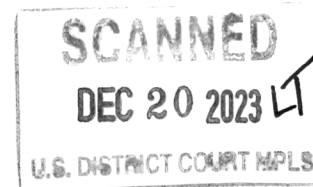


23 CR 375 JWB/PJF

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,)	
)	INDICTMENT
Plaintiff,)	
)	18 U.S.C. § 1343
v.)	18 U.S.C. § 1344
)	
ADITYA RAJ SHARMA,)	
)	
Defendant.)	



The UNITED STATES GRAND JURY charges:

General Allegations

At times material to this Indictment:

1. Defendant ADITYA RAJ SHARMA was a resident of Maple Grove, in the State and District of Minnesota.

2. Crosscode Inc. ("Crosscode") was a cloud-based software development company registered in Delaware, headquartered first in Maple Grove, Minnesota, and later in Foster City, California. Defendant SHARMA founded Crosscode in 2015, and held various positions including Chief Executive Officer and President. From Crosscode's founding through at least May 2019, defendant SHARMA was the primary operator of the company, its controlling shareholder and, at times, its only employee and shareholder.

3. Since its founding by defendant SHARMA, Crosscode struggled financially and had little or no revenue or cash on hand.

4. Company 1 was a California corporation that provided marketing services. Company 2 was a South Korean business that provided certain automotive

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components. Company 1 or Company 2 were not paying customers of defendant SHARMA or his company Crosscode, and did not owe money to either defendant SHARMA or his company.

5. Bank 1 was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation ("FDIC"), that extended loans and lines of credit to its qualifying customers. Bank 1 was based in Eau Claire, Wisconsin, and had branch locations, including in Chanhassen, Minnesota.

6. The Business Backer, Lendio, Inc., Synergy Capital, Madison Parker Capital, and Main Street Finance Group were private lending and finance companies provided loan and financing options to qualifying businesses.

7. Investment Firm 1 was an investment banking firm based in California. Investment Firm 1 assisted newer companies by facilitating their access to start-up capital, including through early-stage Series A funding, in which private investors provide money to companies in exchange for preferred stock.

8. Financial institutions, lending companies, and investment banking firms required individuals seeking financing for their companies to provide truthful and accurate information, including truthful and accurate information about the companies' financial status and operations.

**Scheme to Defraud Investors,
Financial Institutions, and Lending and Finance Companies**

9. From at least 2017 and continuing until at least 2019, in the District of Minnesota, and elsewhere, the defendant,

ADITYA RAJ SHARMA,

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did knowingly and intentionally devise and execute a scheme to defraud investors, financial institutions, and lending and finance companies, and to obtain money and property from investors, financial institutions, and lending and finance companies by means of materially false and fraudulent pretenses, representations, as further described below.

10. The purpose of defendant SHARMA's scheme was to defraud investors, financial institutions, and lending companies by manipulating and falsely inflating Crosscode's financial records to induce investors, financial institutions, and lending companies to extend capital to defendant SHARMA's company.

11. More specifically, defendant SHARMA obtained and tried to obtain money under false and fraudulent pretenses in order to avoid or delay financial hardship for Crosscode, which, as defendant SHARMA well knew, was mired in debt with virtually no incoming revenue or cash-on-hand. Defendant SHARMA also sought to unjustly benefit himself by raising capital from investors in Minnesota and elsewhere to pay off loans extended to Crosscode for which defendant SHARMA was personally responsible and to repay funds that he and his spouse had personally extended to Crosscode.

12. As part of the scheme to induce lenders to provide funding, defendant SHARMA took multiple steps to manipulate and to falsify Crosscode's financial records to give the false appearance that Crosscode was successful and profitable. For example, in or about April 2017, defendant SHARMA submitted a fraudulent loan application that included fabricated bank records with grossly inflated balances that purported to show Crosscode had substantial deposits from widely-known, large

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corporations, including some falsified client deposits in the amount of \$420,000. In reality, as defendant SHARMA knew at the time, these were sham transactions and no clients owed Crosscode such vast sums of money.

