

## Press Release

### **New Jersey Co-Conspirator Sentenced for Role in Scheme to Fraudulently Obtain Loans Guaranteed by the Small Business Administration**

Friday, June 12, 2026

#### **For Immediate Release**

U.S. Attorney's Office, District of Maryland

**Baltimore, Maryland** – A New Jersey man received a federal-prison term, today, for his role in a multi-million-dollar bank fraud conspiracy. As part of the scheme, co-conspirators fraudulently obtained more than \$35 million in Small Business Administration (SBA) loans from financial institutions to purchase hotels.

Judge Deborah K. Chasanow sentenced Rajendra G. Parikh, 65, of Monroe, New Jersey, to two years in prison, followed by three years of supervised release for conspiracy to commit bank fraud. Additionally, Judge Chasanow ordered Parikh to forfeit \$6 million and pay restitution of \$6,010,655.72. In 2025, Parikh and his co-conspirators Mehul Ramesh Khatiwala, aka “Mike Khatiwala,” 44, of Voorhees, New Jersey, and Jennifer H. Watkins, 50, of Marlton, New Jersey, [pled guilty](#) to the federal charges.

Kelly O. Hayes, U.S. Attorney for the District of Maryland, announced the sentence with Special Agent in Charge Robert Manchak, Federal Housing Finance Agency, Office of Inspector General (FHFA-OIG), and Special Agent in Charge Jeffrey D. Pittano, Federal Deposit Insurance Corporation, Office of Inspector General (FDIC-OIG), Mid-Atlantic Region. This prosecution is part of the Trump Administration’s Task Force to Eliminate Fraud.

According to court documents, Parikh was an owner of KPG Hotel Mgmt. LLC (KPG) and Khatiwala was the owner and managing member of Delaware Hotel Group LLC (DHG), and an operator of GMK Consulting LLC (GMK) and KPG. These LLCs were hotel management and loan brokerage companies located in Mount Laurel, New Jersey. Additionally, Watkins served as a project coordinator for DHG and managing member of Forza Consulting LLC, a hotel consulting and loan brokerage company located in Marlton, New Jersey. An additional co-conspirator, Rebecca Marie Cohn, 39, aka Rebecca Marie Stanton, worked as a settlement and title processor for Residential Title & Escrow Company, a real estate title company located in Owings Mills, Maryland.

As part of the scheme, from August 2018 through February 2020, Parikh, Khatiwala, and Watkins conspired to obtain loan proceeds to buy and sell hotels in connection with a

hotel-flipping scheme. “Flipping” is a real-estate investment strategy that involves purchasing property to hold for a short period before selling it to make a quick profit. During the SBA-loan application process, the co-conspirators made and caused others to make material misrepresentations and omissions to financial institutions regarding the sellers’ identity, familial relationships between parties, and the nature and amount of the equity injected by the borrowers. The co-conspirators sought loans through the SBA’s Section 7(a) Program, which guaranteed and insured approximately 75-85 percent of these loans, and required that the small business owner/borrower invest a certain amount of their own money into the business to qualify for the loan.

In their guilty pleas, Parikh and Khatiwala admitted that they acted as managers or supervisors in connection with the scheme. Additionally, Parikh, Khatiwala, and Watkins admitted that they created shell companies using co-conspirators as straw owners of the entities. These straw owners had no actual ownership interest in the entities as Parikh and Khatiwala were the true owners. The straw owners signed purchase contracts, operating agreements, and related documents to buy hotel properties in the name of the shell companies.

Then co-conspirators, supervised in part by Parikh, created a second company to purchase the hotels from the shell companies at substantially higher prices. After the co-conspirators formed the companies to control both sides of the flip transaction, they solicited banks for small-business loans to finance the buying company’s purchase of the hotel from the straw companies. Then the co-conspirators helped the buying companies qualify for the loans by falsely representing investors’ equity injections to the banks, among other false statements, misrepresentations, and omissions. The financial institutions extending the loans relied on the false statements and misrepresentations.

Judge Chasanow previously sentenced [Khatiwala](#) to seven years in federal prison and [Watkins](#) to three years. Additionally, Cohn, who [pled guilty](#) to knowingly and willfully making false statements to financial institutions in connection with real-estate settlements, was credited with time served.

On April 7, the Department of Justice announced the creation of the National Fraud Enforcement Division (“Fraud Division”). The Fraud Division is laser-focused on investigating and prosecuting those who commit fraud against the American people. The Department’s work to combat fraud supports President Trump’s Task Force to Eliminate Fraud, a whole-of-government effort chaired by Vice President J.D. Vance to eliminate fraud, waste, and abuse within Federal benefit programs.

U.S. Attorney Hayes commended the FHFA-OIG and FDIC-OIG for their work in the investigation. Ms. Hayes also thanked Assistant U.S. Attorneys Harry M. Gruber and Ari D. Evans, who are prosecuting the federal case, and recognized Paralegal Specialists Joanna B.N. Huber and Zharde Todman.

For more information about the Maryland U.S. Attorney's Office, its priorities, and resources available to report fraud, please visit [justice.gov/usao-md](https://justice.gov/usao-md) and [justice.gov/usao-md/report-fraud](https://justice.gov/usao-md/report-fraud).

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