When Lawyers Cross the Line
Peter D. Williamson • Houston, Texas
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Some years ago, one of our teachers (I think it was Jay Foonberg, who writes for the ABA) instructed lawyers to keep a photograph of their family on the desk, facing the lawyer. The purpose was so that when the prospective client is giving a sob story and the fee is quoted, the lawyer should remember not to lower the fee much, that he or she still has to respond to the family in the photograph and not just to the prospective client. I was reminded of this when I read an ABA Journal article in 2013, about a lawyer in Florida who was sentenced to three years in prison for conspiracy to commit money laundering, obstruct justice and tamper with a witness. He appeared in court looking "ashen and resigned in his dark suit and silky pink tie, his head tilted downward." According to his lawyer, he was trying to help a friend in a divorce case. "He has lost his career . . . . His wife and child have moved out of their home . . . . He has no money left . . . . He's lost everything in the world."

The point is that there are more people involved in these cases than just the clients. You're involved in them up to your neck, and you're supposed to know all the rules that apply. That is, you're supposed to know the immigration rules; but you're also supposed to know the state bar rules, the rules of professional conduct, the state bar disciplinary rules, the state criminal law, the federal criminal law, and the DHS rules in 8 CFR 1003.102. The State Bar Act is in Chapter 81 of the Texas Government Code. The relevant sections in Volume 3A of the Texas Government Code, Sections 81.071 – 81.079 have to do with disciplinary jurisdiction, complaints and procedures. In Volume 3B, you'll find the State Bar Rules and the Rules of Disciplinary Procedure, and the Texas Disciplinary Rules of Professional Conduct. They run well over 500 pages. Other states have similar codes. You need to know these things and apply

them in everything you do, to protect yourself, and also the people in the photograph sitting on your desk, whose picture sits facing you. Remember them?

So where do we start? One easy and obvious place to begin, though often overlooked, is the preparer's statement on the immigration forms. These vary from form to form. For example, on the I-130 family sponsored visa petition, the preparer attests that,

> "By my signature, I certify, under penalty of perjury, that I prepared thispetition at the request of the petitioner. The petitioner then reviewed this completed petition and informed me that he or she understands all of the information contained in, and submitted with, his or her petition, including the **Petitioner's Declaration and Certification**, and that all of this information is complete, and correct. I completed this petition based only on information that the petitioner provided tome or authorized me to obtain or use.

On the I-589, the preparer's certification is similar, but adds:

> "I am aware that the knowing placement of false information on the Form I-589 may also subject me to civil penalties under 8 U.S.C. 1324c and/or criminal penalties under 18 U.S.C. 1546(a)."

In the supplemental materials you'll the find superseding information in Criminal Case No. H-07-330-01-S against a lawyer who violated this rule. Failure to disclose as a preparer can bring up to five years in prison.

Read 8 U.S.C. 1324, 8 U.S.C. 1325, and 18 U.S.C. 1001, as well as 18 U.S.C. 1546. Check out 18 U.S.C. 1621. Morris Kertzer tells us that there are many mountain tops, and all of them reach for the stars. There are many of these statutes, and all of them are reaching for those who get too close to the line.

Deny everything? Don't. There is no "exculpatory no" in this system. See *Brogan v. United States*, 522 U.S. 398 (1998). Tell the truth or remain silent. The same thing applies in

the Texas Penal Code, Sec. 37.08, by the way, where the offense is called "false report to a peace officer." *McGee v. State,* (Tx. Crim. App. 1984) 671 SW2d 892.

As for your client's fibs, keep 18 U.S.C. 371 in mind. It states:

> "If two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined under this title or imprisoned not more than five years, or both."

It was the only criminal charge in the superceding indictment against the lawyer in Case No. H-05-392-55 (S.D. Tx), though later on charges of visa fraud were added and she was convicted and sentenced to 51 months in federal prison.

You don't want to get cute with any of these things. There's a concept in criminal law called "willful blindness," (sometimes called the ostrich defense). If you think the client is not being truthful and candid, and if you just let it go, you might be flying a bit too low for safety.

Willful blindness is a term used in criminal law to refer to the acts of a person who intentionally fails to be informed about matters that would make the person criminally liable. It describes an attempt to avoid civil or criminal liability for a wrongful act by intentionally putting oneself in a position to be unaware of facts which create liability. (from http://definitions.uslegal.com)

Here's an example:

Rick: Now you finish locking up, will ya, Carl.

Carl: I will. Then I am going to the meeting of the –

Rick (interrupting): Don't tell me where you're going.

Carl (with a smile): I won't.

Casablanca, from the movie script, p. 124, scene 225.

See also Texas Disciplinary Rules of Professional Conduct in the State Bar Rules, Texas Government Code, Appendix T.2, Subt. G, App. A, Art. 10, Sec. 9, especially the definition of "knowingly," where it states that "a person's knowledge may be inferred from circumstances." There is a separate definition of "should know," meaning "when used in reference to a lawyer denotes that a reasonable lawyer under the same or similar circumstances would know the matter in question." I may not know what a "reasonable lawyer" is, but I know enough to see that I'm not being judged by the same rules that apply to other people.

See also *United States v. Brooks, et al*, 681 F.3d 678, (5th Cir., 2012); *Global-tech Appliances, Inc., et al v. SEB S.A.*, 563 U.S. 754 (2011). The father of Mr. Trump's son-in-law was convicted using this concept of willful blindness. *U.S. v. Stadtmaier,* 620 F.3d 238 (3rd Cir., 2010).

In the unnumbered indictment pending in the District of Columbia, at paragraph 14, (not yet taken to trial), the attorney-defendant was caught on tape saying "I don't really care who you ask but we need an answer from someone we can rely on with a straight face." I don't know if this was willful blindness or something else, but I do know that this lawyer got too close to the line.

Are all of these investigations and arrests handled by DHS? Not at all!

A few years ago, the Securities and Exchange Commission made three immigration lawyers pay almost $750,000 in penalties and interest for acting as unregistered broker-dealers in handling EB-5 cases. The lawyer for one of them was quoted in the news article as saying

that he didn't think "the immigration bar was truly educated about the securities law implications."

Lesson taken. Consider that local and state police agencies are often involved, as well as the Postal Inspectors, the FBI, the DSS, HSI . . . and it doesn't stop there. Mail fraud. Identity theft. I've included several indictments with these materials so you can get an idea of the possible range of transgressions.

Where does that leave us? Well, we know that most of the cases are not likely to end up in criminal courts. For all that happens, lightning doesn't strike all that often. According to the Transactional Records Access Clearinghouse (TRAC), in one recent year there were 4,341 federal immigration related prosecutions, but only 64 involved visa fraud and the like. About two thirds of those were in Texas. More likely, any prosecutions of lawyers will be in the form of a letter from the disciplinary counsel of the Executive Office for Immigration Review or from the disciplinary counsel of the DHS asking you to explain why you shouldn't be sanctioned for a violation of some of the rules in 8 C.F.R. 1003.102. This will be enough to drive you crazy because of the vague nature of some of the rules. For example, "engages in frivolous behavior in a proceeding before an immigration court, the board, or any other administrative appellate body" or "engages in conduct that is prejudicial to the administration of justice or undermines the integrity of the administrative process." There's a good one! Or "fails to provide competent representation to a client." Who are they to say? By the way, the state grievance complaint tells who the complainant is. Not so with the DHS or EOIR disciplinary counsel.

So, these concepts in 1003.102 can be difficult to grasp and understand. The only advice I can give at this time is that you read this entire section 1003.102. And, if you receive one of those letters, do not – **NOT** – try to respond yourself. Get a lawyer.

A few years ago, the State Bar had an immigration law panel in which I was the discussion leader. My co-panelists were a criminal defense lawyer and a high-ranking official from the office of the U.S. Attorney. When we started our preparation and discussing issues such as how far a lawyer should go in checking things out when he or she didn't really believe the client – for example, in a marriage case should the lawyer perform a home visit? – the AUSA took the position, prior to the presentation, that a lawyer should do just that; and the criminal defense lawyer said just the opposite. But when we had the presentation three hours later, things had changed. The AUSA did not feel that it was an obligation of the lawyer to perform such a home visit, even if he or she thought there might be something odd about the circumstances. The criminal defense lawyer, on the other hand, felt that the lawyer should go check things out. It was an interesting switch and has illustrated to me ever since that there are no answers. You have to know what the rules are. Follow your conscience. You have to do what's right for you, and those who work for you, who depend on you, and who love you. Walk the line, but don't cross it.

There's the photograph on your desk. You have to do what's right for them.

When I started in this business, I believed I was just filling out a bunch of forms. I could not have been more wrong. A few rules to follow:

1. Watch your back.
2. Always consider that the client is wearing a wire.

3. Your client is not your friend. (Who do you think testifies against the lawyers in these cases?)
4. C.Y.A. Write letters. Send emails. Make memoranda to the file. Date everything. Paperless offices can be your worst enemy, unless the information you need to protect yourself is there in some electronic format, accessible to you (or to your lawyer). This means you have to charge more to cover the cost of this effort.
5. Carry malpractice insurance.
6. Know who to call, and have their name and phone number handy.

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JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, April 11, 2019

Washington-Based Lawyer Indicted on Charge of Making False Statements to the Department of Justice

A federal grand jury today returned an indictment charging Gregory B. Craig, a Washington-based lawyer, with making false statements and concealing material information about his activities on behalf of Ukraine from the Department of Justice, National Security Division's Foreign Agents Registration Act Unit (FARA Unit).

The announcement was made by Assistant Attorney General for National Security John C. Demers, U.S. Attorney Jessie K. Liu for the District of Columbia, and Assistant Director in Charge William F. Sweeney, Jr. of the FBI's New York Field Office.

Craig, 74, of Washington, D.C., was indicted by a grand jury in the U.S. District Court for the District of Columbia for willfully falsifying and concealing material facts from the FARA Unit, in violation of Title 18, United States Code, Section 1001(a)(1), and for making false and misleading statements to the FARA Unit, in violation Title 22, United States Code, Section 618(a)(2).

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws and is not evidence of guilt. Every defendant is presumed innocent until, and unless, proven guilty.

The maximum penalties for the charged offenses are, respectively, five years' imprisonment and a $250,000 fine, and five years' imprisonment and a $10,000 fine. The maximum statutory sentence for federal offenses is prescribed by Congress and is provided here for informational purposes. The sentencing will be determined by the court based on the advisory Sentencing Guidelines and other statutory factors.

Craig is to be arraigned at a date to be scheduled by the Court.

This case is being investigated by the FBI's New York Field Office. It is being prosecuted by Assistant U.S. Attorneys Fernando Campoamor-Sanchez and Molly Gaston of the U.S. Attorney's Office for the District of Columbia and Trial Attorney Jason McCullough of the Justice Department's National Security Division.

Attachment(s):
Download Craig Indictment

Component(s):
National Security Division (NSD)
USAO - District of Columbia

Press Release Number:
19-370

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Holding a Criminal Term
Grand Jury Sworn in on May 3, 2018

UNITED STATES OF AMERICA	:	**CRIMINAL NO.**
	:	
v.	:	
	:	**VIOLATIONS:**
GREGORY B. CRAIG,	:	
	:	**Count 1: 18 U.S.C. § 1001(a)(1)**
Defendant.	:	**(False Statements Scheme)**
	:	
	:	**Count 2: 22 U.S.C. §§ 612 and 618**
	:	**(False and Misleading Statements)**
	:	
	:	

INDICTMENT

The Grand Jury charges that:

1. At all times material to this indictment:

Introduction

2. The defendant, GREGORY B. CRAIG, was an attorney and partner at an international law firm ("Law Firm"). Immediately before joining the Law Firm and at other points in his legal career, CRAIG had held positions in the executive branch of the federal government.

3. The Foreign Agents Registration Act ("FARA"), 22 U.S.C. §§ 611-621, was and is a disclosure statute that requires any person acting as "an agent of a foreign principal" to register with the Attorney General in connection with certain types of activities, such as political or public relations efforts on behalf of the foreign principal. Such registrations are made to the U.S. Department of Justice, National Security Division's Foreign Agents Registration Act Unit ("FARA Unit"). It is a crime to knowingly and willfully fail to register, and to make false and misleading

statements or material omissions in documents submitted to the FARA Unit under the law's provisions.

4. The purpose of FARA is to prevent covert influence by foreign principals. Proper registration under the statute allows the U.S. government and the American people to evaluate the statements and activities of individuals who are serving as agents of foreign principals. Among other things, a FARA registration reveals the identity of the foreign principal on whose behalf a registrant performs services, the type of services the registrant provides the foreign principal, and the source and amount of compensation the registrant receives from the foreign principal.

5. The Government of Ukraine, a country in Eastern Europe, was and is a foreign principal under FARA.

6. In or about October 2011, the Prosecutor General's Office of the Government of Ukraine prosecuted former Ukrainian Prime Minister Yulia Tymoshenko for abusing her official powers in office. Tymoshenko was convicted and sentenced to seven years in prison. Her prosecution was widely criticized by Western governments and media as politically motivated and unfair.

