

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
v. : Criminal No. 11-____
HARJEET BHAMBHANI, :
a/k/a "Harry Bhambhani" : 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:

1. At various times relevant to this Information:

Defendant and His Coconspirators

a. Defendant HARJEET BHAMBHANI resided in Monroe County, Pennsylvania.

b. Vinod Tonangi, a coconspirator not charged as a defendant herein, resided in Hudson County, New Jersey.

c. Ab. S. and Ar. S., coconspirators not charged as defendants herein, resided in Luzerne and Lackwawanna County, Pennsylvania, respectively.

d. M.M. and R.T., coconspirators not charged as defendants herein, resided in New York City.

Voice Over Internet Protocol

e. Voice Over Internet Protocol ("VOIP") services transmitted telephone calls over high-speed Internet connections rather than over traditional land-based telephone lines.

f. VOIP calls did not typically travel directly from a caller's computer to a call recipient's computer but instead traveled through computers belonging to several layers of intermediary VOIP service providers ("VOIP Wholesalers"). VOIP Wholesalers charged different rates - typically by the minute - to transmit VOIP calls.

g. Arbinet Corporation ("Arbinet") was an Internet-based exchange that matched VOIP Wholesalers looking to buy and sell VOIP minutes, respectively, and brokered such transactions.

Shell Companies

h. Paradise Communications ("Paradise") was a New York corporation controlled by defendant HARJEET BHAMBHANI, Ar. S., and Ab. S., that identified itself as a VOIP Wholesaler.

i. Airtel Holdings ("Airtel") was a New York corporation controlled by defendant HARJEET BHAMBHANI, Ar. S., and Ab. S., that identified itself as a VOIP Wholesaler.

j. Reach Telecommunications ("Reach") was a New York corporation controlled by defendant HARJEET BHAMBHANI, Vinod Tonangi, M.M., and R.T. that identified itself as a VOIP Wholesaler. (Paradise, Airtel, and Reach will together be referred to as "the Shell Companies").

k. Direct Telco, LLC ("Direct Telco") was a VOIP

Wholesaler controlled by Vinod Tonangi with a principal place of business in Edgewater, New Jersey.

The Victim Providers

1. AT&T, Cordial Communications ("Cordial"), Digerati Networks ("Digerati"), France Telecom ("FT"), Iristel, Keywest Communications ("Keywest"), Maxcom Telecomunicaciones ("Maxcom"), Pipeline Telecom ("Pipeline"), Primus Communications ("Primus"), Surf creek Communications ("Surfcreek"), and Verizon (collectively, "the Victim Providers") each sold VOIP services to VOIP Wholesalers. AT&T and Cordial were headquartered in New Jersey.

THE CONSPIRACY

2. Between as early as March 2001 and in or about March 2010, in Hudson County, in the District of New Jersey, and elsewhere, defendant

HARJEET BHAMBHANI,
"a/k/a Harry Bhambhani"

did knowingly and intelligently conspire and agree with Vinod Tonangi, Ab. S., Ar. S., M.M., R.T., and others to devise a scheme and artifice to defraud the Victim Providers and to obtain money and property from the Victim Providers by means of materially false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud was in substance as set forth below, and to transmit and cause to be transmitted by means of wire communication in interstate and foreign

commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme or artifice, contrary to Title 18, United States Code, Section 1343.

OBJECT OF THE CONSPIRACY

3. It was the object of the conspiracy for defendant HARJEET BHAMBHANI, Vinod Tonangi, Ab. S., Ar. S., M.M., R.T., and others to use the Shell Companies to steal millions of dollars worth of VOIP services from the Victim Providers and to re-sell those stolen VOIP services for profit.

MANNER AND MEANS OF THE CONSPIRACY

4. It was part of the conspiracy that, at various times between in or about March 2001 and in or about June 2008, defendant HARJEET BHAMBHANI, Vinod Tonangi, Ab. S., Ar. S., M.M., R.T., and others established and operated the Shell Companies as purported VOIP Wholesalers.

5. It was further part of the conspiracy that defendant HARJEET BHAMBHANI, Vinod Tonangi, Ab. S., Ar. S., M.M., R.T., and others caused the Shell Companies to apply to the Victim Providers to purchase VOIP services on credit.

