2. On or about September 1, 2008, defendant ALEXANDER JAMES BURKE approved for payment a billing invoice submitted by Attorney DC to Company A in the amount of \$8,000 for the preparation of a patent, for which Attorney DC had done no work, and this bill was invoice number 1751.

3. On or about October 1, 2008, as a result of defendant ALEXANDER JAMES BURKE's approval for payment of invoice 1751, Company A paid \$8,000 to Attorney DC by wiring those funds to his account at the Bank of the James.

4. On or about October 6, 2008, Attorney DC caused \$7,000 to be transferred from his account at Bank of the James to an account controlled by defendant ALEXANDER JAMES BURKE at NJM Bank.

5. On or about September 1, 2009, Attorney DC submitted a bill to Company A in the

amount of \$8,000 for the preparation of a patent, after having been engaged to prepare the patent application by defendant ALEXANDER JAMES BURKE, and for which Attorney DC had done no work, and this bill was invoice number 1776.

6. On or about September 1, 2009, defendant ALEXANDER JAMES BURKE approved for payment a billing invoice submitted by Attorney DC to Company A in the amount of \$8,000 for the preparation of a patent, for which Attorney DC had done no work, and this bill was invoice number 1776.

7. On or about October 19, 2009, as a result of defendant ALEXANDER JAMES BURKE's approval for payment of invoice 1776, Company A paid \$8,000 to Attorney DC by wiring those funds to his account at the Bank of the James.

8. On or about October 22, 2009, Attorney DC caused \$7,000 to be transferred from his account at Bank of the James to an account controlled by defendant ALEXANDER JAMES BURKE at NJM Bank.

9. On or about September 7, 2010, Attorney DC submitted a bill to Company A in the amount of \$8,000 for the preparation of a patent, after having been engaged to prepare the patent application by defendant ALEXANDER JAMES BURKE, and for which Attorney DC had done no work, and this bill was invoice number 1922.

10. On or about September 7, 2010, defendant ALEXANDER JAMES BURKE caused a billing invoice submitted by Attorney DC to Company A to be approved for payment, and this approval was executed from Malvern, PA, within the Eastern District of Pennsylvania, in the amount of \$8,000 for work on a patent, for which Attorney DC had done no work, and this bill was invoice number 1922.

11. On or about October 22, 2010, as a result of defendant ALEXANDER JAMES BURKE's approval for payment of invoice 1922, Company A paid \$8,000 to Attorney DC by wiring those funds to his account at the Bank of the James.

12. On or about November 2, 2010, Attorney DC caused \$14,035 to be transferred from his account at Bank of the James to an account controlled by defendant ALEXANDER JAMES BURKE at NJM Bank.

13. On or about October 10, 2011, defendant ALEXANDER JAMES BURKE caused a billing invoice submitted by Attorney DC to Company A to be approved for payment, and this approval was executed from Malvern, PA, within the Eastern District of Pennsylvania, in the amount of \$8,000 for work on a patent, for which Attorney DC had done no work, and this bill was invoice number 2077.

14. On or about November 21, 2011, as a result of defendant ALEXANDER JAMES BURKE's approval for payment of invoice 2077, Company A paid \$8,000 to Attorney DC by wiring those funds to his account at the Bank of the James.

15. On or about December 5, 2011, Attorney DC caused \$125,000 to be transferred from his account at Bank of the James to an account controlled by defendant ALEXANDER JAMES BURKE at NJM Bank.

16. On or about July 27, 2012, defendant ALEXANDER JAMES BURKE caused a billing invoice submitted by Attorney DC to Company A to be approved for payment, and this approval was executed from Malvern, PA, within the Eastern District of Pennsylvania, in the amount of \$8,000 for work on a patent, for which Attorney DC had done no work, and this bill was invoice number 2204.

17. On or about September 6, 2012, as a result of defendant ALEXANDER JAMES BURKE's approval for payment of invoice 2204, Company A paid \$8,000 to Attorney DC by wiring those funds to his account at the Bank of the James.

18. On or about September 20, 2012, Attorney DC caused \$56,140 to be transferred from his account at Bank of the James to an account controlled by defendant ALEXANDER JAMES BURKE at NJM Bank.

19. On or about March 19, 2013, from Malvern, PA, within the Eastern District of Pennsylvania, defendant ALEXANDER JAMES BURKE approved for payment, and caused approval for payment, a billing invoice submitted by Attorney DC to Company A in the amount of \$2,995 for work on a patent, for which Attorney DC had done no work, and this bill was invoice number 2327.

20. On or about May 1, 2013, as a result of defendant ALEXANDER JAMES BURKE's approval for payment of invoice 2327, Company A paid \$2,995 to Attorney DC by wiring those funds to his account at the Bank of the James.

21. On or about May 2, 2013, defendant ALEXANDER JAMES BURKE caused \$47,325 to be transferred from Attorney DC's account at Bank of the James to an account controlled by BURKE at NJM Bank.

All in violation of Title 18, United States Code, Section 1349.

COUNTS TWO THROUGH TEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 20 of Count One are incorporated as if fully set forth here.
2. Between on or about September 1, 2008, and on or about June 28, 2013, in the Eastern

District of Pennsylvania and elsewhere, defendant

ALEXANDER JAMES BURKE

devised and intended to devise a scheme to defraud Company A of money.

