

JD:TAW/DJL  
F. #2017R00702

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- against -

NADEZHDA EPSHTEYN, and  
CYRUS SHROFF

Defendants.

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EASTERN DISTRICT OF NEW YORK, SS:

WILLIAM DUFFIN, being duly sworn, deposes and states that he is a Special Agent with the United States Department of Homeland Security, Homeland Security Investigations, duly appointed according to law and acting as such.

In and between July 2015 and August 2016, within the Eastern District of New York and elsewhere, the defendants NADEZHDA EPSHTEYN (“EPSHTEYN”) and CYRUS SHROFF (“SHROFF”), together with others, did knowingly and with intent to defraud did traffic in and use one or more unauthorized access devices, in a manner affecting interstate commerce, and by such conduct did obtain something of value during any one year period, the aggregated value of which is equal to or greater than \$1,000.

(Title 18, United States Code, Section 1029(b)(2))

**To Be Filed Under Seal**

AFFIDAVIT AND  
COMPLAINT IN SUPPORT  
OF APPLICATION FOR  
ARREST WARRANT

(18 U.S.C. § 1029 (b)(2))

19-M-570

The source of your deponent's information and the grounds for his belief are as follows:<sup>1</sup>

1. I am a Special Agent with the United States Department of Homeland Security, Homeland Security Investigations ("HSI"). I am currently assigned to the El Dorado Task Force ("Task Force"), a multi-agency federal and state task force investigating financial crimes. My duties include conducting and assisting in investigations into various financial frauds including access device fraud and identity theft. I have participated in numerous investigations involving financial frauds, during the course of which I have interviewed suspects and witnesses, executed court-authorized search and arrest warrants and used other investigative techniques to secure relevant information, including the examination of computers and other electronic devices. As a result of my training and experience, I am familiar with the techniques and methods of operation used by individuals involved in criminal activity to carry out their activities. I am familiar with the facts and circumstances set forth below from my participation in the investigation, discussions with other law enforcement officials, my review of documents and my training and experience. Statements attributable to individuals herein are set forth in sum and substance. Where the contents of documents and the actions, statements and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

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<sup>1</sup> Because the purpose of this Complaint is to set forth only those facts necessary to establish probable cause to arrest, I have not described all the relevant facts and circumstances of which I am aware.

2. During the course of my work as an agent, I have been involved in investigations of what are commonly referred to as credit card bust-out schemes and synthetic identity fraud schemes.

3. In a credit card bust-out scheme, individuals possessing counterfeit or unauthorized credit cards typically take their credit cards to collusive merchants who make fraudulent charges on these cards. These fraudulent charges include, but are not limited to, charges that purport to be for merchandise or services, but for which no actual merchandise or services are exchanged, and charges for which the collusive merchants and credit card holders know the card issuer will never be paid. Frequently, the collusive merchant is paid a fee by the credit card holder, often a percentage of the value of the fraudulent charges, for the fraudulent use of the credit cards. Collusive merchants typically keep between 10 and 25 percent of the amount of the charge. In order to pay the cardholder his share, the collusive merchant must pay by check from the collusive bank account or withdraw cash, which is preferable to the cardholder because there is no paper trail. However, frequent cash withdrawals raise the awareness of banks so it is not uncommon for co-conspirators to use both methods.

4. In a synthetic identity fraud scheme, the perpetrators of the scheme will typically open bank and credit card accounts in the names of one or more other individuals. The putative account holders are not real people. Rather, the perpetrators combine various pieces of personal identifier information (e.g., names, dates of birth, addresses and Social Security numbers) from different individuals, either real or fictitious, to create a fictitious synthetic identity that appears, for all intents and purposes, to represent a real person but, in reality, does not. The perpetrators typically open various types of accounts at different

financial institutions for a given synthetic identity using the same synthetically-combined personal identifier information. Possession and use of a stable of synthetic identities frequently permits fraud perpetrators to commit a substantial number of credit card bust-out frauds.

### **SUMMARY**

5. As set forth below, the defendants' conduct involved withdrawing the proceeds of credit card bust-outs and synthetic identity fraud for personal gain and to make payments to the shell companies of their co-conspirators.

6. EPSHTEYN and SHROFF live at the same address and the defendants EPSHTEYN and SHROFF utilized at least 5 synthetic identities that held credit cards. EPSHTEYN and SHROFF used these synthetic identities to, among other things, make fraudulent charges using credit cards in the names of various synthetic identities with no intention of paying those debts.

7. EPSHTEYN and SHROFF engaged in access device fraud by obtaining credit cards in the names of synthetic identities and incurring charges while having no intent to repay. In addition to incurring credit card charges for personal gain, EPSHTEYN and SHROFF also made numerous charges to shell companies and collusive merchant companies controlled by co-conspirators.

8. The defendant SHROFF is also believed to have controlled at least one company which was used to accept purchases from fraudulent credit cards. SHROFF's company is named DHANISHTA INC, (the "Collusive Merchant Company") and was used as a collusive merchant in order to accept charges from synthetic identities. SHROFF is the

Chief Executive Officer of the Collusive Merchant Company as listed in the New York State Department of State Division of Corporation Records.

9. In July 2014, the Collusive Merchant Company accepted two charges from busted out credit cards in the name of synthetic identity “Hasmi Azer.” Additionally, from September 2014 to February 2017 SHROFF and EPSHTEYN utilized credit cards which were busted out for their personal benefit, to pay their EZ-Pass accounts, purchase airline tickets, pay for hotel rooms and pay traffic fines.

10. As described in further detail below, using evidence of surveillance photographs, addresses, Internet Protocol ("IP") addresses, bank accounts, and fraudulent purchases made through shell companies, EPSHTEYN and SHROFF were identified as a participants in related credit card fraud and line of credit.

