



*United States Attorney  
Southern District of New York*

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**MANHATTAN REAL ESTATE DEVELOPER SENTENCED TO FIVE YEARS  
IN PRISON IN \$27 MILLION MORTGAGE FRAUD  
AND PONZI SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that Manhattan real estate developer IVY WOOLF-TURK was sentenced yesterday to five years in prison for her participation in a \$27 million Ponzi scheme involving obtaining fraudulent loans secured by nonexistent mortgages.

According to the Complaint and other documents filed in the case in Manhattan federal court:

WOOLF-TURK, working through a Manhattan real estate development company, The Kingsland Group, Inc., and related entities (collectively, "The Kingsland Group"), fraudulently induced approximately 100 individuals to lend the Kingsland Group over \$27 million to fund the renovation of approximately sixteen multi-family apartment buildings located in upper Manhattan. WOOLF-TURK and a co-conspirator, MICHAEL HERSHKOWITZ, falsely represented that the lenders would hold, as collateral for the loans, interests in bona fide first mortgages in the various properties in which they thought they were investing. In fact, WOOLF-TURK did not record mortgages on behalf of the lenders. Some interest was paid to some of the defrauded lenders with loans made by other victims, and WOOLF-TURK or HERSHKOWITZ made false statements to investors about the status of their loans. Ultimately the principal on the loans was not repaid when due, and the lenders learned that they did not have valid first mortgages on the properties in question, as they had been promised.

WOOLF-TURK, 53, of Port Washington, New York, pleaded guilty to one count of conspiracy to commit mail and wire fraud. She was sentenced by United States District Judge NAOMI REICE BUCHWALD. In addition to the five-year prison term, Judge BUCHWALD ordered forfeiture of \$27,184,750, representing the funds obtained through the fraud.

In imposing sentence, Judge BUCHWALD said the goals of sentencing were served by "promoting respect for the law and sending a clear message that committing an extensive fraud and hurting people the way Ms. Woolf-Turk did will not go unpunished."

HERSHKOWITZ, of New York, New York, pleaded guilty to a similar one-count Information on March 23, 2009, and is scheduled to be sentenced on December 21, 2009.

Mr. BHARARA praised the investigative work of the Federal Bureau of Investigation in this case.

This prosecution is being handled by the Complex Frauds Unit of the United States Attorney's Office. Assistant United States Attorney HARRY A. CHERNOFF is in charge of the prosecution.

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