

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Crim. No. 21-
	:	
AZHAR RANA	:	
	:	18 U.S.C. § 1344
	:	18 U.S.C. § 1957

INFORMATION

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey, charges:

Count One
(Bank Fraud)

Relevant Individuals and Entities

1. At all times relevant to this Indictment:
 - a. Defendant AZHAR SARWAR RANA (“RANA”) was a resident of Newton, New Jersey.
 - b. Azhar Sarwar Rana LLC (“Rana LLC”) was a corporate entity associated with RANA that listed the same address as RANA’s residence in Newton, New Jersey (the “Newton Address”) and had a stated business purpose “to buy, sell and invest in real estate properties for profit.”
 - c. Lender 1 was a financial institution, as defined by Title 18, United States Code, Section 20, with accounts insured by the Federal Deposit Insurance Corporation (“FDIC”) and headquartered in Charlotte, North Carolina.

d. Bank 1 was a financial institution, as defined by Title 18, United States Code, Section 20, with accounts insured by the FDIC and headquartered in San Francisco, California.

Overview of the Scheme to Defraud

2. Defendant RANA used a variety of false statements to fraudulently obtain over \$5 million in federal COVID-19 emergency relief funds meant for distressed small businesses. RANA submitted an application to Lender 1 that falsified payroll and tax information. He then laundered the loan proceeds through a number of accounts he controlled, ultimately using the stolen funds to invest in the stock market, send money abroad to Pakistan, and pay for a luxury car, among other things.

Payroll Protection Program

3. 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 were 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 a program referred to as the Paycheck Protection Program (“PPP”). In or around April 2020, Congress authorized over \$300 billion in additional PPP funding.

4. In order to obtain a PPP loan, a qualifying business must submit a PPP loan application, which is signed by an authorized representative of the

business. The PPP loan application requires 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, the small business (through its authorized representative) must state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures are used to calculate the amount of money the small business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan must include documentation showing their payroll expenses and other information as part of the application.

5. A PPP loan application must be processed by a participating lender. If a PPP loan application is approved, the participating lender funds the PPP loan using its own monies, which are 100% guaranteed by the Small Business Administration (“SBA”). Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, is transmitted by the lender to the SBA in the course of processing the loan.

6. PPP loan proceeds must be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses a certain amount of the PPP loan proceeds on payroll expenses.

The Scheme to Defraud

7. From at least in or around April 2020 through in or around December 2020, in Sussex County, in the District of New Jersey and elsewhere, the defendant,

AZHAR RANA,

did knowingly and intentionally execute and attempt to execute a scheme and artifice to obtain moneys, funds, and credits owned by and under the custody and control of financial institutions, to wit: Lender 1, the deposits of which were insured by the FDIC, by means of materially false and fraudulent pretenses, representations, and promises, as set forth more fully below.

The Goal of the Scheme to Defraud

8. The goal of the scheme was for RANA to enrich himself by fraudulently obtaining millions of dollars in PPP loans from various lenders by executing the scheme described herein.

Manner and Means of the Scheme to Defraud

9. It was part of the scheme to defraud that:

a. On or about April 6, 2020, RANA submitted an application on behalf of Rana LLC to Lender 1 seeking a PPP loan for approximately \$10,000,000 (the “Application”).

b. The Application and supporting documentation contained materially false and fraudulent information, including (i) a falsified payroll report for January 2020 through March 2020 that included fake biweekly payroll amounts, (ii) false statements regarding the monthly payroll amount and number

of Rana LLC employees, and (iii) falsified Internal Revenue Service (“IRS”) tax documents.

c. RANA’s fraudulent loan application induced Lender 1 to disburse approximately \$5,677,473 in PPP funds to an account at Lender 1 in the name of Rana LLC and controlled by RANA.

d. Upon receiving the PPP proceeds from Lender 1, RANA quickly transferred the PPP loan money to a number of other accounts that he controlled, including the transfer of approximately \$4 million to an account in RANA’s name at Bank 1.

e. RANA used the PPP funds for numerous personal expenses, including trading millions of dollars in securities and a \$13,000 payment to a BMW dealership. He also sent loan proceeds to accounts in the names of family members, as well as accounts in Pakistan.

Execution of the Scheme

10. On or about April 6, 2020, in Sussex County, in the District of New Jersey and elsewhere, defendant

AZHAR RANA

did knowingly and intentionally execute and attempt to execute a scheme and artifice to obtain moneys, funds, and credits owned by and under the custody and control of financial institutions, to wit: Lender 1, the deposits of which are insured by the FDIC, by means of materially false and fraudulent pretenses, representations, and promises:

Count	Approximate Date	Description
1	April 6, 2020	The submission of the Application on behalf of Rana LLC to Lender 1.

In violation of Title 18, United States Code, Section 1344(2) and Section 2.

Count Two
(Money Laundering)

1. The allegations set forth in Paragraphs 1-6 and 8-9 of Count One are hereby repeated, realleged, and incorporated as if fully set forth herein.

2. On or about May 7, 2020, in Sussex County, in the District of New Jersey, and elsewhere, the defendant,

AZHAR RANA,

did knowingly engage and attempt to engage in monetary transactions by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, that is, the transfer of approximately \$1 million of U.S. currency from an account at Lender 1 to an account at Bank 1 ending in ██████████8184, such property having been derived from a specified unlawful activity, that is, bank fraud, in violation of Title 18, United States Code, Section 1344.

In violation of Title 18, United States Code, Sections 1957 and 2.

FORFEITURE ALLEGATION AS TO COUNT ONE

1. As a result of committing the offenses charged in Count One of this Information, defendant AZHAR RANA shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2)(A), any property, real or personal, constituting, or derived from, proceeds obtained directly or indirectly as a result of the offenses charged in Count One of this Information, the value of which totaled \$5,677,473, and which includes, but is not limited to, the following properties:

- a. The contents of accounts at Wells Fargo ending in [REDACTED] 8184 and in [REDACTED] 5779, each in the name of Azhar Rana;
- b. The contents of brokerage accounts at TD Ameritrade ending in [REDACTED] 8065 in the name of Azhar Sarwar Rana and ending in [REDACTED] 8062 in the name of Azhar Sarwar Rana LLC;
- c. The contents of accounts at [REDACTED] ending in [REDACTED] 7502 in the name of Azhar Sarwar Rana LLC, ending in [REDACTED] 9370 in the name of Meal to Live LLC and ending in [REDACTED] 8857 in the name of Manhattan Realty LLC;

and all property traceable to such property, (hereinafter referred to collectively as the "Specific Properties").

FORFEITURE ALLEGATION AS TO COUNT TWO

2. As a result of committing the money-laundering offense charged in Count Two of this Information, defendant AZHAR RANA shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), all property, real or personal, involved in such money laundering offense, and all property traceable to such property, including but not limited to all right, title, and interest of the defendant in the Specific Properties.

Substitute-Asset Provision
(Applicable to All Forfeiture Allegations)

If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of such defendant up to the value of the forfeitable property described above.


RACHAEL A. HONIG
Acting United States Attorney

CASE NUMBER: 21-Cr-

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

AZHAR RANA

INFORMATION FOR

18 U.S.C. §§ 1344(2) and 1957

RACHAEL A. HONIG

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