

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA            )    No.  
  )  
  )    Violations: Title 18, United States Code,  
  )    Sections 1001 and 1343  
  )  
v.    )  
ANSHOO SETHI                             )

**COUNT ONE**

The SPECIAL MARCH 2013 GRAND JURY charges:

1.       At times material to this indictment:

          a.       The Immigration and Nationality Act of 1990 provided a program for foreign nationals to obtain a U.S. visa by investing in domestic projects that would create or preserve a minimum number of jobs for U.S. workers. This program was administered by the U.S. Citizenship and Immigration Services, U.S. Department of Homeland Security, an agency of the U.S. government, and the program was commonly known as the EB-5 program. Foreign nationals could qualify to obtain U.S. residency if they invested \$1,000,000, or if they invested at least \$500,000 in a Targeted Employment Area, *i.e.* a high unemployment or rural area, which investment would create or preserve at least ten jobs for U.S. workers, excluding the investor and his or her immediate family.

          b.       In 1992, Congress authorized a pilot immigration program in which certain EB-5 visas were set aside to be granted to investors in Regional Centers. Regional Centers were projects designated by USCIS for the EB-5 visa program after USCIS received and reviewed a Regional Center application, and the Regional Center projects were based on proposals for investment opportunities promoting economic growth. After designation of a Regional Center, USCIS periodically requested additional information about the project from the project applicant.

c. Defendant ANSHOO SETHI was the founder and a managing member of A Chicago Convention Center, LLC, an Illinois company with an office located at 8201 W. Higgins Road, Chicago, Illinois. A Chicago Convention Center was purportedly in the business of building a hotel and convention center complex on an approximately three-acre parcel of land also located at 8201 W. Higgins Road near Chicago O'Hare International Airport. Defendant SETHI operated A Chicago Convention Center from the Higgins Road office and from his residence in Chicago, Illinois.

d. In or about 2010, defendant SETHI applied for Regional Center status for A Chicago Convention Center with USCIS. Defendant SETHI submitted information to USCIS about the project as part of this application. In or about June 2011, USCIS granted the application. The Regional Center was called the Intercontinental Regional Center Trust of Chicago, LLC, with defendant as its managing member.

e. Defendant SETHI solicited and caused to be solicited Chinese nationals who were interested in the EB-5 visa program to invest \$500,000 each plus a \$41,500 administrative fee in A Chicago Convention Center and the Regional Center. In soliciting and causing the solicitation of the investors, defendant SETHI represented that the investors' funds of \$500,000 would be used for the construction of the hotel and convention center complex, and the \$41,500 fee would be used for administrative and marketing expenses related to the project.

f. In soliciting and causing the solicitation of the investors, defendant SETHI provided the investors with information about the project, including project marketing materials and a Private Offering Memorandum.

g. The Private Offering Memorandum offered to sell an investment interest in

the project to the investor for \$500,000, plus the \$41,500 administrative fee. Each investment interest constituted approximately 0.025% ownership of the project. The Offering Memorandum projected raising \$249 million through investor contributions. The Offering Memorandum also stated that A Chicago Convention Center would obtain additional funding for the project through: (1) a contribution of a real estate site for the project, namely the three-acre parcel of land on Higgins Road, which it stated was appraised at approximately \$177 million; (2) government bond financing in the amount of approximately \$339 million; and (3) various government tax credits and grants. The Offering Memorandum represented that the total project cost was approximately \$912 million.

h. To raise investment funds, defendant SETHI used A Chicago Convention Center employees and foreign sales agents. Defendant SETHI provided these employees and foreign sales agents with information and numerous documents about the project, including the Offering Memorandum, marketing materials, and supporting project documents, to distribute to investors in China. Defendant's employees and foreign sales agents then provided that information and documents to investors in China. Defendant SETHI also made presentations regarding the project directly to investors in China.

i. Defendant SETHI submitted and caused the submission of information and documents about the project to USCIS through Individuals A and B. Each investor who invested \$541,500 in the project also applied for an EB-5 visa with USCIS, and caused the submission of an I-526 visa application form with supporting documents to USCIS. The visa application package for each investor included numerous documents about the project, including the Offering Memorandum.

j. Investors A, B, and C were investors in the project and also submitted EB-5 visa applications to USCIS.

