

United States Courts
Southern District of Texas
FILED

November 03, 2021

Nathan Ochsner, Clerk of Court

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

UNITED STATES OF AMERICA

v.

RAHEEL MALIK,

Defendant.

§
§
§
§
§
§
§

Criminal No.

4:21-cr-530

INFORMATION

THE UNITED STATES CHARGES:

GENERAL ALLEGATIONS

At all times material to this Information:

The Paycheck Protection Program

1. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or around March 2020 and 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 forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (“PPP”).

2. In order to obtain a PPP loan, a qualifying business submitted a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application (Small Business Administration (“SBA”) Form 2483), the small business (through its authorized representative) was required to provide, among other things, its: (a) average monthly

payroll expenses; and (b) number of employees. These figures were used to calculate the amount of money the small business was eligible to receive under the PPP. In addition, businesses applying for a PPP loan were required to provide documentation confirming their payroll expenses.

3. A PPP loan application was processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies. While it was the participating lender that issued the PPP loan, the loan was 100% guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

4. PPP loan proceeds were required to be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business spent the loan proceeds on these expense items within a designated period of time and used a defined portion of the PPP loan proceeds on payroll expenses.

The Defendant, Related Entities and Individuals

5. Defendant **RAHEEL MALIK** (“**MALIK**”) was a resident of Sugarland, Texas and was a manager of Fascare International, Inc., doing business as, Almeda Discount Store (“Almeda”).

6. Almeda was a store located in Houston, Texas that sold a variety of items and offered cash checking services.

7. Siddiq Azeemuddin (“Azeemuddin”) was a resident of Naperville, Illinois, the owner of Almeda, and **MALIK**’s boss.

8. Amir Aqeel (“Aqeel”) was a resident of Houston, Texas, a friend of Azeemuddin’s,

and a customer of Alameda.

9. Mauricio Navia (“Navia”) was a resident of Katy, Texas.

10. CC-1 was a resident of Houston, Texas.

11. Grandeur Construction, LLC (“Grandeur Construction”) was a Texas Limited Liability Company that was registered to Navia.

12. Texas Lonestar Investments Group, Inc. (“Lonestar Investments”) was a Texas corporation that was registered to **MALIK**’s relative.

COUNT ONE
(18 U.S.C. § 371 - Conspiracy)

13. Paragraphs 1 through 12 of this Information are re-alleged and incorporated by reference as though fully set forth herein.

14. Beginning in or around April 2020, and continuing until in or around October 2020, in the Houston Division of the Southern District of Texas, and elsewhere, the defendant,

RAHEEL MALIK

knowingly and willfully, that is, with the intent to further the objects of the conspiracy, conspired and agreed with Amir Aqeel, Siddiq Azeemuddin, Mauricio Navia, CC-1, and other individuals, known and unknown, to commit certain offenses against the United States, namely:

- a) to knowingly and intentionally devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and to transmit and cause to be transmitted, by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1343; and

- b) to knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, which financial transaction involved the proceeds of specified unlawful activity, that is, wire fraud, knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, and knowing that the transaction was designed, in whole and in part, to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

PURPOSE OF THE CONSPIRACY

15. It was the purpose of the conspiracy for **MALIK** and his co-conspirators to unlawfully enrich themselves by, among other things: (a) submitting and causing the submission of false and fraudulent applications for PPP loans and (b) laundering the proceeds from the PPP loans in order to conceal and disguise the true nature and source of the loan proceeds.

MANNER AND MEANS OF THE CONSPIRACY

16. The manner and means by which **MALIK** and his co-conspirators sought to accomplish the objects and purpose of the conspiracy included, among others, the following:

17. **MALIK**, Aqeel, Azeemuddin, Navia, CC-1, and others submitted, and caused to be submitted, false and fraudulent PPP loan applications in the name of certain entities to various SBA-approved PPP lenders and companies. These applications contained false and fraudulent representations as to the number of employees and the average monthly payroll. As a result of these false and fraudulent applications, **MALIK**'s co-conspirators, including Aqeel, obtained millions of dollars in fraudulent PPP loans.

