

PRESS RELEASE

# Leader of \$20M COVID-19 Relief Fraud Ring Sentenced to 15 Years

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**For Immediate Release**

Office of Public Affairs

## **Six Other Individuals Sentenced in One of the Largest Paycheck Protection Program (PPP) Fraud Cases Prosecuted by the Justice Department**

The head of a multimillion-dollar COVID-19 relief fraud ring and six of his co-conspirators were sentenced for fraudulently obtaining more than \$20 million in forgivable Paycheck Protection Program (PPP) loans that the Small Business Administration (SBA) guaranteed under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

According to court documents, Amir Aqeel, 54, of Houston, was sentenced yesterday to 15 years in prison and ordered to forfeit \$5,583,111.48 for leading the conspiracy, and for conspiring with at least 14 other individuals to submit 75 fraudulent PPP loan applications in 2020. In the applications, the defendants falsified the number of employees and the average monthly payroll expenses of the applicant businesses and submitted fraudulent bank records and fake federal tax forms in support of the PPP loan applications. Aqeel paid some of the defendants large kickbacks in exchange for their assistance with the false and fraudulent PPP loan applications.

"During a time of unprecedented national peril, these defendants took advantage of a pandemic and stole millions of dollars in federal funds intended to help businesses keep their employees paid and their doors open," said Acting Assistant Attorney General Nicole M. Argentieri of the Justice Department's Criminal Division. "The sentences demonstrate that the Department and law enforcement have and will continue to hold individuals accountable for committing fraud on the government."

"I salute the prosecutors and agents who exposed this fraud ring, brought these defendants to justice, and worked to return stolen funds to the American people," said Director of COVID-19 Fraud Enforcement Michael Galdo of the Justice Department. "The Department will continue to work with our law enforcement partners to bring those who

committed pandemic benefit fraud to justice and use all appropriate tools to recover stolen pandemic relief funds.”

“Amir Aqeel engaged in one of the largest PPP conspiracies in the country,” said U.S. Attorney Alamdar S. Hamdani for the Southern District of Texas. “He and his cohorts stole millions from the public fund, using that money to buy houses, a Porsche, even a Lamborghini, all while taking advantage of programs intended to help those struggling during the pandemic. These sentences send a strong message to scammers looking for a quick and easy buck in the Southern District of Texas; you need to look elsewhere.”

The defendants also laundered a portion of the fraudulent proceeds by writing checks from companies that received PPP loans to fake employees. The defendants cashed these fake paychecks at Fascare International Inc., dba Almeda Discount Store (Almeda), a company that Siddiq Azeemuddin owned. In total, the defendants cashed more than 1,100 fake paychecks for more than \$3 million in fraudulent PPP loan proceeds at Almeda.

“SBA-OIG will aggressively root out bad actors in SBA’s pandemic response programs and bring them to justice,” said Special Agent in Charge Brady Ipock of the SBA Office of Inspector General (SBA-OIG) Central Region. “These sentences demonstrate there are significant consequences for conspiring to fraudulently access SBA programs and steal from taxpayers. I want to thank the U.S. Attorney’s office and our law enforcement partners for their support and dedication to pursuing justice in this case.”

“One unfortunate aspect of the pandemic relief programs has been how many people and institutions, including the Federal Home Loan Banks, were negatively affected by unscrupulous criminals who targeted a program meant to help all Americans at a critical time,” said Special Agent in Charge Catherine Huber of the Federal Housing Finance Agency Office of Inspector General’s (FHFA-OIG) Central Region. “We are proud to work with our partner agencies to investigate and stamp out these schemes.”

“While the rest of our country was reeling from the effects of an unprecedented global health crisis, these individuals conspired to fraudulently obtain and launder millions of taxpayer dollars from an emergency fund that was intended to help keep struggling businesses and employees afloat,” said Special Agent in Charge Mark Dawson of Homeland Security Investigations (HSI) Houston. “Working in conjunction with our federal law enforcement partners, we were able to uncover their scheme and hold them accountable for exploiting these government programs for their own profit.”

Federal agents also executed 45 seizure warrants in conjunction with the case and have seized, among other items, a residence, a Porsche, and a Lamborghini purchased with illegally obtained funds.

"Today, Aqeel and six of his co-conspirators in this case were brought to justice for their roles in a fraudulent scheme that swindled millions of dollars from the Paycheck Protection Program, which was created to assist struggling businesses during the COVID-19 pandemic," said Special Agent in Charge Anand Ramlall of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG) Dallas Region. "The FDIC-OIG, working with our law enforcement partners, will continue to pursue and hold accountable those who took advantage of these programs and threatened to undermine the integrity of our nation's banking system."

"The Treasury Inspector General for Tax Administration continues to aggressively pursue those who endeavor to defraud programs afforded to the American people under the CARES Act," said Special Agent in Charge Gary Smith of the Treasury Inspector General for Tax Administration (TIGTA) Gulf States Field Division. "We appreciate the efforts of the Justice Department and our law enforcement partners in this effort."

Five others had previously pleaded guilty and were sentenced today for their roles in the loan fraud scheme. Khalid Abbas, 57, and Rifat Bajwa, 54, both of Richmond, Texas, were sentenced to two and a half years and three years in prison, respectively. Azeemuddin, 44, of Naperville, Illinois, was sentenced to two years in prison. Pardeep Basra, 54, of Houston, was sentenced to three years and five months in prison. Richard Reuth, 60, of Spring, Texas, was sentenced to two and a half years in prison.

In February, a federal jury [convicted](#) Abdul Fatani, 57, of Richmond, Texas, of one count of conspiracy to commit wire fraud, one count of wire fraud, and one count of money laundering. He was sentenced today to three years in prison.

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

Trial Attorneys Louis Manzo, Della Sentilles, Kate McCarthy, and Spencer Ryan of the Criminal Division's Fraud Section and Assistant U.S. Attorneys Rodolfo Ramirez and Kristine Rollinson for the Southern District of Texas are prosecuting the cases.

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 [www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form](http://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form).