2. Beginning in or about January 2011, and continuing until in or about February 2013, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

ANSHOO SETHI,

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

3. It was part of the scheme that defendant SETHI operated a fraud scheme to exploit the EB-5 visa program in order to fraudulently raise approximately \$160 million in funds for the project from over 290 Chinese nationals, and to deceive USCIS into granting EB-5 visas, through the use of numerous materially false and fraudulent statements, representations, promises, and concealment of material facts, including false statements about: (1) the participation of established hotel brands in the project, (2) the appraised value of the project site, (3) government financing, (4) the City of Chicago's provision of Tax Increment Financing, (5) the development of the project, and (6) the use of the investors' administrative fee.

**False Statements about the Participation of Established Hotel Brands**

4. It was further part of the scheme that defendant SETHI falsely represented and caused to be represented to investors that A Chicago Convention Center had executed franchise agreements with established hotel brands, namely Hyatt, Starwood, and Intercontinental Hotel Group, to operate at least three separate hotels at the project site. Defendant SETHI knew that, at the time he made those representations, he did not have any executed franchise agreements with

these hotel brands.

5. It was further part of the scheme that defendant SETHI altered a draft letter he obtained from Hyatt to falsely state that A Chicago Convention Center had an executed franchise agreement with Hyatt. Defendant SETHI provided this fake letter to individuals who were soliciting investors on behalf of A Chicago Convention Center, knowing that the information in the letter would be provided to investors, in order to provide the false appearance to investors that at least one of the hotels at the project site would be a Hyatt hotel.

6. It was further part of the scheme that defendant SETHI provided letters from Starwood and Intercontinental confirming that franchise agreements had been executed with these hotel brands to individuals who were soliciting investors on behalf of A Chicago Convention Center. Defendant SETHI knew that at the time he had provided these letters from Starwood and Intercontinental that the franchise agreements with these hotel brands had been terminated. Defendant SETHI provided these letters, knowing that the information in the letters would be provided to investors, in order to provide the false appearance to investors that at least two of the hotels at the project site would be Starwood and Intercontinental hotels. Defendant concealed from the investors that, at the time he made these representations about the Starwood and Intercontinental brands, he had already received termination of franchise agreement letters from Starwood and Intercontinental.

7. It was further part of the scheme that defendant SETHI provided and caused to be provided to investors marketing materials, including project brochures, where he prominently displayed the logos of Hyatt, Starwood and Intercontinental hotel brands, and falsely represented and caused to be represented that the hotels at the project site would carry these established and

well-known hotel brands.

8. It was further part of the scheme that defendant SETHI submitted and caused to be submitted to USCIS the fake Hyatt franchise letter, and the Starwood and Intercontinental franchise letters, in response to USCIS's request for additional information about the project.

#### **False Statements about the Appraised Value of the Project Site**

9. It was further part of the scheme that defendant SETHI falsely represented and caused to be represented to investors that the three-acre parcel of land that A Chicago Convention Center was contributing toward the project had been appraised by both Company A and Company B at approximately \$177 million. Defendant SETHI knew that Company A and Company B had not performed an appraisal of the three-acre parcel of land.

10. It was further part of the scheme that defendant SETHI falsely represented and caused to be represented to investors that the appraised value of the three-acre parcel of land was approximately \$177 million, when defendant SETHI knew the value of the land was significantly lower. Defendant SETHI fraudulently inflated the land value in order to falsely represent to investors that A Chicago Convention Center was making a substantial equity investment in the project, and contributing towards the \$912 million project cost.

#### **False Statements about Government Financing**

11. It was further part of the scheme that defendant SETHI falsely represented and caused to be represented to investors that the project had qualified for financing from the Illinois Finance Authority through the issuance of energy efficiency "green" bonds, when defendant knew that he had not secured any financing from the Illinois Finance Authority.

12. It was further part of the scheme that defendant SETHI forged and caused to be forged a letter purporting to be from Company C, dated May 23, 2011, that falsely stated that the

project qualified for financing through the Illinois Finance Authority. Defendant SETHI provided this forged letter to individuals who were soliciting investors on behalf of A Chicago Convention Center, and also submitted and caused to be submitted this forged letter to USCIS, to purportedly demonstrate that A Chicago Convention Center had secured the necessary financing for the project.

13. It was further part of the scheme that defendant SETHI falsely represented and caused to be represented to investors that the State of Illinois and the U.S. government were investing funds and providing tax credits for the project, when defendant knew that neither the state nor the federal government had committed to investing any funds or providing any tax credits for the project.

