

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Susan D. Wigenton
 :
 v. : Crim. No. 20-
 :
 RAJENDRA KANKARIYA : 18 U.S.C. § 1349

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

COUNT ONE
(Conspiracy to Commit Wire Fraud)

1. At all times relevant to this Information:
 - a. Defendant RAJENDRA KANKARIYA (“KANKARIYA”) was the president and part-owner of Lotus Exim International, Inc. (“LEI”).
 - b. LEI was a wholesale distributor of marble and granite with offices in Elmwood Park, New Jersey and India, among other places.
 - c. The “Victim Bank” was a financial institution, as defined by Title 18, United States Code, Section 20, with accounts insured by the Federal Deposit Insurance Corporation.

The Conspiracy

2. From in or about March 2016 through in or about March 2018, in the District of New Jersey and elsewhere, defendant

RAJENDRA KANKARIYA

knowingly and intentionally conspired and agreed with others to devise a scheme and artifice to defraud and to obtain money and property by means of

materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing such scheme and artifice to defraud, to transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, in a manner affecting a financial institution, as that term is defined in Title 18, United States Code, Section 20, contrary to Title 18, United States Code, Section 1343.

Goal of the Conspiracy

3. It was the goal of the conspiracy for defendant KANKARIYA and others (collectively, the “Co-Conspirators”) to fraudulently induce the Victim Bank to extend a \$17 million line of credit to LEI by, among other things, fabricating certain accounts receivable (the “Fictitious Accounts Receivable”) that LEI used as collateral to secure the line of credit from the Victim Bank.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that:
- a. The Co-Conspirators devised and carried out a scheme to defraud the Victim Bank by, among other things, creating fraudulent email accounts and impersonating LEI’s customers in order to falsely confirm the existence of the Fictitious Accounts Receivable that served as collateral for a \$17 million line of credit provided by the Victim Bank to LEI.
 - b. One of the Co-Conspirators, an LEI employee (“Co-Conspirator 1”) created certain fraudulent email accounts (the “Fraudulent Email Accounts”), to impersonate customers of LEI.

c. Co-Conspirator-1 created the Fraudulent Email Accounts from an internet protocol (“IP”) address in New Jersey associated with LEI.

d. Another Co-Conspirator (“Co-Conspirator-2”) sent emails from his LEI email account to the Fraudulent Email Accounts, requesting that LEI’s customers confirm the existence of the Fictitious Accounts Receivable.

e. Certain Co-Conspirators then used the Fraudulent Email Accounts to pose as LEI’s customers and falsely confirm the existence of the Fictitious Accounts Receivable in response to Co-Conspirator-2’s emails.

f. The Co-Conspirators also provided the Fraudulent Email Accounts to certain third parties, including LEI’s outside accountants, auditors and/or field examiners, causing these third parties to use the Fraudulent Email Accounts in their attempt to confirm the existence of the Fictitious Accounts Receivable. Certain Co-Conspirators then used the Fraudulent Email Accounts to pose as LEI’s customers and falsely confirm the existence of the Fictitious Accounts Receivable in response to emails from these third parties.

g. During the life of the loan, KANKARIYA periodically signed and submitted to the Victim Bank documents that specified LEI’s total accounts receivable for the covered period and assigned the same to the Victim Bank. KANKARIYA certified the total outstanding amount of the accounts receivable in each document and purported to assign the same to the Victim Bank, knowing that the total number was false because it included the Fictitious Accounts Receivable.

h. By deceiving the Victim Bank and the aforementioned third parties into believing that the Fictitious Accounts Receivable were real, the Co-Conspirators fraudulently induced the Victim Bank to extend to LEI a \$17,000,000 line of credit secured in part by the Fictitious Accounts Receivable.

5. The Co-Conspirators caused losses of approximately \$16,972,003 to the Victim Bank after LEI defaulted on the loan.

6. In order to execute and attempt to execute the scheme, KANKARIYA and the Co-Conspirators sent and caused to be sent numerous interstate wire communications, which were transmitted into and out of the District of New Jersey. For example:

<u>Approximate Date</u>	<u>Description</u>
March 7, 2016	Co-Conspirator-1 created a web-based email account from an IP address associated with LEI in New Jersey, resulting in the transmission of one or more wires from inside of the State of New Jersey to one or more computer servers located outside of the State of New Jersey. Co-Conspirators, including Co-Conspirator-2, subsequently used the fraudulent email account in furtherance of the scheme to defraud.
March 10, 2016	Co-Conspirator-1 created a web-based email account from an IP address associated with LEI in New Jersey, resulting in the transmission of one or more wires from inside of the State of New Jersey to one or more computer servers located outside of the State of New Jersey. Co-Conspirators, including Co-Conspirator-2, subsequently used the fraudulent email account in furtherance of the scheme to defraud.

<u>Approximate Date</u>	<u>Description</u>
February 17, 2017	Co-Conspirator-1 created a web-based email account from an IP address associated with LEI in New Jersey, resulting in the transmission of one or more wires from inside of the State of New Jersey to one or more computer servers located outside of the State of New Jersey. Co-Conspirators, including Co-Conspirator-2, subsequently used the fraudulent email account in furtherance of the scheme to defraud.
February 20, 2017	Co-Conspirator-1 created a web-based email account from an IP address associated with LEI in New Jersey, resulting in the transmission of one or more wires from inside of the State of New Jersey to one or more computer servers located outside of the State of New Jersey. Co-Conspirators, including Co-Conspirator-2, subsequently used the fraudulent email account in furtherance of the scheme to defraud.
February 20, 2017	Co-Conspirator-1 created a web-based email account from an IP address associated with LEI in New Jersey, resulting in the transmission of one or more wires from inside of the State of New Jersey to one or more computer servers located outside of the State of New Jersey. Co-Conspirators, including Co-Conspirator-2, subsequently used the fraudulent email account in furtherance of the scheme to defraud.

All in violation of Title 18, United States Code, Section 1349.

FORFEITURE ALLEGATION

1. The allegations contained in this Information are incorporated by reference as though set forth in full herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461.

2. Upon conviction of the offense charged in this Information, the government will seek forfeiture from defendant RAJENDRA KANKARIYA, in accordance with Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 981(a)(1)(C), of any and all property, real or personal, that constitutes or is derived from proceeds traceable to the violation of Title 18, United States Code, Section 1343 alleged in this information.

3. If by any act or omission of defendant RAJENDRA KANKARIYA any of the property subject to forfeiture herein:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of defendant RAJENDRA

KANKARIYA up to the value of the property described in this forfeiture allegation.


CRAIG CARPENITO
United States Attorney

CASE NUMBER: _____

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District of New Jersey**

UNITED STATES OF AMERICA

v.

RAJENDRA KANKARIYA

INFORMATION FOR

18 U.S.C. § 1349

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