New Jersey Woman Sentenced in Connection With Scheme to Fraudulently Obtain Loans From Small Business Administration

Friday, July 25, 2025

For Immediate Release

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

***Baltimore*, Maryland** – U.S. District Judge Deborah K. Chasanow sentenced Jennifer Watkins, 48, of Marlton, New Jersey, to 36 months in federal prison, followed by three years of supervised release, in connection with her role as a co-conspirator in a multi-million-dollar bank fraud conspiracy. Watkins and her co-conspirators schemed to fraudulently obtain more than $35 million in Small Business Administration (SBA) loans from financial institutions that they used to purchase hotels. Judge Chasanow also ordered Watkins to pay restitution of $6,010,655.72.

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.

According to the factual stipulations in the guilty pleas of Watkins, and co-conspirators Mehul Ramesh Khatiwala, aka "Mike Khatiwala," 43, of Voorhees, New Jersey, and Rajendra G. Parikh, 64, of Monroe, New Jersey, Khatiwala was the owner and managing member of Delaware Hotel Group LLC (DHG), and an operator of GMK Consulting LLC (GMK) and KPG Hotel Mgmt. LLC (KPG). These LLCs were hotel management and loan broker companies located in Mount Laurel, New Jersey. Watkins served as a project coordinator for DHG and managing member of Forza Consulting LLC (Forza), a hotel consulting and loan broker company located in Marlton, New Jersey. Parikh was an owner of KPG. Co-defendant Rebecca Marie Cohn a/k/a Rebecca Marie Stanton, 38, was a settlement and title processor for Residential Title & Escrow Company, a real estate title company located in Owings Mills, Maryland, that offered escrow and loan-settlement services.

The guilty pleas outline how from August 2018 through February 2020, Khatiwala, Parikh, 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 defendants 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, Khatiwala and Parikh admitted that they acted as managers or supervisors in connection with the scheme. Additionally, Khatiwala, Parikh, 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 Khatiwala and Parikh 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.

Co-conspirators then 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. The co-conspirators helped the buying companies qualify for the loans by falsely representing investors' equity injections to the banks, among other materially false statements, misrepresentations, and omissions. The financial institutions extending the loans relied on the false statements and misrepresentations.

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, Evelyn L. Cusson, and Ari D. Evans, who are prosecuting the federal case, and recognized Paralegal Specialist Joanna B.N. Huber, who provided legal support for the case.

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