

ORIGINAL**SEALED**

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

U.S. DISTRICT COURT NORTHERN DISTRICT OF TEXAS FILED JUN 21 2023 CLERK, U.S. DISTRICT COURT By <u>Deputy</u> ✓
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UNITED STATES OF AMERICA

CASE NO.

v.

3 - 23 CR 0252 - K**FILED UNDER SEAL**

MIHIR PATEL (01)
KINJAL PATEL (02)
PRATEEK DESAI (03)
WAJAHAT KHAN (04)
a/k/a Ray Khan
IMRAN KHAN (05)
a/k/a Ron Khan
CHIRAG GANDHI (06)
a/k/a Chris Gandhi
BHAVESH PATEL (07)
a/k/a Bobby Patel
DHARMESH PATEL (08)
a/k/a Danny Patel
MITRA BHATTARAI (09)
BHARGAV BHATT (10)
a/k/a Brad Bhatt

INDICTMENT

The Grand Jury charges:

At all times material to this indictment:

General Allegations**Summary of the Scheme**

1. From on or about July 1, 2019, through on or about April 1, 2023, in the Northern District of Texas and elsewhere, defendants **Mihir Patel, Kinjal Patel, Prateek Desai, Wajahat Khan, Imran Khan, Chirag Gandhi, Bhavesh Patel, Dharmesh Patel, Mitra Bhattarai, Bhargav Bhatt**, and others both known and unknown to the Grand Jury, sought to unlawfully enrich themselves and others by submitting, and

causing to be submitted, loan applications to financial institutions seeking, in the aggregate, over \$53 million in loan proceeds, including under the coronavirus pandemic relief initiative known as the Paycheck Protection Program.

2. In particular, the defendants prepared and submitted, and caused to be prepared and submitted, loan applications on behalf of themselves, purported metal recycling companies that the defendants owned and controlled (“recycling companies”), and others, in which the defendants made, and caused to be made, materially false and fraudulent representations.

3. The defendants further sought to conceal their unlawful conduct by laundering the proceeds of the fraudulently obtained loans.

Relevant Entities and Defendants

4. The recycling companies consisted of a loosely affiliated group of purported metal recycling companies primarily operating in and around Dallas and Houston, Texas. The recycling companies included, but were not limited to, the following:

- a. 4G Metals, Inc. (“4G Metals”);
- b. 4G Plastics, Inc. (“4G Plastics”);
- c. 5G Metals, Inc. (“5G Metals”);
- d. ARA Global Industries Inc. (“ARA Global”);
- e. Elephant Recycling, Inc. (“Elephant Recycling”);
- f. Gulf Coast Scrap, Inc. (“Gulf Coast Scrap”);
- g. Level Eight, Inc. (“Level Eight”);

- h. L.K. Industries, Inc. (“L.K. Industries”);
- i. NTC Industries, Inc. (“NTC Industries”);
- j. R.A. Industries, Inc. (“R.A. Industries”);
- k. Sunshine Recycling;
- l. West Texas Equipment Company, Inc. (“West Texas Equipment”);
and
- m. West Texas Scrap, Inc. (“West Texas Scrap”).

5. The recycling companies also included a group of purported metal recycling companies whose names generally included the word “Mammoth” (“Mammoth Group”). The Mammoth Group included, but was not limited to, the following:

- a. Mammoth Metal Recycling Dallas Land Co 1, LLC;
- b. Mammoth Metal Recycling Dallas Land Co 2, LLC;
- c. Mammoth Metal Recycling Dallas Land Co 3, LLC;
- d. Mammoth Metal Recycling Equipment Co, LLC;
- e. Mammoth Metal Recycling Houston Land Co, LLC;
- f. Mammoth Metal Recycling Operations, LLC; and
- g. On The Path Trucking, LLC.

6. Defendant **Mihir Patel** was Sunshine Recycling’s Chief Financial Officer. Further, **Mihir Patel** owned ARA Global, R.A. Industries, L.K. Industries, and the Mammoth Group. S.P. and C.P., individuals known to the Grand Jury, were close relatives of **Mihir Patel**.

