

THE UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT *of* TEXAS

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Department of Justice

U.S. Attorney's Office

Eastern District of Texas

FOR IMMEDIATE RELEASE

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Former McKinney Man Indicted for COVID-19 Relief Fraud

SHERMAN, Texas – A former McKinney man has been charged with federal violations related to his alleged participation in a scheme to file fraudulent loan applications seeking millions of dollars in forgivable Paycheck Protection Program (PPP) loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, announced Acting U.S. Attorney Nicholas J. Ganjei today.

Sinoj Kallamplackal Joseph, 42, was charged in an indictment filed in the Eastern District of Texas with seven counts of wire fraud and three counts of making false statements to a bank. The indictment alleges that Joseph submitted fraudulent applications for over \$3 million in PPP loans to an SBA-approved lender in the names of MK Analytics, LLC; Sanbi Solutions, LLC; and KMS Traders Group, LLC. In these applications, Joseph fabricated payroll records, including the number of employees working for his companies and the amounts of his payroll costs, the indictment alleges. The indictment also alleges that Joseph submitted fraudulent documentation in support of his applications. If convicted, Joseph faces up to 20 years in federal prison for the wire fraud charges and up to 30 years in federal prison for making false statements to a bank.

“This indictment is the latest installment in our District’s efforts to hold accountable those who perpetrate fraud on the Paycheck Protection Program,” said Acting U.S. Attorney Nicholas J. Ganjei. “PPP has been a vital tool for American small businesses and their employees who have struggled with the economic fallout from the pandemic. EDTX is committed to pursuing fraudsters who have exploited this program to the detriment of others.”

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department’s response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

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

This case is being investigated by Internal Revenue Service-Criminal Investigation, Small Business Administration - OIG, Federal Reserve Board - OIG, FDIC - OIG, and the Treasury Inspector General for Tax Administration. Assistant U.S. Attorneys Sean J. Taylor and Nathaniel C. Kummerfeld are prosecuting the case.

A federal criminal indictment is merely an accusation. A defendant is presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

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Topic(s):

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Component(s):

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