MJM/USAO#2009R00905

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.
	:	
	:	Crim. No. 11-
v.	:	
	:	18 U.S.C. §§ 1956(a)(3)(B);
	:	1956(h); 1960; 982(a)(1); and
LAVEL SCHWARTZ,	:	§ 2
a/k/a "Albert Schwartz," and	:	
DAVID S. GOLDHIRSH	:	

I N D I C T M E N T

The Grand Jury in and for the District of New Jersey, sitting at Newark, charges:

COUNT ONE
Conspiracy to Commit Money Laundering

1. At all times relevant to Count One of this Indictment:

A. Defendant LAVEL SCHWARTZ, a/k/a "Albert Schwartz," (hereinafter "LAVEL SCHWARTZ") resided in Brooklyn, New York.

B. Defendant DAVID S. GOLDHIRSH resided in Brooklyn, New York and operated a charitable organization, or "gemach," known as "Boyoner Gemilas Chesed" (hereinafter "BGC"), the account for which he was the sole signator.

C. Coconspirator Mordchai Fish was the principal rabbi at a synagogue located on 16th Avenue in Brooklyn, New York.

D. There was a cooperating witness (hereinafter, the

"CW") who had been charged in a Federal criminal complaint with bank fraud in or about May 2006. At the direction, and with the approval of, the Federal Bureau of Investigation ("FBI"), the CW represented to defendants LAVEL SCHWARTZ and DAVID S. GOLDHIRSH and coconspirator Mordchai Fish that the CW sought to conceal and launder illicit funds through an already-established underground money transfer network to which defendants LAVEL SCHWARTZ and DAVID S. GOLDHIRSH and coconspirator Fish had access. The CW also repeatedly represented that the funds that the CW sought to conceal and launder were proceeds from the CW's illegal schemes and businesses, including bank fraud, trafficking in counterfeit goods, and concealing assets and monies in connection with bankruptcy proceedings. The funds provided by the CW to coconspirator Fish, defendants LAVEL SCHWARTZ and DAVID S. GOLDHIRSH and others were in the form of bank checks drawn upon a bank account maintained at a financial institution located in Monmouth County, New Jersey.

E. The banks maintaining the accounts for BGC and other organizations which defendants LAVEL SCHWARTZ, DAVID S. GOLDHIRSH, coconspirator Fish and others used to transfer and launder illicit proceeds were financial institutions that engaged in interstate commerce.

2. From in or about May 2008 to in or about July 2009, in Monmouth County, in the District of New Jersey and elsewhere,

defendants

LAVEL SCHWARTZ and
DAVID S. GOLDHIRSH,

coconspirator Mordchai Fish and others knowingly and with intent to conceal and disguise the nature, location, source, ownership, and control of property believed to be the proceeds of specified unlawful activities--that is, bank fraud, contrary to Title 18, United States Code, Section 1344, trafficking in counterfeit goods, contrary to Title 18, United States Code, Section 2320, and the concealment of property belonging to the estate of a debtor from a federal bankruptcy trustee and bankruptcy court, contrary to Title 18, United States Code, Section 152--conspired and agreed with one another and others to conduct financial transactions involving property represented by the CW at the direction, and with the approval, of a federal official authorized to investigate and prosecute violations of Title 18, United States Code, Section 1956, to be the proceeds of specified unlawful activities, contrary to Title 18, United States Code, Section 1956(a)(3)(B).

3. It was part of the conspiracy that to set up each transaction, coconspirator Mordchai Fish would participate in telephone calls with the CW between New Jersey and New York during which Fish would speak in coded language with the CW to solidify the amount of the transaction - which typically ranged from $25,000 to $100,000 - and inform the CW to which "gemach" -

most frequently BGC - the bank check should be made payable.

4. It was further part of the conspiracy that on the day of the transaction, defendant LAVEL SCHWARTZ and coconspirator Fish would meet the CW, often at defendant LAVEL SCHWARTZ's residence, and would accept a bank check from the CW which had been issued from a bank account based in Monmouth County, New Jersey.

5. It was further part of the conspiracy that coconspirator Fish often would have another coconspirator bring large amounts of cash to defendant LAVEL SCHWARTZ and coconspirator Fish at defendant SCHWARTZ's residence to provide to the CW in exchange for the bank check. On other occasions, coconspirator Fish and the CW would travel to another location in Brooklyn to meet with other coconspirators, including defendant DAVID S. GOLDHIRSH, who would provide a large sum of cash in exchange for the bank check which had been represented by the CW to be the proceeds of illegal activity. Defendant SCHWARTZ, defendant GOLDHIRSH and coconspirator Fish caused the CW to be charged approximately 10% of the face amount of the bank check for this money laundering service.

6. It was further part of the conspiracy that defendant LAVEL SCHWARTZ and coconspirator Fish advised the CW that the individuals who were providing the cash in exchange for bank checks provided by the CW were part of a larger underground money

network with connections to Israel, and that defendant DAVID S. GOLDHIRSH and others were part of "a whole chain."

7. It was further part of the conspiracy that coconspirator Fish supplied the CW with SIM cards for the CW's cellular telephone to thwart efforts by law enforcement to intercept phone calls between the CW and coconspirator Fish. Defendant LAVEL SCHWARTZ and coconspirator Fish further advised the CW to make sure that there were no recording devices in the CW's car or home and instructed the CW to speak as little as possible with those who were supplying the cash as part of the money laundering transactions.

8. It was further part of the conspiracy that coconspirator Fish, defendant LAVEL SCHWARTZ and the CW would count the cash which defendant DAVID S. GOLDHIRSH or another coconspirator had provided to ensure that the CW received the agreed-upon amount of cash and that the coconspirators received the allotted fee for the transaction.

