

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

UNITED STATES OF AMERICA)
)
) No. 2: 11 CR 117
) Judge Joseph S. Van Bokkelen
)
)
RAKESH ANAND)

PLEA AGREEMENT

1. This Plea Agreement between the Acting United States Attorney for the Northern District of Illinois, GARY S. SHAPIRO, and defendant RAKESH ANAND, and his attorney, KEVIN MILNER, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure and is governed in part by Rule 11(c)(1)(A), as more fully set forth below. The parties to this Agreement have agreed upon the following:

Charges in This Case

2. The Indictment in this case charges defendant with conspiring with Meena Anand and Dinesh Saraiya and with others known and unknown to the Grand Jury, to knowingly and intentionally distribute a controlled substance, namely, a quantity of mixtures and substances containing Phendimetrazine, a Schedule III Controlled Substance, and a quantity of mixtures and substances containing Phentermine, a Schedule IV Controlled Substance, outside of the usual course of professional practice, in violation of Title 21, United States Code, Sections 841(a)(1) and 846 (Count One); knowingly and intentionally distributing a controlled substance, namely, a quantity of mixtures and substances containing Phendimetrazine and Phentermine, Schedule III and IV Controlled Substances, outside of

the usual course of professional practice, in violation of Title 21, United States Code, Section 841(a)(1) (Counts Two through Seven); willfully and for the purpose of evading the reporting requirements of Title 31, United States Code, Section 5313(a) and regulations prescribed thereunder, structure and assist in structuring transactions at a domestic financial institution, namely Bank Financial, by depositing and causing the deposit of United States currency in amounts under \$10,000, in separate transactions on one or more days at Bank Financial branches, and doing so as part of a pattern of illegal activity involving more than \$100,000 in a 12-month period, in violation of Title 31, United States Code, Section 5324(a) (Counts Eight through Twenty-Seven); knowingly engaging in and attempting to engage in monetary transactions affecting interstate commerce in criminally derived property of a value greater than \$10,000, which was derived from specified unlawful activity, namely the distribution of a controlled substance, as more fully described in Counts One through Seven of the Indictment, in violation of Title 18, United States Code, Sections 1957(a) and 2 (Counts Twenty-Eight through Thirty); knowingly conspiring with Meena Anand to defraud an agency of the United States, namely the Internal Revenue Service (“IRS”) by impeding, impairing, obstructing and defeating the lawful functions of the IRS in the correct determination, assessment and collection of income taxes, in violation of Title 18, United States Code, Section 371 (Count Thirty-One); willfully attempting to evade and defeat the income tax due and owing to the United States of America for the 2005 through 2008 calendar years, in violation of Title 26, United States Code, Section 7201 (Counts Thirty-Two through Thirty-Five).

3. Defendant has read the charges against him contained in the Indictment, and those charges have been fully explained to him by his attorney.

4. Defendant fully understands the nature and elements of the crimes with which he has been charged.

Charges to Which Defendant Is Pleading Guilty

5. By this Plea Agreement, defendant agrees to enter a voluntary plea of guilty to the following counts of the Indictment: Count One, which charges that beginning no later than January 2002 and continuing until on or about February 24, 2010, in the Northern District of Indiana, Hammond Division, and elsewhere, defendant with conspiring with Meena Anand and Dinesh Saraiya and with others known and unknown to the Grand Jury, to knowingly and intentionally distribute a controlled substance, namely, a quantity of mixtures and substances containing Phendimetrazine, a Schedule III Controlled Substance, and a quantity of mixtures and substances containing Phentermine, a Schedule IV Controlled Substance, outside of the usual course of professional practice, in violation of Title 21, United States Code, Sections 841(a)(1) and 846; and Count Thirty-Two, which charges defendant with willfully attempting to evade and defeat the income tax due and owing by him to the United States of America for the 2005 calendar year by committing affirmative acts of evasion, in violation of Title 26, United States Code, Section 7201. In addition, as further provided below, defendant agrees to the entry of a forfeiture judgment.

