ZI/DVS/2010R00453

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon. Anne E. Thompson
v.	:	Criminal No. 14-_______
KHAWAJA IKRAM	:	18 U.S.C. § 1349

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

BACKGROUND

1. At all times relevant to this Information:

a. Defendant KHAWAJA IKRAM was a resident of New York.

b. Credit cards, issued by banks and other financial institutions (the "Card Issuers"), allowed consumers to obtain goods and services with the understanding that the consumers would repay the Card Issuers pursuant to contractual agreements between the consumers and the Card Issuers.

c. Certain Card Issuers, who suffered losses as part of the scheme and artifice to defraud described below, were "financial institutions," as that term is defined in Title 18, United States Code, Section 20.

OVERVIEW OF THE FRAUD ENTERPRISE

2. Defendant IKRAM and co-conspirators Tahir Lodhi, Razia Bibi, Raghbir Singh, Vernina Adams, Qaiser Khan, Shafique Ahmed, Nasreen Akhtar, Muhammad Shafiq, M.N. B.Q., I.B., H.C., and others (collectively, the "Co-Conspirators") operated a massive international credit card "bust out" scheme (the "Fraud Enterprise") that spanned at least 8 countries and 28 states, involved the creation of thousands of false identities, fraudulent identification documents, and doctored credit reports, and caused more than $200 million in losses.

THE CONSPIRACY

3. From in or about 2003 through in or about February 2013, in the District of New Jersey, and elsewhere, defendant

KHAWAJA IKRAM

did knowingly and intentionally conspire and agree with co-conspirators Tahir Lodhi, Razia Bibi, Raghbir Singh, Vernina Adams, Qaiser Khan, Shafique Ahmed, Nasreen Akhtar, Muhammad Shafiq, M.N. B.Q., I.B., H.C., and others to execute a scheme and artifice to defraud financial institutions, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, those financial institutions, by means of materially false and fraudulent pretenses, representations, and promises, contrary to Title 18, United States Code, Section 1344.

OBJECT OF THE CONSPIRACY

4. It was the object of the conspiracy for defendant IKRAM and his Co-Conspirators to profit by unlawfully obtaining money and property through the use of credit cards, which cards defendant IKRAM and his Co-Conspirators fraudulently caused to be issued in the names of false identities.

MANNER AND MEANS OF THE CONSPIRACY

5. It was part of the conspiracy that the Co-Conspirators operated a massive credit card "bust out" scheme. To effectuate this scheme, the Co-Conspirators created more than 7,000 false identities, obtained more than 25,000 fraudulent credit cards and stole hundreds of millions of dollars. The scheme generally involved three steps: (1) making up false identities; (2) pumping up the credit of the false identities; and (3) taking out loans and running up massive credit card debts using the false identities.

Step 1: Making up False Identities

6. It was further part of the conspiracy that the Co-Conspirators created more than 7,000 false identities. In some instances, all information about the identity was fabricated. In other instances, while the social security number used by the false identity matched someone with the same name, the remaining information was fabricated.

7. It was further part of the conspiracy that the Co-Conspirators created fraudulent identity documents for the false identities, including social security cards, drivers' licenses, pay stubs, and tax returns.

8. It was further part of the conspiracy that the Co-Conspirators created fraudulent credit profiles for the false identities so that the Co-Conspirators could apply for credit cards and loans in the false identities' names.

9. It was further part of the conspiracy that one method the Co-Conspirators used to create these credit profiles was to add the false identities as an "authorized user" on an existing credit card. Once an identity was added as an "authorized user," the major credit reporting agencies created a credit profile for the false identity and assigned a credit score that was inherited from the person on whose card the false identity had been added. In some instances, the Co-Conspirators added false identities as authorized users on their own credit cards.

10. It was further part of the conspiracy that the Co-Conspirators applied for more than 25,000 credit cards in the names of false identities. The majority of these fraudulent credit cards were applied for online, many from the homes of the Co-Conspirators. Many of the false identities were cultivated for years and the Co-Conspirators obtained dozens of fraudulent credit cards and amassed hundreds of thousands of dollars of credit card debt in the names of several false identities. In just one of numerous similar examples, the Co-Conspirators used one particular false identity to apply for approximately 60 fraudulent credit cards which were used to run up more than $400,000 in credit card debt.

11. It was further part of the conspiracy that the Co-Conspirators used more than 1,800 "drop addresses" to receive mail related to the fraudulent

credit cards. The Co-Conspirators paid individuals to collect the mail relating to the fraudulent credit cards from the drop addresses and deliver it to locations used by the Co-Conspirators.

Step 2: Pumping up the Credit

12. It was further part of the conspiracy that the Co-Conspirators would "pump up," or increase, the credit available to the false identities they had created. This was accomplished in several ways:

a. The Co-Conspirators increased certain false identities' credit by making numerous small transactions at different businesses and then paying off the small credit card balances on a timely basis.

b. The Co-Conspirators also increased false identities' credit by making fraudulent payments on the balances of the fraudulent credit cards using bank accounts that, while real, had insufficient funds to cover the payments.

c. The Co-Conspirators also increased false identities' credit by manipulating credit reports to make it appear as if an identity had incurred, and timely paid, significant debts.

Step 3: Running up Large Loans and Credit Card Debts

13. It was further part of the conspiracy that, once the Co-Conspirators had "pumped up" the credit history of the fraudulent credit cards, defendant IKRAM and the Co-Conspirators would run up large loans and credit card charges using the false identities. These loans and credit card charges were

never repaid, and defendant IKRAM and the Co-Conspirators reaped the profits.

14. It was further part of the conspiracy that, to increase their ability to "cash out" the fraudulent credit cards, the Co-Conspirators created more than 80 sham companies that did little or no legitimate business (the "Sham Companies"). The Co-Conspirators then obtained credit card terminals for the Sham Companies, and ran up charges on the fraudulently obtained credit cards at these terminals. Several of these Sham Companies were located in New Jersey. Examples of the Sham Companies included a purported surgical supplies company, a gasoline distributor, a carpet wholesaler, and a construction company. These companies had no normal expenses for payroll, utilities, or supplies. The deposits into their bank accounts were primarily made up of credit card transactions from false identities, checks from false identities, and deposits from other Sham Companies.

15. It was further part of the conspiracy that defendant IKRAM and the Co-Conspirators funneled the illicit profits from the scheme to their personal bank accounts either through payments from one of the Sham Companies or by writing checks made out to Co-Conspirators from accounts created using the false identities.

16. It was further part of the conspiracy that the Co-Conspirators used the proceeds of their crimes to purchase luxury automobiles, electronics, spa treatments, and high-end clothing, and stockpiled millions of dollars in gold and large sums of cash.

17. In this fashion, the Co-Conspirators caused more than $200 million in losses.

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

FORFEITURE ALLEGATION

1. The allegations contained in this Information are hereby realleged and incorporated by reference for the purpose of noticing forfeitures pursuant to Title 18, United States Code, Sections 982(a)(2)(A).

2. The United States hereby gives notice to the defendant that, upon conviction of the offense charged in this Information, the government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(2)(A), of any and all property constituting or derived from proceeds obtained directly or indirectly as a result of such offense.

3. If any of the above-described forfeitable property, 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 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

Paul J. Fishman

PAUL J. FISHMAN
United States Attorney

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KHAWAJA IKRAM

INFORMATION FOR
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