

Approved: T. V. Capozzi
TIMOTHY V. CAPOZZI
Assistant United States Attorney

Before: THE HONORABLE VALERIE FIGUEREDO
United States Magistrate Judge
Southern District of New York

22 MAG 7615

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: UNITED STATES OF AMERICA : SEALED COMPLAINT
: :
: - v. - : Violations of 18 U.S.C.
: : §§ 1028A(a)(1) & (b), 1349,
: : 1956(h), and 2
: :
: LIAQUAT CHEEMA, :
: ALI CHEEMA, :
: IRFAN BAJWA, : COUNTIES OF OFFENSE:
: SHOUKET CHUDHARY, : NEW YORK, BRONX
: a/k/a "Muhammad Shakoor Chudary," :
: a/k/a "Mohammad Shakoor Chudary," and :
: KHIZAR HAYAT, :
: :
: Defendants. :
: :
: :
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SOUTHERN DISTRICT OF NEW YORK, ss.:

Wai Yu, being duly sworn, deposes and says that he is a Special Investigator with the New York City Department of Investigation, and charges as follows:

COUNT ONE
(Conspiracy to Commit Wire Fraud)

1. From at least in or about 2014 up to and including at least in or about 2018, in the Southern District of New York and elsewhere, LIAQUAT CHEEMA and ALI CHEEMA, the defendants, and others known and unknown, knowingly combined, conspired, confederated, and agreed together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343.

2. It was a part and object of the conspiracy that LIAQUAT CHEEMA and ALI CHEEMA, the defendants, and others known and unknown, knowingly having devised and intending to devise a scheme and artifice to defraud and for obtaining money and

property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343, to wit, the defendants engaged in a scheme to fraudulently enrich themselves in connection with public contracts to perform general contracting work at homeless shelters in New York City, including in the Southern District of New York, which scheme involved the use of interstate wires transmitted through New York, New York.

(Title 18, United States Code, Section 1349.)

COUNT TWO
(Aggravated Identity Theft)

3. From at least in or about 2014 up to and including at least in or about 2018, in the Southern District of New York and elsewhere, LIAQUAT CHEEMA and ALI CHEEMA, the defendants, knowingly did transfer, possess, and use, without lawful authority, a means of identification of another person, during and in relation to a felony violation enumerated in 18 U.S.C. § 1028A(c), to wit, LIAQUAT CHEEMA and ALI CHEEMA possessed, used, and transferred the name and social security number of at least one other person on documentation submitted in support of requests for payment during and in relation to the wire fraud conspiracy charged in Count One of this Complaint.

(Title 18, United States Code, Sections 1028A(a)(1) & (b), and 2.)

COUNT THREE
(Conspiracy to Commit Money Laundering)

4. From at least in or about 2014 up to and including at least in or about 2018, in the Southern District of New York, and elsewhere, LIAQUAT CHEEMA, ALI CHEEMA, IRFAN BAJWA, SHOUKET CHUDHARY, a/k/a "Muhammad Shakoor Chudary," a/k/a "Mohammad Shakoor Chudary,"¹ and KHIZAR HAYAT, the defendants, and others known and unknown, knowingly and intentionally combined, conspired, confederated and agreed together and with each other

¹ Hereafter, SHOUKET CHUDHARY, a/k/a "Muhammad Shakoor Chudary," a/k/a "Mohammad Shakoor Chudary," will be referred to in this Complaint as SHOUKET CHUDHARY.

to violate Title 18, United States Code, Section 1956(a)(1)(B)(i).

5. It was a part and an object of the conspiracy that LIAQUAT CHEEMA, ALI CHEEMA, IRFAN BAJWA, SHOUKET CHUDHARY, and KHIZAR HAYAT, the defendants, and others known and unknown, knowing that the property involved in financial transactions represented the proceeds of some form of unlawful activity, would and did conduct and attempt to conduct such financial transactions, which in fact involved the proceeds of specified unlawful activity, to wit, wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transactions were designed, in whole and in part, to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

(Title 18, United States Code, Section 1956(h).)

COUNT FOUR
(Conspiracy to Commit Health Care Fraud)

6. From at least in or about 2014 up to and including at least in or about 2018, in the Southern District of New York and elsewhere, LIAQUAT CHEEMA, IRFAN BAJWA, SHOUKET CHUDHARY, and KHIZAR HAYAT, the defendants, and others known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit health care fraud, in violation of Title 18, United States Code, Section 1347.

7. It was a part and object of the conspiracy that LIAQUAT CHEEMA, IRFAN BAJWA, SHOUKET CHUDHARY, and KHIZAR HAYAT, the defendants, and others known and unknown, knowingly and willfully would and did execute and attempt to execute, a scheme and artifice to defraud a health care benefit program and to obtain by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, a health care benefit program, to wit, Medicaid, in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347.

(Title 18, United States Code, Section 1349.)

COUNT FIVE
(Aggravated Identity Theft)

8. From at least in or about 2014 up to and including at least in or about 2018, in the Southern District of New York and elsewhere, LIAQUAT CHEEMA, IRFAN BAJWA, SHOUKET CHUDHARY, and KHIZAR HAYAT, the defendants, knowingly did transfer, possess, and use, without lawful authority, a means of identification of another person, during and in relation to a felony violation enumerated in 18 U.S.C. § 1028A(c), to wit, LIAQUAT CHEEMA, BAJWA, CHUDHARY, and HAYAT possessed, used, and transferred the name and purported signature of at least one other person on employment letters submitted in support of applications for Medicaid benefits during and in relation to the health care fraud conspiracy charged in Count Four of this Complaint.

(Title 18, United States Code, Sections 1028A(a)(1) and (b),
and 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

9. I am a Special Investigator with the New York City Department of Investigation ("NYC-DOI") and have been for approximately five years. I along with other investigators at NYC-DOI and with agents from the United States Department of Labor Office of Inspector General ("DOL-OIG") have been personally involved in the investigation of this matter. This affidavit is based on my participation in the investigation, my conversations with other law enforcement agents and other individuals, my examination of reports and records, as well as my training and experience. Because this affidavit is being submitted for the limited purpose of establishing probable cause for the offenses cited above, it does not include all the facts that I have learned during the course of my investigation. Where the contents of conversations of others are reported herein, they are reported in substance and in part.