Factual Basis

6. Defendant will plead guilty because he is in fact guilty of the charges contained in Counts One and Thirty-Two of the Indictment. In pleading guilty, defendant admits the following facts and that those facts establish his guilt beyond a reasonable doubt and constitute relevant conduct pursuant to Guideline § 1B1.3, and establish a basis for forfeiture of the property described elsewhere in this Plea Agreement:

a. With respect to Count One of the Indictment:

Beginning no later than January 2002 and continuing until on or about February 24, 2010, in the Northern District of Indiana, Hammond Division, and elsewhere, RAKESH ANAND conspired with Meena Anand and Dinesh Saraiya and with others known and unknown to the Grand Jury, to knowingly and intentionally distribute a controlled substance, namely, a quantity of mixtures and substances containing Phendimetrazine, a Schedule III Controlled Substance, and a quantity of mixtures and substances containing Phentermine, a Schedule IV Controlled Substance, outside of the usual course of professional practice, in violation of Title 21, United States Code, Sections 841(a)(1) and 846.

More specifically, between early 2002 and February 25, 2010, Dr. RAKESH ANAND (“RAKESH”) was a medical doctor licensed to practice medicine in Indiana and Illinois. RAKESH owned and operated 3 Doctor’s Weight Loss Clinics (“DWLCs”) in Merrillville, Indiana, and Tinley Park and Orland Park, Illinois with his wife Meena Anand, who also was an office manager at the DWLCs. Each of the DWLCs were open three days a week for approximately three hours a day. RAKESH hired Dr. Dinesh Saraiya to work at the DWLCs and Dr. Saraiya agreed with RAKESH to dispense controlled substance weight loss

medications without performing thorough physical examinations or conducting medical tests. In return, RAKESH paid Dr. Saraiya for his work on the basis of how many patients he saw and how many pills he dispensed to patients on a daily basis at a DWLC. RAKESH urged Dr. Saraiya to see as many patients as possible and it was not unusual for Dr. Saraiya to consult with more than one patient at the same time at the clinics.

RAKESH and Dr. Saraiya dispensed and caused to be dispensed Phendimetrazine and Phentermine at the 3 DWLCs without contacting the patients' primary care physician or reviewing the patients' records of prior treatment by a previous treating physician. Before dispensing Phendimetrazine and Phentermine, RAKESH and Dr. Saraiya failed to determine whether a patient had made a reasonable effort to lose weight in a treatment program including weight reduction based on nutritional counseling and exercise without using controlled substances and determine that this treatment had been ineffective for the their patients. Also, neither RAKESH or Dr. Saraiya ordered blood tests or other laboratory work or tests such as electrocardiograms (EKGs) to rule out medical issues or other risk factors that would render a patient unsuitable for controlled substance medication. RAKESH also employed others, including weight loss clerks (hereinafter "Employee A" and "Employee B") who, at RAKESH's direction, often dispensed Phendimetrazine and Phentermine outside his presence and without his consultation. Moreover, RAKESH and Dr. Saraiya failed to monitor DWLC's patients use of controlled substances that they dispensed at the DWLCs.

On August 16, 2006, an undercover Indiana State Police Detective (UC#1) visited the Merrillville, Indiana DWLC where Employee A dispensed a one month's supply of 30

Phentermine pills to UC#1 in return for a cash payment of \$65. RAKESH, who was in the office at the time, had no contact with UC#1 and no one at the clinic took a thorough medical history from UC#1 or gave UC#1 a physical examination before dispensing Phentermine.

Less than three weeks later, on September 6, 2006, UC#1 returned to the Merrillville DWLC. This time, RAKESH dispensed 30 Phentermine pills to UC#1 in return for a \$65 cash payment without giving UC#1 a thorough physical examination or ordering any laboratory work or other medical tests.

On October 25, 2006, UC#1, in the company of a second undercover Indiana State Police Detective ("UC#2"), returned to the Merrillville DWLC where Employee B asked UC#1 whether she wanted "one month or two month's" supply of drugs. UC#1 replied that she only had money for one month's supply and Employee B dispensed 30 Phentermine pills to UC#1. Then, RAKESH entered the room, collected \$65 in cash from UC#1 and asked UC#2 whether she wanted any medication. Neither Employee B or RAKESH gave UC#1 a physical examination or discussed a diet or exercise program with her.

On November 8, 2006, Employee B dispensed 30 Phentermine pills to both UC#1 and UC#2 at the Merrillville DWLC in return for a cash payment of \$128. RAKESH, who was in the office at the time, had no contact with UC#1 or UC#2. No one at the clinic gave UC#1 or UC#2 a thorough physical examination even though this was UC#2's first occasion receiving medication at the clinic.

On January 24, 2007, RAKESH dispensed a one month's supply of 180 Phendimetrazine pills to UC#1 and a two month's supply of 60 Phentermine pills to UC#2

at the Merrillville DWLC in return for \$235 in cash payments without conducting a thorough physical examination or any medical tests.

