

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

UNITED STATES OF AMERICA,

Plaintiff,

v.

HAIDER BOKHARI,
a/k/a SYED HAIDER ALI BOKHARI;
QASIM BOKHARI,
a/k/a SYED QASIM ALI BOKHARI,
and a/k/a KASIM BOKHARI; and
RAZA BOKHARI,
a/k/a SYED RAZA ALI BOKHARI;

Defendants.

FILED: September 24, 2004

Case No. 04-CR-56

[18 U.S.C. §§ 2, 371, 1341, 1956(h)
& 1956(a)]

REDACTED VERSION

SUPERSEDING INDICTMENT

COUNT ONE: Conspiracy To Commit Mail Fraud

THE GRAND JURY CHARGES:

Overview of the E-Rate Program

1. In approximately 1998, the Federal government implemented a program to provide subsidies to schools and libraries for use in the purchase and installation of Internet access and telecommunications services as well as internal computer and communication networks (the “E-Rate Program”). The E-Rate Program is administered under contract with the government by a not-for-profit company called the Universal Service Administrative Company (“USAC”) and by a subdivision of USAC called the Schools and Libraries Division (“SLD”). The Federal Communications Commission (“FCC”) oversees and regulates USAC and SLD.

2. One of the principal objectives of the E-Rate Program is to encourage economically disadvantaged schools to install and upgrade their Internet and communications infrastructure, and to

provide their students with access to the Internet as a learning tool. To further this objective, the Federal government offers to pay a large portion of the cost of each participant school's infrastructure enhancements, where such schools meet the E-Rate Program's eligibility requirements.

3. One of the E-Rate Program's core requirements for participation is that each applicant school pay some percentage of the cost of the infrastructure enhancement. The percentage that the applicant school must pay ranges from 10% to 80%, depending on particular characteristics related to the neediness of each applicant school (hereinafter, the school's "Undiscounted Share"). The government pays the balance of that cost, which ranges from as low as 20% to as high as 90%. Among the reasons why the applicant schools are required to pay a portion of the costs are: (a) to ensure that schools have a financial incentive to negotiate for the most favorable prices, so that the government's spending under the E-Rate Program is not wasteful; and (b) to ensure that schools purchase only those infrastructure enhancements that they truly need.

4. A second core requirement for participation in the E-Rate Program is that each applicant school must seek competitive bids for the desired infrastructure enhancement. An applicant school commences its participation in the E-Rate Program by filing an initial form with SLD entitled the "Universal Service Program Description of Services Requested and Certification Form," also known as FCC Form 470. FCC Form 470 lists the types of services or goods for which the applicant school will be seeking funding. The purpose of FCC Form 470 is to open a competitive bidding process for the services and goods desired by the applicant school. After completing FCC Form 470, the applicant school transmits the form to SLD which posts the information from the form on the SLD website. The information posted on the SLD website may be accessed by any company interested in being selected as a service provider for the applicant school. To allow for sufficient time for a competitive bidding process to occur, FCC rules require that requests for goods and services be posted

on SLD's website for a period of at least 28 days before the applicant school selects a service provider. To ensure an open and competitive bidding process, FCC rules forbid a service provider who will participate in the bidding process as a bidder from completing FCC Form 470 on behalf of an applicant school.

5. After the requisite 28-day waiting period has passed following an applicant school's filing of its FCC Form 470, the applicant school may sign a contract with a service provider to obtain eligible goods and services under the E-Rate Program. Once a contract with a service provider is signed, the applicant school must file another form with SLD entitled the "Services Ordered and Certification Form," also known as FCC Form 471. It is through the filing of FCC Form 471 that the applicant school actually seeks funding from the E-Rate Program for the goods and services specified in FCC Form 471.

6. Following the filing of FCC Form 471, the applicant school must file at least one additional form before the service provider is eligible to receive payment from USAC under the E-Rate Program. "The Receipt of Service Confirmation Form," also known as FCC Form 486, informs SLD that the applicant school is receiving, is scheduled to receive, or has received goods and services in the relevant funding year from the school's service provider. FCC Form 486 must be received by SLD before an invoice from the service provider, described below in paragraph 7, will be paid.

7. After providing eligible goods and services to an eligible school, the service provider must file a "Service Provider Invoice Form," also known as FCC Form 474, with SLD. The purpose of FCC Form 474 is to seek payment for goods and services provided in the amount previously approved by SLD. Before submitting FCC Form 474, the service provider must have provided the goods and services for which payment is requested and the service provider must have billed the applicant school for the school's Undiscounted Share.

Background

8. At all times relevant to the Indictment, defendant Haider Bokhari acted as an agent of a Virginia limited liability computer consulting company operated by him and defendant Qasim Bokhari (hereinafter “the consulting company”). Defendant Haider Bokhari is the brother of defendant Qasim Bokhari. The consulting company was established by defendants for the purpose of defrauding the E-Rate Program. The only activity conducted by the consulting company was the application for, receipt, and subsequent laundering of the fraudulently obtained funds from the E-Rate Program, as described in this Indictment.

9. At all times relevant to the Indictment, defendant Qasim Bokhari was the owner and president of the consulting company.

10. Defendant Raza Bokhari is the older brother of defendants Haider Bokhari and Qasim Bokhari. Defendant Raza Bokhari operated a Wisconsin limited liability computer consulting company that participated in the E-Rate Program in the funding year prior to the events detailed in this Indictment. Defendant Raza Bokhari utilized his prior experience with the E-Rate Program to assist defendants Haider Bokhari and Qasim Bokhari in devising and implementing their scheme to defraud the E-Rate Program.