Overview

10. LIAQUAT CHEEMA and ALI CHEEMA, the defendants, were the President and, at least as of in or about 2015, the Vice President, respectively, of AFL Construction Co. Inc. ("AFL"), located in Queens, New York. AFL entered into public contracts with New York City (the "City") to perform general contracting

work at homeless shelters located in the City, including in the Southern District of New York. To date, AFL has been paid at least \$8 million for work purportedly performed pursuant to these contracts.

11. Based on the investigation to date, as set forth in greater detail below, from at least in or about 2014 through at least in or about 2018, LIAQUAT CHEEMA and ALI CHEEMA, the defendants, and others known and unknown, used the AFL contracts to fraudulently enrich themselves and steal from the City on the basis of false representations. In furtherance of the scheme, the defendants, among other things, submitted fraudulent invoices and other documentation in support of requests for payment on the contracts, which falsely claimed that certain workers had performed work on certain projects and falsely inflated amounts paid by the defendants for materials purportedly used on such projects. These fraudulent invoices and supporting documentation contained, without authorization, the identities of other persons, including the names, and in at least one case, the social security number, of purported workers who in fact had not worked on the projects specified in the requests for payment submitted by the defendants.

12. The evidence further shows, among other things, that LIAQUAT CHEEMA and ALI CHEEMA, as well as IRFAN BAJWA, SHOUKET CHUDHARY, and KHIZAR HAYAT, the defendants, used several bank accounts to receive the proceeds of the fraudulent scheme and then conducted financial transactions, including transfers of illicit proceeds into the defendants' personal and business bank accounts via fraudulent checks, which transactions were designed to conceal and disguise the nature, location, source, ownership, and control of the proceeds. For example, certain of the defendants caused AFL to issue hundreds of checks to purported workers fraudulently listed in documentation submitted to the City in support of payment on the contracts but never delivered those checks to the purported workers; instead, the defendants deposited the checks into their own personal and business bank accounts. These fraudulent checks were therefore used by the defendants to maintain fraudulent records of payments to purported workers in order to conceal the scheme.

13. The evidence further shows, among other things, that LIAQUAT CHEEMA, IRFAN BAJWA, SHOUKET CHUDHARY, and KHIZAR HAYAT, the defendants, each fraudulently obtained Medicaid benefits. In furtherance of the scheme, the defendants, among other things, repeatedly submitted fraudulent certifications, which underreported their actual incomes and accordingly enabled them to obtain Medicaid benefits for which they were in fact

ineligible. In support of requests for Medicaid benefits, the defendants repeatedly submitted nearly identical employment letters, which, among other misrepresentations, contained the name and purported signature of an individual who in fact was deceased.

The Defendants and Relevant Entities

14. Based on my review of publicly available information from the website of the New York State Department of State ("NYS DOS"), my review of records from the New York City Department of Homeless Services ("NYC DHS"), my review of records from the New York City Department of Finance ("NYC DOF"), my review of records from the New York City Human Resources Administration ("NYCHRA"), my review of records from the New York City Department of Social Services ("NYC DSS"), my review of bank and mortgage records, my review of publicly available information on social media websites, and my discussions with other law enforcement officers involved in this investigation, I have learned the following, in substance and in part:

a. AFL is a domestic business corporation. AFL initially registered with NYS DOS in or about July 1998. Since at least in or about June 2015, AFL has maintained an office location on Northern Boulevard in Queens, New York (the "Northern Boulevard Property").

b. At all relevant times, LIAQUAT CHEEMA, the defendant, represented himself as the President of AFL.

c. At all relevant times, ALI CHEEMA, the defendant, was employed at AFL. Since at least in or about March 2015, ALI CHEEMA represented himself as Vice President of AFL. ALI CHEEMA is LIAQUAT CHEEMA's son.

d. At all relevant times, IRFAN BAJWA, the defendant, was employed at AFL. BAJWA's spouse is LIAQUAT CHEEMA's daughter.

e. From at least in or about 2014 through in or about September 2017, SHOUKET CHUDHARY, the defendant, was employed at AFL. CHUDHARY is LIAQUAT CHEEMA's brother-in-law.

f. At all relevant times, KHIZAR HAYAT, the defendant, was employed at AFL.

g. Corona NY LLC ("Corona") is a limited liability company in Queens, New York. Corona initially registered with NYS DOS in or about June 2011. Based on my review of mortgage documents, LIAQUAT CHEEMA represented himself as "Manager" of

Corona. Based on my review of bank records, LIAQUAT CHEEMA represented himself as "President" of Corona.

h. USA CW LLC ("USA") is a limited liability company with an address for service of process in Albany, New York. USA initially registered with NYS DOS in or about January 2016. Based on my review of NYC DOF records, LIAQUAT CHEEMA represented himself as "Member" of USA. Based on my review of bank records, LIAQUAT CHEEMA represented himself as the "Org Officer" of USA, submitted records to the bank reflecting that he was "Organizer" of USA, and signed checks issued from an account held by USA.

i. ALC N.Y. LLC ("ALC") is a limited liability company with an address for service of process in Queens, New York. ALC registered with NYS DOS in or about February 2017. Based on my review of NYC DOF records, LIAQUAT CHEEMA represented himself as "Member" of ALC. Based on my review of bank records, LIAQUAT CHEEMA represented himself as "President" of ALC.

j. AST Water Proofing Inc. ("AST") is a domestic business corporation with its principal office located on Curtis Street in Queens, New York (the "Curtis Street Property"). AST initially registered with NYS DOS in or about November 2007. According to NYS DOS, the Chief Executive Officer of AST was "Shouket Choudhavy," which, based on my participation in this investigation, I believe to be CHUDHARY. Based on my review of bank records, BAJWA represented himself as President of AST, and CHUDHARY represented himself as Vice President of AST.

k. NY General Contracting Service Inc. ("NY General") is a domestic business corporation with an address on Ericsson Street in Queens, New York (the "Ericsson Street Property"). NY General initially registered with NYS DOS in or about July 2014. Based on my review of bank records, HAYAT's spouse represented herself as President of NY General, and HAYAT represented himself as Vice President of NY General.

