

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION**

| | | |
|---------------------------------------|---|---------------------|
| City of Chicago, |) | |
| |) | |
| Plaintiff, |) | |
| |) | Case No. _____ |
| |) | JURY TRIAL DEMANDED |
| v. |) | |
| |) | |
| Ilyas Lakada, HAM Management, LLC, |) | |
| Mohammed Anwar Hussain, Akhen Wilson, |) | |
| Aashish Patel, and Sarmad Mahmood, |) | |
| |) | |
| Defendants. |) | |

COMPLAINT

Plaintiff City of Chicago files this Complaint because Defendants violated the Municipal Code of Chicago. In support, Chicago alleges as follows:

INTRODUCTION

1. Millions of renters struggled to make their monthly payments during the COVID-19 pandemic. To keep Chicagoans in their homes, the City participated in the United States Department of the Treasury’s Emergency Rental Assistance (ERA) program. Through ERA, the City received federal funds that it could use to provide financial assistance for the payment of rent, utilities, and other housing-related costs.

2. In May 2021, the City used ERA funds to launch its Emergency Rental Assistance Program (ERAP). Through ERAP, Chicago tenants who met certain hardship criteria could obtain up to 18 months of missed rental and utility-payment assistance and up to three months of future rent and utility payments. Tenants and landlords could both participate in the application process. The City asked tenants to submit certain documents and landlords to submit others. When a tenant

and landlord both participated in a successful application, the City paid ERAP funds directly to the landlord to cover the tenant's missed rent.

3. Defendants saw an opportunity to make a quick buck. Acting as landlords, rental management property companies, and tenants, Defendants submitted ERAP applications to the City that were littered with false statements.

4. Defendant Ilyas Lakada applied for ERAP funds by submitting documents as a landlord and, pretending to be tenants in buildings that he owned, submitting documents on behalf of those purported tenants. Lakada lied about who his tenants were, lied about the amount of rent owed by tenants, and submitted fraudulent documents on behalf of tenants who did not live in the properties. Defendant Sarmad Mahmood, on information and belief, provided his ex-wife's personal identifying information to help Lakada submit at least one fraudulent ERAP application in Mahmood's ex-wife's name.

5. Meanwhile, Defendants Mohammed Anwar Hussain, Akhen Wilson, and Aashish Patel submitted fraudulent ERAP applications on behalf of Defendant HAM Management, LLC, a property management company with which Lakada appears to have been affiliated. Like Lakada, HAM Management pretended to be tenants in properties that the company allegedly managed and submitted documents on behalf of those purported tenants. HAM Management did not actually manage any properties, however, and the tenants whom HAM Management identified as living in those properties did not live there.

6. Together, Lakada and HAM Management applied for over \$700,000 in ERAP funds, and Defendants obtained over \$200,000 defrauding the City.

7. The City brings this action to hold Defendants accountable for their misconduct, which enabled Defendants to steal money that the City otherwise would have used to help struggling Chicagoans stay in their homes during the pandemic.

THE PARTIES

8. Plaintiff City of Chicago is a municipal corporation and a home-rule unit organized and existing under the laws of the State of Illinois.

9. Defendant Ilyas Lakada is an individual and resident of Cook County, Illinois. Lakada is an Illinois-licensed attorney, the president of Lakada Law Group, LLC, and the manager of Messina Holdings LLC. During ERAP, Lakada worked as an attorney for the City of Chicago's Department of Aviation and then as an attorney for the City's Department of Procurement Services. Lakada owns several properties in Chicago and submitted ERAP applications to the City with respect to those properties. Operating directly or through an agent, Lakada submitted both the landlord and tenant documents for his ERAP applications.

10. Defendant HAM Management, LLC is a now-dissolved limited liability company, which was formed under Illinois law with a principal place of business in Chicago.

11. Defendants Mohammed Anwar Hussain, Akhen Wilson, and Aashish Patel formed and managed HAM Management as a fake property management company to defraud government agencies offering rental assistance during the pandemic.

12. Defendant Mohammed Anwar Hussain is an individual and resident of Cook County, Illinois. Hussain was the original registered agent for HAM Management and entered into a rental agreement on behalf of HAM Management for the company's office location. Hussain participated directly in, or had the authority to control, HAM Management's submission of fraudulent ERAP applications and knew those applications to be fraudulent.

13. Defendant Akhen Wilson is an individual who resides in Philadelphia, Pennsylvania. Wilson was a manager of HAM Management, set up the HAM Management bank account, and withdrew and wired money from that account. Wilson participated directly in, or had the authority to control, HAM Management's submission of fraudulent ERAP applications and knew those applications to be fraudulent.

14. Defendant Aashish Patel is an individual who resides in Lincoln, Rhode Island. Patel was the registered agent and a manager of HAM Management. Patel submitted ERAP applications and related documents, deposited rental assistance checks to the HAM Management bank account, and purported to be a landlord for property that he did not own. Patel participated directly in, or had the authority to control, HAM Management's submission of fraudulent ERAP applications and knew those applications to be fraudulent.

15. Defendant Sarmad Mahmood is an individual and resident of Cook County, Illinois. On information and belief, Mahmood assisted Lakada in his false claims to the City by providing his ex-wife's personal identifying information to Lakada.

JURISDICTION AND VENUE

16. The Court has subject matter jurisdiction under Article VI, Section 9 of the Illinois Constitution, which grants Circuit Courts original jurisdiction in all causes other than those specifically enumerated therein.

17. The Court has general personal jurisdiction over Lakada, Hussain, and Mahmood because they reside in Cook County, Illinois.

18. The Court has general personal jurisdiction over HAM Management because the company's principal place of business was in Cook County, Illinois.

19. The Court has specific personal jurisdiction over all Defendants because the causes of action alleged herein arise from the Defendants' fraudulent conduct in Illinois.

GENERAL ALLEGATIONS

I. U.S. Treasury's ERA Program

20. The United States Government developed ERA to help cover the unpaid rent and utility expenses of low-income households affected by the economic consequences of the COVID-19 pandemic.

21. The Department of the Treasury disbursed ERA funds to states and other government entities. Government grantees receiving ERA funds were required to abide by the ERA parameters set forth by Congress and by the specific award terms set forth by the Department of Treasury.

II. Chicago's Emergency Rental Assistance Program

22. The City received \$182.06 million in ERA funds. The Chicago City Council authorized the City's Department of Housing to use the ERA funds to create and administer ERAP.

23. Under ERAP, Chicago tenants whose applications were approved could receive a one-time grant matched to their specific need for up to 18 months.¹ Assistance included up to 15 months of missed rent and utility payments and up to three months of future rent and utility payments.

24. The City paid rental assistance grants directly to the landlord, unless the landlord did not complete their portion of the application.

25. Chicago tenants were eligible to receive ERAP assistance if they submitted information showing that:

¹ The City received two rounds of funding from the Department of Treasury. The first round, ERA-1, allowed for up to 15 months of rental assistance, and the second round, ERA-2, allowed for up to 18 months assistance.