CRAIG and the Law Firm's Work for Ukraine

7. In or about early 2012, in the face of the international criticism regarding Tymoshenko's trial, Ukraine engaged the Law Firm and CRAIG, as lead partner, to conduct an independent inquiry into whether, under Western standards of justice, Tymoshenko had received a fair trial, and to prepare a report based on that inquiry ("Report"). Ukraine planned to deploy the Report as part of a strategy headed by an American lobbyist ("Lobbyist") whom Ukraine had employed to, among other things, improve Ukraine's international public image. In connection

with the engagement, and throughout the preparation of the Report, CRAIG coordinated closely with the Lobbyist.

8. From the outset of the Ukraine project, CRAIG was aware of FARA's registration requirements. CRAIG did not want to register as an agent for the Government of Ukraine, however, at least in part because he believed doing so could prevent him or others at the Law Firm from taking positions in the federal government in the future. Moreover, as described in more detail below, registration would have required CRAIG to disclose that a third party had paid the Law Firm more than $4 million for the Report, and that the Law Firm had a parallel engagement with Ukraine to assist in the prosecution of Tymoshenko on additional charges. These disclosures, as well as the fact of registration itself, would have undermined the Report and CRAIG's perceived independence.

9. On or about February 13, 2012, Craig emailed a Law Firm partner and co-author ("Co-Author") of the Report, writing, "I don't want to register as a foreign agent under FARA. I think we don't have to with this assignment, yes?" CRAIG and other Law Firm attorneys thereafter exchanged emails discussing the FARA statute.

10. On or about February 20, 2012, CRAIG drafted a retainer agreement for a "Preliminary Engagement" period during which CRAIG and Co-Author would travel to Kiev, Ukraine and discuss the proposed retention of the Law Firm for the Report. In order to enter into the Preliminary Engagement, CRAIG required an advance of $150,000. The retainer agreement for the Preliminary Engagement stated that the "fee for the Engagement itself will be determined after the Preliminary Engagement has been completed."

11. On or about March 19, 2012, CRAIG postponed the trip to Kiev for the Preliminary Engagement because the Law Firm had not received the $150,000 advance. When, the following

day, CRAIG was assured that the funding had been sent and would arrive in U.S. accounts the next day, CRAIG immediately rescheduled the trip.

12. On or about April 6, 2012, while in Kiev, CRAIG met with a wealthy private Ukrainian ("Private Ukrainian"). Soon thereafter, the Private Ukrainian agreed to fully fund the Report, committing to provide the Law Firm with $4 million for its work, in addition to the $150,000 retainer that he had previously provided.

13. In or around April 2012, CRAIG prepared and signed a formal engagement letter for the Ministry of Justice of Ukraine. The letter specifically stated that CRAIG and the Law Firm would not perform work requiring them to register under FARA. The engagement letter omitted any mention of the amount of money CRAIG would be paid or the source of that money; CRAIG'S letter did not disclose that he and the Law Firm would be paid $4 million for their services and that the money would be paid by the Private Ukrainian. In turn, the Ukrainian Ministry of Justice executed a contract for CRAIG's services, which falsely set out a total fee for the work to be completed of 95,000 Ukrainian hryvnyas, or approximately $12,000 U.S. dollars.

14. After entering into the formal engagement with Ukraine, on or about April 13, 2012, CRAIG told his Co-Author, "We really need advice very soon on FARA. Specifically, they have asked for PR advice. Can we designate one person on the team to be the FARA registrar without requiring all of us to register?" On or about April 16, 2012, CRAIG again raised FARA with Co-Author, and Co-Author suggested consulting a Law Firm partner who had experience with FARA. CRAIG responded, "I don't really care who you ask but we need an answer from someone who we can rely on with a straight face."

15. On or about April 17, 2012, a Law Firm associate relayed the advice from the partner with FARA experience to CRAIG by email, writing that "if we were to perform public relations

work aimed at the US, if our London lawyers were to do so, or if we were to subcontract with a PR firm to do so, then we would be obligated to register under FARA." CRAIG's Co-Author shared this advice with CRAIG, and told CRAIG that the Law Firm should not engage in PR services. CRAIG agreed with his Co-Author and proclaimed it "[g]ood advice."

16. Concurrently with work on the Report, the Law Firm undertook a second project on behalf of Ukraine, to consult on Tymoshenko's upcoming second trial ("Consulting Project"). On or about April 5, 2012, CRAIG wrote in an email to his Co-Author that the second project would "help make it go better and look better vis a vis the West."

17. On or about April 30, 2012, CRAIG forwarded the Lobbyist a list of four suggested public relations organizations that could craft messaging and strategy regarding the release of the Report, including a particular firm with which CRAIG had previously worked ("PR Firm").

18. On or about May 7, 2012, CRAIG generated talking points stating that PR Firm was the right choice for Ukraine because "they will be with us in the battle." In addition, he wrote, "Ukraine is taking a public relations hit every day in every Western publication – and there has been no effective response. The damage may be irreversible." The Government of Ukraine, with the Lobbyist's assistance, engaged the PR Firm that CRAIG had recommended to perform public relations work in Europe related to the Law Firm's Report.

19. On or about May 22, 2012, CRAIG emailed the Lobbyist to warn him that Tymoshenko's counsel might speak to newspapers about the Law Firm's efforts to interview her in connection with the Report. CRAIG wrote, "In any event, you should have a heads up that our project might be in the newspapers tomorrow. Our [PR Firm] people are working with the Justice Ministry people to prepare a statement."

20. On or about May 29, 2012, when a PR Firm executive proposed that the PR Firm subcontract to the Law Firm, CRAIG rejected the idea, admitting, "I have been clear that we cannot run close to the FARA line and if we were seen as hiring and directing [PR Firm] we would be doing much more than just lawyering."

21. On or about July 30, 2012, CRAIG and the Lobbyist exchanged emails about their fear that the draft Report would be leaked, and the need for messaging about the Report to be nuanced to ensure that it be perceived as independent. CRAIG wrote, "The worst thing that could happen to the project, to this law firm, to your guy and to me would be to have someone on your side falsely leak a story that '[Law Firm] Finds Tymoshenko Guilty' '[Law Firm] Report Exonerates Ukraine.' That kind of story would be a disaster. We have to join arms to get something just a little more nuanced. Yes?"

22. As the Report neared completion in or around August 2012, CRAIG halted work on the Consulting Project for fear that the Law Firm's involvement would become public. CRAIG wrote to his Co-Author and other Law Firm attorneys on or about August 30, 2012: "I am concerned that [Law Firm's] activity in [the Consulting Project] might surface before the report comes out, and that would do enormous damage to the credibility of [the Report]." Later in the email conversation, he continued, "[E]verything would be better, I think, if [the Report] could be released and absorbed and discussed before [the Consulting Project] truly got underway."

23. Throughout the spring and summer of 2012, as CRAIG and others prepared the Report, the Law Firm received in excess of $4 million dollars from the Private Ukrainian, as promised. The payments were passed from the Private Ukrainian to the Law Firm through a third-party nominee bank account in Cyprus controlled by the Lobbyist. The Private Ukrainian's role in

paying CRAIG and the Law Firm on Ukraine's behalf was not publicly disclosed, leading to criticism by Ukrainian media concerning the engagement's lack of transparency.

24. For instance, on or about August 9, 2012, a Ukrainian newspaper ran an editorial titled "[Law Firm] Stink," alleging that the publicly-disclosed figure of $12,000 could not seriously have been the total amount that Ukraine was paying the Law Firm. The editorial continued, "These facts fuel speculation that [Law Firm] is being paid by someone on the side. No one knows who is paying [Law Firm], and it's a question the company is ignoring. So the public may never know of conflicts of interest, or worse things, that may lurk behind this arrangement. We hope that [Law Firm] will address these serious concerns."

25. On or about August 9, 2012, CRAIG's Co-Author forwarded the Ukrainian newspaper's editorial to CRAIG and wrote, "We really need to get them to disclose the funding." CRAIG replied that he had already told the Lobbyist that he needed to get the Private Ukrainian "out whether voluntarily or non voluntarily." Co-Author again raised the disclosure issue on or about August 10, 2012, following up on a phone conversation with CRAIG the previous evening, writing, "You were mentioning the Ukraine payment situation last night . . . . I really think we need to get it out there as soon as we can" and that a failure to do so could "put us in a very deep hole in the western press." The Lobbyist, however, advised CRAIG on or about August 14, 2012, that the Private Ukrainian objected to being publicly identified.

26. On or about August 15, 2012, CRAIG confirmed to the Lobbyist that the Private Ukrainian's answer to whether his identity and role could be disclosed was "a firm and unqualified 'No.'" The Lobbyist then emailed CRAIG about discussing a "payment mechanism." On or about August 16, 2012, the Lobbyist wrote to CRAIG, "Is the number $1,300,000 good for official

submission?" CRAIG responded, "My thought is $250,000 per month which is either $1.25 million or $1.5 million." The Lobbyist replied, "Ok I will tell them 1.250."

27. The next week, between on or about August 20, 2012, and on or about August 22, 2012, CRAIG and the Lobbyist exchanged emails and documents to create a backdated letter and false invoice from the Law Firm to the Ukrainian Ministry of Justice, which lent the appearance that CRAIG and the Law Firm's work was paid for by the Ukrainian government, not the Private Ukrainian:

a. On or about August 20, 2012, the Lobbyist directed CRAIG to provide him with a letter addressed to the Ministry of Justice, back-dated to July 18, 2012, and an invoice for $1,250,000 for services rendered.

b. Two days later, on or about August 22, 2012, CRAIG sent the Lobbyist a letter on Law Firm letterhead—dated the same day, August 22—claiming, as the Lobbyist had asked, that "[f]or services rendered during the months of April, May, June, July and August, there is an outstanding balance due of $250,000 per month for a total of $1.25 million."

c. On or about August 23, 2012, the Lobbyist responded to CRAIG and attached a draft letter for CRAIG's signature; the Lobbyist asked CRAIG to back-date it to July 18, 2012, and to send it back to the Lobbyist so the Lobbyist had what he "needed for administrative purposes."

d. That same day, on or about August 23, 2012, CRAIG edited the letter that the Lobbyist had provided to him, set it on Law Firm letterhead with a date of July 16, 2012, and signed it.

e. Neither the letter nor any corresponding invoice was entered into the Law Firm's accounting system. In fact, at the point CRAIG prepared the invoice and back-dated the letter at the Lobbyist's request, the Law Firm still had unused funds from the Private Ukrainian's advance payments of $4,150,000.

A truthful and complete FARA registration by CRAIG would have made a public record of the Private Ukrainian's role in funding the report, and the amounts he paid to the Law Firm.

28. On or about August 28, 2012, the PR Firm's public relations strategy documents were forwarded to CRAIG. Despite including a statement that "[the Law Firm] cannot proactively lead in communications, given their restrictions by FARA registration and disclosure," the documents included a spreadsheet titled "Master Control Grid," which stated that on the day before the Report's public release, CRAIG would provide "[m]edia briefings" to select journalists to be later identified.

29. In or about late August 2012, CRAIG and the Law Firm completed a draft of their Report evaluating Tymoshenko's trial.

30. On or about September 13, 2012, the Lobbyist emailed CRAIG a draft public relations plan in preparation for the Report's release, which at the time was planned for September 2012 before it was subsequently delayed until December 2012. The Lobbyist wrote, "I wanted to get this document to you to bring your thinking into the process." The attachment stated that the Report's public release would "provide an opportunity for the independent endorsement of the Government message that the trial of Yulia Tymoshenko (YT) was not politically motivated and that her conviction was based on evidence before the court." It proposed leaking the Report to a selected media outlet before its public release, having a former Congressman ("former Congressman") of a U.S.-based lobbying firm working for the Government of Ukraine pre-brief

the selected journalist on the Report, and then ensuring that the journalist would be "given an off-the record briefing call with [CRAIG]."

31. On or about September 23, 2012, the Lobbyist, a senior executive of the PR Firm, and others met with CRAIG in New York City. At the meeting, CRAIG agreed to provide a copy of the Report and to brief a selected reporter in connection with its public release, and CRAIG suggested the name of a specific reporter, from a major U.S. newspaper, whom CRAIG knew ("Reporter 1"). In addition, CRAIG agreed that he and others would "background" reporters by speaking with them off the record in connection with the Report's release.

32. The following day, on or about September 24, 2012, CRAIG emailed the Lobbyist and PR Firm to inform them that CRAIG had learned that neither he nor anyone else from his team could "background" journalists, as he had agreed to do during the meeting, because it was against the Law Firm's policy.

33. Despite this, however, on or about October 2, 2012, CRAIG emailed Reporter 1 and asked if him if he would take a call from the former Congressman regarding CRAIG's Report. Reporter 1 replied affirmatively. On or about October 3, 2012, CRAIG sent Reporter 1's contact information to the former Congressman and directed CRAIG's assistant to have a hard copy of the draft Report delivered to the former Congressman's office. The final release of the Report was then delayed from its planned date of on or about October 9, 2012, however, and Reporter 1 did not receive the Report from the former Congressman.

34. CRAIG incorporated additional comments from Ukraine on the draft of the Report in or about November 2012. The final Report that Ukraine accepted in or about November 2012 disclosed neither the fact of CRAIG's parallel engagement with Ukraine, nor the source or amount of funding that the Private Ukrainian had paid the Law Firm for the Report.

35. On or about November 26, 2012, CRAIG drafted a "Memorandum to File" in which he discussed his personal opinion on "the strengths and weaknesses of Tymoshenko's case in the European Court of Human Rights." CRAIG listed several reasons a court in the United States would grant Tymoshenko a new trial. And, CRAIG wrote of Tymoshenko, "[t]he evidence of criminal intent – i.e., that she intended to commit a crime – is virtually non-existent." CRAIG did not include this conclusion in the Report.

