

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

UNITED STATES OF AMERICA

v.

BABU RAMARAJ,

Defendant.

Case No. 1:24-CR-147

Counts 1 - 22: 18 U.S.C. § 1343
(Wire Fraud)

Counts 23 - 28: 18 U.S.C. § 1957
(Unlawful Monetary Transactions)

Forfeiture Notice

INDICTMENT

June 2024 Term — Alexandria, Virginia

THE GRAND JURY CHARGES THAT:

COUNTS 1 - 22

Wire Fraud (18 U.S.C. § 1343)

At all times material to this Indictment, and all dates below being on or about the dates indicated, and all dollar amounts being approximate:

General Allegations

1. Defendant BABU RAMARAJ (“the defendant” or “RAMARAJ”) resided in Stone Ridge, Virginia, which is a part of Aldie, located in the Eastern District of Virginia.

2. DAB Inspection and Consulting Services LLC (“DAB”) was a Virginia limited liability company with a place of business in Sterling, Virginia, which is within the Eastern District of Virginia. RAMARAJ and his spouse owned DAB and each served as the resident agent for the company at various times.

3. DAB was a company that, in reality, primarily did residential deck and patio

renovations and other small construction work, with relatively modest annual revenues.

4. DAB banked at TD Bank, Truist Bank, JP Morgan Chase, and Northwest Federal Credit Union, in the Eastern District of Virginia.

5. RAMARAJ also had a personal bank account at Northwest Federal Credit Union, in the Eastern District of Virginia, on which he was the signatory, and which he used as part of the scheme.

6. RAMARAJ and his spouse controlled securities trading accounts at Interactive Brokers LLC, which received proceeds of the scheme described below via Citibank, N.A.

7. Investors and others involved in the events described below banked at institutions such as Wells Fargo Bank, Bank Fund Staff Federal Credit Union, Citibank, JP Morgan Chase Bank, M&T Bank, and others.

8. The banks and credit unions described above were each a “financial institution” within the meaning of Title 18, United States Code, Section 20, and Title 31, United States Code, Section 5312(a)(2).

9. RAMARAJ used DAB to operate an investment scheme, described further below. RAMARAJ targeted, among others, people he met through his cricket league in Loudoun County, Virginia.

10. As described further below, dozens of victims located in Virginia, Maryland, Georgia, North Carolina, New Jersey, Missouri, and elsewhere, wired or otherwise provided to RAMARAJ and DAB over \$20,000,000 during the scheme, and RAMARAJ caused millions of dollars in actual losses to victims.

The Scheme and Artifice to Defraud and Its Objects

11. From at least in or about January 2020 through in or about May 2024, in the Eastern District of Virginia and elsewhere, the defendant,

BABU RAMARAJ,

knowingly and intentionally devised and intended to devise a scheme and artifice 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, and transmitted and caused to be transmitted interstate wire communications in furtherance of the scheme, in violation of Title 18, United States Code, Sections 1343 and 2.

12. It was object of the scheme for RAMARAJ to obtain funds from victims by knowingly making materially false representations and promises regarding his business, DAB, including its profitability, its business dealings, its ability to pay interest payments, and promises that investor funds would be pooled into payment for bonds associated with large construction projects.

Ways, Manner and Means of the Scheme

13. The defendant executed the scheme through various ways, manner and means, including but not limited to:

a. misrepresenting to investors and potential investors that DAB had obtained lucrative quality assurance contracts with various governmental entities, including in Virginia, on large engineering projects;

b. misrepresenting to investors and potential investors that DAB had an ongoing pipeline of future lucrative quality assurance contracts with various governmental entities, including in Virginia and the District of Columbia, on large engineering projects;

c. misrepresenting to investors and potential investors that DAB had special access to lucrative contracts because DAB was a woman and minority owned business;

d. misrepresenting to investors and potential investors that DAB needed to make large upfront bond payments to secure the work but could not obtain bank financing because of the relative youth of DAB as a company and the speed with which DAB needed to secure the funding was not feasible with banks;

e. falsely promising to investors and potential investors that their money would go toward the bond payments associated with the supposed projects;

f. after two investors requested proof from RAMARAJ, in or around October 2023, fabricating false contracts, false contract award documentation, and false invoices and subcontract agreements with prominent, established firms, such as the following:

