

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	
v.)	Violations: Title 18, United States Code,
)	Sections 1027 and 1341
YASHVANT C. PATEL)	

COUNT ONE

The SPECIAL FEBRUARY 2014 GRAND JURY charges:

1. At times material to this indictment:

a. My Baps Construction Corporation (“ My Baps”), and Vijay Construction Corporation (“Vijay”), were Illinois corporations with their principal place of business at 7601 S. Kedzie Avenue in Chicago, Illinois. My Baps’s registered address was in West Chicago, Illinois, and Vijay’s registered address was in Chicago.

b. My Baps and Vijay performed concrete- and asphalt-related construction projects, including projects in the City of Chicago. Vijay solely performed work in connection with certain of the contracts entered into between My Baps and the City of Chicago.

c. Defendant YASHVANT C. PATEL was the president of My Baps.

d. Individuals A, B, and C were the officers and directors of Vijay. Individual A performed clerical tasks on behalf of My Baps and Vijay at the instruction of defendant YASHVANT C. PATEL. Individuals B and C were relatives of defendant PATEL who performed little to no work for the companies.

e. Defendant YASHVANT C. PATEL controlled the management, daily operations, and finances of My Baps and Vijay. Defendant PATEL supervised the companies’ employees, negotiated contracts on behalf of the companies, had authority over the companies’

bank accounts, authorized payment of the companies' bills, authorized payments to the companies' employees, and authorized contributions to union benefit funds on behalf of the companies' employees.

f. The Laborers' International Union of North America, Construction and General Laborers' District Council of Chicago and Vicinity was a labor organization based in Chicago, Illinois, consisting of local labor unions, including Locals 76, 269, and others collectively referred to as "the Union." My Baps and Vijay employed individuals who were members of the Union.

g. The Union provided its members with certain employee benefits through three funds ("the Funds"), namely: (1) the Laborers' Pension Fund of the Construction and General Laborers' District Council of Chicago and Vicinity; (2) the Laborers' Welfare Fund of the Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity; and (3) the Laborers' Training Fund of the Construction and General Laborers' District Council of Chicago and Vicinity.

h. The Funds were managed from an office location in Westchester, Illinois, and were jointly administered by a board of trustees composed of representatives of employers and employees.

i. My Baps and Vijay were bound by collective bargaining agreements governing aspects of their labor-management relationship with the Union, including wages, benefits, and dues. Pursuant to the collective bargaining agreements, My Baps and Vijay were required to pay employees certain wages and make certain monthly contributions to the Funds for each employee covered by the agreements. In addition, My Baps and Vijay were required

to provide the Funds with monthly remittance reports identifying the total contribution amount due for all covered employees.

j. To facilitate the collection of payments, the Funds provided My Baps and Vijay with monthly remittance report forms to use in calculating and declaring the monthly contributions to the Funds on behalf of each employee. In each monthly remittance report, an authorized officer, partner, or corporate agent was required to warrant that the document accurately stated all hours worked by all of the company's employees who were subject to the collective bargaining agreements.

2. Beginning not later than in or around January 2009 and continuing through at least October 2010, in the Northern District of Illinois, Eastern Division, and elsewhere,

YASHVANT C. PATEL,

defendant herein, knowingly devised, intended to devise, and participated in a scheme to defraud and to obtain money and property from the Funds and from the employees of My Baps and Vijay, by means of materially false and fraudulent pretenses, representations, and promises, and the concealment of material facts, which scheme is further described below.

3. It was part of the scheme that defendant YASHVANT C. PATEL provided and caused to be provided documents to the Funds and the employees at My Baps and Vijay that, as defendant PATEL knew, fraudulently under-reported approximately 33,000 hours worked by several dozen employees of My Baps and Vijay, including documents such as: (a) monthly remittance reports submitted to the Funds fraudulently reporting that the amount due from My Baps and Vijay was approximately \$600,000 less than what was required by the collective bargaining agreements; and (b) pay checks and statements provided to the employees

fraudulently reporting that the wages owed by My Baps and Vijay were approximately \$1,300,000 less than what was required by the collective bargaining agreements.

4. It was further part of the scheme that defendant YASHVANT C. PATEL hired and caused to be hired numerous employees of My Baps and Vijay, including individuals who were not lawfully entitled to work in the United States, with the intent of: (a) making smaller contributions to the Funds on behalf of the employees than what was required by the collective bargaining agreements; and (b) paying lower wages to the employees than what was required by the collective bargaining agreements.