18. As part of the scheme, Aqeel asked **MALIK** to refer other people to Aqeel who wanted PPP loans. In return, Aqeel promised **MALIK** a referral fee. **MALIK** provided Aqeel with information about Lonestar Investments, a business owned by **MALIK**'s relative. **MALIK** allowed Aqeel to apply for a PPP loan on behalf of Lonestar Investments knowing that certain representations made in the PPP loan application were false and fraudulent. The false and fraudulent PPP loan application on behalf of Lonestar Investments was submitted via the use of interstate wires to a participating SBA approved lender that authorized a PPP loan in the amount of \$614,725, which was later canceled.

19. As part of the scheme, **MALIK**, Aqeel, Azeemuddin, Navia, CC-1, and others agreed to and did launder PPP loan funds that were obtained via the fraudulent PPP loan applications through Almeda.

20. As part of the scheme, Aqeel and others provided blank checks to **MALIK** for some of the businesses that had received fraudulent PPP loans. Aqeel and Azeemuddin instructed **MALIK** to fill out the blank checks by putting the names of fake employees in the payee line. **MALIK** then cashed the checks at one of two financial institutions. **MALIK** knew that these paychecks were for fake employees both when **MALIK** was writing the names on the checks and when **MALIK** was cashing the checks. **MALIK** then transported the cash generated from cashing the fake paychecks to other members of the conspiracy, including, but not limited to, Aqeel, Navia, and CC-1.

21. In total, **MALIK** and others cashed over one thousand fake paychecks received from Aqeel and others and laundered approximately \$3,147,007 in fraudulently obtained PPP loan funds through Almeda on behalf of the conspiracy.

OVERT ACTS

22. In furtherance of the conspiracy, and to accomplish its objects and purpose, at least one of the co-conspirators committed and caused to be committed, in the Houston Division of the Southern District of Texas and elsewhere, at least one of the following overt acts, among others:

23. On or about June 16, 2020, **MALIK** and Aqeel exchanged text messages in which **MALIK** provided copies of various incorporation documents for Lonestar Investments.

24. On or about July 4, 2020, **MALIK** and Aqeel exchanged text messages in which **MALIK** provided an image of an Excel document containing several names of fake employees including, but limited to, Navia, CC-1, and one of Aqeel's relatives.

25. On or about July 4, 2020, **MALIK** and Aqeel exchanged text messages in which **MALIK** sent an image of an endorsed check from an account in the name of Grandeur Construction, which was dated July 3, 2020, and in the approximate amount of \$1,221.15. The payee line was blank.

26. On or about July 7, 2020, **MALIK** and Aqeel exchanged text messages in which **MALIK** sent an image from an SBA-approved PPP lender indicating that the PPP loan for Lonestar Investments had been approved in the approximate amount of \$614,724.

27. On or about July 13, 2020, **MALIK** cashed a check from Grandeur Construction with the payee of Navia in the approximate amount of \$1,623.

All in violation of Title 18, United States Code, Section 371.

NOTICE OF CRIMINAL FORFEITURE
(18 U.S.C. § 981(a)(1)(C); 28 U.S.C. § 2461(c))

1. Pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), the United States gives notice that upon the defendant's conviction of Count One of this Information, the United States will seek forfeiture of all property, real or personal, which constitutes or is derived from proceeds traceable to the conspiracy.

2. The United States also gives notice that it will seek a money judgment against the defendant.

3. In the event that one or more conditions listed in Title 21, United States Code, Section 853(p) exist, the United States will seek to forfeit any other property of the defendant up to the amount of the money judgment.

Jennifer Lowery
Acting United States Attorney
Southern District of Texas

Joseph S. Beemsterboer
Acting Chief, Fraud Section
Criminal Division
U.S. Department of Justice

By: Rodolfo Ramirez
Rodolfo Ramirez
Assistant United States Attorney
Southern District of Texas
RRamirez3@usa.doj.gov
(713) 314-6024

Della Sentilles
Della Sentilles
Louis Manzo
Trial Attorneys
Criminal Division, Fraud Section
Della.Sentilles@usdoj.gov
(202) 445-8793 (Sentilles)

AO 455 (Rev. 1/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT

for the

Southern

DISTRICT OF

Texas

United States of America
v.

RAHEEL MALIK

)
)
)
)
)
)
)
)

Case No: **4:21-cr-530**

WAIVER OF INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: _____

Defendant's signature

Signature of defendant's attorney

Printed name of defendant's attorney

Judge's signature

Judge's printed name and title