Objects of the Conspiracy

11. Between approximately Fall of 2000 and April 2002, the exact dates being unknown to the Grand Jury, in the State and Eastern District of Wisconsin, and elsewhere, the defendants,

**HAIDER BOKHARI, a/k/a “Syed Haider Ali Bokhari”;
QASIM BOKHARI, a/k/a “Syed Qasim Ali Bokhari,” and a/k/a “Kasim Bokhari”; and
RAZA BOKHARI, a/k/a “Syed Raza Ali Bokhari,”**

did knowingly and intentionally conspire between themselves and with another unnamed co-conspirator to commit a series of offenses against the United States, namely to defraud and obtain

money from SLD and USAC, through materially false representations and the concealment of material facts, by depositing and causing to be deposited matters and things to be sent to SLD by private and commercial interstate carrier, namely the FedEx Corporation, in violation of Title 18, United States Code, Section 1341.

12. The objects of the conspiracy were to: (a) violate the rules of the E-Rate Program to induce schools to select the consulting company as the schools' service provider under the E-Rate Program; (b) cause those schools to enter into unnecessarily large contracts for infrastructure enhancements under the E-Rate Program; (c) submit materially false and fraudulent invoices and other documents to SLD and USAC which claimed that the schools had been billed for their Undiscounted Share; (d) submit materially false and fraudulent invoices and other documents to SLD and USAC which claimed that certain work had been performed and goods supplied to the schools; and (e) receive payment from SLD and USAC for goods and services that defendants Raza Bokhari, Qasim Bokhari, and Haider Bokhari fraudulently claimed the consulting company had provided to the schools.

Manner and Means of the Conspiracy

13. Defendants Haider Bokhari and Raza Bokhari promised school officials that their schools would not have to pay their Undiscounted Share of the cost of the infrastructure enhancement funded through the E-Rate Program, and defendants did not require the schools to pay their Undiscounted Share, in exchange for the schools' selection of the consulting company as the schools' service provider. Defendants Haider Bokhari and Raza Bokhari also offered free computers in exchange for the consulting company being selected as certain schools' service provider.

14. Defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari subverted the E-Rate Program application process by taking over the schools' role in completing and submitting each school's E-Rate Program application materials. Defendants then caused the schools to enter into

unnecessarily large contracts for infrastructure enhancements under the E-Rate Program by, among other means, concealing the total dollar amount of such contracts from the schools. By subverting the E-Rate Program application process and by concealing the total dollar amount of the contracts from the schools, the defendants used the unknowing services of the school official from each school described below in paragraph 15 to further their scheme to defraud the E-Rate Program when defendants induced such school officials to enter into the aforesaid contracts.

15. Defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari caused the following schools to enter into unnecessarily large contracts for infrastructure enhancements under the E-Rate Program, and requested the indicated amount of E-Rate Program funding for each school:

| School | Address | | | | Requested Amount |
|--------------------------------------|--------------------------|------------|----|--|------------------------|
| Immanuel Christian Academy | 2009 South 19th Street | Milwaukee | WI | | \$665,075.91 |
| St. Peter Elementary School | 2224 30th Ave. | Kenosha | WI | | \$551,476.55 |
| Milwaukee Leadership Training Center | 1501 South Layton | Milwaukee | WI | | \$555,931.65 |
| Stepping Stone School | 4960 18th St. | Milwaukee | WI | | \$446,959.26 |
| Highland Community School | 2004 West Highland Ave. | Milwaukee | WI | | \$642,647.91 |
| Y W Global Career Academy | 4610 West State St. | Milwaukee | WI | | \$662,660.84 |
| Wisconsin Lutheran High School | 734 Villa St. | Racine | WI | | \$550,332.05 |
| Noble Street Charter School | 1010 North Noble St. | Chicago | IL | | \$824,900.06 |
| Nuestra America Charter School | 3814 West Iowa St. | Chicago | IL | | \$674,129.91 |
| Salam School | 4707 South 13th St. | Milwaukee | WI | | \$1,374,031.54 |
| Milwaukee Multicultural Academy Inc. | 3205 West Burleigh St. | Milwaukee | WI | | \$1,652,231.61 |
| Medgar Evers Baptist Academy | 2474 North Sherman Blvd. | Milwaukee | WI | | \$820,742.32 |
| St. Anthony Elementary School | 1747 South 9th St. | Milwaukee | WI | | \$2,015,958.96 |
| Milwaukee Multicultural Academy | 2700 North 54th St. | Milwaukee | WI | | \$817,443.55 |
| The Woodson Academy | 5510 West Bluemound Road | Milwaukee | WI | | \$1,049,541.83 |
| St. Paul Elementary School | 3945 South Kansas Ave. | Milwaukee | WI | | \$532,491.48 |
| St. Anthony of Padua School | 7632 West Stevenson St. | Milwaukee | WI | | \$266,245.74 |
| St. Mary Elementary School | 225 West State St. | Burlington | WI | | \$594,631.58 |
| Catholic Central High School | 148 McHenry St. | Burlington | WI | | \$438,042.34 |
| Noah's Ark Preparatory School | 8415 West Bradley Road | Milwaukee | WI | | \$748,282.55 |
| Parklawn Christian School | 3725 North Sherman Blvd. | Milwaukee | WI | | \$482,851.31 |
| Total | | | | | \$16,366,608.95 |

16. Defendants Haider Bokhari and Qasim Bokhari, with direction from defendant Raza Bokhari, submitted fraudulent invoices and other documents to SLD and USAC which falsely claimed that the applicant schools had been billed for the schools' Undiscounted Share and that all of the other rules of the E-Rate Program had been followed by defendants.