6. It was further part of the conspiracy that in support of Shell Companies' respective credit applications, defendant HARJEET BHAMBHANI, Vinod Tonangi, Ab. S., Ar. S., M.M., R.T., and

others took various steps to make the Shell Companies appear to be legitimate VOIP Wholesalers when in fact they were not, and to induce the Victim Providers to sell VOIP services to the Shell Companies on favorable credit terms, including:

a. establishing business addresses for the Shell Companies at prominent locations in New York City, including the Empire State Building, even though the Shell Companies had no operations at those locations and had instead contracted with commercial mail forwarding services;

b. using Internet-based answering services that purported to be connecting callers to the Shell Companies' various departments (i.e., Accounts Receivable, Marketing) when in fact calls were being forwarded to cell phones controlled by defendant HARJEET BHAMBHANI, Vinod Tonangi, Ab. S., Ar. S., and others;

c. creating Internet websites that contained false information, such as the names of non-existent employees and the Shell Companies' fabricated qualifications to serve as VOIP Wholesalers ("the Shell Company Websites");

d. creating Shell Company e-mail accounts in the names of non-existent employees to be used in communicating with Victim Providers;

e. fabricating year-end financial reports that bore the logo of a national accounting firm in order to give the

appearance that the Shell Companies' financial reports had been reviewed by that firm ("the Fabricated Financial Statements");

f. submitting credit applications to the Victim Providers on behalf of the Shell Companies that contained the Fabricated Financial Statements and fraudulent bank and trade references ("the Fraudulent Bank and Trade References");

g. including telephone numbers on the Fraudulent Bank and Trade References that defendant HARJEET BHAMBHANI, Vinod Tonangi, Ab. S., Ar. S., and others controlled so that they could impersonate the individuals listed on the Fraudulent Bank and Trade References when the Victim Providers called;

h. establishing a script of false information that could be given to Victim Providers over the telephone, such as statements that a Shell Company had been a bank customer in good standing for a certain number of years or had a certain bank balance;

i. using aliases to negotiate the purchase of VOIP services from the Victim Providers, including aliases that were displayed on the Shell Company Websites; and

j. falsely stating that the Shell Companies intended to buy and use relatively small amounts of VOIP services from the Victim Providers in order to reduce the scrutiny that would be given to the Shell Companies' credit applications.

7. It was further part of the conspiracy that when the

Victim Providers agreed to sell VOIP services to the Shell Companies on credit, defendant HARJEET BHAMBHANI, Vinod Tonangi, Ab. S., Ar. S., and others would "bust out" the account (i.e., cause the Shell Companies to use substantially more VOIP services than the Shell Companies had been approved to buy in a short period of time).

8. It was further part of the conspiracy that defendant HARJEET BHAMBHANI, Vinod Tonangi, Ab. S., Ar. S., and others would "bust out" the Shell Companies' accounts over weekends and holidays so that the Victim Providers would not be aware that the Shell Companies were exceeding agreed-upon call volumes.

9. It was further part of the conspiracy that the Shell Companies would not pay invoices as they came due from the Victim Providers.

10. It was further part of the conspiracy that defendant HARJEET BHAMBHANI, Vinod Tonangi, Ab. S., Ar. S., and others took the following steps intended to prevent the Victim Providers from cutting off service:

a. making small payments to lull the Victim Providers into believing that the Shell Companies would be making additional payments; and

b. fabricating evidence of payments, such as by sending purported wire transfer confirmations via e-mail, when in fact the Shell Companies had not wired any payments.

11. It was further part of the conspiracy that if Victim Providers threatened to sue or sued one of the Shell Companies, defendant HARJEET BHAMBHANI, Vinod Tonangi and others would respond in legal pleadings or letters that they prepared in the name of a non-existent attorney, Frank Soss.

12. It was further part of the conspiracy that defendant HARJEET BHAMBHANI and Vinod Tonangi created and used a fraudulent United States passport in the name Frank Soss by downloading and altering a exemplar passport image and photograph from the Internet.

13. It was further part of the conspiracy that defendant HARJEET BHAMBHANI and Vinod Tonangi would sometimes take VOIP services that they had stolen from the Victim Providers and sell those services anonymously over Arbinet.

14. It was further part of the conspiracy that defendant HARJEET BHAMBHANI, Vinod Tonangi, Ab. S., Ar. S., M.M., and R.T. shared the profits from the sale of the stolen VOIP services.

15. As a result of the conspiracy, defendant HARJEET BHAMBHANI, Vinod Tonangi, Ab. S., Ar. S., M.M., and R.T. stole more than \$4.4 million in VOIP services from the Victim Providers.

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



PAUL J. FISHMAN
United States Attorney

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District of New Jersey**

UNITED STATES OF AMERICA

v.

HARJEET BHAMBHANI

INFORMATION FOR

18 U.S.C. § 1349

PAUL J. FISHMAN
UNITED STATES ATTORNEY, NEWARK, NEW JERSEY

SETH B. KOSTO
ASSISTANT U.S. ATTORNEY
NEWARK, NEW JERSEY
(973) 645-2737