



THE UNITED STATES  
DEPARTMENT of JUSTICE

FOR IMMEDIATE RELEASE  
Wednesday, February 8, 2023

## Man Convicted for Multimillion-Dollar COVID-19 Relief Fraud

A federal jury convicted a Texas man today for his role in a scheme to fraudulently obtain and launder 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.

According to court documents and evidence presented at trial, Abdul Fatani, 57, of Richmond, conspired with others to submit fraudulent PPP loan applications by falsifying the number of employees and the average monthly payroll expenses of the applicant businesses. In total, the co-conspirators sought over \$35 million through more than 80 fraudulent PPP loans. Fatani distributed over \$500,000 in fraudulent loan proceeds to his co-conspirators and himself using bogus payroll checks and laundered a portion of the proceeds by transferring the funds from one of his bank accounts to another bank account he controlled.

Fatani was convicted of one count of conspiracy to commit wire fraud, one count of wire fraud, and one count of unlawful monetary transactions (money laundering). He is scheduled to be sentenced on May 8 and faces a maximum penalty of 20 years in prison for conspiracy and wire fraud and 10 years in prison for money laundering. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

In addition, 15 other individuals have pleaded guilty to their involvement in the loan fraud scheme.

Assistant Attorney General Kenneth A. Polite, Jr. of the Justice Department's Criminal Division; U.S. Attorney Alamdar S. Hamdani 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 Field Office; Acting Inspector General Tyler Smith 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 investigated the case. Assistant U.S. Attorney Kristine Rollinson for the Southern District of Texas handled asset forfeiture.

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

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 200 defendants in more than 130 criminal cases and has seized over \$78 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>.

In May 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 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 via the NCDF Web Complaint Form at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.