The Wire Communications

3. On or about the dates shown below, in the Eastern District of Pennsylvania and

elsewhere, defendant

ALEXANDER JAMES BURKE

having devised and intending to devise this scheme, for the purpose of executing the scheme, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures or sounds, that is, knowingly caused to be transmitted communications from a computer in or near Malvern, Pennsylvania, to a computer of Company A which was located outside of Pennsylvania for the purpose of transmitting the approval of payments for invoices submitted to Company A by Attorney DC for work that Attorney DC did not perform:

Count	Date	Invoice No.	Amount
2	3/18/11	1997	\$8,000
3	5/13/11	2023	\$2,995
4	9/13/11	2073	\$2,995

Count	Date	Invoice No.	Amount
5	1/5/12	2125	\$8,000
6	1/11/12	2129	\$8,000
7	4/2/12	2147	\$8,000
8	4/2/12	2148	\$8,000
9	6/8/12	2185	\$8,000
10	7/27/12	2204	\$8,000

All in violation of Title 18, United States Code, Section 1343.

COUNT ELEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Beginning on or about September 1, 2008, and continuing until on or about June 28, 2013, in the Eastern District of Pennsylvania, and elsewhere, defendant

ALEXANDER JAMES BURKE

conspired and agreed with Attorney DC to conduct financial transactions which affected interstate commerce, that is, transfers from The Bank of the James to NJM Bank, knowing that the property involved in the financial transactions represented the proceeds of a form of unlawful activity, that is, proceeds of wire fraud in violation of Title 18, United States Code, Section 1343, and of conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 1349, and such transactions would in fact be such proceeds, knowing that the transactions were designed in part to conceal or disguise the nature, location source, ownership, and control of the proceeds of the unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1).

2. Paragraphs 1 through 17 of Count One are incorporated as if fully set forth here.

OVERT ACTS

In furtherance of the conspiracy, the defendant and others known and unknown to the grand jury committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. Overt Acts 1 through 21 of Count 1 are incorporated as if fully set out here.

COUNTS TWELVE THROUGH TWENTY-THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 20 of Count One are incorporated as if fully set forth here.
2. On or about the dates set forth below, in the Eastern District of Pennsylvania, and elsewhere, defendant

ALEXANDER JAMES BURKE

knowingly engaged in and willfully caused monetary transactions affecting interstate and foreign commerce in criminally derived property of a value greater than \$10,000, described more fully below, and such property was derived from a specified unlawful activity, that is wire fraud, in violation of Title 18, United States Code, Section 1343, and conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 1349, that is, caused wire transfers from a bank account at NJM Bank to a bank account at Barclay's Bank in the Isle of Man (Counts 12 through 22) and to CitiGroup Global Markets in New York City (Count 23) by faxing instructions for such wire transfers from Malvern, Pennsylvania to NJM Bank:

COUNT	DATE	AMOUNT OF WIRE TRANSFER (\$)
12	March 26, 2013	171,800
13	December 13, 2012	175,610
14	April 5, 2012	160,323
15	December 15, 2011	140,067
16	September 7, 2011	160,749
17	April 12, 2011	79,868

COUNT	DATE	AMOUNT OF WIRE TRANSFER (\$)
18	November 10, 2010	81,740
19	September 20, 2010	81,800
20	July 26, 2010	78,004
21	May 26, 2010	78,290
22	March 25, 2010	77,420
23	December 15, 2009	32,500

3. The total amount of funds in these counts is \$1,318,171.

In violation of Title 18, United States Code, Sections 1957 and 2.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 1343 and 1349, set forth in this indictment, defendant

ALEXANDER JAMES BURKE

shall forfeit to the United States of America any property that constitutes, or is derived from, proceeds traceable to the commission of such offense, including, but not limited to, the sum of \$2,417,665 and:

funds in NJM Bank account 60002524 up to \$51,631
funds in Barclay's Bank, Isle of Man, account No. 4468-7377 up to \$1,949,640.57
funds in Fidelity Investments, SEP-IRA account 488-387827 up to \$65,000
funds in Fidelity Investments, SEP-IRA account 488-736708 up to \$32,500

The grand jury finds probable cause to believe that these funds are proceeds of the charged wire fraud scheme and the charged conspiracy to commit wire fraud.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c),

incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1956(h), conspiracy to commit money laundering, set forth in this indictment, defendant

ALEXANDER JAMES BURKE

shall forfeit to the United States of America any property, real or personal, involved in such violation, and any property traceable to such property, including, but not limited to, the sum of \$2,098,977 and:

funds in NJM Bank account 60002524 up to \$51,631
funds in Barclay's Bank, Isle of Man, account No. 4468-7377 up to \$1,949,640.57
funds in Fidelity Investments, SEP-IRA account 488-387827 up to \$65,000
funds in Fidelity Investments, SEP-IRA account 488-736708 up to \$32,500

The grand jury finds probable cause to believe that these funds were involved in the conspiracy to commit money laundering.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b)(1),

incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(1) and (b)(1).

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1957, money laundering, set forth in this indictment, defendant

ALEXANDER JAMES BURKE

shall forfeit to the United States of America any property, real or personal, involved in such violation, and any property traceable to such property, including, but not limited to, the sum of \$1,318,171 and:

funds in Barclay's Bank, Isle of Man, account No. 4468-7377 up to \$1,285,671;
funds in Fidelity Investments, SEP-IRA account 488-736708 up to \$32,500.

The grand jury finds probable cause to believe that these funds were involved in the charged acts of money laundering.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b)(1), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property

of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(1) and (b)(1).

GRAND JURY FOREPERSON

ZANE DAVID MEMEGER
United States Attorney