17. Defendants Haider Bokhari and Qasim Bokhari, with direction from defendant Raza Bokhari, submitted fraudulent invoices and other documents to SLD and USAC which falsely claimed that certain work had been performed and goods supplied by the consulting company to schools in Milwaukee, Wisconsin and Chicago, Illinois. In fact, the work and goods for which defendants sought payment was not performed or supplied by the consulting company. Through their fraudulent scheme, defendants derived at least \$1,288,742.76 in gross receipts from SLD and USAC.

18. Among the schools through which defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari perpetrated this fraudulent scheme were: Noah's Ark Preparatory School, located in Milwaukee, Wisconsin; St. Anthony Elementary School, located in Milwaukee, Wisconsin; and Nuestra America Charter School, formerly located in Chicago, Illinois.

Acts in Furtherance of the Conspiracy

19. In furtherance of the conspiracy and to effect the unlawful objects thereof, defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari committed and caused to be committed the following acts in the State and Eastern District of Wisconsin, and elsewhere:

- a. Between approximately Fall of 2000 and April 2002, defendants Haider Bokhari and Raza Bokhari promised school officials that their schools would not have to pay the schools' Undiscounted Share if the schools chose the consulting company as the schools' E-Rate Program service provider. Defendants Haider Bokhari and Raza Bokhari also promised school officials that they would provide free computers to certain schools if the schools chose the consulting company as the schools' E-Rate Program service provider.
- b. Between approximately Fall of 2000 and April 2002, defendants Raza Bokhari

and Haider Bokhari concealed the itemization pages of contracts between the consulting company and certain schools for the provision of goods and services through the E-Rate Program by removing these pages from the contracts that the defendants provided to the school officials for their signature. Defendants Raza Bokhari and Haider Bokhari thereby deceived the school officials regarding the nature and extent of the contracts that they entered into with the consulting company on behalf of their schools.

- c. In approximately January 2001, defendants deposited and caused to be deposited in the Eastern District of Wisconsin packages containing the FCC Form 471s, the Services Ordered and Certification Forms, and accompanying documents relating to certain schools' Year 2001 E-Rate Program applications to be sent and delivered by commercial interstate carrier, namely the FedEx Corporation, to SLD at 3833 Greenway Drive, Lawrence, Kansas 66046.
- d. In approximately Fall of 2001, defendant Qasim Bokhari deposited and caused to be deposited in the Eastern District of Wisconsin packages containing the FCC Form 486s, the Receipt of Service Confirmation Forms, relating to certain schools' Year 2001 E-Rate Program applications to be sent and delivered by commercial interstate carrier, namely the FedEx Corporation, to SLD at 3833 Greenway Drive, Lawrence, Kansas 66046.
- e. In approximately Fall of 2001, defendants Raza Bokhari and Haider Bokhari deposited and caused to be deposited false, fictitious, and fraudulent FCC Form 474s, the Service Provider Invoice Forms, relating to certain schools'

Year 2001 E-Rate Program applications to be sent and delivered to SLD.

- f. In approximately November 2001, during a conversation with a school official from Noah's Ark Preparatory School, defendant Haider Bokhari requested that, if the school official was contacted by anyone from USAC or SLD, that the school official falsely state that the consulting company had completed its work under the E-Rate Program for Noah's Ark Preparatory School.
- g. On or about November 8, 2001, defendant Haider Bokhari used the unknowing services of a school official from St. Anthony Elementary School to falsely certify to the SLD and USAC that the goods and services ordered on behalf of St. Anthony Elementary School through the E-Rate Program had been supplied to St. Anthony Elementary School by the consulting company.
- h. On or about November 13, 2001, defendant Haider Bokhari used the unknowing services of a school official from Nuestra America Charter School to falsely certify to the SLD and USAC that the goods and services ordered on behalf of Nuestra America Charter School through the E-Rate Program had been supplied to Nuestra America Charter School by the consulting company.
- i. On or about November 15, 2001, defendants received and caused to be received a check relating to Noah's Ark Preparatory School's Year 2001 E-Rate Program application drawn on the account of USAC at LaSalle Bank in Chicago, Illinois, in the amount of \$234,867.15, made payable to the consulting company and defendant Qasim Bokhari.
- j. On or about April 25, 2002, defendants received and caused to be received a check relating to St. Anthony Elementary School's Year 2001 E-Rate Program

application drawn on the account of USAC at LaSalle Bank in Chicago, Illinois, in the amount of \$837,615.96, made payable to the consulting company and defendant Qasim Bokhari.

- k. On or about April 30, 2002, defendants received and caused to be received a check relating to Nuestra America Charter School's Year 2001 E-Rate Program application drawn on the account of USAC at LaSalle Bank in Chicago, Illinois, in the amount of \$216,259.65, made payable to the consulting company and defendant Qasim Bokhari.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO: Mail Fraud

THE GRAND JURY FURTHER CHARGES:

20. Paragraphs 1 through 10, 13 through 18, and 19(j) above are realleged as if set forth in full herein.

21. On or about January 4, 2001, in the State and Eastern District of Wisconsin, having devised and intending to devise a scheme to defraud and for obtaining money from SLD and USAC by means of materially false representations and the concealment of material facts, as described above in paragraphs 13 through 18 of this Indictment, for the purpose of executing the scheme to defraud, the defendants,

**HAIDER BOKHARI, a/k/a “Syed Haider Ali Bokhari”;
QASIM BOKHARI, a/k/a “Syed Qasim Ali Bokhari,” and a/k/a “Kasim Bokhari”; and
RAZA BOKHARI, a/k/a “Syed Raza Ali Bokhari,”**

did knowingly and intentionally deposit and cause to be deposited in the Eastern District of Wisconsin a package containing the FCC Form 471, the Services Ordered and Certification Form, and the contract relating to St. Anthony Elementary School’s Year 2001 E-Rate Program application, to be sent and delivered by commercial interstate carrier, namely the FedEx Corporation, to the Schools and Libraries Division of the Universal Service Administrative Company, 3833 Greenway Drive, Lawrence, Kansas 66046, from the consulting company and defendant Qasim Bokhari.