On March 7, 2007, Employee B dispensed 60 Phentermine pills to UC#2 at the Merrillville DWLC outside of RAKESH's presence in return for a \$120 cash payment. When RAKESH arrived in the exam room, he spoke to UC#1 on the phone and then gave UC#2 60 Phentermine pills for UC#1 in return for \$120 in cash. RAKESH also dispensed 60 Phentermine pills to a third undercover Indiana State Police Detective ("UC#3"), who had a slight build and a Body Mass Index ("BMI") well below the obesity level, in return for a \$120 cash payment without taking UC#3's medical history or giving UC#3 a physical examination or any medical tests.

On June 28, 2007, Dr. Saraiya dispensed 30 Phentermine pills to an undercover Food and Drug Administration Agent (UC#4), a thin person with a BMI well below the obesity level, at the DWLC in Orland Park, Illinois. Dr. Saraiya told UC#4 that she did not meet medical criteria to receive controlled substance medication, but gave her Phentermine without a thorough physical examination or any medical tests after UCA#4 signed a waiver and made a credit card payment of \$65.

On August 28, 2007, RAKESH UCA#4 that she did not need to lose weight and then dispensed a two month's supply of 60 Phentermine to UCA#4 at the Orland Park DWLC in return for a \$115 credit card payment without giving UCA#4 a physical examination or conducting any tests.

On January 23, 2008, another undercover Food and Drug Administration Agent (UC#5) visited the DWLC in Lansing, Illinois for the first time. Dr. Saraiya and Meena Anand saw UC#4 and another patient at the same time in the exam area of the Lansing clinic. Dr. Saraiya did not obtain a complete medical history, conduct a thorough physical examination or order or perform any medical tests before dispensing 30 Phentermine pills to UC#5 in return for a credit card payment of \$65.

On March 24, 2008, Dr. Saraiya dispensed 60 Phentermine pills to UC#5 for a credit card payment of \$70 without a thorough physical examination or medical tests.

On February 22, 2010, Dr. Saraiya dispensed 30 Phentermine pills to UC#5 for a \$65 cash payment without a performing a thorough physical examination or conducting medical tests.

Between January 2005 and February 2010, RAKESH and Dr. Saraiya purchased and dispensed over 1 million Schedule III Phendimetrazine pills and over 3 million Schedule IV Phentermine pills outside the scope of professional practice at the 3 DWLCs. RAKESH and Meena Anand grossed over 5 million dollars from their operation of the 3 DWLCs.

b. With respect to Count Thirty-Two of the Indictment:

Throughout calendar year 2005 and continuing to on or about October 5, 2006, in the Northern District of Indiana, and elsewhere, RAKESH ANAND and Meena Anand, did willfully attempt to evade and defeat the income tax due and owing by them to the United States of America for the 2005 calendar year by committing affirmative acts of evasion, in violation of Title 26, United States Code, Section 7201.

More specifically, during the calendar year 2005, RAKESH and his wife Meena Anand owned and operated the Doctor's Weight Loss Clinics ("DWLCs") in Merrillville, Indiana and Tinley Park and Orland Park, Illinois. In 2005, RAKESH and Meena deposited and caused to be deposited cash receipts from the DWLCs into Bank Financial account xxxx6065 and credit card receipts into Bank Financial account xxxx0716. Bank records disclose that, in 2005, DWLCs had gross receipts of, at least, approximately \$612,130 and RAKESH and Meena Anand had taxable income of \$332,499. Upon this taxable income, RAKESH and Meena Anand owed to the United States of America income tax of \$110,356.

In April of 2006, RAKESH obtained an extension of time to file his 2005 income tax return with the Internal Revenue Service. In September 2006, RAKESH gave his income tax return preparer false hand-written documents that substantially understated his gross income from the DWLCs rather than bank statements that accurately showed DWLCs' business income through cash and credit card deposits. During the 2005 calendar year, RAKESH and Meena structured over \$280,000 in bank deposits at Bank Financial to avoid the preparation and filing of Currency Transaction Reports for transactions involving more than \$10,000 with the Internal Revenue Service. On October 5, 2006, RAKESH and Meena filed a joint Federal income tax return, Form 1040, which falsely stated on Schedule C (Profit or Loss from Business), line 1, that their business had gross receipts and sales of \$426,934, when in fact as RAKESH well knew, DWLCs' gross receipts and sales were substantially more than \$426,934. In addition, RAKESH failed to pay \$68,129 to the Internal Revenue Service, the additional tax due and owing on his and Meena's true taxable income for calendar year 2005.

