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U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIF.  
LOS ANGELES  
BY [Signature]

FILED

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
December 2007 Grand Jury

**CR08-00773**

UNITED STATES OF AMERICA, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
SUNDIP SINGH DHANDA and )  
DAVID HYDE, )  
 )  
Defendants. )  
 )  
 )  
 )

No. CR 08- )  
 )  
INDICTMENT  
 )  
[18 U.S.C. § 1341: Mail Fraud;  
18 U.S.C. § 1343: Wire Fraud;  
18 U.S.C. § 2326:  
Telemarketing Fraud Against  
the Elderly; 18 U.S.C. § 2:  
Aiding and Abetting and  
Causing an Act To Be Done]

The Grand Jury charges:

COUNTS ONE THROUGH TWENTY-ONE

[18 U.S.C. §§ 1341, 2326, 2]

A. INTRODUCTION

1. At all times relevant to this Indictment, BC Holding Group; BC Securities; Secure Trading Services, Inc.; UK Legal Services; United Legal Services; and Capital Liberty Services, Inc. (also known as Capital Liberty Service Inc.) (collectively, the "Fraudulent Lottery Companies") were telemarketing companies

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1 operating in Vancouver, British Columbia, Canada, that purported  
2 to provide lottery winnings to individuals in the United States  
3 and elsewhere.

4 2. At all times relevant to this Indictment, defendants  
5 SUNDIP SINGH DHANDA ("DHANDA") and DAVID HYDE ("HYDE") owned,  
6 operated, and worked at the Fraudulent Lottery Companies.

7 B. THE SCHEME TO DEFRAUD

8 3. Beginning in or about January 2004, and continuing  
9 through in or about October 2006, in Los Angeles, Riverside, and  
10 Orange Counties, within the Central District of California and  
11 elsewhere, defendants DHANDA and HYDE, together with others known  
12 and unknown to the Grand Jury, knowingly and with the intent to  
13 defraud, devised, participated in, and executed a scheme to  
14 defraud victims as to material matters, and to obtain money and  
15 property from such victims by means of material false and  
16 fraudulent pretenses, representations, and promises, and the  
17 concealment of material facts, in connection with telemarketing  
18 and by targeting persons over the age of 55 and victimizing ten  
19 or more persons over the age of 55.

20 4. To execute the scheme to defraud and in furtherance  
21 thereof, defendants DHANDA and HYDE, working through the  
22 Fraudulent Lottery Companies, sent and caused to be sent letters  
23 to victims in the United States, including victims in the Central  
24 District of California. The letters falsely and fraudulently  
25 informed the victims to whom the letters were addressed that they  
26 had won a lottery, sweepstakes, or other prize. The letters  
27 enclosed either checks or tickets bearing areas covered in paint  
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1 that the victim was to scratch off in order to reveal a monetary  
2 amount. The checks and scratch-off tickets purported to  
3 represent the winnings. The letters informed the victims that in  
4 order to cash the enclosed winning checks or to redeem the  
5 monetary amounts listed on the scratch-off tickets, the victims  
6 first had to send a fee, which the letters represented to be for  
7 various necessary costs, such as taxes, processing fees, and  
8 legal fees. The letters stated that if the victims had  
9 questions, they should call the Fraudulent Lottery Companies.  
10 When the victims did so, defendants DHANDA and HYDE, and others  
11 working under their direction, would answer the calls and repeat  
12 the false and fraudulent statements contained in the letters.  
13 The letters and the telemarketers, including defendants DHANDA  
14 and HYDE, instructed the victims to send money to commercial mail  
15 receiving agencies in Canada, the United States, and England  
16 under defendant DHANDA's control, and to send the money to  
17 defendants DHANDA and HYDE and others working at their direction  
18 via Western Union.

19 5. In truth and in fact, as defendants DHANDA and HYDE  
20 well knew, at all times relevant to this Indictment:

21 a. The victims had not won any money in a lottery or  
22 sweepstakes connected to the Fraudulent Lottery Companies;

23 b. The checks enclosed with the letters sent to the  
24 victims were false and fraudulent and the scratch-off tickets  
25 were worthless;

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1           c. The victims had no reason to send money to the  
2 Fraudulent Lottery Companies, and would receive nothing in  
3 return; and

4           d. The victims' money would not be used for processing  
5 fees, attorneys fees, or taxes, but instead would be used to  
6 further the fraudulent scheme described above and for the  
7 enjoyment of defendants DHANDA and HYDE.