I. The Homeless Shelter Contract Scheme

Background

15. NYC DHS is a City public agency headquartered in New York, New York, whose mission includes prevention of homelessness and provision of safe temporary shelters throughout New York City. During all relevant times, NYC DHS outsourced certain construction and maintenance work to outside vendors, which submitted bids to NYC DHS and were awarded contracts by NYC DHS. Certain such contracts, including the contracts

referenced herein, were funded by a combination of federal and City funds.

16. At all relevant times, New York State Labor Law Sections 220 *et seq.* ("Section 220") provided, in relevant part, that each contract to which NYC DHS was a party for the construction, alteration, and/or repair of a public works project was required to contain a provision that laborers, workers, and mechanics be paid a prevailing wage. The prevailing wage was determined by the New York City Comptroller and consisted of a base hourly wage rate along with a supplemental hourly benefit rate. The base hourly wage rate and supplemental hourly benefit rate were based in part on job classifications. For example, in or about May 2014, the prevailing hourly wage rate for a laborer was approximately \$72.50, consisting of a base hourly wage rate of \$39.25 and a supplemental hourly benefit rate of \$33.25.

17. Section 220 required general contractors to certify that they had complied with the prevailing wage requirements prior to receiving payment under a contract with NYC DHS for a public works project. To comply with this provision, contractors on NYC DHS projects were required by Section 220 to submit "certified payroll" forms on a regular basis that stated, among other things, and under penalty of perjury, the names of the workers who performed construction work on a particular project, the dates and numbers of hours those workers worked, and how much they were paid.

18. In order for a general contractor on a NYC DHS project to be paid for its work and for the work of its subcontractors, the general contractor was required to submit a payment request to NYC DHS. After NYC DHS approved such a request, NYC DHS disbursed payment to the general contractor.

The Shelter Contracts

19. From my participation in this investigation and my review of NYC DHS records, I have learned that, in or about May 2014, AFL was awarded two different four-year contracts by NYC DHS (the "Shelter Contracts"): (1) an approximately \$4.8 million contract for on-call general contract work at homeless shelter sites located in Manhattan; and (2) an approximately \$2.6 million contract for similar work at homeless shelter sites located in the Bronx, Brooklyn, and Queens, which contract was subsequently increased to approximately \$7.3 million. Pursuant to the Shelter Contracts, AFL would perform, among other things, general maintenance, landscaping, roofing, and snow removal at shelter sites. LIAQUAT CHEEMA, the defendant, signed the

Shelter Contracts on behalf of AFL and signed statements in which he affirmed that he had reviewed and would comply with, among other things, NYC DHS's requirements to pay prevailing wage rates, to use and fill out certified payroll forms, and to pay all workers by check generated by either a payroll service or an agency-approved automated system.

The Fraudulent AFL Invoices

20. Based on my review of NYC DHS records, my discussions with others involved in this investigation, and my review of bank records, I have learned the following, among other things:

a. From in or about 2014 to at least in or about November 2017, AFL submitted to NYC DHS several hundred invoices (the "AFL Invoices") seeking payment for work purportedly performed by AFL pursuant to the Shelter Contracts. Along with the invoices, AFL submitted additional documentation in support of its requests for payment, including: (i) certified payroll forms (the "Certified Payroll Forms"), listing worker names, partial social security numbers for those workers, hours purportedly worked, and wages purportedly paid; (ii) field service reports (the "Field Service Reports"), listing the names and purported signatures of workers who purportedly worked on particular projects on particular dates; and (iii) copies of invoices purportedly issued to AFL by subcontractors and other businesses (the "Third-Party Invoices") that listed amounts purportedly paid by AFL for materials purportedly used on projects completed under the Shelter Contracts and for which AFL sought payment from NYC DHS.

b. The Certified Payroll Forms were accompanied by certifications, which in some instances were signed on behalf of AFL by LIAQUAT CHEEMA or ALI CHEEMA, the defendants. Certain of these Certified Payroll Forms falsely stated, among other things, that all persons employed on a particular project had been paid the applicable base hourly wage and required supplemental benefits.

c. The Field Service Reports in some instances were signed on behalf of AFL by LIAQUAT CHEEMA or ALI CHEEMA as "site director or designee" of a particular project. Certain of these Field Service Reports falsely stated that certain workers had worked on certain projects and contained forged signatures of certain purported workers. In some cases, ALI CHEEMA and KHIZAR HAYAT, the defendant, signed Field Service Reports as workers on certain projects, alongside the forged signatures of purported workers, including purported workers described below, *infra* ¶ 22.

d. In response to the AFL Invoices, and in reliance on the accuracy and truthfulness of the representations made by AFL therein, to date, AFL has been paid at least \$8 million for work purportedly performed pursuant to the Shelter Contracts. The payments to AFL were generally made via electronic funds transfer to AFL's bank accounts, which electronic payments involved interstate wires that traversed the Southern District of New York.

The Fraudulent Third-Party Invoices

21. As noted above, in support of invoices submitted by AFL to NYC DHS, AFL provided copies of invoices purportedly issued to AFL that listed amounts purportedly paid by AFL for materials purportedly used on projects completed under the Shelter Contracts and for which AFL sought payment from NYC DHS. Among other such invoices and for example, AFL submitted invoices (the "Radiator Cover Invoices") purportedly issued to AFL by a business that sold radiator covers (the "Radiator Cover Business") and invoices (the "Container Invoices") purportedly issued to AFL by a business that supplied containers (the "Container Business"). Pursuant to the Shelter Contracts, AFL was permitted mark-up costs of materials by no more than five percent. During the investigation, I have interviewed representatives of the Radiator Cover Business and the Container Business. Based on my participation in these interviews, my correspondence with these representatives, my comparison of invoices submitted by AFL to NYC DHS with invoices provided by the Radiator Cover Business and the Container Business, my review of records from the Radiator Cover Business and the Container Business, and my review of NYC DHS records, the Radiator Cover Invoices and the Container Invoices submitted by AFL to NYC DHS were fraudulent and involved mark-ups of much more than five percent. More specifically, during the interviews and in my review of the relevant invoices and records, I have learned the following, among other things:

