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Southern District of New York

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FOR IMMEDIATE RELEASE
Tuesday, October 11, 2011
<http://www.justice.gov/usao/nys>

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**MANHATTAN U.S. ATTORNEY ANNOUNCES CHARGES AGAINST
TWELVE DEFENDANTS FOR OPERATING A MASSIVE
IMMIGRATION FRAUD MILL THROUGH A MANHATTAN LAW FIRM**

*Ringleader Charged For Operating Law Firm Allegedly Responsible For Filing Tens of
Thousands Of Fraudulent Petitions Using Fake Employer Sponsors And
A Corrupt Government Employee*

27 Defendants In Total Charged As Part Of The Investigation

PREET BHARARA, the United States Attorney for the Southern District of New York, ROBERT PANELLA, the Special Agent-in-Charge of the New York Field Office of the U.S. Department of Labor's Office of Inspector General ("DOL-OIG"), Office of Labor Racketeering and Fraud Investigations, and JAMES T. HAYES, JR., the Special Agent-in-Charge of the New York Office of U.S. Immigrations and Customs Enforcement's ("ICE") Homeland Security Investigations ("HSI"), announced today the unsealing of an Indictment charging 12 defendants with operating a massive immigration fraud mill through a Manhattan-based law practice, in which the defendants and their co-conspirators applied for legal status for tens of thousands of illegal aliens based on phony claims that U.S. employers had "sponsored" those aliens for employment in the United States. The participants in the scheme took in millions of dollars in illicit proceeds from the illegal aliens who utilized their services. To date, a total of 27 individuals have been charged with participating in the scheme. Those charged include: EARL SETH DAVID, a/k/a "Rabbi Avraham David," who was the principal of the law offices and the scheme's ringleader, and who was arrested today in Canada after fleeing the United States; employees of DAVID's law offices who created fake documents to support the fraudulent immigration applications; numerous phony "sponsors" – individuals who, in exchange for payments from DAVID and his employees, agreed to falsely represent that they were sponsoring

aliens for employment; corrupt accountants who created fake tax returns for fictitious sponsor companies; and a corrupt Department of Labor employee who assisted in the scheme.

Manhattan U.S. Attorney PREET BHARARA stated: "As alleged, Earl David and his many cohorts corrupted the immigration process through a carefully orchestrated scheme that was stunning in its scope and audacity. They allegedly reaped millions of dollars for filing tens of thousands of fraudulent applications for lawful immigration status on behalf of their alien clients. We will not tolerate this flagrant abuse of a program that is designed to assist U.S. employers in their efforts to obtain legal status for truly qualified employees."

DOL-OIG Special Agent-in-Charge ROBERT PANELLA stated: "Today's indictment charges 12 individuals in an immigration fraud scheme in which thousands of fraudulent petitions, applications, and supporting documentation were allegedly filed with the U.S. Departments of Labor and Homeland Security. The Office of Inspector General will continue to work closely with our law enforcement partners at the Document and Benefit Fraud Task Force to investigate those who would defraud Department of Labor programs."

ICE HSI Special Agent-in-Charge JAMES T. HAYES, JR., stated: "This law firm and its associates allegedly exploited the immigration system and carried out one of the largest immigration fraud schemes to have ever been committed in our country. Today's arrests reflect HSI's commitment to investigating document and benefit fraud and those who try to circumvent our nation's immigration laws."

According to the Indictment unsealed today in Manhattan federal court, and prior charging instruments and court proceedings in connection with other, previously charged defendants:

From 1996 until early 2009, EARL SETH DAVID operated a Manhattan-based immigration law firm (the "David Firm") that took in millions of dollars through a long-running scheme to charge exorbitant fees to the Firm's alien-clients, in return for procuring legal immigration status for the clients based upon phony claims that U.S. employers had "sponsored" the aliens for employment.