8           6. To execute the scheme to defraud and in furtherance  
9 thereof, defendants DHANDA and HYDE engaged in and willfully  
10 caused others to engage in the following fraudulent and deceptive  
11 acts, practices, and devices, among others:

12           a. Defendants DHANDA and HYDE sent and caused to be  
13 sent letters to victims that falsely represented that the victims  
14 had won money in a lottery.

15           b. Defendants DHANDA and HYDE enclosed and caused to  
16 be enclosed in some of these letters counterfeit and fraudulent  
17 checks that the letters falsely claimed represented the victims'  
18 winnings.

19           c. Defendants DHANDA and HYDE enclosed and caused to  
20 be enclosed in some of these letters scratch-off tickets that  
21 purported to entitle the recipient to receive money, but which  
22 were in fact worthless.

23           d. Defendants DHANDA and HYDE falsely informed the  
24 victims, either in the letters they sent and caused to be sent,  
25 or in telephone conversations between victims and telemarketers,  
26 including defendants DHANDA and HYDE and others under their  
27 control, that in order to be permitted to cash their winning  
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1 checks or to redeem the monetary amount listed on their scratch-  
2 off tickets, the victims first had to send money to the  
3 Fraudulent Lottery Companies.

4 e. Defendants DHANDA and HYDE concealed from the  
5 victims that they had not won any lottery, sweepstakes, or prize;  
6 that the monies they would be remitting were not necessary to  
7 collect any lottery winnings or prize because no such winnings or  
8 prize existed; and that the monies remitted by the victims would  
9 be used by defendants DHANDA and HYDE to further their fraudulent  
10 scheme and for their own enjoyment.

11 f. Defendants DHANDA and HYDE used false names and  
12 caused others to use false names in the letters to victims and  
13 when dealing with the victims on the telephone, as well as when  
14 sending and receiving money in connection with the scheme to  
15 defraud.

16 g. Defendants DHANDA and HYDE obtained boxes in  
17 commercial mail receiving agencies in the United States, Canada,  
18 and England and used these boxes to receive victim funds.

19 C. THE MAILINGS

20 7. On or about the following dates, defendants DHANDA and  
21 HYDE, in Los Angeles, Riverside, and Orange Counties, within the  
22 Central District of California, and elsewhere, for the purpose of  
23 executing the above-described scheme to defraud, in connection  
24 with the conduct of telemarketing, and by targeting persons over  
25 the age of 55 and victimizing ten or more persons over the age of  
26 55, willfully caused the following items to be placed in an  
27 authorized depository for mail matter and to be sent and  
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1 delivered by the U.S. Postal Service and to be deposited with and  
 2 to be delivered by private and commercial interstate carriers,  
 3 according to the directions thereon:

4	<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>
5	ONE	08/26/04	Letter and fraudulent check from BC Holding Group in Vancouver, British Columbia, Canada, to victim S.M. in Riverside, California, USA
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7	TWO	09/03/04	Federal Express package containing money orders from victim S.M. in Riverside, California, USA, to BC Holding Group in Vancouver, British Columbia, Canada
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10	THREE	10/15/04	Letter and fraudulent check from BC Securities in Vancouver, British Columbia, Canada, to victim E.S. in Whittier, California, USA
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13	FOUR	10/21/04	Letter and fraudulent check from BC Securities in Vancouver, British Columbia, Canada, to victim J.C. in Altadena, California, USA
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16	FIVE	11/05/04	Letter containing a check from victim E.S. in Whittier, California, USA, to BC Securities in Vancouver, British Columbia, Canada
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19	SIX	11/09/04	Letter containing a check from victim J.C. in Altadena, California, USA, to BC Securities in Vancouver, British Columbia, Canada
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22	SEVEN	08/08/05	Letter and fraudulent check from BC Holding Group in Vancouver, British Columbia, Canada, to victim N.S. in Los Angeles, California, USA
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24	EIGHT	08/12/05	Letter and fraudulent check from BC Holding Group in Vancouver, British Columbia, Canada, to victim J.M. in Moreno Valley, California, USA
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<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>
1 NINE	02/10/06	Letter from Capital Liberty Services, Inc., in Vancouver, British Columbia, Canada, to victim J.C. in Anaheim, California, USA
2 TEN	03/20/06	Letter containing money orders from victim J.C. in Anaheim, California, USA, to Capital Liberty Services, in Vancouver, British Columbia, Canada
3 ELEVEN	05/15/06	Letter and fraudulent check from Capital Liberty Services, Inc., in Vancouver, British Columbia, Canada, to victim J.M. in Los Angeles, California, USA
4 TWELVE	05/15/06	Letter and fraudulent check from Capital Liberty Services, Inc., in Vancouver, British Columbia, Canada, to victim S.N. in Perris, California, USA
5 THIRTEEN	05/31/06	Letter containing a check from victim J.C. in Inglewood, California, USA, to Capital Liberty Service, Inc., in London, England
6 FOURTEEN	06/02/06	Letter and fraudulent check from Capital Liberty Services, Inc., in Vancouver, British Columbia, Canada, to victim J.P. in Canoga Park, California, USA
7 FIFTEEN	06/02/06	Letter and fraudulent check from Capital Liberty Services, Inc., in Vancouver, British Columbia, Canada, to victim L.K. in Los Angeles, California, USA
8 SIXTEEN	06/06/06	Letter containing a check from victim J.M. in Los Angeles, California, USA, to Capital Liberty Service, Inc., in London, England
9 SEVENTEEN	06/06/06	Express Mail package containing a check from victim J.P. in Canoga Park, California, USA, to Capital Liberty Service, Inc., in London, England

