BENJAMIN B. WAGNER
United States Attorney
MICHAEL M. BECKWITH
Assistant United States Attorney
501 I Street, Suite 10-100
Sacramento CA 95814
(916) 554-2797 (Office)
(916) 554-2900 (Facsimile)

IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, v. DEEPAL WANNAKUWATTE, Defendant.	CASE NO. 2:14-CR-0067 TLN VIOLATION: 18 U.S.C. § 1344 - Bank Fraud; 18 U.S.C. § 1014 - False Statement to a Bank (two counts); 18 U.S.C. § 982(a)(2)(A) - Criminal Forfeiture

I N D I C T M E N T

COUNT ONE: [18 U.S.C. § 1344 - Bank Fraud]

The Grand Jury charges:

DEEPAL WANNAKUWATTE,

defendant herein, as follows:

I. Background

1. At all relevant times, defendant DEEPAL WANNAKUWATTE (hereinafter "defendant" or "Wannakuwatte") resided in Sacramento, California.

2. Between in or about September 2011 and in or about December 2011, defendant Wannakuwatte made material false

representations to Bridge Bank, a financial institution, in order to obtain funds under its control.

3. Defendant Wannakuwatte ultimately obtained approximately $4,500,000 from Bridge Bank through a line of credit by making material false representations.

4. While defendant Wannakuwatte was making material false representations to Bridge Bank in order to obtain funds under its control, he was also executing a separate fraudulent investment scheme. Defendant Wannakuwatte used much of the money he obtained from Bridge Bank to (1) make lulling payments to participants in his fraudulent investment scheme and (2) pay outstanding debts unrelated to the purpose of the loan.

5. At all relevant times, International Manufacturing Group, Incorporated (hereinafter "IMG") and Relyaid Global Health Care, Incorporated (hereinafter "Relyaid") were companies run by and under the control of defendant Wannakuwatte.

6. At all relevant times, the accounts of Bridge Bank were insured by the Federal Deposit Insurance Corporation.

II. Bank Fraud Scheme

7. Beginning on a date unknown to the Grand Jury, but no later than in or about September 2011, and continuing through in or about September 2013, in the State and Eastern District of California, and elsewhere, the defendant did knowingly execute a scheme and artifice to defraud a financial institution and to obtain money, funds, credits, and other property owned by, and under the custody and control of, that financial institution, by means of materially false and fraudulent representations and promises, in violation of Title 18, United States Code, Section 1344.

III. Manner and Means

In furtherance of the scheme, defendant Wannakuwatte employed the following ways and means, among others:

8. The defendant represented to Bridge Bank that his companies, IMG and Relyaid, were involved in the international manufacture, shipment, and distribution of latex gloves. He falsely claimed IMG and Relyaid did tens of millions of dollars in business with federal agencies every year. These false representations made defendant Wannakuwatte appear more credit worthy. Upon receiving funds from Bridge Bank, the defendant used the money to pay outstanding debts unrelated to the stated purpose of the loan.

9. Between in or about September 2011 and in or about December 2011, defendant Wannakuwatte sought a line of credit from Bridge Bank. He claimed the funds obtained through the line of credit would be used to purchase glove inventory and to pay off a term loan with a life insurance company.

10. Between in or about October 2011 and in or about November 2011, defendant Wannakuwatte provided Bridge Bank with personal and corporate tax returns for the years 2008, 2009 and 2010. The defendant provided these tax returns in support of his application for a line of credit. In truth and in fact, these tax returns falsely overstated his annual personal income and the annual gross receipts/sales for IMG.

11. In or about November 2011, defendant Wannakuwatte provided Bridge Bank with a false ledger from IMG. The ledger was provided in support of the defendant's application for a line of credit, and showed over $25 million in accounts receivable from the Department of Veterans' Affairs (hereinafter "VA").

12. In or about December 2011, defendant Wannakuwatte set up a conference call between himself, an IMG employee, and a Bridge Bank representative. The conference call was made to verify the authenticity of the ledger mentioned in the previous paragraph. At Wannakuwatte's direction, the IMG employee pretended to be a VA representative. Using a series of talking points provided by Wannakuwatte, the IMG employee told the Bridge Bank representative that there were over 60 invoices showing a total of over $25.8 million in payments owed by the VA to IMG. In truth and fact, there were no such invoices, and the VA did not owe IMG over $25 million.

