

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA

UNITED STATES OF AMERICA,)	
)	CRIMINAL NO. 4:09-CR-004
Plaintiff,)	
)	
v.)	PLEA AGREEMENT
)	
VISION SYSTEMS GROUP, INC.,)	
)	
Defendant.)	

IT IS HEREBY AGREED by and between the plaintiff, the United States of America, and the Defendant, VISION SYSTEMS GROUP, INC. (hereinafter "VSG"), with its attorneys, Mark E. Weinhardt, Matthew C. McDermott and William B. Ortman, as follows:

A. CHARGES

1. **Subject Offense.** The defendant will plead guilty to Count 4 of the Third Superseding Indictment dated June 23, 2010, which charges a violation of Title 18, United States Code, Section 1341, that is, Mail Fraud.

2. **Joint Plea Agreement / Charges Being Dismissed.** This is a joint plea agreement such that it is valid so long as Defendants, VISWA MOHAN MANDALAPU, CHANDRA MOHAN RAO MANDALAPU, and VISION SYSTEMS GROUP, INC., execute plea agreements and enter pleas of guilty based upon those agreements. Should any defendant refuse to execute a plea agreement or plead guilty, or later move to withdraw from their respective agreement, or otherwise violate the terms of their respective plea agreement, the plea agreements as to the remaining defendant(s) may be set aside at the election of the United States Attorney. Should the defendant abide by all the terms and conditions of this plea agreement plaintiff will, at

the time of sentencing, dismiss all remaining counts of the Superseding Information in Criminal No. 4:09-CR-004.

3. No Further Prosecution. The United States Attorney agrees that the Defendant will not be charged in the Southern District of Iowa with any other federal criminal offense under Titles 13, 18, 22, or 49 of the United States Code, arising from or directly relating to this investigation. This paragraph and this plea agreement do not apply to any criminal act occurring after the date of this agreement.

B. CONSEQUENCES OF PLEA

4. Statutory Penalties. The subject offense (18 U.S.C. § 1341) carries a range of punishment for a corporation of a maximum fine of not more than \$500,000. A special assessment of \$400 must be imposed by the sentencing court for each count of conviction pursuant to 18 U.S.C. §3013(a)(2)(B).

C. SENTENCING CONSIDERATIONS

5. Sentencing Factors--Statute or Guideline. The sentence to be imposed is solely within the Court's discretion, as guided by 18 U.S.C. §3571(c) and the United States Sentencing Guidelines which apply in an advisory manner to this offense. The Sentencing Guidelines establish a sentencing range based upon various factors present in the case, which include, but are not limited to the following:

- (a) the amount of pecuniary loss caused;
- (b) the amount of pecuniary gain to the organization;
- (b) the nature and circumstances of the offense; and
- (c) whether the organization operated primarily for a criminal purpose or primarily by criminal means.

Both parties reserve the right to argue that additional specific offense characteristics, adjustments and departures may be appropriate.

6. No Promises. The United States Attorney makes no representations or promises as to the sentence to be imposed, as this is solely within the Court's discretion. Although the parties may have discussed the possibilities of various factors having an impact on the sentence and the possibility of a certain sentencing range, the parties agree that no discussion resulted in any express or implied promise or guarantee concerning the actual sentence to be imposed.

7. No Right to Withdraw Plea. The Defendant understands that the Defendant will have no right to withdraw the Defendant's plea if the sentence imposed, or the application of the United States Sentencing Guidelines is other than that which the Defendant anticipated. The parties understand the Court may defer its decision to accept the plea until there has been an opportunity to review a presentence investigation report.

8. Evidence at Sentencing. The Defendant, the Defendant's attorney, and the United States Attorney may make whatever comment and evidentiary offer they deem appropriate at the time of the guilty plea, sentencing, or any other proceeding related to this case, provided such offer or comment does not violate any other provision of this agreement. The parties are also free to provide all relevant information to the U. S. Probation Office for use in preparing a presentence report. The parties agree that either party may present evidence by way of telephone or deposition transcript, and to this extent Defendant agrees to waive any right to face-to-face confrontation at the sentencing hearing. The parties further agree that the court will be free to consider all relevant conduct, including dismissed counts, in determining the amount of loss, pursuant to U.S.S.G. §2B1.1.

9. Special Assessment. The Defendant agrees to pay to the United States a special assessment of \$400 as required by Title 18, United States Code, § 3013. The Defendant agrees to make such payment (by cashiers check or money order payable to "Clerk, U. S. District Court") to the U.S. Clerk of Court within two weeks (14 days) of the execution of this agreement or by the time of the entry of guilty plea, whichever first occurs. This is a material condition of this agreement.