1) multiple falsified contract award letters purportedly from the Virginia Department of Transportation (“VDOT”) on its letterhead, addressed to DAB and RAMARAJ, with forged signatures;

2) falsified contract award to DAB purportedly from the U.S. States Department of Transportation, Federal Aviation Administration (“FAA”) on its letterhead, dated February 23, 2022, with a forged signature of a “Director of Airport Safety and Standards,” for engineering and consulting services;

3) multiple falsified monthly invoices purportedly from a Richmond, Virginia engineering firm addressed to RAMARAJ and DAB; and

4) falsified letter purportedly from a Chantilly, Virginia construction company to RAMARAJ and DAB, falsely indicating that DAB was a joint venture partner on a DC Water Clean Rivers Project;

g. as part of the document fabrication process, misappropriating the names and titles of real individuals, forging signatures to the fabricated letters and invoices to DAB;

h. providing or otherwise showing to investors and potential investors fabricated contract award documentation via Zoom calls, via shared access in Google Drive over the internet, and via email;

i. falsifying DAB's financial records, including bank statements and financial statements, to investors, potential investors, and to DAB's accountant, in order to falsely portray the financial affairs of DAB;

j. holding meetings in person and streamed via Zoom with investors and prospective investors, during which he relied on the falsified financial records to falsely portray DAB as profitable and able to make the interest payments as promised;

k. maintaining a website for DAB that materially overstated DAB's projects and work history;

l. providing to investors a slide deck misrepresenting that DAB's current projects included "bonds submitted" in the millions of dollars in aggregate associated with purported projects for VDOT, the FAA, and others;

m. providing promissory notes to investors and potential investors that promised DAB would make periodic interest payments on principle provided, usually in specified amounts which amounted to annualized rates of return of 30% to over 100% in some instances;

n. paying initial investors the promised returns to induce them to continue investing, to lull them, and to recruit other friends and family to invest with DAB and RAMARAJ;

o. inducing investors to wire money from their banks to bank accounts that RAMARAJ controlled;

p. paying earlier investors with money obtained from later investors, including via banking transfers;

q. engaging in WhatsApp communications with investors, and making lulling statements to investors, including false statements that accounts receivable on the fraudulent contracts were overdue from vendors, and that projects, such as drilling work, were in progress;

r. requiring some investors to sign a unilateral nondisclosure agreement;

s. after being confronted by two investors and signing an acknowledgment in October 2023 that RAMARAJ had “tampered” with numerous contracts and financial records, nevertheless continuing to make material misrepresentations concerning DAB to other investors and potential investors; and

t. rather than paying for the promised bonds, instead: electronically transferring investor funds to his and his spouse’s online brokerage accounts to engage in securities trades; wiring approximately \$1 million to accounts in India in his spouse’s name; purchasing vehicles, including several Tesla automobiles; making other payments to fund his lifestyle; and making payments to earlier investors with money obtained from later investors.

Executions of the Scheme

14. On or about the dates indicated in the table below, in the Eastern District of Virginia and elsewhere, the defendant,

BABU RAMARAJ,

having knowingly devised and intending to devise the aforementioned scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowingly transmitted and caused to be transmitted, by means of wire communications in interstate and foreign commerce writings, signs, signals, pictures, and

sounds for the purpose of executing the above-described scheme and artifice to defraud, as indicated below, each count being a separate offense:

