

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	:	
	:	Case No. 24-CR-545 (JMC)
v.	:	
	:	
NIKHIL PAREKH,	:	
	:	
Defendant.	:	

STATEMENT OF OFFENSE IN SUPPORT OF GUILTY PLEA

I. Summary of the Plea Agreement

As set forth in the attached plea agreement, Defendant Nikhail Parekh (hereinafter referred to as “Defendant” or “PAREKH”) agrees to accept responsibility and plead guilty to Count One of the attached Information, charging Defendant with Conspiracy to Sell Stolen Goods, in violation of 18 U.S.C. § 371 and 18 U.S.C. § 2315.

II. Elements of the Offense

The essential elements of the offense of Conspiracy to Commit an Offense Against the United States, in violation of Title 18, United States Code, Section 371, each of which the government must prove beyond a reasonable doubt to sustain a conviction, are:

(1) Two or more persons agreed to do something which federal law prohibits, that is, to sell stolen goods, as charged in the Information;

(2) The Defendant knew of the conspiracy and willfully joined the conspiracy;
and

(3) At some time during the existence of the conspiracy or agreement, one of the members of the conspiracy knowingly performed, in the District of Columbia, or an area wholly outside of the United States, one of the overt acts charged in the Information in order to

accomplish the object or purpose of the agreement.

The essential elements of the offense of the Sale of Stolen Goods, in violation of Title 18, United States Code, Section 2315, are:

(1) That the property named in the indictment was stolen, that is, unlawfully taken or converted;

(2) that such property had crossed a state or United States boundary after being stolen;

(3) that the Defendant sold items of the stolen property;

(4) that the Defendant knew the property was stolen at the time the Defendant sold it; and

(5) that the value of the goods was in excess of \$5,000.

III. Statement of Facts

The following statement of facts does not purport to include all of the Defendant's illegal conduct. It also does not purport to be an inclusive recitation of everything that the Defendant heard, knew, or witnessed concerning the illegal activities committed by Defendant and others. It is intended to represent sufficient information for the Court to find a factual basis for accepting the Defendant's guilty plea.

INTRODUCTION

COMPANY # 1

COMPANY # 1 was an international information technology ("IT") asset disposition company headquartered in Cork, Ireland, with locations across the United States, including in the broader Washington, D.C.-metropolitan region.¹ More specifically, COMPANY # 1 contracted with public and private entities in the United States and abroad to securely destroy a variety of

¹ In September 2024, COMPANY # 1 was acquired.

media, including hard drives, laptops, printers, tablets, smartphones, memory devices, USB sticks, CDs, and tapes. COMPANY # 1 offered both on-site and offsite destruction services, with the former involving COMPANY # 1 bringing a specialized truck to the client site and having its employees operate four shaft shredders with screens that destroyed any type of media rendering the data unrecoverable, with residual, shredded materials being recycled. Upon completion of the destruction of the relevant IT assets, COMPANY # 1 would issue a Certificate of Destruction to its customers that the relevant material had been put beyond use, completely dismantled and recycled in an environmentally responsible manner, and any data storage devices had been effectively destroyed pursuant to standard data destruction processes outlined in the National Institute of Science and Technology's Guidelines for Guidelines for Media Sanitization.

Relevant Individuals

Defendant was an employee of COMPANY # 1 from February 13, 2019 through September 15, 2023, during which time he was based out of the company's Hyattsville, Maryland location. Defendant was largely employed as a "driver," at the company, which meant that he drove the specially equipped COMPANY # 1 vans to client sites to either conduct onsite shredding of IT assets or to transport them to COMPANY # 1's secure shredding facility, which, initially, was located in Hyattsville, Maryland, before it was relocated to Winchester, Virginia.

Co-conspirator # 1 was an employee of COMPANY # 1 from July 8, 2019 through September 2023. Like PAREKH, Co-conspirator # 1 was based out of the company's Hyattsville, Maryland office / warehouse, and also served as a "driver" with the same responsibilities described for PAREKH above.

