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**NINE DEFENDANTS CHARGED WITH DEFRAUDING DISASTER RELIEF PROGRAMS:
ALLEGEDLY STOLE MORE THAN \$2.2 MILLION WITH BOGUS CLAIMS OF ECONOMIC
HARM DUE TO COVID-19**

Accused of Submitting Applications on Behalf of Fake and Defunct Companies, Transferring Business Loan Funds to Personal Accounts and Wiring Portion of Money to Accomplices

Queens District Attorney Melinda Katz and New York State Inspector General Lucy Lang announced that nine individuals have been charged with grand larceny, criminal possession of stolen property and other crimes for allegedly separately stealing thousands of dollars in pandemic relief funds intended to help small business owners suffering hardship due to the COVID-19 pandemic. As alleged, the defendants individually applied for the New York State Empire Development Pandemic Small Business Recovery Grant Program on behalf of multiple newly created or defunct businesses. Five of the defendants are additionally accused of defrauding the federal Economic Injury Disaster Loan program.

Each loan applicant certified that the funds were needed to cover business expenses such as payroll, commercial rent/mortgage payments, utilities and/or supplies. Most of the loan money received by the defendants was almost immediately transferred into their personal bank accounts.

The total amount of stolen funds allegedly collected by the nine defendants was approximately \$2,250,308.

District Attorney Katz said: "The COVID-19 pandemic caused great hardship for small business owners and their employees. These defendants are accused of intentionally exploiting the state and federal disaster relief programs through a multitude of fraudulent companies and lining their pockets with the proceeds. My office will not allow individuals to defraud our public service programs and I thank our partners at the New York State Inspector General's office and the NYPD for their work. We will seek restitution as part of our efforts to bring these defendants to justice."

New York State Inspector General Lucy Lang said: "Exploiting relief meant for struggling small businesses during a global crisis is both criminal and shameful. My office is proud of our partnership with the Queens District Attorney to expose this widespread fraud, and we remain committed to safeguarding public funds and holding accountable anyone who abuses them."

The nine defendants were arraigned last week on criminal complaints separately charging them with grand larceny, criminal possession of stolen property and falsifying business records. They variously face up to 25 years in prison if convicted of the top count. **(SEE ADDENDUM)**

DA Katz said that, according to the charges and investigation, each of the nine defendants submitted multiple applications to the COVID-19 Pandemic Small Business Recovery Grant Program on behalf of numerous small business corporations beginning around June 2020. Five of the defendants additionally submitted multiple applications for the COVID-19 Economic Injury Disaster Loan through the U.S. Small Business Administration.

Each time that the defendants were approved for a loan, they transferred the majority of the funds to personal checking accounts shortly after receiving the deposits. Some of the money was wired to other defendants who helped prepare the legal documents that were submitted with the grant applications.

In one instance, defendant Tufail Ahmed applied to the federal grant program in February 2021 on behalf of 127 Rivington Corp, certifying that the purpose of the loan was solely for working capital to alleviate economic injury caused by a disaster, in this case the Covid-19 pandemic. The defendant further certified that the funds were to be used to make regular payments for operating expenses, including payroll, rent/mortgage, utilities and other ordinary business expenses.

On or about March 2021, the defendant filed an additional loan application with the federal program, this time on behalf of Dresden Associates, Inc. The investigation showed that the defendant opened a business checking account for Dresden Associates approximately one day prior to submitting the application. Ahmed and co-defendant Yousuf MD were listed as co-owners of the account.

Ahmed was subsequently approved for the second federal loan and \$499,900 was deposited into the business account in June 2021. The funds were then allegedly used to pay off several credit cards between June 2021 and July 2022 as well as transferred to other corporations not named in the original loan application.

Ahmed's February application on behalf of 127 Rivington Corp was also approved and, between July and September 2021, the grant program deposited \$514,900 into the business account associated with the corporation. Ahmed and MD were listed as co-owners of the account. The investigation revealed that between August and October 2021, approximately \$70,700 was withdrawn, while the remaining proceeds were transferred to other corporations and individuals not named in the loan application.

