



Slap on the Wrist for a Confessed, Wealthy Employer of Many Illegal Aliens

By David North

What happens if you confess to a federal judge that you have been defrauding the immigration system for 12 years, and that you caused the filing of:

[A]pproximately 24 fraudulent employment applications with [U.S. Citizenship and Immigration Services] to secure lawful permanent resident status and/or H-1B temporary status for aliens who were not eligible to receive those benefits?¹

In other words, you admit that you have caused the arrival of two-dozen illegal aliens, many of whom wound up working for your chain of restaurants.

Bear in mind that a company that you partially own has been fined, quite separately, for flouting immigration law by hiring scores of illegal aliens. What's more, a Justice Department administrative court suggested that there were many other labor and tax law violations stemming from that case.

Further, bear in mind that a civil suit against another firm of which you were a partial owner was filed because of a series of alleged misdeeds, but the case has been dismissed because you and your colleagues took that firm into bankruptcy. This was one of two efforts of yours to use the bankruptcy code, presumably to avoid financial reverses.

Do you get deported for any or all this? Jailed? Given a huge fine? Have any of your assets been seized?

Well, not if you are Mannem Reddy, who lives in a \$1.7 million mansion at the end of a luxurious cul-de-sac in fashionable Great Falls, Va. The house, three times the size of most suburban houses, has 6,928 square feet of finished space, five bedrooms, four full baths, two half-baths, a two-car garage and, of course, a swimming pool — all according to public records.²

No, a kindly federal judge decides that, for your sins, you will be put on probation for a while. You will also be placed under home arrest for one month (a kind of arrest that allows you to travel to work every day). And you will pay a \$5,100 in penalties. Further, just in case you are pressed for cash, you can pay off the fine at a rate of \$250 a month over a period of 20 months.

That'll teach you not to break the immigration law!

Background. Two migrants from India, really restaurant owners, passed themselves off, along with two dozen of their (probably ill-paid) waiters and kitchen staff, as H-1B computer programmers and got away with that deception and many other kinds of white-collar law-breaking for at least a decade. Two of their colleagues were either caught breaking immigration law or confessed to doing so.

And they all lived well while they did it. The photo on the next page shows the five-bedroom, four-bathroom, brand-new house of 3,226 square feet of finished space (plus deck, porch, and two-car garage) that belonged *not* to one of the three restaurant owners, but to one of their subordinates, a manager who was an illegal alien when

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he purchased the house in 2006 (we don't know his current status).³ The restaurant owners lived in even more expensive houses, more like that of Reddy.



This is the story of four aliens, all successful businessmen, all apparently multiple white-collar criminals. It is the story of how they coped with the consequences of their crimes — while avoiding both jail and deportation.

While these aliens managed to water down the impacts of their behavior on themselves by extensive use of lawyers, and specifically the use of bankruptcy law, corporate limited liability law, a plea bargain, and flight, some of them did (apparently) suffer some adversity eventually, but only after long periods of great prosperity.

Fundamentally, it is an in-depth illustration of how much money can be gained by violating the INA. It also demonstrates how hard it is to enforce our immigration, tax, and labor market laws as currently written, even when there is absolutely no question about the guilt of the employers involved.

This account is reconstructed totally from public records, such as those of the federal courts, the U.S. Department of Justice, and local government property assessment files (the source of the photo above.) With such sources there will inevitably be gaps in the narrative, as indictments and judicial decisions tend to deal only with criminal matters, providing limited background information.

The Four Indians. The protagonists came to my attention when I read a recent decision⁴ of an obscure U.S. Justice Department agency with a wonderfully bland name, the Office of the Chief Administrative Hearing Officer (OCAHO).

The OCAHO decision was that the corporation owning Minerva Indian Cuisine, a restaurant some miles north of Atlanta, owed the federal government \$77,000 for multiple and flagrant violations of the employer sanctions law regarding employing illegal aliens. The owners had been violating the law in the location for at least two years when the place was raided by ICE in 2008. (Why the case was not resolved earlier was not revealed in the decision.)