- a. The applied-for housing unit was in Chicago and was the applicant’s primary residence;
- b. The household experienced a financial hardship, including a loss of income or increased expenses, due to the COVID-19 pandemic; and
- c. The household’s combined income in 2021, or at the time of the application, was below 80% of the Area Median Income (AMI), with preference given to households that make less than 50% of AMI. The income maximums, based on the number of people in the household, are in the right column of the table below.

| Number of People in Household | 50% Area Median Income (Preference) | 80% Area Median Income (Eligibility) |
|-------------------------------|-------------------------------------|--------------------------------------|
| 1 | \$32,600 | \$52,200 |
| 2 | \$37,300 | \$59,650 |
| 3 | \$41,950 | \$67,100 |
| 4 | \$46,600 | \$74,550 |
| 5 | \$50,350 | \$80,550 |
| 6 | \$54,100 | \$86,500 |

26. ERAP also required tenants to provide the following documentation in support of their applications:

- a. A government-issued photo ID;
- b. Proof of address (if the address on the ID was not current), such as a bank, credit card, or utility statement, a lease, or other document showing the tenant’s current address;
- c. Proof of household income, such as paystubs, tax filings, bank statements, a signed statement from an employer or case worker, or a signed statement from the applicant; and

- d. Proof of the monthly rent amount, such as a lease, a statement from the tenant's landlord, a bank statement, a check stub, or other documents showing a pattern of paying rent.

27. When a tenant submitted an ERAP application, the City contacted the tenant's landlord to obtain additional information. ERAP required landlords to provide the following documents in support of ERAP applications:

- a. Proof of property ownership, such as a tax filing, property tax bill, deed, or mortgage document;
- b. The property management agreement (if a property manager was applying on behalf of the unit owner); and
- c. The tax identification number of the property owner.

28. If the landlord completed their portion of the ERAP application, the City reviewed the application for approval. If approved, the City issued a check to the landlord.

29. ERAP did not allow applicants—whether tenants or landlords—to receive rental assistance for the same months from different government assistance programs.

III. Lakada's Scheme

30. Lakada owns several rental properties in Chicago. During the pandemic and while working as an attorney for the City, Lakada knowingly caused false ERAP applications to be submitted to the City. Pretending to be tenants in his properties, Lakada used one email address to submit ERAP applications. In his role as the landlord, Lakada used a separate email address to submit documents in support of his ERAP applications.

31. The applications, on their face, shared several suspicious features. First, the applications uniformly included "Attestation Forms" as proof of tenants' income, rather than W-

2s or other accepted documents, and these “Attestation Forms” were signed electronically with typed signatures.

32. Second, the ERAP email logins for the tenant submissions in the Lakada applications largely followed a format indicating the email addresses were set up for ERAP applications: [Tenant Name] + [Street Number for Apartment] @outlook.com.

33. Third, none of the Lakada applications submitted leases.

34. Fourth, each Lakada application represented that no rent had been paid for the same period—October 2020 through December 2021—with some applications extending that period to be from May 2020 to December 2021.

35. Fifth, each Lakada application included a similarly formatted rental ledger as proof of missed rent payments. *See, e.g., infra* ¶¶ 39, 50, 58.

36. Beyond these facial indicators of fraud, a deeper look revealed that Lakada’s ERAP applications included forged documents, fake rent amounts, and time periods in which Lakada was not a landlord for the property at issue in the purported tenant’s application. What’s more, Lakada’s bank accounts show that his actual tenants were paying rent. Lakada additionally sought and received rental assistance from another government agency for many of the same rental units.

37. Lakada obtained checks from the City in connection with the following four rental properties.

A. 6140 N. Kimball - \$36,000

38. In December 2021, Lakada applied to the City for \$36,000 in ERAP funds for 6140 N. Kimball. Lakada sought \$2,000 a month for allegedly unpaid rent from October 2020 to March 2022 and claimed that he was renting 6140 N. Kimball to Victim A.

39. Pretending to be Victim A, Lakada submitted the following rental ledger to the City in support of his ERAP application:

LEDGER FOR RENT

DATE: December 8, 2021
 ADDRESS: 6140 N. Kimball Ave, Chicago, IL 60659
 UNIT: Single Family House
 TENANT: ██████████
 RENT: \$2,000.00 PER MONTH

| MONTH | AMOUNT DUE | AMOUNT PAID |
|-----------------|------------|-------------|
| October, 2020 | \$2,000.00 | \$0.00 |
| November, 2020 | \$2,000.00 | \$0.00 |
| December, 2020 | \$2,000.00 | \$0.00 |
| January, 2021 | \$2,000.00 | \$0.00 |
| February, 2021 | \$2,000.00 | \$0.00 |
| March, 2021 | \$2,000.00 | \$0.00 |
| April, 2021 | \$2,000.00 | \$0.00 |
| May, 2021 | \$2,000.00 | \$0.00 |
| June, 2021 | \$2,000.00 | \$0.00 |
| July, 2021 | \$2,000.00 | \$0.00 |
| August, 2021 | \$2,000.00 | \$0.00 |
| September, 2021 | \$2,000.00 | \$0.00 |
| October, 2021 | \$2,000.00 | \$0.00 |
| November, 2021 | \$2,000.00 | \$0.00 |
| December, 2021 | \$2,000.00 | \$0.00 |

40. While pretending to be Victim A, Lakada also submitted Victim A’s driver’s license and a ComEd utility bill in Victim A’s name as proof that Victim A resided in the property.

41. Lakada knowingly made the following material misrepresentations to the City in his ERAP submission for 6140 N. Kimball Ave.

42. First, Lakada’s submission falsely stated that Lakada had a tenant at 6140 N. Kimball Ave. from October 2020 to March 2022, and Lakada’s rental ledger falsely stated that he had a tenant at the property from October 2020 to December 2021.

43. Lakada did not obtain the deed for 6140 N. Kimball until September 12, 2021, so it is not possible that he was renting the unit from October 2020 to August 2021.

44. On information and belief, Lakada did not have a renter at 6140 N. Kimball until he entered a lease with Tenant 1 starting April 1, 2022. Lakada first opened a bank account for this rental unit on April 5, 2022, and Lakada paid for the utilities at 6140 N. Kimball until Tenant 1 began paying the utilities on April 1, 2022.

45. Second, Lakada lied about Victim A being a tenant at 6140 N. Kimball. The ComEd utility bill that Lakada submitted listing Victim A as the account holder for 6140 N. Kimball was a forgery. Victim A told the City that she never lived at 6140 N. Kimball. ComEd records confirm that Victim A never opened a utility account for 6140 N. Kimball.

46. According to Victim A, her ex-husband—Defendant Mahmood—stole her identity. Based on Victim A’s statement as well as the fact that Lakada and Mahmood are acquaintances, the City alleges that Defendant Mahmood assisted Lakada in the 6140 N. Kimball ERAP application by supplying Lakada with Victim A’s personal information, including a copy of her driver’s license.

47. Publicly available documents support Victim A’s statements to the City. Specifically, court records from Victim A’s divorce state that Victim A resided in New Jersey during the period when Lakada represented that Victim A was a tenant at 6140 N. Kimball.

48. Lakada’s misrepresentations were material and caused the City to approve the ERAP application for 6140 N. Kimball and pay Lakada \$36,000. In March 2022, Lakada deposited the \$36,000 check from the City.

