

SEALED

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

UNITED STATES OF AMERICA

v.

CASE NO. 8:18CR468T33JSS

HEMALKUMAR SHAH
a/k/a Hemal Shah,
a/k/a Harry Shah;
NISHITKUMAR PATEL
a/k/a Nishit Patel,
a/k/a Nick Patel; and
SHARVIL PATEL
a/k/a Will Patel

18 U.S.C. § 1349
18 U.S.C. § 1343
18 U.S.C. § 1951(a)
18 U.S.C. § 1028A
18 U.S.C. § 1957

INDICTMENT

The Grand Jury charges:

COUNT ONE

(Wire Fraud Conspiracy—18 U.S.C. § 1349)

A. Introduction

At times relevant to this Indictment:

Overview of Fraud Scheme

1. A “call center” was an organization, typically located in India, staffed by individuals who made telephone calls to potential victims, often residing in the United States, and caused those victims to send money to the defendants and other conspirators by using false and fraudulent means,

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TAMPA, FLORIDA

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including Internal Revenue Service (IRS) Impersonation Fraud and Payday Loan Fraud.

a. IRS Impersonation Fraud: India-based call centers impersonated IRS officers and misled U.S. residents to believe that they owed money to the IRS and would be arrested and fined if they did not pay their alleged back taxes immediately.

b. Payday Loan Fraud: India-based call centers misled U.S. residents to believe that the callers were loan officers and that the U.S. residents were eligible for fictitious “payday loans” (small, short-term, unsecured loans wherein repayment is generally linked to a borrower's next paycheck or regular income payment, such as a social security check). The India-based callers caused the U.S. residents to pay upfront “worthiness fees” to demonstrate an ability to repay the loans. The victims received nothing in return.

Definitions

2. “GPR cards” or general purpose reloadable cards were cards that purchasers funded to give them monetary value and which could be used like debit cards without being linked to personal bank accounts. GPR cards were funded and could be reloaded using prepaid stored value cards.

3. “Prepaid stored value cards” could be used to fund GPR cards with cash. They were referred to by their brand names, such as “MoneyPak” or “Reloadit.”

4. “Green Dot cards” were GPR cards sold by Green Dot Corporation (“Green Dot”). Green Dot cards, once funded, could be used to make purchases or withdraw cash.

a. In order to fund a Green Dot card using a prepaid stored value card, an individual using the Green Dot card was first required to register the card telephonically or online by providing, among other personally identifiable information, a name, address, telephone number, date of birth, and social security number to Green Dot.

b. Once a Green Dot card was registered, there were several ways to fund it. One required the individual desiring to load money onto the Green Dot card to purchase a MoneyPak card from a retail store, such as CVS or Walgreens, in an amount ranging from \$20 to \$500. Thereafter, the individual could use the personal identification number (PIN) located on the back of the MoneyPak card and authorize a transfer of funds from the MoneyPak card to the Green Dot card. For example, an individual who purchased a \$500 MoneyPak card could provide the PIN associated with his or her MoneyPak card to an individual who had a Green Dot card. The Green

Dot card holder could then effect the transfer of funds from the MoneyPak card to the Green Dot card via Green Dot's website or by calling Green Dot's toll free number and providing both the Green Dot card number and the MoneyPak PIN.

5. Personally identifiable information ("PII") included an individual's name, address, telephone number, date of birth, social security number, and other information that could be used on its own or with other information to identify, contact, or locate the individual.

6. A "money services business" offered various financial services to customers for a fee. Such services included the sale of money orders and the wire transfer of funds from one location to another, both within the U.S. and abroad, via money transmitter services such as Western Union and MoneyGram.

7. "Spoofing" was a deceptive technique whereby callers deliberately falsified the information transmitted to a victim's caller ID and thereby disguised their identities or locations.

