



*United States Attorney  
Southern District of New York*

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**FOR IMMEDIATE RELEASE**  
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**NEW SQUARE FRAUD FUGITIVE**  
**CAPTURED AFTER ELEVEN YEARS**

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MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today the arrest in London of AVRUM DAVID FRIESEL, who was charged in a 64-count Indictment filed in 1997 with participating in various schemes to defraud the United States Government of tens of millions of dollars.

FRIESEL, for whom a warrant was issued in 1997 after he failed to appear in United States District Court for the Southern District of New York, was arrested early this morning, in response to a formal request submitted by the United States for his arrest.

FRIESEL and six others were charged with having defrauded several federal and state grant, loan and subsidy programs, for the benefit of themselves and other residents of the Village of New Square, an incorporated village in Rockland County. Among other things, the Indictment charges that FRIESEL and others created entities through which federal and state funds could be obtained; submitted fraudulent documentation in order to establish the eligibility of New Square residents and others to participate in these programs; used the funds obtained from these programs for impermissible purposes; and concealed their fraud by using false names and nominee bank accounts.

Among the programs allegedly defrauded by FRIESEL and his co-conspirators were the Pell Grant program funded by the United States Department of Education, a Small Business Administration program designed to provide venture capital to small, minority-owned businesses, the Section 8 rental subsidy program funded by the United States Department of Housing and Urban Development, and the Social Security Administration.

Four of the individuals who were charged together with FRIESEL were convicted in 1999 following an 11-week jury trial in White Plains federal court.

CHAIM BERGER, another defendant who fled before the trial, was arrested in Israel in 1999 and was later extradited to the United States. He pleaded guilty upon his return.

Following an appearance today before a judge in London, FRIESEL was detained pending a bail hearing on May 7.

Mr. GARCIA praised the outstanding combined investigative efforts of the United States Marshals Service and London's Metropolitan Police Service, Extradition Unit.

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