RAKESH further admits that he similarly filed false joint income tax returns with his wife Meena for the calendar years 2006, 2007 and 2008, in that he likewise failed to fully report income from the DWLCs in violation of Title 21, United States Code, Section 7201. During the tax years 2005 through 2008, RAKESH failed to report gross income from the DWLCs, which resulted in a total tax loss of approximately \$745,872, as follows:

| Tax Year | Unreported Income | Tax Loss |
|-----------------|--------------------------|------------------|
| 2005 | \$182,913 | \$68,129 |
| 2006 | \$452,387 | \$168,401 |
| 2007 | \$692,673 | \$260,360 |
| 2008 | \$670,979 | \$248,982 |
| Total | \$1,998,952 | \$745,872 |

Maximum Statutory Penalties

7. Defendant understands that the charges to which he is pleading guilty carry the following statutory penalties:

a. Count One carries a maximum sentence of 10 years' imprisonment. Count One also carries a maximum fine of \$500,000, or twice the gross gain or gross loss resulting from that offense, whichever is greater, pursuant to Title 21, United States Code, Section 841(a)(1)(E). Defendant further understands that with respect to Count One the judge also may impose a term of supervised release of at least two years.

b. Count Thirty-Two carries a maximum sentence of 5 years' imprisonment. Count Thirty also carries a maximum fine of \$250,000, or twice the gross gain or gross loss resulting from that offense, whichever is greater. Defendant further understands that the Court must order costs of prosecution, estimated not to exceed \$500. Defendant further understands that with respect to Count Thirty the judge also may impose a term of supervised release of not more than three years.

c. In accord with Title 18, United States Code, Section 3013, defendant will be assessed \$100 on each count to which he has pled guilty, in addition to any other penalty or restitution imposed.

d. Therefore, under the counts to which defendant is pleading guilty, the total maximum sentence is 15 years' imprisonment. In addition, defendant is subject to a total maximum fine of \$750,000, or twice the gross gain or gross loss resulting from the offenses of conviction, whichever is greater, mandatory costs of prosecution, a period of supervised release, and special assessments totaling \$200, in addition to any restitution ordered by the Court.

Sentencing Guidelines Calculations

8. Defendant understands that in imposing sentence the Court will be guided by the United States Sentencing Guidelines. Defendant understands that the Sentencing Guidelines are advisory, not mandatory, but that the Court must consider the Guidelines in determining a reasonable sentence.

9. For purposes of calculating the Sentencing Guidelines, the parties agree on the following points:

a. **Applicable Guidelines.** The Sentencing Guidelines to be considered in this case are those in effect at the time of sentencing. The following statements regarding the calculation of the Sentencing Guidelines are based on the Guidelines Manual currently in effect, namely the November 2012 Guidelines Manual.

b. **Offense Level Calculations.**

Count One:

i. The base offense level for Count One is 20, pursuant to Guideline § 2D1.1(c)(10) because the amount of Schedule III controlled substance Phendimetrazine involved in the offense of conviction was more than 40,000 units.

ii. The offense level is increased by 2 levels, pursuant to Guideline § 3B1.1(c) because defendant was a manager or supervisor of criminal activity involving fewer than five participants.

iii. The offense level is increased by 2 levels, pursuant to Guideline § 3B1.3 because defendant abused a position of private trust in a manner that significantly facilitated the commission and concealment of the offense.

Count Thirty-Two

iv. The reportable income omitted by defendant on his federal income tax returns for tax years 2005-2008 is approximately \$1,998,952 and the resulting total “tax loss” for the purposes of calculating the base offense level is approximately \$745,872.

v. Therefore, pursuant to Guideline §§ 2T.1.1 and 2T4.11(H), the base offense level for the offenses described in Count Thirty-Two and relevant conduct as set forth above, is 20, because the amount of tax loss was more than \$400,000 but less than \$1,000,000.

vi. The offense level is increased by 2 levels, pursuant to Guideline § 2T1.1(b)(1) because defendant failed to report income exceeding \$10,000 in any year from criminal activity.