a. Between approximately February 2017 and November 2017, AFL submitted the Radiator Cover Invoices to NYC DHS, seeking payment for radiator covers purportedly sold to AFL by the Radiator Cover Business. The Radiator Cover Invoices submitted by AFL to NYC DHS consisted of at least 28 separate invoices, totaling approximately \$216,000. The owner of the Radiator Cover Business met ALI CHEEMA, the defendant; spoke with ALI CHEEMA over the phone; and exchanged emails with ALI CHEEMA and IRFAN BAJWA, the defendant, concerning AFL's orders. The Radiator Cover Invoices submitted by AFL to NYC DHS were fraudulent because, among other things, the prices reflected on

the invoices and on associated purchase orders submitted by AFL to NYC DHS were higher than the actual prices charged to AFL by the Radiator Cover Business. For example, on or about November 16, 2017, AFL submitted to NYC DHS a fraudulent invoice purportedly issued by the Radiator Cover Business and an associated fraudulent purchase order signed by ALI CHEEMA, both of which listed \$3,300 for 11 radiator covers; the actual invoice issued by the Radiator Cover Business reflected that the Radiator Cover Business in fact charged AFL \$1,630 for 11 radiator covers. As a result of these misrepresentations, AFL attempted to get paid double the actual cost of these radiator covers.

b. Between approximately March 2017 and April 2017, AFL submitted the Container Invoices to NYC DHS, seeking payment for containers purportedly supplied to AFL by the Container Business. The Container Invoices submitted by AFL to NYC DHS consisted of at least 16 separate invoices, totaling approximately \$17,120. The Container Invoices submitted by AFL to NYC DHS were fraudulent because the prices reflected on the invoices were higher than the actual prices charged by the Container Business. The actual amount charged by the Container Business was approximately \$12,800, thus resulting in AFL attempting to get paid more than 30 percent over the actual cost of these containers.

The Purported Workers

22. During the investigation, other law enforcement officers and I have interviewed individuals, including Individuals-1 through -6 described below, who were listed as workers on certain of the Certified Payroll Forms and Field Service Reports submitted by AFL to NYC DHS. Based on these interviews, the forms and reports submitted by AFL to NYC DHS were fraudulent. More specifically, during the interviews and in my review of reports of such interviews, I have learned the following, among other things:

a. Individual-1 recalled working for AFL for approximately ten to twenty days in or about 2014 in upstate New York. Individual-1 also recalled working for AFL on a project to fix a bathroom in Brooklyn, although he did not recall when or for how long he was so employed. Individual-1 was paid by AFL approximately \$150 for each day he worked. He was paid by two checks made out to one of Individual-1's family members. Individual-1 did not recall ever being paid by AFL by a check made out to Individual-1 and never authorized anyone at AFL to endorse any check on his behalf. The purported signatures of Individual-1 on the Field Service Reports submitted by AFL to

NYC DHS and shown to Individual-1 during the interview were not his signature.

b. Individual-2 was a retired carpenter. Individual-2 recalled hearing the name "Cheema" and recalled working as a day laborer for several construction companies but did not recall ever working for AFL. Individual-2 recalled being paid a maximum of \$112 per day in cash for his work. He did not recall ever being paid by check. Individual-2 was not paid the wages reflected on the Certified Payroll Forms submitted by AFL to NYC DHS that were shown to him during the interview, which in some instances claimed that Individual-2 was paid as much as \$120 *per hour*. The purported signatures of Individual-2 on the Field Service Reports submitted by AFL to NYC DHS and shown to Individual-2 during the interview were not his signature.

c. Individual-3 worked as a driver for a limousine company and did not recall ever working for AFL. The purported signatures of Individual-3 on the Field Service Reports submitted by AFL to NYC DHS and shown to Individual-3 during the interview were not his signature. Individual-3 confirmed that the final four digits of his social security number were accurately reflected on the Certified Payroll Forms submitted by AFL to NYC DHS and shown to Individual-3 during the interview; Individual-3 said that he never gave AFL permission to use his name or social security number.

d. Individual-4 did not recall ever working for AFL, although he believed he worked for an entity called "Cheema Construction Company" for three or four days in the Bronx before 2016. Individual-4 was paid approximately \$80 to \$100 in cash for each day he worked. Individual-4 did not recall ever being paid by AFL by check. Individual-4 was not paid the wages reflected on the Certified Payroll Forms submitted by AFL to NYC DHS and shown to Individual-4 during the interview, which frequently claimed that Individual-2 was paid as much as \$120 *per hour* and in at least one instance claimed \$180 *per hour*. The purported signatures of Individual-4 on the Field Service Reports submitted by AFL to NYC DHS and shown to Individual-4 during the interview were not his signature.

e. Individual-5 did not recall ever working for AFL, although he had worked as a laborer for several construction companies since in or about 2012. The purported signatures of Individual-5 on the Field Service Reports submitted by AFL to NYC DHS and shown to Individual-5 during the interview were not his signature.

f. Individual-6 recalled working for AFL at a job site in the Bronx for approximately one-and-a-half to two months in or about 2016. Individual-6's supervisor at AFL was KHIZAR HAYAT, the defendant. Individual-6 was paid approximately \$150 in cash for each day he worked for AFL. Individual-6 did not recall ever being paid by AFL by check.