8. "WhatsApp" was a messaging and voice over IP service that allowed users to text, send voice messages, and make phone calls to other WhatsApp users, irrespective of the users' locations, which facilitated interstate and foreign wire communication. WhatsApp also supported end-to-

end encryption, meaning that the communications could not easily be intercepted by third parties, including law enforcement agencies.

9. A “hawala” was an international underground money transfer system based on trust. In a hawala system, a person wanting to send money abroad contacted a broker (the hawaladar) and gave the hawaladar money, a fee, and the name and location of the intended recipient. The hawaladar then contacted a second hawaladar in the recipient’s country, and the second hawaladar delivered the money to the recipient. The first hawaladar then owed the transferred amount to the second, which debt was frequently repaid by transactions conducted in the reverse direction.

The Defendants and the Roles in the Conspiracy

10. The defendants and/or their coconspirators performed one or more of the following roles in furtherance of the conspiracy:

a. Caller: “Callers” made fraudulent and extortionate calls to victims in the U.S. and elsewhere, purporting to be U.S. government officials or money lenders in order to extract funds from victims.

b. Payment Processor: Among other acts, “Payment Processors” instructed victims to make payments and facilitated the movement of victims’ funds throughout the United States.

c. Runner: “Runners” were located in the United States and typically operated within a specific geographic region. Runners purchased GPR cards; forwarded the unique GPR card numbers to the Payment Processors located in India so that the cards could be registered and funded with fraud proceeds; purchased money orders using GPR cards funded with fraud proceeds; retrieved cash payments made by victims via money transmitter services such as Western Union and MoneyGram; opened bank accounts into which cash payments of fraud proceeds could be deposited by victims; and deposited fraud proceeds into third party bank accounts, or returned cash proceeds to Domestic Managers, as directed.

d. Domestic Manager: “Domestic Managers” were located in the United States and directed Runners’ activities and at times provided Runners with resources and supplies, such as transportation, cellphones, and cash for expenses, to carry out the scheme to defraud. Domestic Managers were often the direct points of contact with coconspirators in India.

11. Defendant HEMALKUMAR SHAH, a/k/a Hemal Shah, a/k/a Harry Shah, who lived in the Middle District of Florida, operated as a Runner and a Domestic Manager within the Middle District of Florida and elsewhere. As a Runner, HEMALKUMAR SHAH purchased GPR cards and forwarded the unique GPR card numbers to coconspirators so that the cards could be

registered and funded with fraud proceeds; purchased money orders and obtained cash using GPR cards funded with fraud proceeds; retrieved cash payments made by victims via money transmitter services; and deposited victims' funds into bank accounts. As a Domestic Manager, HEMALKUMAR SHAH recruited, hired, and directed Runners to pick up funds wired by victims via money transmitter services and/or open bank accounts to receive fraud proceeds; provided Runners with transportation so they could carry out his directives; collected fraud proceeds from Runners; and disbursed fraud proceeds in accordance with directions he received from his coconspirators in India.

12. Defendant NISHITKUMAR PATEL, a/k/a Nishit Patel, a/k/a Nick Patel, who lived in the Middle District of Florida, operated as a Runner and a Domestic Manager within the Middle District of Florida and elsewhere. As a Runner, NISHITKUMAR PATEL purchased GPR cards and forwarded the unique GPR card numbers to coconspirators so that the cards could be registered and funded with fraud proceeds; purchased money orders and obtained cash using GPR cards funded with fraud proceeds; retrieved cash payments made by victims via money transmitter services; and deposited victims' funds into bank accounts. As a Domestic Manager, NISHITKUMAR PATEL recruited, hired, and directed Runners to pick up funds wired by

victims via money transmitter services and/or open bank accounts to receive fraud proceeds; provided Runners with transportation so they could carry out his directives; collected fraud proceeds from Runners; and disbursed fraud proceeds in accordance with directions he received from his coconspirators in India.