Grouping of Offenses of Conviction

vii. Pursuant to Guideline § 3D1.2, Counts One and Thirty-Two are not grouped because they do not involve substantially the same harm and same victim.

xiii. The group consisting of Count One has an offense level of 24 and the group consisting of Count Thirty-Two has an offense level of 22. Each group is assigned 1 unit pursuant Guideline § 3D1.1

ix. The total number of units is 2. Pursuant to Guideline § 3D1.4(a), the defendant receives a 2-level increase to the group with the highest the offense level, which results in a combined offense level of 26.

Acceptance of Responsibility

x. Defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct. If the government does not receive additional evidence in conflict with this provision, and if defendant continues to accept responsibility for his actions within the meaning of Guideline § 3E1.1(a), including by furnishing the United States Attorney's Office and the Probation Office with all requested financial information relevant to his ability to satisfy any fine or restitution that may be imposed in this case, a two-level reduction in the offense level is appropriate.

xi. In accord with Guideline §3E1.1(b), defendant has timely notified the government of his intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the Court to allocate its resources efficiently. Therefore, as provided by Guideline §3E1.1(b), if the Court determines the offense level to be 16 or greater prior to determining that defendant is entitled to a two-level reduction for acceptance of responsibility, the government will move for an additional one-level reduction in the offense level.

c. **Criminal History Category.** With regard to determining defendant's criminal history points and criminal history category, based on the facts now known to the government, defendant's criminal history points equal zero and defendant's criminal history category is I.

d. **Anticipated Advisory Sentencing Guidelines Range.** Therefore, based on the facts now known to the government, the anticipated offense level is 23, which, when combined with the anticipated criminal history category of I, results in an anticipated

advisory Sentencing Guidelines range of 46 to 57 months' imprisonment, in addition to any supervised release, fine, restitution, and costs of prosecution the Court may impose.

e. Defendant and his attorney and the government acknowledge that the above Guideline calculations are preliminary in nature, and are non-binding predictions upon which neither party is entitled to rely. Defendant understands that further review of the facts or applicable legal principles may lead the government to conclude that different or additional Guideline provisions apply in this case. Defendant understands that the Probation Office will conduct its own investigation and that the Court ultimately determines the facts and law relevant to sentencing, and that the Court's determinations govern the final Guideline calculation. Accordingly, the validity of this Agreement is not contingent upon the probation officer's or the Court's concurrence with the above calculations, and defendant shall not have a right to withdraw his plea on the basis of the Court's rejection of these calculations.

f. Both parties expressly acknowledge that this Agreement is not governed by Fed.R.Crim.P. 11(c)(1)(B), and that errors in applying or interpreting any of the Sentencing Guidelines may be corrected by either party prior to sentencing. The parties may correct these errors either by stipulation or by a statement to the Probation Office or the Court, setting forth the disagreement regarding the applicable provisions of the Guidelines. The validity of this Agreement will not be affected by such corrections, and defendant shall not have a right to withdraw his plea, nor the government the right to vacate this Agreement, on the basis of such corrections.

Agreements Relating to Sentencing

10. At sentencing, the government will recommend that the court impose a sentence at the low end of the applicable guideline range.

11. It is understood by the parties that the sentencing judge is neither a party to nor bound by this Agreement and may impose a sentence up to the maximum penalties as set forth above. Defendant further acknowledges that if the Court does not accept the sentencing recommendation of the parties, defendant will have no right to withdraw his guilty plea.

12. Regarding restitution, Defendant agrees, pursuant to Title 18, United States Code, Sections 3663(a)(3) and 3664, to pay restitution to the Internal Revenue Service in the amount of \$745,872, which represents defendant's individual federal income tax liability resulting from defendant's tax evasion for the tax years 2005, 2006, 2007 and 2008, in violation of Title 26, United States Code, Section 7201, acknowledged in this plea agreement. The restitution figure does not include penalties and interest which the IRS may assess. Restitution shall be due immediately and shall be paid from the funds currently restrained in the Charles Schwab Account # 1466-9039. Defendant agrees to issue a letter of direction to Charles Schwab to issue a check payable to the United States Department of Treasury in the amount of \$745,872.

13. Defendant agrees to pay the special assessment of \$200 at the time of sentencing with a cashier's check or money order payable to the Clerk of the U.S. District Court.

14. After sentence has been imposed on the counts to which defendant pleads guilty as agreed herein, the government will move to dismiss the remaining counts of the Indictment, as well as Forfeiture Allegation Number Two as to defendant.