1	<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>
2	EIGHTEEN	06/15/06	Express United Parcel Service package containing a money order from victim S.N. in Perris, California, USA, to Capital L. Service, Inc., in London, England
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5	NINETEEN	06/23/06	Letter from victim J.C. in Inglewood, California, USA, to Capital Liberty Service, Inc., in London, England
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8	TWENTY	07/03/06	Letter and fraudulent check from Capital Liberty Services, Inc., in Vancouver, British Columbia, Canada, to victim J.C. in Inglewood, California, USA
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11	TWENTY-ONE	07/03/06	Letter and fraudulent check from Capital Liberty Services, Inc., in Vancouver, British Columbia, Canada, to victim S.N. in Perris, California, USA
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## COUNTS TWENTY-TWO THROUGH TWENTY-NINE

[18 U.S.C. §§ 1343, 2326, 2]

8. The Grand Jury hereby realleges and incorporates by reference paragraphs one through six of the Indictment.


D. THE WIRE COMMUNICATIONS

9. On or about the dates listed below, in Los Angeles, Riverside, and Orange Counties, within the Central District of California, and elsewhere, defendants DHANDA and HYDE, for the purpose of executing the above-described scheme to defraud, in connection with the conduct of telemarketing, and by targeting persons over the age of 55 and victimizing ten or more persons over the age of 55, willfully caused, and aided and abetted the transmission of, the following by means of wire communication in interstate and foreign commerce:


<u>COUNT</u>	<u>DATE</u>	<u>WIRE COMMUNICATION</u>
TWENTY-TWO	08/26/04	Telephone call from victim S.M. in Riverside, California, USA, to BC Holding Group representatives "Cindy," "Adam," and "Jason," in Vancouver, British Columbia, Canada
TWENTY-THREE	10/22/04	Telephone call from victim J.C. in Altadena, California, USA, to BC Securities representative "Jim Grinker," in Vancouver, British Columbia, Canada
TWENTY-FOUR	11/02/04	Telephone call from victim E.S. in Whittier, California, USA, to BC Securities representative "David Caldwell," in Vancouver, British Columbia, Canada
TWENTY-FIVE	11/30/04	Telephone call from victim E.S. in Whittier, California, USA, to BC Securities representative "David Caldwell," in Vancouver, British Columbia, Canada

<u>COUNT</u>	<u>DATE</u>	<u>WIRE COMMUNICATION</u>
TWENTY-SIX	08/13/05	Western Union money transfer from victim J.M. in Moreno Valley, California, USA, to "Linda McKay," in Vancouver, British Columbia, Canada
TWENTY-SEVEN	03/20/06	Telephone call from victim J.C. in Anaheim, California, USA, to a representative of Capital Liberty Services, Inc., in Vancouver, British Columbia, Canada
TWENTY-EIGHT	05/15/06	Telephone call from victim S.N. in Perris, California, USA, to a representative of Capital Liberty Services, Inc., in Vancouver, British Columbia, Canada
TWENTY-NINE	05/31/06	Telephone call from victim J.C. in Inglewood, California, USA, to a representative of Capital Liberty Services, Inc., in Vancouver, British Columbia, Canada

A TRUE BILL

  
\_\_\_\_\_  
Foreperson

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United States Attorney

  
CHRISTINE C. EWELL  
Assistant United States Attorney  
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