13. Defendant SHARVIL PATEL, a/k/a Will Patel, who lived in the Middle District of Florida, operated as a Domestic Manager within the Middle District of Florida and elsewhere. SHARVIL PATEL recruited, hired, and directed Runners to pick up funds wired by victims via money transmitter services and/or open bank accounts to receive fraud proceeds; provided Runners with transportation so they could carry out his directives; collected fraud proceeds from Runners; and disbursed fraud proceeds in accordance with directions he received from his coconspirators in India.

B. The Conspiracy

14. Beginning on an unknown date, but no later than in or around August 2014, and continuing through at least in or around June 2016, in the Middle District of Florida and elsewhere, the defendants,

HEMALKUMAR SHAH,
NISHITKUMAR PATEL, and
SHARVIL PATEL,

did knowingly and willfully combine, conspire, confederate, and agree with each other and with other persons, both known and unknown to the Grand Jury, to commit wire fraud, in violation of 18 U.S.C. § 1343.

C. Manner and Means of the Conspiracy

15. The manner and means by which the conspirators sought to accomplish the objects of the conspiracy included, among others, the following:

a. It was a part of the conspiracy that the conspirators would and did engage in a scheme to extort money from victims by calling them and making false and fraudulent and threatening misrepresentations;

b. It was a further part of the conspiracy that conspirators would and did falsely and fraudulently represent themselves to be U.S. government officials or loan officers, and would and did induce fear and extort money from said victims by threatening victims with prosecution and/or arrest for purported tax violations or unpaid loans unless the victims paid alleged fines or fees immediately;

c. It was a further part of the conspiracy that conspirators would and did use “spoofed” telephone numbers to make these calls to victims, giving the false and fraudulent impression that the calls originated from government officials or loan officers, and not from call centers in India;

d. It was a further part of the conspiracy that conspirators would and did instruct some victims to go to banks or ATMs to withdraw money, use this money to purchase prepaid stored value cards from retail stores, and then provide the unique serial numbers of the prepaid stored value cards to a Caller or Payment Processor;

e. It was a further part of the conspiracy that conspirators would and did obtain GPR cards and then transmit, via interstate and foreign wire communications, the unique identification numbers on said cards to coconspirators;

f. It was a further part of the conspiracy that India-based conspirators would and did activate the GPR cards by registering said cards online or by phone using PII of U.S. residents without such persons' knowledge or consent;

g. It was a further part of the conspiracy that India-based conspirators would and did transfer victims' funds, via interstate and foreign wire communications, from the prepaid stored value cards to the GPR cards in the possession of U.S.-based conspirators;

h. It was a further part of the conspiracy that India-based conspirators would and did direct and instruct some victims to transmit money to U.S.-based conspirators by using one or more money services

businesses, or by depositing cash into one or more bank accounts controlled by Runners directed by conspirators;

i. It was a further part of the conspiracy that U.S.-based conspirators would and did cause (1) the withdrawal of fraud proceeds from the GPR cards; (2) the retrieval of fraud proceeds from the money services businesses; and (3) the withdrawal of fraud proceeds from bank accounts;

j. It was a further part of the conspiracy that U.S.-based conspirators would and did provide cash to other U.S.-based conspirators or deposit the victims' funds into other U.S. bank accounts, as directed by coconspirators;

k. It was a further part of the conspiracy that conspirators would and did use fraud proceeds to fund hawala transfers from India and other foreign countries to the U.S.;

l. It was a further part of the conspiracy that conspirators would and did direct and cause victims to transfer funds via prepaid stored value cards, wires, or cash deposits, often to conceal from law enforcement agencies and financial institutions the identities of the victims, the nature of the financial transactions, and the sources of the fraud proceeds;

m. It was a further part of the conspiracy that conspirators would and did share in the fraud proceeds, usually receiving percentages

commensurate with their respective roles, for their personal enrichment and entertainment;

n. It was a further part of the conspiracy that conspirators would and did use some of the fraud proceeds to promote and perpetuate the scheme and to fund hawala transfers from India and other foreign countries to the U.S.; and

o. It was a further part of the conspiracy that conspirators would and did engage in multiple meetings, perform acts, and make statements to promote and achieve the objects of the conspiracy and to misrepresent, hide, and conceal, and cause to be misrepresented, hidden, and concealed, the purpose of the conspiracy and the acts committed in furtherance thereof.

