

Department of Justice
U.S. Attorney's Office
Northern District of New York

FOR IMMEDIATE RELEASE

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Former State Employee Charged with Conspiracy to Commit Wire Fraud

ALBANY, NEW YORK – Srinivas Kancha, age 52, of Selkirk, New York, was charged today with conspiring to defraud his former employer, the Office of the New York State Comptroller (OSC).

The announcement was made by Acting United States Attorney Antoinette T. Bacon; New York State Comptroller Thomas P. DiNapoli; and Kevin Kelly, Special Agent in Charge of the Buffalo Field Office of Homeland Security Investigations (HSI).

A criminal complaint alleges that between 2015 and 2017, while employed at OSC, Kancha conspired with the owner of a company (identified in the complaint as "Company-P") to fraudulently obtain money by hiring computer programmers from Company-P to work on a project Kancha managed for OSC in exchange for a kickback from Company-P. The charges in the complaint are merely accusations. The defendant is presumed innocent unless and until proven guilty.

In January 2015, according to the complaint, OSC entered into a contract with a consortium of three companies to identify and hire computer programmers for a project. When OSC needed to hire a programmer, it sent a request form to one of the three companies. Each company then submitted a purportedly qualified applicant. Frequently, the applicants were employed by subcontractors, including Company-P. From January 2015 through October 2016, OSC hired 17 programmers for the project at hourly rates ranging from \$80 to \$120. In late 2016, OSC learned that many of the programmers' references and work histories were not legitimate, including those hired from Company-P, and launched an internal investigation.

According to the complaint, between February 2015 and October 2016, Kancha and his co-conspirator ensured that programmers from Company-P were hired by falsifying information regarding their experience and work histories, and providing them with interview questions ahead of their interviews at OSC. Kancha then interviewed the programmers, hired them knowing that their qualifications were falsified, and set their hourly rates. Between February 2015 and September 2017, Company-P received approximately \$870,000 from OSC for its programmers' pay. The owner of Company-P kept a percentage of the programmers' pay. He then paid Kancha a portion of that percentage.

If convicted of this offense, Kancha faces up to 20 years in prison, a fine of up to \$250,000, and a term of supervised release of up to 3 years. A defendant's sentence is imposed by a judge based on the particular statute the defendant is charged with violating, the U.S. Sentencing Guidelines and other factors.

Kancha appeared today in Albany before United States Magistrate Judge Daniel J. Stewart, and was ordered released with conditions pending further proceedings.

This case was initiated by the Office of the New York State Comptroller, and is also being investigated by HSI, the United States Postal Inspection Service, and the United States Department of Labor, Office of Inspector General, Office of Investigations. The case is being prosecuted by Assistant U.S. Attorney Katherine Kopita.