13. Similarly, in or about June 2017, defendant SHARMA submitted a bogus loan application for \$350,000 to a lender in which he falsely claimed that Crosscode had total annual revenues of \$8,000,000. In support of his fraudulent loan application, defendant SHARMA supplied fabricated Crosscode bank account records purportedly from January 2017 through May 2017, which contained additional phony client deposits and inflated account balances. Similarly, in or about December 2018, defendant SHARMA applied to a lender for \$250,000 in loan funding by claiming—falsely—that Crosscode had approximately \$195,000 in average monthly sales. Once again, defendant SHARMA provided fabricated Crosscode bank account records. Given Crosscode's cash-strapped status, defendant SHARMA knew well that his revenue claims to lenders were false.

14. It was further part of the scheme that, in or about December 2018, defendant SHARMA submitted a fraudulent loan application to another lender. Defendant SHARMA submitted doctored bank records, including a falsified deposit in the amount of \$125,000 from Client 1. In reality, these bank statements were fake, and Crosscode had little or no revenue during this period.

15. It was further part of the scheme to defraud that defendant SHARMA sought and obtained funding for Crosscode from FDIC-insured financial institutions. For example, in or about April 2018, in defendant SHARMA's capacity as Crosscode's President and Chief Executive Officer, he applied for and obtained a \$950,000

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commercial line of credit for Crosscode from Bank 1 in Chanhassen, Minnesota, which was guaranteed personally by defendant SHARMA. However, in order to receive this funding, defendant SHARMA knowingly provided Bank 1 with false information, including a bogus records professing to show that several supposed clients owed Crosscode approximately \$450,000 as of February 2018. In fact, as defendant SHARMA knew at the time, no clients owed Crosscode money. After defendant SHARMA received the \$950,000 line of credit from Bank 1 in 2018, his account thereafter began to go into default status because defendant SHARMA failed to make required payments to Bank 1 and failed to provide required ongoing financial information about Crosscode.

16. As further part of the scheme, defendant SHARMA periodically directed Crosscode's acting Chief Financial Officer (CFO) to recognize revenue for Crosscode even though defendant SHARMA knew these were not valid amounts due and owing to Crosscode. For example, in an email message on or about January 23, 2019, defendant SHARMA directed Crosscode's acting CFO to add hundreds of thousands of dollars in revenue "for recognition in Q4" of 2018 from Client 1 and Client 2 even though, as defendant SHARMA well knew, Crosscode had not earned any revenue from Client 1 or Client 2 that Crosscode could claim in the fourth quarter of 2018.

17. It was further part of the scheme that in early 2019 defendant SHARMA tried to obtain funding from private investors through a private stock placement. At the time, Crosscode was struggling financial and had little or no revenue. Defendant SHARMA engaged Investment Bank A assist with the private placement. During the investment bank's due diligence, defendant SHARMA knowingly caused to be

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created false and fraudulent financial records purporting to show that Crosscode had substantial revenue and cash on hand. In reality, as defendant SHARMA knew well at the time, Crosscode had little or no revenue and remained cash-strapped.

18. It was further part of the scheme that defendant SHARMA distributed and caused to be distributed a private placement memorandum to prospective investors that contained materially false and fraudulent statements regarding Crosscode's cash-on-hand and receivables. Based on this fraudulent private placement memorandum, defendant SHARMA raised approximately \$9.25 million in gross proceeds from victimized investors through the issuance of 3.7 million shares of preferred Series A stock for Crosscode. Defendant SHARMA used victims' proceeds from the Series A, in part, to pay off existing loans and debts, such as the line of credit that was previously extended to Crosscode by Bank 1 as a result of defendant SHARMA's scheme to defraud.

