

**IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
Richmond Division**

UNITED STATES OF AMERICA)	
)	
v.)	Criminal No. 3:19-cr-00160-HEH-003
)	
SHEHZADKHAN KHANDADKHAN)	
PATHAN,)	
)	
<i>Defendant.</i>)	

STATEMENT OF FACTS

The United States and the defendant agree and stipulate that the allegations in the second superseding indictment and the following facts are true and correct, and that had the matter gone to trial the United States would have proven them beyond a reasonable doubt, by competent and admissible evidence.

1. Beginning sometime before May 2019, the exact date being unknown, and continuing through in or about June 2019, in the Eastern District of Virginia and within the jurisdiction of this Court, as well as elsewhere, defendant SHEHZADKHAN KHANDADKHAN PATHAN (“PATHAN”) knowingly conspired with co-defendants Shachi Naishadh Majmudar (“Majmudar”) and Chirag Janakbhai Choksi (“Choksi”), Pradipsinh Dharmendrasinh Parmar (“Parmar”), Sumer Kantilal Patel (“Patel”), and Jayeshkumar Prabhudas Deliwala (“Deliwala”), along with other individuals not named in the pending Second Superseding Indictment, to execute and attempt to execute a scheme and artifice to defraud and to obtain property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing that scheme and artifice to defraud: (a) delivered and caused the delivery of matter by

private and commercial interstate carriers; and (b) transmitted and caused to be transmitted writings, signs, and signals in interstate and foreign commerce.

2. The purpose of this conspiracy was to use various schemes to defraud victims of money, which the conspirators then used to unlawfully enrich themselves. Conspirators primarily contacted and communicated with victims by telephone. Calls to victims originated from a call center that PATHAN owned and operated with others in his home city of Ahmedabad, which is the largest city in the state of Gujarat in India.

3. Contact with victims typically started through the use of automated, previously recorded calls, commonly referred to as “robocalls.” These robocalls usually contained messages designed to create a sense of urgency with the call recipient, and included instructions for next steps the victim was to take. Their messages typically told recipients that they had some sort of serious legal problem, usually criminal in nature, and that if they did not act immediately in accordance with the demands of the callers, then there would be drastic consequences. These consequences included threats of arrest and/or significant financial penalties. Recipients would be instructed to hold the line or call back a particular number to speak with someone about the serious matter. Eventually victims would end up speaking with one or more live persons during the course of their particular schemes who persuaded the victims to send money. These live persons who persuaded victims to send money were referred to within the conspiracy as “closers.” Closers used a variety of scripts incorporating different fraud schemes to mislead victims. Three such scripts that were representative, though certainly not all-inclusive, of those used by PATHAN’s conspiracy are described below.

4. One frequently used script involved conspirators impersonating an official with a law enforcement agency, such as the Federal Bureau of Investigation (“FBI”) or the Drug Enforcement Administration (“DEA”). Closers using these scripts would convince victims that they were the subjects of criminal investigations, often involving the prospective seizure of all of the victims’ financial assets. Victims would be persuaded, coerced and cajoled to ship packages of cash or preloaded payment cards to addresses that were supposedly official government receiving addresses. This, the victims were told, would help them avoid immediate drastic consequences that included arrest and criminal prosecution. Victims were promised that the money would be returned to them, sometimes with interest, if they were ultimately cleared of wrongdoing.

5. A variation on the above script used by closers was to falsely claim to be acting on behalf of a federal agency like the Social Security Administration regarding benefits the victims were entitled to receive, or the Internal Revenue Service regarding potential tax penalties. Here again victims were persuaded or coerced to send packages of cash and/or preloaded payment cards, or to wire funds, as directed by their closers. The victims were told that their moneys would be used to restore funds that had been depleted for one reason or another from their benefits accounts, or would be used to pay tax bills.

6. A third frequently-used script involved telling victims that they had been approved for loans. Conspirators would then discuss the purported terms of the loan with the victims. Victims were told that to finalize their loans they needed to send a payment representing earnest money or an initial loan installment by wire transfer, specifically Western

Union, MoneyGram or Walmart2Walmart wire transfers. The typical amounts for such wire transfers ranged from several hundred dollars up to three thousand dollars.

7. The defendant, SHEHZADKHAN KHANDAKHAN PATHAN, played a central role in the conspiracy. PATHAN was one of several operators of the call center in Ahmedabad, India, that contacted victims telephonically with robocalls. In addition to supervising activities at the call center, PATHAN also sometimes played the role of “closer,” being the living person who persuaded and coerced victims to send money.