B. 6034 N. Fairfield Ave., Apt. 2F - \$36,000

49. In December 2021, Lakada applied to the City for \$36,000 in ERAP funds for 6034 N. Fairfield Ave., Apt. 2F. Lakada sought \$2,000 a month for allegedly unpaid rent from October 2020 to March 2022 and claimed that he was renting 6034 N. Fairfield Ave., Apt. 2F to Individual B.

50. Lakada impersonated Individual B by creating and using an Outlook email address that included Individual B's name to submit his ERAP application.

51. While pretending to be Individual B, Lakada submitted the following rental ledger to the City in support of his ERAP application:

December 16, 2021

To: [REDACTED]
6034 N. FAIRFIELD AVE UNIT 2F
Chicago, IL 60659

From: Ilyas Lakada, Landlord

RENTAL LEDGER

ADDRESS: 6034 N. FAIRFIELD AVE UNIT 2F, Chicago, IL 60659
APARTMENT NUMBER: 2F
TENANT: [REDACTED]

RENT PER EACH MONTH: \$2000.00

| MONTH | AMOUNT DUE | PAID |
|-----------------|------------|------|
| May, 2020 | 2000.00 | 0 |
| June, 2020 | 2000.00 | 0 |
| July, 2020 | 2000.00 | 0 |
| August, 2020 | 2000.00 | 0 |
| September, 2020 | 2000.00 | 0 |
| October, 2020 | 2000.00 | 0 |
| November, 2020 | 2000.00 | 0 |
| December, 2020 | 2000.00 | 0 |
| January, 2021 | 2000.00 | 0 |
| February, 2021 | 2000.00 | 0 |
| March, 2021 | 2000.00 | 0 |
| April, 2021 | 2000.00 | 0 |
| May, 2021 | 2000.00 | 0 |
| June, 2021 | 2000.00 | 0 |
| July, 2021 | 2000.00 | 0 |
| August, 2021 | 2000.00 | 0 |
| September, 2021 | 2000.00 | 0 |
| October, 2021 | 2000.00 | 0 |
| November, 2021 | 2000.00 | 0 |
| December, 2021 | 2000.00 | 0 |

52. There were at least four misrepresentations in Lakada's ERAP submission for 6034 N. Fairfield Ave., Unit 2F. Lakada knew these misrepresentations were false.

53. First, Lakada misrepresented the months in which he was owed rent for the unit. As Lakada admitted in response to an investigative subpoena served by the City, and as ComEd records confirm, Lakada did not have a tenant for 6034 N. Fairfield, Unit 2F, from October 2020 through January 2021. It follows that, contrary to Lakada's submission, no rent was due during those months.

54. Second, Lakada misrepresented the monthly rent for 6034 N. Fairfield, Unit 2F. Lakada entered into a lease for the unit on February 6, 2021 for a term of February 6, 2021 to January 31, 2022, with a monthly rent of \$1,100—not the \$2,000 monthly rent that Lakada claimed the tenant owed in Lakada's submission to the City.

55. Third, Lakada lied that Individual B rented 6034 N. Fairfield, Unit 2F. The lease was not with Individual B; the lease was with Tenants 2 and 3. The identity of the tenant is material to an ERAP application, as there are tenant-specific requirements, such as whether the tenant's income was below 80% of the Area Median Income. *See supra*, § II.

56. Fourth, Lakada falsely identified missed rent payments for 6034 N. Fairfield, Unit 2F. Lakada's bank records show that Lakada received monthly rent payments of (a) \$1,250 from May 2020 to September 2020 and (b) \$1,100 from at least March 2021 to March 2022. Thus, although Lakada claimed in December 2021 that he had not been paid any rent for 6034 N. Fairfield Ave., Apt. 2F since May 2020 (in the rental ledger) or October 2020 (in the application that Lakada fraudulently submitted in the name of Individual B), the reality is that he had already received 10 rent payments of \$1,100, for a total of \$11,000.

57. Lakada's misrepresentations were material and caused the City to approve the ERAP application for 6034 N. Fairfield Ave., Apt. 2F and pay Lakada \$36,000. In March 2022, Lakada deposited the \$36,000 check from the City.

C. 6034 N. Fairfield Ave., Apt. 2R - \$31,500

58. In December 2021, Lakada applied to the City for \$31,500 in ERAP funds for 6034 N. Fairfield Ave., Apt. 2R. Lakada sought \$1,750 for each month that he sought relief except for November 2021 and December 2021, for which he requested \$3,500. Lakada claimed that he was renting the unit to Individual C.

59. Lakada impersonated Individual C by creating and using an Outlook email address that included Individual C's name to submit his ERAP application.

60. While pretending to be Individual C, Lakada submitted the following rental ledger to the City in support of his ERAP application:

December 16, 2021

To: [REDACTED]
6034 N. FAIRFIELD AVE UNIT 2R
Chicago, IL 60659

From: Ilyas Lakada, Landlord

RENTAL LEDGER

ADDRESS: 6034 N. FAIRFIELD AVE UNIT 2R, Chicago, IL 60659
APARTMENT NUMBER: 2R
TENANT: [REDACTED]

RENT PER EACH MONTH: \$1750.00

| MONTH | AMOUNT DUE | PAID |
|-----------------|------------|------|
| May, 2020 | 1750 | 0 |
| June, 2020 | 1750 | 0 |
| July, 2020 | 1750 | 0 |
| August, 2020 | 1750 | 0 |
| September, 2020 | 1750 | 0 |
| October, 2020 | 1750 | 0 |
| November, 2020 | 1750 | 0 |
| December, 2020 | 1750 | 0 |
| January, 2021 | 1750 | 0 |
| February, 2021 | 1750 | 0 |
| March, 2021 | 1750 | 0 |
| April, 2021 | 1750 | 0 |
| May, 2021 | 1750 | 0 |
| June, 2021 | 1750 | 0 |
| July, 2021 | 1750 | 0 |
| August, 2021 | 1750 | 0 |
| September, 2021 | 1750 | 0 |
| October, 2021 | 1750 | 0 |
| November, 2021 | 1750 | 0 |
| December, 2021 | 1750 | 0 |

61. Lakada's ERAP submission for 6034 N. Fairfield Ave, Unit 2R contains at least two falsehoods. Lakada knew these statements were false.

62. First, Lakada misrepresented the amount of rent that he charged for the unit. Lakada entered into leases with Individual C and one other tenant from at least November 2020 to October 2023. From November 2020 to October 2022, the monthly rent was \$975. From November 2022 to October 2023, the monthly rent was \$1,050. The application that Lakada submitted in the name of Individual C nevertheless requested either \$1,750 or \$3,500 in monthly rent—with the latter amount contradicting Lakada's own rental ledger.

63. Second, Lakada lied about missing rent payments. Lakada's bank records confirm that Lakada received rent payments from Individual C for (at least) September 2020, October 2020, and April 2021 through March 2022. So, while Lakada claimed in December 2021 that he had received zero rent for 6034 N. Fairfield Ave., Unit 2R since May 2020 (in Lakada's rental ledger) or October 2020 (in the application that Lakada fraudulently submitted in the name of Individual C), he had actually collected \$12,625 in rent by that point.

