



U.S. Department of Labor Office of Inspector General Brief

Updated May 24, 2017

Foreign Labor Certification (FLC) H-1B Program

Background

From the program's inception, the OIG has focused substantial investigative resources towards combating H-1B-related fraud schemes. Our sustained efforts in this area have led to significant results, including convictions of attorneys, employers, recruiters, corrupt government employees, and labor brokers.

In addition to the OIG's statutory authority to investigate fraud against the H-1B program and other employment-based visa programs administered by DOL, OIG agents also have special deputation from the U.S. Department of Justice, in conjunction with the multi-agency Anti-Trafficking Coordination Teams (ACTeams) Initiative, to investigate labor trafficking violations and other federal crimes. The following cases highlight some of our recent successes combatting fraud in the H-1B program:

Husband and Wife Sentenced for Their Roles in an H-1B Visa Fraud Scheme

On January 31, 2017, husband and wife Loreto and Hazel Kudera, a health care company owner and immigration attorney, respectively, were each sentenced to 24 months of probation and ordered to pay \$1 million in forfeiture as a result of their convictions for conspiring to defraud DOL's H-1B visa program. Hazel Kudera was the owner and operator of NYC Healthcare Staffing and LHK Consulting, companies through which she and her husband facilitated the fraud scheme. As a result of his conviction, the State of New York barred Loreto Kudera from practicing law effective May 4, 2017.

As part of their business model, Hazel utilized H-1B visas to petition for registered nurses (RN) and/or certified nursing assistants (CNAs) to be staffed to client locations. Since neither RNs nor CNAs are H-1B qualified positions, Hazel, with the assistance of her lawyer(s), falsified information and/or documents for the visa petitions. Hazel conspired with her husband, attorney Loreto Kudera, to falsify the job titles, job duties and/or work locations on employment based visa petitions. In doing so, Hazel was able to obtain over 100 approved visas for immigrant nurses to staff out to nursing homes in and around New York, as well as fulfill New York State Department of Education contracts. Hazel also misrepresented the businesses' employer-employee relationships to make it seem as though the companies are not staffing companies.

This was a joint investigation with the DSS and ICE-HSI. *United States v. Kudera et al* (D. Massachusetts)

For more information, go to: www.justice.gov/usao-vt/pr/new-york-couple-sentenced-h1b-visa-fraud-scheme-forfeits-1-million

Technology Company President Pleads Guilty in H-1B Scheme

On May 1, 2017, Rohit Saksena pled guilty to false statements charges relating to his role in a scheme to defraud the DOL H-1B program.

Saksena was the president and chief executive officer of Saks IT Group, LLC, an information technology (IT) staffing and consulting services provider in Manchester, New Hampshire. Saksena submitted immigration documents to DOL and U.S. Citizenship and Immigration Services (USCIS) falsely stating that foreign workers would provide professional services to Keytone Technologies Inc. (Keytone), an IT company in Cupertino, California, when Saksena knew Saks IT Group had no contractual relationship with Keytone and never intended to place foreign workers at Keytone as he had asserted to the government. In addition, the investigation found that Saksena and a co-conspirator attempted to conceal their scheme by directing others to provide false information to immigration officials.

This is a joint investigation with HSI and DSS. *United States v. Rohit Saksena* (D. New Hampshire)

South Florida Doctor Pled Guilty to Misuse of Visa

On March 29, 2017, Juan Carlos Pinzon Galvis, a medical doctor, pled guilty to one count of fraud and misuse of visas, permits, and other documents.

A petition for an H-1B visa was submitted on behalf of Pinzon Galvis by M.J.C. International Group LLC (MJC). According to documents filed with the State of Florida, an individual other than Pinzon Galvis was listed as MJC's registered agent and manager. In reality, Pinzon Galvis owned and operated MJC and submitted the H-1B petition on his own behalf. The petition made material misrepresentations in that Pinzon Galvis would serve in a managerial role at MJC, when, in fact, Pinzon Galvis intended to come to the United States to perform plastic surgery.

