



Department of Justice

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Northern District of Georgia

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ATTORNEY PLEADS GUILTY TO OBTAINING FRAUDULENT ECONOMIC INJURY DISASTER LOANS AND MONEY LAUNDERING

ATLANTA - Sanjay Patel, an attorney who formerly operated a Georgia-based real estate law firm, has pleaded guilty to fraudulently obtaining nearly \$300,000 in Economic Injury Disaster Loans (EIDL) during the COVID-19 pandemic, and to using his attorney escrow account to launder more than \$250,000 from unrelated investor fraud schemes.

“This office will remain steadfast in coordinating with our federal law enforcement partners to identify and hold accountable those who defrauded the government’s COVID relief programs,” said U.S. Attorney Ryan K. Buchanan. “It is especially aggravating that Patel, an attorney, not only used his professional standing to commit money laundering, but he also defrauded the American taxpayer out of hundreds of thousands of dollars.”

“The U.S. Postal Inspection Service will continue to ensure fraudsters who sought to enrich themselves with funds from pandemic-assistance programs are held accountable,” said Tommy D. Coke, Inspector in Charge of the Atlanta Division. “This

case serves as a reminder to individuals that engage in unlawful activity that law enforcement will spare no resource to bring you to justice for your criminal activity.”

“This guilty plea is a testament to our commitment to holding accountable those who engage in financial fraud,” said Edwin S. Bonano, Special Agent in Charge of FHFA-OIG’s Southeast Region.

“Even after four years, the FBI and our partners will continue to seek out anyone who abused their positions to defraud the government during the COVID-19 pandemic,” said Keri Farley, Special Agent in Charge of FBI Atlanta. “This plea proves that no matter how much time has passed, if you commit financial crimes and steal from American taxpayers, you will be held accountable.”

According to U.S. Attorney Buchanan, the charges and other information presented in court: Between August 2020 and March 2021, Patel submitted four fraudulent EIDL loan applications to the Small Business Administration (SBA) seeking at least \$421,000 to purportedly operate his business, including his law practice, Worden & Associates.

In the fraudulent applications, Patel repeatedly misrepresented the number of employees his law firm employed, its gross revenues, and in at least one application, the existence of his business. In reliance on Patel’s fraudulent misrepresentations, the SBA funded two of his loans totaling approximately \$300,000.

After receiving the loan proceeds, Patel misused the funds for unauthorized purposes. EIDL loans are intended to be used for a business’s working capital to make regular payments for operating expenses, including payroll, rent/mortgage, utilities, and other ordinary business expenses, as well as to pay business debt incurred at any time. But Patel spent the fraudulent EIDL loan proceeds he received on various things, including spending the funds at casinos, personal expenses, and to make payments toward non-business loans.

Separately, Patel used his Interest on Lawyer Trust Account (IOLTA) to launder the proceeds from various investment frauds. For example, on May 14, 2020, Patel received \$350,000 from an investor who believed the funds were going to be used for an energy project. But after receiving those funds, Patel immediately wired \$250,000 to another entity, unrelated to the investment. Similarly, in June 2020, Patel received another \$350,000 as part of a different energy investment. After receiving this investor money, Patel laundered over \$132,000 by conducting a series of wire transfers to other accounts unrelated to the investment. Although Patel was not involved in the underlying fraudulent activity, he knew that these funds were derived from various investor fraud schemes.

Sanjay Patel, 45, of Mobile, Alabama, is scheduled to be sentenced on December 12, 2024, at 3:00 p.m. before U.S. District Judge Steve C. Jones.

This case is being investigated by the United States Postal Inspection Service, Federal Bureau of Investigation, Federal Housing Finance Agency - Office of Inspector General, and Federal Deposit Insurance Corporation - Office of Inspector General.

Assistant U.S. Attorney Alex R. Sistla is prosecuting the case.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

For further information please contact the U.S. Attorney's Public Affairs Office at USAGAN.PressEmails@usdoj.gov or (404) 581-6016. The Internet address for the U.S. Attorney's Office for the Northern District of Georgia is <http://www.justice.gov/usao-ndga>.