

United States District Court

FOR THE
NORTHERN DISTRICT OF CALIFORNIA

VENUE: SAN JOSE

FILED

JAN - 6 2009

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

v.

CR 09 00018

JF

AUSAF UMAR SIDDIQUI,

RS

DEFENDANT(S).

INDICTMENT

18 U.S.C. § 1343- Wire Fraud (5 Counts)

18 U.S.C. § 1957(a) - Money Laundering (4 Counts)

18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(C) Forfeiture of Wire
Fraud Proceeds (1 Count)

18 U.S.C. § 982 - Forfeiture Money Laundering Proceeds (1 Count)

A true bill.

Angela...
Foreman

Filed in open court this 6th day of

January 2009
John...
Clerk

Bail, \$ no return
John D. Lytle

CR09-0018 (JF/RS)

JF

FILED

JAN - 6 2009

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

1 JOSEPH P. RUSSONIELLO
2 United States Attorney

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6 E-filing

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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA

10 SAN JOSE DIVISION

JF

RS

11 UNITED STATES OF AMERICA,
12 Plaintiff,

No. CR

CR 09

00018

VIOLATIONS:

13 v.

14 AUSAF UMAR SIDDIQUI,
15 Defendant.

16 18 U.S.C. § 1343- Wire Fraud (5 Counts);
17 18 U.S.C. § 1957(a) - Money Laundering
(4 Counts); 18 U.S.C. § 981(a)(1)(C) and
18 28 U.S.C. § 2461(C) Forfeiture of Wire
19 Fraud Proceeds (1 Count); 18 U.S.C. § 982 -
20 Forfeiture of Money Laundering Proceeds (1 Count)

21 SAN JOSE VENUE

22 INDICTMENT

23 The Grand Jury charges:

24 BACKGROUND

25 At all times relevant to this Indictment:

26 1. At times relevant to this indictment, AUSAF UMAR SIDDIQUI, was a resident
27 of Palo Alto, California and was Vice President of Merchandising and Operations for Fry's
28 Electronic's, Inc. ("Fry's").

2. Fry's is a company with offices in San Jose, California.

3. Vendor One and Vendor Two sold merchandise to Fry's.

4. PC International, LLC ("PC International") was a company with offices in San
Jose, California.

1 5. AUSAF UMAR SIDDIQUI was the founder of and controlled PC International
2 and the had sole signatory on its bank accounts.

3 6. PC International held account number xxxxxx7028 at Wells Fargo Bank.

4 THE SCHEME TO DEFRAUD FRY'S

5 7. Beginning at a time unknown to the grand jury, but no later than in or about June
6 2005 and continuing through about November 2008, in the Northern District of California and
7 elsewhere, the defendant,

8 AUSAF UMAR SIDDIQUI,

9 did knowingly and intentionally devise a scheme and artifice to defraud as to a material matter,
10 and to obtain money and property by means of materially false and fraudulent pretenses,
11 representations, promises, and omissions, knowing that the pretenses, representations, promises,
12 and omissions were false and fraudulent when made.

13 MANNER AND MEANS OF THE SCHEME TO DEFRAUD FRY'S

14 8. As part of the scheme to defraud Fry's, and in order to induce Fry's vendors to
15 give money to PC International, SIDDIQUI engaged in certain conduct and made certain material
16 false representations, promises, and omissions, including, but not limited to, the following:

17 a. SIDDIQUI represented to Fry's that as Vice President of Merchandising
18 and Operations he would obtain merchandise from Fry's vendors at a lower price if Fry's
19 authorized him, as its Vice President, to enter sales contracts on Fry's behalf with Fry's vendors
20 directly instead of buying merchandise through sales representatives to whom the vendors would
21 be obligated to pay sales commissions for arranging such purchases by Fry's.

22 b. SIDDIQUI represented to Fry's that the vendors selling directly to Fry's
23 without using the sales representatives would charge Fry's a lower price for merchandise as they
24 would not have to pay sales representatives a sales commission for such purchases.

25 c. SIDDIQUI failed to disclose to Fry's that he made secret backroom deals
26 with vendors for them to make payments to PC International based on the amount of
27 merchandise purchased by Fry's.