In violation of 18 U.S.C. § 1349.

COUNTS TWO THROUGH SEVEN
(Wire Fraud—18 U.S.C. § 1343)

A. Introduction

1. The Grand Jury realleges and incorporates Paragraphs 1 through 13 of the Introduction to Count One of this Indictment as if fully set forth herein.

B. The Scheme and Artifice

2. Beginning on an unknown date, but no later than in or around August 2014, and continuing through at least in or around June 2016, in the Middle District of Florida and elsewhere, the defendants,

HEMALKUMAR SHAH,
NISHITKUMAR PATEL, and
SHARVIL PATEL,

knowingly devised and intended to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

C. Manner and Means of the Scheme and Artifice

3. The substance of the scheme and artifice is set forth in Paragraphs 15a through 15o of Count One of this Indictment, the allegations of which are realleged and incorporated by reference herein.

D. Execution of the Scheme and Artifice

4. On or about each of the dates set forth below, in the Middle District of Florida and elsewhere, the defendants,

HEMALKUMAR SHAH,
NISHITKUMAR PATEL, and
SHARVIL PATEL,

for the purpose of executing the scheme and artifice described above, transmitted and caused to be transmitted by means of wire communication in

interstate and foreign commerce the writings, signs, signals, pictures, and sounds described below, each transmission constituting a separate count:

COUNT	DATE OF WIRE	SUBSTANCE OF WIRE
TWO	August 10, 2015	\$2,900 transmitted via money transmitter service from Bloomington, Indiana, to Clearwater, Florida
THREE	July 31, 2015	\$2,486 transmitted via money transmitter service from Van Wert, Ohio, to Oldsmar, Florida
FOUR	August 28, 2015	\$1,001 transmitted via money transmitter service from Staten Island, New York, to Valrico, Florida
FIVE	March 11, 2016	\$300 cash withdrawal from a Bank of America account at an ATM in Tampa, Florida, which withdrawal was wired through a server outside of the Middle District of Florida
SIX	March 18, 2016	\$200 cash withdrawal from a Bank of America account at an ATM in Tampa, Florida, which withdrawal was wired through a server outside of the Middle District of Florida

COUNT	DATE OF WIRE	SUBSTANCE OF WIRE
SEVEN	May 20, 2016	\$4,500 cash withdrawal from a Wells Fargo account at a branch in Tampa, Florida, which withdrawal was wired through a server outside of the Middle District of Florida

In violation of 18 U.S.C. § 1343.

COUNT EIGHT
(Extortion Conspiracy—18 U.S.C. § 1951(a))

1. The Grand Jury realleges and incorporates Paragraphs 1 through 13 of the Introduction to Count One of this Indictment as if fully set forth herein.

2. Beginning on an unknown date, but no later than in or around August 2014, and continuing through at least in or around June 2016, in the Middle District of Florida and elsewhere, the defendants,

HEMALKUMAR SHAH,
NISHITKUMAR PATEL, and
SHARVIL PATEL,

did knowingly and willfully combine, conspire, confederate, and agree with each other and with other persons, both known and unknown to the Grand Jury, to in any way and degree obstruct, delay, and affect commerce, as that term is defined in 18 U.S.C. § 1951(b)(3), and the movement of any article and commodity in commerce, by extortion, as that terms is defined by 18 U.S.C.

§ 1951(b)(2), in that the defendants and their coconspirators would and did obtain property from victims in the form of cash, wires, and cash equivalents with said victims' consent, which consent was induced by the wrongful use of threatened force and fear.