All in violation of Title 18, United States Code, Section 1341.

COUNT THREE: Mail Fraud

THE GRAND JURY FURTHER CHARGES:

22. Paragraphs 1 through 10, 13 through 18, and 19(k) above are realleged as if set forth in full herein.

23. On or about January 8, 2001, in the State and Eastern District of Wisconsin, having devised and intending to devise a scheme to defraud and for obtaining money from SLD and USAC by means of materially false representations and the concealment of material facts, as described above in paragraphs 13 through 18 of this Indictment, for the purpose of executing the scheme to defraud, the defendants,

**HAIDER BOKHARI, a/k/a “Syed Haider Ali Bokhari”;
QASIM BOKHARI, a/k/a “Syed Qasim Ali Bokhari,” and a/k/a “Kasim Bokhari”; and
RAZA BOKHARI, a/k/a “Syed Raza Ali Bokhari,”**

did knowingly and intentionally deposit and cause to be deposited in the Eastern District of Wisconsin a package containing the FCC Form 471, the Services Ordered and Certification Form, and the contract relating to Nuestra America Charter School’s Year 2001 E-Rate Program application, to be sent and delivered by commercial interstate carrier, namely the FedEx Corporation, to the Schools and Libraries Division of the Universal Service Administrative Company, 3833 Greenway Drive, Lawrence, Kansas 66046, from the consulting company and defendant Qasim Bokhari.

All in violation of Title 18, United States Code, Section 1341.

COUNT FOUR: Mail Fraud

THE GRAND JURY FURTHER CHARGES:

24. Paragraphs 1 through 10, 13 through 18, and 19(i) above are realleged as if set forth in full herein.

25. On or about January 9, 2001, in the State and Eastern District of Wisconsin, having devised and intending to devise a scheme to defraud and for obtaining money from SLD and USAC by means of materially false representations and the concealment of material facts, as described above in paragraphs 13 through 18 of this Indictment, for the purpose of executing the scheme to defraud, the defendants,

**HAIDER BOKHARI, a/k/a “Syed Haider Ali Bokhari”;
QASIM BOKHARI, a/k/a “Syed Qasim Ali Bokhari,” and a/k/a “Kasim Bokhari”; and
RAZA BOKHARI, a/k/a “Syed Raza Ali Bokhari,”**

did knowingly and intentionally deposit and cause to be deposited in the Eastern District of Wisconsin a package containing the FCC Form 471, the Services Ordered and Certification Form, and the contract relating to Noah’s Ark Preparatory School’s Year 2001 E-Rate Program application, to be sent and delivered by commercial interstate carrier, namely the FedEx Corporation, to the Schools and Libraries Division of the Universal Service Administrative Company, 3833 Greenway Drive, Lawrence, Kansas 66046, from the consulting company and defendant Qasim Bokhari.

All in violation of Title 18, United States Code, Section 1341.

FORFEITURE NOTICE

THE GRAND JURY FURTHER CHARGES:

26. The allegations contained in Counts One through Four of this Indictment are realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to the provisions of Title 28, United States Code, Section 2461(c).

27. Pursuant to Title 28, United States Code, Section 2461(c), each defendant who is convicted of the conspiracy to commit mail fraud offense set forth in Count One and each defendant who is convicted of the mail fraud offenses set forth in Counts Two through Four of this Indictment shall forfeit to the United States all right, title, and interest in any and all property constituting or derived from proceeds obtained directly or indirectly as a result of the aforesaid violations, including but not limited to \$1,288,742.76.

28. The property subject to forfeiture includes, but is not limited to, the following:

- a. Real property commonly known as **[Redacted Text]**, Kenosha, Wisconsin **[Redacted Text]**.
- b. A 2004 Infiniti FX35 automobile, vehicle identification number JNRAS08W34X201959.
- c. A 2001 Honda Accord automobile, vehicle identification number 1HGCF86641A086111.
- d. A 1999 Honda Accord automobile, vehicle identification number 1HGCG5640XA112495.
- e. Approximately \$60,000.00 in account **[Redacted Text]**0703 in Johnson Bank in Kenosha, Wisconsin.

- f. A blue, 2001 Yamaha RI motorcycle.
- g. Approximately \$95,000.00 in account **[Redacted Text]**7566 in Standard Chartered Bank, f/k/a ANZ Grindlays Bank, Ltd. in Karachi, Pakistan.
- h. Approximately \$125,000.00 in account **[Redacted Text]**3402 in ABN-AMRO Bank N.V. in Karachi, Pakistan.
- i. Approximately \$400,000.00 in account **[Redacted Text]**2400 in ABN-AMRO Bank N.V. in Karachi, Pakistan.

29. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), each defendant shall forfeit substitute property, up to the value described in paragraphs 27 and 28 above, if by any act or omission of a defendant, the property described in paragraphs 27 and 28 above, or any portion thereof, cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty.

All pursuant to Title 28, United States Code, Section 2461(c), and Rule 32.2(a) of the Federal Rules of Criminal Procedure.