It was common during this period of time covering the acts described below for multiple COMPANY # 1 employees to be dispatched to a particular job site to assist with the requisition

of the to-be-disposed items, loading them on to the specially equipped COMPANY # 1 van, and facilitating the secure shredding of the materials if the company had opted for on-site destruction services. PAREKH and Co-conspirator # 1 were frequently paired together and dispatched to the same client sites for the same jobs.

Purpose of Conspiracy and Manner and Means

From on or about July 2022 through on or about August 2023, in the District of Columbia and elsewhere, Defendant and Co-conspirator # 1, along with others, known and unknown, agreed with one another to take items that they were tasked with destroying from the COMPANY # 1 trucks directly and then re-sell these items elsewhere, including across state lines in the Commonwealth of Virginia. The items taken from COMPANY # 1 trucks would include cellular telephones, tablets, laptops, and other electronic devices that COMPANY # 1's customers had contracted with the company to wipe, destroy, or otherwise render beyond use.

The conspiracy was carried out through the following manner and means, among others. First, Co-conspirator # 1 and PAREKH would be assigned to jobs at different client sites and given use of the company vans for transportation and shredding. Upon reaching the client site, Co-conspirator # 1 and PAREKH, and other known and unknown co-conspirators, would take custody of the IT assets, scan them into COMPANY # 1's system, and then begin removing digital devices slated for destruction from the various palettes they had received from the customers. Depending on the location of the site and the time at which they had finished allegedly providing the destruction services, they would then either take the company van directly to the electronics resellers and offload the items slated for destruction and sell them directly, or, they would bring the van back to the COMPANY # 1 warehouse, remove the items to be stolen from the van, and maintain custody of them until such time as they saw fit to sell

them to an electronics reseller. At times, other employees at COMPANY # 1 who were dispatched to different client sites for either on-site shredding or transport of items for offsite shredding, would take possession of IT assets, and PAREKH and Co-Conspirator # 1 would come to acquire them prior to their destruction and sell them on to resellers for their personal gain.

Overt Acts

On or about January 20, 2023, COMPANY # 1 employees were dispatched to a warehouse in Linthicum Heights, Maryland, run by a contractor of a federal executive branch agency, AGENCY # 1. While there, COMPANY # 1 took custody of 10 pallets of government-furnished IT equipment slated by AGENCY # 1 for disposition. The material included hundreds of smartphones, monitors, printers, scanners, personal computers, laptops, and other IT assets.

Beginning on or about March 2, 2023, PAREKH and Co-conspirator # 1 were assigned to an onsite shredding job for AGENCY # 2, a U.S. government entity, which maintained a warehouse for its to-be-disposed of items in Landover, Maryland. Over the course of two days, PAREKH and Co-conspirator # 1 took possession of more than 400 laptops, 1,300 smartphones, 70 servers, 20 cameras, and nearly 30 video-teleconference phones. Co-Conspirator # 1 returned to the warehouse for AGENCY # 2 in June 2023, and took custody of hundreds more IT assets.

At various times during the course the conspiracy, PAREKH and Co-Conspirator # 1 were assigned to jobs at additional executive branch agencies and private businesses in Maryland, the District of Columbia, and elsewhere.

In mid-July 2023, PAREKH contacted Witness # 1, an owner of an electronics re-seller in Haymarket, Virginia, to discuss the sale of certain digital devices. Parekh ultimately dropped off numerous digital devices on July 18, 2023 at Witness # 1's electronics store, after which Witness

1 was to conduct an inventory of the digital devices that PAREKH had dropped off and the two of them would settle upon an amount to be paid for the digital devices. During the course of the inventory, Witness # 1 noticed that many of the items that PAREKH had dropped off contained asset tag stickers on the back of them denoting to whom they belonged, including AGENCY # 2. For example.