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1 d. SIDDIQUI failed to disclose to Fry's that he was the founder of and
2 controlled PC International.

3 e. SIDDIQUI failed to disclose to Fry's that, in his capacity as its Vice
4 President, he awarded contracts to the vendors who secretly agreed to pay PC International based
5 on the amount of merchandise purchased by Fry's and that those vendors made payments to PC
6 International pursuant to SIDDIQUI's scheme.

7 COUNTS ONE THROUGH FIVE: (18 U.S.C. § 1343 – Wire Fraud)

8 9. Paragraphs 1 through 8 are realleged as if fully set forth herein.

9 10. On or about the dates set forth below, in the Northern District of California, and
10 elsewhere, for the purpose of executing the material scheme to defraud Fry's and to obtain
11 money by materially false and fraudulent pretenses, representations, promises, and omissions, the
12 defendant,

13 AUSA F. UMAR SIDDIQUI,

14 did knowingly transmit and cause to be transmitted the following wire communications in
15 interstate and foreign commerce:

COUNTS	DATE	MONETARY TRANSACTION
ONE	06/08/05	Vendor 1 wired \$1,000,000 from its Cathay Bank Acct. #xxxxxx3134 to Wells Fargo Bank Acct. # xxxxxxx7028 (via New Jersey between California banks)
TWO	06/29/05	Vendor 2 wired \$350,000 from its EastWest Bank Acct. #xxxxx2676 to Wells Fargo Bank Acct. # xxxxxxx7028 (via New Jersey between California banks)
THREE	02/15/06	Vendor 1 wired \$500,000 from its Cathay Bank Acct. #xxxxx3134 to Wells Fargo Bank Acct. # xxxxxxx7028 (via New Jersey between California banks)
FOUR	06/12/08	Vendor 1 wired \$3,000,000 from its Cathay Bank Acct. #xxxxxx3134 to Wells Fargo Bank Acct. # xxxxxxx7028 (via New Jersey between California banks)
FIVE	11/12/08	Vendor 2 wired \$1,000,000 from its EastWest Bank Acct. #xxxxxx2676 to Wells Fargo Bank Acct. # xxxxxxx7028 (via New Jersey between California banks)

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

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1 COUNTS SIX THROUGH NINE: (18 U.S.C. § 1957(a) – Money Laundering)

2 11. On or about June 8, 2005, through on or about June 13, 2008, in the Northern
3 District of California, the defendant,

4 AUSA UMAR SIDDIQUI,

5 then a resident of Palo Alto, California, did willfully and knowingly engage in monetary
6 transactions in criminally derived property of a value greater than \$10,000, as described in
7 Counts Six through Nine below, said property being derived from a specified unlawful activity,
8 namely, wire fraud, as alleged in Counts One through Five:

9

COUNTS	DATE	MONETARY TRANSACTION
SIX	06/10/05	Electronic transfer of \$1,000,000 to Acct.# xxx71 at Venetian Marketing Incorporated.
SEVEN	07/01/05	Electronic transfer of \$300,000 to Acct.# xxx71 at Venetian Marketing Incorporated.
EIGHT	02/17/06	Electronic transfer of \$500,000 to Acct.# xxx71 at Venetian Marketing Incorporated.
NINE	06/13/08	Electronic transfer of \$2,950,000 to Acct.# xxx71 at Venetian Marketing Incorporated.

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16 Each in violation of Title 18, United States Code, Section 1957(a).

17 FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) -
18 Forfeiture of Wire Fraud Proceeds)

19 12. The allegations of Counts One through Five of this Indictment are realleged and
20 by this reference fully incorporated herein for the purpose of alleging forfeiture pursuant to the
21 provisions of 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. 2461(c).

22 13. Upon a conviction of any of the offenses alleged in Counts One through Five, the
23 defendant,

24 AUSA UMAR SIDDIQUI,

25 shall forfeit to the United States all property, constituting and derived from proceeds traceable to
26 said offenses, including but not limited to the following property:

27 a. a sum of money equal to the total amount of money involved in the
28 commission of said offense;

1 b. \$16,578.22 of funds seized from Wells Fargo Business Checking Account
2 #xxxxxx7028 in the name of PC International;

3 c. \$38,329.92 of funds seized from Advantage Plus Checking Account
4 #xxxxxx2946 in the name of A-Umar Siddiqui;

5 d. a model year 2006 Mercedes Benz CLS 55, VIN number
6 WDDDJ76X06A057058.