United States law permits an alien to petition for legal status if the alien has obtained a certification from the U.S. Department of Labor ("DOL") certifying that a U.S. employer wishes to employ, or "sponsor," the alien. An alien who obtains that DOL certification can then use it to petition the U.S. Citizenship and Immigration Services to obtain legal status in the United States. As alleged in the Indictment, in return for fees of up to \$30,000 per alien-client, the David Firm applied for and obtained thousands of DOL certifications based upon phony employment sponsorships and fabricated documents, including fake pay stubs, fake tax returns, and fake "experience letters," purporting to show that the sponsorships were real and that the aliens possessed special employment skill sets justifying labor-based certification by DOL. In reality, the sponsors had no intention of hiring the aliens, and the sponsor companies often did not even exist other than as shell companies for use in the fraudulent scheme. As a result of the fraud, DOL issued thousands of certifications, and immigration authorities granted legal status to thousands of the David Firm's clients, when such adjustments were unwarranted and otherwise would not have been made. To date, the Government has identified at least 25,000 immigration

applications submitted by the David Firm – the vast majority of which have been determined to contain false, fraudulent, and fictitious information.

In furtherance of the alleged scheme, DAVID and his employees recruited many people to participate, including dozens of individuals who, in exchange for payment, agreed to falsely represent to DOL that they were sponsoring aliens for employment; corrupt accountants who create fake tax returns for the fictitious sponsor companies; and a corrupt DOL employee who helped ensure that DOL certifications were granted based upon the fraudulent applications.

DAVID allegedly continued to operate the scheme, from behind-the scenes, even after he was suspended from the practice of law in New York State in March 2004. DAVID fled to Canada in 2006 after learning that his firm was under federal criminal investigation. Nevertheless, illicit profits from the scheme continued to be funneled to him in Canada, including through a bank account in the name of a biblical treatise he had authored entitled "Code of the Heart." The David Firm ceased operations in early 2009, when federal search warrants were executed at several locations associated with the firm.

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The Indictment unsealed today charges each of the 12 defendants with: conspiracy to commit immigration fraud through the making of false statements, which carries a maximum penalty of five years in prison; immigration fraud, which carries a maximum penalty of 10 years in prison; and conspiracy to commit wire and mail fraud, which carries a maximum penalty of 20 years in prison. DAVID alone is additionally charged with conspiracy to commit money laundering, which carries a maximum penalty of 20 years in prison.

The following charts summarize the charges in the Indictment unsealed today, the charges against 15 other defendants previously indicted in connection with the scheme, and the alleged role that each defendant played in the scheme.

| Defendant | Role | Case Number | Status | Residence |
|----------------------------|---------------------|---------------------|--|-----------------|
| EARL SETH DAVID AGE: 47 | David Firm attorney | S1 11 Cr. 424 (NRB) | Arrested in Canada on October 11, 2011 — Pending Extradition from Canada | Toronto, Canada |
| ALI GOMAA AGE: 59 | David Firm Employee | S1 11 Cr. 424 (NRB) | Charged — Fugitive | FUGITIVE |
| GULAY CIBIK AGE: 54 | David Firm Employee | S1 11 Cr. 424 (NRB) | Charged — Case Pending | New York, NY |

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|---|------------------------|------------------------|---|--------------|
| RAFAEL BRODJIK AGE: 40 | David Firm Employee | S1 11 Cr. 424 (NRB) | Arrested on October 11, 2011 — Case Pending | Monsey, NY |
| ALEXANDRA URBANEK AGE: 48 | David Firm employee | S1 11 Cr. 424 (NRB) | Arrested on October 11, 2011 — Case Pending | Brooklyn, NY |
| ABRAHAM FLAM AGE: 42 | Sponsor | S1 11 Cr. 424 (NRB) | Arrested on October 11, 2011 — Case Pending | Lakewood, NJ |
| ARYEA YEHUDA FLOHR AGE: 43 | Sponsor | S1 11 Cr. 424 (NRB) | Arrested on October 11, 2011 — Case Pending | Brooklyn, NY |
| ANDRE HERBST AGE: 54 | Sponsor | S1 11 Cr. 424 (NRB) | Arrested on October 11, 2011 — Case Pending | Monsey, NY |
| NATHAN SCHWARTZ AGE: 47 | Sponsor | S1 11 Cr. 424 (NRB) | Arrested on October 11, 2011 — Case Pending | Monsey, NY |
| HAROLD TISHLER AGE: 47 | Sponsor | S1 11 Cr. 424 (NRB) | Arrested on October 11, 2011 — Case Pending | Brooklyn, NY |
| CHAIM WALTER AGE: 43 | Sponsor | S1 11 Cr. 424 (NRB) | Arrested on October 11, 2011 — Case Pending | Brooklyn, NY |
| MAYER WEBER AGE: 39 | Sponsor | S1 11 Cr. 424 (NRB) | Arrested on October 11, 2011 — Case Pending | Brooklyn, NY |