On December 11, 2008 — that's more than five years ago — ICE agent Bruce L. Busby visited the place and immediately discovered that 16 out of the 18 employees were in illegal status. It also turned out that the restaurant had routinely hired many other illegals in the past.

Wage records, according to the OCAHO decision, were kept in a schoolchild's composition book by first names only. Wages were paid in cash. Only four of the many legally required I-9s were available. And it was clear that the employer had reported only a fraction of the payroll to state and other tax authorities, year after year.

The owner of the restaurant, and others in Maryland and Virginia, was Symmetric Solutions, Inc. The owners of the firm, and the corporate officers according to Georgia records, were Reddy, Prashanth Goguri, and Kishore Venkata. They, in turn, hired a manager, Sridar Posani, who was on the premises during the raid and was identified by Busby as an illegal alien. It is Posani's then-residence in Cummings, Ga., that is shown above.

The Narrative. Reddy arrived in this country in 1987. By 2001 he was a naturalized citizen. He worked in software in New Jersey for years.

The other two owners, Prashanth Goguri and Kishore R. Konda Venkata (usually called Konda), both arrived in the United States in 1997 as H-1Bs and they initially worked in software.

Though none of the government documents mention this, there may be some family ties in all of this. The R in Konda's name stands for Reddy. Goguri bought *his* large home in Fairfax County, Va., for \$569,000 in 2003 from a Kandi H. Reddy, according to assessment records. Among the foreign workers identified at the Georgia worksite and mentioned in the OCAHO report were four with Reddy in their names; and none of that quartet had the same names as Konda and Kandi, so there were at least seven people with the name of Reddy involved in these activities. (On the other hand, Reddy is an elite caste in south India, so there may be many people with that surname who are not members of the same family.⁵)

Whatever their relationships, or lack thereof, the three owners formed a software company, Symmetric Solutions, Inc. At first it operated as many such Indian firms do, placing H-1B workers with other firms. It expanded into restaurants, often with the name Minerva in their titles. By 2003, the firm dropped the not-very-profitable (for them) software business for the apparently more lucrative restaurant business.⁶

The restaurants were generally low-price Indian establishments in northern Virginia and nearby Maryland, as well as the one operation in Georgia. One continuing theme of these enterprises was the use of low-wage labor, often, as we will see, vulnerable, illegal workers.

The reverses for the three owners seem to start with the ICE raid on the Georgia restaurant in October 2008, even though the final decision in the case came only this year. That restaurant closed soon thereafter and there is no evidence of the three investing in Georgia again.

The next set of troubles came in April 2009, when five corporations associated with Dunkin' Brands zapped the three owners for the same kind of business practices in Virginia that the government had hit them for in Georgia, but this time the timing of the outcome was much swifter.

The three owners collectively had bought a 60 percent interest in an existing corporation, Nova Retail Holdings, which ran three co-branded Dunkin' Donuts/Baskin-Robbins franchises in northern Virginia. Nova was sued in federal court by five corporations related to Dunkin' Brands (owner of Baskin-Robbins) for cheating them on their share of the sales, for cheating state tax authorities, and for cheating workers on over-time pay.⁷

Further there appeared to be Nova's violations of one of Dunkin' Brands' basic rules — franchisees must tell headquarters when they change their ownership structure and Nova had not informed headquarters of the arrival of the Indian trio. It is not clear to me that headquarters was objecting to the three people, *per se*, or to the complete lack of notice of their presence as part-owners.

We will never know whether the franchisor would defeat the franchisees in court because the trio (and the other two owners who also seem to have Indian names) pulled the bankruptcy card. Rather than continue the struggle in court, probably an uphill battle, Nova filed for bankruptcy a few months later and the Dunkin' Brands suit became moot. This was not the last time that these businessmen would use this tactic.

A third blow, a really serious one for the owners, came in 2011 when criminal charges were filed against each member of the trio by the U.S. Attorney in Virginia's Eastern District for immigration fraud.⁸

The charges were identical in each of the cases and stemmed, indirectly, from the conversion of Symmetric Solutions from a software company to a restaurant operation. According to court papers, the three had repeatedly secured H-1B visas (primarily if not exclusively for Indians) on the grounds that the firm needed software engineers. They then proceeded to turn these workers into waiters and kitchen help at wages well below what had been promised in the H-1B applications.