The Fraud Proceeds

23. As set forth below, LIAQUAT CHEEMA, ALI CHEEMA, IRFAN BAJWA, SHOUKET CHUDHARY, and KHIZAR HAYAT, the defendants used several bank accounts to receive proceeds of their fraudulent scheme and then conducted financial transactions designed to conceal and disguise the nature, location, source, ownership, and control of these proceeds. In particular, certain of the defendants caused AFL to issue hundreds of checks to purported workers but never delivered those checks to the purported workers; instead, the defendants deposited many of the checks into their own bank accounts. More specifically, based on my review of NYC DHS records, my review of bank records, and my discussions with others involved in this investigation, I have learned the following, among other things:

AFL's Receipt of \$8 million

a. Between in or about November 2014 and in or about September 2017, AFL was paid approximately \$8 million in response to invoices submitted by AFL pursuant to the Shelter Contracts.

b. The approximately \$8 million was paid into three bank accounts held by AFL (the "Three AFL Accounts"), each of which had two authorized signatories. LIAQUAT CHEEMA, the defendant, was a signatory for all of the Three AFL Accounts. ALI CHEEMA, the defendant, was a signatory for two of the Three AFL Accounts.

AFL's Issuance of Hundreds of Checks to the Purported Workers

c. Between in or about 2014 and in or about 2017, AFL issued at least approximately 46 checks, many of which were handwritten, to Individual-1, with a total value of approximately \$58,000, from the Three AFL Accounts; all but three of the checks appear to have been signed on behalf of AFL by either LIAQUAT CHEEMA or ALI CHEEMA. None of the checks was actually deposited into Individual-1's accounts. Rather, most of the checks were deposited into accounts held by LIAQUAT CHEEMA, ALI CHEEMA, BAJWA, BAJWA's spouse, and HAYAT's spouse. During the interview of Individual-1 discussed above, Individual-1 was shown a sample of these 46 checks, many of

which appear to have Individual-1's name written on the endorsement line of the check. However, Individual-1 stated that he did not receive or endorse the checks made out to him.

d. Between in or about 2014 and in or about 2017, AFL issued at least approximately 33 checks, many of which were handwritten, to Individual-2, with a total value of approximately \$31,000, from the Three AFL Accounts; all but one of the checks appear to have been signed on behalf of AFL by either LIAQUAT CHEEMA or ALI CHEEMA. None of the checks was actually deposited into Individual-2's accounts. Rather, most of the checks were deposited into accounts held by LIAQUAT CHEEMA, ALI CHEEMA, CHUDHARY, CHUDHARY's spouse, and HAYAT's spouse. During the interview of Individual-2 discussed above, Individual-2 was shown a sample of these 33 checks, many of which appear to have Individual-2's name written on the endorsement line of the check. However, Individual-2 stated that he did not receive or endorse the checks made out to him.

e. Between in or about 2015 and in or about 2017, AFL issued at least approximately 59 checks, many of which were handwritten, to Individual-3, with a total value of approximately \$65,000, from the Three AFL Accounts; all but one of the checks appear to have been signed on behalf of AFL by either LIAQUAT CHEEMA or ALI CHEEMA. None of the checks was actually deposited into Individual-3's accounts. Rather, most of the checks were deposited into accounts held by LIAQUAT CHEEMA, LIAQUAT CHEEMA's spouse, ALI CHEEMA, BAJWA, and BAJWA's spouse. During the interview of Individual-3 discussed above, Individual-3 was shown a sample of these 59 checks, many of which appear to have Individual-3's name written on the endorsement line of the check. However, Individual-3 stated that he did not receive or endorse the checks made out to him.

f. Between in or about 2015 and in or about 2017, AFL issued at least approximately 84 checks, many of which were handwritten, to Individual-4, with a total value of approximately \$98,000, from the Three AFL Accounts; all of the checks appear to have been signed on behalf of AFL by either LIAQUAT CHEEMA or ALI CHEEMA. None of the checks was actually deposited into Individual-4's accounts. Rather, most of the checks were deposited into accounts held by LIAQUAT CHEEMA, ALI CHEEMA, BAJWA, BAJWA's spouse, CHUDHARY, CHUDHARY's spouse, and HAYAT's spouse. During the interview of Individual-4 discussed above, Individual-4 was shown a sample of these 84 checks, many of which appear to have Individual-4's name written on the endorsement line of the check. However, Individual-4 stated that he did not receive or endorse the checks made out to him.

g. Between in or about 2014 and in or about 2017, AFL issued at least approximately 67 checks, many of which were handwritten, to Individual-5, with a total value of approximately \$72,000, from the Three AFL Accounts; all but three of the checks appear to have been signed on behalf of AFL by either LIAQUAT CHEEMA or ALI CHEEMA. Only one of the checks was actually deposited into an account held by Individual-5. Many of the other 66 checks were deposited into accounts held by LIAQUAT CHEEMA, LIAQUAT CHEEMA's spouse, ALI CHEEMA, BAJWA, BAJWA's spouse, CHUDHARY, and CHUDHARY's spouse. During the interview of Individual-5, Individual-5 was shown a sample of these 67 checks, many of which appear to have Individual-5's name written on the endorsement line of the check. However, Individual-5 stated that he did not receive or endorse the checks made out to him.²

h. In or about 2016, AFL issued at least approximately four checks, all of which were handwritten, to Individual-6, with a total value of approximately \$3,000, from the Three AFL Accounts; all of the checks appear to have been signed on behalf of AFL by either LIAQUAT CHEEMA or ALI CHEEMA. None of the checks was actually deposited into Individual-6's accounts. Instead, one of the checks was deposited back into an account held in the name of AFL and three of the checks were cashed. What appears to be LIAQUAT CHEEMA's signature or initials appears on the endorsement line of the three checks that were cashed. During the interview of Individual-6, Individual-6 was shown these four checks, at least three of which appear to have Individual-6's name written on the endorsement line of the check. However, Individual-6 stated that he did not receive or endorse the checks made out to him.

