



Department of Justice

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Chicago Area Woman and Brother-in-law Charged in Widespread Fraud Scheme

CHICAGO – A grand jury has indicted a Naperville woman and her brother-in-law for allegedly defrauding victims of millions of dollars based on false representations. Nandita Chatterjee, 36, and Neil Varma, 34, currently of New York, are charged with soliciting money from victims to enrich themselves and maintain their lifestyle. The grand jury returned the indictment on May 24. The two are scheduled to make their respective initial appearances in federal court in Chicago on June 28, 2017.

The U.S. Attorney's Office for the Northern District of Illinois has been recused from the matter. The U.S. Attorney General appointed the Central District of Illinois to handle the case prosecution. The government's case is being prosecuted by Supervisory Assistant U.S. Attorney Darilynn J. Knauss and Assistant U.S. Attorney Ronald L. Hanna, Central District of Illinois, Peoria Division.

The charges are the result of investigation by the U.S Department of Justice Office of the Inspector General; the IRS Criminal Investigation Division; and the U.S. Postal Inspection Service.

According to the indictment, during the course of the scheme, beginning in 2011 to the present, Chatterjee represented herself as the president and chief executive officer of CS Management, Inc. of Oak Terrace, Ill. Varma was the chief financial officer of the company that was incorporated in April 2011 and involuntarily dissolved in October 2012. Chatterjee and Varma also allegedly conducted business under the name Chatterjee Pharmaceuticals, a business represented to be operating in India.

The indictment alleges that the defendants and others raised money for themselves by, among other things, misrepresenting their success, investment opportunities, ability to assist with legal difficulties, charitable fundraising opportunities, and the legitimacy of checks they issued. To further the alleged scheme and to maintain their lifestyle, according to the indictment, the defendants tendered more than \$12 million in checks that were drawn on closed accounts, non-existent accounts, and accounts with insufficient funds. They also mailed empty envelopes to victims, claiming that the envelopes contained checks in payment; made payments to investors and others with funds from other investors and individuals; and, when funds could not be obtained from other sources, allegedly obtained funds from Fidelity Investments and other accounts of family members.

Chatterjee allegedly falsely represented herself as an attorney who could provide legal assistance. However, Chatterjee was not an attorney and funds given to her for her legal assistance were deposited in an account and transferred to Varma's and other accounts for the defendants' use and benefit. According to the indictment, Chatterjee told universities of her intent to make donations, thereafter tendering checks, including one in the amount of \$2.5 million and another check for \$1 million knowing full well that the checks were worthless.

The defendants solicited and obtained funds to promote concerts and entertainment productions featuring celebrities. Chatterjee also offered to organize charitable fundraisers featuring celebrities. To secure the celebrity's appearance, Chatterjee and Varma represented that funds were needed for an escrow account. The concerts, entertainment productions, and charitable fundraisers never materialized and the funds the defendants obtained instead allegedly were used for their own personal benefit.

If convicted, the maximum statutory penalty for each of the offenses charged is prescribed by Congress and is provided here for informational purposes, as sentencing is determined by the court based on the advisory Sentencing Guidelines and other statutory factors. For each count of conspiracy to commit mail fraud, wire fraud and bank fraud (one count); mail fraud (six counts); wire fraud (seven counts); money laundering (one count); and conspiracy to commit money laundering (one count), the statutory penalty is up to 20 years in prison. For using counterfeit and forged checks (one count) and illegal monetary transaction (one count), the penalty is up to 10 years in prison.

Members of the public are reminded that an indictment is merely an accusation; the defendants are presumed innocent unless proven guilty.