Pinzon Galvis violated the terms of his H-1B visa by working for an employer other than MJC and by performing duties not mentioned in his related H-1B petition. Specifically, from his entry into the United States, Pinzon Galvis worked at Health and Beauty Cosmetic Surgery (HBCS), another company that he owned and operated in West Palm Beach, Florida. At HBCS Pinzon Galvis performed medical procedures, such as surgeries, liposuction, facial filler injections, and surgical consultations.

This is a joint investigation with DSS and ICE-HSI. *United States v. Pinzon Galvis* (S.D. Florida)

Indian National Sentenced for H-1B Visa Fraud

On April 26, 2017, George Mariadas Kurusu, an Indian national, was sentenced to 11 months of confinement for his previous guilty plea to wire fraud, fraud in foreign labor contracting, false statements in an immigration matter, and witness tampering related to a scheme to defraud the H-1B visa program. Prior to his sentencing, Kurusu agreed to pay more than \$53,000 in restitution to four victims of his scheme.

Kurusu entered the United States as an H-1B visa employee of the Fort Stockton, Texas, Independent School District (FSISD). Kurusu quickly violated the terms of his H-1B visa by establishing a labor recruiting business called Samaritan Educational Services. Kurusu successfully recruited numerous Indian nationals and secured H-1B visas for them to enter the United States to work for the FSISD. When they arrived, Kurusu required them to set up bank accounts and automatic recurring fund transfers, whereby 15 percent of their gross monthly pay was wired to Kurusu's business account. When Kurusu's victims questioned these illegal fees, Kurusu warned them that nonpayment would result in losses of their jobs and H-1B visas. Kurusu also warned victims not to

DOL-OIG joint criminal investigation, Kurusu threatened his victims with deportation should they decide to speak with law enforcement.

This is a joint investigation with the DSS and U.S. Customs and Border Protection. *United States v. Kurusu* (W.D. Texas).

For more information, go to: www.justice.gov/usao-wdtx/pr/fort-stockton-teacher-pleads-guilty-fraud-scheme

Virginia Attorney and Two New Jersey Residents Plead Guilty for Conspiring to Commit Visa Fraud and Obstruct Justice

Sunila Dutt, a Virginia attorney, Hiral Patel, and Hari Karne, employees of IT staffing and consulting companies SCM Data (SCM) and MMC Systems (MMC), pled guilty on October 17, 2016, December 16, 2016, and February 14, 2017 respectively, to charges that they engaged an H-1B visa fraud conspiracy and then obstructed justice in an effort to cover up their wrongdoing.

Defendants Dutt, Karne, Patel, and their co-conspirators falsely represented, in SCM and MMC paperwork submitted to USCIS, that foreign workers had fulltime “in-house” positions and would be paid an annual salary, as required to secure H-1B visas. The conspiracy included the submission of Labor Condition Applications (LCA) to DOL and USCIS falsely representing that SCM and MMC had a temporary need for fulltime in-house workers and that it would pay the foreign workers for all hours worked and for any nonproductive time. Contrary to these representations and in violation of the H-1B visa program, SCM and MMC paid the foreign workers only when the foreign workers were placed at third-party jobs, or when a company entered into a contract for services with SCM and MMC.

In some instances, Karne advised foreign workers to pay SCM in cash the approximate amount they were supposed to be paid by SCM and MMC in order to generate the false payroll records. Karne told the workers that these payments were necessary for them to maintain their H-1B visas. False payroll records were then generated to create the appearance that the foreign workers were being paid fulltime wages and to unlawfully maintain their worker status.

When USCIS inquired about the status of one of the workers, Dutt, Karne, and their co-conspirators engaged in a scheme to obstruct that inquiry by instructing the worker to lie about his residency, providing fictitious documentation as to that residency, and providing fictitious payroll information to the worker to present to USCIS.

When DOL conducted an audit of SCM and MMC, Karne, Dutt, Patel, and their co-conspirators engaged in a scheme to obstruct that audit by making it appear as though the benched workers were on leave through the generation of fictitious leave slips. Benching is the practice of placing workers in a nonproductive status by an employer.