Forfeiture

15. Defendant agrees to forfeit to the United States the below described property and acknowledges that such property constitutes proceeds obtained directly or indirectly from the offense described in Count 1 to which defendant is pleading guilty:

- (a) The balance of funds on account with Charles Schwab, Schwab One Trust Account # 1466-9039 after payment of \$745,872 to the United States Department of the Treasury in satisfaction of defendant's income tax liability as described in Paragraph 12, above;
- (b) \$713,026 in United States Currency seized from defendant's residence;
- (c) All funds on deposit in Bank Financial Checking Account # 7060026065, in the approximate amount of \$376,784.00, more or less;
- (d) All funds on deposit in Bank Financial Checking Account # 0600000716 in the approximate amount of \$21,229.00, more or less;
- (e) All funds on deposit in Bank Financial CD Account # 9060062645, in the approximate amount of \$221,945.00, more or less;
- (f) All funds on deposit in Bank Financial Account # 9060062182, in the approximate amount of \$336,952, more or less;
- (g) All funds on deposit in JP Morgan Chase Bank NA Certificate of Deposit # 100071111798, in the approximate amount of \$280,393, more or less;

- (h) All funds on deposit in JP Morgan Chase Bank NA, Chase Premier Platinum Checking Account #725122212, in the approximate amount of \$505.00, more or less;
- (i) All funds on deposit in Harris Bank NA Certificate of Deposit # 6900049633, in the approximate amount of \$302,334.00, more or less;
- (j) All funds on deposit in Charles Schwab, Schwab One Trust Account (CD's) # 1130-4845, in the approximate amount of \$334,291.46, more or less;
- (k) All funds on deposit in Fifth Third Bank Certificate of Deposit # 667423773, in the approximate amount of \$82,136.00, more or less;
- (l) All funds on deposit in Fifth Third Bank Certificate of Deposit # 667423781, in the approximate amount of \$82,136.00, more or less;
- (m) All funds on deposit in Fifth Third Bank Certificate of Deposit # 667946195, in the approximate amount of \$90,684.00, more or less;
- (n) All funds on deposit in Fifth Third Bank Certificate of Deposit # 667946187, in the approximate amount of \$90,684.00, more or less;
- (o) All funds on deposit in Bank of America Certificate of Deposit # 10074807124203, in the approximate amount of \$105,339.00, more or less;
- (p) All funds on deposit in TCF Bank Certificate of Deposit # 9870838881, in the approximate amount of \$165,567.00, more or less;
- (q) All funds on deposit in First Merit Bank Certificate of Deposit # 00240091975, in the approximate amount of \$245,679.00, more or less;
- (r) All funds on deposit in Ally Bank Account # 3013413731, in the approximate amount of \$351,910.00, more or less; and
- (s) All funds on deposit in Princor Financial Services Corp Account #7000126486, in the approximate amount of \$318,502.00, more or less.

16. Defendant agrees to the entry of a preliminary order of forfeiture with regard to the above property upon the entry of his guilty plea. Defendant acknowledges that he and his wife, co-defendant Meena Anand, are the true owners of the above described property irrespective of any account above mentioned naming the defendant or his wife as trustees and that neither the defendant nor his wife shall file a claim in their capacity as trustees in any ancillary forfeiture proceeding herein.

17. Upon the entry of a final order of forfeiture forfeiting the above property to the United States, the government shall (1) return the 55 pieces of jewelry seized on May 20, 2010, to co-defendant Meena Anand; and (2) return to defendant \$53,950.00 which was seized from defendant's safe deposit box at the Bank of America.

18. The government further agrees that upon the defendant being sentenced, it shall file a motion to release from the pending post-indictment restraining order the sum of \$745,872.00 from Charles Schwab Account # 1466-9039 for payment of defendant's restitution to the Department of Treasury as described in Paragraph 12 above.

19. Defendant understands that forfeiture of this property is in addition to any fine, restitution, cost of imprisonment or other monetary penalty that the court may impose, and that none of the property forfeited herein, except as otherwise provided in paragraphs 12, 15(a) and 17, shall be applied to the satisfaction of any fine, restitution, cost of imprisonment, or other monetary penalty imposed by Court.

20. Defendant understands that forfeiture of this property shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty the Court may impose upon defendant in addition to the forfeiture judgment.

Acknowledgments and Waivers Regarding Plea of Guilty

Nature of Agreement

21. This Agreement is entirely voluntary and represents the entire agreement between the Acting United States Attorney and defendant regarding defendant's criminal liability in case 11 CR 117.