The Defendants' Receipt of Fraud Proceeds

i. Between in or about 2014 and in or about 2018, LIAQUAT CHEEMA appears to have received at least approximately \$793,000 from the Three AFL Accounts, consisting of \$472,000 in

² Based on my review of bank records, and as noted above, it appears that approximately one of the 67 checks issued to Individual-5 by AFL was deposited into a bank account in the name of Individual-5. The check was issued by AFL in or about September 2014, in the amount of approximately \$2,000. The check was not one of the checks shown to Individual-5 during the interview of Individual-5.

checks issued to LIAQUAT CHEEMA and \$321,000 in checks issued to individuals other than LIAQUAT CHEEMA, including Individuals-1 through -6. These checks were either deposited into personal bank accounts jointly held by LIAQUAT CHEEMA and others or were cashed by him.³

j. Between in or about 2015 and in or about 2017, Corona, an entity associated with LIAQUAT CHEEMA, *supra* ¶ 14.g, appears to have received at least approximately \$242,000 from the Three AFL Accounts, consisting of \$80,000 in checks issued to Corona and \$162,000 in checks issued to individuals or entities other than Corona, including Individuals-1 through -5. These checks were deposited into bank accounts held by Corona.⁴

k. Between in or about 2014 and in or about 2018, ALI CHEEMA appears to have received at least approximately \$199,000 from the Three AFL Accounts, consisting of \$180,000 in checks issued to ALI CHEEMA and \$19,000 in checks issued to individuals other than ALI CHEEMA, including Individual-1 and Individual-4. These checks were either deposited into a personal bank account held by ALI CHEEMA or were cashed by him.⁵

l. Between in or about 2014 and in or about 2018, BAJWA and his spouse appear to have received at least approximately \$555,000 from the Three AFL Accounts, consisting of \$310,000 in checks issued to BAJWA or his spouse and \$245,000 in checks issued to individuals other than BAJWA or his spouse, including Individual-1 and Individuals-3 through -5. These

³ In addition, in or about 2018, LIAQUAT CHEEMA appears to have received at least approximately \$227,000 from AFL accounts other than the Three AFL Accounts, consisting of \$166,000 in checks issued to LIAQUAT CHEEMA and \$61,000 in checks issued to individuals other than LIAQUAT CHEEMA. These checks were deposited into bank accounts held by LIAQUAT CHEEMA or by LIAQUAT CHEEMA and his spouse.

⁴ In addition, in or about 2018, Corona appears to have received at least approximately \$54,000 from AFL accounts other than the Three AFL Accounts, consisting of \$14,000 in checks issued to Corona and \$40,000 in checks issued to individuals or entities other than Corona. These checks were deposited into bank accounts held by Corona.

⁵ In addition, in or about 2018, ALI CHEEMA appears to have received at least approximately \$70,000 in checks from AFL accounts other than the Three AFL Accounts.

checks were deposited into personal bank accounts held either by BAJWA and his spouse or by his spouse.⁶

m. Between in or about 2014 and in or about 2017, CHUDHARY appears to have received at least approximately \$551,000 from the Three AFL Accounts, consisting of \$176,000 in checks issued to CHUDHARY or his spouse and \$375,000 in checks issued to individuals other than CHUDHARY or his spouse, including Individuals-1 through -5. These checks were either deposited into a personal bank account held by CHUDHARY and his spouse or cashed by him.

n. Between in or about 2014 and in or about 2016, AST, an entity associated with BAJWA and CHUDHARY, *supra* ¶ 14.j, appears to have received at least approximately \$22,000 from the Three AFL Accounts, consisting of checks issued to individuals or entities other than AST, including Individual-1. These checks were deposited into a bank account held by AST.⁷

o. Between in or about 2014 and in or about 2018, HAYAT appears to have received at least approximately \$246,000 from the Three AFL Accounts, consisting of checks issued to HAYAT or his spouse.⁸

p. In or about 2016, NY General, an entity associated with HAYAT, *supra* ¶ 14.k, appears to have received at least approximately \$43,000 from the Three AFL Accounts, consisting of checks issued to individuals or entities other than NY General, including Individual-1, Individual-2, and

⁶ In addition, in or about 2018, BAJWA and his spouse appear to have received at least approximately \$144,000 from AFL accounts other than the Three AFL Accounts, consisting of \$127,000 in checks issued to BAJWA or his spouse and \$17,000 in checks issued to individuals other than BAJWA or his spouse. These checks were deposited into bank accounts held by BAJWA and BAJWA's spouse or by BAJWA's spouse.

⁷ In addition, between in or about 2014 and in or about 2018, AST appears to have received at least approximately \$23,000 in checks from AFL accounts other than the Three AFL Accounts.

⁸ In addition, in or about 2018, HAYAT appears to have received at least approximately \$58,000 in checks from AFL accounts other than the Three AFL Accounts.

Individual-4. These checks were deposited into a bank account held by NY General.⁹

The Defendants' Properties and Use of Fraud Proceeds to Pay for Properties

24. Based on my review of NYC DOF records, my review of NYC DHS records, my review of NYCHRA records, my review of NYC DSS records, my review of bank and mortgage records, and my discussions with other law enforcement officers involved in this investigation, I have learned the following, in substance and in part:

a. In or about February 2002, LIAQUAT CHEEMA, the defendant, bought the Curtis Street Property for approximately \$320,000, approximately \$256,000 of which was financed by a mortgage that was paid off by in or about 2015. Between in or about 2014 and in or about 2015, at least approximately 12 payments were made on the mortgage. At least three of these payments came directly from one of the Three AFL Accounts and appear to have consisted at least in part of money paid to AFL pursuant to the Shelter Contracts. The other nine payments were made from personal bank accounts for which the signatories included either LIAQUAT CHEEMA or SHOUKET CHUDHARY, the defendant.

b. In or about April 2014, KHIZAR HAYAT, the defendant, bought the Ericsson Street Property for approximately \$615,000, approximately \$417,000 of which was financed by a mortgage. Between at least in or about 2014 and in or about 2018, HAYAT made regular payments on the mortgage of approximately \$3,000 per month, the funds for which appear to have frequently come from money paid to him by AFL.

c. In or about May 2015, LIAQUAT CHEEMA bought the Northern Boulevard Property on behalf of Corona for approximately \$1.18 million, approximately \$944,000 of which was financed by a mortgage. At least \$80,000 of the funds used to purchase this property came directly from one of the Three AFL Accounts and appear to have consisted at least in part of money paid to AFL pursuant to the Shelter Contracts.

d. In or about January 2016, IRFAN BAJWA, the defendant, bought a property located on South First Street in New Hyde Park, New York (the "South First Street Property") for

⁹ In addition, in or about 2018, NY General appears to have received at least approximately \$58,000 in checks from AFL accounts other than the Three AFL Accounts.