This is a joint investigation with HSI and the Internal Revenue Service (IRS). *United States v. Dutt, United States v. Karne, and United States v. Patel* (D. New Jersey).

For more information, go to:

www.justice.gov/usao-nj/pr/virginia-immigration-attorney-admits-visa-fraud-obstruction-justice

<https://www.justice.gov/usao-nj/pr/human-resources-manager-information-technology-companies-admits-obstruction-justice>

New Jersey Company Vice President Pleads Guilty to Immigration Fraud

On August 2, 2016, Sanjay Gupta pled guilty to bringing in and harboring certain aliens in a scheme to defraud the H-1B visa program. Gupta is the Vice President of Doon Technologies in Iselin, New Jersey. Gupta submitted fraudulent employment contracts between USCIS to obtain H-1B visas. Gupta did not intend to employ the individuals as required under the H-1B visa program.

This is a joint investigation with ICE-HSI, USCIS, and DSS. *United States v. Gupta* (D. Vermont).

Texas Staffing Company Employees Sentenced for Visa Fraud Scheme

Blessilda Lagrone, owner of IPC Group, Inc., and Monica Castro, an employee of the company, were sentenced on June 16, 2015, and May 18, 2015, respectively, for their involvement in an H-1B visa fraud scheme. Lagrone was sentenced to 36 months in prison and ordered to pay more than \$182,000 in restitution. Castro was sentenced to 12 months in prison and ordered to pay more than \$238,000 in restitution.

Lagrone, with Castro's assistance, operated a staffing company known as IPC Group, Inc. Lagrone and Castro recruited nurses from the Philippines to enter the United States using fraudulent H-1B visas. The defendants submitted fraudulent labor condition applications, falsely claiming that the nurses would be employed at either IPC or an unsuspecting Texas hospital, though they never intended that the nurses would actually be employed by either. Lagrone and Castro charged the nurses between \$8,000 and \$10,000 for the H-1B visas and required that they sign contracts with IPC to pay off their debts. After health care positions were arranged, the defendants deducted a portion of the workers' pay to cover debts owed to IPC. To further conceal the scheme, the defendants fraudulently backdated paychecks to make it appear as though the foreign workers, who were not actually working, were legally employed with IPC.

This was a joint investigation with ICE-HSI and DSS. *United States v. Blessilda Lagrone and Monica Castro* (S.D. Texas)

For more information, go to: <https://www.justice.gov/usao-sdtx/pr/two-charged-visa-fraud-conspiracy>

North Carolina Businessman Sentenced to Prison for H-1B Visa Fraud

Phani Raju Bhima Raju, president of iFuturistics, was sentenced on March 20, 2014, to four years in prison for his participation in a scheme to obtain fraudulent H-1B visas for foreign workers. Raju was also ordered to forfeit \$1.5 million in criminal proceeds.

Raju conspired with others to fraudulently submit documents to DOL and the United States Citizenship and Immigration Services (USCIS) that falsely represented a need to hire H-1B workers. Once the foreign nationals were granted H-1B visas, they were either assigned to work with various other companies throughout the country or had to find their own employment. Some of the foreign nationals were also "benched" while waiting for another job assignment.

This was a joint investigation with ICE-HSI and USCIS Fraud Detection and National Security. Assistance was also provided by the DOL Wage and Hour Division. *United States v. Phani Raju Bhima Raju* (W.D. North Carolina)

For more information, go to: <https://www.justice.gov/usao-wdnc/pr/charlotte-businessman-sentenced-four-years-prison-worker-fraud-visa-and-related>

Colorado Business Owner Sentenced to More Than 10 Years in Prison for Human Trafficking and Foreign Labor Visa Fraud

Kizzy Kalu, a Colorado business owner, was sentenced on February 11, 2014, to more than 10 years in prison for his role in an H-1B visa fraud scheme, after having been found guilty of 89 counts of mail fraud, visa fraud, human trafficking, and money laundering. Kalu's co-defendant, Philip Langerman, who previously pled guilty for his role in the scheme, was sentenced to 3 years' probation. Kalu and Langerman were both also ordered to pay, jointly and severally, more than \$3.7 million in restitution to 27 victims.