<u>Count</u>	<u>Approx. Date</u>	<u>Description</u>
1	10/13/2021	\$199,100 bank wire transfer initiated by Individual H.M. from a Bank of America account to DAB's TD Bank account ending in # 7960
2	10/13/2021	\$199,100 bank wire transfer initiated by Individual U.Y. from a Bank of America account to DAB's TD Bank account ending in # 7960
3	12/03/2021	\$200,000 bank wire transfer initiated by Individual U.Y. from a Bank of America account to DAB's TD Bank account ending in # 7960
4	03/25/2022	\$290,000 bank wire transfer initiated by Individual H.M. from a Bank of America account to DAB's Truist Bank account ending in # 7577
5	07/13/2022	\$199,900 bank wire transfer initiated by Individual V.J. from a Bank Fund Staff Federal Credit Union account to DAB's Truist Bank account ending in #7577
6	09/28/2022	Email sent by the defendant to Individual R.M. attaching a notarized promissory note containing a promise to pay \$480,000 in interest on a principal investment of \$400,000, providing bank account information for Individual R.M. to wire funds to DAB's Truist Bank account ending in # 7577, and thanking Individual R.M. for his support of DAB
7	10/07/2022	\$200,000 bank wire transfer initiated by Individual V.J. from a Bank Fund Staff Federal Credit Union account to DAB's Truist Bank account ending in #7577
8	10/11/2022	\$299,900 bank wire transfer initiated by Individual K.A. from a Bank of America account to DAB's Truist Bank account ending in # 7577
9	10/12/2022	\$425,000 bank wire transfer initiated by Individual J.J. from a Morgan Stanley Private Bank account to DAB's Truist Bank account ending in #7577

<u>Count</u>	<u>Approx. Date</u>	<u>Description</u>
10	10/20/2022	\$280,000 bank wire transfer initiated by Individual R.M. from a M&T Bank account to DAB's Truist Bank account ending in #7577
11	02/22/2023	\$99,000 bank wire transfer initiated by Individual M.I. from a Citibank account to DAB's Truist account ending in # 7577
12	02/24/2023	\$100,000 bank wire transfer initiated by Individual M.K. from a Bank of America account to DAB's Truist Bank account ending in # 7577
13	03/29/2023	\$200,000.00 bank wire transfer initiated by Individual J.J. from a Morgan Stanley Private Bank account to DAB's Truist account ending in # 7577
14	05/30/2023	\$100,000 bank wire transfer initiated by Individual K.A. from a Bank of America account to DAB's Truist Bank account ending in # 7577
15	05/30/2023	\$100,000 bank wire transfer initiated by Individual S.D. from a Bank of America account to DAB's Truist Bank account ending in # 7577
16	11/08/2023	Email from the defendant to Individual M.G. attaching DAB investor slide deck
17	01/08/2024	Email from the defendant to Individual M.G. sending fabricated drilling contract award letter to DAB purportedly from a Sterling, Virginia construction company
18	01/09/2024	\$49,960 bank wire transfer initiated by Individual M.G. from a Wells Fargo bank account to DAB's JP Morgan Chase bank account ending in # 7089
19	01/19/2024	Email from the defendant to Individual R.V., copying Individuals M.G., M.P., and N.R., attaching draft unaudited DAB 2022 financial statement
20	01/25/2024	Conducting a ZOOM video call and sharing a spreadsheet with Individuals M.P., M.G., R.V., and N.R., during which RAMARAJ requested funding for bonds associated with four supposed DAB projects with municipal and regional authorities

<u>Count</u>	<u>Approx. Date</u>	<u>Description</u>
21	01/30/2024	\$50,000 bank wire transfer initiated by Individual M.P. from a JP Morgan Chase bank account to the defendant's personal Northwest Federal Credit Union account ending in account # 1422
22	03/15/2024	\$25,000 bank wire transfer initiated by Individual S.K.P. from a Bank of America account to DAB's Northwest Federal Credit Union account ending in # 0991

(All in violation of Title 18, United States Code, Sections 1343 and 2).

COUNTS 23 - 28**Unlawful Monetary Transactions (18 U.S.C. § 1957)**

THE GRAND JURY FURTHER CHARGES THAT:

15. The allegations set forth in Paragraphs 1 through 14, and Counts 1 through 22, inclusive, of this Indictment are re-alleged and incorporated by reference as if set forth herein.