22. This Agreement concerns criminal liability only. Except as expressly set forth in this Agreement, nothing herein shall constitute a limitation, waiver, or release by the United States or any of its agencies of any administrative or judicial civil claim, demand, or cause of action it may have against defendant or any other person or entity. The obligations of this Agreement are limited to the United States Attorney's Office for the Northern District of Indiana and Illinois and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities, except as expressly set forth in this Agreement.

23. Defendant understands that nothing in this Agreement shall limit the Internal Revenue Service in its collection of any taxes, interest or penalties from defendant and his

spouse. Defendant understands that the amount of tax as calculated by the IRS may exceed the amount of tax due as calculated for the criminal tax case.

Waiver of Rights

24. Defendant understands that by pleading guilty he surrenders certain rights, including the following:

a. **Trial rights.** Defendant has the right to persist in a plea of not guilty to the charges against him, and if he does, he would have the right to a public and speedy trial.

I. The trial could be either a jury trial or a trial by the judge sitting without a jury. However, in order that the trial be conducted by the judge sitting without a jury, defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.

ii. If the trial is a jury trial, the jury would be composed of twelve citizens from the district, selected at random. Defendant and his attorney would participate in choosing the jury by requesting that the Court remove prospective jurors for cause where actual bias or other disqualification is shown, or by removing prospective jurors without cause by exercising peremptory challenges.

iii. If the trial is a jury trial, the jury would be instructed that defendant is presumed innocent, that the government has the burden of proving defendant guilty beyond a reasonable doubt, and that the jury could not convict him unless, after hearing all the evidence, it was persuaded of his guilt beyond a reasonable doubt and that it was to consider each count of the Indictment separately. The jury would have to agree unanimously as to each count before it could return a verdict of guilty or not guilty as to that count.

iv. If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all the evidence, and considering each count separately, whether or not the judge was persuaded that the government had established defendant's guilt beyond a reasonable doubt.

v. At a trial, whether by a jury or a judge, the government would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and his attorney would be able to cross-examine them.

vi. At a trial, defendant could present witnesses and other evidence in his own behalf. If the witnesses for defendant would not appear voluntarily, he could require their attendance through the subpoena power of the Court. A defendant is not required to present any evidence.

vii. At a trial, defendant would have a privilege against self-incrimination so that he could decline to testify, and no inference of guilt could be drawn from his refusal to testify. If defendant desired to do so, he could testify in his own behalf.

viii. With respect to forfeiture, defendant understands that if the case were tried before a jury, he would have a right to retain the jury to determine whether the government had established the requisite nexus between defendant's offense and any specific property alleged to be subject to forfeiture.

b. **Appellate rights.** Defendant further understands he is waiving all appellate issues that might have been available if he had exercised his right to trial, and may only appeal the validity of this plea of guilty and the sentence imposed. Defendant understands that any appeal must be filed within 14 calendar days of the entry of the judgment of conviction.

c. Defendant understands that by pleading guilty he is waiving all the rights set forth in the prior paragraphs, with the exception of the appellate rights specifically preserved above. Defendant's attorney has explained those rights to him, and the consequences of his waiver of those rights.

Presentence Investigation Report/Post-Sentence Supervision

25. Defendant understands that the United States Attorney's Office in its submission to the Probation Office as part of the Pre-Sentence Report and at sentencing shall fully apprise the District Court and the Probation Office of the nature, scope, and extent of

defendant's conduct regarding the charges against him, and related matters. The government will make known all matters in aggravation and mitigation relevant to sentencing.

26. Defendant agrees to truthfully and completely execute a Financial Statement (with supporting documentation) prior to sentencing, to be provided to and shared among the Court, the Probation Office, and the United States Attorney's Office regarding all details of his financial circumstances, including his recent income tax returns as specified by the probation officer. Defendant understands that providing false or incomplete information, or refusing to provide this information, may be used as a basis for denial of a reduction for acceptance of responsibility pursuant to Guideline § 3E1.1 and enhancement of his sentence for obstruction of justice under Guideline § 3C1.1, and may be prosecuted as a violation of Title 18, United States Code, Section 1001 or as a contempt of the Court.

27. For the purpose of monitoring defendant's compliance with his obligations to pay a fine and restitution during any term of supervised release or probation to which defendant is sentenced, defendant further consents to the disclosure by the IRS to the Probation Office and the United States Attorney's Office of defendant's individual income tax returns (together with extensions, correspondence, and other tax information) filed subsequent to defendant's sentencing, to and including the final year of any period of supervised release or probation to which defendant is sentenced. Defendant also agrees that a certified copy of this Agreement shall be sufficient evidence of defendant's request to the IRS to disclose the returns and return information, as provided for in Title 26, United States Code, Section 6103(b).

