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Two Brooklyn Men Plead Guilty to Illegally Transmitting Cash to Rabbi and Cooperating Witness

(More)

Public Affairs Office
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TRENTON, N.J. – Two Brooklyn, New York men pleaded guilty today to operating illegal money transmitting businesses that transferred large amounts of cash to a cooperating witness and to Rabbi Eliahu Ben Haim, the then-principal rabbi of Congregation Ohel Yaacob in Deal, New Jersey, United States Attorney Paul J. Fishman announced.

Yeshaye Ehrental (a/k/a “Yeshayahu Ehrental”), 66, and Schmucl Cohen (a/k/a Schmulik Cohen), 25, a citizen of Israel, each pleaded guilty before United States District Judge Joel A. Pisano to separate, one-count Informations charging them with operating unlicensed money transmitting businesses, or “cash houses,” out of locations in Brooklyn.

At their plea hearings, Ehrental and Cohen admitted that from June 2007 to July 2009, they each operated an unlicensed money transmitting business with individuals residing in Israel, and that in conducting their business from locations in Brooklyn, they transferred thousands of dollars in cash to Ben Haim and a cooperating witness who was acting for Ben Haim. Ehrental admitted that, during the relevant period, he transferred between \$200,000 and \$400,000 in cash to Ben Haim and the cooperating witness. Cohen admitted that, during the relevant period, he transferred between \$400,000 and \$1 million in cash to those same individuals.

Today’s guilty pleas stem from a two-track undercover Federal Bureau of Investigation (“FBI”) investigation into public corruption and international money laundering which resulted in the charging of 44 individuals via criminal Complaints on July 23, 2009. At that time, both Ehrental and Cohen were charged with conspiring with Rabbi Eliahu Ben Haim, 59, of Elberon, New Jersey, to launder money and operate an unlicensed money transmitting business. Another “cash house” operator, Arye Weiss, was charged on that same date with conspiring with Ben Haim. The cases against Ben Haim and Weiss are pending.

The charge to which Ehrental and Cohen pleaded guilty carries a maximum statutory penalty of five years in prison and a \$250,000 fine. Judge Pisano continued Ehrental’s release on a \$1.8 million bond pending sentencing. Cohen’s release also was continued on a \$690,000 bond and home detention with electronic monitoring. In addition, Ehrental agreed not to contest the forfeiture of \$57,225 in U.S. currency that was seized from his office by the FBI on July 23, 2009. Sentencing for both defendants is scheduled for July 26, 2010, at 10:00 a.m.

In determining an actual sentence, Judge Pisano will consult the advisory U.S. Sentencing Guidelines, which recommend sentencing ranges that take into account the severity and characteristics of the offenses, the defendant’s criminal history, if any, and other factors, including acceptance of responsibility. The judge, however, has discretion and is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all of that time.

Fishman credited Special Agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, and Special Agents of the Internal Revenue Service Criminal

Investigation Division, under the direction of Special Agent in Charge William P. Offord, for the investigation leading to today's guilty plea. The cases involving Ehrental and Cohen are being handled by Assistant U.S. Attorney Maureen Nakly of the U.S. Attorney's Office Special Prosecutions Division in Newark.

The charges and allegations contained in the Complaints against Ben Haim and Weiss are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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Defense Counsel:

Cohen – Patrick J. Egan, Esq., Philadelphia, PA

Ehrental – Richard A. Finkel, Esq.; Ronald M. Kleinberg, Esq., New York, NY