In violation of 18 U.S.C. §§ 1951(a).

COUNTS NINE THROUGH TEN
(Extortion—18 U.S.C. § 1951(a))

1. The Grand Jury realleges and incorporates Paragraphs 1 through 13 of the Introduction to Count One of this Indictment as if fully set forth herein.

2. In or around the dates listed below, in the Middle District of Florida and elsewhere, the defendants,

HEMALKUMAR SHAH, and
NISHITKUMAR PATEL,

aiding and abetting each other and others, did knowingly in any way and degree obstruct, delay, and affect, and attempt to obstruct, delay, and affect, commerce, as that term is defined in 18 U.S.C. § 1951(b)(3), and the movement of any article and commodity in commerce, by extortion, as that term is defined by 18 U.S.C. § 1951(b), in that the defendants would and did obtain property from the identified victims in the form of cash, wires, and cash equivalents in the approximate amounts listed below, with said victims'

consent, which consent was induced by the wrongful use of threatened force and fear:

COUNT	VICTIM	DATE	AMOUNT
NINE	A.N.	September 2014	\$500
TEN	C.D.	May 2015	\$200

In violation of 18 U.S.C. §§ 1951(a) and 2.

COUNTS ELEVEN THROUGH SIXTEEN
(Extortion—18 U.S.C. § 1951(a))

1. The Grand Jury realleges and incorporates Paragraphs 1 through 13 of the Introduction to Count One of this Indictment as if fully set forth herein.

2. In or around the dates listed below, in the Middle District of Florida and elsewhere, the defendants,

HEMALKUMAR SHAH,
NISHITKUMAR PATEL, and
SHARVIL PATEL

aiding and abetting each other and others, did knowingly in any way and degree obstruct, delay, and affect, and attempt to obstruct, delay, and affect, commerce, as that term is defined in 18 U.S.C. § 1951(b)(3), and the movement of any article and commodity in commerce, by extortion, as that term is defined by 18 U.S.C. § 1951(b), in that the defendants would and did

obtain property from the identified victims in the form of cash, wires, and cash equivalents in the approximate amounts listed below, with said victims' consent, which consent was induced by the wrongful use of threatened force and fear:

COUNT	VICTIM	DATE	AMOUNT
ELEVEN	C.S.	August 2015	\$15,700
TWELVE	I.D.	July through August 2015	7,427
THIRTEEN	S.S.	August through September 2015	\$15,677.13
FOURTEEN	M.G.	February 2016	\$4,728
FIFTEEN	L.H.	March 2016	\$6,800
SIXTEEN	R.E.	May 2016	\$4,850.36

In violation of 18 U.S.C. §§ 1951(a) and 2.

COUNT SEVENTEEN
(Aggravated Identity Theft—18 U.S.C. § 1028A)

1. The Grand Jury realleges and incorporates Paragraphs 1 through 13 of the Introduction to Count One of this Indictment as if fully set forth herein.
2. On or about September 24, 2014, in the Middle District of Florida and elsewhere, the defendants,

HEMALKUMAR SHAH, and
NISHITKUMAR PATEL,

did knowingly transfer, possess, and use without lawful authority, and did aid and abet one another and others in the transfer, possession, and use without lawful authority of, a means of identification of another person, specifically, a GPR card ending in -3262 linked to S.D.'s name, social security number, and date of birth, during and in relation to the felony offenses of extortion, in violation of 18 U.S.C. § 1951(a), knowing that such means of identification belonged to an actual person.

In violation of 18 U.S.C. §§ 1028A and 2.

COUNT EIGHTEEN
(Illegal Monetary Transaction—18 U.S.C. § 1957)

1. The Grand Jury realleges and incorporates Paragraphs 1 through 13 of the Introduction to Count One of this Indictment as if fully set forth herein.