64. Lakada's misrepresentations were material and caused the City to approve the ERAP application for 6034 N. Fairfield Ave., Unit 2R and pay Lakada \$31,500. In February 2022, Lakada deposited the \$31,500 check from the City.

D. 6318 N. Francisco Ave., Garden Apartment - \$35,100

65. In December 2021, Lakada applied to the City for \$35,100 in ERAP funds for 6318 N. Francisco Ave., Garden Apt. Lakada sought \$1,950 per month for the months of October 2020 to March 2022, and claimed that he rented the unit to Individual D.

66. Pretending to be Individual D, Lakada submitted the following rental ledger to the City in support of his ERAP application:

December 18, 2021

To: [REDACTED]
6318 N. Francisco Ave Unit GDN-BSMT
Chicago, IL 60659

From: Ilyas Lakada, Landlord

RENTAL LEDGER

ADDRESS: 6318 N. Francisco Ave Unit GDN-BSMT, Chicago, IL 60659
APARTMENT NUMBER: GDN-BSMT
TENANT: [REDACTED]
RENT PER EACH MONTH: \$1950.00

| MONTH | AMOUNT DUE | PAID |
|-----------------|------------|------|
| May, 2020 | 1950 | 0 |
| June, 2020 | 1950 | 0 |
| July, 2020 | 1950 | 0 |
| August, 2020 | 1950 | 0 |
| September, 2020 | 1950 | 0 |
| October, 2020 | 1950 | 0 |
| November, 2020 | 1950 | 0 |
| December, 2020 | 1950 | 0 |
| January, 2021 | 1950 | 0 |
| February, 2021 | 1950 | 0 |
| March, 2021 | 1950 | 0 |
| April, 2021 | 1950 | 0 |
| May, 2021 | 1950 | 0 |
| June, 2021 | 1950 | 0 |
| July, 2021 | 1950 | 0 |
| August, 2021 | 1950 | 0 |
| September, 2021 | 1950 | 0 |
| October, 2021 | 1950 | 0 |
| November, 2021 | 1950 | 0 |
| December, 2021 | 1950 | 0 |

67. There were at least two misrepresentations in Lakada's ERAP submission for 6318 N. Francisco Ave., Garden Apt. Lakada knew these misrepresentations were false.

68. First, Lakada lied about the rent amount for the unit. Lakada's leases with Individual D and one other tenant show that Lakada charged \$1,150 per month from March 2020 to February 2021, not \$1,950.

69. Second, Lakada lied about missing rent payments for the unit. Lakada's bank records show that Lakada received payments for 6318 N. Francisco Ave., Garden Apt. in at least May 2020, June 2020, August 2020, September 2020, October 2020, May 2021, June 2021, October 2021, and March 2022. So, while Lakada claimed in December 2021 that he had received zero rent for 6318 N. Francisco Ave., Garden Unit since May 2020 (in Lakada's rental ledger) or

October 2020 (in the application that Lakada fraudulently submitted in the name of Individual D), he had actually collected at least \$8,350 in rent by that point.

70. Lakada's misrepresentations were material and caused the City to approve the ERAP application for 6318 N. Francisco Ave., Garden Apt and pay Lakada \$35,100. In February 2022, Lakada deposited the \$35,100 check from the City.

E. Lakada's Other ERAP Applications

71. In addition, Lakada submitted or assisted in the submission of ERAP applications for the following 9 addresses:

- i. 6034 N. Fairfield, Basement Unit
- ii. 6034 N. Fairfield, Unit 2F
- iii. 6034 N. Fairfield, Unit 3R
- iv. 6318 N. Francisco Ave., Unit 1
- v. 6318 N. Francisco Ave., Unit 2
- vi. 6318 N. Francisco Ave., Unit 3
- vii. 6155 N. Springfield Ave.
- viii. 6220 N. Springfield Ave.
- ix. 3810 W. Montrose Ave., Unit 2F

72. These applications, like the applications described more fully above, included material false statements about tenants, rent amounts, and rent payments. While unsuccessful, Lakada knowingly attempted to gain an additional \$255,950 from the City through these applications.

73. Lakada's application for 6318 N. Francisco Ave., Unit 3 provides an example.

74. In December 2021, Lakada applied to the City for \$49,450 in ERAP funds for 6318 N. Francisco Ave., Unit 3. Lakada sought \$2,150 per month from May 2020 to March 2022, and claimed that he rented the unit to Individual E.

75. Lakada impersonated Individual E by creating and using an Outlook email address that included Individual E’s name to submit his ERAP application.

76. While pretending to be Individual E, Lakada submitted the following rental ledger to the City in support of his ERAP application:

December 16, 2021

To: [REDACTED]
6318 N. Francisco Ave Unit 3rd
Chicago, IL 60659

From: Ilyas Lakada, Landlord

RENTAL LEDGER

ADDRESS: 6318 N. Francisco Ave Unit 3rd, Chicago, IL 60659
APARTMENT NUMBER: 3rd
TENANT: [REDACTED]
RENT PER EACH MONTH: \$2150.00

| MONTH | AMOUNT DUE | PAID |
|-----------------|------------|------|
| May, 2020 | 2150 | 0 |
| June, 2020 | 2150 | 0 |
| July, 2020 | 2150 | 0 |
| August, 2020 | 2150 | 0 |
| September, 2020 | 2150 | 0 |
| October, 2020 | 2150 | 0 |
| November, 2020 | 2150 | 0 |
| December, 2020 | 2150 | 0 |
| January, 2021 | 2150 | 0 |
| February, 2021 | 2150 | 0 |
| March, 2021 | 2150 | 0 |
| April, 2021 | 2150 | 0 |
| May, 2021 | 2150 | 0 |
| June, 2021 | 2150 | 0 |
| July, 2021 | 2150 | 0 |
| August, 2021 | 2150 | 0 |
| September, 2021 | 2150 | 0 |
| October, 2021 | 2150 | 0 |
| November, 2021 | 2150 | 0 |
| December, 2021 | 2150 | 0 |

77. Lakada’s ERAP submission for 6318 N. Francisco, Unit 3 contained at least three misrepresentations. Lakada knew these misrepresentations were false.

78. First, Lakada lied about Individual E being a tenant. Lakada altered a ComEd utility bill for 6318 N. Francisco Ave., Unit 3, to make it seem like Individual E lived in the unit. Lakada emailed the altered version to himself on December 18, 2021:

From: Ilyas Lakada
Sent: Saturday, December 18, 2021 2:14 AM CST
To: Ilakada <ilakada@gmail.com>
Attachment(s): "lightbill.pdf"

Ilyas A. Lakada
Attorney



10510 W. Zemke Road
Chicago, IL 60666
Telephone: (773) 894-1821
Mobile: (312) 519-5094
ilyas.lakada3@cityofchicago.org

79. Lakada edited the utility bill by listing Individual E's name at the top. The utility bill was really addressed to Lakada, whose contact information can be seen at the bottom of the utility bill:



An Exelon Company

Issued 11/22/21 Account # [REDACTED]

SERVICE FROM 10/22/21 THROUGH 11/22/21 (31 DAYS)

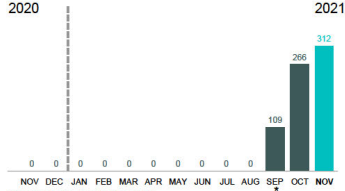
Residential - Single

[REDACTED]
6318 N Francisco Ave
Unit 3rd
Chicago, IL 60659

Total Amount Due by 12/14/21 \$55.11

Thank you for your payments totaling \$49.08.

