



THE UNITED STATES

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Thursday, July 23, 2020

Washington Tech Executive Charged with COVID-Relief Fraud and Money Laundering

A Washington tech executive was taken into custody today and charged with fraudulently seeking over \$5.5 million in Paycheck Protection Program (PPP) loans and laundering the proceeds, announced Acting Assistant Attorney General Brian C. Rabbitt at of the Justice Department's Criminal Division and U.S. Attorney Brian T. Moran of the U.S. Attorney's Office for the Western District of Washington.

Mukund Mohan, 48, of Clyde Hill, Washington, was charged by criminal complaint, unsealed today after he was taken into custody, in the Western District of Washington with one count of wire fraud and one count of money laundering. He is expected to make his initial appearance before U.S. Chief Magistrate Judge Brian A. Tsuchida at 2 p.m. PDT today.

The complaint alleges that Mohan submitted at least eight fraudulent PPP loan applications on behalf of six different companies to federally insured financial institutions. The complaint alleges that, in support of the fraudulent loan applications, Mohan made numerous false and misleading statements about the companies' respective business operations and payroll expenses.

The complaint also alleges that, in further support of the fraudulent loan applications, Mohan submitted fake and altered documents, including fake federal tax filings and altered incorporation documents. For example, Mohan misrepresented to a lender that, in 2019, his company Mahenjo Inc., had dozens of employees and paid millions of dollars in employee wages and payroll taxes. In support of Mahenjo's loan application, Mohan submitted incorporation documents showing that he incorporated the company in 2018 and filed federal unemployment tax forms for 2019. In truth, Mohan purchased Mahenjo on the Internet in May 2020 and, at time he purchased the company, it had no employees and no business activity. The incorporation documents he submitted to the lender were altered and the federal tax filings he submitted were fake.

The complaint further alleges that Mohan transferred at least \$231,000 in fraudulently-obtained loan proceeds to his personal brokerage account for his personal benefit.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted March 29. It is designed to provide emergency financial assistance to millions of Americans who are suffering the economic effects resulting from the COVID-19 pandemic. One source of relief provided by the CARES Act is the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses through the PPP. In April 2020, Congress authorized over \$300 billion in additional PPP funding.

The PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of one percent. Businesses must use PPP loan proceeds for payroll costs, interest on mortgages, rent and utilities. The PPP allows the interest and principal to be forgiven if businesses spend the proceeds on these expenses within a set time period and use at least a certain percentage of the loan towards payroll expenses.

A criminal complaint is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

This case was investigated by the Federal Housing Finance Agency – Office of Inspector General, IRS-Criminal Investigation, the U.S. Treasury Inspector General for Tax Administration, and the Federal Deposit Insurance Corporation – Office of Inspector General. Trial Attorney Christopher Fenton of the Criminal Division's Fraud Section and Assistant U.S. Attorney Andrew Friedman of the Western District of Washington are prosecuting the case.

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 Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at www.Justice.gov/Celebrating150Years.

Attachment(s):

[Download Mohan Criminal Complaint](#)

Topic(s):

Coronavirus

Financial Fraud

Component(s):

[Criminal Division](#)

[Criminal - Criminal Fraud Section](#)

[USAO - Washington, Western](#)

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