approximately \$450,000, approximately \$405,000 of which was financed by a mortgage. Between at least in or about 2016 and in or about 2018, BAJWA and his spouse made regular payments on the mortgage of approximately \$3,000 per month, the funds for which appear to have frequently come from money paid to them by AFL.

e. In or about May 2016, LIAQUAT CHEEMA bought a property located on Butler Street in Queens, New York for approximately \$770,000. It appears that no mortgage was obtained in connection with this transaction. At least \$700,000 of the funds used for the purchase of this property came directly from one of the Three AFL Accounts and appear to have consisted at least in part of money paid to AFL pursuant to the Shelter Contracts.

f. In or about July 2017, LIAQUAT CHEEMA bought a property located on 107th Street in Queens, New York on behalf of USA for approximately \$249,000. It appears that no mortgage was obtained in connection with this transaction. The funds used for the purchase of this property came directly from one of the Three AFL Accounts and appear to have consisted at least in part of money paid to AFL pursuant to the Shelter Contracts.

g. In or about August 2017, LIAQUAT CHEEMA bought a property located on 27th Avenue in Queens, New York on behalf of ALC for approximately \$860,000. It appears that no mortgage was obtained in connection with this transaction. At least \$400,000 of the funds used for the purchase of this property came directly from one of the Three AFL Accounts and appear to have consisted at least in part of money paid to AFL pursuant to the Shelter Contracts.

II. The Medicaid Fraud Scheme

25. Based on my conversations with employees of NYCHRA and NYC DSS, my review of publicly available information concerning Medicaid, and my training and experience, I have learned the following:

a. Medicaid is a health insurance program for low-income adults and children. While Medicaid is largely funded by the United States Department of Health and Human Services, it is administered by the states. In New York State, the Medicaid program is administered by the New York State Department of Health.

b. In New York State, applications for Medicaid benefits are generally processed by local agencies. In New York City, the pertinent agency is NYCHRA.

c. NYCHRA requires an applicant for Medicaid benefits to provide certain information, including name, date of birth, social security number, and income. NYCHRA uses this information to determine what Medicaid benefits, if any, to which the applicant is entitled. Whether a person is entitled to Medicaid benefits, and, if entitled, the amount to which that person is entitled, is based in part on the reported household income and composition.

d. Once an individual is initially approved for Medicaid benefits, the individual must renew his or her eligibility, certifying in writing that he or she continues to qualify. This renewal certification must include statements by the claimant regarding household income and composition. Until on or about January 11, 2017, such renewal certifications for Medicaid benefits were processed by NYCHRA in New York, New York.

e. In New York State, recipients of Medicaid benefits typically enroll in a pre-approved health insurance plan, which pays eligible healthcare costs.

26. Based on my conversations with employees of NYCHRA and NYC DSS, my review of NYCHRA records, my review of bank records, my review of publicly available information concerning Medicaid, my training and experience, and my conversations with other law enforcement officers, I have learned, among other things, the following:

LIAQUAT CHEEMA

a. LIAQUAT CHEEMA, the defendant, and his spouse have received Medicaid benefits since at least in or about 2014.

b. In connection with their receipt of Medicaid benefits, LIAQUAT CHEEMA's spouse has submitted renewal certifications on behalf of herself, LIAQUAT CHEEMA, and certain children, attesting to their eligibility for such benefits.

c. For example, in or about August 2014, LIAQUAT CHEEMA's spouse signed such a renewal certification, which represented that the sole source of income for their household was \$350 in cash received weekly by LIAQUAT CHEEMA from AFL. In

support of the certification, which sought continued Medicaid benefits for LIAQUAT CHEEMA, his spouse, and three children, LIAQUAT CHEEMA's spouse submitted a letter on AFL letterhead, purportedly signed by a "Program Manager" at AFL (the "Program Manager"), which stated that LIAQUAT CHEEMA was an "employee" at AFL who "works with our company and he makes \$350.00 gross a week."

d. At least once per year from in or about 2014 to at least in or about 2018, LIAQUAT CHEEMA's spouse signed similar renewal certifications, which sought continued Medicaid benefits for LIAQUAT CHEEMA, his spouse, and certain children. Each certification similarly represented household income of either \$350 or \$375 received weekly by LIAQUAT CHEEMA at least in part in cash from AFL. Each certification was supported by nearly identical employment letters on AFL letterhead, all of which were purportedly signed by the Program Manager, and all of which stated that LIAQUAT CHEEMA was an "employee" who "works with our company" and made either \$350 or \$375 per week.

e. From in or about 2014 to in or about 2018, LIAQUAT CHEEMA personally received at least approximately \$30,000 in Medicaid benefits, and his spouse personally received at least \$33,000 in Medicaid benefits.

f. At no time during the period from at least in or about 2014 to in or about 2018 did LIAQUAT CHEEMA or his spouse disclose to NYCHRA their actual household income. For example, other than their claims of earning approximately \$350 or \$375 per week from AFL, they never disclosed their receipt during this period of at least approximately \$1.02 million from AFL.¹⁰

IRFAN BAJWA

g. IRFAN BAJWA, the defendant, and his spouse have received Medicaid benefits since at least in or about 2014.

h. In connection with their receipt of Medicaid benefits, BAJWA's spouse has submitted renewal certifications on behalf of herself, BAJWA, and certain children, attesting to their eligibility for such benefits.