TOTAL USAGE (kWh)



Current month's reading is actual.
*Non-regular Billing Period

AVERAGE DAILY USE (monthly usage/days in period)

| | |
|-----------------|----------------------|
| Current Month | 45° avg. temp |
| 10.1 kWh | |
| Last Month | 65° avg. temp |
| 9.2 kWh | Last Year |
| | Not Available |

⚡ Ten 100W light bulbs for 1 hour = 1 kWh

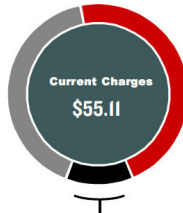
CURRENT CHARGES SUMMARY

See reverse side for details

SUPPLY
\$22.70

ComEd provides your energy.

ComEd.com
1.800.334.7661



DELIVERY
\$25.91

ComEd delivers electricity to your home.

ComEd.com
1.800.334.7661

For Electric Supply Choices visit pluginillinois.org

TAXES & FEES \$6.50

Return only this portion with your check made payable to ComEd. Please write your account number on your check.



An Exelon Company

0108079 01 AV 0.423 **AUTO T3 0 1232 60659-473158 -C05-61-P00000-1



ILYAS A LAKADA
208
5700 N LINCOLN AVE
CHICAGO, IL 60659-4731



COMED
PO BOX 6111
CAROL STREAM, IL 60197-6111



Pay your bill online, by phone or by mail.

See reverse side for more info

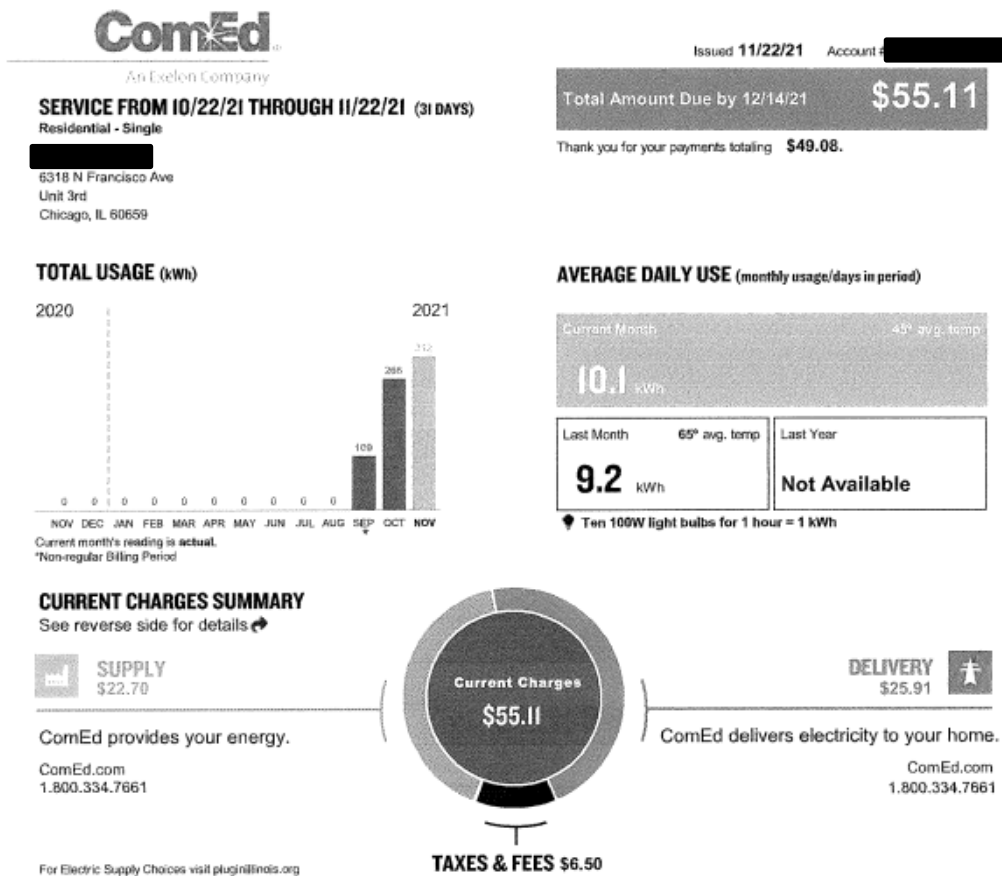
Account # [REDACTED]

Total Amount Due by 12/14/21 \$55.11

Payment Amount:

442111604100000551113480055112

80. Pretending to be Individual E, Lakada then submitted to the City the altered version of the bill with the bottom cut off, so that Lakada's information would not be visible:



81. ComEd records for 6318 N. Francisco, Unit 3 confirm that Individual E was never an account holder for the unit. Moreover, Lakada’s response to the City’s investigative subpoena conceded that Lakada was renting the unit to two other people, not Individual E, from May 2020 to March 2022.

82. Second, Lakada lied about the monthly rent amount. Lakada’s bank records indicate that Lakada was charging no more than \$1,800 rent per month during the applied-for months, not the \$2,150 rent claimed in Lakada’s rental ledger.

83. Third, Lakada lied about missing rent payments. Lakada’s bank records show that he received regular rent payments from at least April 2021 to September 2022. So, while Lakada claimed in December 2021 that he had received zero rent for 6318 N. Francisco, Unit 3 since May

2020 (in Lakada’s rental ledger) or October 2020 (in the application that Lakada or his agent fraudulently submitted in the name of Individual E), he had actually collected \$12,600 in rent by December 2021.

84. The City rejected this application.

IV. HAM Management’s Fraud

85. Mohammed Anwar Hussain formed HAM Management, LLC in June 2021, just one month after the City announced ERAP.

86. In December 2021, HAM Management submitted 16 ERAP applications, which exhibited red flags that were similar, if not identical, to the ones in Lakada’s applications.

87. First, the applications contained rental ledgers that were substantively identical to those submitted in the Lakada applications.

88. Second, the applications sought missed rent for the same months.

89. Third, the applications included “Attestation Forms” with electronic signatures as proof of income.

90. Fourth, none of the applications submitted leases.

91. Stranger still, HAM Management’s ERAP applications used the same office building that Lakada used for his ERAP applications.

92. Like Lakada, HAM Management used different email addresses to submit landlord and tenant documents. For landlord submissions, HAM Management used Outlook addresses containing either HAM Management or the landlord’s name. For tenant submissions, HAM Management used disposable “hi2.in” email addresses—temporary email accounts that expire after a set amount of time or a set number of uses. Scammers often use disposable email addresses

because the addresses allow them to remain anonymous when engaging in activities that require an email address.

93. HAM Management and its agents, Aashish Patel, Mohammed Anwar Hussain, and Akhen Wilson, knowingly made materially false statements in their ERAP submissions. HAM Management's applications represented that the company managed properties for five landlords and identified the tenants purportedly living in those properties. In reality, HAM Management did not manage the properties that it identified, and the tenants whom HAM Management identified did not live in those properties.

