

NEWS

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FOR IMMEDIATE RELEASE
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Two Employees of IT Staffing Company Charged
with Extortion and Obstruction of Justice
for Threatening a Foreign Worker

(More)

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NEWARK, N.J. – Two employees of an Information Technology staffing company have been charged with engaging in an extortion plot and a scheme to obstruct a federal investigation, U.S. Attorney Paul J. Fishman announced. The charges are related to threats the defendants allegedly made against a foreign worker.

Sateesh Yalamanchili, 38, of Wood Dale, Illinois, and Trinath Chigurupati, 36, of Monmouth Junction, New Jersey, are charged in a two-count Criminal Complaint. Yalamanchili surrendered to federal authorities today and appeared before Magistrate Judge Michael A. Shipp. Bail was set at \$150,000. Chigurupati was arrested on March 31, 2010, by Special Agents from the United States Department of Labor's Office of Inspector General, and appeared later that day before Magistrate Judge Claire C. Cecchi. Bail for Chigurupati was set at \$150,000.

According to the Criminal Complaint filed in Newark, New Jersey federal court:

Chigurupati and Yalamanchili were employees of an Information Technology ("IT") staffing company located in Rolling Meadows, Illinois, ("Company One"), which placed IT consultants at various client sites.

Company One hired foreign workers that it sponsored through the H1-B Visa Program, under which employers are permitted to sponsor foreign workers to enter the United States to temporarily work in certain specialty occupations, such as in the IT field. To sponsor a foreign worker, the employer is required to truthfully complete and submit certain documents to the United States Department of Labor, and the employer must agree to pay certain wages and other benefits to that foreign worker, even if he or she is not gainfully employed.

On January 15, 2010, the United States Department of Labor's Wage and Hour Division ("DOL-WHD") – which oversees certain portions of the H1-B Visa Program – commenced a civil investigation in Illinois into Company One's alleged violations of the program – specifically, the failure to pay required wages to its foreign workers. Based on its investigation, DOL-WHD determined that Company One owed approximately \$142,000 in back wages to four of its employees, including approximately \$53,000 in back wages owed to an individual, "the Victim" in the Criminal Complaint against Chigurupati and Yalamanchili.

The Victim stated he was contacted on the phone by Yalamanchili on January 20, 2010, who requested to meet the Victim about a job offer. The Victim then met Yalamanchili and Chigurupati at a restaurant in Middlesex County, New Jersey. During this meeting, the Victim learned that the purpose of the meeting was not to interview him for a job, but to discuss the DOL-WHD investigation of Company One. Chigurupati and Yalamanchili told the Victim that they wanted him to recant the statements he made to DOL-WHD concerning the Investigation, thereby giving up his right to the approximately \$53,000 in back wages owed to him by Company One.

On January 22, 2010, Chigurupati and Yalamanchili arrived unannounced at the Victim's

residence and ordered him to leave his residence and enter Yalamanchili's car. The Victim stated he thought he would be hurt if he did not comply. After entering the car, Chigurupati told the Victim that if he did not recant his statements to DOL-WHD, Chigurupati would "take care of" him.

On January 24, 2010, the defendants allegedly entered the Victim's residence without permission, with Chigurupati striking the Victim to awaken him. Later that day, the Victim met the defendants at a restaurant, where Chigurupati said Company One was in trouble and offered the Victim \$5,000 if he recanted the statements that he had made to the DOL-WHD. Chigurupati also reportedly stated that if the Victim chose not to accept the offer, Chigurupati would revoke the Victim's H-1B status and have him removed from the United States. He also allegedly verbally threatened the Victim with physical harm.

The Victim agreed to meet Chigurupati and Yalamanchili on February 4, 2010, purportedly to discuss a resolution of his claim. This meeting was consensually recorded (audio and video) by the Victim. During this meeting, Chigurupati instructed the Victim to falsely state to the DOL-WHD that the Victim had no issues with his wages with Company One, and that the problems with Company One had been resolved. Chigurupati further stated that if the Victim lied to the DOL-WHD, the Victim would be paid \$5,000 and that his H-1B Visa would not be revoked.

Chigurupati and Yalamanchili each face a maximum potential penalty of 20 years in prison if convicted on the extortion count, and a maximum potential penalty of five years in prison if convicted on the obstruction count. Each count also carries a maximum fine of \$250,000, or twice the gross gain or loss from the offense.

U.S. Attorney Fishman credited Special Agents of the Department of Labor, Office of Inspector General, under the direction of Special Agent in Charge Marjorie Franzman, and detectives with the Edison Police Department, under the direction of Police Chief Thomas Bryan, with the investigation leading to the charges.

The case is being prosecuted by Assistant United States Attorney Anthony Moscato of the U.S. Attorney's Office Strike Force Division in Newark.

The charges and allegations contained in the Criminal Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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William R. Lundsted, Esq. (for defendant Yalamanchili)