19. Ultimately, as part of his multi-year scheme, defendant SHARMA fraudulently applied for hundreds of thousands in funding from multiple lenders and finance companies, and, as result of his false and fraudulent misrepresentations, he induced at least one financial institution to provide him with a \$950,000 line of credit, and defendant SHARMA further induced at least 150 investors, including Minnesotans, to provide approximately \$9.25 million to his company, Crosscode.

COUNTS 1-4
(Wire Fraud)

20. The allegations in paragraphs 1 through 19 are here.

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21. On or about the dates set forth below, in the State and District of Minnesota and elsewhere, the defendant,

ADITYA RAJ SHARMA,

for the purpose of executing and attempting to execute the above-described scheme and artifice to defraud, knowingly transmitted and caused to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, and sounds, each of which passed through servers located outside the State of Minnesota, including the following:

Count	Date (on or about)	Wire Details
1	December 19, 2018	An electronic loan application submission from defendant ADITYA RAJ SHARMA to Lendio which contained false information about Crosscode
2	January 23, 2019	An email from defendant ADITYA RAJ SHARMA to Crosscode's Acting CFO that contained falsified records involving Crosscode
3	May 9, 2019	An interstate wire transfer in the amount of approximately \$6,774,680 from Delaware Trust Company's U.S Bank account, through the Federal Reserve System, to defendant ADITYA RAJ SHARMA's Wells Fargo Bank account in the name of Crosscode, Inc.
4	May 17, 2019	An interstate wire transfer in the amount of approximately \$1,479,680 from Delaware Trust Company's U.S Bank account, through the Federal Reserve System, to defendant ADITYA RAJ SHARMA's Wells Fargo Bank account in the name of Crosscode, Inc.

All in violation of Title 18, United States Code, Section 1343.

COUNTS 5-6
(Bank Fraud)

22. The allegations in paragraphs 1 through 5 and 8 are incorporated here.

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23. Beginning in or about February 2018, and continuing until in or about May 2019, in the State and District of Minnesota and elsewhere, the defendant,

ADITYA RAJ SHARMA,

knowingly participated in a scheme to defraud a financial institution and to obtain money and funds owned by and under the custody and control of a financial institution by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described below.

24. The allegations in paragraphs 9 through 19 are incorporated here.

25. On or about the dates set forth below, in the State and District of Minnesota and elsewhere, the defendant,

ADITYA RAJ SHARMA,

knowingly executed and attempted to execute the scheme to defraud by causing Bank 1, a financial institution, to fund a line of credit for defendant SHARMA's business, Crosscode, in the approximate amount of \$950,000, including the following payments:

Count	Date (on or about)	Bank Payment Details
5	April 16, 2018	Check from Bank 1 to defendant ADITYA RAJ SHARMA's company, Crosscode, Inc., in the amount of approximately \$450,000 from the line of credit
6	July 3, 2018	Check from Bank 1 to defendant ADITYA RAJ SHARMA's company, Crosscode, Inc., in the amount of approximately \$494,529 from the line of credit

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

United States v. Aditya Raj Sharma**FORFEITURE ALLEGATIONS**

26. Counts 1 through 4 of this Indictment are incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), in conjunction with Title 28, United States Code, Section 2461(c).

27. Upon conviction of any of the offenses alleged in Counts 1 through 4, as set forth in this Indictment, defendant shall forfeit to the United States of America any property, real or personal, which constitutes or is derived from proceeds traceable to the violation, as provided in Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

28. Counts 5 and 6 of this Indictment are incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(2).

29. Upon conviction of any of the offenses alleged in Counts 5 and 6, as set forth in this Indictment, defendant shall forfeit to the United States of America any property, real or personal, which constitutes or is derived from proceeds traceable to the violation, as provided in Title 18, United States Code, Section 982(a)(2).

30. If any of the above-described forfeitable property is unavailable for forfeiture, the United States intends to seek the forfeiture of substitute property as provided for in Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

A TRUE BILL

UNITED STATES ATTORNEY_____
FOREPERSON