94. To pretend to be the property owners, HAM Management agents used publicly available documents (e.g., Cook County property tax bills) as proof of ownership. On information and belief, HAM Management's applications included forged W-9 documents with the actual property owners' social security numbers—personal information that HAM Management presumably obtained unlawfully.

95. To pretend to be the tenants, HAM Management agents submitted fake identification cards.

96. HAM Management received ERAP payments from the City in connection with the following two properties:

A. 1429 W. Ardmore Avenue, Apt. 1 - \$45,000

97. In December 2021, HAM Management applied to the City for \$45,000 in ERAP funds for 1429 W. Ardmore Avenue, Apt. 1. HAM Management sought \$2,500 per month from October 2020 to March 2022. HAM Management claimed that Landlord A was the landlord, and that Individual F was the tenant. HAM Management listed 5700 N. Lincoln Avenue as the mailing

address for payment, the same office building that Lakada listed as the payment mailing address in his ERAP applications.

98. Pretending to be Individual F, HAM Management provided the City with the following rental ledger, which is formatted like the rental ledgers included in Lakada's ERAP applications:

DECEMBER 18, 2021
TO: [REDACTED]
1429 W ARDMORE APT 1
CHICAGO, IL 60660
FROM: [REDACTED], LANDLORD

RENTAL LEDGER

ADDRESS: 1429 W ARDMORE AVE APT 1, CHICAGO, IL 60660
APARTMENT NUMBER: APT 1
TENANT: [REDACTED]
RENT PER EACH MONTH: \$2,500.00

| <u>MONTH:</u> | | <u>AMOUNT DUE:</u> | <u>PAID:</u> |
|---------------|------|--------------------|--------------|
| MAY | 2020 | \$2,500.00 | \$0.00 |
| JUNE | 2020 | \$2,500.00 | \$0.00 |
| JULY | 2020 | \$2,500.00 | \$0.00 |
| AUGUST | 2020 | \$2,500.00 | \$0.00 |
| SEPTEMBER | 2020 | \$2,500.00 | \$0.00 |
| OCTOBER | 2020 | \$2,500.00 | \$0.00 |
| NOVEMBER | 2020 | \$2,500.00 | \$0.00 |
| DECEMBER | 2020 | \$2,500.00 | \$0.00 |
| JANUARY | 2021 | \$2,500.00 | \$0.00 |
| FEBRUARY | 2021 | \$2,500.00 | \$0.00 |
| MARCH | 2021 | \$2,500.00 | \$0.00 |
| APRIL | 2021 | \$2,500.00 | \$0.00 |
| MAY | 2021 | \$2,500.00 | \$0.00 |
| JUNE | 2021 | \$2,500.00 | \$0.00 |
| JULY | 2021 | \$2,500.00 | \$0.00 |
| AUGUST | 2021 | \$2,500.00 | \$0.00 |
| SEPTEMBER | 2021 | \$2,500.00 | \$0.00 |
| NOVEMBER | 2021 | \$2,500.00 | \$0.00 |
| DECEMBER | 2021 | \$2,500.00 | \$0.00 |

99. While pretending to be Individual F, HAM Management submitted a driver's license for Individual F to the City. HAM Management also submitted to the City a property management agreement that the company purportedly entered with Landlord A to manage 1429 W. Ardmore Ave.

100. HAM Management's ERAP submission for 1429 W. Ardmore Ave., Apt. 1 contained at least two material falsehoods. HAM Management and its agents knew the statements were false.

101. First, HAM Management falsely stated that it managed the property. Contrary to HAM Management's representation, Landlord A told the City that he was unfamiliar with HAM Management and had not entered into a management agreement with the company. Supporting Landlord A's statement, the management agreement submitted by HAM Management purported to be effective from January 1, 2019 to December 31, 2022, even though HAM Management was not formed until June 2021. Moreover, the leases provided by Landlord A show that his signature differs from the one in the property management agreement submitted by HAM Management.

102. Second, HAM Management lied about Individual F being a tenant at 1429 W. Ardmore Ave., Apt. 1. The driver's license submitted by HAM Management for Individual F was fake. Landlord A told the City that he rented 1429 W. Ardmore Ave., Apt. 1 to two other individuals—not Individual F—and provided leases supporting his statements. ComEd utility records confirm that the individuals identified by Landlord A paid the utilities for the unit from June 2004 to July 2022.

103. Even though HAM Management did not own 1429 W. Ardmore or manage it, HAM Management collected \$45,000 in ERAP funds from the City for the unit.

B. 212 N. Leclaire Ave., 1st Floor - \$36,000

104. In December 2021, HAM Management applied to the City for \$36,000 in ERAP funds for 212 N. Leclaire Ave., 1st Floor. HAM Management sought \$2,000 per month from October 2020 to March 2022. HAM Management claimed that Landlord B was the landlord, and that Individual G was the tenant. HAM Management listed 5700 N. Lincoln Avenue as the mailing

address for payment, the same office building that Lakada listed as the payment mailing address in his ERAP applications.

105. Pretending to be Individual G, HAM Management provided the City with the following rental ledger, which is formatted like the rental ledgers included in Lakada's ERAP applications:

DECEMBER 16, 2021
TO: [REDACTED]
212 N. LECLAIRE AVE 1ST FLR
CHICAGO, IL 60644
FROM: [REDACTED], LANDLORD

RENTAL LEDGER

ADDRESS: 212 N. LECLAIRE AVE 1ST FLR, CHICAGO, IL 60644
APARTMENT NUMBER: **1ST FLR**
TENANT: [REDACTED]
RENT PER EACH MONTH: \$2,000.00

| MONTH: | | AMOUNT DUE: | PAID: |
|-----------|------|-------------|--------|
| MAY | 2020 | \$2,000.00 | \$0.00 |
| JUNE | 2020 | \$2,000.00 | \$0.00 |
| JULY | 2020 | \$2,000.00 | \$0.00 |
| AUGUST | 2020 | \$2,000.00 | \$0.00 |
| SEPTEMBER | 2020 | \$2,000.00 | \$0.00 |
| OCTOBER | 2020 | \$2,000.00 | \$0.00 |
| NOVEMBER | 2020 | \$2,000.00 | \$0.00 |
| DECEMBER | 2020 | \$2,000.00 | \$0.00 |
| JANUARY | 2021 | \$2,000.00 | \$0.00 |
| FEBRUARY | 2021 | \$2,000.00 | \$0.00 |
| MARCH | 2021 | \$2,000.00 | \$0.00 |
| APRIL | 2021 | \$2,000.00 | \$0.00 |
| MAY | 2021 | \$2,000.00 | \$0.00 |
| JUNE | 2021 | \$2,000.00 | \$0.00 |
| JULY | 2021 | \$2,000.00 | \$0.00 |
| AUGUST | 2021 | \$2,000.00 | \$0.00 |
| SEPTEMBER | 2021 | \$2,000.00 | \$0.00 |
| NOVEMBER | 2021 | \$2,000.00 | \$0.00 |
| DECEMBER | 2021 | \$2,000.00 | \$0.00 |

106. While pretending to be Individual G, HAM Management submitted a driver's license for Individual G to the City. HAM Management also submitted to the City a property

management agreement that the company purportedly entered with Landlord B to manage 212 N. Leclaire Ave.

107. HAM Management's ERAP submission for 212 N. Leclaire Ave., 1st Floor contained at least two material falsehoods. HAM Management and its agents knew the statements were false.

108. First, HAM Management falsely stated that it managed the property. HAM Management's application again included a fake management agreement dated before HAM Management was even formed. Landlord B told the City that she had never heard of HAM Management.

109. Second, HAM Management lied about Individual G being a tenant at 212 N. Leclaire Ave., 1st Floor. The driver's license that HAM Management submitted for Individual G was fake. Landlord B told the City that she did not rent the unit to Individual G. On the contrary, Landlord B stated that she did not rent the unit during the timeframe involved in HAM Management's application. ComEd utility records confirm that Landlord B paid the utility bills for 212 N. Leclaire Ave., 1st Floor from June 2020 to January 2022. The City is not aware of any evidence that Individual G ever lived at the unit.

110. On March 23, 2022, HAM Management deposited a check from the City for \$81,000, which included \$36,000 for HAM Management's 212 N. Leclaire Ave., 1st Floor application.

C. HAM Management's Other ERAP Applications

111. HAM Management also submitted ERAP applications to the City in connection with the following addresses:

- i. 1429 W. Ardmore Ave, Unit 2

- ii. 1429 W. Ardmore Ave, Unit 3
- iii. 212 N. Leclare Ave., 2nd Floor
- iv. 1527 W. Pratt Blvd.
- v. 1527 W. Pratt Blvd., 3E
- vi. 1527 W. Pratt Blvd., 2W
- vii. 1527 W. Pratt Blvd., 1E
- viii. 1527 W. Pratt Blvd., 1W
- ix. 1527 W. Pratt Blvd., 3W
- x. 1414 W. Thorndale Ave., Unit 1
- xi. 1414 W. Thorndale Ave., Unit 2
- xii. 1414 W. Thorndale Ave., Unit 3

112. These applications, like HAM Management’s other ERAP applications, largely included fake identification cards, fake management agreements, and temporary “hi2.in” email addresses. Many of these applications also used rental ledgers like Lakada’s and listed the same office building address for payment. HAM Management and its agents knowingly made materially false statements in connection with these applications.

113. The City rejected these applications. While unsuccessful, HAM Management and its agents knowingly attempted to gain an additional \$229,700 from the City through these materially false applications.

V. Lakada’s Connection to HAM Management

114. The schemes employed by Lakada and HAM Management appear to be connected. As described above, Lakada and HAM Management listed the same office building as the payment address for their ERAP applications. The Lakada and HAM Management ERAP applications also

utilized similar rental ledger documents as proof of missed rent payments. On top of that, Lakada's bank statements show that Lakada made payments to HAM Management agent Mohammed Anwar Hussain in 2020.

115. Moreover, Lakada assisted HAM Management in a real estate transaction. On January 11, 2022, Lakada ordered a sole order escrow from Greater Illinois Title Company in the amount of approximately \$250,000 for 3228 W. Warner, Chicago, 60618. On January 19, 2022, Akhen Wilson, a manager of HAM Management, wired \$214,700 from the HAM Management bank account to Greater Illinois Title Company for the sole order escrow. On January 27, 2022, Lakada cancelled the transaction and requested the escrow funds be released in the form of two checks of \$107,350 to third parties.

VI. Lakada and HAM Management Pursued other Rental Assistance Funds.

116. Lakada and HAM Management's schemes extended beyond false ERAP applications to the City. HAM Management and individuals associated with HAM Management submitted at least 33 applications to the Illinois Housing Development Authority (IHDA) for rental or housing assistance. HAM Management's bank records, moreover, show that Aashish Patel and HAM Management deposited fourteen \$25,000 checks from the IHDA, for a total of \$350,000.

117. Lakada and his relatives submitted 66 applications to the IHDA. Six applications were successful, generating \$143,900. The six successful applications were for the same addresses discussed above: 6318 N Francisco Ave Apt 2R; 6034 N Fairfield Ave Apt 3F; 6034 N Fairfield Ave Apt 1F; 3810 W Montrose Ave Unit 1F; 3810 W Montrose Ave Unit 2F; 6034 N Fairfield Ave Apt 1R; and 6034 N Fairfield Ave Unit Studio.

VII. Hussain and Lakada Engaged in Further Deception During the City's Investigation.

A. Hussain

118. The City served an investigative subpoena on Defendant Hussain to learn more about HAM Management, LLC.

119. In his interrogatory responses, Hussain claimed that he did not know Aashish Patel or Akhen Wilson, and that HAM Management was a restaurant:

INTERROGATORIES

1. Do You know an individual by the name of Aashish Patel? *NO*
2. Do You know an individual by the name of Akhen Wilson? *NO*
3. If Your answer to Interrogatory No. 1 is yes, what is Aashish Patel's contact information? Please include all known phone numbers, mailing addresses, email addresses, and social media handles or usernames.
4. If Your answer to Interrogatory No. 2 is yes, what is Akhen Wilson's contact information? Please include all known phone numbers, mailing addresses, email addresses, and social media handles or usernames.
5. Please describe in detail Your connection to HAM Management LLC, including whether you are or ever were an employee, officer, or agent of that company.
6. *I OPEN FOR RESTAURANT BUT NO BUSINESS & CLOSED*
What business activity, if any, have You conducted at 2600 W Peterson Ave., Suite 207?
7. *NONE BECAUSE NO BUSINESS*
Did You ever submit or assist in the submission of any application to the City or TRP for ERAP funds? *NO*
8. If Your answer to Interrogatory No. 7 is yes, please describe in detail any steps you took to submit or assist in the submission of any application to the City or TRP for ERAP funds. *NO*
9. What properties were managed by HAM Management LLC? Please list the address and years of management for each property. *NONE*

120. HAM Management's filings with the Illinois Secretary of State list Patel, Wilson, and Hussain as managers and/or agents of the LLC, making it unlikely that they did not know one another. And contrary to Hussain's representation that HAM Management was a restaurant, HAM

Management’s principal place of business was on the second floor of an office building, and there are no restaurant and food service inspection reports for a HAM Management in Chicago.

121. Hussain responded “none” to each of the City’s document requests. In doing so, Hussain certified that “all documentary material required by [the] Investigative Subpoena and in the possession, custody, or control of Mohammed Anwar Hussain has been produced and made available to the Corporation Counsel.” Hussain’s statement was false. For example, the City requested all bank statements for any accounts held by HAM Management from January 1, 2020 to January 1, 2022. While Hussain claimed the bank records did not exist and did not produce them, the City obtained them in the course of its investigation.

B. Lakada

122. The City served an investigative subpoena on Lakada to learn more about his ERAP applications.

123. In response to the City’s subpoena, Lakada told the City that he has essentially no documents related to his ERAP submissions. For instance, Lakada stated that he:

- a. lacks text messages with tenants or others involved in his property rental business because the cell phone that he used during the relevant period was stolen;
- b. disposed of the laptop and computer that he used during the relevant period;
- c. kept no electronic ledgers or accounting records to track rent payments;
- d. threw away hard copy documents when he changed office locations in the fall of 2022; and
- e. lost access to the email mailbox that he used for his property management business.