5. It was further part of the scheme that defendant YASHVANT C. PATEL caused employees of My Baps and Vijay to work a substantial number of hours, including overtime and weekend hours, and knowingly and fraudulently: (a) caused certain of those employees to be paid in cash, or “under the table,” at wages that were less than those required by the collective bargaining agreements; and (b) under-reported hours to the Funds in order to reduce the amount that appeared to be due to the Funds.

6. It was further part of the scheme that defendant YASHVANT C. PATEL caused employees of My Baps and Vijay to receive pay stubs that, as defendant PATEL knew, fraudulently under-reported the number of hours worked by the employees and fraudulently over-reported the hourly wage received by the employees in order to deceive the employees and the Funds regarding the wages and benefits contributions to which the employees were entitled under their collective bargaining agreements.

7. It was further part of the scheme that defendant YASHVANT C. PATEL concealed, misrepresented and hid, and caused to be concealed, misrepresented and hidden, the existence and purpose of the scheme, and acts done in furtherance of the scheme.

8. On or about September 10, 2010, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

YASHVANT C. PATEL,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be delivered by mail, according to the directions thereon, a letter addressed to the Laborers' Pension & Welfare Funds at 33367 Treasury Center in Chicago, which letter contained an August 2010 monthly remittance report and contribution check from My Baps;

In violation of Title 18, United States Code, Section 1341.

COUNT TWO

The SPECIAL FEBRUARY 2014 GRAND JURY further charges:

1. The allegations of Paragraphs 1 through 7 of Count One are incorporated here.
2. On or about October 12, 2010, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

YASHVANT C. PATEL,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be delivered by mail, according to the directions thereon, a letter addressed to the Laborers' Pension & Welfare Funds at 33367 Treasury Center in Chicago, which letter contained a September 2010 monthly remittance report and contribution check from Vijay;

In violation of Title 18, United States Code, Section 1341.

COUNT THREE

The SPECIAL FEBRUARY 2014 GRAND JURY further charges:

1. The allegations of Paragraphs 1 through 7 of Count One are incorporated here.
2. On or about October 18, 2010, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

YASHVANT C. PATEL,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be delivered by mail, according to the directions thereon, a letter addressed to the Laborers' Pension & Welfare Funds at 33367 Treasury Center in Chicago, which letter contained an August 2010 monthly remittance report and contribution check from Vijay;

In violation of Title 18, United States Code, Section 1341.

COUNT FOUR

The SPECIAL FEBRUARY 2014 GRAND JURY further charges:

1. The allegations of Paragraphs 1 through 7 of Count One are incorporated here.
2. On or about November 10, 2010, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

YASHVANT C. PATEL,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be delivered by mail, according to the directions thereon, a letter addressed to the Laborers' Pension & Welfare Funds at 33367 Treasury Center in Chicago, which letter contained an October 2010 monthly remittance report and contribution check from My Baps;

In violation of Title 18, United States Code, Section 1341.

COUNT FIVE

The SPECIAL FEBRUARY 2014 GRAND JURY further charges:

1. The allegations of Paragraph 1 of Count One are incorporated here.
2. At times material to this indictment:
 - a. The Funds were “employee benefit plans” and subject to Title I of the Employment Retirement Income Security Act of 1974, (“ERISA”), as amended, which is codified at Title 29, United States Code, Section 1001 *et seq.*
 - b. Pursuant to Title I of ERISA, the Funds were required to publish and file truthful annual reports, namely, United States Department of Labor Form 5500s, also known as the Annual Return/Report of Employee Benefit Plan, with the United States Department of Labor and the United States Department of Treasury. The reports, among other things, detailed the total contributions received by the Funds and the total receivables outstanding to the Funds.
 - c. Pursuant to Title I of ERISA, the Funds were required to keep copies of the monthly remittance reports submitted by My Baps and Vijay as part of their records.
3. On or about September 10, 2010, in the Northern District of Illinois, Eastern Division,

YASHVANT C. PATEL,

defendant herein, in documents required by Title I of ERISA to be kept and maintained as part of the Funds, did make and cause to be made false statements and representations of fact, knowing them to be false, and did knowingly conceal, cover up, and not disclose, and cause to be concealed, to be covered up, and not disclosed, facts the disclosure of which was necessary to verify, explain, clarify, and check for accuracy and completeness of the Funds’ Form 5500

Reports covering August 2010 by submitting and causing to be submitted to the Funds a monthly remittance report for the month of August 2010, which, as defendant PATEL knew, falsely reported the number of hours worked by employees of My Baps, on whose behalf My Baps was required to make contributions to the Funds, and which, as defendant PATEL knew, falsely reported the amount of money owed to the Funds from My Baps;

In violation of Title 18, United States Code, Section 1027.

COUNT SIX

The SPECIAL FEBRUARY 2014 GRAND JURY further charges:

1. The allegations of Paragraphs 1 and 2 of Count Five are incorporated here.
2. On or about October 12, 2010, in the Northern District of Illinois, Eastern Division,

YASHVANT C. PATEL,

defendant herein, in documents required by Title I of ERISA to be kept and maintained as part of the Funds, did make and cause to be made false statements and representations of fact, knowing them to be false, and did knowingly conceal, cover up, and not disclose, and cause to be concealed, to be covered up, and not disclosed, facts the disclosure of which was necessary to verify, explain, clarify, and check for accuracy and completeness of the Funds' Form 5500 Reports covering September 2010 by submitting and causing to be submitted to the Funds a monthly remittance report for the month of September 2010, which, as defendant PATEL knew, falsely reported the number of hours worked by employees of Vijay, on whose behalf Vijay was required to make contributions to the Funds, and which, as defendant PATEL knew, falsely reported the amount of money owed to the Funds from Vijay;

In violation of Title 18, United States Code, Section 1027.

COUNT SEVEN

The SPECIAL FEBRUARY 2014 GRAND JURY further charges:

1. The allegations of Paragraphs 1 and 2 of Count Five are incorporated here.
2. On or about October 19, 2010, in the Northern District of Illinois, Eastern Division,

YASHVANT C. PATEL,

defendant herein, in documents required by Title I of ERISA to be kept and maintained as part of the Funds, did make and cause to be made false statements and representations of fact, knowing them to be false, and did knowingly conceal, cover up, and not disclose, and cause to be concealed, to be covered up, and not disclosed, facts the disclosure of which was necessary to verify, explain, clarify, and check for accuracy and completeness of the Funds' Form 5500 Reports covering August 2010 by submitting and causing to be submitted to the Funds a monthly remittance report for the month of August 2010 which, as defendant PATEL knew, falsely reported the number of hours worked by employees of Vijay, on whose behalf Vijay was required to make contributions to the Funds, and which, as defendant PATEL knew, falsely reported the amount of money owed to the Funds from Vijay;

In violation of Title 18, United States Code, Section 1027.

COUNT EIGHT

The SPECIAL FEBRUARY 2014 GRAND JURY further charges:

1. The allegations of Paragraphs 1 and 2 of Count Five are incorporated here.
2. On or about November 10, 2010, in the Northern District of Illinois, Eastern Division,

YASHVANT C. PATEL,

defendant herein, in documents required by Title I of ERISA to be kept and maintained as part of the Funds, did make and cause to be made false statements and representations of fact, knowing them to be false, and did knowingly conceal, cover up, and not disclose, and cause to be concealed, to be covered up, and not disclosed, facts the disclosure of which was necessary to verify, explain, clarify, and check for accuracy and completeness of the Funds' Form 5500 Reports covering October 2010 by submitting and causing to be submitted to the Funds a monthly remittance report for the month of October 2010, which, as defendant PATEL knew, falsely reported the number of hours worked by employees of My Baps, on whose behalf My Baps was required to make contributions to the Funds, and which, as defendant PATEL knew, falsely reported the amount of money owed to the Funds from My Baps;

In violation of Title 18, United States Code, Section 1027.

FORFEITURE ALLEGATION

The SPECIAL FEBRUARY 2014 GRAND JURY alleges:

1. The allegations of Counts One through Four of the indictment are incorporated here for the purpose of alleging forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. As a result of his violations as alleged in Counts One through Four of the foregoing indictment,

YASHVANT C. PATEL,

defendant herein, shall forfeit to the United States, any and all right, title, and interest they may have in any property, real and personal, which constitutes and is derived from proceeds traceable to the offenses charged in of the foregoing indictment.

3. The interests of the defendant subject to forfeiture pursuant to and Title 28, United States Code, Section 2461(c) include, but are not limited to, funds in the amount of approximately \$1,900,000 and any property constituting, derived from, and traceable to, the proceeds that the defendant obtained directly or indirectly as a result of the offense.

4. If any of the forfeitable property described above, as a result of any act or omission by the defendant:

- a. Cannot be located upon the exercise of due diligence;
- b. Has been transferred or sold to, or deposited with, a third party;
- c. Has been placed beyond the jurisdiction of the Court;
- d. Has been substantially diminished in value; or
- e. Has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c);

All pursuant to Title 18, United States Code, Section 982(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY