

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA            )     Hon.  
  )     )  
  )     Criminal No. \_\_\_\_\_  
  )     )  
SANJAY SETHI                           )     18 U.S.C. § 371

INFORMATION

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

At all times relevant to this Information, unless otherwise alleged:

Background

1. The Internal Revenue Service ("IRS") was an agency of the United States Department of the Treasury responsible for administering and enforcing the tax laws of the United States and collecting the taxes owed to the Treasury of the United States by its citizens.

2. United States citizens and residents had an obligation to report to the IRS on the Schedule B of a U.S. Individual Income Tax Return, Form 1040, whether that individual had a financial interest in, or signature authority over, a financial account in a foreign country during a particular year by checking "Yes" or "No" in the appropriate box and identifying

the country where the account was maintained. United States citizens and residents also had an obligation to report all income earned from foreign financial accounts on their tax returns.

3. United States citizens and residents who had a financial interest in, or signature authority over, one or more financial accounts in a foreign country with an aggregate value of more than \$10,000 at any time during a calendar year were required to file with the Department of the Treasury for that calendar year a Report of Foreign Bank and Financial Accounts on Form TD F 90-22.1 ("FBAR"). The FBAR for a particular calendar year was due by June 30 of the following calendar year.

4. An "undeclared bank account" was a financial account maintained in a foreign country that was required to be, but was not, reported to the United States government on a tax return or an FBAR.

5. The Internal Revenue Code and associated regulations required financial institutions, including banks, to issue an IRS Form 1099 to each individual who was paid \$10 or more of interest income during a calendar year reporting the recipient's name, address, Social Security number and the amount of interest income paid, and to file a copy of the Form 1099 with the IRS.

6. A "bearer share corporation" is one where the

ownership is based on physical possession of the shares of the corporation. Ownership of a bearer share corporation is not readily identifiable, as opposed to a corporation with registered stock shares, where the owners of the entity are identified in the corporation's records. Bearer share corporations are often set up in tax havens to hide the true ownership of assets, because ownership records are not maintained and nominee officers and directors are often used to appear to control the affairs of the corporation.

#### Entities

7. San Vision Technologies, Inc. ("SVT") was a U.S. corporation created in 1992 and owned by defendant SANJAY SETHI. SVT provided technical consulting, software development, database management, and other information technology services for banking and insurance clients.

8. Karol Bagh Charitable Trust ("Karol Bagh") was an entity created under Swiss law that defendant SANJAY SETHI used to conceal his ownership of undeclared accounts in Switzerland into which SETHI deposited the proceeds of real estate transactions related to properties located in India.

9. Fundus, Inc. ("Fundus") was a Cayman Islands bearer share corporation that defendant SANJAY SETHI used to conceal his ownership of U.S. bank accounts funded with the

proceeds of real estate transactions related to properties in India.

10. SNS Investments, Ltd. ("SNS Investments") was a British Virgin Islands bearer share corporation that defendant SANJAY SETHI used to conceal his ownership of undeclared bank accounts in Switzerland into which SETHI deposited the proceeds of real estate transactions related to properties in India.

11. Driftmore International, Ltd. ("Driftmore") was a British Virgin Islands bearer share corporation that defendant SANJAY SETHI used to conceal his ownership of an undeclared bank account in Switzerland into which SETHI deposited unreported business receipts and reimbursements for actual business expenses of SVT.

12. Ace Marketing, Inc. ("Ace Marketing") was a corporation that defendant SANJAY SETHI owned and used to send funds to an undeclared bank account in Switzerland held in the name of Driftmore.

13. An international bank ("the International Bank") was one of the largest international banks and was headquartered in England. It maintained offices throughout the world, including in India, Singapore, Hong Kong and the United States, including in the District of New Jersey.

14. The International Bank operated a division in the United States called "NRI Services" that marketed offshore

banking services to United States citizens of Indian descent. Through its NRI Services division, the International Bank encouraged United States citizens to open undeclared bank accounts in India.

