



# Press Release

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## New Jersey Man Sentenced for Money Laundering and Bank Fraud through a COVID-19 Relief Scheme

*Azhar Rana stole over \$5.6 million in CARES Act funding*

Gail S. Ennis, the Inspector General for the Social Security Administration (SSA), announced that Azhar Rana was sentenced in the District of New Jersey to serve 64 months in prison related to charges of bank fraud and money laundering.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law providing emergency financial assistance to Americans suffering the economic effects of the COVID-19 pandemic. One form of assistance in the CARES Act provided forgivable loans to small businesses for job retention and certain other expenses, through a federal program referred to as the Paycheck Protection Program (PPP).

Business seeking a PPP loan were required to submit a PPP loan application through their authorized representative stating, among other things, the average monthly payroll expenses and number of employees. Businesses were required to use the funds for permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the loan to be entirely forgiven if the business spent the proceeds on these expense items within a designated period of time after receiving the proceeds and used a certain amount of the PPP loan proceeds on payroll expenses.

According to court records, Rana made false statements to fraudulently obtain over \$5.6 million in PPP relief funds. Rana was listed as the registered agent for a corporate entity called Azhar Sarwar Rana LLC (Rana LLC), which claimed to buy, sell, and invest in real estate properties. An application for PPP funds submitted on behalf of Rana LLC falsely asserted that the company had the qualifying number of employees and related payroll expenses required for the program. Rana LLC did not process any Social Security wages in 2018 or 2019, and the Social Security numbers and names for the majority of employees on the PPP loan application submitted by Rana LLC to the New Jersey Department of Labor did not match.

Bank records indicate that Rana transferred the fraudulently obtained PPP loan money into bank accounts that he controlled, sent money to Pakistan, and made a payment to a BMW car

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dealership. In December 2020, while at the airport heading for Pakistan, law enforcement agents arrested Rana for this scheme.

“Rana stole millions of dollars in critical CARES Act funding from businesses and individuals facing economic impacts of the pandemic and damaged the integrity of the Social Security number,” said Inspector General Ennis. “I want to thank our law enforcement partners for their efforts in this investigation. I also thank the U.S. Attorney’s Office for bringing this individual to justice.”

Investigators from SSA Office of the Inspector General, under the supervision of John Grasso, Special Agent in Charge of the New York Field Division and the Federal Bureau of Investigation, Internal Revenue Service – Criminal Investigation, and U.S. Department of Homeland Security, Homeland Security Investigations jointly investigated the case.

Assistant U.S. Attorney Jennifer S. Kozar of the U.S. Attorney’s Office Economic Crimes Unit in Newark prosecuted the case.

Members of the public are encouraged to report suspected Social Security fraud to the OIG at <https://oig.ssa.gov>.

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