7. Defendant **Kinjal Patel** was Sunshine Recycling's Controller. J.P., an individual known to the Grand Jury, was a close relative of **Kinjal Patel**.

8. Defendant **Prateek Desai** owned West Texas Scrap. A.Q., an individual known to the Grand Jury, was a close relative of **Desai**.

9. Defendant **Wajahat Khan** was the President and owner of Gulf Coast Scrap.

10. Defendant **Imran Khan** was the Operations Director and owner of 4G Metals and West Texas Equipment.

11. Defendant **Chirag Gandhi** was the Controller of NTC Industries, and the President and owner of 5G Metals and Sunshine Recycling.

12. Defendant **Bhavesh Patel** was Sunshine Recycling's Chief Business Development Officer and the owner of Level Eight.

13. Defendants **Dharmesh Patel** and **Mitra Bhattarai** were Co-Presidents and co-owners of Elephant Recycling. **Bhattarai** resided with U.C., an individual known to the Grand Jury.

14. Defendant **Bhargav Bhatt** was employed by NTC Industries.

15. "Equipment Company-1," an entity known to the Grand Jury, was a purported recycling equipment company located in Plano, Texas.

Paycheck Protection Program

16. The Paycheck Protection Program ("PPP"), implemented by the United States Small Business Administration, was a COVID-19 pandemic relief program that, among other things, provided small businesses with forgivable loans to pay payroll and

certain other expenses. Under the PPP, participating third-party lenders approved loan applications and disbursed PPP loans to qualifying businesses. To obtain a PPP loan, a business was required to submit a PPP loan application to a lender. In the PPP loan application, the business was required to state, among other things, the business's average monthly payroll expenses and its number of employees. This payroll information was used to calculate the amount of funds that the business was eligible to receive as a PPP loan.

Financial Institutions

17. The following banks were financial institutions as defined in 18 U.S.C. § 20, and were insured by the Federal Deposit Insurance Corporation ("FDIC"):

- a. American Bank, National Association ("American Bank");
- b. Bank of America, National Association ("Bank of America");
- c. Celtic Bank;
- d. Dominion Bank;
- e. First United Bank and Trust Company ("First United Bank");
- f. Happy State Bank;
- g. IncredibleBank;
- h. International Bank of Commerce ("IBC Bank")
- i. Midwest Regional Bank;
- j. One World Bank; and
- k. Spectra Bank.

18. Carter Federal Credit Union, also known as Carter Credit Union (“Carter FCU”), was a financial institution as defined in 18 U.S.C. § 20, whose accounts were insured by the National Credit Union Share Insurance Fund.

19. American Bank, Bank of America, Carter FCU, Celtic Bank, Dominion Bank, Happy State Bank, Midwest Regional Bank, and One World Bank participated in the PPP as third-party lenders.

Count One

Conspiracy to Commit Bank Fraud

[Violation of 18 U.S.C. § 1349 (18 U.S.C. § 1344(a)(2))]

20. Paragraphs 1 through 19 of this indictment are realleged and incorporated by reference as though fully set forth herein.

21. From in or about March 2020, through in or about April 2023, in the Northern District of Texas and elsewhere, defendants **Mihir Patel, Kinjal Patel, Prateek Desai, Wajahat Khan, Imran Khan, Chirag Gandhi, Bhavesh Patel, Dharmesh Patel, Mitra Bhattarai, and Bhargav Bhatt**, did knowingly and willfully conspire, combine, confederate, and agree together and with others known and unknown to the Grand Jury, to knowingly execute and attempt to execute a scheme and artifice to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, a financial institution, the deposits of which were insured by the FDIC and the accounts of which were insured by the National Credit Union Share Insurance Fund, by means of materially false and fraudulent pretenses, representations, and promises, in violation of 18 U.S.C. § 1344(a)(2).

Purpose of the Conspiracy

22. The purpose of the conspiracy was for defendants **Mihir Patel, Kinjal Patel, Prateek Desai, Wajahat Khan, Imran Khan, Chirag Gandhi, Bhavesh Patel, Dharmesh Patel, Mitra Bhattarai, and Bhargav Bhatt** to enrich themselves and others by fraudulently obtaining PPP loan proceeds from financial institutions.