#### The Defendant

15. Defendant SANJAY SETHI was born in India, became a lawful permanent resident of the United States on or about March 10, 1989, and became a naturalized United States citizen on or about June 1, 2004. From at least 2004 to the present, SETHI lived in Watchung, New Jersey.

16. From in or about 2001 until in or about 2009, defendant SANJAY SETHI had a financial interest in undeclared bank accounts located in Switzerland and India. The accounts located in Switzerland and India were maintained at the International Bank.

#### Certain Co-Conspirators

17. U.S. Banker A, a co-conspirator who is not charged as a defendant herein, was a senior vice president of a cross-border banking group within the private bank division of the International Bank that focused on developing and servicing clients in the United States with ties to India and elsewhere in South Asia. U.S. Banker A was based in the International Bank's New York, New York office.

18. U.K. Banker A, a co-conspirator who is not charged

as a defendant herein, was a high-ranking executive of the International Bank and the head of a cross-border banking group within its private bank division that focused on developing and servicing clients worldwide with ties to countries in south Asia. U.K. Banker A was based in the International Bank's London, England office.

19. Swiss Banker A, a co-conspirator who is not charged as a defendant herein, was a financial advisor for the International Bank and was based in Geneva, Switzerland.

20. From in or about 2001 through on or about April 21, 2010, in the District of New Jersey and elsewhere, the defendant,

SANJAY SETHI,

did knowingly and intentionally combine, conspire, confederate and agree with others to defraud the United States and an agency thereof, that is, the Internal Revenue Service of the United States Department of the Treasury, in the ascertainment, computation, assessment and collection of federal income taxes.

Object of the Conspiracy

21. The object of the conspiracy was for defendant SANJAY SETHI and his co-conspirators to conceal from the IRS the existence, ownership, and income derived from SETHI's undeclared bank accounts in Switzerland and India.

### Manner and Means of the Conspiracy

22. It was part of the conspiracy that defendant SANJAY SETHI and his co-conspirators used nominee and shell companies formed in tax-haven jurisdictions and elsewhere to conceal the defendant's ownership and control of assets and income from the IRS.

23. It was further part of the conspiracy that defendant SANJAY SETHI and his co-conspirators used bank accounts opened in the name of shell companies and nominees to conceal SETHI's ownership and control of assets and income from the IRS.

24. It was further part of the conspiracy that defendant SANJAY SETHI and his co-conspirators provided, and caused to be provided, false documents to banks to conceal SETHI's ownership and control of assets and income from the IRS.

25. It was further part of the conspiracy that defendant SANJAY SETHI and his co-conspirators prepared and filed with the IRS, and caused to be prepared and filed with the IRS, false and fraudulent United States Individual Income Tax Returns to conceal SETHI's ownership and control of assets and income from the IRS.

26. It was a further part of the conspiracy that defendant SANJAY SETHI failed to file FBARS with the Department of the Treasury with respect to his undeclared bank accounts.

### Overt Acts

27. In furtherance of the conspiracy and in order to effect the object thereof, defendant SANJAY SETHI and his co-conspirators committed and caused to be committed the following overt acts in the District of New Jersey and elsewhere:

a. In or about 2001, during a meeting with U.S. Banker A, defendant SANJAY SETHI discussed opening an undeclared bank account in India at the International Bank for the purpose of concealing income and assets from the IRS.

b. In or about 2001, defendant SANJAY SETHI opened an undeclared bank account in India with the NRI Services division of the International Bank by visiting the bank's New York City offices, using his Indian passport as identification, and causing 27,000 Indian Rupees (approximately \$400) to be transferred to his account at the International Bank.

c. In or about 2002, U.S. Banker A telephoned defendant SANJAY SETHI and set up a meeting between SETHI and U.K. Banker A, the head of the cross-border banking group within the private bank division of the International Bank, who would be visiting New York City.

d. Shortly thereafter, in or about 2002, defendant SANJAY SETHI met with U.K. Banker A at the offices of the International Bank in New York City and discussed the opening of an undeclared bank account for SETHI at the International Bank in Switzerland. U.K. Banker A told SETHI that the undeclared



account would allow SETHI's assets to grow tax-free and that bank secrecy laws in Switzerland would allow SETHI to conceal the existence of the account.