#### **False Statements about City of Chicago Tax Increment Financing**

14. It was further part of the scheme that defendant SETHI falsely represented and caused to be represented to investors that the City of Chicago had agreed to provide approximately \$97 million for the project through Tax Increment Financing, which is a special funding tool utilized by the City of Chicago to redevelop certain communities, when defendant knew that the City of Chicago had not designated or approved the project for TIF funds.

15. It was further part of the scheme that defendant SETHI created and caused to be created a fake Redevelopment Agreement TIF agreement purporting to be between A Chicago Convention Center and the City of Chicago, and a fake Ordinance that was purportedly passed by the Chicago City Council, as evidence that the project had been approved for TIF funding. Defendant SETHI caused the submission of these fake documents to investors in the project. Defendant SETHI also submitted and caused to be submitted these fake documents to USCIS as

part of a submission of additional information about the project.

### **False Statements about the Development of the Project**

16. It was further part of the scheme that defendant SETHI falsely represented and caused to be represented to investors that A Chicago Convention Center had secured building permits for the construction of the project, when defendant knew that he did not have permits from the City of Chicago that authorized the construction of the project.

17. It was further part of the scheme that defendant SETHI falsely represented and caused to be represented to investors that the developer of the project had 150 years of experience managing hotels and had previously developed over 250 hotels, when defendant knew that the developer was an entity that he controlled, and that it did not have the claimed experience in developing hotels.

### **False Representations about the Investors' Administrative Fee**

18. It was further part of the scheme that defendant SETHI falsely represented and caused to be represented to investors that their administrative fee of \$41,500 would only be used for project expenses. However, defendant misappropriated at least \$320,000 of the fees for the purchase of luxury goods for himself, family, and friends, for an unrelated civil lawsuit settlement, to fund a cosmetic surgery business, and for other personal expenses unrelated to the project.

19. It was further part of the scheme that defendant SETHI falsely represented and caused to be represented to investors that the investors' administrative fee of \$41,500 was fully refundable if the investors' I-526 visa applications were not approved, when defendant knew he had spent nearly all the administrative fees collected, and did not have the resources to repay the investors' administrative fees.



### **Total Investor Funds Raised and EB-5 Visas Received**

20. As a result of defendant SETHI's false and fraudulent representations, defendant raised approximately \$160 million from over 290 investors. Defendant caused the investors to transfer their funds to A Chicago Convention Center bank accounts through the use of interstate and foreign wire transfers.

21. As a result of defendant SETHI's false and fraudulent representations, defendant caused USCIS to accept the investors' I-526 visa applications for processing.

22. It was further part of the scheme that defendant SETHI did misrepresent, conceal, and hide, and caused to be misrepresented, concealed, and hidden, acts done in furtherance of the scheme and the purpose of those acts.

23. On or about October 9, 2011, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

**ANSHOO SETHI,**

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate electronic mail message, through a server in Virginia, to Individual A, which electronic mail message attached the fake TIF agreement and the fake letter from Company C for submission to USCIS;

In violation of Title 18, United States Code, Section 1343.

**COUNT TWO**

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. Paragraphs 1 through 22 of Count One are incorporated here.
2. On or about July 12, 2012, at Chicago, in the Northern District of Illinois, Eastern

Division, and elsewhere,

ANSHOO SETHI,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate electronic mail message, through a server in Virginia, to Individuals A and B, which electronic mail message attached the fraudulent hotel franchise letters for submission to USCIS;

In violation of Title 18, United States Code, Section 1343.

**COUNT THREE**

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. Paragraphs 1 through 22 of Count One are incorporated here.
2. On or about September 28, 2012, at Chicago, in the Northern District of Illinois,

Eastern Division, and elsewhere,

ANSHOO SETHI,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of funds in the amount of approximately \$500,000 from Investor A's bank account in Hong Kong to A Chicago Convention Center's SunTrust Bank account in the United States, which funds represented Investor A's investment in the project;

In violation of Title 18, United States Code, Section 1343.

**COUNT FOUR**

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. Paragraphs 1 through 22 of Count One are incorporated here.
2. On or about September 28, 2012, at Chicago, in the Northern District of Illinois,

Eastern Division, and elsewhere,

ANSHOO SETHI,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of funds in the amount of approximately \$41,500 from Investor A's bank account in Hong Kong to A Chicago Convention Center's SunTrust Bank account in the United States, which funds represented Investor A's administrative fee for in the project;

In violation of Title 18, United States Code, Section 1343.