36. In or about early December 2012, the Government of Ukraine determined that it was ready to release the Report, and the PR Firm proceeded to finalize plans for the media strategy surrounding the Report's publication. The PR Firm's plans, updated on or about December 6, 2012, specified that the PR Firm and CRAIG would provide an exclusive advance copy of the Report to Reporter 1, and that CRAIG would then give Reporter 1 an on-the-record interview. The PR Firm plan also specified that as a condition of the exclusive access provided, Reporter 1's newspaper would publish an article before the official release of the Report by the Government of Ukraine. In addition, CRAIG's contact at the PR Firm ("PR Firm Manager") contemplated that CRAIG would provide an interview to a reporter for a newspaper in the United Kingdom.

37. On or about December 10, 2012, three days before the Report's December 13, 2012, planned public release, the PR Firm Manager emailed Reporter 1, writing,

> I'm working with Greg Craig of [the Law Firm] (who I understand you know well) and his client, the Ukrainian Ministry of Justice, on a report Greg has written on the Tymoshenko prosecution. We were wondering whether you'd be interested in receiving the report and a briefing with Greg on an exclusive basis in the States. If so, I could email you the report ahead of tomorrow morning your time, and arrange for a call with Greg towards the end of the day, if that works for you.

When Reporter 1 replied with confusion, because he had been told about the Report in October 2012 when CRAIG had connected him with the former Congressman, but had not ultimately

received the draft or any follow-up, the PR Firm Manager forwarded the email exchange to CRAIG and wrote, among other things, "Many thanks for your efforts."

38. The following day, on or about December 11, 2012, CRAIG renewed contact with Reporter 1, writing:

> I just learned that the Ukrainians intend to release our report about the Tymoshenko case on Thursday – finally – and that the Ukrainians have determined that you should be given first look at it. . . . [I]f you are interested, I would be happy to get you a copy (all 186 pages of it) and even happier to talk to you about it.

CRAIG then forwarded this message to the PR Firm Manager, who responded, "Thank you very much for this. If you don't hear back from him by 1500, it might be best to speak to your [other major U.S. newspaper] contact as time is short. Is that ok with you?" CRAIG responded, "We are on it." The PR Firm Manager replied, "Thank you. They are pressing me for reassurance here so any update would be very welcome. I hope the chat goes well."

39. Also on or about December 11, 2012, CRAIG spoke to Reporter 1 about the Report, attempted to email him an electronic copy, and personally hand-delivered a hard copy of the Report to Reporter 1's home in Washington, D.C. CRAIG also exchanged emails with the PR Firm Manager to inform him that CRAIG had connected with Reporter 1. He wrote, "We told [Reporter 1] that it was his if he wanted to use it. He agreed to get back to us with an answer tomorrow. Tomorrow is not too late for [another U.S. reporter] or for [another major U.S. newspaper].

40. On or about December 12, 2012, CRAIG received an emailed list of six questions in advance of a scheduled telephone interview of CRAIG by Reporter 1's colleague and co-writer based in Moscow ("Reporter 2"). CRAIG provided an interview to Reporter 2 and emailed an on-the-record quotation to Reporter 1 in Washington: "We leave to others the question of whether this prosecution was politically motivated. Our assignment was to look at the evidence in the record and determine whether the trial was fair." Later that evening, in advance of the Report's public

release by Ukraine, Reporter 1 and Reporter 2's newspaper published their article about the Report. The article included CRAIG's prepared quotation and stated that the Report would be publicly released the following day. It also described that the Report "concluded that important legal rights of the jailed former prime minister, Yulia V. Tymoshenko, were violated during her trial last year" but that "the lawyers, from [the Law Firm], seemed to side heavily with the government of President Viktor F. Yanukovich, which commissioned their report."

41. Also on or about December 12, 2012, consistent with the PR Firm's media plan, CRAIG gave an interview to the U.K. newspaper reporter who had been identified in the media plan.

42. As a result of these acts in furtherance of Ukraine's public relations strategy regarding the Report, CRAIG had an obligation under FARA to register as an agent of Ukraine.

43. The Government of Ukraine made the Report public shortly thereafter, on or about December 13, 2012.

44. After the Report's release, the Law Firm responded to inquiries from two other U.S. publications.

45. On or about December 13, 2012, the Lobbyist sent CRAIG an email bearing the subject line, "Well Done." The Lobbyist wrote: "The pro has emerged again. The initial rollout has been very effective and your backgrounding has been key to it all. At least today, everyone in Kyiv is quite happy. They liked the Report and are especially happy with the way the media is playing it." CRAIG responded, "I thought the piece in the [Ukrainian newspaper] was terrific. I am glad it went so well."

46. On or about December 15, 2012, the Lobbyist sent CRAIG a list of media coverage regarding the Report, and wrote, "You are back in the headlines internationally . . . People in Kiev are very happy. You are 'THE MAN.'"

COUNT ONE
(False Statements Scheme)

47. The allegations set forth in paragraphs 1 through 46 of this indictment are realleged and incorporated by reference.

48. From on or about June 3, 2013, to on or about January 16, 2014, in the District of Columbia and elsewhere, the defendant,

GREGORY B. CRAIG,

did unlawfully, knowingly and willfully falsify, conceal and cover up by a trick, scheme, and device material facts in a matter within the jurisdiction of the FARA Unit, a section of the National Security Division of the Department of Justice, an agency of the executive branch of the government of the United States.

PURPOSE OF THE SCHEME

49. The purpose of the scheme was for CRAIG to avoid registration as an agent of Ukraine. Registration would require disclosure of the fact that Private Ukrainian had paid CRAIG and the Law Firm more than $4 million for the Report and the Law Firm's parallel engagement with Ukraine (*i.e.*, the Consulting Project); undermine the Report and CRAIG's perceived independence; and impair the ability of CRAIG and others at the Law Firm to later return to government positions.

MANNER AND MEANS

50. The manner and means included the following:

a. CRAIG withheld information regarding his contacts with Reporter 1 and Reporter 2 from a number of attorneys at the Law Firm;

b. CRAIG drafted false and misleading descriptions of his media contacts, in particular his contacts with Reporter 1 and Reporter 2, for distribution within the Law Firm and to the FARA Unit; and

c. CRAIG omitted material facts regarding his acts in furtherance of Ukraine's media plan and CRAIG's contacts with Reporter 1 and Reporter 2 in his communications with the FARA Unit.

EXECUTION OF THE SCHEME

51. On or about December 18, 2012, less than one week after CRAIG provided an interview and quotation to Reporter 1 and Reporter 2, and gave an interview to the U.K. newspaper, the FARA Unit sent a letter to the Law Firm advising that the Law Firm's work on behalf of Ukraine may require it to register as an agent, and requesting additional information in order to make an informed determination.

52. Under FARA, when responding to the FARA Unit's inquiries, CRAIG had a duty to provide material information and not to willfully make misleading statements or omit material facts.

53. On or about February 6, 2013, the Law Firm submitted to the FARA Unit its initial response, bearing CRAIG's signature. The response described the provision of the April 2012 engagement letter that specified that the Law Firm would not perform activities that required it to register under FARA. It made no reference to CRAIG's contacts with the U.S. media surrounding the release of the Report or Craig's involvement in the PR Firm's media plan.

54. On or about April 9, 2013, the FARA Unit sent a follow-up letter, addressed to CRAIG, requesting additional information about his activity on behalf of Ukraine. In particular, the letter asked, among other things, "To whom, if anyone, did your firm release or distribute the

report and when?"; what had been the Law Firm's understanding of "what would happen to the report when it was released to the Ukrainian Ministry of Justice?"; and "Did you or anyone in your firm have any media interviews or comments to the media, public, or government officials about the report and the findings of your firm?" The letter also asked for information about the amount of money paid to the Law Firm by the private citizen of Ukraine, and his identity.

55. Throughout in or about April and May 2013, CRAIG worked with his Co-Author to respond to the FARA Unit. Craig drafted the letter's substantive content regarding his own contacts with the media and the timing and intent of those contacts.

56. On or about June 3, 2013, CRAIG sent his and the Law Firm's formal response to the FARA Unit. CRAIG's letter contained the following material false and misleading statements and omissions:

- The letter stated that "the law firm on December 12-13, 2012 provided a copy of the report to (1) [Tymoshenko's legal team]; (2) [a representative of the Private Ukrainian]; (3) [Reporter 1]" and the two publications with which the Law Firm had communicated after the Report's release.
- CRAIG claimed that "[t]he law firm viewed the distribution of the report as a matter that would be decided by the Ukraine Government in its sole discretion. The law firm did not advise the Ministry on that issue."
- The letter also stated that the Law Firm "issued no statements and made no comments to the media, the public or government officials about the report. Gregory Craig provided brief clarifying statements about the report to [Reporter 1]" and the other reporters to whom the firm had responded after the report's public release. The letter continued, "One purpose of the statements was to correct misinformation that the media

had received – and was reporting – from the Ministry of Justice and from the Tymoshenko legal team in Ukraine."

57. Based on CRAIG's claim that his and the Law Firm's activities did not require registration under FARA, the June 3, 2013, letter to the FARA Unit also declined to identify the Private Ukrainian who had funded the Report, or state how much the Law Firm had been paid for the Report.

58. On or about September 5, 2013, the FARA Unit sent the Law Firm and Craig a letter advising that it had determined that the Law Firm had acted as Ukraine's agent through the dissemination of the Report and communication with the media, and that the Law Firm would thus need to register under FARA. CRAIG forwarded the letter to the Law Firm's General Counsel and its Head of Litigation and wrote, "DOJ has concluded that we should register under FARA. I am looking at what options are available, if any."

59. On or about September 19, 2013, CRAIG spoke to the Law Firm's General Counsel and advocated that the Law Firm resist registering under FARA. Also on or about September 19, 2013, CRAIG sent the Law Firm's General Counsel the following email, bearing the subject line "FARA," in which CRAIG provided false and misleading information about CRAIG's media contacts:

Just for the record:

(1) [The Law Firm] did not "disseminate the report to the news media." Three media outlets who were not able to obtain a copy of the report from the Ministry in Kiev, contacted us and asked us to provide them with a copy. The report was a public document.

(2) At no time did [the Law Firm] "contact the media." Quite to the contrary, we were approached by the media – asked for interviews, asked for background commentary, etc. – and we did not respond. The only time we responded was to correct misinformation.

(3) To the best of my recollection, our statements to the press were not about Ukraine. They were to correct misinformation. The statements were about our report and us.

60. On or about September 20, 2013, CRAIG sent to the Law Firm's General Counsel a draft response letter to the FARA Unit that repeated these same false and misleading statements, including that:

- When CRAIG gave the Report to Reporter 1 and the two publications with which the Law Firm had communicated after the Report's public release, it was because Ukrainian authorities had already publicly released it "much earlier in that day, but these three outlets – for some reason – had not been able to obtain copies of the report. They approached the firm, asked us if we could provide them with a copy, and we did so."
- "No one in this law firm initiated any contacts with the media."
- "[M]y contact with [the three journalists] was for the sole purpose of defending my law firm and correcting misinformation."

Instead of sending any version of this letter, however, CRAIG and the Law Firm made plans to meet in person with the FARA Unit. The Law Firm's internal document tracking system showed that CRAIG edited the September 20, 2013 draft on or about September 24, 2013, and accessed the electronic version of the document on or about September 26, October 4, and October 9, 2013.

61. On or about October 9, 2013, CRAIG, the Law Firm's General Counsel, and the partner with FARA experience met with the Chief of the FARA Unit and other FARA Unit staff. In that meeting, CRAIG made false and misleading statements to the FARA Unit that were consistent with the misleading statements he had made to the Law Firm's General Counsel orally and in writing on or about September 19 and 20, 2013. In particular, CRAIG claimed that his media contacts were solely reactive and for the purpose of correcting misinformation.

62. On or about October 11, 2013, at the FARA Unit's request, CRAIG sent a formal written response to the FARA Unit, which reiterated some of CRAIG's false and misleading statements from the meeting on October 9, 2013. In the response, CRAIG claimed:

- that the Law Firm "provided a copy of the Tymoshenko Report ('the Report') to certain U.S. media outlets. This was done in response to requests from the media."
- "In responding to inaccuracies in U.S. news reports – some of which were directly attributable to Ukraine – [the Law Firm] did not consult with Ukraine, did not inform Ukraine, did not act under instruction from Ukraine and was in no way serving as an agent for Ukraine."

63. At no time, either in writing or in person, did CRAIG inform the FARA Unit of various facts material to the FARA Unit's inquiry, including:

- that CRAIG generated the report, knowing and intending that the Lobbyist and his client, the Government of Ukraine, planned to release it publicly to influence U.S. public opinion and policy, and that such influence was the purpose for which Ukraine commissioned the Report;
- that CRAIG had recommended and facilitated Ukraine's hiring of the PR Firm;
- that CRAIG had been informed of the PR Firm's evolving media strategy throughout the fall of 2012;
- that CRAIG had met with the Lobbyist, a senior executive of the PR Firm, and others on September 23, 2012, in New York City and discussed the PR Firm's plans, and that CRAIG had suggested that Reporter 1 receive a copy of the Report in connection with the Report's rollout;

- that CRAIG had, consistent with the media strategy, connected Reporter 1 and the former Congressman in or about October 2012;
- that CRAIG had, consistent with the media strategy, contacted Reporter 1 on or about December 11, 2012, spoken with him about the Report, and hand-delivered an exclusive advance copy of the Report to Reporter 1's home;
- that CRAIG also had contact with, and provided an interview to, Reporter 2 on or about December 12, 2012, before the Report's public release;
- that CRAIG had, in coordination with representatives of Ukraine, communicated with Reporter 1 in an effort to ensure that Reporter 1's newspaper would publish an article before the official release of the Report;
- that CRAIG had, consistent with the media strategy, provided an interview to the reporter from the U.K. newspaper on or about December 12, 2012, before the Report's public release; and,
- that CRAIG kept the PR Firm Manager informed of CRAIG's acts consistent with the media strategy.

64. On or about January 16, 2014, in reliance on CRAIG's representations, and having been misled by CRAIG, the FARA Unit determined that the Law Firm and CRAIG did not need to register as agents of Ukraine.

65. On or about October 19, 2017, during an interview conducted by the Special Counsel's Office, CRAIG repeated certain of the false and misleading statements he had made to the FARA Unit concerning the timing and nature his contacts with journalists about the Report.

(False Statements, in violation of Title 18, United States Code, 1001)

COUNT TWO
(False and Misleading FARA Statements)

66. The allegations set forth in paragraphs 1 through 46 and 51 through 65 of this indictment are realleged and incorporated by reference.

67. On or about October 11, 2013, in the District of Columbia and elsewhere, the defendant, GREGORY B. CRAIG, knowingly and willfully caused to be made false statements of material fact in documents filed with and furnished to the Attorney General under the provisions of FARA, and omitted material facts necessary to make the statements therein not misleading, to wit, CRAIG made the material false statements and omissions regarding the nature and extent of his media contacts alleged herein in paragraphs 62 and 63.

(False and Misleading FARA Statements, in violation of Title 22, United States Code, 612 and 618(a)(2))

A TRUE BILL:

FOREPERSON

Attorney of the United States in
and for the District of Columbia

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA	§	
	§	
V.	§	CRIMINAL NO. H-05-392-SS
	§	
YALI HUANG,	§	
YONGPING LIU aka Mary Liu	§	

SECOND SUPERSEDING INDICTMENT

The United States Grand Jury charges:

INTRODUCTION

At all times material herein:

1. **Yali Huang** was a lawyer who employed Yongping Liu at her law office and a resident of Houston, Harris County, Texas.

2. **Yongping Liu, a/k/a Mary Liu,** was a legal assistant at a law office and a resident of Houston, Harris County, Texas.

3. **Ultra Controls, Inc.** was an entity registered as a Texas corporation in which **defendant Yali Huang** was listed as the Vice President and her husband was listed as the President.

4. **A & T Enterprises, Inc.** was a United States company in the business of hotel and restaurant services.

5. **Boltech Maintenance, Inc.** was a United States company in the business of service and repair of machinery utilized at chemical and power plants.

6. **Key Ad, Inc.** was a United States company in the business of producing key cards that contain advertisements for local businesses for access to hotel rooms.

7. **Knox Concrete, Inc.** was a United States company in the business of production and transportation of concrete.

8. **Raoul's, Inc.** was a United States company in the business of restaurant services.

9. **Roko's Steak and Seafood, Inc.** was a United States company in the business of restaurant services.

10. **Scenic Classic Homes** was a United States company in the business of residential home construction.

11. **Louisiana Bag Company** was a United States company in the business of manufacturing plastic bags.

12. Effective March 1, 2003, the Immigration and Naturalization Service (INS) ceased to exist. INS's duties and responsibilities were taken over by the Department of Homeland Security (DHS). Under the DHS, there are three sub-agencies having immigration functions: The Customs and Border

Protection (CBP); Citizenship and Immigration Services (CIS); and the Immigration and Customs Enforcement (ICE). CIS now performs the adjudication functions described below.

13. The B-1 category visa is issued to aliens for a temporary period allowing them to conduct business in the United States on behalf of a foreign employer.

14. The INS form I-140, Immigrant Petition for Alien Worker, is a petition submitted to INS, or its successor, DHS-CIS, by an alien's employer to obtain an immigrant visa for the alie to work in the United States.

15. The INS form I-129, Petition for a Nonimmigrant worker, is a petition submitted to INS, or its successor, DHS-CIS, by an alien's employer to obtain a nonimmigrant visa for the alien to work in the United States.

16. The INS form I-485, Application to Register Permanent Residence, is an application submitted to INS, or its successor, DHS-CIS, by an alien to adjust his or her status in the United States to that of permanent resident alien.

17. The INS form I-539, Application to Extend/Change Nonimmigrant status, is an application submitted to INS, or its successor, DHS-CIS, by an alien requesting to change or extend his or her visa status.

COUNT ONE
(Conspiracy)

A. INTRODUCTION

1. The Grand Jury adopts, alleges, and incorporates herein the allegations in Paragraphs 1 through 17 of the Introduction of this Indictment as if fully set out herein.

B. THE CONSPIRACY AND ITS OBJECTS

2. Beginning in or about October 1999, and continuing through March 2005 in the Houston Division of the Southern District of Texas and elsewhere,

YALI HUANG
and
YONGPING LIU, a/k/a MARY LIU,

defendants herein, did knowingly combine, conspire, confederate and agree with each other, with Ping Lee Cohen and Kenneth Cohen, and with other persons known and unknown to the Grand Jury, to commit the following offenses against the United Sates, that is:

(a) to encourage and induce aliens, for the purpose of commercial advantage and private financial gain, to come to, enter and reside in the United States, knowing and in reckless disregard of the fact that the coming to, entry, and residence in

the United States by the said aliens was in violation of law, in violation of Title 8 U.S.C. §1324(a)(1)(A)(iv) and (a)(1)(B)(I)); (b) to knowingly subscribe as true any false statement with respect to a material fact in applications, affidavits, or other documents required by the immigration laws or immigration regulations prescribed thereunder, and to knowingly present such applications, affidavits, or other documents containing such false statements, in violation of Title 18 U.S.C. § 1546(a).

C. THE MANNER AND MEANS OF THE CONSPIRACY

It was a part of the conspiracy that:

B-1 Visa Fraud

3. The conspirators would and did draft sponsorship letters from the foreign employer on whose behalf the alien was purportedly conducting business in the United States.

4. The conspirators would and did mention in some sponsorship letters the names of supposed United States companies with whom the alien was supposedly going to be conducting business, but would fail to provide an address or other verifiable contact information for the company.

5. The conspirators would and did draft sponsorship letters from the foreign employer falsely stating that the alien was conducting business in the United States with Ultra Controls, Inc.

6. The conspirators would and did forge the signature on the sponsorship letter from the supposed foreign employer.

7. The conspirators would and did submit the forged sponsorship letters and other documents to INS and DHS-CIS in support of B-1 visa applications and I-539 applications extending B-1 visas.

8. The conspirators would and did submit B-1 visa applications to INS and DHS-CIS knowing that the applications were false in that the alien was not actually conducting business in the United States on behalf of the listed foreign employer.

9. After learning of the law enforcement investigation, the conspirators would and did ask the aliens to sign statements that the documents and information the aliens provided in support of their applications were true and unaltered.

Employment-Based Visa Fraud

10. The conspirators would and did encourage and induce Chinese citizens to enter the United States and submit applications for immigration

benefits under the false pretenses of purchasing majority positions in, and becoming employees of, United States companies.

11. The conspirators would and did recruit United States company owners to claim they made offers of employment to the Chinese citizens.

12. The conspirators would and did prepare and forge stock certificates falsely showing that the Chinese companies had purchased majority positions in the United States companies.

13. The conspirators would and did prepare and forge letters and other documents supposedly from the companies supporting the aliens' petitions.

14. The conspirators would and did submit the forged stock certificates, letters and other supporting documents with Forms I-129, I-140, I-485, and I-539 filed with INS and DHS-CIS.

15. The conspirators would and did accept payment from the Chinese citizens in exchange for filing the fraudulent documents with INS and DHS-CIS.

16. The conspirators would and did make payments to the United States company owners in exchange for use of the company names in the immigration petitions.

17. After learning of the law enforcement investigation, the conspirators would and did ask the aliens and company owners to sign statements that the documents and information they provided to the Law Office of Yali Huang were true and accurate.

D. OVERT ACTS

18. In furtherance of the conspiracy, and to effect the objects thereof, the defendants committed, and caused to be committed, the following overt acts, among others, in the Houston Division of the Southern District of Texas and elsewhere:

Ruixing Ma B-1 Visa Extensions

(a) On or about October 14, 1999, the defendants caused to be filed an I-539 application to extend Ruixing Ma's B-1 visa which contained a forged sponsorship letter from a Chinese company.

(b) On or about April 19, 2000, the defendants caused to be filed an I-539 application for a second extension of Ruixing Ma's B-1 visa which contained a forged sponsorship letter from a Chinese company.

(c) In or about December 2004, the defendants asked Ruixing Ma to sign an statement that the documents and information he provided relating to his immigration applications were true and accurate.

Hong Li B-1 Visa Extension

(d) On or about November 9, 2001, the defendants caused to be filed an I-539 application to extend Hong Li's B-1 visa which contained a forged sponsorship letter from a Chinese company.

Yan Yan's B-1 Visa Extension

(e) On or about December 18, 2001, the defendants caused to be filed an I-539 application to extend Yan Yan's B-1 visa which contained a forged sponsorship letter from a Chinese company.

B-1 Visa Extension During Undercover Operation

(f) On or about April 1, 2003, the defendants caused to be filed an I-539 application to extend Chenhong Dai's B-1 visa which contained a forged sponsorship letter from a Chinese company.

A & T Enterprises Inc.

(g) On or about April 30, 2002, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-140, Immigrant Petition for an Alien Worker, on behalf of A & T Enterprises, Inc., seeking to allow Nannan Cao legal entry to the United States as a multinational executive or manager.

(h) On or about May 6, 2002, defendants, with co-conspirators

Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-140, Immigrant Petition for an Alien Worker, on behalf of A & T Enterprises, Inc., seeking to allow Hua Zhong legal entry to the United States as a multinational executive or manager.

(i) On or about October 19, 2002, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-485, Application to Register Permanent Residence or Adjust Status, on behalf of Nannan Cao.

(j) On or about January 15, 2003, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-485, Application to Register Permanent Residence or Adjust Status, on behalf of Hua Zhong.

Boltech Maintenance Inc.

(k) On or about June 18, 2002, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-140, Immigrant Petition for an Alien Worker, on behalf of Boltech Maintenance, Inc., seeking to allow Guangcheng Feng legal entry to the United States as a multinational executive or manager.

(l) On or about October 9, 2002, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-485, Application to Register Permanent Residence or Adjust Status, with the INS, on behalf of Guangcheng Feng.

(m) In or about January 2005, defendants asked Guangcheng Feng to sign a statement that all the information and documents he provided in connection with his immigration filings were unaltered and true.

Key Ad, Inc.

(n) On or about September 14, 2000, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-140, Immigrant Petition for an Alien Worker, on behalf of Key Ad, LLC, seeking to allow Ying Zhu legal entry to the United States as a multinational executive or manager.

(o) On or about January 10, 2001, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-129, Non-Immigrant Petition for an Alien Worker, on behalf of Key Ad, LLC, seeking to allow Ying Zhu legal entry to the United States as a multinational executive or manager.

(p) On or about January 13, 2001, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-485, Application to Register Permanent Residence or Adjust Status, on behalf of Ying Zhu.

Knox Concrete Inc.

(q) On or about March 14, 2003, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-140, Immigrant Petition for an Alien Worker, on behalf of Knox Concrete, Inc. seeking to allow Xiujuan Wu legal entry to the United States as a multinational executive or manager.

(r) On or about March 24, 2003, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-485, Application to Register Permanent Residence or Adjust Status, on behalf of Xiujuan Wu.

Raouls, Inc.

(s) On or about February 28, 2002, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-140, Immigrant Petition for an Alien Worker, on behalf of Raoul's, Inc.,

seeking to allow to Shulin Chang legal entry to the United States as a multinational executive or manager.

(t) On or about May 3, 2002, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-485, Application to Register Permanent Residence or Adjust Status, on behalf of Shulin Chang.

Roko's Steak and Seafood Inc.

(u) On or about September 16, 2004, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-140, Immigrant Petition for an Alien Worker, on behalf of Roko's Steak and Seafood, Inc., seeking to allow to Jie Ding legal entry to the United States as a multinational executive or manager.

Scenic Classic Homes

(v) On or about January 6, 2004, defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, caused to be filed a Form I-140, Immigrant Petition for an Alien Worker, on behalf of Scenic Classic Holmes., seeking to allow Bing Zhong legal entry to the United States as a multinational executive or manager.

Louisiana Bag Company

(w) In or about 2001, the defendants, with co-conspirators Ping Lee Cohen and Kenneth Cohen, entered into an agreement with Tsui Tang Chang to assist in the process of obtaining immigration benefits for Tsui Tang Chang and his family for the sum of $120,000 plus attorney's fees of $20,000.

(x) In or about March 2005, the defendants met with Cheng Fen Chang Fu, the wife of Tsui Tang Chang, and asked her to sign a statement that she had provided unaltered and true documents to the Law Office of Yali Huang in support of her immigration petition.

In violation of Title 18, United States Code, Section 371.

COUNT TWO
(Visa Fraud)

On or about December 18, 2001, in the Houston Division of the Southern District of Texas,

YALI HUANG
and
YONGPING LIU, a/k/a MARY LIU,

defendants herein, aiding and abetting each other and others, did knowingly present to INS an I-539 application for an extension of the B-1 visa status

for alien Yan Yan which contained a false statement, in that the alien stated that all evidence submitted with the application was true and correct when in fact the Law Office of Yali Huang created and had forged the invitation letter from Delud Investments submitted with the application

In violation of Title 18, United States Code, Sections 1546(a) and 2.

COUNT THREE
(Visa Fraud)

On or about April 30, 2002, in the Houston Division of the Southern District of Texas,

YALI HUANG
and
YONGPING LIU, a/k/a MARY LIU,

defendants herein, aiding and abetting each other and others, did knowingly present an I-140 Immigrant Petition for an Alien Worker on behalf of A & T Enterprises, Inc. which contained false statements, in that the signature of the A & T Enterprises, Inc. representative stating that the evidence submitted with the application was true and correct was forged and in that stock certificates and other documents submitted with the petition showing that a Chinese company had purchased shares of A & T Enerprises, Inc. were false and forged.

In violation of Title 18, United States Code, Sections 1546(a) and 2.

COUNT FOUR
(Visa Fraud)

On or about June 18, 2002, in the Houston Division of the Southern District of Texas,

YALI HUANG
and
YONGPING LIU, a/k/a MARY LIU,

defendants herein, aiding and abetting each other and others, did knowingly present an I-140 Immigrant Petition for an Alien Worker on behalf of Boltech Maintenance, Inc. which contained false statements, in that the signature of the Boltech Maintenance, Inc. representative stating that the evidence submitted with the application was true and correct was forged and in that stock certificates and other documents submitted with the petition showing that a Chinese company had purchased shares of Boltech Maintenance, Inc. were false and forged.

In violation of Title 18, United States Code, Sections 1546(a) and 2.

COUNT FIVE
(Visa Fraud)

On or about April 1, 2003, in the Houston Division of the Southern District of Texas,

YALI HUANG
and
YONGPING LIU, a/k/a MARY LIU,

defendants herein, aiding and abetting each other, did knowingly present an I-539 application for an extension of the B-1 visa in the name of Chenhong Dai which contained a false statement, in that the alien stated that all evidence submitted with the application was true and correct when in fact the Law Office of Yali Huang created and had forged the invitation letter from Hongyun Engineering Company submitted with the application.

In violation of Title 18, United States Code, Sections 1546(a) and 2.

Notice of Forfeiture, 18 U.S.C. §982

The United States hereby gives notice to the defendants **YALI HUANG and YONGPING LIU, a/k/a MARY LIU,** that under 18 U.S.C. § 982(a)(6), as a result of the commission of the offenses charged in Counts One, Two, Three, Four and Five of the Indictment, the United States intends to forfeit any conveyance, including any vessel, vehicle, or aircraft used in the commission of the offense resulting in conviction; and all property, real and personal-

(1) that constitutes, or is derived from or is traceable to the proceeds obtained directly or indirectly from the commission of the offense; and

(2) that is used to facilitate, or is intended to be used to facilitate, the commission of the offense including, but not limited to, the following property:

About $320,000.00 for which the defendants are jointly and severally liable.

Substitute Assets

If any of the property described above as being subject to forfeiture, as a result of any act or omission of any defendant:

I. cannot be located upon the exercise of due diligence;

ii. has been transferred, or sold to, or deposited with, a third person;

iii. has been placed beyond the jurisdiction of this court;

iv. has been substantially diminished in value; or

v. has been commingled with other property that cannot be subdivided without difficulty;

it is the intent of the United States of America, pursuant to Title 18, United States Code, Section 982(b) and Title 21, United States Code, Section 853(p) to seek forfeiture of any other property of the defendant up to the value of the above property.

A TRUE BILL:

ORIGINAL SIGNATURE IS ON FILE

DONALD J. DEGABRIELLE, JR.
United States Attorney

By: _____
GREGG COSTA
Assistant United States Attorney

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA	§	
	§	
V.	§	CRIMINAL NO. H-07-330-01-S
	§	
SHELLY WINN	§	

SUPERSEDING INFORMATION

The United States Attorney charges:

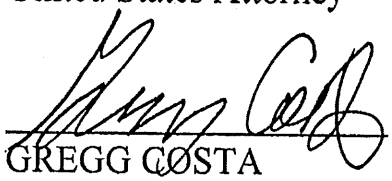
COUNT ONE
(False Statement to Federal Agency)

On or about June 2, 2003, in the Houston Division of the Southern District of Texas, defendant **SHELLY WINN**, did knowingly and willfully make a material false statement in a matter within the jurisdiction of the Department of Homeland Security, when she falsely affirmed the attorney declaration on an asylum application for applicant L.C. stating "I have prepared this application at the request of the person named in Part D, that the responses provided are based on all information of which I have knowledge, or which was provided to me by the applicant and that the completed application was read to

the applicant in his or her native language or a language he or she understands for verification before he or she signed the application in my presence."

In violation of Title 18, United States Code, Sections 1001.

JOSE ANGEL MORENO
United States Attorney

By: 
GREGG COSTA
Assistant United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

RICHARD KASSEL et al.,

Defendants.

SEALED INDICTMENT

14 Cr. __

(18 U.S.C. §§ 371, 1546, and 2.)

PREET BHARARA
United States Attorney.

A TRUE BILL

Foreperson.

7/21/14 Filed Sealed Indictment
Gi Kim o issued
Judge Francis
USM

which cannot be subdivided without difficulty; it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Section 982;
Title 21, United States Code, Section 853.)

FOREPERSON

PREET BHARARA
United States Attorney

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- -x

UNITED STATES OF AMERICA :

- v. - :

RICHARD KASSEL, :
ROSANNA ALMONTE,
JANA HALODA, :
VACLAV HALODA,

Defendants. :

- -x

SEALED INDICTMENT
14 Cr.

14 CRIM 486

COUNT ONE
(Conspiracy)

The Grand Jury charges:

BACKGROUND ON THE I-140 VISA PROCESS

1. Pursuant to federal immigration law, several categories of aliens may qualify for an employment-based immigration visa. One such category of an employment-based visa allows alien workers who are members of the professions holding advanced degrees to obtain an immigration visa.

2. Alien applicants seeking an immigration visa on the basis of an advanced degree are required to complete a "Form I-140" to the United States Citizenship and Immigration Services ("USCIS"). To show that the alien is a professional holding an advanced degree, the Form I-140 must be accompanied by either: (a) an official academic record showing that the alien has a United States advanced degree or a foreign equivalent degree; or (b) an

official academic record showing that the alien has a United States baccalaureate degree or a foreign equivalent degree, and evidence in the form of letters from current or former employer(s) showing that the alien has at least five years of progressive post-baccalaureate experience in the specialty and is being sponsored by a legitimate employer. The alien applicant and preparer are required to sign the petition under penalty of perjury.

THE SCHEME TO DEFRAUD

3. This scheme involved the submission of fraudulent advanced-degree diplomas and related documents, including transcripts, by a law firm in New York City, in support of I-140 visa applications on behalf of predominantly Eastern European clients. Through the methods described herein, the defendants profited by creating and submitting false I-140 visa applications supported by fraudulent diplomas and transcripts representing that aliens had earned advanced degrees that they did not obtain from schools they did not attend.

4. RICHARD KASSEL and ROSANNA ALMONTE, the defendants, worked together at a law firm (the "Law Firm") located in Midtown, New York (the "Law Firm Office"). KASSEL was a lawyer and ALMONTE served as an assistant to KASSEL. The

Law Firm specialized in immigration and naturalization work, including applications for I-140 visas. Since 2008, the Law Firm has submitted hundreds of I-140 visa applications on behalf of their clients.

5. Typically, before the Law Firm would take on a client, RICHARD KASSEL, the defendant, would conduct a consultation interview with the potential client. If KASSEL determined that the potential client did not have a legitimate basis for obtaining an immigration visa, KASSEL would, in certain circumstances, direct the client to obtain a diploma indicating that the client had an advanced degree that the client did not have. Each client paid the Law Firm thousands of dollars for assistance in obtaining I-140 visas on the basis of fraudulently procured advanced-degree diplomas.

6. JANA HALODA, the defendant, was an alien client of the Law Firm who, at the direction of KASSEL, agreed to assist the Law Firm, in exchange for a fee, in obtaining fraudulent advanced-degree diplomas to support I-140 applications for KASSEL's clients.

7. VACLAV HALODA, the defendant, was an alien client of the Law Firm who agreed to create fraudulent advanced-degree diplomas, in exchange for a fee, to assist the Law Firm in

obtaining fraudulent advanced-degree diplomas in support of I-140 applications.

8. At or after the initial consultation, RICHARD KASSEL, the defendant, referred alien clients to JANA HALODA, the defendant, from whom the alien could obtain the fraudulent advanced-degree diploma and supporting documentation, including a transcript for the advanced course of study.

9. Once the clients of the Law Firm contacted JANA HALODA, the defendant, to request a fraudulent advanced-degree diploma, JANA HALODA consulted with RICHARD KASSEL, the defendant and ROSANNA ALMONTE, the defendant, about certain details to put on the diplomas to make them appear legitimate, such as an appropriate graduation date.

10. Once JANA HALODA, the defendant, obtained the information necessary to create a fraudulent advanced-degree diploma for one of the Law Firm's alien clients, JANA HALODA contacted VACLAV HALODA, the defendant, who then created the fraudulent diploma on a computer. The alien client paid JANA HALODA a fee for the fraudulent diploma, a portion of which was paid to VACLAV HALODA. This fee was in addition to the thousands of dollars the alien client paid to the Law Firm.

STATUTORY ALLEGATIONS

11. From in or about January 2008, up to and including the date of this Indictment, in the Southern District of New York and elsewhere, RICHARD KASSEL, ROSANNA ALMONTE, JANA HALODA, and VACLAV HALODA, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate and agree together and with each other to commit an offense against the United States, to wit, immigration fraud in violation of Title 18, United States Code, Section 1546(a).

12. It was a part and object of the conspiracy that RICHARD KASSEL, ROSANNA ALMONTE, JANA HALODA, and VACLAV HALODA, the defendants, and others known and unknown, would and did knowingly and willfully forge, counterfeit, alter, and falsely make an immigrant and nonimmigrant visa, permit, border crossing card, alien registration receipt card, and other document prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United States, and would and did utter, use, attempt to use, possess, obtain, accept, and receive any such visa, permit, border crossing card, alien registration receipt card, and other documents prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United States, knowing it

to be forged, counterfeited, altered, and falsely made, and to have been procured by means of a false claim and statement, and to have been otherwise procured by fraud and unlawfully obtained, to wit, RICHARD KASSEL, ROSANNA ALMONTE, JANA HALODA, and VACLAV HALODA, the defendants, and others, agreed to prepare and submit fraudulent advanced-degree diplomas in support of I-140 visa applications, in violation of Title 18, United States Code, Section 1546(a).

OVERT ACTS

13. In furtherance of the conspiracy and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. In or about 2010, RICHARD KASSEL, the defendant, met with an alien client at the Law Firm Office to discuss obtaining a fraudulent advanced-degree diploma in support of the alien client's I-140 application.

b. In or about October 2010, at the direction of KASSEL, JANA HALODA, the defendant, agreed to obtain a fraudulent diploma for one of KASSEL's alien clients.

c. In or about 2012, VACLAV HALODA, the defendant, created a fraudulent diploma on his computer for use in furtherance of a fraudulent I-140 visa application.

d. In or about April 2014, ROSANNA ALMONTE and JANA HALODA, the defendants, discussed fraudulent graduation dates and universities to be used on fraudulent diplomas.

(Title 18, United States Code, Section 371.)

COUNT TWO
(Immigration Fraud)

The Grand Jury further charges:

14. In or about January 2012, in the Southern District of New York and elsewhere, RICHARD KASSEL, ROSANNA ALMONTE, JANA HALODA, and VACLAV HALODA, the defendants, would and did knowingly and willfully forge, counterfeit, alter, and falsely make an immigrant and nonimmigrant visa, permit, border crossing card, alien registration receipt card, and other document prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United States, and would and did utter, use, attempt to use, possess, obtain, accept, and receive any such visa, permit, border crossing card, alien registration receipt card, and other documents prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United

States, knowing it to be forged, counterfeited, altered, and falsely made, and to have been procured by means of a false claim and statement, and to have been otherwise procured by fraud and unlawfully obtained, and would and did make under oath, and as permitted under penalty of perjury under section 1746 of Title 28, United States Code, knowingly subscribed as true, a false statement with respect to a material fact in an application, affidavit, and other document required by the immigration laws and regulations prescribed thereunder, and knowingly presented such an application, affidavit, and other document which contained such a false statement and which failed to contain any reasonable basis in law and fact, to wit, ALMONTE and KASSEL prepared, signed and submitted, under penalty of perjury, to the United States Citizenship and Immigration Services, a fraudulent visa application and supporting documentation, which contained material misstatements, including a fraudulent advanced-degree diploma provided by JANA HALODA and VACLAV HALODA for that purpose.