e. On or about July 24, 2002, defendant SANJAY SETHI obtained authority to conduct financial transactions and to make decisions, contracts, and other commitments on behalf of Fundus.

f. In or about 2003, several months after defendant SANJAY SETHI's meeting with U.K. Banker A in New York City, SETHI traveled to London at the direction of U.K. Banker A to complete the paperwork needed to open the undeclared bank account at the International Bank in Switzerland.

g. On or about January 15, 2003, as the result of meeting with U.K. Banker A in London, defendant SANJAY SETHI caused SNS Investments to be incorporated.

h. In or about 2003, defendant SANJAY SETHI caused approximately \$3.4 million to be transferred from a bank account in the name of Fundus to an undeclared bank account at the International Bank in the name of SNS Investments.

I. On or about June 2, 2006, defendant SANJAY SETHI transferred \$2,346,979.80 from an undeclared bank account in the name of SNS Investments into various certificates of deposit held in undeclared bank accounts at the International

Bank in India and managed through the International Bank's NRI Services division.

j. In or about August 2007, defendant SANJAY SETHI sold his home in Watchung, New Jersey for approximately \$2.2 million and wired the proceeds from the sale from an account at the International Bank in the United States to the undeclared SNS Investments bank account.

k. In or about 2007, defendant SANJAY SETHI and Swiss Banker A discussed opening a second undeclared bank account in Switzerland in the name of Driftmore for the purpose of concealing income and assets from the IRS.

l. In or about January 2008, Swiss Banker A incorporated Driftmore in the British Virgin Islands for use by defendant SANJAY SETHI in connection with an undeclared bank account at the International Bank.

m. On or about April 11, 2008, defendant SANJAY SETHI sent to Swiss Banker A by private letter carrier a check made payable to Driftmore from Ace Marketing in the amount of \$12,500.

n. On or about June 10, 2008, defendant SANJAY SETHI sent to Swiss Banker A by private letter carrier a check made payable to Driftmore from SVT, drawn on an account maintained at the International Bank in New York, in the amount of \$35,191.20.


o. On or about January 21, 2009, defendant SANJAY SETHI sent to Swiss Banker A by private letter carrier a check made payable to Driftmore from SVT, drawn on an account maintained at the International Bank in New York, in the amount of \$10,080.

p. On or about February 5, 2009, defendant SANJAY SETHI sent to Swiss Banker A by private letter carrier a check made payable to Driftmore from SVT, drawn on an account maintained at the International Bank in New York, in the amount of \$11,466.40.

q. On or about March 1, 2007, in North Bergen, New Jersey, defendant SANJAY SETHI caused to be prepared and caused to be filed electronically with the IRS a U.S. Individual Income Tax Return, Form 1040, for the tax year 2006, which falsely reported that he did not have signature authority over any foreign financial accounts, and which failed to report income earned from his undeclared bank accounts.

r. On or about April 21, 2010, in the District of New Jersey, defendant SANJAY SETHI signed, mailed, and filed with the IRS a U.S. Individual Income Tax Return, Form 1040, for the tax year 2009, which falsely reported that he did not have signature authority over any foreign financial accounts, and which failed to report income earned from his undeclared bank accounts.

All in violation of Title 18, United States Code,  
Section 371.

  
\_\_\_\_\_  
PAUL J. FISHMAN  
United States Attorney

CASE NUMBER: 2011R00726

---

---

**United States District Court  
District of New Jersey**

---

---

UNITED STATES OF AMERICA

v.

SANJAY SETHI

---

---

**INFORMATION**

18 U.S.C. § 371

---

---

**PAUL J. FISHMAN**  
*U.S. ATTORNEY*  
*NEWARK, NEW JERSEY*

---

---

JOSEPH MACK  
*ASSISTANT U.S. ATTORNEY*  
*(973) 645-2824*

---

---