13. In or about March 2012, defendant Wannakuwatte provided Bridge Bank with an IMG financial statement dated December 31, 2011, as required by his application for a line of credit. The IMG financial statement appeared to have been reviewed and signed by a particular certified public accountant ("CPA"). In truth and in fact, the IMG financial statement was false, and it had not been reviewed by the CPA who allegedly signed the document.

14. Based on the material false representations made by defendant Wannakuwatte, Bridge Bank gave the defendant a line of credit worth $4.5 million. The defendant subsequently drew down the line of credit, taking approximately $4.5 million from Bridge Bank.

15. Defendant Wannakuwatte used the money he received from Bridge Bank, in part, to (1) make a $3-million payment in connection with a lawsuit stemming from a line of credit with Bank of America, (2) make lulling payments to investors in a separate investment fraud scheme, and (3) make payments to other entities controlled by Wannakuwatte and/or his family. Approximately, $70,000 was used to buy latex gloves.

All in violation of Title 18, United States Code, Section 1344.

COUNT TWO: [18 U.S.C. § 1014 - False Statement to a Bank]

The Grand Jury further charges: T H A T

DEEPAL WANNAKUWATTE,

defendant herein, on or about December 5, 2011, knowingly made a false statement and report upon an application and loan, to wit, falsely representing that the financial statements he provided in connection with an application for a line of credit "truly and completely disclosed" his "financial condition," for the purpose of influencing in any way the action of an institution, to wit, Bridge Bank, the accounts of which are insured by the Federal Deposit Insurance Company, in violation of Title 18, United States Code, Section 1014.

COUNT THREE: [18 U.S.C. § 1014 - False Statement to a Bank]

The Grand Jury further charges: T H A T

DEEPAL WANNAKUWATTE,

defendant herein, on or about December 5, 2011, knowingly made a false statement and report upon an application and loan, to wit, falsely representing that he would "use all loan proceeds" solely for his "business operations," not for "personal, family, or household purposes," for the purpose of influencing in any way the action of an institution, to wit, Bridge Bank, the accounts of which are insured by the Federal Deposit Insurance Company, in violation of Title 18, Untied States Code, Section 1014.

FORFEITURE ALLEGATION: [18 U.S.C. § 982(a)(2)(A) - Criminal Forfeiture]

1. Upon conviction of one or more of the offenses alleged in Counts One through Three of this Indictment, defendant DEEPAL

WANNAKUWATTE shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2)(A), any property constituting or derived from proceeds obtained directly or indirectly, as a result of said violations, and .

2. If any property subject to forfeiture as a result of the offenses alleged in Counts One through Three of this Indictment, for which defendant is convicted:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 982(b)(1), incorporating 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendant, up to the value of the property subject to forfeiture.

A TRUE BILL.

/s/ Signature on file w/AUSA

FOREPERSON

Benjamin Wagner

BENJAMIN B. WAGNER
UNITED STATES ATTORNEY

No. 2:14-CR-0067 TLN

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

DEEPAL WANNAKUWATTE

INDICTMENT

VIOLATION(S): 18 U.S.C. § 1344 – Bank Fraud; 18 U.S.C. § 1014 – False Statement to a Bank (2 Counts)
18 U.S.C. § 982(a)(2)(A) - Criminal Forfeiture

A true bill,

/s/ Signature on file w/AUSA

Foreman.

Filed in open court this 13th *day*

of March *, A.D. 20* 14

Clerk.

Bail, $ No Bail – Previously ordered Detained.

Dale A. Drozd

GPO 863 525

2:14-CR-0067 TLN

DEFENDANT: Deepal Wannakuwatte

COUNT ONE

VIOLATION: 18 U.S.C. § 1344 – Bank Fraud

PENALTY: Up to 30 years of imprisonment;
A fine of $1,000,000;
A term of supervised release of up to 5 years.

COUNTS TWO and THREE

VIOLATION: 18 U.S.C. § 1014 – False Statement to a Bank

PENALTY: Up to 30 years of imprisonment;
A fine of $1,000,000;
A term of supervised release of up to 5 years.

FORFEITURE ALLEGATION

VIOLATION: 18 U.S.C. § 982(a)(2)(A) - Criminal Forfeiture

PENALTY: Forfeiture to the United States of any property found to constitute or be derived from proceeds obtained by a violation of Title 18 of the United States Code.

PENALTY ASSESSMENT: $100 assessment per count of conviction