COUNT FIVE: Conspiracy To Commit Money Laundering

THE GRAND JURY FURTHER CHARGES:

30. From approximately November 2001, and continuing up until approximately March 16, 2004, the exact dates being unknown to the Grand Jury, in the State and Eastern District of Wisconsin, and elsewhere, the defendants,

**HAIDER BOKHARI, a/k/a “Syed Haider Ali Bokhari”;
QASIM BOKHARI, a/k/a “Syed Qasim Ali Bokhari,” and a/k/a “Kasim Bokhari”; and
RAZA BOKHARI, a/k/a “Syed Raza Ali Bokhari”;**

did knowingly and intentionally conspire among themselves and with another unnamed co-conspirator to conduct financial transactions affecting interstate commerce in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i), which transactions involved the proceeds of specified unlawful activities, namely, mail fraud in violation of Title 18, United States Code, Section 1341,

- a. Knowing, while conducting and attempting to conduct such financial transactions, that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, and
- b. Knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activities.

31. From approximately November 2001, and continuing up until approximately March 16, 2004, the exact dates being unknown to the Grand Jury, in the State and Eastern District of Wisconsin, and elsewhere, the defendants did further knowingly and intentionally conspire among themselves to transport, transmit, and transfer funds, from a place in the United States, namely Kenosha, Wisconsin, to and through a place outside the United States, namely the country of Pakistan in violation of Title 18, United States Code, Section 1956(a)(2)(B)(i),

- a. Knowing, while conducting and attempting to conduct such transportation, transmissions, and transfers, that the funds involved in such transportation, transmissions, and transfers represented the proceeds of some form of unlawful activity, and
- b. Knowing that such transportation, transmissions, and transfers were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activities, namely mail fraud in violation of Title 18, United States Code, Section 1341.

Background

32. Paragraphs 8 through 10 above are realleged as if set forth in full herein.

Object of the Conspiracy to Commit Money Laundering

33. The principal object of the conspiracy was to transfer the proceeds of the specified unlawful activities in violation of Title 18, United States Code, Section 1341, from the financial account into which the proceeds were originally deposited, namely account **[Redacted Text]**5147 at Johnson Bank in Kenosha, Wisconsin in the name of the consulting company and defendant Qasim Bokhari, to other accounts controlled by the defendants for the purpose of concealing and disguising the nature, location, source, ownership, and control of those criminal proceeds.

Manner and Means of the Conspiracy to Commit Money Laundering

34. Paragraphs 1 through 7 and 13 through 18 above are realleged as if set forth in full herein.

35. As part of the conspiracy, from at least as early as November 2001, defendants established multiple financial accounts in their own names and in the names of other family members of the defendants to receive and distribute the monies received for the purpose of

concealing and disguising the nature, location, source, ownership, and control of the proceeds of specified unlawful activities.

36. From at least as early as November 2001, and continuing up until approximately March 16, 2004, defendants conducted and attempted to conduct numerous financial transactions among their own financial accounts, among the financial accounts of each other, and among the financial accounts of other family members of the defendants, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of unlawful activity, which in fact involved the proceeds of specified unlawful activities, namely mail fraud in violation of Title 18, United States Code, Section 1341.

37. From at least as early as February 2002, defendants knowingly transported, transmitted, and transferred funds, and knowingly attempted to transport, transmit, and transfer funds, from a place in the United States, namely Kenosha, Wisconsin, to and through a place outside the United States, namely Pakistan, knowing that the funds involved in the transportation, transmission, and transfer represented the proceeds of some form of unlawful activity, and knowing that such transportation, transmissions, and transfers were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activities, namely mail fraud in violation of Title 18, United States Code, Section 1341.

38. As part of the money laundering conspiracy, the defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari used the unknowing services of at least two of their family members in conducting the activities described above in paragraphs 35 through 37.

All in violation of Title 18, United States Code, Section 1956(h).

COUNT SIX: Money Laundering

THE GRAND JURY FURTHER CHARGES:

39. At all times relevant to the Indictment, defendant Qasim Bokhari was the owner and president of a Virginia limited liability computer consulting company, which was operated by him and his brother, Haider Bokhari, at the direction of their brother, Raza Bokhari.

40. On or about May 8, 2002, in the State and Eastern District of Wisconsin, defendant, **QASIM BOKHARI, a/k/a “Syed Qasim Ali Bokhari,” and a/k/a “Kasim Bokhari,”** did knowingly conduct and attempt to conduct a financial transaction, as that term is defined in Title 18, United States Code, Section 1956(c)(3) and (4), which in fact involved the proceeds of specified unlawful activities, namely mail fraud in violation of Title 18, United States Code, Section 1341, when defendant Qasim Bokhari withdrew \$417,000.00 from account **[Redacted Text]**5147 at Johnson Bank in Kenosha, Wisconsin via Johnson Bank Cashier’s Check **[Redacted Text]**6738, payable to a family member, knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, and knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activities.

41. The financial transaction described above in paragraph 40 affected interstate commerce.

All in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

COUNT SEVEN: Money Laundering

THE GRAND JURY FURTHER CHARGES:

42. At all times relevant to the Indictment, defendant Haider Bokhari acted as an agent of a Virginia limited liability computer consulting company, which was operated by him and his brother, Qasim Bokhari, at the direction of their brother, Raza Bokhari.

43. On or about May 13, 2002, in the State and Eastern District of Wisconsin, defendant, **HAIDER BOKHARI, a/k/a “Syed Haider Ali Bokhari,”** did knowingly conduct and attempt to conduct a financial transaction, as that term is defined in Title 18, United States Code, Section 1956(c)(3) and (4), which in fact involved the proceeds of specified unlawful activities, namely mail fraud in violation of Title 18, United States Code, Section 1341, when defendant Haider Bokhari made out check #2048 in the amount of \$285,100.00, drawn on account **[Redacted Text]**7563 at TCF National Bank in Milwaukee, Wisconsin, payable to a family member, knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, and knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activities.