From: [REDACTED]
Hey boxing up iPads and setting a lot of this?
Status: Read
7/24/2023 6:50:40 PM(UTC+0)

Source Info:
EXTRACTION_FFS.zip\data\data\com.android.providers.telephony\databases\mmssms.db :
0x2DFC38 (Table: sms; Size: 3231744 bytes)

From: [REDACTED]
Are these meant to be here?
Status: Read
7/24/2023 7:06:45 PM(UTC+0)

Source Info:
EXTRACTION_FFS.zip\data\data\com.android.providers.telephony\databases\mmssms.db :
0x2DFB79 (Table: sms; Size: 3231744 bytes)

From: [REDACTED]
To: +14438013806 Nikhil Parekh (owner)
Attachments:

Size: 977218
File name: IMG_0435.jpg
[IMG_0435.jpg](#)

To	Participant	Delivered	Read	Played
+14438013806 Nikhil Parekh				

As demonstrated in the following excerpt, PAREKH admitted to Witness # 1 that the devices were supposed to be destroyed and that government devices were among those that were sold to Witness # 1, and at least one was connected to government cloud computing software. Out of an abundance of caution, PAREKH told Witness # 1 that the device it should be sold for parts.

From: [REDACTED]
Are these clean ? Or were they meant to be destroyed
Status: Read
7/24/2023 7:16:32 PM(UTC+0)

Source Info:
EXTRACTION_FF8.zip\data\data\com.android.providers.telephony\atabases\mmmsms.db : 0x2DF700
(Table: sms; Size: 3231744 bytes)

(owner)
To: [REDACTED]
I would say 10 to 15% are clean
All for meant to be destroyed

Participant	Delivered	Read	Played
[REDACTED]			

Status: Sent
7/24/2023 7:17:14 PM(UTC+0)

Source Info:
EXTRACTION_FF8.zip\data\data\com.android.providers.telephony\atabases\mmmsms.db : 0x2DF630 (Table: sms;
Size: 3231744 bytes)

From: [REDACTED]
So the government isn't going to come looking for me or something
Status: Read
7/24/2023 7:17:49 PM(UTC+0)

Source Info:
EXTRACTION_FF8.zip\data\data\com.android.providers.telephony\atabases\mmmsms.db : 0x2DF54A (Table: sms;
Size: 3231744 bytes)

From: [REDACTED]
??
Status: Read
7/24/2023 7:18:27 PM(UTC+0)

Source Info:
EXTRACTION_FF8.zip\data\data\com.android.providers.telephony\atabases\mmmsms.db : 0x2DF4A3 (Table: sms; Size: 3231744 bytes)

(owner)
To: [REDACTED]
Only the one in the cloud is going to be a problem

Participant	Delivered	Read	Played
+17033078712 Bob Gloss			

Status: Sent
7/24/2023 7:19:31 PM(UTC+0)

Source Info:
EXTRACTION_FF8.zip\data\data\com.android.providers.telephony\atabases\mmmsms.db : 0x2DF4A3 (Table: sms;
Size: 3231744 bytes)

(on [redacted])
To: [redacted]
That's for parts

Participant	Delivered	Read	Played
+17033078712 Bob Gloss			

Status: Sent

7/24/2023 7:20:19 PM(UTC+0)

Source Info:
EXTRACTION_FF8.zip\data\data\com.android.providers.telephony\databases\mmssms.db : 0x2DF35D (Table: sms; Size: 3231744 bytes)

From: [redacted]
Sometimes I'm about to bypass these and get around the lock will that be an issue
Status: Read

7/24/2023 7:21:06 PM(UTC+0)

Source Info:
EXTRACTION_FF8.zip\data\data\com.android.providers.telephony\databases\mmssms.db : 0x2DF248 (Table: sms; Size: 3231744 bytes)

From: [redacted]
I just don't want a guy in black suit knocking on my door
Status: Read

7/24/2023 7:21:37 PM(UTC+0)