Manner and Means

23. The manners and means by which defendants **Mihir Patel, Kinjal Patel, Prateek Desai, Wajahat Khan, Imran Khan, Chirag Gandhi, Bhavesh Patel, Dharmesh Patel, Mitra Bhattarai, and Bhargav Bhatt** sought to accomplish the purpose of the conspiracy included the following, among other things:

24. Between on or about April 1, 2020, and on or about June 1, 2021, defendants **Mihir Patel, Kinjal Patel, Prateek Desai, Wajahat Khan, Imran Khan, Chirag Gandhi, Dharmesh Patel, and Mitra Bhattarai**, submitted, and caused to be submitted, to financial institutions PPP loan applications on behalf of various individuals that fraudulently inflated the individuals' payroll expenses.

25. Between on or about April 1, 2020, and on or about June 1, 2020, defendants **Mihir Patel and Kinjal Patel** created, and caused to be created, an altered bank statement for submission to Happy State Bank in support of **Kinjal Patel's** PPP loan application. This fraudulent bank statement falsely showed that **Kinjal Patel** had business income.

26. Between on or about April 1, 2020, and on or about May 1, 2020, defendants **Mihir Patel, Kinjal Patel, Wajahat Khan, and Mitra Bhattarai** prepared,

and caused to be prepared, false Internal Revenue Service (“IRS”) documents, such as IRS Form 1040 Schedule Cs and IRS Form 1099-MISCs, for submission to financial institutions in support of PPP loan applications for various individuals. These IRS documents falsely stated that the individuals received business income.

27. Between on or about April 1, 2020, and on or about May 1, 2020, defendants **Mihir Patel**, **Kinjal Patel**, and **Bhavesh Patel** provided, and caused to be provided, false IRS documents and altered bank statements to financial institutions in support of various PPP loan applications.

28. Between on or about April 1, 2020, and on or about March 1, 2021, defendants **Mihir Patel**, **Kinjal Patel**, **Imran Khan**, and **Bhavesh Patel** submitted, and caused to be submitted, to financial institutions PPP loan applications on behalf of various recycling companies that fraudulently inflated the recycling companies’ payroll expenses.

29. Beginning at least on or about June 12, 2020, after several PPP loans were funded to various recycling companies, defendants **Mihir Patel** and **Kinjal Patel** directed others, including defendants **Wajahat Khan** and **Bhargav Bhatt**, to transfer PPP loan funds through various bank accounts to create a false paper trail of payroll expenses for the purpose of concealing how the PPP loan funds would be used.

30. After disguising transfers of PPP loan funds as payroll payments through a bank account controlled by **Wajahat Khan**, **Bhargav Bhatt**, and **Chirag Gandhi**, beginning on or about May 1, 2020, defendants **Wajahat Khan** and **Bhargav Bhatt**

transferred, and caused to be transferred, PPP loan proceeds back to a bank account controlled by **Wajahat Khan**.

31. During the course of the conspiracy, at least 24 false and fraudulent PPP loan applications were submitted to financial institutions on behalf of recycling companies and individuals, on or about the dates shown below seeking the approximate PPP loan amounts set forth below:

Borrower	Date	Financial Institution	Amount Requested	Amount Funded
Level Eight	4/6/2020	Bank of America	\$12,083	\$12,083
Elephant Recycling	4/8/2020	Midwest Regional Bank	\$411,023.38	\$222,400
4G Metals	4/14/2020	Happy State Bank	\$307,884.82	\$282,200
S.P.	4/20/2020	Dominion Bank	\$25,625	\$20,832.50
J.P.	4/21/2020	Dominion Bank	\$21,598.96	\$20,832.50
Imran Khan	4/22/2020	Happy State Bank	\$23,333.33	\$20,800
Mihir Patel	4/23/2020	Dominion Bank	\$20,083.33	\$20,832.50
Mitra Bhattarai	4/23/2020	Midwest Regional Bank	\$20,833	\$20,600
Dharmesh Patel	4/23/2020	Carter FCU	\$20,833	\$20,799
A.Q.	4/29/2020	Dominion Bank	\$21,197.71	Not Funded
Chirag Gandhi	4/29/2020	Happy State Bank	\$21,041.67	\$20,800
C.P.	4/29/2020	Dominion Bank	\$21,041	\$20,832.50
Kinjal Patel	4/29/2020	Happy State Bank	\$20,510.42	\$20,500
Mihir Patel	4/29/2020	Happy State Bank	\$22,083.33	Not Funded
Prateek Desai	4/29/2020	Happy State Bank	\$22,708.33	\$20,800
West Texas Equipment	4/29/2020	Celtic Bank	\$143,593	\$143,593
West Texas Scrap	4/29/2020	IBC Bank	\$307,884.82	Not Funded
West Texas Scrap	4/29/2020	One World Bank	\$307,884.82	\$307,884.82
U.C.	5/13/2020	Midwest Regional Bank	\$17,168	\$16,800
Gulf Coast Scrap	8/1/2020	American Bank	\$411,023.38	\$307,000