10. Full Payment of Restitution. The parties agree that Defendant shall be ordered to pay restitution in the total amount determined by the Court (which includes all relevant conduct, including dismissed counts) immediately upon imposition of sentence. The parties further agree that the amount of restitution should be at least \$236,250.00. If the Court determines that Defendant is unable to make immediate full payment of all restitution, Defendant shall be required to make restitution payments as a condition of any period of supervised release imposed, pursuant to a payment plan established and ordered by the Court. Defendant understands that the failure to pay these obligations--subject to Defendant's good faith ability to pay--may be considered a breach of Defendant's probation or supervised release, and may result in an additional period of imprisonment being imposed.

D. NATURE OF THE OFFENSE

11. Elements. The elements of the crime of Mail Fraud in violation of 18 U.S.C. § 1341 are as follows:

- a. the Defendant voluntarily and intentionally devised a scheme to defraud the United States out of money or property by means of material false representations or promises;
- b. the Defendant did so with the intent to defraud; and

- c. the Defendant used, or caused to be used, the mail in furtherance of, or in an attempt to carry out, some essential step in the scheme;

12. Elements Understood and Admitted -- Factual Basis. The Defendant has fully discussed the facts of this case with Defendant's attorney. Defendant has committed each of the elements of the crime, and admits that there is a factual basis for this guilty plea. The following facts are true and undisputed and may be considered as "relevant conduct" for purposes of determining Defendant's sentence under the U.S. Sentencing Guidelines:

- a. The defendant, VISION SYSTEMS GROUP, INC. (VISION SYSTEMS GROUP) was registered as a New Jersey Domestic Profit Corporation with the State of New Jersey Department of Treasury on October 2, 1996, listing the registered agent and office as Viswa Mohan Mandalapu, 39 Hudson Street, Hackensack, New Jersey.

- b. The defendant, VISION SYSTEMS GROUP, had a principal place of business in Somerset and South Plainfield, New Jersey.

- c. The defendant, VISION SYSTEMS GROUP, did create or cause to be created, Venturisoft, Inc., which was an affiliated entity of Vision Systems Group.

- d. Venturisoft, Inc. (Venturisoft) was a shell corporation of Vision Systems Group with no actual employees in the State of Iowa.

- e. Venturisoft, Inc. submitted Articles of Incorporation with the Iowa Secretary of State on or about March 30, 2004, listing the registered agent and office as Praveen Andapally, 2175 NW 86th Street, Suite #10, Clive, Iowa.

- f. On or about August 13, 2007, the defendant, VISION SYSTEMS GROUP, through an agent and employee, did cause to be sent by common carrier a Form I-129, Petition for Nonimmigrant Worker, relating to alien worker Suresh Kumar Pola.

g. The Form I-129, and attachments, submitted to U.S. Citizenship and Immigration Services (USCIS), contained material false statements concerning the name of the prospective employer, location of employment and current number of Venturisoft employees. Said false statements were made in support of an effort to obtain lawful temporary residency for the subject of said application.

h. The Form I-129 reported that alien worker Suresh Kumar Pola would be employed by Venturisoft, when in fact he was employed by Vaptech Inc.

i. The Form I-129 reported that alien worker Suresh Kumar Pola would be working in Clive, Iowa or Warren New Jersey, when in fact he was working at other locations throughout the United States.

j. The Form I-129 reported that Venturisoft employed 23 current employees, when in fact Venturisoft was actually a part of Vision Systems Group, which employed more than 26 employees.

k. The reporting of the current number of Venturisoft employees was directly related to the filing fee required to be paid by Venturisoft to USCIS for the filing of a Form I-129.

E. LIMITED WAIVER OF POST-CONVICTION REVIEW

13. Limited Waiver of Post-Conviction Review. The defendant knowingly and expressly waives any and all rights to contest the defendant's conviction of the subject charges in any post-conviction proceedings, including any proceedings under Title 28 U.S.C. § 2255, subject to the following:

- a. The right to seek post conviction relief based on ineffective assistance of counsel, or prosecutorial misconduct, if the grounds for such claim are not known to the defendant, or not reasonably knowable by the defendant, at the time the defendant enters her plea pursuant to this plea agreement.

14. Effect of Filing a Petition for Post Conviction Review. It is a material breach of the plea agreement to file a petition for post-conviction review of the sentence or conviction or other collateral attack to contest the conviction or sentence in this case for any reason other than for the exception set forth in paragraphs 13 above.