8. PATHAN also recruited, supervised and operated a network of “money mules” living in the United States. Included among the defendant’s roster of money mules were his codefendants, Choksi, Parmar, Patel, and Deliwala. The defendant’s primary method of communicating with the money mules was with the WhatsApp secure messaging application. Using WhatsApp, the defendant would send the money mules information regarding packages of cash that were being shipped by victims. This information typically included: 1) the sender’s name and address; 2) the amount of cash; 3) the address to which the cash was being sent; 4) the alias name for the money mule that was designated as the recipient; and 5) the FedEx, UPS or U.S. Postal Service (“USPS”) tracking number for the package. These cash packages were shipped to addresses that had been provided to PATHAN by other members of the conspiracy, or alternatively to a FedEx or UPS store or kiosk location. PATHAN would tell money mules what was their “cut” of the victim’s cash, and also provide instructions regarding how to deposit the victim’s money.

9. Conspirators used both U.S. commercial banks as well as the Hawala informal money remittance system to move victims’ funds. As a security measure, PATHAN directed

money mules to video themselves opening packages from victims and counting the cash. The money mules would then send the defendant these videos via WhatsApp. They also photographed bank deposit slips, which they sent to PATHAN using WhatsApp.

10. PATHAN's network of money mules was located in multiple states, including but not limited to Virginia, New Jersey, Minnesota, Texas, California, South Carolina and Illinois. In support of the money mule's activities, the defendant would have money mules send him a passport-type photo of themselves via WhatsApp along with some personal descriptors like age, height and weight. Using the photo and information, PATHAN would then obtain counterfeit driver's licenses bearing the money mule's photo but other peoples' personal identifiers, which he would ship to the money mules for their use in picking up packages or wires. PATHAN obtained over 300 counterfeit driver's licenses, a large number of which bore valid driver's license numbers issued to real people. PATHAN sent one money mule located in New Jersey, identified herein as R.P., 30 counterfeit Pennsylvania and Illinois driver's licenses, one of which bore the alias name of PATHAN's codefendant, Shachi Naishadm Naishadh Majmudar.

11. On December 4, 2019, PATHAN arrived at George Bush Intercontinental Airport in Houston, Texas, after flying aboard an Emirates Airlines flight from Ahmedabad, India. On December 11, 2019, FBI agents arrested the defendant pursuant to a warrant issued by the United States District Court for the Eastern District of Virginia, Richmond Division. At his arrest agents seized an Apple iPhone 11 Pro from the defendant. PATHAN signed a written consent form giving agents permission to search his phone; however, investigators nonetheless obtained a search warrant for the defendant's iPhone from the United States District Court for the Southern District of Texas.

12. Analysis of WhatsApp communications from PATHAN's iPhone revealed extensive communications between PATHAN and his codefendants regarding packages and wires from victims. FBI investigators have corroborated a very large percentage of these victim transactions through witness interviews, as well as review of documents obtained pursuant to grand jury subpoenas to FedEx, UPS, Western Union, MoneyGram, Ria Financial (i.e., Walmart2Walmart), and multiple banks, including Wells Fargo and Bank of America. These WhatsApp communications included information about the following specific activities related to the conspiracy:

- a. From March 2017 to April 2019, codefendant Parmar picked up over 5,000 wire transfers sent by victims via Western Union, MoneyGram and Walmart2Walmart wires, with losses totaling \$4,312,585.50, at the direction of PATHAN;
- b. On or about June 2, 2018, PATHAN sent Parmar a FedEx package containing 60 counterfeit IDs;
- c. From October 2018 to March 2019, codefendant Patel picked up over 250 wire transfers sent by victims via Western Union, MoneyGram and Walmart2Walmart wires, with losses totaling \$219,520.98, at the direction of PATHAN;
- d. On or about March 28, 2019, PATHAN sent codefendant Deliwala a FedEx package containing 20 counterfeit IDs;
- e. Information regarding numerous parcel shipments sent via FedEx, UPS and USPS to codefendants Parmar and Patel.

13. In addition to evidence derived from PATHAN's iPhone that linked him to codefendants Parmar and Patel, investigators developed evidence following the arrest of

codefendant Choksi that pointed to PATHAN's involvement with Choksi. That evidence, some of which is highlighted below, established PATHAN as a supervisor and aider and abettor of Choksi.