Borrower	Date	Financial Institution	Amount Requested	Amount Funded
West Texas Scrap	1/15/2021	One World Bank	\$307,884.82	\$307,884.82
Gulf Coast Scrap	1/18/2021	American Bank	\$307,800	\$307,800
Elephant Recycling	1/19/2021	Midwest Regional Bank	\$222,400	\$222,400
4G Metals	2/3/2021	Happy State Bank	\$379,415.82	\$379,415.82

All in violation of 18 U.S.C. § 1349 (18 U.S.C. § 1344(2)).

Counts Two through Ten
Bank Fraud and
Aiding and Abetting Bank Fraud
[Violations of 18 U.S.C. §§ 1344(2) and 2]

32. Paragraphs 1 through 31 of this indictment are realleged and incorporated by reference as though fully set forth herein.

33. Beginning on or about the dates set forth below, in the Northern District of Texas and elsewhere, defendants **Mihir Patel, Kinjal Patel, Prateek Desai, Wajahat Khan, Imran Khan, Chirag Gandhi, Bhavesh Patel, Dharmesh Patel, and Mitra Bhattarai** aided and abetted by each other and others, and aiding and abetting each other and others, did knowingly execute and attempt to execute a scheme and artifice to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, the financial institutions set forth below, by means of materially false and fraudulent pretenses, representations, and promises, that is, the defendants submitted, and caused to be submitted, false applications to fraudulently obtain the PPP loan proceeds that are listed below, each constituting a separate count:

Count	Date	Defendant	Financial Institution	Amount Requested	Amount Funded
Two	4/6/2020	Bhavesh Patel	Bank of America	\$12,083	\$12,083
Three	4/21/2020	Kinjal Patel	Happy State Bank	\$20,510.42	\$20,500
Four	4/21/2020	Chirag Gandhi	Happy State Bank	\$21,041.67	\$20,800
Five	4/21/2020	Dharmesh Patel	Carter FCU	\$20,833	\$20,799
Six	4/22/2020	Imran Khan	Happy State Bank	\$23,333.33	\$20,800

Count	Date	Defendant	Financial Institution	Amount Requested	Amount Funded
Seven	4/23/2020	Mitra Bhattarai	Midwest Regional Bank	\$20,833	\$20,600
Eight	4/23/2020	Mihir Patel	Dominion Bank	\$20,083.33	\$20,832.50
Nine	4/29/2020	Prateek Desai	Happy State Bank	\$22,708.33	\$20,800
Ten	8/1/2020	Wajahat Khan	American Bank	\$411,023.38	\$307,000

All in violation of 18 U.S.C. §§ 1344(2) and 2.

Count Eleven

Conspiracy to Commit Money Laundering
[Violation of 18 U.S.C. § 1956(h) (18 U.S.C. § 1957)]

34. Paragraphs 1 through 33 of this indictment are realleged and incorporated by reference as though fully set forth herein.

35. From on or about March 2020, through in or about April 2023, in the Northern District of Texas and elsewhere, defendants **Mihir Patel, Kinjal Patel, Wajahat Khan, and Bhargav Batt** did knowingly and willfully conspire, combine, confederate, and agree with each other and other persons known and unknown to the Grand Jury, to knowingly engage and attempt to engage in a monetary transaction affecting interstate and foreign commerce in criminally derived property of a value greater than \$10,000, such property having been derived from a specified unlawful activity, that is, bank fraud, in violation of 18 U.S.C. § 1344(2).