In violation of Title 18, United States Code, Section 1956(h).

COUNTS TWO TO THIRTEEN
Money Laundering

1. Paragraphs 1 and paragraphs 3 to 8 of Count One of this Indictment are hereby incorporated and realleged as if set forth fully herein.

2. On or about the dates set forth below, in the District of New Jersey, and elsewhere, the listed defendants in the table set forth below and Mordchai Fish, with the intent to conceal and disguise the nature, location, source, ownership and control of property believed to be the proceeds of specified unlawful activity, to include trafficking in counterfeit goods, contrary to Title 18, United States Code, Section 2320, did knowingly attempt to conduct financial transactions affecting interstate commerce and involving the use of financial institutions engaged in interstate commerce, specifically, by (a) accepting and depositing bank checks drawn upon a Monmouth County, New Jersey-based account, represented by a person at the direction of and with the approval of a federal official authorized to investigate and prosecute violations of Title 18, United States Code, Section 1956, to be the proceeds of specified unlawful activity and (b) by supplying large quantities of cash in exchange for these checks for which the listed defendants and Mordchai Fish caused the CW to pay an approximately 10% fee.

COUNT	DATE	DEFENDANT(S)	AMOUNT OF TRANSACTION
Two	May 28, 2008	Lavel Schwartz	$50,000
Three	June 2, 2008	Lavel Schwartz & David S. Goldhirsh	$75,000
Four	June 16, 2008	Lavel Schwartz	$80,000
Five	June 25, 2008	Lavel Schwartz	$55,000
Six	August 14, 2008	Lavel Schwartz	$50,000
Seven	September 4, 2008	Lavel Schwartz	$50,000
Eight	February 10, 2009	Lavel Schwartz & David S. Goldhirsh	$25,000
Nine	February 18, 2009	Lavel Schwartz & David S. Goldhirsh	$50,000
Ten	February 26, 2009	Lavel Schwartz & David S. Goldhirsh	$100,000
Eleven	April 22, 2009	Lavel Schwartz & David S. Goldhirsh	$60,000
Twelve	May 7, 2009	David S. Goldhirsh	$100,000
Thirteen	May 14, 2009	David S. Goldhirsh	$100,000

In violation of Title 18, United States Code, Section 1956(a)(3)(B) and Section 2.

COUNT FOURTEEN
Operating an Unlicensed Money Transmitting Business

1. Paragraphs 1 and paragraphs 3 to 8 of Count One of this Indictment are hereby incorporated and realleged as if set forth fully herein.

2. At all times relevant to this Count:

a. The law of the State of New Jersey, N.J.S.A. 17:15C-4(a), provided that "no person . . . shall engage in the business of money transmission without a license. . . ." Violations of this law were punishable as a felony.

b. The law of the State of New York, McKinney's Banking Law § 641, provided that "[n]o person shall engage in the business . . . of receiving money for transmission or transmitting the same, without a license . . . ." Violations of this law were punishable as a misdemeanor.

c. Federal law provided that "[a]ny person who owns or controls a money transmitting business shall register the business (whether or not the business is licensed as a money transmitting business in any State) with the Secretary of the Treasury. . . ." See 31 U.S.C. § 5330(a)(1).

d. Defendant DAVID S. GOLDHIRSH, LAVEL SCHWARTZ and Mordchai Fish, and Boyoner Gemilas Chesed, were not licensed with the States of New Jersey or New York, or registered with the Secretary of the Treasury, as a money transmitting business.

3. From in or about May 2008 to in or about July 2009, in the District of New Jersey and elsewhere, defendants

LAVEL SCHWARTZ
and
DAVID S. GOLDHIRSH

and Mordchai Fish knowingly conducted, controlled, managed, supervised, directed, and owned all and part of an unlicensed money transmitting business, and aided and assisted in the same, which business affected interstate and foreign commerce in any manner and degree and (a) was operated without an appropriate money transmitting license in New Jersey and New York, where such operation was punishable as a felony or a misdemeanor under those States' laws; and (b) failed to comply with the money transmitting business registration requirements under Title 31, United States Code, Section 5330 and regulations prescribed under that Section.

In violation of Title 18, United States Code, Section 1960 and Section 2.

Forfeiture Allegation

1. As a result of committing the aforementioned offenses in violation of Title 18, United States Code, Sections 1956(a)(3)(B), 1956(h) and 1960 as alleged in Counts One to Fourteen of the Indictment, defendants LAVEL SCHWARTZ and DAVID S. GOLDHIRSH shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(1), all property, real and personal, that was involved in such offense or that was traceable to such property, including but not limited to the following:

(a) A sum of money equal to $795,000 in United States currency, representing the amount of proceeds involved in the aforementioned offenses for which defendants are joint and severally liable; and

(b) All United States currency funds or other monetary instruments credited to account numbers xxxxxx9486 and xxxxxx2598 at Capital One Bank, both in the name of BGC located at Brooklyn, New York, totaling approximately $154,294.91.

If any of the above-described forfeitable property, as a result of any act or omission of defendants LAVEL SCHWARTZ and DAVID S. GOLDHIRSH:

(1) cannot be located upon the exercise of due diligence;

(2) has been transferred or sold to, deposited with, a third party;

(3) has been placed beyond the jurisdiction of the Court;

(4) has been substantially diminished in value; or

(5) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 982(b), to seek forfeiture of any other property of defendants LAVEL SCHWARTZ and DAVID S. GOLDHIRSH up to the value of the above forfeitable property.

In violation of Title 18, United States Code, Section 982(a)(1).

A TRUE BILL

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FOREPERSON

Paul J. Fishman

PAUL J. FISHMAN
United States Attorney