Strictly speaking there were two indictments. One was for Konda and Goguri, and a parallel document, an "information" (similar to an indictment, but filed when there is a plea), for Reddy, who decided to cooperate with the prosecutors in their

efforts against the other two in the winter of 2010-2011. That led to a plea bargain for Reddy and the extremely light sentence already discussed.

A savvier group of exploitative employers would have found that they could have used the H-2B program to recruit waiters and cooks at considerably less expense and with less danger of exposure. That program is designed to import low-skill, non-agricultural labor for such jobs.⁹ But they went with the H-1B program they knew.

In 2013, the fourth, and so far final, blow arrived when both Konda and Goguri were again charged with immigration fraud.¹⁰ This time it was in connection with their own status. According to the indictments, both had told USCIS during naturalization interviews that they were software engineers when, in fact, they were restaurant operators. Both said that they had secured their green cards legitimately, when in fact they had done so fraudulently, again claiming the wrong occupation. When neither appeared in court, the judge issued fugitive arrest warrants.

Meanwhile, for reasons I do not fully understand, Reddy decided in the summer of 2012 to take the bankruptcy route with still another company he owned. This time it was a wholesale food enterprise that he seemed to own alone, Swadesh Foods, LLC, which had an office/warehouse in Loudoun County, Va. The bankruptcy filing indicated it had a gross of \$1.1 million a year.¹¹

He sold the real estate in May 2013, according to Loudoun County tax records. The next month he agreed to a consent order closing the bankruptcy case.

What Ultimately Happened to the Four Men? The end game played out differently for the three employers and their Georgia manager. None of them, however, was either jailed or deported, despite the substantial documentation obtained by authorities.

The oldest and apparently the richest of the four is Reddy, who suffered least from these brushes with the law. He is ensconced in a lovely mansion in an elegant DC suburb, as shown below, and has escaped from de-naturalization, deportation, and



jail, all of which might have happened to him. He has the slightest of criminal records, had to put up with a month of house arrest, and had to pay a \$5,100 in penalties. All slaps on the wrist. It is perhaps interesting, if not encouraging, to read the U.S. Attorney's sentencing memorandum to the judge. It contains this seeming non-sequitur:

Although the defendant [Reddy] has cooperated fully prior to pleading guilty on January 13, 2011, and since that time in post-plea debriefings, on or about January 14, 2011 ICE, Department of State, and Department of Labor Agents encountered two illegal aliens living in a home owned by the defendant's company, Symmetric Solutions, and used to house employees. On or about January 25, 2011, ICE and Department of State Agents administratively arrested five illegal aliens living in a home jointly owned by the defendant, Goguri, and Konda. All the illegal aliens arrested on that date admitted to being employed by Minerva Indian Cuisine in Fairfax, Virginia.

In this case, a sentence in the low-end of the advisory guideline range will promote a respect for the law and deter others from engaging in immigration fraud.¹²

Apparently the harboring of seven illegal aliens, and the employment of at least five of them, *even after the guilty plea*, did not upset these prosecutors very much.

His colleagues in so many of these activities, two of whom had equal shares with Reddy in several of these various corporations, did not do as well. They also had lied about their occupations to the feds, something Reddy apparently did not do. Both Goguri and Konda fled the country in the winter of 2010-11, or “returned to India”, as Reddy put it in a letter to the judge hearing his case.¹³

Both of them are probably barred from returning to the United States as long as the fugitive warrants are outstanding. Both, however, may be living in comparative comfort in their homeland. And neither was jailed, deported, or even fined.

Each of them had been nicely housed in Fairfax County, Va., for a number of years, and each sold their houses for more than they paid for them, thus increasing the equity that they presumably took with them back to India.

In the case of Goguri, he sold his 2,914 sq. foot, four-bedroom, 3.5-bath, one-fireplace house for \$640,201 on June 10, 2011. Konda sold his somewhat larger house (3,970 sq. feet, four-bedrooms, 5.5 baths, one fireplace) for a little more, \$650,100, about a year later. In both cases it appears that the sales took place after their departures from the country.