2. On or about November 26, 2014, in the Middle District of Florida and elsewhere, the defendant,

HEMALKUMAR SHAH, and
NISHITKUMAR PATEL,

aiding and abetting one another and others, did knowingly engage and attempt to engage in a monetary transaction in and affecting interstate and foreign commerce in criminally-derived property of a value greater than

\$10,000, such property having been derived from a specified unlawful activity, that is, extortion, in violation of 18 U.S.C. § 1951(a), and wire fraud, in violation of 18 U.S.C. § 1343, in that the defendant knowingly engaged and attempted to engage in a monetary transaction, that is, a wire transfer to a person by the name of S.M. in the amount of \$15,000.

In violation of 18 U.S.C. §§ 1957 and 2.

FORFEITURE

1. The allegations contained in Counts One through Sixteen and Eighteen of this Indictment are incorporated by reference for the purpose of alleging forfeitures pursuant to 18 U.S.C. §§ 924(d), 981(a)(1)(C), and 982(a)(1), and 28 U.S.C. § 2461(c).

2. Upon conviction of, or a conspiracy to violate, 18 U.S.C. § 1951, the defendants,

HEMALKUMAR SHAH,
NISHITKUMAR PATEL, and
SHARVIL PATEL,

shall forfeit to the United States of America, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the violation, and, pursuant to 18 U.S.C. § 924 and 28 U.S.C. § 2461(c), any firearms or ammunition involved in the commission of the offense.

3. Upon conviction of, or a conspiracy to violate, 18 U.S.C. § 1343, the defendants,

HEMALKUMAR SHAH,
NISHITKUMAR PATEL, and
SHARVIL PATEL,

shall forfeit to the United States of America, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the violation.

4. Upon conviction of, or a conspiracy to violate, 18 U.S.C. §§ 1956 and/or 1957, the defendants,

HEMALKUMAR SHAH,
NISHITKUMAR PATEL, and
SHARVIL PATEL,

shall forfeit to the United States of America, pursuant to 18 U.S.C. § 982(a)(1), any property, real or personal, involved in such offense, or any property traceable to such property.

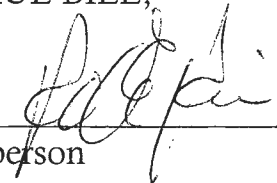
5. The property subject to forfeiture includes, but is not limited to, the sum of at least \$2,274,008.58 in United States currency, which represents the proceeds of the offenses as well as the amount involved in the money laundering offenses.

6. If any of the property described above, as a result of any act or omission of the defendants:

- 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;

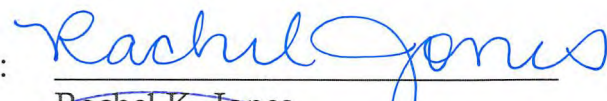
the United States of America shall be entitled to forfeiture of substitute property under the provisions of 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c).

A TRUE BILL,




 Foreperson

MARIA CHAPA LOPEZ
 United States Attorney

By: 

 Rachel K. Jones
 Assistant United States Attorney

By: 

 Jay G. Trezevant
 Assistant United States Attorney
 Chief, Economic Crimes Section

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UNITED STATES DISTRICT COURT

Middle District of Florida

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THE UNITED STATES OF AMERICA

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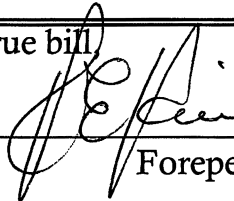
vs.

HEMALKUMAR SHAH
a/k/a Hemal Shah,
a/k/a Harry Shah;
NISHITKUMAR PATEL
a/k/a Nishit Patel,
a/k/a Nick Patel; and
SHARVIL PATEL
a/k/a Will Patel

INDICTMENT

Violations: 18 U.S.C. §§ 1349, 1343, 1951(a), 1028A and 1957

A true bill



Foreperson

Filed in open court this 11th day

of October 2018.

Clerk

Bail \$ _____