F. GENERAL MATTERS

15. Voluntariness of Plea. The Defendant acknowledges that the Defendant is entering into this plea agreement and is pleading guilty because the Defendant is guilty. The Defendant further acknowledges that the Defendant is entering into this agreement without reliance upon any discussions between the United States Attorney and the Defendant (other than those described in this plea agreement), without promise of benefit of any kind (other than any concessions contained in this plea agreement), and without threats, force, intimidation, or coercion of any kind. The Defendant further acknowledges that he understands the nature of the offenses to which the Defendant is pleading guilty, including the penalties provided by law.

16. Limited Scope of Agreement. This agreement does not limit, in any way, the right or ability of the United States Attorney to investigate or prosecute the Defendant for crimes occurring outside the scope of this agreement. Additionally, this agreement does not preclude the United States Attorney from pursuing any civil or administrative matters against the Defendant, including, but not limited to, civil tax matters and civil forfeiture which arise from, or are related to, the facts upon which this investigation is based. This plea agreement binds only the parties hereto. It does not bind any prosecuting authority other than the United States Attorney for the

Southern District of Iowa.

17. Entire Agreement. This plea agreement, and any attachments, constitute the entire agreement between the parties. No other promises of any kind, express or implied, have been made to the Defendant by the United States or by its agents.

18. Venue. Defendant agrees that the offense conduct relating to the subject offenses were committed, in whole or in part, in the Southern District of Iowa, and that the U. S. District Court, Southern District of Iowa, has proper venue of this agreement.

19. Public Interest. The United States Attorney and the Defendant state this plea agreement is in the public interest and it takes into account the benefit to the public of a prompt and certain disposition of the case and furnishes adequate protection to the public interest and is in keeping with the gravity of the offense and promotes respect for the law.

20. Execution/Effective Date. This agreement does not become valid and binding until the Plea Agreement and the Statement by Defendant in Advance of Plea of Guilty are executed by each of the parties and their counsel shown below. The United States Attorney's Office may withdraw this plea agreement offer at any time prior to its acceptance and execution by the defendant and receipt of the documents at the United States Attorney's Office. For the defendant to have timely accepted this plea agreement offer, the defendant and his attorney must have properly executed the Plea Agreement and the Statement by Defendant in Advance of Plea of Guilty, and the Office of the United States Attorney for the Southern District of Iowa must have received delivery of said properly executed documents.

The undersigned hereby accept and agree to the terms and conditions set forth in this Plea Agreement.

G. SIGNATURES

21. Defendant. I have read all of this plea agreement and have discussed it with my attorney. I fully understand the plea agreement and accept and agree with it without reservation. I do this voluntarily and of my own free will. No promises have been made to me other than the promises in this plea agreement. I have not been threatened in any way to get me to enter into this plea agreement. I am satisfied with the services of my attorney with regard to this plea agreement and other matters associated with this case. I am entering into this plea agreement and will enter my plea of guilty under this agreement because I committed the crime to which I am pleading guilty.

10-07-10

Date

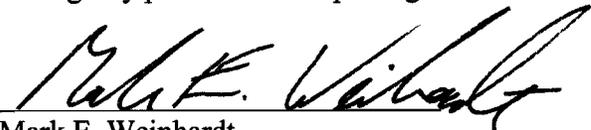


VISWA MOHAN MANDALAPU
President
Vision Systems Group, Inc.

22. Defendant's Attorneys. I have read this plea agreement and have discussed in its entirety with my client. There is no plea agreement other than the agreement set forth in this writing. My client fully understands this plea agreement. I am satisfied my client is capable of entering into this plea agreement, and does so voluntarily of his own free will, and without any coercion or compulsion. I believe there is a factual basis for the plea and concur in my client entering into this plea agreement and in entering a plea of guilty pursuant to the plea agreement.

10/8/10

Date



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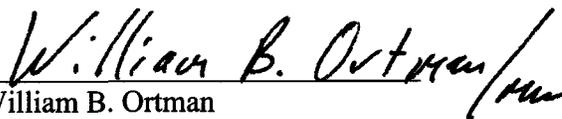
10/8/10

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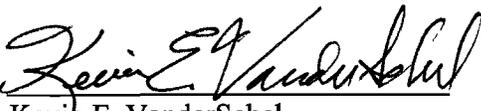
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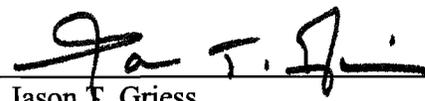
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