44. The financial transaction described above in paragraph 43 affected interstate commerce.

All in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

COUNT EIGHT: Money Laundering

THE GRAND JURY FURTHER CHARGES:

45. At all times relevant to the Indictment, defendant Raza Bokhari directed his brothers Qasim Bokhari and Haider Bokhari in the operation of a Virginia limited liability computer consulting company.

46. On or about August 29, 2002, in the State and Eastern District of Wisconsin, defendant,

RAZA BOKHARI, a/k/a “Syed Raza Ali Bokhari,”

did knowingly and willfully cause to be transported, transmitted, and transferred funds; did knowingly and willfully cause an attempt to transport, transmit, and transfer funds; and did aid, abet, counsel, command, induce, and procure the transportation, transmittal, and transfer of funds from a place in the United States to and through a place outside the United States when defendant caused \$400,000.00 drawn from account [Redacted Text]7119 at Johnson Bank in Kenosha, Wisconsin to be transferred by wire to the country of Pakistan, for credit to the account of defendant Raza Bokhari, knowing that the funds involved in the transportation, transmission, and transfer represented the proceeds of some form of unlawful activity, and knowing that such transportation, transmission, and transfer was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activities, namely mail fraud in violation of Title 18, United States Code, Section 1341.

47. The transportation, transmittal, and transfer of funds described above in paragraph 46 affected interstate and foreign commerce.

All in violation of Title 18, United States Code, Sections 2 and 1956(a)(2)(B)(i).

FORFEITURE NOTICE

THE GRAND JURY FURTHER CHARGES:

48. The allegations contained in Counts Five through Eight of this Indictment are realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 982.

49. Pursuant to Title 18, United States Code, Section 982(a)(1), each defendant who is convicted of the conspiracy offense set forth in Count Five and each defendant who is convicted of the offenses set forth in Counts Six through Eight shall forfeit to the United States the following property:

- a. All right, title, and interest in any and all property involved in the conspiracy to violate Title 18, United States Code, Section 1956; all right, title, and interest in any and all property involved in the violations of Title 18, United States Code, Section 1956; and all property traceable to such property, including the following: (i) all money and other property that was the subject of each transaction, transportation, transmission, or transfer in violation of Section 1956; (ii) all property constituting proceeds obtained as a result of those violations; and (iii) all property used in any manner or part to commit or to facilitate the commission of those violation, including but not limited to \$1,288,742.76.
- b. A sum of money equal to the amount of money involved in the conspiracy to commit the offense. If more than one defendant is convicted of the offense, the defendants so convicted are jointly and severally liable for the amount

involved in the offense.

50. The property subject to forfeiture includes, but is not limited to, the following:
- a. Real property commonly known as **[Redacted Text]**, Kenosha, Wisconsin **[Redacted Text]**.
 - b. A 2004 Infiniti FX35 automobile, vehicle identification number JNRAS08W34X201959.
 - c. A 2001 Honda Accord automobile, vehicle identification number 1HGCF86641A086111.
 - d. A 1999 Honda Accord automobile, vehicle identification number 1HGCG5640XA112495.
 - e. Approximately \$60,000.00 in account **[Redacted Text]**0703 in Johnson Bank in Kenosha, Wisconsin.
 - f. A blue, 2001 Yamaha RI motorcycle.
 - g. Approximately \$95,000.00 in account **[Redacted Text]**7566 in Standard Chartered Bank, f/k/a ANZ Grindlays Bank, Ltd. in Karachi, Pakistan.
 - h. Approximately \$125,000.00 in account **[Redacted Text]**3402 in ABN-AMRO Bank N.V. in Karachi, Pakistan.
 - i. Approximately \$400,000.00 in account **[Redacted Text]**2400 in ABN-AMRO Bank N.V. in Karachi, Pakistan.

51. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), each defendant shall forfeit substitute property, up to the value described in paragraphs 49 and 50 above, if by any act or omission of a defendant, the property

described in paragraphs 49 and 50 above, or any portion thereof, cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty.

All pursuant to Title 18, United States Code, Section 982(a)(1), and Rule 32.2(a) of the Federal Rules of Criminal Procedure.

SENTENCING ALLEGATIONS

THE GRAND JURY FURTHER CHARGES:

52. With Respect to Count One of the Indictment:

- a. As part of the conspiracy to commit mail fraud, defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari intended to cause loss to USAC and SLD of more than \$7 million.
- b. As part of the conspiracy to commit mail fraud, defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari used the unknowing services of the officials from the approximately twenty-one schools who defendants induced to enter into contracts with the consulting company and who defendants induced to sign documents and other forms subsequently submitted to the SLD and USAC.
- c. As part of the conspiracy to commit mail fraud, defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari intended to cause loss to USAC and SLD of approximately \$2,015,958.96 with respect to St. Anthony Elementary School's Year 2001 E-Rate Program application, and caused an actual loss of

at least \$837,615.96.

- d. As part of the conspiracy to commit mail fraud, defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari intended to cause loss to USAC and SLD of approximately \$674,129.91 with respect to Nuestra America Charter School's Year 2001 E-Rate Program application, and caused an actual loss of at least \$216,259.65.
- e. As part of the conspiracy to commit mail fraud, defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari intended to cause loss to USAC and SLD of approximately \$748,282.55 with respect to Noah's Ark Preparatory School's Year 2001 E-Rate Program application, and caused an actual loss of at least \$234,867.15.
- f. Defendant Haider Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- g. Defendant Qasim Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- h. Defendant Raza Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- i. The offense involved sophisticated means. The consulting company was a shell company organized by defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari. The defendants did not intend for the consulting company to engage in any legitimate business activities.
- j. A substantial part of the offense was committed from outside the United

States, including directions given by defendant Raza Bokhari, who was located in Pakistan, to defendants Haider Bokhari and Qasim Bokhari, who were located in the State and Eastern District of Wisconsin. In addition, defendant Raza Bokhari received fraudulently-obtained E-Rate Program funds in offshore financial accounts located in Pakistan.