¹⁰ Moreover, in or about July 2014, in an application for a credit card from a home improvement retailer, LIAQUAT CHEEMA claimed that he earned an annual salary of \$416,667.

i. For example, in or about March 2014, BAJWA's spouse signed such a renewal certification, which represented that the sole source of income for her household with BAJWA was \$350 received weekly by BAJWA at least in part in cash from AFL. In support of the certification, which sought continued Medicaid benefits for BAJWA, his spouse, and two children, his spouse submitted a letter on AFL letterhead, purportedly signed by the Program Manager, which stated that BAJWA made "\$350.00 gross a week."

j. At least once per year from at least in or about 2014 to at least in or about 2018, BAJWA's spouse signed similar certifications, which sought continued Medicaid benefits for, among others, BAJWA, his spouse, and certain children. Each of these certifications similarly represented household income of either \$350 or \$375 received weekly by BAJWA at least in part in cash from AFL.¹¹ Each certification was supported by nearly identical employment letters on AFL letterhead, all of which were purportedly signed by the same Program Manager at AFL, and all of which stated that BAJWA made either \$350 or \$375 per week.

k. From in or about 2014 to in or about 2018, BAJWA personally received at least approximately \$29,000 in Medicaid benefits, and his spouse personally received at least \$35,000 in Medicaid benefits.

l. At no time during the period from at least in or about 2014 to in or about 2018 did BAJWA or his spouse disclose to NYCHRA their actual household income. For example, other than their claims of earning approximately \$350 or \$375 per week from AFL, they never disclosed their receipt during this period of at least approximately \$699,000 from AFL.¹²

¹¹ At all relevant times, BAJWA and his spouse represented in their Medicaid application documentation that they resided at the Curtis Street Property in Queens, New York, which was owned by LIAQUAT CHEEMA, *supra* ¶ 24.a. In fact, based on my review of bank and real estate records, it appears that BAJWA and his spouse have resided since at least in or about 2016 at the South First Street Property, which BAJWA bought, *supra* ¶ 24.d, and is in Nassau County.

¹² Moreover, in or about September 2017, in an application submitted to a bank, BAJWA claimed that he earned an annual salary of \$80,000 from AFL.

SHOUKET CHUDHARY

m. SHOUKET CHUDHARY, the defendant, and his spouse have received Medicaid benefits since at least in or about 2014.

n. In connection with their receipt of Medicaid benefits, CHUDHARY and his spouse have submitted renewal certifications attesting to their eligibility for such benefits.

o. For example, in or about 2015, CHUDHARY's spouse signed such a renewal certification, which represented that the sole source of income for her household with CHUDHARY was \$300 received weekly by CHUDHARY at least in part in cash.

p. At least once per year from in or about 2015 to at least in or about 2017, CHUDHARY's spouse signed similar renewal certifications, which sought continued Medicaid benefits for, among others, CHUDHARY, his spouse, and certain children. Each of these certifications represented household income of \$300, which was earned by CHUDHARY. For several of the certifications, the certification was supported by nearly identical employment letters on AFL letterhead, all of which were purportedly signed by the same Program Manager at AFL, and all of which stated that CHUDHARY made \$300 per week.

q. From in or about 2014 to in or about 2018, CHUDHARY personally received at least approximately \$30,000 in Medicaid benefits, and his spouse personally received at least approximately \$39,000 in Medicaid benefits.

r. At no time during the period from at least in or about 2014 to in or about 2018 did CHUDHARY or his spouse disclose to NYCHRA their actual household income. For example, other than their claims of earning approximately \$300 per week, they never disclosed their receipt during this period of at least approximately \$551,000 from AFL.

KHIZAR HAYAT

s. KHIZAR HAYAT, the defendant, and his spouse have received Medicaid benefits since at least in or about 2014.

t. In connection with their receipt of Medicaid benefits, HAYAT and his spouse have submitted renewal certifications attesting to their household's eligibility for such benefits.

u. For example, in or about May 2014, HAYAT and his spouse signed such a renewal certification, which represented that their household's sole source of income was \$300 received weekly by HYATT at least in part in cash from AFL.

v. At least once per year from at least in or about 2014 up to at least in or about 2018, HAYAT and/or his spouse signed similar renewal certifications, which sought continued Medicaid benefits for, among others, HAYAT, his spouse, and certain children. Each of these certifications similarly represented household income of between \$300 and \$375 received weekly by HAYAT from AFL. For several of the certifications, the certification was supported by nearly identical employment letters on AFL letterhead, all of which were purportedly signed by the same Program Manager at AFL, and all of which stated that HAYAT made \$375 per week.

w. Since in or about 2014 to in or about 2018, HAYAT personally received at least approximately \$29,000 in Medicaid benefits, and his spouse personally received at least approximately \$29,000 in Medicaid benefits.

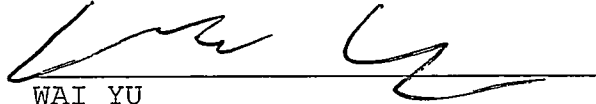
x. At no time during the period from in or about 2014 to in or about 2018 did HAYAT or his spouse disclose to NYCHRA their actual household income. For example, other than the claims of earning approximately \$300 or \$375 per week from AFL, they never disclosed their receipt during this period of at least approximately \$304,000 from AFL.

27. Based on my review of bank records, AFL last issued a check to an individual with the same name as the Program Manager in or about 2014. Based on my review of bank records for an account held by the Program Manager and my review of records from the New York City Department of Health and Mental Hygiene, the Program Manager died in or about October 2016. Accordingly, I believe that the employment letters purportedly signed by the Program Manager filed in support of Medicaid renewal certifications by LIAQUAT CHEEMA, IRFAN BAJWA, SHOUKET CHUDHARY, and KHIZAR HAYAT, the defendants, were fraudulent.

28. From my review of documents and records reflecting maximum income limits for Medicaid benefits, my review of bank records, my conversations with employees of NYCHRA and NYC DSS, and my discussions with others involved in this investigation, I have learned, among other things, that between at least in or about 2014 and in or about 2018, LIAQUAT CHEEMA, IRFAN BAJWA, SHOUKET CHUDHARY, and KHIZAR HAYAT, the defendants, received


Medicaid benefits they would have been ineligible for had they accurately reported the income of their households.

WHEREFORE, the deponent respectfully requests that a warrant issue for the arrests of LIAQUAT CHEEMA, ALI CHEEMA, IRFAN BAJWA, SHOUKET CHUDHARY, and KHIZAR HAYAT, the defendants, and that they be arrested and imprisoned, or bailed, as the case may be.



WAI YU
Special Investigator
New York City Department of
Investigation

Sworn to before me this
20th day of September 2022


THE HONORABLE VALERIE FIGUEREDO
United States Magistrate Judge
Southern District of New York