



The City of New York  
Department of Investigation

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**PRESIDENT OF QUEENS-BASED CONSTRUCTION COMPANY SENTENCED TO 48 MONTHS IN PRISON FOR SCHEME TO DEFRAUD THE CITY IN CONNECTION WITH HOMELESS SHELTER CONTRACTS**

Jocelyn E. Strauber, Commissioner of the New York City Department of Investigation ("DOI"), issued the following statement on the prison sentence for LIAQUAT CHEEMA, the President of AFL Construction Co. Inc. ("AFL"), a City-funded vendor based in Queens, for leading a scheme to defraud the City of New York in connection with AFL's \$12 million in City contracts with the Department of Homeless Services ("DHS"). AFL performed general contracting at City homeless shelters. DOI investigated this case with the Northeast Region of the U.S. Department of Labor, Office of Inspector General ("DOL-OIG"); and the Office of the United States Attorney for the Southern District of New York, which prosecuted the case.

LIAQUAT CHEEMA, 65, of East Elmhurst, N.Y., pled guilty on March 5, 2024, to Conspiracy to Commit Wire Fraud and was sentenced today by U.S. District Judge Lorna G. Schofield in the Southern District of New York to 48 months in prison, followed by two years of supervised release. As part of his plea agreement, CHEEMA agreed to pay \$3,267,811 in restitution and forfeiture. He is scheduled to surrender on October 31, 2025.

DOI Commissioner Jocelyn E. Strauber said, "Over three years, this defendant stole millions of dollars from the City, by overcharging for maintenance and other work that AFL was contracted to perform at City homeless shelters, through submission of falsified invoices and other documentation. Now he will serve 48 months in prison, because theft of funds intended to improve the housing available to City residents in need has serious consequences. I thank the U.S. Attorney's Office for the Southern District of New York and our federal law enforcement partners for their commitment to protect City funds."

According to the criminal complaint and indictment, CHEEMA was the president of AFL, a vendor with public contracts with the City worth approximately \$12 million, to perform general contracting work at City homeless shelters. According to the contracts, AFL was to perform, among other things, general maintenance, landscaping, roofing, and snow removal at shelter sites. Between 2014 through about 2017, CHEEMA and others submitted fraudulent invoices and other documentation in support of requests for payment on the contracts, falsely claiming certain workers had performed work on certain projects when they had not, and inflating the amounts paid by the defendant for materials supposedly used on projects. The fraudulent invoices and supporting documentation contained, without authorization, names and in at least one case, a social security number, of "workers" had not actually worked on the projects specified in the requests for payment.

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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 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 contained the name and alleged signature of a "Project Manager" who, in fact, was deceased. In connection with his guilty plea, CHEEMA agreed to pay back the money misappropriated from Medicaid.

CHEEMA's co-defendants, KHIZAR HAYAT, SHOUKET CHUDHARY, and IRFAN BAJWA were sentenced earlier this year. In February 2025, HAYAT was sentenced to time served followed by three years' supervised release and ordered to forfeit \$43,000 and pay restitution of \$101,000. In April 2025, CHUDHARY was sentenced to time served followed by three years' supervised release and ordered to forfeit \$397,000 and pay restitution of \$466,000. In September 2025, BAJWA was sentenced to time served followed by two and a half years' supervised release, with the first six months served as home detention, and ordered to forfeit \$267,000 and pay restitution of \$331,000.

Commissioner Strauber thanked Jay Clayton, U.S. Attorney for the Southern District of New York for his office's partnership on this case, which is being prosecuted by the Office's Complex Frauds and Cybercrime Unit. Assistant U.S. Attorney Timothy V. Capozzi is in charge of the prosecution. Commissioner Strauber also thanked the Northeast Region of the U.S. Department of Labor, Office of Inspector General ("DOL-OIG") for its partnership on this investigation.

At DOI, the investigation was conducted by Assistant Inspector General Alexandra Davie and Acting Inspector General Jeremy Reyes in DOI's Office of the Inspector General for the City Department of Homeless Services, with the assistance of Director of Audits Laila Yu, Senior Investigative Auditor Yanyan Wang and Senior Investigative Auditor Carmen Wong in DOI's Investigative Auditing Unit. The investigation was supervised by Deputy Commissioner of Strategic Initiatives Christopher Ryan and Deputy Commissioner/Chief of Investigations Dominick Zarrella.

*DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City. DOI's strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.*

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