



Department of Justice

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Four Charged in \$35 Million COVID-19 Relief Fraud Scheme

A federal grand jury in Houston returned a superseding indictment, which was unsealed today, charging four additional individuals for fraudulently obtaining and laundering 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. In total, 15 individuals across two states have now been charged in the conspiracy.

According to court documents, Hamza Abbas, 29, Khalid Abbas, 55, Abdul Fatani, 55, all of Richmond, Texas; and Syed Ali, 53, of Sugar Land, Texas, conspired with others to submit more than 80 false and fraudulent PPP loan applications by falsifying the number of employees and the average monthly payroll expenses of the applicant businesses. In total, the defendants sought over \$35 million in PPP loan funds and obtained approximately \$18 million in PPP loan proceeds.

The superseding indictment further alleges that the defendants laundered a portion of the fraudulent loan proceeds by writing checks from companies that received PPP loans to fake employees. Those that received checks included some of the defendants and their relatives, according to the charges. The fake paychecks were then allegedly cashed at Fascare International Inc. dba Almeda Discount Store – a check-cashing company. The superseding indictment alleges that over 1,100 fake paychecks, totaling more than \$3 million in fraudulent PPP loan proceeds were cashed at Almeda.

Amir Aqeel, 53, of Houston, Texas; Siddiq Azeemuddin, 42, of Naperville, Illinois; Rifat Bajwa, 53, of Richmond, Texas; Pardeep Basra, 52, of Houston, Texas; Mayer Misak, 41, of Cypress, Texas; Mauricio Navia, 42, of Katy, Texas; and Richard Reuth, 58, of Spring, Texas, were previously indicted for their involvement in the fraudulent loan scheme. Aqeel, Bajwa, Basra, Misak, and Navia are also named defendants in the superseding indictment.

Azeemuddin and Reuth pleaded guilty for their involvement in the scheme on Oct. 8 and 9, respectively. Four other individuals – Abdul Farahshah, 70, Jesus Acosta Perez, 31, and Bijan Rajabi, 68, all of Houston, Texas; and Raheel Malik, 41, of Sugar Land, Texas – have also pleaded guilty for their involvement in the scheme. Malik pleaded guilty to a one-count information charging him with conspiracy to commit wire fraud and money laundering on Oct. 8. Farahshah, Perez, and Rajabi each pleaded guilty to a one-count information charging them with conspiracy to commit wire fraud on Nov. 30.

The defendants in the superseding indictment are all charged with conspiracy to commit wire fraud and wire fraud. Aqeel, Khalid Abbas, Ali, and Fatani are also charged with money laundering. Aqeel is also charged with aggravated identity theft and is alleged to have submitted PPP loan applications by stealing the identities of uninvolved parties. The defendants are scheduled for their initial court appearance tomorrow before U.S. Magistrate Judge Andrew M. Edison of the U.S. District Court for the Southern District of Texas. If convicted, the defendants face a maximum penalty of 20 years in prison per count of wire fraud, and 10 years in prison per count of money laundering. If convicted of aggravated identity theft, Aqeel faces a mandatory minimum sentence of two years in addition to the sentence imposed for the other offenses. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Assistant Attorney General Kenneth A. Polite Jr. of the Justice Department's Criminal Division; Acting U.S. Attorney Jennifer Lowery for the Southern District of Texas; Inspector General Hannibal "Mike" Ware of the SBA–Office of Inspector General (SBA-OIG); Special Agent in Charge Catherine Huber of the Federal Housing Finance Agency–Office of Inspector General (FHFA-OIG); Special Agent in Charge Mark B. Dawson of Homeland Security Investigations (HSI) Houston; Inspector General Jay N. Lerner of the Federal Deposit Insurance Corporation–Office of Inspector General (FDIC-OIG); and Inspector General J. Russell George of the Treasury Inspector General for Tax Administration (TIGTA) made the announcement.

The SBA-OIG, FHFA-OIG, HSI, FDIC-OIG, and TIGTA are investigating the case.

Trial Attorneys Louis Manzo and Della Sentilles of the Criminal Division's Fraud Section and Assistant U.S. Attorney Rodolfo Ramirez of the Southern District of Texas are prosecuting the case. Assistant U.S. Attorney Kristine Rollinson is handling forfeiture matters.

The Fraud Section leads the Criminal Division's prosecution of fraud schemes that exploit the PPP. Since the inception of the CARES Act, the Fraud Section has prosecuted over 150 defendants in more than 95 criminal cases and has seized over \$75 million in cash proceeds derived from fraudulently obtained PPP funds, as well as numerous real estate properties and luxury items purchased with such proceeds. More information can be found at <https://www.justice.gov/criminal-fraud/ppp-fraud>.

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>.

An indictment is merely an allegation, and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

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