14. On June 14, 2019, codefendant Choksi was arrested by investigators with the Eden Prairie Police Department in Eden Prairie, Minnesota, following his attempt to pick up a victim's FedEx shipment. The packaged contained \$9,000 cash that had been sent to "Ivo E. Heise," addressed to a FedEx kiosk in a Walgreens store in the Eden Prairie area. The sender, a then 65-year-old woman from Philadelphia, Pennsylvania, identified as G.M., sent the package after being contacted by conspirators posing as officials from the Social Security Administration. G.M. had been told that she would lose existing Social Security benefits if she did not send money to addresses in Minnesota and Illinois as directed. G.M. complied with these instructions and sent two FedEx packages containing a total of \$16,000 in cash, one of which being the "Ivo E. Heise" package.

15. A forensic examination of Choksi's cell phone revealed extensive WhatsApp communications between PATHAN and Choksi. These communications showed that PATHAN directed the delivery of 11 packages from at least 10 different victims to Choksi's residence or FedEx kiosk addresses. These packages contained a total of \$132,300 in cash. PATHAN's WhatsApp messages to Choksi included instructions regarding bank accounts to be used for deposits. The WhatsApp communications also included pictures that PATHAN sent to Choksi of 10 counterfeit Pennsylvania driver's licenses, 9 of which bore true driver's license numbers issued by the Pennsylvania Department of Motor Vehicles. Eden Prairie Police Department investigators seized counterfeit IDs from either Choki's person or his residence at the time of his

arrest. Additionally, Choksi's phone contained videos of him counting money after opening packages and photos of deposit slips, which he sent to the defendant.

16. Among the victims who sent a cash parcel to Choksi was a then 65-year-old Chesterfield County, Virginia resident identified herein as C.P. She had sent a package containing \$8,500 in cash to Choksi's residence in Eden Prairie that was addressed to the fictitious identity "Aldo Ronald." C.P. had been telephonically contacted by an individual falsely claiming to be a DEA agent. The "DEA agent" advised her that police had located a vehicle near the Mexican border that contained a large quantity of cocaine and C.P.'s banking information. The conspirator coerced C.P. to surrender half of the money in her bank accounts as a demonstration of good faith. C.P. was falsely promised the money would be returned if she was cleared of criminal wrongdoing. In the weeks that followed, and at the direction of conspirators, C.P. withdrew over \$410,000 from various accounts at bank branches, and sent this cash through various shipments to conspiracy cells located in several different states.

17. Pertaining to Count Seven of the pending Second Superseding Indictment, at the time of his arrest, Choksi possessed a counterfeit Pennsylvania driver's license bearing Choksi's photograph and the name "Ivo E. Heise." The counterfeit "Ivo E. Heise" driver's license also displayed Pennsylvania Operator License number 24 309 808, which is the true license number for an individual identified as K.L.S., who is a resident of Melrose Park, Pennsylvania. PATHAN sent this counterfeit driver's license to Choksi for use in furtherance of the conspiracy's activities.

18. The automated and live-person calls placed by conspiracy members to victims were wire transmissions that passed in interstate and foreign commerce, thus satisfying the

jurisdictional element for wire fraud, in violation of 18 U.S.C. § 1343. The transfer of funds by victims through the use of Western Union, MoneyGram and Walmart2Walmart wire transfers were also wire transmissions passing in interstate and foreign commerce. The conspirators' persuading and causing victims to send parcels of cash via the commercial carriers FedEx and UPS, along with the USPS, were mailings that satisfied the jurisdictional element for mail fraud, in violation of 18 U.S.C. § 1341.

19. The defendant acknowledges that the foregoing statement of facts does not describe all of the defendant's conduct relating to the offense charged in this case nor does it identify all of the persons with whom the defendant may have engaged in illegal activities. This statement of facts includes those facts necessary to support the plea agreement between the defendant and the United States. It does not include each and every fact known to the defendant or to the United States, and it is not intended to be a full enumeration of all of the facts surrounding the defendant's case.

Respectfully submitted,

G. ZACHARY TERWILLIGER
UNITED STATES ATTORNEY

By:


Brian R. Hood
Assistant United States Attorney

By:


Kaitlin G. Cooke
Assistant United States Attorney

After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, SHEHZADKHAN KHANDADKHAN PATHAN, and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

01-15-21
Date

Sk. Pathan
SHEHZADKHAN KHANDADKHAN PATHAN
Defendant

I am counsel for defendant, SHEHZADKHAN KHANDADKHAN PATHAN. I have carefully reviewed this Statement of Facts with him and, to my knowledge, his decision to agree to this Statement of Facts is an informed and voluntary decision.

1/15/2021
Date

[Signature]
Gregory R. Sheldon, Esquire
Counsel for Defendant