- k. On March 29, 2004, the United States District Court entered an Order requiring defendants Raza Bokhari, Haider Bokhari, and Qasim Bokhari to repatriate and deposit with the registry of this Court or with the Secretary of the Treasury, in accordance with 21 U.S.C. § 853(e)(4), any and all properties subject to the Order located outside of the United States over which the defendants have any direct or indirect interest or control. As of the date of the return of this indictment, defendants have willfully obstructed and impeded the administration of justice by failing to comply with the Court's Order.

53. With respect to Count Two of the Indictment:

- a. As part of the scheme to defraud and for obtaining money from SLD and USAC by means of materially false representations and the concealment of material facts, defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari intended to cause loss to USAC and SLD of approximately \$2,015,958.96 with respect to St. Anthony Elementary School's Year 2001 E-Rate Program application, and caused an actual loss of at least \$837,615.96.
- b. As part of the scheme to defraud and for obtaining money from SLD and USAC by means of materially false representations and the concealment of

material facts, defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari used the unknowing services of the officials from St. Anthony Elementary School who defendants induced to enter into contracts with the consulting company and who defendants induced to sign documents and other forms subsequently submitted to the SLD and USAC.

- c. Defendant Haider Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- d. Defendant Qasim Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- e. Defendant Raza Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- f. The offense involved sophisticated means. The consulting company was a shell company organized by defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari. The defendants did not intend for the consulting company to engage in any legitimate business activities.
- g. A substantial part of the offense was committed from outside the United States, including directions given by defendant Raza Bokhari, who was located in Pakistan, to defendants Haider Bokhari and Qasim Bokhari, who were located in the State and Eastern District of Wisconsin. In addition, defendant Raza Bokhari received fraudulently-obtained E-Rate Program funds in offshore financial accounts located in Pakistan.
- h. On March 29, 2004, the United States District Court entered an Order

requiring defendants Raza Bokhari, Haider Bokhari, and Qasim Bokhari to repatriate and deposit with the registry of this Court or with the Secretary of the Treasury, in accordance with 21 U.S.C. § 853(e)(4), any and all properties subject to the Order located outside of the United States over which the defendants have any direct or indirect interest or control. As of the date of the return of this indictment, defendants have willfully obstructed and impeded the administration of justice by failing to comply with the Court's Order.

54. With respect to Count Three of the Indictment:

- a. As part of the scheme to defraud and for obtaining money from SLD and USAC by means of materially false representations and the concealment of material facts, defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari intended to cause loss to USAC and SLD of approximately \$674,129.91 with respect to Nuestra America Charter School's Year 2001 E-Rate Program application, and caused an actual loss of at least \$216,259.65.
- b. As part of the scheme to defraud and for obtaining money from SLD and USAC by means of materially false representations and the concealment of material facts, defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari used the unknowing services of the officials from Nuestra America Charter School who defendants induced to enter into contracts with the consulting company and who defendants induced to sign documents and other forms subsequently submitted to the SLD and USAC.
- c. Defendant Haider Bokhari was an organizer or leader of a criminal activity

- that involved five or more participants or was otherwise extensive.
- d. Defendant Qasim Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
 - e. Defendant Raza Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
 - f. The offense involved sophisticated means. The consulting company was a shell company organized by defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari. The defendants did not intend for the consulting company to engage in any legitimate business activities.
 - g. A substantial part of the offense was committed from outside the United States, including directions given by defendant Raza Bokhari, who was located in Pakistan, to defendants Haider Bokhari and Qasim Bokhari, who were located in the State and Eastern District of Wisconsin. In addition, defendant Raza Bokhari received fraudulently-obtained E-Rate Program funds in offshore financial accounts located in Pakistan.
 - h. On March 29, 2004, the United States District Court entered an Order requiring defendants Raza Bokhari, Haider Bokhari, and Qasim Bokhari to repatriate and deposit with the registry of this Court or with the Secretary of the Treasury, in accordance with 21 U.S.C. § 853(e)(4), any and all properties subject to the Order located outside of the United States over which the defendants have any direct or indirect interest or control. As of the date of the return of this indictment, defendants have willfully obstructed and impeded

the administration of justice by failing to comply with the Court's Order.

55. With respect to Count Four of the Indictment:

- a. As part of the scheme to defraud and for obtaining money from SLD and USAC by means of materially false representations and the concealment of material facts, defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari intended to cause loss to USAC and SLD of approximately \$748,282.55 with respect to Noah's Ark Preparatory School's Year 2001 E-Rate Program application, and caused an actual loss of at least \$234,867.15.
- b. As part of the scheme to defraud and for obtaining money from SLD and USAC by means of materially false representations and the concealment of material facts, defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari used the unknowing services of an official from Noah's Ark Preparatory School who defendants induced to enter into contracts with the consulting company and who defendants induced to sign documents and other forms subsequently submitted to the SLD and USAC.
- c. Defendant Haider Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- d. Defendant Qasim Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- e. Defendant Raza Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- f. The offense involved sophisticated means. The consulting company was a

shell company organized by defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari. The defendants did not intend for the consulting company to engage in any legitimate business activities.