**COUNT FIVE**

1. Paragraphs 1 through 22 of Count One are incorporated here.
2. On or about November 19, 2012, at Chicago, in the Northern District of Illinois,

Eastern Division, and elsewhere,

ANSHOO SETHI,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of funds in the amount of approximately \$500,000 from Investor B's Chase Bank account, through the Federal Reserve System in New Jersey, to A Chicago Convention Center's SunTrust Bank account, which funds represented Investor B's investment in the project;

In violation of Title 18, United States Code, Section 1343.

**COUNT SIX**

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. Paragraphs 1 through 22 of Count One are incorporated here.
2. On or about November 19, 2012, at Chicago, in the Northern District of Illinois,

Eastern Division, and elsewhere,

ANSHOO SETHI,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of funds in the amount of approximately \$41,500 from Investor B's Chase Bank account, through the Federal Reserve System in New Jersey, to A Chicago Convention Center's SunTrust Bank account, which funds represented Investor B's administrative fee for the project;

In violation of Title 18, United States Code, Section 1343.

**COUNT SEVEN**

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. Paragraphs 1 through 22 of Count One are incorporated here.
2. On or about December 7, 2012, at Chicago, in the Northern District of Illinois,

Eastern Division, and elsewhere,

ANSHOO SETHI,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of funds in the amount of approximately \$500,000 from Investor C's bank account in Hong Kong to A Chicago Convention Center's SunTrust Bank account in the United States, which funds represented Investor C's investment in the project;

In violation of Title 18, United States Code, Section 1343.

**COUNT EIGHT**

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. Paragraphs 1 through 22 of Count One are incorporated here.
2. On or about December 7, 2012, at Chicago, in the Northern District of Illinois,

Eastern Division, and elsewhere,

ANSHOO SETHI,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of funds in the amount of approximately \$41,500 from Investor C's bank account in Hong Kong to A Chicago Convention Center's SunTrust Bank account in the United States, which funds represented Investor C's administrative fee for the project;

In violation of Title 18, United States Code, Section 1343.



**COUNT NINE**

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about November 10, 2011, at Chicago, in the Northern District of Illinois,

Eastern Division, and elsewhere,

ANSHOO SETHI,

defendant herein, did knowingly and willfully make and use, and caused to be made and used, false documents, knowing the same to contain materially false, fictitious and fraudulent statements, in a matter within the jurisdiction of U.S. Citizenship and Immigration Services, U.S. Department of Homeland Security, an agency within the executive branch of the Government of the United States, namely,

(a) a false Redevelopment Agreement dated June 10, 2011, between the City of Chicago and A Chicago Convention Center for the provision of \$97 million in Tax Increment Financing;

(b) a false Ordinance from the Chicago City Council authorizing \$97 million in Tax Increment Financing for the project; and

(c) a false letter from Company C dated May 23, 2011, concerning financing by the Illinois Finance Authority;

In violation of Title 18, United States Code, Section 1001(a)(3).

**COUNT TEN**

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about August 30, 2012, at Chicago, in the Northern District of Illinois,

Eastern Division, and elsewhere,

ANSHOO SETHI,

defendant herein, did knowingly and willfully make and use, and caused to be made and used, a false document, knowing the same to contain materially false, fictitious and fraudulent statements, in a matter within the jurisdiction of U.S. Citizenship and Immigration Services, U.S. Department of Homeland Security, an agency within the executive branch of the Government of the United States, namely, a false letter dated February 15, 2011 from Hyatt;

In violation of Title 18, United States Code, Section 1001(a)(3).

**FORFEITURE ALLEGATION**

The SPECIAL MARCH 2013 GRAND JURY further alleges:

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

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

ANSHOO SETHI,

defendant herein, shall forfeit to the United States any and all right, title, and interest he may have in any property, real and personal, which constitutes and is derived from proceeds traceable to the offenses charged in Counts One through Eight.

3. The interests of defendant subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) as incorporated by Title 28, United States Code, Section 2461(c), include but are not limited to at least \$11 million.

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

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

the United States of America shall be entitled to forfeiture of substitute property pursuant to the

provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c);

All pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C).

A TRUE BILL:

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FOREPERSON

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UNITED STATES ATTORNEY