

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	No.
)	
v.)	Violation: Title 18, United States Code
)	Section 1341
DAVID GARGANO,)	
YOGESH PATEL, and)	
ARVIND LAKKAMSANI)	

The UNITED STATES ATTORNEY charges:

1. At times material to this Information:

a. The United States Postal Service was an agency of the United States that was responsible for the administration of the United States mail system, including the administration of postage.

b. Defendants YOGESH PATEL and ARVIND LAKKAMSANI owned and operated a bulk mailing company called Prodigy Mailing Services, Inc. (“Prodigy”), which was initially located in Bolingbrook, Illinois, and then relocated to Woodridge, Illinois. Defendant PATEL was the President of the company and owned approximately 94% of its stock. Defendant LAKKAMSANI was the Production Manager and owned the remaining approximately 6% of the stock.

c. Defendant DAVID GARGANO owned and operated Direct Mail Resources, Inc., which for a fee acted as a broker matching customers wanting to make bulk mailings with bulk mailing companies such as Prodigy. Defendant Gargano referred

a marketing company representing two energy companies to Prodigy for bulk mailing services (hereinafter referred to as “the Energy Companies”).

d. As part of its services, Prodigy assembled bulk mailings for customers and presented those bulk mailings to the Postal Service for delivery, which included arranging payment to the Postal Service for postage on those mailings. Prodigy ordinarily shipped the bulk mailings by interstate commercial carrier to the appropriate post office to be placed into the mail system and delivered.

e. Bulk mailing companies could pay for postage by writing checks made payable to the U.S. Postmaster.

f. Defendant GARGANO created a company and opened a bank account in the name of “Postmaster, Inc.”. His company had no relation to the U.S. Postmaster or the Postal Service.

g. The Postal Service required that a Verification Form (Form 8125) be completed for each bulk mailing before delivery to verify that payment for the bulk mailing had been made to the Postal Service. The Verification Form had to be signed by a Postal clerk and date-stamped with a Postal Service date-stamp (the “date-stamp”). Post offices would not accept a bulk mailing for delivery unless it was accompanied by a properly completed Verification Form, evidencing that payment had been made.

h. In order to facilitate bulk mailings, the Postal Service sometimes operated a detached mail unit (“unit”) at bulk mailing companies. The unit was set up in a secure area controlled by the Postal Service at the bulk mailer’s facility. The door to the unit was locked, and only Postal employees were authorized to have a key. The Postal

Service staffed the unit with Postal clerks, who verified the payment for delivery of bulk mailing materials.

i. Prodigy had a detached mail unit on its premises, which was staffed by a Postal clerk. The Postal Service kept the door to the detached mail unit at Prodigy locked. The Postal Service kept its date-stamp in a locked cabinet drawer inside the unit.

2. Beginning in or about March 2010, and continuing until in or about February 2015, in the Northern District of Illinois, Eastern Division, and elsewhere,

DAVID GARGANO,
YOGESH PATEL, and
ARVIND LAKKAMSANI,

defendants herein, devised, intended to devise, and participated in a scheme to defraud the Postal Service and certain customers, and to obtain money and property from the Postal Service and certain customers by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described below.

3. It was part of the scheme that defendants GARGANO, PATEL, and LAKKAMSANI fraudulently obtained from the Postal Service at least approximately \$16 million in bulk mailing delivery services, based on bulk mailings of more than 80 million pieces of mail, by making and causing to be made false statements to the Postal Service, to the Energy Companies, and to other customers, which false statements were designed to make it appear that funds provided by the Energy Companies and other customers had been used to pay the Postal Service for delivery services.

4. It was further part of the scheme that defendants GARGANO, PATEL, and LAKKAMSANI fraudulently caused the Postal Service to deliver numerous bulk mailings

without payment by creating and providing to the Postal Service forged and falsified Verification Forms, which forms falsely represented that payment for delivery had been made.

5. It was further part of the scheme that, in order to create the fraudulent Verification Forms, defendants GARGANO, PATEL, and LAKKAMSANI forged and caused to be forged on the Verification Forms the signature of a Postal clerk who worked at the detached mail unit in the Prodigy facility, without that clerk's knowledge or permission.

6. It was further part of the scheme that, in order to create the fraudulent Verification Forms, defendants GARGANO, PATEL, and LAKKAMSANI used, and caused to be used, a date-stamp that belonged to the Postal Service to stamp the Verification Forms, making it falsely appear that the Forms were authentic and had been verified by a Postal clerk.

7. It was further part of the scheme that, in order to obtain access to the Postal Service's date-stamp, defendants PATEL and LAKKAMSANI fraudulently maintained unauthorized keys to the locked detached mail unit and the cabinet drawer that held the date-stamp, and secretly used those keys to gain entry into the locked detached mail unit and locked cabinet drawer containing the date-stamp without the Postal Service's knowledge or approval.

8. It was further part of the scheme that defendants GARGANO, PATEL and LAKKAMSANI submitted and caused to be submitted the fraudulent Verification Forms to the Postal Service, by shipping and causing to be shipped the forms with the related bulk

mailings, through a commercial interstate carrier, to post offices around the United States for delivery of the bulk mailings.

9. It was further part of the scheme that defendants PATEL and LAKKAMSANI provided to the Postal Clerk, who worked at the detached mail unit, daily lists of bulk mailings being sent out by Prodigy, and defendants PATEL and LAKKAMSANI intentionally did not identify the bulk mailings being sent out by Prodigy with no postage having been paid, thereby fraudulently concealing those bulk mailings.

10. It was further part of the scheme that defendants GARGANO, PATEL, and LAKKAMSANI falsely represented, and caused others to falsely represent, to the Energy Companies that their funds would be used, and were used, to pay postage for their bulk mailings, when defendants knew that instead of paying the Postal Service with the those funds, they intended to and did misappropriate the funds for their own personal benefit.

11. It was further part of the scheme that defendants GARGANO, PATEL, and LAKKAMSANI fraudulently submitted documents, and caused others to fraudulently submit documents, to the Energy Companies requesting money to pay the postage for the clients' bulk mailings, when defendants knew that they intended to and did misappropriate those funds for their own benefit.

12. It was further part of the scheme that, in some instances when bulk mailings were sent out later than promised, defendants PATEL and LAKKAMSANI created, and caused to be created, false back-dated Postal mailing receipts, which were sent to certain customers, in order to make it falsely appear that the customers' bulk mailings had been mailed on time. In other instances, defendants PATEL and LAKKAMSANI fraudulently

held back, and did not mail, a portion of certain customers' bulk mailings, and misappropriated the funds relating to the postage for those portions of the bulk mailings.

13. It was further part of the scheme that defendants GARGANO, PATEL, and LAKKAMSANI misappropriated for their own benefit and the benefit of their families and businesses at least approximately \$16 million that the Energy Companies and other customers submitted for payment of bulk mailing postage.

14. It was further part of the scheme that defendants GARGANO, PATEL, and LAKKAMSANI agreed to an arrangement in which defendant GARGANO kept approximately 50% of the money paid for postage funds and paid the remaining approximately 50% to defendants PATEL and LAKKAMSANI.

15. It was further part of the scheme that, in order to conceal the misappropriation of funds, defendant GARGANO utilized a bank account in the name "Postmaster, Inc." and deposited funds from the Energy Companies into that account, thereby making it falsely appear that those funds were being paid to the Postal Service through the U.S. Postmaster.

16. It was further part of the scheme that defendants misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, the existence of the scheme, the purposes of the scheme, and acts done in furtherance of the scheme.

17. As a result of the scheme, defendants GARGANO, PATEL, and LAKKAMSANI fraudulently obtained bulk mailing services without paying any postage for those mailings, thereby causing a loss to the Postal Service of at least approximately \$16 million.

18. On or about June 10, 2014, in the Northern District of Illinois, Eastern Division, and elsewhere,

DAVID GARGANO,
YOGESH PATEL, and
ARVIND LAKKAMSANI,

defendants herein, for the purpose of executing the scheme to defraud, knowingly caused a bulk mailing and a fraudulent Postal Service Verification Form to be deposited to be sent and delivered by commercial interstate carrier, specifically ALG Worldwide Logistics, LLC, from the Prodigy facility, in Woodridge, Illinois, to a U.S. Post Office in Pontiac, Michigan, for mailing and distribution, which bulk mailing included 10 pallets of trays containing approximately 181,000 pieces of mail, together with a fraudulent Postal Service Verification Form that made it falsely appear that the postage due (approximately \$39,000) had been paid to the Postal Service;

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

UNITED STATES ATTORNEY