

# Department of Justice

Office of Public Affairs

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FOR IMMEDIATE RELEASE

Tuesday, November 17, 2020

## **Seven Charged in Connection with a COVID-Relief Fraud Scheme Involving more than 80 Fraudulent Loan Applications Worth Approximately \$16 Million**

Seven individuals across two states were charged in an indictment unsealed today for their alleged participation in a scheme to obtain approximately \$16 million in forgivable Paycheck Protection Program (PPP) loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Amir Aqeel, 52, and Pardeep Basra, 51, both of Houston, Texas; Rifat Bajwa, 51, of Richmond, Texas; Mayer Misak, 40, of Cypress, Texas; Mauricio Navia, 41, of Katy, Texas; and Richard Reuth, 57, of Spring, Texas, are expected to make their initial appearances today before U.S. Magistrate Judge Andrew M. Edison.

They are all charged with conspiracy to commit wire fraud and wire fraud. The indictment also charges Aqeel with three counts of money laundering.

Also named in the Houston indictment is Siddiq Azeemuddin, 41, of Naperville, Illinois. He also faces charges of conspiracy to commit wire fraud, wire fraud and money laundering. Azeemuddin will appear today before U.S. Magistrate Judge Heather K. McShain of the Northern District of Illinois.

“These defendants allegedly participated in a scheme to capitalize on the pandemic by filing at least 80 fraudulent PPP applications and enriching themselves by \$16 million, spending it on luxury items such as a Porsche and Lamborghini automobiles,” said Acting Assistant Attorney General Brian C. Rabbitt of the Justice Department’s Criminal Division. “The department and our law enforcement partners will continue to aggressively pursue those who would seek to illegally exploit the ongoing national emergency for their own benefit.”

“Some fraudsters create the most complicated schemes to steal money from the taxpayer. Just imagine how productive they could be if they put their creativity and effort into noble and useful work,” said U.S. Attorney Ryan K. Patrick of the Southern District of Texas. “With the great work of so many partner agencies, we will bring to justice those who steal from the treasury.”

“Greed has no place in SBA’s programs that are intended to provide assistance to the nation’s small businesses struggling with the pandemic challenges,” said Special Agent in Charge Sharon Johnson of the SBA Office of Inspector General (OIG) Central Region. “OIG and its law enforcement partners will relentlessly pursue fraudsters and bring them to justice. I want to thank the U.S. Attorney’s Office and our law enforcement partners for their dedication and pursuit of justice.”

“These defendants are alleged to have defrauded a program intended to assist hardworking Americans who have been unfairly impacted as a result of this unprecedented and challenging health crisis,” said Special Agent in Charge Mark B. Dawson of U.S. Immigration and Customs Enforcement’s Homeland Security Investigations (HSI) Houston. “HSI remains committed to working with our law enforcement partners to bring every asset to bear against anyone who seeks to take advantage of the pandemic to deliberately harm and deceive others for their own profit.”

“To support small and community banks, Federal Home Loan Banks can accept Paycheck Protection Program (PPP) loans as collateral when making loans to their members,” said Special Agent in Charge Catherine Huber of the Federal Housing Finance Agency (FHFA) OIG, Central Region. “The Office of Inspector General is proud to work with our partners in law enforcement to prevent, detect, and deter attempts to perpetrate fraud in the Federal Home Loan Bank System and steal the assistance intended for small business owners and employees under this important part of the CARES Act.”

“Today’s indictment describes significant abuse of public funds meant for struggling American businesses and families,” said Special Agent in Charge Laurie L. Younger of the Federal Deposit Insurance Corporation (FDIC) OIG. “This alleged fraud represents substantial, egregious, and coordinated actions that undermine faith in our financial systems and programs enacted by Congress to help our nation recover from economic damage brought on by COVID-19. We thank our law enforcement partners for their cooperation in this investigation.”

“The Treasury Inspector General for Tax Administration aggressively pursues those who endeavor to defraud programs afforded to the American people under the Coronavirus Aid, Relief, and Economic Security Act,” said J. Russell George, Treasury Inspector General for Tax Administration (TIGTA). “We appreciate the efforts of the U.S. Department Justice and our law enforcement partners in this effort.”

The indictment alleges all conspired to submit more than 80 fraudulent PPP loan applications by falsifying the number of employees and the average monthly payroll expenses of the applicant businesses. In support of these fraudulent loan applications, they conspired to submit, and did submit, fraudulent bank records and/or fake federal tax forms, according to the charges. Some of the PPP loan applications were allegedly submitted on behalf of companies the defendants controlled.

Other loan applications were submitted on behalf of entities that third-parties allegedly owned, according to the indictment. In exchange for these, several of the defendants received large kickbacks, according to the charges.

The indictment further alleges the defendants laundered a portion of the fraudulent 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 cash checking company Azeemuddin owned.

The indictment alleges that over 1,100 fake paychecks totaling more than \$3 million in fraudulent PPP loan proceeds were cashed at Azeemuddin’s business.

Federal agents also executed 45 seizure warrants in conjunction with the case. Some of items seized included a Porsche and a Lamborghini allegedly purchased with illegally obtained funds.

This is an ongoing investigation. If the public has further information regarding this fraud, please contact the Department of Homeland Security at 1-866-DHS-2-ICE.

The CARES Act is a federal law enacted on March 29, 2020, designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through the PPP. In April 2020, Congress authorized over \$300 billion in additional PPP funding.

The PPP allows qualifying small-businesses and other organizations to receive loans with a maturity of two years and an interest rate of one percent. PPP loan proceeds must be used by businesses on payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses at least a certain percentage of the PPP loan proceeds on payroll expenses.

A federal criminal indictment is merely an accusation. A defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

This case was investigated by the SBA-OIG; HSI; FHFA-OIG; FDIC-OIG and TIGTA. Trial Attorneys Louis Manzo and Della Sentilles 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 case.

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 Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at <http://www.justice.gov/Celebrating150Years>.

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**Attachment(s):**

[Download Aqeel Indictment](#)

**Components(s):**

[Criminal Division](#)

[Criminal – Criminal Fraud Section](#)

[USAO – Texas, Southern](#)

**Topic(s):**

Coronavirus

Disaster Fraud

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