All in violation of 18 U.S.C. § 1956(h) (18 U.S.C. § 1957).

Count Twelve
Bank Fraud
[Violation of 18 U.S.C. § 1344(2)]

The Scheme

36. Paragraphs 1 through 19 of this indictment are realleged and incorporated by reference as though fully set forth herein.

37. Between on or about July 1, 2019, and on or about August 1, 2019, defendant **Bhavesh Patel** submitted a line of credit application to Spectra Bank on behalf of Level Eight claiming that Level Eight would use the loan proceeds as working capital.

38. Thereafter, Spectra Bank approved Level Eight's line of credit for \$500,000.

39. Between on or about August 1, 2019, and on or about September 1, 2019, after Spectra Bank funded Level Eight's line of credit, defendant **Bhavesh Patel** caused approximately \$495,000 to be withdrawn from the line of credit. Instead of using the proceeds for Level Eight's benefit, **Bhavesh Patel** caused the funds from the line of credit to be redirected to bank accounts controlled by defendants **Mihir Patel, Kinjal Patel, Prateek Desai, Imran Khan, and Chirag Gandhi**.

40. Between on or about September 1, 2019, and on or about September 20, 2019, defendant **Bhavesh Patel** approached Spectra Bank to increase the amount of Level Eight's line of credit. Thereafter, Spectra Bank approved Level Eight's line of credit increase for an additional amount of \$500,000.

41. Between on or about September 20, 2019, and on or about November 1, 2019, defendant **Bhavesh Patel** caused approximately \$501,000 to be withdrawn from

the line of credit. Instead of using the proceeds for Level Eight's benefit, **Bhavesh Patel** caused funds from the line of credit to be redirected to bank accounts controlled by defendants **Mihir Patel, Kinjal Patel, Prateek Desai, and Chirag Gandhi**.

The Charge

42. From on or about July 1, 2019, through on or about November 1, 2019, in the Northern District of Texas and elsewhere, defendant **Bhavesh Patel** did knowingly and willfully execute a scheme and artifice to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, a financial institution, Spectra Bank, by means of materially false and fraudulent pretenses, representations, and promises, that is, **Bhavesh Patel** submitted, and caused to be submitted, a false line of credit application to fraudulently obtain loan proceeds.

All in violation of 18 U.S.C. § 1344(2).

Counts Thirteen through Fifteen
Bank Fraud
[Violation of 18 U.S.C. § 1344(2)]

The Scheme

43. Paragraphs 1 through 19 of this indictment are realleged and incorporated by reference as though fully set forth herein.

44. Beginning on or about June 1, 2021, defendant **Mihir Patel** submitted, and caused to be submitted, applications to IncredibleBank, Dominion Bank, and First United Bank, seeking several loans on behalf of various recycling companies purportedly for business purposes, such as, to purchase recycling equipment from Equipment Company-1. The total amount of loan proceeds requested from these financial institutions was approximately \$46,359,900.

45. Beginning on or about July 1, 2021, defendant **Mihir Patel** submitted, and caused to be submitted, false documents to IncredibleBank, Dominion Bank, and First United Bank in support of these fraudulent loan applications. The documents included false estimate and payoff documentation from Equipment Company-1, as well as a personal financial statement that falsely described **Mihir Patel**'s financial obligations and his ownership of certain recycling companies.

The Charge

46. From on or about June 1, 2021, and continuing through on or about April 1, 2023, in the Northern District of Texas and elsewhere, defendant **Mihir Patel** did knowingly and willfully execute a scheme and artifice to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, the

financial institutions listed below, by means of materially false and fraudulent pretenses, representations, and promises, that is, **Mihir Patel** submitted, and caused to be submitted, false applications to fraudulently obtain loan proceeds on or about the dates, and in the approximate amounts listed below, each constituting a separate count:

Count	Borrower	Date	Financial Institution	Amount Requested	Amount Funded
Thirteen	R.A. Industries	7/22/2021	Dominion Bank	\$3,969,000	\$3,969,000
Fourteen	West Texas Scrap	12/31/2021	IncredibleBank	\$4,050,000	\$4,050,000
Fifteen	Mammoth Group	12/29/2022	First United Bank	\$38,340,900	\$38,340,900

All in violation of 18 U.S.C. § 1344(2).