16. On or about the dates indicated below, in the Eastern District of Virginia and elsewhere, the defendant,

BABU RAMARAJ,

knowingly engaged in, and attempted to engage in, a monetary transaction by, through, and to a financial institution in criminally derived property of a value greater than \$10,000, in and affecting interstate or foreign commerce, as described in the table below, each count being a separate offense, and such property involved in each count having been derived from specified unlawful activity, that is the proceeds of the wire fraud scheme alleged in Counts 1 through 22 of this Indictment:

<u>Count</u>	<u>Approx. Date</u>	<u>Description of Unlawful Monetary Transaction</u>
23	07/29/2022	\$200,000 international bank wire transfer from DAB's Truist Bank account ending in # 7577 to the defendant's spouse in Chennai, India
24	06/05/2023	\$45,000 bank wire transfer from DAB's Truist Bank account ending in #7577 to the Wells Fargo bank account of Individual K.R.
25	08/02/2023	\$52,915.27 bank wire transfer from DAB's Truist Bank account ending in #7577 to Tesla Inc.'s Wells Fargo San Francisco bank account
26	08/16/2023	\$50,000 bank wire transfer to from DAB's Truist Bank account ending in #7577 to the Citibank N.A. account of Interactive Brokers LLC, trading account held in the name of the defendant's spouse

<u>Count</u>	<u>Approx. Date</u>	<u>Description of Unlawful Monetary Transaction</u>
27	08/16/2023	\$50,000 bank wire transfer to from DAB's Truist Bank account ending in #7577 to the Citibank N.A. account of Interactive Brokers LLC, trading account held in the name of the defendant's spouse
28	08/17/2023	\$75,000 bank wire transfer from DAB's Truist Bank account ending in # 7577 to the Citibank N.A. account of Interactive Brokers LLC, trading account held in the name of the defendant's spouse

(All in violation of Title 18, United States Code, Sections 1957 and 2).

FORFEITURE NOTICE

THE GRAND JURY FURTHER FINDS PROBABLE CAUSE THAT:

Pursuant to Federal Rule of Criminal Procedure 32.2(a), Defendant BABU RAMARAJ is hereby notified that, if convicted of wire fraud as alleged in Counts 1 - 22 of this Indictment, the Defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the violation.

Pursuant to Federal Rule of Criminal Procedure 32.2(a), Defendant BABU RAMARAJ is further notified that, if convicted of unlawful monetary transactions as alleged in Counts 23 - 28 of this Indictment, the Defendant shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(1), any property, real or personal, involved in the violation, and any property traceable to such property.

The property subject to forfeiture includes, but is not limited to, the following:

- a. a monetary judgment representing the amount of proceeds the defendant obtained as a result of the violations describe in this Indictment;
- b. the real property and improvements located at 23637 Cranford Knoll Court, Aldie, Virginia 20105;
- c. the real property and improvements located at 20280 Newfoundland Square, Ashburn, Virginia 20147
- d. a 2023 Tesla Model X, VIN # 7SAXCBE68PF412468;
- e. a 2023 Audi Q7, VIN # WA1VXBF79PD008337;
- f. a 2023 Tesla Model 3, VIN # 5YJ3E1EB3PF622456; and
- g. a 2023 Tesla Model Y, VIN # 7SAYGDEE6PF706432.

If any property that is subject to forfeiture is not available, it is the intention of the United

States to seek an order forfeiting substitute assets pursuant to 21 U.S.C. § 853(p) and Fed. R. Crim. P. 32.2(e).

(In accordance with Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(1); Title 28, United States Code, Section 2461(c); Title 21, United States Code, Section 853(p); and Rule 32.2(a), Federal Rules of Criminal Procedure.)


A TRUE BILL:

Pursuant to the E-Government Act,
The original of this page has been filed
under seal in the Clerk's Office

GRAND JURY FOREPERSON

Jessica D. Aber
United States Attorney

By:



Russell L. Carlberg
Assistant United States Attorney