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

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**Department of Justice**

U.S. Attorney's Office

Southern District of Texas

FOR IMMEDIATE RELEASE

Wednesday, December 15, 2021

## **Four more charged in \$35M COVID-19 relief fraud scheme**

HOUSTON – A federal grand jury in Houston has returned a superseding indictment against four additional individuals for fraudulently obtaining and laundering millions of dollars in forgivable Paycheck Protection Program (PPP) loans. The Small Business Administration (SBA) guarantees the loans under the Coronavirus Aid, Relief and Economic Security (CARES) Act.

A total of 15 individuals across two states have now been charged in the conspiracy.

Hamza Abbas, 29, Khalid Abbas, 55, Abdul Fatani, 55, all of Richmond; and Syed Ali, 53, of Sugar Land, are set to make their initial appearances tomorrow before U.S. Magistrate Judge Andrew M. Edison.

According to court documents, Hamza Abbas, Khalid Abbas, Fatani and Ali conspired with others to submit more than 80 false and fraudulent PPP loan applications. They allegedly falsified 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, according to the charges.

The superseding indictment further alleges they laundered a portion of the fraudulent loan proceeds by writing checks from companies that received PPP loans to fake employees. Those that received checks allegedly included some of the defendants and their relatives. 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.

Previously charged were Amir Aqeel, 53, and Pardeep Basra, 52, both of Houston; Rifat Bajwa, 53, Richmond; Mayer Misak, 41, Cypress; Mauricio Navia, 42, Katy; Richard Reuth, 58, Spring; and Siddiq Azeemuddin, 42, Naperville, Illinois. Aqeel, Bajwa, Basra, Misak, and Navia are also named defendants in the superseding indictment.

Azeemuddin and Reuth have pleaded guilty for their involvement in the scheme. Four others - Abdul Farahshah, 70, Jesus Acosta Perez, 31, and Bijan Rajabi, 68, all of Houston; and Raheel Malik, 41, of Sugar Land - have 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.

If convicted, the defendants face a maximum penalty of 20 years in prison per count of wire fraud and 10 years for each money laundering conviction. 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.

The SBA - Office of Inspector General (OIG), Federal Housing Finance Agency – OIG, Homeland Security Investigations, Federal Deposit Insurance Corporation – OIG and Treasury Inspector General for Tax Administration conducted the investigation.

Assistant U.S. Attorney (AUSA) Rodolfo Ramirez is prosecuting the case along with Trial Attorneys Louis Manzo and Della Sentilles of the Criminal Division's Fraud Section. AUSA 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, 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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