Other than GOMAA and CIBIK, each of above-listed defendants was arrested this morning, and all except for DAVID, GOMAA, and CIBIK are expected to be presented in Manhattan federal court before U.S. Magistrate Judge MICHAEL H. DOLINGER. DAVID – who allegedly fled to Canada after learning that the David Firm was under federal criminal

investigation – was arrested this morning in Ontario, Canada, by the Toronto Fugitive Squad of the Toronto, Ontario, Police Service and is expected to face extradition proceedings.

The following defendants have previously been charged in connection with the immigration fraud scheme:

| Defendant | Role | Case Number | Status |
|----------------------|-------------------------------|----------------------|---|
| DAVID GRYSZTAJN | David Firm employee | 07 Cr. 480 (DC) | Charged — Case Pending |
| ANGELICA YONAYEV | Accountant used by David Firm | 07 Cr. 480 (DC) | Pled Guilty — Pending Sentencing |
| LEO TEITELBAUM | David Firm employee | 07 Cr. 480 (DC) | Charged — Case Pending |
| DAVID VAGO | Accountant used by David Firm | 09 Cr. 443 (PKC) | Pled Guilty — Sentenced to one year and one day in prison; \$54,225 restitution; \$10,000 fine |
| ABDULBASSIT CHOUDARY | David Firm employee | 09 Cr. 443 (PKC) | Pled Guilty — Sentenced to two years in prison; three years of supervised release; \$785,000 restitution; \$10,000 fine |
| ROBERT SALAMON | David Firm employee | 09 Cr. 443 (PKC) | Charged — Case Pending |
| JOHN A. NOLAN | Government Employee | 09 Cr. 443 (PKC) | Pled Guilty — Sentenced to 18 months in prison; three years of supervised release |
| MARITZA DIAZ | David Firm attorney | 10 Cr. 889 (JGK) | Pled Guilty — Sentenced to three years of probation; \$5,000 fine |
| MIR HUSSAIN | David Firm employee | 11 Cr. 316 (SAS) | Pled Guilty — Sentenced to one year and one day in prison; two years of supervised release |
| JANINE SITAO | Sponsor | 10 Cr. 1277 (AKH) | Pled Guilty — Pending Sentencing |
| DEADMA DELDOC | Sponsor | S1 10 Cr. 1294 (RJH) | Pled Guilty — Pending Sentencing |

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| MOHAMED SALEEM | Accountant used by David Firm | 10 Cr. 681 (KMW) | Charged — Case Pending |
| SARIEL SABALE | Sponsor | 10 Cr. 681 (KMW) | Charged — Fugitive |

Mr. BHARARA praised the work of the U.S. Department of Labor's Office of Inspector General, Office of Labor Racketeering and Fraud Investigations and the U.S. Immigrations and Customs Enforcement's Homeland Security Investigations for their outstanding work in the investigation. He also thanked the Toronto Fugitive Squad of the Toronto, Ontario, Police Service and the Canadian Department of Justice, including its Toronto regional office for their assistance with DAVID's arrest.

This case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorney E. DANYA PERRY and Special Assistant U.S. Attorney JOHN REH are in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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