



THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Monday, December 14, 2020

Sussex County Man Charged with Fraudulently Obtaining \$5.6 Million Loan Meant to Help Small Businesses During COVID-19 Pandemic

NEWARK, N.J. – A Sussex County, New Jersey, man will make his initial court appearance today on charges of fraudulently obtaining a federal Paycheck Protection Program (PPP) loan of over \$5 million, U.S. Attorney Craig Carpenito announced.

Azhar Sarwar Rana, 30, of Newton, New Jersey, is charged by complaint with one count of bank fraud and one count of money laundering. Rana was arrested Dec. 12, 2020, after he booked a same-day flight to Pakistan; he made his initial appearance by videoconference today before U.S. Magistrate Judge James B. Clark III and was detained without bail.

According to documents filed in this case and statements made in court:

Rana submitted a fraudulent PPP loan application to a lender on behalf of a corporate entity, Azhar Sarwar Rana LLC, that purportedly invested in real estate development. The application falsified payroll and tax information and included internally inconsistent listings of the number of company employees. New Jersey Department of Labor records showed that Azhar Sarwar Rana LLC paid no wages in 2019, and the minimal wages it purportedly paid in 2020 were mostly to individuals whose submitted Social Security numbers did not correspond to their submitted names.

Based on Rana's alleged misrepresentations, the lender approved Rana's PPP loan application and provided Azhar Sarwar Rana LLC with an approximately \$5.6 million in federal COVID-19 emergency relief funds meant for distressed small businesses.

Rana used the fraudulently obtained PPP loan proceeds to pay for numerous personal expenses, including to invest millions in the stock market, make a payment to a luxury car dealership, and send hundreds of thousands of dollars to accounts in Pakistan.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted March 29, 2020. It is designed to provide emergency financial assistance to millions of Americans who are suffering the economic effects resulting from the COVID-19 pandemic. One source of relief provided by the CARES Act is the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain

other expenses through the PPP. In April 2020, Congress authorized over \$300 billion in additional PPP funding.

The PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of 1 percent. Businesses must use PPP loan proceeds for payroll costs, interest on mortgages, rent and utilities. The PPP allows the interest and principal to be forgiven if businesses spend the proceeds on these expenses within a set time period and use at least a certain percentage of the loan towards payroll expenses.

U.S. Attorney Carpenito credited special agents of the FBI, under the direction of Special Agent in Charge George M. Crouch Jr. in Newark; special agents of IRS – Criminal Investigation, under the direction of Special Agent in Charge Michael Montanez; special agents of the Social Security Administration – Office of the Inspector General, under the direction of Special Agent in Charge John F. Grasso; and special agents of the U.S. Department of Homeland Security, Homeland Security Investigations, under the direction of Special Agent in Charge Jason J. Molina in Newark, with the investigation leading to the charges.

The count of bank fraud carries a maximum potential penalty of 30 years year in prison and a \$1 million fine, or twice the gross gain to the defendant or gross loss to the victim, whichever is greater; the count of money laundering carries a maximum potential penalty of 10 years in prison and a \$250,000 fine, or twice the gross gain to the defendant or gross loss to the victim, whichever is greater.

The government is represented by Assistant U.S. Attorney Andrew Macurdy of the U.S. Attorney’s Office Economic Crimes Unit in Newark.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice’s National Center for Disaster Fraud Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The charges and allegations contained in the complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

Attachment(s):

[Download Rana.Complaint.pdf](#)

Topic(s):

Coronavirus

Financial Fraud

Component(s):

[USAO - New Jersey](#)

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