11. For example, on June 9 and June 10, 2016, TD Bank surveillance cameras captured SHROFF conducting a transaction for a shell company called Skylink, Inc., a shell company controlled by one of his co-conspirators.

### **PROBABLE CAUSE TO ARREST THE DEFENDANTS**

12. The defendants EPSHTEYN and SHROFF used synthetic identities while participating in the fraudulent scheme to withdraw the proceeds in cash from accounts in the names of synthetic identities and shell companies.

#### **A. Defendant SHROFF's Conduct**

13. In July 2014, two payments were made from credit cards which were busted out in the name of a synthetic identity, Hashmi Azer, to the Collusive Merchant Company controlled by SHROFF in the amounts of \$2,450 and \$6,200.

14. From June 4, 2016 to June 6, 2016, several charges were made on a Synchrony Bank credit card in the name of synthetic identity “Shaheen Rukhshana” to shell companies controlled by Shroff’s co-conspirator. On June 27, 2016, a payment was made by check from a Capital One Bank account belonging to a shell company, Construction And More, Inc., controlled by a co-conspirator, to the Collusive Merchant Company for \$15,000.

15. From September 2014 to April 2015, several charges were made to an EZ-Pass account of an individual named Ali Raza in the names of synthetic identifies that were busted out. The vehicle registered to that EZ-Pass account is registered to SHROFF. Payments were made from at least 7 credit cards which were busted out resulting in losses of more than \$44,000.

16. SHROFF also has an EZ-Pass account in his own name. A payment was made to that EZ-Pass account on September 14, 2016 from another busted out credit card associated to a synthetic identity, Haleem Dehal.

17. Additionally, SHROFF utilized a credit card in the name of another synthetic identity, Aleem Cheema, to pay a traffic ticket he received in the amount of \$288.

18. Additionally, two charges were made on busted out credit cards in the name of a synthetic identity Faraz Shah, to Spirit Airlines. These charges were for airline tickets for SHROFF and another individual, totaling approximately \$964.

19. On March 3, 2017, an account under the name “Mir Ilgari,” was opened online with the Pentagon Federal Credit Union (“PFCU”) from internet protocol address: 100.2.127.24. The “Mir Ilgari” account had a personal line of credit, checking account and credit card all from PFCU. In May and June of 2017, monetary advances were made and transferred to the “Mir Ilgari” checking account. From that account, payments were made to

the Collusive Merchant Company. Charges were also made from the “Mir Ilgari” accounts to other shell companies controlled by SHROFF’s co-conspirators.

20. Approximately five months after opening the “Mir Ilgari” account at PFCU, SHROFF opened a bank account at the PFCU, online, under his own name using the internet protocol address: 100.2.127.24., the same address used for the “Mir Ilgari” account.

B. Defendant EPSHTEYN’s Conduct

21. On or about March 22, 2015, EPSHTEYN utilized a busted out credit card associated with the synthetic identity Arsalan Saleem to purchase over \$1,000 worth of items at Ikea.

22. EPSHTEYN, like SHROFF, also has an EZ-Pass account which, according to the New York State Department of Motor Vehicles, is linked to a vehicle registered to EPSHTEYN. Review of records of the EZ-Pass account revealed at least twenty-two deposits to that EZ-Pass account, totaling approximately \$9,057. EPSHTEYN made many of these deposits by busted out credit cards associated with synthetic identities. For example:

- i. January 2, 2016, a \$265 EZ-Pass deposit using a busted out credit card associated with the synthetic identity Aleem Cheema;
- ii. February 3, 2016, a \$330 EZ-Pass deposit using a busted out credit card associated with the synthetic identity Adeel Cheema;
- iii. May 7, 2016, a \$230 EZ-Pass deposit using a busted out credit card associated with the synthetic identity Hamza Ali;
- iv. June 7, 2016, a \$110 EZ-Pass deposit using a busted out credit card associated with the synthetic identity Shaheen Rukhshana;

- v. June 23, 2016, a \$195 EZ-Pass deposit using a busted out credit card associated with the synthetic identity Kiran Maida;
- vi. July 9, 2016, \$275 EZ-Pass deposit using a busted out credit card associated with the synthetic identity Shaheen Rukshana;
- vii. August 3, 2016, \$375 EZ-Pass deposit using a busted out credit card associated with the synthetic identity Anita Mecsei;
- viii. October 23, 2016, a \$331.61 EZ-Pass deposit using a busted out credit card associated with the synthetic identity Haleem Dehal;
- ix. November 7, 2016, a \$315 EZ-Pass deposit using a busted out credit card associated with the synthetic identity Ejaz Ahmad;
- x. November 30, 2016, a \$566.01 EZ-Pass deposit using a busted out credit card associated with the synthetic identity Tanveer Siddiqi;  
and
- xi. February 28, 2017, a \$585 EZ-Pass deposit using a busted out credit card associated with the synthetic identity Jamshaid Meehar.

23. The busted out credit cards associated to these synthetic identities that EPSHTEYN used to make these deposits were also used by other co-conspirators, totaling loses over \$300,000.

24. Additionally, with respect to the Mir Ilgari accounts opened at PFCU, two checks made payable to the Collusive Merchant Company were endorsed by EPSHTEYN.

WHEREFORE, your deponent respectfully requests that the defendants  
EPSHTEYN and SHROFF be dealt with according to law.

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WILLIAM DUFFIN  
Special Agent, United States Department of  
Homeland Security, Homeland Security  
Investigations

Sworn to before me this  
\_\_ day of June, 2019

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THE HONORABLE ROANNE L. MANN  
UNITED STATES MAGISTRATE JUDGE  
EASTERN DISTRICT OF NEW YORK