Kalu recruited foreign nationals to serve as nursing instructors/ supervisors at a local university through his companies Foreign Healthcare Professional Group and Advanced Education and Training for Foreign Healthcare Professionals Group, LLC. Langerman then filed labor condition applications with DOL on their behalf so the foreign nationals could obtain H-1B visas. Kalu told the foreign nationals that they would be working as nursing instructors/supervisors for a local university, which existed largely in name only. In reality, the workers were subcontracted by Kalu's company to work as nurses at long-term care facilities. Kalu also required the foreign nationals to sign a contract that imposed a \$25,000 penalty if they ceased working for his company, and he threatened them with cancellation of their H-1B visas if they stopped working.

This was a joint investigation with the U.S. Department of State Diplomatic Security Service (DSS) and Immigration and Customs Enforcement Homeland Security Investigations (ICE-HSI). *United States v. Kizzy Kalu et al.* (D. Colorado)

For more information, go to: <https://www.justice.gov/usao-co/pr/highlands-ranch-man-sentenced-forced-labor-and-trafficking-forced-labor-well-other>

New York Lawyer and Co-conspirator Sentenced for H-1B Visa Fraud

On July 25, 2014 and August 7, 2014, Anna Tsirlina, a former immigration attorney who operated the Law Office of Anna Tsirlina in New York, and Aleksandr Shusterman, who worked with Tsirlina, were each sentenced to 2 years in prison after participating in a scheme to fraudulently obtain temporary and permanent work visas. Tsirlina and Shusterman are two of four defendants convicted for their role in this scheme.

Tsirlina and Shusterman engaged in a scheme to fraudulently obtain H-1B and permanent employment-based visas for Tsirlina's clients by submitting false documents to ETA and the U.S. Citizenship and Immigration Services (USCIS). Tsirlina helped prepare and submit labor condition applications and supporting paperwork that falsely represented that certain U.S. employers were seeking to fill specialty jobs when no such employment existed. Several of the applications submitted by Tsirlina also contained altered dates of entry into the U.S. for the clients, falsely representing them as being in status at the time the applications were submitted.

This was a joint investigation ICE-HSI. *United States v. Anna Tsirlina et al.* (ED New York)

New York Lawyer Sentenced for Role in Massive Foreign Labor Visa Fraud

Earl David, a former immigration lawyer, was sentenced on April 10, 2013, to 5 years in prison and 24 months of supervised release, and ordered to pay more than \$2.5 million in restitution. David previously pled guilty for his role in an immigration fraud scheme involving the DOL foreign labor certification program.

David operated a Manhattan-based immigration law firm that made millions of dollars in fees from foreign-national clients for purportedly securing them legal immigration status, including status as an H-1B specialty occupation worker. In return for fees of up to \$30,000 per client, David's law firm applied for and obtained thousands of DOL labor certifications based on false employment sponsorship and fabricated documents. David and his employees also recruited others to participate, including individuals who, in exchange for payment, agreed to falsely represent to DOL that they were sponsoring foreign nationals for employment. David also enlisted the help of corrupt accountants, who created false tax returns for the fictitious employers, and a corrupt DOL contractor, who helped ensure the DOL certifications were granted. As a result, DOL issued thousands of labor certifications, and immigration authorities granted legal status to David's clients to which they were not entitled.

In connection with the scheme, 26 individuals have been charged. As of the publication of this report, 24 of those individuals have been convicted and 2 remain fugitives.

This was a joint investigation ICE-HSI. *United States v. Earl Seth David et al.* (S.D. New York)

For more information, go to: <https://www.justice.gov/usao-sdny/pr/new-york-city-lawyer-sentenced-manhattan-federal-court-five-years-prison-operating>