Other Terms

28. Defendant agrees to cooperate with the United States Attorney's Office in collecting any unpaid fine and restitution for which defendant is liable, including providing financial statements and supporting records as requested by the United States Attorney's Office.

29. Regarding matters relating to the Internal Revenue Service, defendant agrees as follows (nothing in this paragraph, however, precludes defendant and his spouse from asserting any legal or factual defense to taxes, interest, and penalties that may be assessed by the IRS):

a. Defendant agrees to cooperate with the Internal Revenue Service in any tax examination or audit of defendant and his spouse which directly or indirectly relates to or arises out of the course of conduct that defendant has acknowledged in this Agreement, by transmitting to the IRS original records or copies thereof, and any additional books and records that the IRS may request.

b. Defendant will not object to a motion brought by the United States Attorney's Office for the entry of an order authorizing disclosure to the Internal Revenue Service of documents, testimony, and related investigative materials that may constitute grand jury material, preliminary to or in connection with any judicial proceeding, pursuant to Fed. R. Crim. P. 6(e)(3)(E)(I). In addition, defendant will not object to the government's solicitation of consent from third parties who provided records or other materials to the grand jury pursuant to grand jury subpoenas, to turn those materials over to the IRS for use in civil

or administrative proceedings or investigations, rather than returning them to the third parties for later summons or subpoena in connection with a civil or administrative proceeding involving, or investigation of, defendant and his spouse.

30. Defendant agrees to cooperate with the Internal Revenue Service in any tax examination or audit of defendant and his spouse which directly or indirectly relates to or arises out of the course of conduct which defendant has acknowledged in this Agreement, by transmitting to the IRS original records or copies thereof, and any additional books and records which the IRS may request.

31. Defendant will not object to a motion brought by the United States Attorney's Office for the entry of an order authorizing disclosure of documents, testimony and related investigative materials which may constitute grand jury material, preliminary to or in connection with any judicial proceeding, pursuant to Fed. R. Crim. P. 6(e)(3)(E)(I). In addition, defendant will not object to the government's solicitation of consent from third parties who provided records or other materials to the grand jury pursuant to grand jury subpoenas, to turn those materials over to the Civil Division of the United States Attorney's Office, or an appropriate federal or state agency (including but not limited to the Internal Revenue Service), for use in civil or administrative proceedings or investigations, rather than returning them to the third parties for later summons or subpoena in connection with a civil or administrative proceeding involving, or investigation of, defendant and his spouse. Nothing in this paragraph or the preceding paragraph precludes defendant and his spouse

from asserting any legal or factual defense to taxes, interest, and penalties that may be assessed by the IRS.

Conclusion

32. Defendant understands that this Agreement will be filed with the Court, will become a matter of public record, and may be disclosed to any person.

33. Defendant understands that his compliance with each part of this Agreement extends throughout the period of his sentence, and failure to abide by any term of the Agreement is a violation of the Agreement. Defendant further understands that in the event he violates this Agreement, the government, at its option, may move to vacate the Agreement, rendering it null and void, and thereafter prosecute defendant not subject to any of the limits set forth in this Agreement, or may move to defendant's specific performance of this Agreement. Defendant understands and agrees that in the event that the Court permits defendant to withdraw from this Agreement, or defendant breaches any of its terms and the government elects to void the Agreement and prosecute defendant, any prosecutions that are not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against defendant in accordance with this paragraph, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecutions.

34. Should the judge refuse to accept defendant's plea of guilty, this Agreement shall become null and void and neither party will be bound to it.

35. Defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Agreement, to cause defendant to plead guilty.

36. Defendant acknowledges that he has read this Agreement and carefully reviewed each provision with his attorney. Defendant further acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: December 17, 2012

s/ Gary S. Shapiro
GARY S. SHAPIRO
Acting United States Attorney

s/ Rakesh Anand
RAKESH ANAND
Defendant

s/Matthew M. Schneider
MATTHEW M. SCHNEIDER
Special Assistant U.S. Attorney

s/ Kevin Milner
KEVIN MILNER
Attorney for Defendant

s/Diane Berkowitz
DIANE BERKOWITZ
Assistant U. S. Attorney