(Title 18, United States Code, Section 1546(a) & 2.)

COUNT THREE
(Immigration Fraud)

The Grand Jury further charges:

15. In or about May 2012, in the Southern District of New York and elsewhere, RICHARD KASSEL, ROSANNA ALMONTE, JANA HALODA, and VACLAV HALODA, the defendants, would and did knowingly and willfully forge, counterfeit, alter, and falsely make an immigrant and nonimmigrant visa, permit, border crossing card, alien registration receipt card, and other document prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United States, and would and did utter, use, attempt to use, possess, obtain, accept, and receive any such visa, permit, border crossing card, alien registration receipt card, and other documents prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United States, knowing it to be forged, counterfeited, altered, and falsely made, and to have been procured by means of a false claim and statement, and to have been otherwise procured by fraud and unlawfully obtained, and would and did make under oath, and as permitted under penalty of perjury under section 1746 of Title 28, United States Code, knowingly subscribed as true, a false statement with respect to a material fact in an application, affidavit,

and other document required by the immigration laws and regulations prescribed thereunder, and knowingly presented such an application, affidavit, and other document which contained such a false statement and which failed to contain any reasonable basis in law and fact, to wit, ALMONTE and KASSEL prepared, signed and submitted, under penalty of perjury, to the United States Citizenship and Immigration Services, a fraudulent visa application and supporting documentation, which contained material misstatements, including a fraudulent advanced-degree diploma provided by JANA HALODA and VACLAV HALODA for that purpose.

(Title 18, United States Code, Section 1546(a) & 2.)

COUNT FOUR
(Immigration Fraud)

The Grand Jury further charges:

16. In or about September 2012, in the Southern District of New York and elsewhere, RICHARD KASSEL, ROSANNA ALMONTE, JANA HALODA, and VACLAV HALODA, the defendants, would and did knowingly and willfully forge, counterfeit, alter, and falsely make an immigrant and nonimmigrant visa, permit, border crossing card, alien registration receipt card, and other document prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United

States, and would and did utter, use, attempt to use, possess, obtain, accept, and receive any such visa, permit, border crossing card, alien registration receipt card, and other documents prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United States, knowing it to be forged, counterfeited, altered, and falsely made, and to have been procured by means of a false claim and statement, and to have been otherwise procured by fraud and unlawfully obtained, and would and did make under oath, and as permitted under penalty of perjury under section 1746 of Title 28, United States Code, knowingly subscribed as true, a false statement with respect to a material fact in an application, affidavit, and other document required by the immigration laws and regulations prescribed thereunder, and knowingly presented such an application, affidavit, and other document which contained such a false statement and which failed to contain any reasonable basis in law and fact, to wit, ALMONTE and KASSEL prepared, signed and submitted, under penalty of perjury, to the United States Citizenship and Immigration Services, a fraudulent visa application and supporting documentation, which contained material misstatements, including

a fraudulent advanced-degree diploma provided by JANA HALODA and VACLAV HALODA for that purpose.

(Title 18, United States Code, Section 1546(a) & 2.)

COUNT FIVE
(Immigration Fraud)

The Grand Jury further charges:

17. In or about January 2013, in the Southern District of New York and elsewhere, RICHARD KASSEL, ROSANNA ALMONTE, JANA HALODA, and VACLAV HALODA, the defendants, would and did knowingly and willfully forge, counterfeit, alter, and falsely make an immigrant and nonimmigrant visa, permit, border crossing card, alien registration receipt card, and other document prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United States, and would and did utter, use, attempt to use, possess, obtain, accept, and receive any such visa, permit, border crossing card, alien registration receipt card, and other documents prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United States, knowing it to be forged, counterfeited, altered, and falsely made, and to have been procured by means of a false claim and statement, and to have been otherwise procured by fraud and unlawfully obtained, and would and did make under

oath, and as permitted under penalty of perjury under section 1746 of Title 28, United States Code, knowingly subscribed as true, a false statement with respect to a material fact in an application, affidavit, and other document required by the immigration laws and regulations prescribed thereunder, and knowingly presented such an application, affidavit, and other document which contained such a false statement and which failed to contain any reasonable basis in law and fact, to wit, ALMONTE and KASSEL prepared, signed and submitted, under penalty of perjury, to the United States Citizenship and Immigration Services, a fraudulent visa application and supporting documentation, which contained material misstatements, including a fraudulent advanced-degree diploma provided by JANA HALODA and VACLAV HALODA for that purpose.

(Title 18, United States Code, Section 1546(a) & 2.)

COUNT SIX
(Immigration Fraud)

The Grand Jury further charges:

18. In or about December 2013, in the Southern District of New York and elsewhere, RICHARD KASSEL, ROSANNA ALMONTE, JANA HALODA, and VACLAV HALODA, the defendants, would and did knowingly and willfully forge, counterfeit, alter, and falsely make an immigrant and nonimmigrant visa, permit, border

crossing card, alien registration receipt card, and other document prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United States, and would and did utter, use, attempt to use, possess, obtain, accept, and receive any such visa, permit, border crossing card, alien registration receipt card, and other documents prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United States, knowing it to be forged, counterfeited, altered, and falsely made, and to have been procured by means of a false claim and statement, and to have been otherwise procured by fraud and unlawfully obtained, and would and did make under oath, and as permitted under penalty of perjury under section 1746 of Title 28, United States Code, knowingly subscribed as true, a false statement with respect to a material fact in an application, affidavit, and other document required by the immigration laws and regulations prescribed thereunder, and knowingly presented such an application, affidavit, and other document which contained such a false statement and which failed to contain any reasonable basis in law and fact, to wit, ALMONTE and KASSEL prepared, signed and submitted, under penalty of perjury, to the United States Citizenship and Immigration

Services, a fraudulent visa application and supporting documentation, which contained material misstatements, including a fraudulent advanced-degree diploma provided by JANA HALODA and VACLAV HALODA for that purpose.

(Title 18, United States Code, Section 1546(a) & 2.)

FORFEITURE ALLEGATION

19. As a result of committing of the offenses alleged in this Indictment, RICHARD KASSEL, ROSANNA ALMONTE, JANA HALODA, and VACLAV HALODA, the defendants, shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2)(A), any and all property constituting, derived from, or traceable to the proceeds obtained directly or indirectly as a result of the offenses; and any and all property used to facilitate, or intended to be used to facilitate, the commission of the offense.

Substitute Asset Provision

20. If any of the above-described forfeitable property, 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 person;

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

Form No. USA-33s-274 (Ed. 9-25-58)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

FREDDY JACOBS and FNU YANG, a/k/a "Daisy,"

Defendant.

INDICTMENT

12 Cr.

(18 U.S.C. §§ 1546(a), 371 & 2.)

PREET BHARARA
United States Attorney.

RC
12/12/12

Indictment filed under seal
A/W issued.
F. Maas, USMJ

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- x

UNITED STATES OF AMERICA : SEALED INDICTMENT

-v.- : 12 Cr. ( )

FREDDY JACOBS, and :
FNU YANG,
a/k/a "Daisy," :

Defendants. : 12 CRIM 933

- x

JUDGE PATTERSON

COUNT ONE

The Grand Jury charges:

BACKGROUND ON THE ASYLUM PROCESS

1. Pursuant to federal immigration law, to obtain asylum in the United States, an alien is required to show that he or she has suffered persecution in his or her country of origin on account of race, religion, nationality, political opinion, or membership in a particular social group, or has a well founded fear of persecution if he or she were to return to such country.

2. Alien applicants seeking asylum are required to complete a form called a Form I-589 to the United States Citizenship and Immigration Services ("USCIS"). The Form I-589 requires a detailed and specific account of the basis of the claim to asylum. If the Form I-589 is prepared by someone other than the applicant or a relative of the applicant, such as an attorney, the preparer is required to set forth his or her name and address on the form. The alien applicant and preparer are required to sign the petition under penalty of perjury. The alien applicant must typically apply for asylum within one year of their arrival in the United States.

3. After the Form I-589 is submitted, the alien applicant is interviewed by a USCIS officer (the "Asylum Officer") to determine whether the applicant qualifies for asylum. At the interview, the applicant can present witnesses or documentation in support of his or her asylum claim. After the interview, the Asylum Officer determines whether the alien applicant qualifies for asylum, and that determination is then reviewed by a supervisory officer within USCIS.

4. If an alien applicant is granted asylum, he or she receives a completed Form I-94 that reflects that the USCIS has granted him or her asylum status. The grant of asylum typically applies to the applicant's spouse and children as well. An alien who has a Form I-94 can apply for, among other things, lawful permanent resident status. A grant of asylum status does not expire, although USCIS can terminate asylum status if, among other things, it is later discovered that the applicant obtained asylum through fraud or no longer has a well founded fear of persecution in his or her home country.

5. If the Asylum Officer determines that the applicant is ineligible for asylum status, and if the applicant is in the United States illegally, the matter is referred to an Immigration Judge at the Executive Office for Immigration Review. The Immigration Judge holds a hearing during which the alien applicant, and commonly an immigration lawyer, appear before the Immigration Judge and present evidence in support of the asylum application. In New York City, all immigration hearings take place in New York, New York. After the hearing, the Immigration

Judge renders a decision on the alien's asylum application. If the Immigration Judge denies the asylum application the applicant may appeal that decision to the Board of Immigration Appeals ("BIA"). If the applicant loses his or her appeal before the BIA the applicant may appeal to a federal court.

THE SCHEME TO DEFRAUD

6. This scheme involved the submission of fraudulent asylum applications on behalf of Chinese aliens by a law firm in New York City. Through the methods described herein, the defendants, a lawyer and employee at a law firm in the Chinatown area of New York City, and their co-conspirators, profited by creating and submitting asylum applications containing false stories of persecution purportedly suffered by alien clients.

7. FREDDY JACOBS and FNU YANG, a/k/a "Daisy," the defendants, worked together at the Law Office of Freddy Jacobs (the "Law Firm") located at 136-18, 39th Avenue, Queens, New York, and formerly located at 350 Broadway, New York, New York. JACOBS was a lawyer and YANG served as a paralegal and office manager. The Law Firm specialized in immigration work and in particular asylum applications. Since 2011, the Law Firm has submitted at least 260 asylum applications on behalf of their clients.

8. Typically, before the Law Firm would take on a client, FNU YANG, a/k/a "Daisy," the defendant, conducted a screening interview of the potential client. One of the purposes of that interview was for YANG to determine whether there was any information about the client - that could be discovered by the

USCIS - that would bar him or her from receiving asylum. For example, if the client had a passport that showed the client had been in the United States for more than one year the case would likely be rejected by the USCIS. On the other hand, if the client has been in the United States for more than one year but there was no proof of the client's date of entry into the United States, the Law Firm considered taking the case.

9. FNU YANG, a/k/a "Daisy," the defendant, sometimes with the assistance of FREDDY JACOBS, the defendant, drafted the asylum applications, including the fabricated stories of persecution, on behalf of their clients.

10. FREDDY JACOBS and FNU YANG, a/k/a "Daisy," the defendant, fabricated stories of persecution that usually followed one of three fact patterns: (a) forced abortions performed against woman clients pursuant to China's family planning policy; (b) persecution based on the client's belief in Christianity; or (c) political or ideological persecution, typically for membership in China's Democratic Party or followers of Falun Gong.

11. After the Form I-589 asylum application was submitted, FNU YANG, a/k/a "Daisy," the defendant, would often prepare the client for his or her interview with the Asylum Officer. In instances where the client was not actually a Christian but was claiming persecution based on his or her Christianity, FNU YANG, a/k/a "Daisy," sometimes referred the client to a church where he or she could receive training in the basic tenets of Christianity and obtain certificates proving that

the client belonged to a church in New York where he or she worshiped. This training improved the client's chances of convincing the Asylum Officer that he or she was in fact Christian and was persecuted for those beliefs in China.

12. On the day of the interview, the Law Firm sometimes arranged for a translator to accompany the client to the interview. The translator was paid to provide two basic services. One, was to provide additional coaching and training to the client in advance of the interview (sometimes the translators were paid to train the clients days in advance of their interviews). The translators, who often had seen hundreds of asylum interviews, advised the clients of questions he or she would likely be asked and how to answer them.

13. The translators were also paid to translate during the interviews. However, the translators were often paid not merely to translate the client's answers from Chinese to English but to do so in a way that was favorable to the client. For example, if the client answered a question in a way that was inconsistent with the fabricated story of persecution the translator was expected to falsely translate the answer so that it conformed to the story.

14. If the Asylum Officer did not grant the client asylum, FREDDY JACOBS, the defendant, would often argue the case before an Immigration Judge. In advance of the hearing, FREDDY JACOBS would often meet with the client (typically with the aid of an interpreter) to prepare him or her for the hearing. At those preparation sessions, JACOBS often coached the client on

what to say and tried to ensure that the client would not say anything that contradicted the story that the Law Firm had made up. At the hearing, the client testified, and JACOBS questioned him or her, about the fictitious story of persecution.

STATUTORY ALLEGATIONS

15. From in or about 2010 through in or about December 2012, in the Southern District of New York and elsewhere, FREDDY JACOBS and FNU YANG, a/k/a "Daisy," the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate and agree together and with each other to commit an offense against the United States, to wit, immigration fraud in violation of Title 18, United States Code, Section 1546(a).

16. It was a part and object of the conspiracy that FREDDY JACOBS and FNU YANG, a/k/a "Daisy," the defendants, and others known and unknown, would and did knowingly and willfully forge, counterfeit, alter, and falsely make an immigrant and nonimmigrant visa, permit, border crossing card, alien registration receipt card, and other document prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United States, and would and did utter, use, attempt to use, possess, obtain, accept, and receive any such visa, permit, border crossing card, alien registration receipt card, and other document prescribed by statute and regulation for entry into and as evidence of authorized stay and employment in the United States, knowing it to be forged, counterfeited, altered, and falsely made, and to

have been procured by means of a false claim and statement, and to have been otherwise procured by fraud and unlawfully obtained to wit, FREDDY JACOBS and FNU YANG, a/k/a "June," the defendants, prepared and submitted asylum applications containing material misstatements to United States Citizenship and Immigration Services which resulted in the clients receiving I-94 cards, in violation of Title 18, United States Code, Section 1546(a).

Overt Acts

17. In furtherance of the conspiracy and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. In or about July 2012, FNU YANG, a/k/a "Daisy," the defendant, fabricated a story of persecution purportedly suffered in China by a client of the Law Firm.

b. In or about July 2012, FNU YANG, a/k/a "Daisy," the defendant, fabricated a story of persecution purportedly suffered in China by another client of the Law Firm.

c. In or about July 2012, FREDDY JACOBS, the defendant, signed an asylum application containing material misstatements.

d. In or about July 2012, FREDDY JACOBS, the defendant, signed another asylum application containing material misstatements.

(Title 18, United States Code, Section 371)

COUNT TWO

The Grand Jury further charges:

18. In or about July 2012, in the Southern District of New York and elsewhere, FREDDY JACOBS, the defendant, knowingly and willfully made under oath, and as permitted under penalty of perjury under section 1746 of title 28, United States Code, knowingly subscribed as true, a false statement with respect to a material fact in an application, affidavit, and other document required by the immigration laws and regulations prescribed thereunder, and knowingly presented such an application, affidavit, and other document which contained such a false statement and which failed to contain any reasonable basis in law and fact, to wit, FREDDY JACOBS, the defendant, signed an asylum application, under penalty of perjury, on behalf of a client that contained material misstatements that was sent to the United States Citizenship and Immigration Services in an effort to obtain a Form I-94 for his client.

(Title 18, United States Code, Sections 1546(a) & 2.)

COUNT THREE

The Grand Jury further charges:

19. In or about July 2012, in the Southern District of New York and elsewhere, FREDDY JACOBS, the defendant, knowingly and willfully made under oath, and as permitted under penalty of perjury under section 1746 of title 28, United States Code, knowingly subscribed as true, a false statement with respect to a material fact in an application, affidavit, and other document required by the immigration laws and regulations prescribed

thereunder, and knowingly presented such an application, affidavit, and other document which contained such a false statement and which failed to contain any reasonable basis in law and fact, to wit, FREDDY JACOBS, the defendant, signed an asylum application, under penalty of perjury, on behalf of a client that contained material misstatements that was sent to the United States Citizenship and Immigration Services in an effort to obtain a Form I-94 for his client.

(Title 18, United States Code, Sections 1546(a) & 2.)

COUNT FOUR

The Grand Jury further charges:

20. In or about July 2012, in the Southern District of New York and elsewhere, FNU YANG, a/k/a "Daisy," the defendant, knowingly and willfully made under oath, and as permitted under penalty of perjury under section 1746 of title 28, United States Code, knowingly subscribed as true, a false statement with respect to a material fact in an application, affidavit, and other document required by the immigration laws and regulations prescribed thereunder, and knowingly presented such an application, affidavit, and other document which contained such a false statement and which failed to contain any reasonable basis in law and fact, to wit, FNU YANG, a/k/a "Daisy," the defendant, drafted an asylum application on behalf of a client that contained material misstatements and was later submitted, under penalty of perjury, to the United States Citizenship and

Immigration Services in an effort to obtain a Form I-94 for her client.

(Title 18, United States Code, Sections 1546(a) & 2.)

COUNT FIVE

The Grand Jury further charges:

21. In or about July 2012, in the Southern District of New York and elsewhere, FNU YANG, a/k/a "Daisy," the defendant, knowingly and willfully made under oath, and as permitted under penalty of perjury under section 1746 of title 28, United States Code, knowingly subscribed as true, a false statement with respect to a material fact in an application, affidavit, and other document required by the immigration laws and regulations prescribed thereunder, and knowingly presented such an application, affidavit, and other document which contained such a false statement and which failed to contain any reasonable basis in law and fact, to wit, FNU YANG, a/k/a "Daisy," the defendant, drafted an asylum application on behalf of a client that contained material misstatements and was later submitted, under penalty of perjury, to the United States Citizenship and Immigration Services in an effort to obtain a Form I-94 for her client.

(Title 18, United States Code, Sections 1546(a) & 2.)

FORFEITURE ALLEGATIONS

22. As a result of committing the offenses alleged in Counts One through Three of this Indictment, FREDDY JACOBS, the defendant, and as result of committing the offenses alleged in Counts One, Four and Five of this Indictment, FNU YANG, a/k/a

"Daisy," shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offenses, including but not limited to a sum in United States currency representing the amount of proceeds obtained as a result of the offenses.

Substitute Assets Provision

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

(1) cannot be located upon the exercise of due diligence;

(2) has been transferred or sold to, or deposited with, a third person;

(3) has been placed beyond the jurisdiction of the Court;

(4) has been substantially diminished in value; or

(5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C.

§ 853(p), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981 and
Title 28, United States Code, Section 2461)

Brendan McCarthy
FOREPERSON

Preet Bharara
PREET BHARARA
United States Attorney

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WASHINGTON

UNITED STATES OF AMERICA,

Plaintiff,

v.

RAPHAEL A. SANCHEZ,

Defendant.

NO. 18-CR-0040 RSL

INFORMATION

Count One: 18 U.S.C. § 1343 (Wire Fraud)

Count Two: 18 U.S.C. § 1028A (Aggravated Identity Theft)

The United States of America, by and through the United States Department of Justice, Criminal Division, Public Integrity Section, charges that:

COUNT ONE
Wire Fraud
(Title 18, United States Code, Section 1343)

Beginning in or about October, 2013, and continuing until on or about October 25, 2017, in the Western District of Washington, the defendant,

RAPHAEL A. SANCHEZ,

devised and intended to devise a scheme and artifice to defraud financial institutions, including American Express Company, Bank of America Corporation, Capital One Financial Corporation, Citibank, Discover Financial Services, and JPMorgan Chase & Co., by using the personally identifying information of seven aliens in various stages of immigration proceedings with the United States Immigrations and Customs Enforcement to obtain money and property by means of

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CRIMINAL DIVISION
PUBLIC INTEGRITY SECTION
1400 NEW YORK AVENUE, NW
WASHINGTON, D.C. 20005
(202) 514-1412

materially false and fraudulent pretenses, representations, and promises, and in doing so, transmitted and caused to be transmitted by means of wire communications in interstate or foreign commerce, writings, signals, and email communications for the purpose of executing such scheme and artifice to defraud; including but not limited to the following email that SANCHEZ caused to be sent via interstate wires:

DATE OF WIRE	DESCRIPTION OF WIRE COMMUNICATION
April 18, 2016	Email message sent from Raphael.Sanchez@ice.dhs.gov to Raphael.Sanchez@ice.dhs.gov and Raphael_sanchez@yahoo.com, containing a Puget Sound Energy bill addressed to R.H. for service at 3516 South Webster Street #A, Seattle, Washington, and an image of a United States permanent resident card and the biographical page of a Chinese passport issued to R.H., originating in Washington and utilizing email servers in West Virginia and Mississippi

All in violation of Title 18, United States Code, Section 1343.

COUNT TWO
Aggravated Identity Theft
(Title 18, United States Code, Section 1028A)

On or about July 5, 2016, in the Western District of Washington, the defendant,

RAPHAEL A. SANCHEZ,

did knowingly transfer, possess, and use, without lawful authority, a means of identification of another person, including the name, Social Security number, and birth date of R.H., a real person, during and in relation to a felony violation enumerated in 18 U.S.C. § 1028A(c), to wit, wire fraud in violation of 18 U.S.C. § 1343, as charged in Count One of this Information, in violation of 18 U.S.C. § 1028A(a)(1).

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Respectfully submitted,

ANNALOU TIROL
ACTING CHIEF
PUBLIC INTEGRITY SECTION

Luke Cass

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Attorney for Plaintiff

UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

United States of America,

Plaintiff,

v.

Marivel Cantu-Madril,
(Counts 1-10)

Richard A. Madril,
(Count 1)

Defendants.

SUPERSEDING INDICTMENT

CR 18-1309-RM-BPV

VIOLATIONS:

18 U.S.C. § 371 (Conspiracy)
Count 1

18 U.S.C. § 1341
(Mail Fraud)
18 U.S.C. § 2
(Aiding and Abetting)
Count 2

18 U.S.C. § 1343
(Wire Fraud)
18 U.S.C. § 2
(Aiding and Abetting)
Count 3

18 U.S.C. § 505
(Forgery of Judicial Signature)
18 U.S.C. § 2
(Aiding and Abetting)
Count 4-5

18 U.S.C. § 506
(Possession of Counterfeit Seal of Agency of the United States)
18 U.S.C. § 2
(Aiding and Abetting)
Count 6-10

THE GRAND JURY CHARGES:

Background

1. Defendant **MARIVEL CANTU-MADRIL** (hereinafter, "**CANTU-MADRIL**") was admitted to practice law in the State of Arizona from on or about May 18, 2006, until on or about June 26, 2017. **CANTU-MADRIL** also was previously admitted to practice in the United States Court of Appeals for the Ninth Circuit and federal immigration courts.

2. Defendant **RICHARD A. MADRIL** (hereinafter, "**RICHARD MADRIL**") is the husband of **CANTU-MADRIL**. During the timeframe of this indictment, **RICHARD MADRIL** was admitted to practice law in the State of New Mexico and federal immigration courts.

3. During the timeframe of this indictment, **CANTU-MADRIL** and **RICHARD MADRIL** maintained a private law practice in Tucson, Arizona, specializing in immigration and criminal defense law.

Count 1

4. From on or about September 5, 2012, to on or about October 29, 2018, in Pima County, in the District of Arizona, and elsewhere, the defendants, **MARIVEL CANTU-MADRIL** and **RICHARD MADRIL**, knowingly, unlawfully, and willfully combined, conspired, confederated, agreed, and acted interdependently with one another and with others

known and unknown to the Grand Jury, to commit the offenses of forgery of judicial signatures, in violation of 18 U.S.C. § 505; use and possession of a counterfeit seal of an agency of the United States, in violation of 18 U.S.C. § 506; mail fraud, in violation of 18 U.S.C. § 1341; and wire fraud, in violation of 18 U.S.C. § 1343.

Manner and Means

5. The manner and means by which **MARIVEL CANTU-MADRIL** and **RICHARD A. MADRIL** sought to accomplish the objectives of the conspiracy included, among other conduct, the following:

a. Maintaining a law practice offering legal services in immigration matters and criminal defense.

b. Accepting payment from clients for dishonest and ineffective legal representation and counsel.

c. Advising clients that they were eligible for privileges and benefits from the government of the United States when the clients were actually ineligible for such privileges and benefits based on federal immigration law.

d. Advising clients that they were ineligible for lawful immigration status and other privileges and benefits from the government of the United States when the clients were actually eligible for such privileges and benefits based on federal immigration law.

e. Deceiving clients about the status of their cases and petitions and applications to federal agencies.

f. Making false statements to clients and government officials in person, by mail, and by electronic means.

g. Providing clients with false documents containing forged signatures and/or counterfeit government seals.

h. Filing documents containing false information with the United States government.

i. Impersonating government officials.

j. Keeping documents at their law offices with counterfeit seals of agencies of the United States.

Overt Acts

6. In furtherance of the conspiracy, and to effect the objectives thereof, the defendants, and others known and unknown to the Grand Jury, committed and caused to be committed the following acts, among others, in the District of Arizona, and elsewhere:

7. On or about April 12, 2011, **CANTU-MADRIL** accepted payment of $1500 in legal fees from Jane Doe 1.

8. On or about January 12, 2012, **RICHARD MADRIL** represented Jane Doe 1 at a hearing in immigration court.

9. On or about September 5, 2012, **CANTU-MADRIL** filed a brief in immigration court requesting permission for Jane Doe 1 to voluntarily depart the United States after Jane Doe 1 had hired **CANTU-MADRIL** for the purpose of assisting Jane Doe 1 in obtaining lawful status to remain in the United States.

10. On or about September 10, 2012, **CANTU-MADRIL** had a conversation with Jane Doe 1 in which she failed to inform Jane Doe 1 that that an immigration judge had ordered Jane Doe 1 to depart from the United States within sixty days.

11. On or about October 21, 2012, **CANTU-MADRIL** falsely stated to Jane Doe 1, in sum and substance, that an immigration hearing in her case was cancelled when in fact no such hearing had been scheduled.

12. On or about June 27, 2014, **CANTU-MADRIL** falsely stated to Jane Doe 1, in sum and substance, that **CANTU-MADRIL** intended to appeal the voluntary departure order in her case to the United States Court of Appeals for the Ninth Circuit.

