

## Department of Justice

U.S. Attorney's Office

Southern District of Texas

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FOR IMMEDIATE RELEASE

Tuesday, November 9, 2021

### **Three men guilty for their roles in multimillion-dollar COVID-relief fraud conspiracy**

HOUSTON – Three individuals have admitted to their participation in a scheme to fraudulently obtain and launder millions of dollars in forgivable Paycheck Protection Program (PPP) loans. The Small Business Administration (SBA) guarantees PPP loans under the Coronavirus Aid, Relief, and Economic Security Act.

Richard Reuth, 58, Spring, entered his plea today, while Raheel Malik, 41, Sugar Land, and Siddiq Azeemuddin, 42, Naperville, Illinois, pleaded guilty yesterday. During their respective pleas, they admitted to engaging in a conspiracy to defraud the SBA and certain SBA-approved PPP lenders by submitting false and fraudulent PPP loan applications. Azeemuddin and Malik also conspired to launder over \$3 million in PPP loan funds through Azeemuddin's business, Fascare International Inc. dba Almeda Discount Store.

As part of the scheme, Azeemuddin instructed Malik to fill out blank checks from companies that received PPP loans by putting the names of fake employees in the payee line. At Azeemuddin's direction, Malik then cashed the checks at a financial institution and transported the cash to other members of the conspiracy. In exchange for laundering the funds, Azeemuddin received 1 to 2% of each check cashed.

For his part, Reuth admitted to conspiring to submit PPP loan applications on behalf of companies that he knew were inactive and did not have any employees. In exchange for each false and fraudulent PPP loan application, Reuth received approximately \$50,000.

Azeemuddin pleaded guilty to one count of conspiracy to commit wire fraud and one count of money laundering, while Malik admitted to one count of conspiracy to commit wire fraud and money laundering. Azeemuddin and Malik face up to 40 and five years in federal prison, respectively. Reuth entered his plea to one count of conspiracy to commit wire fraud and could receive a maximum of 20 years in prison. All are set for sentencing March 7, 2022.

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

Assistant U.S. Attorneys Rodolfo Ramirez and Kristine Rollinson are prosecuting the case along with Trial Attorneys Louis Manzo and Della Sentilles of the Criminal Division's Fraud Section.

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 the [Combatting Coronavirus Fraud page](#).

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>.

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Coronavirus

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