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FOR IMMEDIATE RELEASE

September 12, 2024

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CITY OF CHICAGO BRINGS FALSE CLAIMS ACTION AGAINST FORMER EMPLOYEE AND SHAM PROPERTY MANAGEMENT COMPANY FOR SUBMITTING FRAUDULENT EMERGENCY RENTAL ASSISTANCE APPLICATIONS

Self-serving fraudsters tried to personally profit from a critical housing program meant for vulnerable communities in need.

CHICAGO - Today, Chicago Mayor Brandon Johnson and Corporation Counsel Mary B. Richardson-Lowry filed [suit](#) against a former City employee, a property management company, and related individuals for defrauding the City's Emergency Rental Assistance Program ("ERAP"). Through ERAP, the City provided financial assistance to help cover the unpaid rent and utility expenses of low-income Chicago households affected by the economic consequences of COVID-19. The defendants applied for more than \$700,000 in rental assistance funds and obtained over \$200,000 by defrauding the City. The City is seeking the funds fraudulently obtained, as well as penalties, the City's legal fees, and triple damages.

As millions of renters struggled to pay their rent during the COVID-19 pandemic, the Chicago Department of Housing launched ERAP for tenants vulnerable to eviction. Under the program's guidelines, Chicago tenants who met certain criteria could obtain up to 18 months of missed rental and utility-payment assistance in addition to up to three months of future rent and utility payments. In most cases, if an ERAP application was approved, the City paid the landlord directly. ERAP was administered using funds from two rounds of federal grants authorized by Congress in December 2020 and March 2021.

The program, which was [recognized](#) by the White House in 2022, also funded innovative pilot programs such as a 3-year Right to Counsel ("RTC") pilot program that provides Chicago tenants facing eviction with free legal representation.

"ERAP was an important program that kept thousands of Chicagoans in their homes during the height of the pandemic," **said Mayor Brandon Johnson**. "Those essential housing



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resources were meant to provide relief in a time of crisis, not to be misused at the expense of those in need.”

A joint investigation conducted by the Department of Housing and Department of Law revealed a disturbing scheme by Ilyas Lakada, a Chicago landlord and Illinois-licensed attorney who formerly worked as a lawyer at the Chicago Department of Aviation and the Department of Procurement Services. Beginning in 2021 while employed by the City, Lakada submitted fraudulent ERAP applications to the City. His applications contained forged documents, fake rent amounts, and false time periods.

The City further discovered that Lakada had ties to another defendant, the now-dissolved HAM Management, LLC. Defendant Mohammed Anwar Hussain formed HAM Management just one month after the City announced its ERAP program. On behalf of HAM Management, Defendants Hussain, Akhen Wilson, and Aashish Patel submitted fraudulent ERAP applications containing lies about the identities of tenants, rent amounts, and more. HAM Management’s biggest lie was that it was a property management company at all; the City’s investigation showed that HAM Management had no affiliation with any of the applied-for properties. Lakada resigned before the City discovered his fraud.

Altogether, the defendants submitted to the City more than two dozen fraudulent ERAP applications, seeking at least \$705,250.

“This kind of abuse erodes the trust and resources vulnerable communities in need look to the City to provide,” said **Corporation Council Richardson-Lowry**. “We are seeking stiff penalties including our attorneys’ fees to hold these actors accountable and to make clear that taking advantage of the City’s vital resources will not be tolerated.”

“ERAP was an incredibly successful program, run at a time of great need. In all, DOH and our partners were able to provide over \$170M in grant assistance to more than 30,000 tenants and landlords, keeping families in their homes despite often dramatic loss of income. It is unfortunate a few bad actors sought to abuse this program,” said **Lissette Castaneda, Commissioner of the Department of Housing**. The City’s investigation to date indicates the amounts awarded for these fraudulent applications represent an immaterial percentage of total awarded grant funds.

The City is represented in this lawsuit by Deputy Corporation Counsel Stephen Kane and Assistant Corporation Counsel Chelsey Metcalf from the Department of Law’s Affirmative Litigation Division.

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