Count Sixteen
Making a False Statement to the FDIC
[Violation of 18 U.S.C. § 1007]

47. Paragraphs 1 through 19 of this indictment are realleged and incorporated by reference as though fully set forth herein.

48. On or about March 30, 2022, in the Northern District of Texas and elsewhere, defendant **Bhavesh Patel** did knowingly make and invite reliance on a false, forged, and counterfeit statement, document, or thing for the purpose of influencing the action of the FDIC, that is, **Bhavesh Patel** submitted, and caused to be submitted, to the FDIC a statement in which **Bhavesh Patel** falsely claimed that he did not know **Mihir Patel, Wajahat Khan, Imran Khan, Chirag Gandhi, and Dharmesh Patel**.

In violation of 18 U.S.C. § 1007.

Forfeiture Notice
[18 U.S.C. § 982(a)(2) and 18 U.S.C. § 982(a)(1)]

49. Paragraphs 1 through 48 of this indictment are realleged and incorporated by reference as though fully set forth herein.

50. Upon conviction for any of the offenses alleged in Counts One through Fifteen of this indictment and pursuant to 18 U.S.C. § 982(a)(2), each of defendants **Mihir Patel, Kinjal Patel, Prateek Desai, Wajahat Khan, Imran Khan, Chirag Gandhi, Bhavesh Patel, Dharmesh Patel, Mitra Bhattarai, Bhargav Bhatt**, as applicable, shall forfeit to the United States of America any property constituting, or derived from, proceeds obtained directly or indirectly as a result of the offense.

51. Upon conviction for the offense alleged in Count Sixteen of this indictment and pursuant to 18 U.S.C. § 982(a)(1), defendant **Bhargav Bhatt** shall forfeit to the United States of America any property, real or personal, involved in, or traceable to property involved in, the offense.

52. The above-referenced property subject to forfeiture includes, but is not limited to, a “money judgment” constituting the gross proceeds traceable to the offense.

A TRUE BILL:



FOREPERSON

LEIGHA SIMONTON
UNITED STATES ATTORNEY



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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE UNITED STATES OF AMERICA

v.

MIHIR PATEL (01)
KINJAL PATEL (02)
PRATEEK DESAI (03)
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DHARMESH PATEL (08)
a/k/a Danny Patel
MITRA BHATTARAI (09)
BHARGAV BHATT (10)
a/k/a Brad Bhatt

SEALED INDICTMENT

18 U.S.C. § 1349 (18 U.S.C. § 1344(a)(2))
Conspiracy to Commit Bank Fraud
(Count 1)

18 U.S.C. §§ 1344(2) and 2
Bank Fraud and Aiding and Abetting Bank Fraud
(Counts 2 through 10)

18 U.S.C. § 1956(h) (18 U.S.C. § 1957)
Conspiracy to Commit Money Laundering
(Count 11)

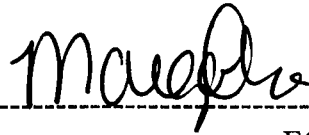
18 U.S.C. § 1344(2)
Bank Fraud
(Counts 12 through 15)

18 U.S.C. § 1007
Making a False Statement to the FDIC
(Count 16)

18 U.S.C. § 982(a)(2) and 18 U.S.C. § 982(a)(1)
Forfeiture Notice

16 Counts

A true bill rendered

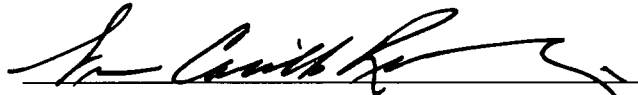


DALLAS

FOREPERSON

Filed in open court this 21 day of June, 2023.

Warrant to be Issued for all Defendants



UNITED STATES MAGISTRATE JUDGE
No Criminal Matter Pending