13. On or about August 14, 2015, **CANTU-MADRIL** signed a contract agreeing to represent John Doe 1 in an immigration matter.

14. On or about August 14, 2015, **CANTU-MADRIL** accepted payment of $1000 from John Doe 1.

15. On or about November 4, 2015, **CANTU-MADRIL** sent an email message instructing a person, whose identity is known to the Grand Jury, to impersonate an immigration officer in a telephone conversation with a client.

16. On or about November 4, 2015, a person, whose identity is known to the Grand Jury, impersonated an immigration officer in a telephone conversation with a client.

17. On or about October 12, 2016, **CANTU-MADRIL** possessed a document, dated June 12, 2014, containing a forged signature of Joan Ryan, a deputy clerk for the United States Court of Appeals for the Ninth Circuit.

18. On or about October 12, 2016, **CANTU-MADRIL** possessed a letter addressed to John Doe 3, dated March 1, 2015, containing a counterfeit seal of the United States Department of Homeland Security and U.S. Citizenship and Immigration Services.

19. On or about October 12, 2016, **CANTU-MADRIL** and **RICHARD MADRIL** possessed at their law office a letter addressed to John Doe 2, dated July 10, 2015, containing a

counterfeit seal of the United States Department of Homeland Security and U.S. Citizenship and Immigration Services.

20. On or about October 26, 2018, **CANTU-MADRIL** and **RICHARD MADRIL** met with John Doe 1 about his immigration case.

21. On or about October 26, 2018, **CANTU-MADRIL** gave John Doe 1 documents falsely indicating that an immigration judge had closed the proceedings against John Doe 1 in the exercise of prosecutorial discretion.

22. On or about October 26, 2018, **RICHARD MADRIL** told John Doe 1, in sum and substance, not to attend a hearing in John Doe 1's immigration case scheduled for October 29, 2018.

23. On or about October 29, 2018, **RICHARD MADRIL**, knowing that **CANTU-MADRIL** was not authorized to practice law at that time, falsely informed John Doe 1 that **CANTU-MADRIL** could not represent him at a hearing in immigration court because **CANTU-MADRIL** was ill.

24. On or about October 29, 2018, **RICHARD MADRIL** represented John Doe 1 at an immigration court hearing where the immigration judge ordered John Doe 1 to voluntarily depart from the United States.

In violation of 18 U.S.C. § 371.

Count 2

25. On or about December 5, 2013, in Pima County, in the District of Arizona, and elsewhere, the defendant, **CANTU-MADRIL**, with intent to defraud, knowingly and intentionally devised and intended to devise a scheme and artifice to defraud by means of materially false and fraudulent pretenses and representations, and for the purpose of executing

and in order to effect the scheme and artifice to defraud and to obtain money and property by way of materially false and fraudulent pretenses, representations, and promises, the defendant mailed and caused a document to be delivered by the United States Postal Service.

The Scheme and Artifice

26. **CANTU-MADRIL** previously represented Jane Doe 1 in immigration matters arising after Jane Doe 1's detention. During this representation, **CANTU-MADRIL** prepared an "I-765, Application for Employment Authorization" on Jane Doe's behalf. The purpose of the I-765 application was to obtain an employment authorization document from the federal government so that Jane Doe 1 could work legally in the United States.

27. **CANTU-MADRIL** knowingly and intentionally entered false information on Jane Doe 1's application. **CANTU-MADRIL** entered this false information for the purpose of improving Jane Doe 1's chances of being approved for the application. Specifically, **CANTU-MADRIL** stated that Jane Doe 1 had last entered the United States on February 10, 2000, in Nogales, Arizona. However, Jane Doe 1 entered the United States on or after February 13, 2008. **CANTU-MADRIL** knew the information in Jane Doe 1's application about Jane Doe 1's date of last entry was false.

28. **CANTU-MADRIL** also falsely stated in Jane Doe 1's application that Jane Doe 1 entered the United States as a lawful "visitor" and remained a lawful "visitor" at the time of the application. However, **CANTU-MADRIL** knew from representing Jane Doe 1 after her detention by immigration officials in 2010 that Jane Doe 1 was not a lawful visitor.

29. **CANTU-MADRIL** and Jane Doe 1 signed Jane Doe 1's application for employment authorization on or about December 5, 2013. Soon thereafter, **CANTU-MADRIL**

mailed the application, or caused the application to be mailed, to United States Citizenship and Immigration Services in Phoenix, Arizona.

Execution of the Scheme and Artifice

30. On or about December 5, 2013, for the purpose of executing and in order to effect the scheme and artifice to defraud and to obtain money and property by way of materially false and fraudulent pretenses, representations, and promises, the defendant, **CANTU-MADRIL,** mailed and caused the delivery by the United States Postal Service to U.S. Citizenship and Immigration Services, 1820 East Skyharbor Circle South, Phoneix, Arizona, 85034, according to the directions thereon, of a document, specifically a Department of Homeland Security, U.S. Citizenship and Immigration Services, I-765, Application for Employment Authorization, in violation of 18 U.S.C. § 1341 and 18 U.S.C. § 2.

Count 3

31. On or about October 2, 2016, in Pima County, in the District of Arizona, and elsewhere, the defendant, **CANTU-MADRIL**, with intent to defraud, knowingly and intentionally devised and intended to devise a scheme and artifice to defraud by means of materially false and fraudulent pretenses and representations, and for the purpose of executing and in order to effect the scheme and artifice to defraud and to obtain money and property by way of materially false and fraudulent pretenses, representations, and promises, the defendant transmitted and caused to be transmitted by means of wire communication, an email message, as further described below.

The Scheme and Artifice

32. **CANTU-MADRIL** represented John Doe 4 in immigration matters. During this representation, **CANTU-MADRIL**, told John Doe 4, in sum and substance, that **CANTU-**

MADRIL was assisting him in obtaining a visa to enter the United States lawfully. **CANTU-MADRIL** further advised John Doe 4, in sum and substance, that **CANTU-MADRIL** was assisting him in obtaining permanent residency status in the United States. **CANTU-MADRIL** accepted fees for these legal services.

33. While representing John Doe 4, **CANTU-MADRIL** knew that John Doe 4 had been previously ordered to voluntarily depart from the United States and could not obtain permission or authority to re-enter the United States until at least 2020. Neverthless, **CANTU-MADRIL** sent John Doe 4 an email message purportedly from an official at the United States Consulate in Mexico falsely informing John Doe 4 that he had been granted a visa and was immediately eligible to apply for permanent residency. **CANTU-MADRIL** sent this email while present in Arizona knowing that John Doe 4 would receive the email in Mexico.

Execution of the Scheme and Artifice

34. On or about October 2, 2016, for the purpose of executing and in order to effect the scheme and artifice to defraud and to obtain money and property by way of materially false and fraudulent pretenses, representations, and promises, the defendant, **MARIVEL CANTU-MADRIL,** transmitted and caused to be transmitted by means of wire communication, in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, and writings, specifically an email message from NVCSERVICIOSDELVISA@mail.com to Roxascorro@gmail.com, in violation of 18 U.S.C. § 1343.

Count 4

35. Between April 29, 2014, and July 31, 2014, in Pima County, in the District of Arizona, and elsewhere, the defendant, **MARIVEL CANTU-MADRIL,** forged the signature of an officer of a court of the United States, to wit: Joan Ryan, a deputy clerk of the United States

Court of Appeals for the Ninth Circuit, for the purpose of authenticating a proceeding or document, a receipt of payment, knowing such signature to be false and counterfeit, in violation of 18 U.S.C. § 505 and 18 U.S.C. § 2.

Count 5

36. Between March 6, 2014, and October 31, 2014, in Pima County, in the District of Arizona, and elsewhere, the defendant, **MARIVEL CANTU-MADRIL**, forged the signature of an officer of a court of the United States, to wit: Joan Ryan, a deputy clerk of the United States Court of Appeals for the Ninth Circuit, for the purpose of authenticating a proceeding or document, a receipt of payment, knowing such signature to be false and counterfeit, in violation of 18 U.S.C. § 505 and 18 U.S.C. § 2.

Count 6

37. On or about December 4, 2014, in Pima County, in the District of Arizona, and elsewhere, the defendant, **MARIVEL CANTU-MADRIL**, knowingly used, affixed, and impressed a fraudulently made, forged, counterfeited, mutilated, and altered seal of any department or agency of the United States and facsimile thereof to and upon a certificate, instrument, commission, document, and paper, specifically a letter to John Doe 4, in violation of 18 U.S.C. § 506 and 18 U.S.C. § 2.

Count 7

38. On or about January 16, 2015, in Pima County, in the District of Arizona, and elsewhere, the defendant, **MARIVEL CANTU-MADRIL**, knowingly used, affixed, and impressed a fraudulently made, forged, counterfeited, mutilated, and altered seal of any department or agency of the United States and facsimile thereof to and upon a certificate,

instrument, commission, document, and paper, specifically a letter to John Doe 4, in violation of 18 U.S.C. § 506 and 18 U.S.C. § 2.

Count 8

39. On or about March 1, 2015, in Pima County, in the District of Arizona, and elsewhere, the defendant, **MARIVEL CANTU-MADRIL**, knowingly used, affixed, and impressed a fraudulently made, forged, counterfeited, mutilated, and altered seal of any department or agency of the United States and facsimile thereof to and upon a certificate, instrument, commission, document, and paper, specifically a letter to John Doe 3, in violation of 18 U.S.C. § 506 and 18 U.S.C. § 2.

Count 9

40. On or about July 16, 2015, in Pima County, in the District of Arizona, and elsewhere, the defendant, **MARIVEL CANTU-MADRIL**, knowingly used, affixed, and impressed a fraudulently made, forged, counterfeited, mutilated, and altered seal of any department or agency of the United States and facsimile thereof to and upon a certificate, instrument, commission, document, and paper, specifically a letter to John Doe 2, in violation of 18 U.S.C. § 506 and 18 U.S.C. § 2.

Count 10

41. On or about July 27, 2015, in Pima County, in the District of Arizona, and elsewhere, the defendant, **MARIVEL CANTU-MADRIL**, knowingly used, affixed, and impressed a fraudulently made, forged, counterfeited, mutilated, and altered seal of any department or agency of the United States and facsimile thereof to and upon a certificate,

instrument, commission, document, and paper, specifically a letter to John Doe 2, in violation of 18 U.S.C. § 506 and 18 U.S.C. § 2.

A TRUE BILL

/S/

Presiding Juror

MATTHEW G. WHITAKER
Acting Attorney General of the United States

JOHN C. ANDERSON
United States Attorney
District of New Mexico

/S/

Sean J. Sullivan
Special Attorney
U.S. Department of Justice
U.S. Attorney's Office, District of New Mexico

JAN 16 2019

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JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE Friday, April 5, 2019

Former Attorney Pleads Guilty to Tax Evasion

Prepared Tax Returns for Clients Yet Omitted Over $1.5 Million in Income on His Own Tax Returns

A former Indiana attorney, who also prepared tax returns for Indianapolis-area clients, pleaded guilty yesterday to tax evasion, announced Principal Deputy Assistant Attorney General Richard E. Zuckerman and Josh J. Minkler, U.S. Attorney for the Southern District of Indiana.

Scott C. Cole, 54, of Brownsburg, Indiana, pleaded guilty to one count of tax evasion for his multi-year effort to evade the payment of taxes and penalties on income he failed to report on his 2002 tax return.

According to the Superseding Indictment and court filings, Cole was an attorney and preparer of tax returns. As the result of Internal Revenue Service (IRS) audits of Cole's 2001 and 2002 tax returns, the Tax Court and the United States Court of Appeals for the Seventh Circuit determined that Cole owed over $1,000,000 in taxes and penalties, stemming from Cole's fraudulent omission of over $1.5 million of income from his individual tax returns for those years. From 2011 through 2017, when the IRS sought to collect those taxes, Cole took various steps to evade payment of his tax debt. His efforts included opening bank accounts in the names of nominees, such as family members, directing payment for legal and tax preparation services performed by him be made payable to nominee companies he controlled, paying personal bills from bank accounts maintained in the names of nominees, and dealing extensively in cash and money orders. Cole also prepared tax returns for clients that omitted his name as the paid preparer of those tax returns, a violation of the Internal Revenue Code and related regulations. Because of Cole's acts of evasion, the IRS collected less than $3,000 of the total tax debt Cole owed for the 2001 and 2002 tax years.

Cole resigned from the Indiana bar following the filing of a complaint by the Supreme Court of Indiana Disciplinary Commission in 2014, which charged Cole with the filing of fraudulent tax returns with the IRS and the State of Indiana for the 2001 and 2002 tax years.

U.S. District Judge Jane Magnus-Stinson, who presided over Cole's guilty plea yesterday, is expected to schedule Cole's sentencing for late summer 2019.

Principal Deputy Assistant Attorney General Zuckerman and U.S. Attorney Minkler commended special agents of IRS-Criminal Investigation, who investigated the case, the IRS Revenue Agents, who conducted the underlying audits, and the prosecutors on the case, Assistant United States Attorney James M. Warden from the Southern District of Indiana, and Assistant Chief Stanley J. Okula, Jr. of the Tax Division.

Additional information about the Tax Division and its enforcement efforts may be found on the division's website at www.justice.gov/tax.

Topic(s):
Financial Fraud
Tax

Component(s):
Tax Division
USAO - Indiana, Southern

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