As alleged, Ahmed submitted an additional application for a grant in July 2021, this time with the Empire Development Pandemic Small Business Recovery Grant Program, also on behalf of 127 Rivington Corp. He was approved and \$50,000 in state loan funds were deposited into a different business account associated with the corporation the following December. The investigation revealed that on the same day in February 2022, the defendants withdrew the \$50,000 deposited by the state and \$50,000 deposited by the federal government from both business accounts associated with 127 Rivington Corp.

In December 2021, Ahmed allegedly submitted another application for a grant through the state program on behalf of Dresden Associates. He was approved and \$50,000 was deposited into the business checking account associated with the corporation in January 2022. The defendant withdrew the funds approximately four days later.

An extensive review of business bank records associated with the nine defendants and the corporations involved did not indicate any business activity prior to receiving the grant proceeds and did not reflect any revenue or expenses listed on the tax returns submitted with the original grant applications.

The New York State Inspector General began the investigation into the alleged misuse of loan funds and

referred the case to the Queens District Attorney's Office in May 2024.

Upon learning of the charges pending against them, the nine defendants separately surrendered to the Queens District Attorney's office between May 6 and May 9.

The investigation was conducted by the Queens District Attorney's Office in close collaboration with members of the New York State Office of the Inspector General, including Investigative Counsel Ray Gdula, Senior Investigator Ilene Gates, Chief of Audit for the Downstate Region Alla Korsunskiy, Senior Investigative Auditor Angelus Okeke, and Investigative Auditors Kirsys Acevedo and Iraj Zia, under the supervision of Deputy Inspector General for the New York City Region Ken Michaels.

Crucial assistance was provided by the NYPD Squad assigned to the Queens District Attorney's office, including Detective Erin Currie, retired Detective Anthony Rodriguez and Sergeant Thomas Rouse, under the overall supervision of Lieutenant Christopher Kehoe.

Assistant District Attorney Talia Vogel, Supervisor in the District Attorney's Frauds Bureau, is prosecuting the case under the supervision of Assistant District Attorneys Joseph T. Conley III, Bureau Chief, Hana C. Kim, Deputy Bureau Chief, and under the overall supervision of Executive Assistant District Attorney for Investigations Gerard A. Brave.

Criminal complaints and indictments are accusations. A defendant is presumed innocent until proven guilty.

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ADDENDUM

TUFAIL AHMED, 45, of 150th Street in Jamaica, is charged with grand larceny in the first degree, criminal possession of stolen property in the first degree, grand larceny in the second degree, criminal possession of stolen property in the second degree and four counts of falsifying business records in the first degree. He was arraigned May 6 before Criminal Court Judge Glenda Hernandez, who ordered Ahmed to return to court on June 18. If convicted of the top count, he faces a potential maximum sentence up to 15 years in prison.

Ahmed is accused of stealing approximately \$1,014,800 from the U.S. Small Business Administration and approximately \$100,000 from the Empire State Development by submitting applications on behalf of two allegedly fraudulent businesses.

YOUSUF MD, 40, of 75th Street in Elmhurst, is charged with grand larceny in the first degree, criminal possession of stolen property in the first degree, grand larceny in the second degree, criminal possession of stolen property in the second degree and two counts of falsifying business records in the first degree. He was arraigned May 6 before Criminal Court Judge Glenda Hernandez, who ordered MD to return to court on June 18. If convicted of the top count, he faces a potential maximum sentence up to 25 years in prison.

MD is accused of stealing approximately \$1,229,700 from the U.S. Small Business Administration and approximately \$150,000 from the Empire State Development by submitting applications on behalf of three allegedly fraudulent businesses.