124. Although Lakada used a Gmail address for at least some ERAP-related communications, *see, e.g., supra* ¶¶ 75, Lakada produced no communications from that mailbox.

125. In addition, Lakada told the City that he did not personally prepare any ERAP applications. Instead, Lakada stated that he “delegated that task to another individual with whom he has since lost contact.” While Lakada provided a name for this individual, Lakada stated he was not sure if the name was spelled right. Lakada also said that he no longer had any contact information for this individual.

126. Moreover, although Lakada told the City that he was removed from the rental assistance application process, Lakada’s emails paint a different picture.

127. When the IHDA started denying Lakada’s applications, Lakada sent angry emails. For instance, in June 2022 (after Lakada had already received over \$100,000 from the City in ERAP funds), Lakada wrote a long email to the IHDA complaining about the denial of 12 of his applications. In the email, Lakada explained that he was directly involved in submitting applications for rental assistance: “Since the beginning of the COVID-19 pandemic and with the introduction of rental assistance programs offered by the State of Illinois, I have worked extraordinarily hard with my tenants as well as with the IL Housing Development Authority to obtain rental assistance for my tenants who are desperately in need.” Lakada elaborated that he retained bilingual staff, provided computer stations to help the tenants apply, and that he “personally helped the tenants obtain the documents needed to submit each application.” Despite each application taking 2 to 3 hours, Lakada complained that the IHDA “arbitrarily denied the submissions.”

128. The next day, the IHDA sent Lakada the reasons for the application denials, such as the IHDA’s inability to confirm the tenants’ residency. The IHDA further explained that there

was no appeals process for denied applications. Lakada responded that his applications did not receive a proper review and called IHDA or its contractors lazy. Lakada also stated that he was escalating the issue to Governor Pritzker's office:

Now, IHDA is claiming that there is no mechanism to appeal a denied application. But what IHDA fails to understand is that an actual review DID NOT TAKE PLACE. The applications were arbitrarily and capriciously denied with no justification.

- How can it be that all of my applications were denied when
- Was each application missing the same information?
- What happened to IHDA's own guidance for various statuses on its FAQ on its website (<https://www.illinoishousinghelp.org/faqs#renters-ID>) which suggests that an applicant can upload additional information?
- Why was there an actual button to upload additional information in the portal?
- Why was there a banner heading after logging in that after uploading documentation allow additional time to review?

Because of IHDA's or its contractors laziness, my tenants are stuck and I have no choice but to proceed with evictions.

I am now escalating this to Governor Pritzker's office - he should be aware of how IHDA is carelessly handling the submissions hurting low-income, minority individuals.

Regards,
Ilyas Lakada
Messina Holdings, LLC
+1 773 841 7868
ial@messinaH.com

129. Lakada also actively tracked and pursued ERAP payments from the City. For instance, on February 7, 2022, Lakada emailed the City's ERAP email address about his application for 6318 N. Francisco Ave., Garden Unit. Lakada wrote: "I am the owner. I still have not received payment. Please advise."

130. Lakada also demonstrated his involvement by using his City email address to email himself a forged version of a ComEd bill, which he later uploaded in support of his submission for 6318 N. Francisco Ave. Apt. 3. *See supra* ¶¶ 75-78.

131. Finally, Lakada signed all of his ERAP applications. And for two applications, Lakada signed his name for both the tenant and landlord fields of the ERAP applications. In other words, when Lakada was impersonating a tenant for purposes of his ERAP applications, he accidentally signed his name for the tenant portion of the ERAP application too.

COUNT 1
Violation of the False Claims Ordinance
Against All Defendants

132. The City incorporates all preceding allegations as if they were set forth herein.

133. The False Claims Ordinance provides that any person who knowingly makes a false claim to the City “is liable to the city for a civil penalty of not less than \$5,000.00 and not more than \$10,000.00, plus three times the amount of damages which the city sustains because of the act of that person.” MCC § 1-22-020(a).

134. A person makes a false claim when the person “knowingly presents, or causes to be presented, to an official or employee of the city a false or fraudulent claim for payment or approval,” “knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the city,” or “conspires to defraud the city by getting a false or fraudulent claim allowed or paid.” *Id.*

135. Defendants knowingly made materially false claims as described above in violation of MCC § 1-22-020, including by:

- a. Submitting ERAP applications containing falsehoods—including about the identities of tenants, the amount of rent owed, and the ownership and management of the applied-for properties—to the City for payment;
- b. Submitting forged or falsified utility documents, past due rent notices, leases, identification cards, and property management agreements in support of ERAP applications to the City for payment; and
- c. Conspiring with each other to submit false ERAP applications to the City for payment.

136. These materially false claims caused the City to pay ERAP funds to Defendants in some instances. In others, the false claims were nonetheless material in that they had the natural tendency to influence the City's decisions about whether to grant rental assistance.

137. The City respectfully requests that the Court enter an order (a) awarding judgment in the City's favor on Count I; (b) declaring that Defendants violated MCC § 1-22-020(a); (c) assessing Defendants fines of \$10,000 for each false claim made to the City; (d) awarding the City the costs of its investigation and suit, including reasonable attorneys' fees and costs; (e) assessing Defendants three times the amount of damages sustained by the City; and (f) awarding such other relief as this Court deems reasonable and just.

COUNT 2
Violation of False Statements Ordinance
Against Defendant Hussain

138. The False Statements Ordinance provides that any person who knowingly makes a false statement of material fact to the city in violation of any ordinance or regulation or in connection with any application "is liable to the city for a civil penalty of not less than \$500.00 and not more than \$1,000.00, plus up to three times the amount of damages which the city sustains." MCC § 1-21-010(a).

139. A person makes a false statement of material fact when a person makes the statement with "actual knowledge that the statement was false," "with knowledge of facts or information that would cause a reasonable person to be aware that the statement was false when it was made," or "signs ... or causes any other person to sign ... that a statement of material fact is true or accurate in deliberate ignorance or reckless disregard of the truth or falsity of the statement." MCC § 1-21-010(d). A person who "fails to make a reasonable investigation ... acts in deliberate ignorance or reckless disregard." *Id.*

140. Defendant Hussain knowingly and willfully made false statements in violation of MCC § 1-21-010. Specifically, Hussain falsely claimed in his response to the City’s investigative subpoena that he did not know Akhen Wilson and Aashish Patel. Hussain further falsely stated that HAM Management was a restaurant. Hussain’s false statements were material because they were intended to cast suspicion away from him, which in the ordinary course would have a natural tendency to influence the City’s investigation.

141. The City respectfully requests that the Court enter an order (a) awarding judgment in the City’s favor on Count II; (b) declaring that Hussain violated MCC § 1-21-010; (c) assessing Hussain fines of \$1,000 for each false statement made to the City; (d) awarding the City the costs of its investigation and suit, including reasonable attorneys’ fees and costs; (e) assessing Hussain three times the amount of damages sustained by the City; and (f) awarding such other relief as this Court deems reasonable and just.

JURY DEMAND

Chicago requests a trial by jury of all claims.

Dated: September 11, 2024

Mary B. Richardson-Lowry
Corporation Counsel of the City of Chicago

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