

Indian-origin hotelier and former banker admits to defrauding investor of \$500,000

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New York: A hotelier and former banker of Indian origin has admitted in a federal court to defrauding an investor of \$500,000 and now faces a prison sentence, according to a federal prosecutor in Tennessee.

Rajesh C. Patel, 55, of Duluth, Georgia, pleaded guilty Monday before federal Senior Judge William J. Haynes, Jr., in Nashville, Tennessee, to two charges of wire fraud in defrauding the investor, according to the prosecutor, David Rivera.

Patel had received the money from the Tennessee-based investor for a \$3.75 million auction bid for a hotel mortgage, but when he lost the bid he diverted the money to pay a debt, the the Federal Bureau of Investigation (FBI) said Tuesday. He also misrepresented the result of the auction to the investor.

He has since, however, repaid the money to the investor.

The maximum penalty Patel can receive when he is sentenced Oct. 15 is 20 years in prison for each of the offenses, in addition to fines and property forfeiture. In practice, though, it is unusual for someone to receive the maximum prison sentences to run serially.

Wire fraud charges involve the use of telephones or digital communications to carry out the crime.

Patel and his brother, Mukesh "Mike" Patel had been been the main shareholders of Haven Trust Bank in Duluth, Georgia, which was shut down in 2008 by Georgia state authorities.

Subsequently he and 14 others who were directors or officials of the bank were sued by the federal agency which guarantees deposits made by bank customers. The agency had accused them gross negligence and failure to carry out their duties properly.

In 2014 all the 15 reached a settlement in which they agreed to pay the agency \$2.45 million.

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