

PRESS RELEASE

# President Of Queens-Based Construction Company Pleads Guilty To Fraud In Connection With Homeless Shelter Contracts Worth \$12 Million

Tuesday, March 5, 2024

## For Immediate Release

U.S. Attorney's Office, Southern District of New York

Damian Williams, the United States Attorney for the Southern District of New York, announced that LIAQUAT CHEEMA pled guilty today to conspiracy to commit wire fraud for his leadership of a scheme to defraud New York City (the "City") in connection with public contracts to perform general contracting work at City homeless shelters.

*U.S. Attorney Damian Williams said: "Liaquat Cheema has admitted to leading a scheme to steal millions of dollars in public funds intended to pay for vital maintenance at homeless shelters in New York City. This Office has no tolerance for those who use public contracts intended to aid underserved members of our society to fraudulently enrich themselves. We will continue to aggressively detect and dismantle schemes such as this one."*

According to the Indictment to which CHEEMA pled guilty, the Complaint, the plea agreement, and statements made in court:

LIAQUAT CHEEMA was the President of AFL Construction Co. Inc. ("AFL"), located in Queens, New York. AFL entered into public contracts with the City worth approximately \$12 million to perform general contracting work at homeless shelters located in the City, including in the Southern District of New York. Pursuant to the contracts, AFL was to

perform, among other things, general maintenance, landscaping, roofing, and snow removal at shelter sites.

From at least in or about 2014 through at least in or about 2017, CHEEMA and others used the contracts to fraudulently enrich themselves and steal from the City. In furtherance of the scheme, CHEEMA and others, among other things, submitted fraudulent invoices and other documentation in support of requests for payment on the contracts, which falsely claimed that workers had performed work on certain projects and inflated amounts paid by the defendants for materials purportedly used on such projects. These fraudulent invoices and supporting documentation contained, without authorization, the identities of other persons, including the names, and in at least one case, the social security number, of purported workers who in fact had not worked on the projects specified in the requests for payment submitted by CHEEMA and others.

CHEEMA and others also obtained tens of thousands of dollars' worth of Medicaid benefits by repeatedly submitting fraudulent certifications, which underreported their actual incomes and accordingly enabled them to obtain Medicaid benefits for which they were not eligible. In support of requests for Medicaid benefits, CHEEMA and others repeatedly submitted nearly identical employment letters, which, among other misrepresentations, contained the name and purported signature of a purported "Project Manager" who, in fact, was deceased. In connection with his guilty plea, CHEEMA agreed to pay back the money misappropriated from Medicaid.

\* \* \*

LIAQUAT CHEEMA, 64, of East Elmhurst, New York, pled guilty to one count of conspiracy to commit wire fraud, which carries a maximum sentence of 20 years in prison. As part of his plea agreement, CHEEMA agreed to pay restitution and forfeiture of \$3,267,811.

The maximum potential sentence in this case is prescribed by Congress and is provided here for informational purposes only, as the sentencing of the defendant will be determined by a judge.

Mr. Williams praised the work of the U.S. Department of Labor Office of Inspector General and the New York City Department of Investigation.

This case is being handled by the Office's Complex Frauds and Cybercrime Unit. Assistant U.S. Attorney Timothy V. Capozzi is in charge of the prosecution.

## **Contact**

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*Updated March 5, 2024*

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**Topic**

**FINANCIAL FRAUD**

**Component**

[USAO - New York, Southern](#)

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