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Darien Man, 53, Pleads Guilty to Wire Fraud, Tax Evasion, Agrees to Pay \$3.4 Million

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Rockwell Gajwani, 53, of Darien will pay \$3.4 million in a plea agreement connected to an embezzlement case in which he pleaded guilty in federal court Tuesday to wire fraud and tax evasion, the Justice Department announced.

The executive, also known as "Rockie Gajwani," had been president and chief executive officer of a Manhattan-based real estate investment company from which he embezzled more than \$1.6 million. As part of Tuesday's plea, he agreed to pay \$1,975,068.04 in restitution and forfeit another \$1,612,841.

He pleaded guilty to wire fraud and three counts of tax evasion as part of the plea agreement with the Office of the U.S. Attorney for the Southern District of New York.

Gajwani is expected to be sentenced on Sept. 12. If he were given consecutive sentences for the charges he

pleaded guilty to, he could be behind bars for a total of 35 years.

“As he admitted today, for years Rockwell Gajwani siphoned money from his employer’s accounts, lining his own pockets with more than \$1.6 million,” Acting U.S. Attorney Joon H. Kim said in a news release. “Instead of working diligently as his company’s CEO, Gajwani put his efforts into concealing his crimes and hiding his ill-gotten gains from the IRS.”

Kim said the case was cracked "thanks to the dedicated work of the Postal Inspection Service and the IRS."

The news release did not give out the company that Gajwani stole from, referring to it only as the "Manhattan Real Estate Company." A New York Post article in July 2016, published shortly after Gajwani's arrest at his Darien home, [identified the company](#) as "Trevi Retail, a New York City-based company backed by private equity firm Principal Enterprise Capital."

Prosecutors [gave this account](#) of Gajwani's crimes, based on the criminal complaint against him, the indictment and other statements made in court:

From October 2011 through March 2013, Gajwani was the chief executive officer and president of [Trevi Retail] a real estate investment company based in Manhattan (the “Manhattan Real Estate Company”).

During this period, Gajwani took more than \$1.6 million in company funds to which he was not entitled by, among other means, making wire transfers from the company’s bank account to his personal bank account, writing company checks to himself, and making cash withdrawals from the company’s bank account.

To accomplish this scheme, among other means, Gajwani took steps to conceal his true salary and to conceal from the Manhattan Real Estate Company’s parent company [Principal Enterprise Capital] (the “Parent Company”) the amount of money he had taken from the Manhattan Real Estate Company’s bank account.

Beginning in late 2012, the director of accounting for the Manhattan Real Estate Company (the “Director of Accounting”) asked Gajwani for details regarding Gajwani’s compensation on more than one occasion, and Gajwani repeatedly said he would get such details to her, but failed to do so.

On another occasion, in connection with a request from the Parent Company for financial information, Gajwani told the Director of Accounting not to provide that information to the Parent Company.

To further conceal the funds he had taken from the Manhattan Real Estate Company, Gajwani directed employees of the Manhattan Real Estate Company to lump the compensation of all employees together in accounting materials provided to the Parent Company, so that Gajwani’s compensation would not be listed separately from the aggregate figure.

Gajwani also directed certain employees of the Manhattan Real Estate Company not to communicate with employees of the Parent Company.

Over the course of his employment, Gajwani wrote himself over \$940,000 in checks from the Manhattan Real Estate Company's bank account, and wired over \$1.7 million to his personal bank account.

Although some of these funds were purportedly for expenses, by the end of his employment Gajwani had taken over \$1.6 million more from the Manhattan Real Estate Company's bank account than he was entitled to under his employment agreement.

Gajwani also concealed his fraud on the Manhattan Real Estate Company. Specifically, on two occasions in May 2012, wrote checks to an employee of the Manhattan Real Estate Company ("Employee-2") from the company's bank account, wrote "expenses" in the memo line of each check, although neither check was meant to pay company expenses, and instructed Employee-2 to write a check in return directly to Gajwani himself.

Employee-2 did so on both occasions. In this manner, [Gajwani] was able to secure over \$30,000 in payments that Gajwani appeared to receive from Employee-2 but in reality were funds Gajwani had taken from the Manhattan Real Estate Company.

In addition to defrauding the Manhattan Real Estate Company, Gajwani did not file tax returns or pay taxes for his legitimate salary or for the money he had secured through fraud.

Ultimately, in July 2015, after he learned of a criminal investigation, Gajwani filed tax returns for calendar years 2011, 2012, and 2013. Each of those returns included false representations.

For tax year 2011, the federal income tax return that Gajwani filed understated Gajwani's actual income by more than \$480,000, and included over \$85,000 in false, impermissible tax deductions.

For tax year 2012, the federal income tax return that Gajwani filed included over \$260,000 in false, impermissible tax deductions.

For tax year 2013, the federal income tax return that Gajwani filed underreported Gajwani's actual income by \$270,000.

* * *

Gajwani, 53, of Darien, Connecticut, pled guilty to one count of wire fraud, which carries a maximum sentence of 20 years in prison, and three counts of tax evasion, each of which carries a maximum sentence of five years in prison.

The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendant will be determined by the Judge. As part of his plea, Gajwani agreed to pay \$1,975,068.04 in restitution and \$1,612,841.04 in forfeiture.

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Gajwani is scheduled to be sentenced by Judge Preska on Sept. 12, 2017, at 4 p.m.

Kim praised the outstanding investigative efforts of law enforcement personnel at U.S. Postal Inspection Service and the Internal Revenue Service, Criminal Investigation Division.

The case is being prosecuted by the Office's Complex Frauds and Cybercrime Unit. Assistant U.S. Attorneys Jonathan Cohen and Andrew D. Beaty are in charge of the prosecution.