JUNED KHAN, 52, of Deer Park in Suffolk, is charged with two counts of grand larceny in the second degree and two counts of criminal possession of stolen property in the second degree. He was arraigned May 6 before Criminal Court Judge Glenda Hernandez, who ordered Khan to return to court on June 18. If convicted of the top count, he faces a potential maximum sentence up to 15 years in prison.

Khan is accused of stealing approximately \$72,000 from the U.S. Small Business Administration and approximately \$127,300 from the Empire State Development by submitting applications on behalf of eight allegedly fraudulent businesses.

MOHAMMED CHOWDHURY, a.k.a KHOKAN ASHRAF, 64, of 72nd Street in Jackson Heights, is charged with grand larceny in the second degree, criminal possession of stolen property in the second degree and five counts of falsifying business records in the first degree. He was arraigned May 7 before Criminal Court Judge Glenda Hernandez, who ordered Chowdhury to return to court on June 20. If convicted of the top count, he faces a potential maximum sentence up to 15 years in prison.

Chowdhury is accused of stealing approximately \$229,893 from the Empire State Development by submitting applications on behalf of five allegedly fraudulent businesses.

MAHBUB MALIK, 37, of 32nd Street in Astoria, is charged with grand larceny in the second degree, criminal possession of stolen property in the second degree and two counts of falsifying business records in the first degree. He was arraigned May 7 before Criminal Court Judge Glenda Hernandez, who ordered Malik to return to court on June 18. If convicted of the top count, he faces a potential maximum sentence up to 15 years in prison.

Malik is accused of stealing approximately \$63,987 from the Empire State Development by submitting applications on behalf of three allegedly fraudulent businesses.

MOHAMMAD KHAN, 43, of 86th Avenue in Jamaica Hills, is charged with two counts of grand larceny in the second degree, two counts of criminal possession of stolen property in the second degree and seven counts of falsifying business records in the first degree. He was arraigned May 8 before Criminal Court Judge Glenda Hernandez, who ordered Khan to return to court on June 18. If convicted of the top count, he faces a potential maximum sentence up to 15 years in prison.

Khan is accused of stealing approximately \$255,000 from the U.S. Small Business Administration and approximately \$335,785 from the Empire State Development by submitting applications on behalf of seven allegedly fraudulent businesses.

NADEEM SHEIKH, 52, of 6th Avenue in New Hyde Park, is charged with grand larceny in the second degree, two counts of criminal possession of stolen property in the second degree and two counts of falsifying business records in the first degree. He was arraigned May 8 before Criminal Court Judge Glenda Hernandez, who ordered Sheikh to return to court on June 20. If convicted of the top count, he faces a potential maximum sentence up to 15 years in prison.

Sheikh is accused of stealing approximately \$98,208 from the Empire State Development by submitting applications on behalf of two allegedly fraudulent businesses.

TANVIR MILON, 50, of Farmingdale in Nassau, is charged with grand larceny in the first degree, criminal possession of stolen property in the first degree, grand larceny in the second degree, criminal possession of stolen

property in the second degree and seven counts of falsifying business records in the first degree. He was arraigned May 9 before Criminal Court Judge Edward Daniels, who ordered Milon to return to court on June 18. If convicted of the top count, he faces a potential maximum sentence up to 25 years in prison.

Milon is accused of stealing approximately \$2,521,100 from the U.S. Small Business Administration and approximately \$208,512 from the Empire State Development by submitting applications on behalf of nine allegedly fraudulent businesses.

ZAKIR CHOWDHURY, 55, of Grand Central Parkway in Jamaica, is charged with grand larceny in the second degree, criminal possession of stolen property in the second degree and six counts of falsifying business records in the first degree. He was arraigned May 9 before Criminal Court Judge Edward Daniels, who ordered Chowdhury to return to court on June 18. If convicted of the top count, he faces a potential maximum sentence up to 15 years in prison.

Milon is accused of stealing approximately \$287,608 from the Empire State Development by submitting applications on behalf of six allegedly fraudulent businesses.

Note to Editors: Archived press releases are available at www.queensda.org.