Source Info:
EXTRACTION_FF8.zip\data\data\com.android.providers.telephony\databases\mmssms.db : 0x2DF18A (Table: sms; Size: 3231744 bytes)

(on [redacted])
To: [redacted]
No...
They're off the system

Participant	Delivered	Read	Played
+17033078712 Bob Gloss			

Status: Sent

7/24/2023 7:22:03 PM(UTC+0)

On July 28, 2023, PAREKH called Co-Conspirator # 1 and said that as soon as Witness # 1 paid PAREKH the money, he would send it to Co-Conspirator # 1. On August 1, 2023, Co-Conspirator # 1 and PAREKH had an additional phone call, in which PAREKH confirmed that Witness # 1 had paid him, and that he would pay Co-Conspirator # 1 in turn. The two also

discussed how Co-Conspirator # 1 had recently come into possession of hundreds of iPhones and approximately two dozen tablets, and the two discussed what prices Co-Conspirator # 1 should demand upon approaching a separate electronics re-seller located in Maryland. On August 1, 2023, Witness # 1 ultimately paid PAREKH one installment for the digital devices he dropped off on July 18, 2023, in the amount of \$1,000 through the payments application Zelle. PAREKH then immediately paid \$300 to Co-Conspirator # 1.

On August 2, 2023, law enforcement agents inspected Witness # 1's business and interviewed Witness # 1 and discovered 258 electronic items, including those of AGENCY # 1 and AGENCY # 2, all of which were identified as being part of deliveries from PAREKH, and seized them. AGENCY # 2 had confirmed it owned and turned over to COMPANY # 1 for destruction seventy-two of the electronic devices seized from Witness # 1's business. AGENCY # 2's devices were identified by red, white, and black asset tag stickers bearing a barcode, a six-digit number, and the name of AGENCY # 2. AGENCY # 1 owned and turned over to COMPANY # 1 for destruction eighteen of the electronic devices seized from Experimax. AGENCY # 2's devices were identified by black and white asset tag stickers bearing a barcode, a six-digit number, and the name of the agency. The remainder of the devices were eventually traced back to additional government agencies and private entities, which in turn confirmed that they had provided them to COMPANY # 1 pursuant to a contract under which COMPANY # 1 was to destroy them or render them beyond use and certify the same prior to payment.

PAREKH admits for the purpose of this plea agreement that he knowingly agreed with one or more other persons, including Co-Conspirator # 1, to take items provided to COMPANY # 1 for purposes of destruction, that such items would have a value in excess of \$5,000, that PAREKH and other co-conspirators would transport them across state lines, and sell them,

despite knowing that the goods were to be destroyed pursuant to their responsibilities for their employer and their employer's contractual obligations for their client. PAREKH further admits that, in furtherance of this conspiracy, he and his co-conspirators did, in fact, take items—that had been given by AGENCY # 1 and AGENCY # 2 to COMPANY # 1 to be destroyed—with a value of at least \$10,000, and PAREKH and his co-conspirators did transport these items across state lines for re-sale for their own personal profit.

Respectfully Submitted

MATTHEW M. GRAVES
United States Attorney

By: 

Will Hart
Assistant United States Attorney

DEFENDANT'S ACKNOWLEDGMENT

I have read the Statement of Offense setting forth the facts related to my guilty plea. I have discussed this proffer fully with my attorney, Oleg Fastovsky, Esq. I fully understand this proffer and I acknowledge its truthfulness, agree to it and accept it without reservation. I do this voluntarily and of my own free will. No threats have been made to me nor am I under the influence of anything that could impede my ability to understand this proffer fully.

Date: 12-10-24




Nikhil Parekh

ATTORNEY'S ACKNOWLEDGMENT

I have read each of the pages constituting the Government's proffer of evidence related to my client's guilty plea. I have reviewed the entire proffer with my client and have discussed it with him fully. I concur in my client's agreement with and acceptance of this proffer.

Date: 12-10-24



Oleg Fastovsky, Esq.
Counsel for Defendant