



*United States Attorney
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**OWNER OF INFORMATION TECHNOLOGY COMPANIES ADMITS VISA FRAUD
AND TAX CRIMES**

NEWARK, N.J. – An owner of two IT staffing and consulting companies today admitted using phony documents to fraudulently obtain H1-B visas for foreign workers and submitting false tax returns, U.S. Attorney Craig Carpenito announced.

Sowrabh Sharma, 33, of New York, pleaded guilty before U.S. District Judge Kevin McNulty in Newark federal court to a superseding information charging him with conspiracy to commit visa fraud and subscribing to false tax returns.

“For years, Sharma and others working at SCM Data and MMC systems lied about hiring full-time foreign workers in order to secure H1-B visas,” U.S. Attorney Carpenito said. “In reality and contrary to immigration laws, these workers were often ‘benched’ without pay while the companies created false documents to cover-up the scheme. This investigation, which has resulted in the conviction of an owner and several employees, including an immigration attorney, shows that businesses that use the H1-B visa program better do so with the utmost adherence to this nation's immigration and labor laws.”

“This conviction shows that even those with powerful business interests are not immune from HSI’s long and expert investigative reach when it comes to visa fraud and worker exploitation,” said Michael McCarthy, Acting Special Agent in charge of HSI Newark. “Such activities not only have a negative impact on the U.S. economy, but are harmful to the overall work environment of companies and individuals.”

“Sowrabh Sharma misused the H-1B program in order to enrich himself at the expense of the foreign workers he sponsored for H-1B visas. His company submitted false documents to the Departments of Labor and Homeland Security in order to perpetrate this fraud. The U.S. Department of Labor Office of Inspector General will continue to work with Homeland Security Investigations and our other law enforcement partners to vigorously pursue those who commit

fraud involving the foreign labor certification programs which are jointly administered by the Departments of Labor, Homeland Security and State,” stated Peter Nozka, Acting Special Agent-in-Charge, U.S. Department of Labor Office of Inspector General New York Region.

According to the documents filed in this case and statements made in court:

SCM Data Inc. and MMC Systems Inc. offered consultants to clients in need of IT support. Both companies recruited foreign nationals with purported IT expertise, often student visa holders or recent college graduates, and sponsored them for H-1B visas with the stated purpose of working for SCM Data and MMC Systems’ clients throughout the United States.

Sharma admitted today that from 2010 through April 2015, he and others falsely represented to U.S. Department of Homeland Security, U.S. Citizenship and Immigrations Services (USCIS) that dozens of foreign workers had full-time “in-house” positions, and would be paid an annual salary, as required to secure the visas. However, Sharma and his companies only paid the foreign workers when they were placed at a third-party client, or a company that entered into a contract for services with SCM Data and MMC Systems.

Sharma also admitted that in some instances, foreign workers who were “benched” between projects and not working were told that if they wanted to maintain their H-1B visa status, they would need to come up with what their gross wages would be in cash and give it to SCM Data and MMC Systems to generate phony payroll checks.

In addition, Sharma also admitted that he intentionally overstated and claimed false expenses pertaining to SCM Data and MMC Systems on his individual tax returns for 2011, 2012, 2013, and 2014, resulting in a tax loss to the United States of approximately \$1,114,824.

Sharma faces a maximum potential penalty of five years in prison on the visa fraud conspiracy count and three years in prison on the tax fraud count. Both charges carry a maximum \$250,000 fine. His sentencing is scheduled for May 30, 2018.

U.S. Attorney Carpenito credited special agents of the U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI), Newark Field Office, under the direction of Acting Special Agent in Charge Michael McCarthy, the U.S. Department of Labor, Office of Inspector General, under the direction of Acting Special Agent in Charge Peter Nozka in New York, and IRS – Criminal Investigation, under the direction of Special Agent in Charge Jonathan D. Larsen in Newark, with the investigation.

The government is represented by Assistant U.S. Attorneys Joyce M. Malliet and Francisco J. Navarro of the U.S. Attorney’s Office’s National Security Unit in Newark.