

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA :

v. :

NAZIM HASSAM, :

Defendant. :

No. 3:22-CR-20

(Judge)

INDICTMENT

THE GRAND JURY CHARGES:

COUNTS 1 and 2

Bank Fraud

18 U.S.C. §§ 1344, 3147

FILED
SCRANTON

JAN 25 2022

PER 
DEPUTY CLERK

I. Introduction

At times material to the Indictment:

Relevant Individuals and Entities

1. Defendant NAZIM HASSAM resided in or about Bartonsville, Monroe County, within the Middle District of Pennsylvania.
2. Om Sri Sai, Inc. was a corporation incorporated in the Commonwealth of Pennsylvania, that owned and operated a hotel business in Bartonsville, Pennsylvania, within the Middle District of Pennsylvania. Om Sri Sai, Inc. was incorporated on or about February 18, 2004, and NAZIM HASSAM was an owner of more than 20% of the equity of Om Sri Sai, Inc. as well as its managing shareholder, agent,

officer, and principal.

3. Pocono Plaza Inn, Inc. was a corporation incorporated in the Commonwealth of Pennsylvania on or about November 3, 20005, which owned and operated a hotel business in Stroudsburg, Pennsylvania, within the Middle District of Pennsylvania, and NAZIM HASSAM was an owner of more than 20% of the equity of Pocono Plaza Inn, Inc., as well as its managing shareholder, agent, officer, and principal.

4. The United States Small Business Administration ("SBA") was an executive branch agency of the United States government that provided support to entrepreneurs and small businesses. The mission of the SBA included maintaining and strengthening the nation's economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters. As part of those efforts, the SBA enabled and provided for loans with government-backed guarantees to small business owners through financial institutions and other lenders.

5. Lender #1 was a financial institution insured by the Federal Deposit Insurance Corporation ("FDIC") and headquartered in Sioux Falls, South Dakota.

6. Lender #2 was a financial institution insured by the Federal

Deposit Insurance Corporation (“FDIC”) and headquartered in Portland, Maine.

The Paycheck Protection Program

7. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in March 2020 that provided emergency financial assistance to millions of Americans suffering financial difficulties from the economic impact of the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of approximately \$349 billion in forgivable loans to small businesses, through the Paycheck Protection Program (“PPP”). In April 2020, Congress authorized an approximate \$310 billion of additional PPP funding.

8. PPP loan proceeds were authorized to be used for businesses’ employee payroll, mortgage interest, lease, and utilities expenses. The principal amount of and interest on a PPP loan was entirely forgivable if the business spent the loan proceeds on those authorized expenses within a designated period of time, and also spent a certain percentage of the PPP loan proceeds on payroll expenses.

9. To obtain a PPP loan, a qualifying business was required to submit a loan application 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 to make affirmative certifications in order to be eligible to obtain the PPP loan.

10. In the PPP loan application, the Applicant (through its authorized representative) was required to state, among other things, its: (1) average monthly payroll expenses; and (2) number of employees. Those figures were used to calculate the amount of money that the small business was eligible to receive through the PPP. An applicant also was required to provide documentation showing its payroll expenses.

11. The PPP loan application required an applicant to answer Question 5, which asked whether the applicant (if an individual) or any individual owning 20% or more of the equity of a corporate Applicant was, at the time of the application, "subject to an indictment" or any other formal criminal charges. The application required the applicant to confirm the response to Question 5 by marking a designated line with the applicant's initials.

12. Although the SBA oversaw the PPP, PPP loan applications were processed by participating financial institution lenders, including

Lender #1 and Lender #2, who received and processed PPP loan applications and supporting documentation. If a PPP application was approved, the participating lender funded the PPP loan through its own monies, which were 100% guaranteed by the SBA. Data from the PPP loan 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 PPP loan.

II. Object of the Scheme to Defraud

13. The object of the scheme was for NAZIM HASSAM to fraudulently obtain funds from PPP loans totaling approximately \$192,408, through misrepresentations and false statements.

III. Statutory Allegations

14. From on or about April 21, 2020, through on or about June 26, 2020, in Monroe County, within the Middle District of Pennsylvania, while on release pursuant to an order of the United States District Court for the Middle District of Pennsylvania, dated on or about July 10, 2019, issued pursuant to Title 18, United States Code, Section 3142, in the matter of *United States v. Nazim Hassam, et al*, No. 3:17-CR-324,

which order notified the defendant of the potential effect of committing an offense while on pretrial release, the defendant,

NAZIM HASSAM,

knowingly executed and attempted to execute a scheme and artifice to defraud and to obtain the moneys, funds, credits, assets, and other property owned by and under the custody and control of Lender #1 and Lender #2, financial institutions whose deposits were insured by the FDIC, by means of materially false and fraudulent pretenses, representations and promises.

The Execution of the Scheme

15. For the purpose of executing and attempting to execute the scheme and artifice to defraud, the defendant submitted and caused to be submitted to the victim Lenders the following documents, with each submission being a separate count:

Count	Approximate Date	Documents Submitted
1	April 22, 2020	A fraudulent application submitted to Lender #1, seeking a PPP loan of \$61,208.
2	June 3, 2020	A fraudulent application submitted to Lender #2, seeking a PPP loan of \$28,100.