- g. A substantial part of the offense was committed from outside the United States, including directions given by defendant Raza Bokhari, who was located in Pakistan, to defendants Haider Bokhari and Qasim Bokhari, who were located in the State and Eastern District of Wisconsin. In addition, defendant Raza Bokhari received fraudulently-obtained E-Rate Program funds in offshore financial accounts located in Pakistan.
- h. On March 29, 2004, the United States District Court entered an Order requiring defendants Raza Bokhari, Haider Bokhari, and Qasim Bokhari to repatriate and deposit with the registry of this Court or with the Secretary of the Treasury, in accordance with 21 U.S.C. § 853(e)(4), any and all properties subject to the Order located outside of the United States over which the defendants have any direct or indirect interest or control. As of the date of the return of this indictment, defendants have willfully obstructed and impeded the administration of justice by failing to comply with the Court's Order.

56. With respect to Count Five of the Indictment:

- a. As part of the conspiracy to commit money laundering, defendants Qasim Bokhari, Haider Bokhari, and Raza Bokhari laundered at least \$1,288,742.76.
- b. Defendants Qasim Bokhari, Haider Bokhari, and Raza Bokhari used the unknowing services of at least two of their family members to engage in

financial transactions involving criminally derived proceeds for the purpose of concealing and disguising those funds.

- c. Defendant Haider Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- d. Defendant Qasim Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- e. Defendant Raza Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- f. The consulting company was a shell company organized by defendants Haider Bokhari, Qasim Bokhari, and Raza Bokhari. The defendants did not intend for the consulting company to engage in any legitimate business activities.
- g. The offense involved sophisticated money laundering in that it involved: the laundering of funds through a shell corporation; multiple levels of transactions, transportation, transfers, and transmissions of criminally derived funds undertaken in part to make those funds appear legitimate; and transfers to offshore financial accounts.
- h. On March 29, 2004, the United States District Court entered an Order requiring defendants Raza Bokhari, Haider Bokhari, and Qasim Bokhari to repatriate and deposit with the registry of this Court or with the Secretary of the Treasury, in accordance with 21 U.S.C. § 853(e)(4), any and all properties subject to the Order located outside of the United States over which the defendants have any direct or indirect interest or control. As of the date of the

return of this indictment, defendants have willfully obstructed and impeded the administration of justice by failing to comply with the Court's Order.

57. With respect to Count Six of the Indictment:

- a. Defendant Qasim Bokhari conducted and attempted to conduct a financial transaction involving at least \$417,000.00.
- b. Defendant Qasim Bokhari used the unknowing services of at least one of his family members to engage in financial transactions involving criminally derived proceeds for the purpose of concealing and disguising those funds.
- c. Defendant Qasim Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- d. The consulting company was a shell company organized by defendant Qasim Bokhari and his brothers Haider Bokhari and Raza Bokhari. The defendant and his brothers did not intend for the consulting company to engage in any legitimate business activities.
- e. The offense involved sophisticated money laundering in that it involved: the laundering of funds through a shell corporation; multiple levels of transactions, transportation, transfers, and transmissions of criminally derived funds undertaken in part to make those funds appear legitimate; and transfers to offshore financial accounts.

58. With respect to Count Seven of the Indictment:

- a. Defendant Haider Bokhari conducted and attempted to conduct a financial transaction involving at least \$285,100.00.

- b. Defendant Haider Bokhari used the unknowing services of at least one of his family members to engage in financial transactions involving criminally derived proceeds for the purpose of concealing and disguising those funds.
- c. Defendant Haider Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- d. The consulting company was a shell company organized by defendant Haider Bokhari and his brothers Qasim Bokhari and Raza Bokhari. The defendant and his brothers did not intend for the consulting company to engage in any legitimate business activities.
- e. The offense involved sophisticated money laundering in that it involved: the laundering of funds through a shell corporation; multiple levels of transactions, transportation, transfers, and transmissions of criminally derived funds undertaken in part to make those funds appear legitimate; and transfers to offshore financial accounts.

59. With respect to Count Eight of the Indictment:

- a. Defendant Raza Bokhari caused to be transported, transmitted, and transferred; and aided, abetted, counseled, commanded, induced, and procured the transportation, transmittal, and transfer of at least \$400,000.00, from a place in the United States to and through a place outside the United States.
- b. Defendant Raza Bokhari used the unknowing services of at least one of his family members to engage in financial transactions involving criminally derived proceeds for the purpose of concealing and disguising those funds.

- c. Defendant Raza Bokhari was an organizer or leader of a criminal activity that involved five or more participants or was otherwise extensive.
- d. The consulting company was a shell company organized by defendant Raza Bokhari and his brothers Haider Bokhari and Qasim Bokhari. The defendant and his brothers did not intend for the consulting company to engage in any legitimate business activities.
- e. The offense involved sophisticated money laundering in that it involved: the laundering of funds through a shell corporation; multiple levels of transactions, transportation, transfers, and transmissions of criminally derived funds undertaken in part to make those funds appear legitimate; and transfers to offshore financial accounts.
- f. On March 29, 2004, the United States District Court entered an Order requiring defendant Raza Bokhari to repatriate and deposit with the registry of this Court or with the Secretary of the Treasury, in accordance with 21 U.S.C. § 853(e)(4), any and all properties subject to the Order located outside of the United States over which defendant Raza Bokhari has any direct or indirect interest or control. As of the date of the return of this indictment, defendant Raza Bokhari has willfully obstructed and impeded the administration of justice by failing to comply with the Court's Order.

Dated: 9/23/04

A TRUE BILL:

/s/
FOREPERSON

/s/
STEVEN M. BISKUPIC
United States Attorney

/s/
R. HEWITT PATE
Assistant Attorney General
Antitrust Division

/s/
James M. Griffin
Deputy Assistant Attorney General
Antitrust Division

/s/
Scott D. Hammond
Director of Criminal Enforcement
Antitrust Division

/s/
Marvin N. Price, Jr., Chief
Midwest Field Office
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/s/
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