Let’s get back to the least well off of the four, the manager of the restaurant in Georgia, and the owner (with his spouse) of the pleasant house shown at the start of the article. Sridhar Posani was both in illegal status, as our story began, and the manager mishandling the employment verification laws. His wife is noted in online directories as a former resident of Herndon, Va., which is also in Fairfax County.

Minerva Indian Cuisine, in Alpharetta, Ga., did not survive for long after the ICE raid in 2008, according to Internet review site Yelp.¹⁴ (Who knew that you can read customer reviews of defunct restaurants years after their demise?) Posani then opened a restaurant of his own nearby, but that failed and he — like the other three — opted to file for bankruptcy.¹⁵

Whereas the other two filings were for corporations, Posani’s was for himself, an illegal alien, and his employed wife, whose immigration status is unknown. This is interesting, as one might think that an illegal alien would not expose himself and his finances in such a way — though he has a legal right to do so.

Posani, however, figured it was in his best interest to file and he came out of the process smelling like a rose, financially, but still an illegal alien. At the end of the bankruptcy process, he did not have to meet any obligations other than mortgage payments on the place where he and his wife were living. The court figured that his wife’s income of about \$84,000 a year as a software person at a Home Depot was enough for their legally defined financial needs — hence the benign result. He reported no income.

Posani did later sell the house for less than he paid for it. He may still be in Georgia,¹⁶ just as Reddy remains in Virginia.

And that’s how four multiple violators of immigration and other laws fared after their crimes were examined by the federal government.

No deportations, no jail time, a single \$5,100 penalty among the four of them, two flights from the country, and two left in America in the status quo.

Given their collective criminal records, it is not a very impressive score.

End Notes

¹ This is a quotation from a “statement of facts” stipulated to by Reddy, in an immigration fraud case in the Eastern District of Virginia, dated January 13, 2011. It can be seen in the files of PACER, the federal courts’ electronic data system: case 1:11-cr-00003-JCC, document 5.

² The public records include the current Verizon phone book, which indicates that Reddy lives at a given address in Great Falls, and the Fairfax County assessment records for that address that show the size, sales history, and features of the property. Where the name of the owner would normally appear it says “name withheld by request”.

³ The photo, the detailed description of the house, and its sales history are all from the Forsyth County (Ga.) Board of Assessors [website](#); the house was owned by the manager, Posani, and his spouse from October 10, 2006, until December 5, 2011. The address of the house was obtained from the files of the Posani bankruptcy case.

⁴ See the [February 6, 2014, decision](#).

⁵ <http://en.wikipedia.org/wiki/Reddy>

⁶ For more on this history, see Reddy’s letter to the judge in his case (document 9-1) in the PACER entry cited in note 1.

⁷ *Dunkin’ Donuts Franchising LLC v. Nova Retailing Holdings, Inc.*, PACER case 1:09-cv-00380-CMH-TRJ.

⁸ The federal moves against Goguri, Konda, and Reddy, all filed in the Eastern District of Virginia, are PACER cases 1:11-mj-00035-TCB, 1:13-cr-00234-CMH, and 1:11-cr-00003-JCC, respectively.

⁹ For more on this program, see David Seminara, [“Dirty Work: In-Sourcing American Jobs with H-2B Guestworkers”](#), Center for Immigration Studies Background, January 2010.

¹⁰ See PACER case 1:13-cr-00234-CMH.

¹¹ See PACER case 12-14581-BFK, filed on 7/26/12.

¹² See note 6.

¹³ See document 8 in the PACER file cited in note 1.

¹⁴ A sample [Yelp review](#): “Seems there are a lot of Indian restaurants popping up in Alpharetta, and the competition is tough. Minerva is the big daddy of them all. By far the largest seating area and biggest buffet. It is best to come on Friday for lunch as the selection is greater. I’ve been for dinner once and it is a difference experience. Best to stick to lunch.”

¹⁵ See PACER case 10-24554-reb.

¹⁶ The current (March 2014) Internet White Pages shows his wife as living in Cummings, Ga., and it has a listing for his email address.