IV. Manner and Means of the Scheme

It was part of the scheme and artifice to defraud that the defendant employed the following manner and means:

16. On or about October 24, 2017, a grand jury sitting in Scranton, Pennsylvania handed down an indictment charging Om Sri Sai, Inc. with multiple felony violations and seeking forfeiture of all property owned by Om Sri Sai, Inc. On November 7, 2017, NAZIM HASSAM appeared before Magistrate Judge Joseph F. Saporito, Jr. as Corporate Vice President of Om Sri Sai, Inc., and, verbally and in writing, entered a not guilty plea on the company's behalf.

17. On or about July 9, 2019, a superseding indictment was filed charging NAZIM HASSAM, Om Sri Sai, Inc., and Pocono Plaza Inn, Inc. with multiple felony violations and seeking forfeiture of all property owned by Om Sri Sai, Inc. On July 10, 2019, NAZIM HASSAM appeared before Magistrate Judge Karoline Mehalchick and, verbally and in writing, entered pleas of not guilty on his own behalf and on behalf of Om Sri Sai, Inc. and Pocono Plaza Inn, Inc.

18. NAZIM HASSAM was ordered released subject to conditions as set forth in an Order issued on July 10, 2019. The Order of release was acknowledged by signature of the Defendant, NAZIM HASSAM.

19. On or about April 21, 2020, NAZIM HASSAM, on behalf of Pocono Plaza Inn, Inc., submitted two applications for PPP loans from the SBA, administered by Lender #2. In these applications, HASSAM sought \$28,100 and \$75,000 in PPP funds from Lender #2. These applications were not approved.

20. On or about April 22, 2020, NAZIM HASSAM, on behalf of Om Sri Sai, Inc., applied for a PPP loan from the SBA, administered by Lender #1. HASSAM sought \$61,208 in PPP funds from Lender #1. This application was approved.

21. On or about June 3, 2020, NAZIM HASSAM, on behalf of Pocono Plaza, Inc., applied for a PPP loan from the SBA, administered by Lender #2. HASSAM sought \$28,100 in PPP funds from Lender #2. This application was approved.

22. NAZIM HASSAM made material, false statements on each and every loan application he submitted. To Question 5 on each of the applications, which asked, "Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant [is] subject to an indictment," or any other formal criminal charges, HASSAM falsely answered "No," and then initialed to confirm the response. At the time, HASSAM, Om Sri Sai, Inc., and Pocono Plaza Inn, Inc. were

all subject to a pending, federal, felony indictment.

23. On or about May 14, 2020, Lender #1 wired \$61,208 in PPP loan funds to Om Sri Sai's Wells Fargo Bank account ending in 4335.

24. On or about June 26, 2020, Lender #2 wired \$28,100 in PPP loan funds to Pocono Plaza Inn, Inc.'s PNC Bank account ending in 6137.

All in violation of Title 18, United States Code, Sections 1344 and 3147.

THE GRAND JURY FURTHER CHARGES:

COUNTS 3 and 4
Unlawful Monetary Transactions
18.S.C. §§ 1957, 3147

The factual allegations of paragraphs 1 to 24 are incorporated here.

On or about the dates set forth below, in Monroe County, within the Middle District of Pennsylvania, while on release pursuant to an order of the United States District Court for the Middle District of Pennsylvania, dated on or about July 10, 2019, issued pursuant to Title 18, United States Code, Section 3142, in the matter of *United States v. Nazim Hassam, et al*, No. 3:17-CR-324, which order notified the

defendant of the potential effect of committing an offense while on pretrial release, the defendant,

NAZIM HASSAM,

did knowingly engage and attempt to engage in the following 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 withdrawal, transfer, and exchange of U.S. currency and funds, such property having been derived from a specified unlawful activity, namely, bank fraud, in violation of Title 18, United States Code, Section 1344, and false statements on loan applications, in violation of Title 18, United States Code, Section 1014, with each transfer set forth below a separate count:

Count	On or About	Financial Transaction
3	May 15, 2020	NAZIM HASSAM conducted a wire transfer of approximately \$60,000 in proceeds from the loan fraudulently obtained from Lender #1 from Om Sri Sai, Inc.'s Wells Fargo Bank account ending in 4335 to a personal equity line of credit, held at Wells Fargo in the name of NAZIM HASSAM in account ending in 1998.
4	July 7, 2020	NAZIM HASSAM drew a check from Om Sri Sai, Inc.'s PNC Bank account ending in 6137 made payable to LZ Holdings in the amount of \$23,115.43, which included approximately \$15,000 in proceeds from the loan fraudulently obtained from Lender #2.

All in violation of Title 18, United States Code, Sections 1957 and
3147.

TRUE BILL



JOHN C. GURGANUS
United States Attorney

By:

A handwritten signature in black ink, appearing to be "S. Camoni", written over a horizontal line.

SEAN A. CAMONI
Assistant United States Attorney

Date: 1-25-22