7 e. \$30,100 seized from the defendant's briefcase.

8 f. 3100 British Pounds seized from the defendant's briefcase.

9 g. 240 Euros of funds seized from the defendant's briefcase.

10 h. Ten Wells Fargo debit cards seized from the defendant's briefcase.

11 i. Three SmartOne Visa debit cards of funds seized from the defendant's
12 briefcase.

13 14. If any of said property, as a result of any act or omission of the defendant:

14 a. cannot be located upon the exercise of due diligence;

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

16 c. has been placed beyond the jurisdiction of the Court;

17 d. has been substantially diminished in value; or

18 e. has been commingled with other property which cannot be subdivided
19 without difficulty;

20 any and all interest defendant has in other property (up to the value of the property identified in
21 paragraph 13) shall be vested in the United States and forfeited to the United States pursuant to
22 Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code,
23 Section 2461(c) and Rule 32.2 of the Federal Rules of Criminal Procedure.

24 FORFEITURE ALLEGATION :(18 U.S.C. § 982 -Money Laundering Forfeiture)

25 15. The allegations contained in Counts Six through Nine of this indictment are
26 realleged and by this reference fully incorporated herein for the purpose of alleging forfeiture
27 pursuant to the provisions of 18 U.S.C. § 982.

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1 Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

2 All in violation of Title 18, United States Code, Sections 982, 1957(a) and Rule 32.2 of
3 the Federal Rules of Criminal Procedure.

A True Bill

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5 Dated: 1/6/09

Angelina Mendez
FOREPERSON

6 JOSEPH RUSSONIELLO
7 United States Attorney

8 *Brian Stretch*
9 BRIAN STRETCH
10 Assistant United States Attorney
Chief, Criminal Division

11 Approved as to Form

12 *Thomas Moore*
13 THOMAS MOORE
14 Assistant United States Attorney
Chief, Tax Division

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DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT SUPERSEDING

OFFENSE CHARGED

- 1) 18 USC 1343 Wire Fraud-5 cts.;
2) 18 USC 1957(a) Money Laundering - 4 cts.

- Petty
Minor
Misdemeanor
Felony

E-filing

PENALTY:

- 1) 20 yr impris., \$250k fine, 3 yr S.R., \$100 assessment; 2) 10 yr impris., \$250k fine, 3 yr S.R., \$100 assessment; 3) 18 USC 981(a)(1)(C) & 28 USC 2461(C) Forfeit Wire Fraud Proc.; 4) 18 USC. 982 - Forfeit Money Laundering Proc.

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

INTERNAL REVENUE SERVICE

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District

this is a reprosecution of charges previously dismissed which were dismissed on motion of:

U.S. Att'y Defense

this prosecution relates to a pending case involving this same defendant

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

SHOW DOCKET NO.

MAGISTRATE CASE NO.

Name and Office of Person Furnishing Information on THIS FORM JOSEPH P. RUSSONIELLO

U.S. Att'y Other U.S. Agency

Name of Asst. U.S. Att'y (if assigned) THOMAS MOORE, AUSA, TAX DIV.

Name of District Court, and/or Judge/Magistrate, Location NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE

JAN - 6 2009

DEFENDANT - U.S.

Ausaf Umar Siddiqui

DISTRICT COURT NUMBER

CR 09 00018

RICHARD W. WIEKING CLERK, U.S. DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA

DEFENDANT

IS NOT IN CUSTODY

- 1) Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges
2) Is a Fugitive
3) Is on Bail or Release from (show District)

NORTHERN DISTRICT OF CALIFORNIA

IS IN CUSTODY

- 4) On this charge
5) On another conviction
6) Awaiting trial on other charges

Fed'l State

If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year.

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT Bail Amount:

If Summons, complete following:

Arraignment Initial Appearance

Defendant Address:

*Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time:

Before Judge:

Comments: