

# UNITED STATES V. YISROEL GOLDSTEIN



# United States v. Yisroel Goldstein

## Several Fraudulent Schemes:

- 90/10 Tax Deduction Conspiracy (beginning in 1980s)
- Corporate Matching Donation Fraud (since before 2010)
- Grant and Insurance Fraud (since at least 2010)

# United States v. Yisroel Goldstein

## Goldstein Investigation

- Started investigation in November 2016
- Goldstein learned of the investigation in October 2018
  - FBI and IRS conducted searches at Goldstein's home and office
  - Goldstein began cooperating with the investigation shortly after
  - Six months before the April 2019 shooting

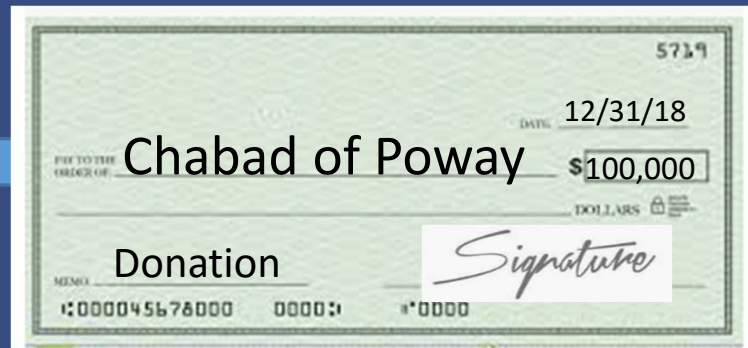
# 90/10 Tax Deduction Conspiracy



\$100,000 tax deduction reported to IRS



"Donor"



10% fee

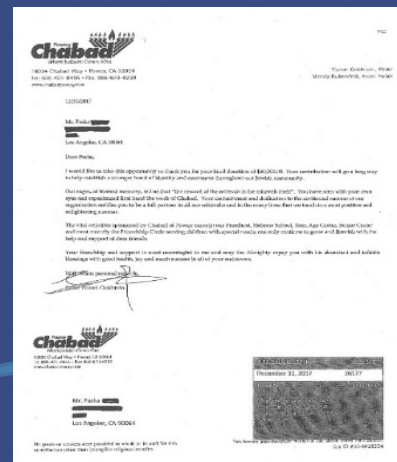
\$10,000

Yisroel Goldstein



\$90,000

Receipt for \$100,000



# 90/10 Tax Deduction Conspiracy

## Taxpayer "E.A."

- “Donated” \$1,160,000 to Chabad of Poway in December 2017
- Goldstein converted \$1 million to gold coins and secretly returned the coins to E.A.
- Goldstein kept \$160,000

## October 2018:

- After discovering the investigation, E.A. returned the gold to Goldstein to conceal the fraud
- Goldstein forfeited the \$1 million in gold to the United States



# 90/10 Tax Deduction Conspiracy - Summary

At least 12  
taxpayers  
involved in the  
90/10 scheme

Fraudulent  
“donations”  
total at least  
\$6.2 million

Goldstein kept  
10% - approx.  
\$620,000

Tax loss to the  
IRS at least  
\$1.5 million

# Corporate Matching Donation Fraud

Matching Donations  
\$25,000

Fortune 500 Company



"Donor"/  
Employee



\$25,000

Yisroel  
Goldstein

\$25,000



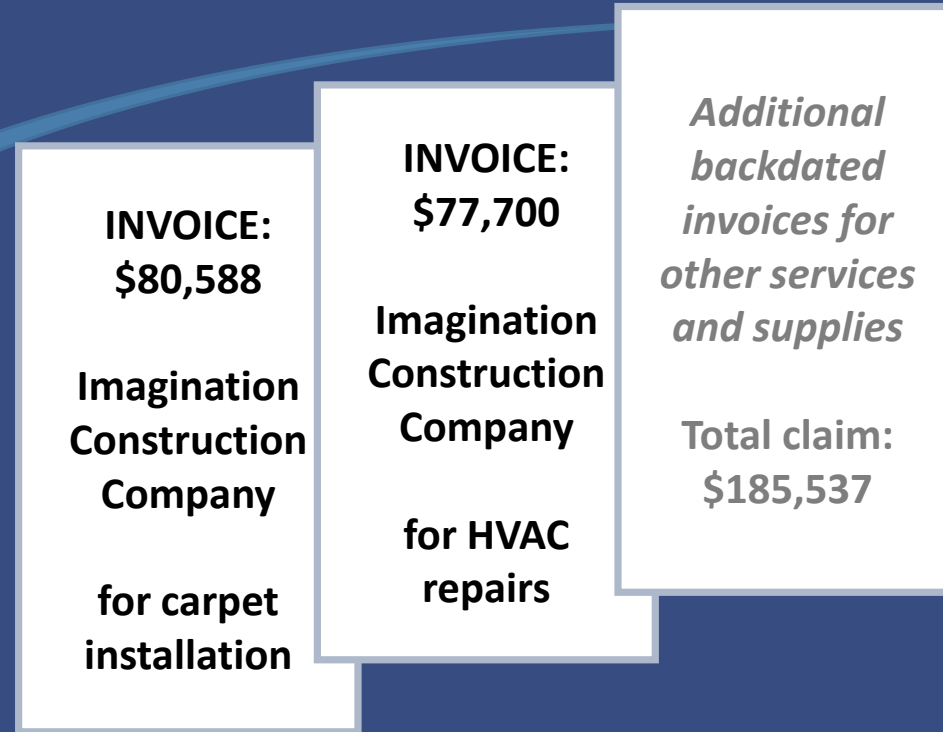


# Corporate Matching Donation Fraud - Summary

- At least six co-conspirator employees participated from 2010 to 2018
- At least three Fortune 500 companies were defrauded
- Goldstein secretly funneled their “donations” back to the employee
- Taxpayers claimed fraudulent tax deduction
- Fortune 500 companies relied on false information to make at least \$134,000 in matching donations to Chabad of Poway, which Goldstein kept

# Grant and Insurance Fraud – 2007 Fires

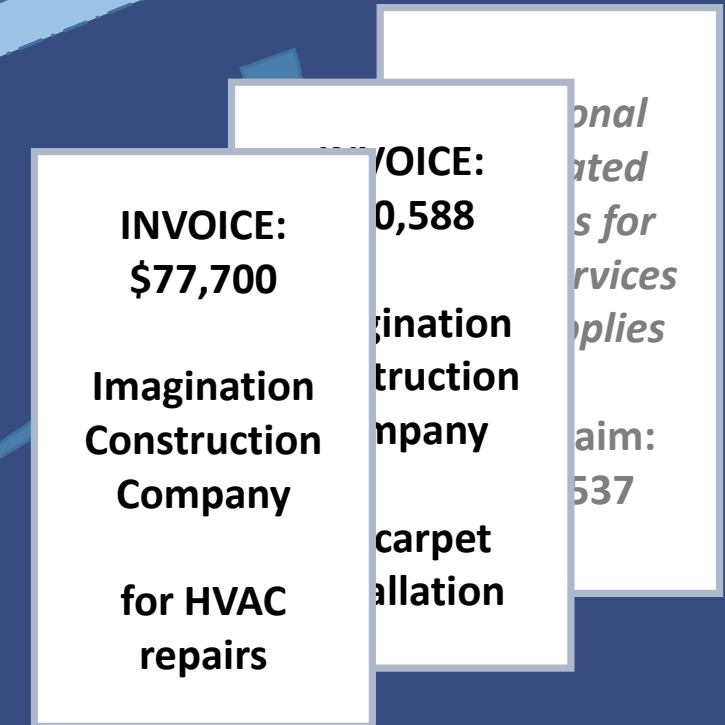
Alexander  
Avergoon



FEMA &  
Cal OES

\$185,537 from  
FEMA/Cal OES  
(2010 & 2011)

Yisroel  
Goldstein



# Grant and Insurance Fraud - Summary

## Four Separate Fraudulently-Obtained Grants from 2010 through 2018:

1. FEMA/California Office of Emergency Services grant in 2010/2011 for 2007 wildfire damage - \$185,537
2. California Office of Emergency Services grant in 2012 for Chabad facility upgrades - \$75,000
3. Clarence Brooks Foundation grant in 2013 for Chabad programs - \$600,000
4. FEMA/California Office of Emergency Services grant in 2018 for facility upgrades at Goldstein's personal residence - \$76,750

Fraudulently obtained more than \$937,000 in grant funds using inflated or false claims, and misappropriated at least \$875,000

# United States v. Yisroel Goldstein - Summary

## Goldstein's Plea Agreement

### Conspiracy, in violation of 18 U.S.C. § 371

- At least \$1.5 million in tax loss
- At least \$875,000 misappropriated from fraudulently-obtained grant funds
- At least \$134,000 fraudulently obtained from Fortune 500 companies

### Goldstein's cooperation

- Cooperation began in 2018 and helped lead to this week's guilty pleas
- Will cooperate with ongoing investigations of uncharged co-conspirators
- Forfeited \$1 million in proceeds and will pay restitution of \$2.5 million

### Sentencing recommendation of probation will account for:

- Past and ongoing cooperation
- Unique record of lifetime service
- Role in the 2019 terrorist attack, including exemplary leadership in its aftermath

# Five Related Guilty Pleas

## 1. United States v. Bruce Baker

- 90/10 Tax Evasion Scheme with Goldstein
- From mid-1980s to 2018
- At least \$2.6 million “donated” to Chabad of Poway
- At least \$2.4 million secretly funneled back from Goldstein to Baker
- Tax loss to the IRS is \$644,000

# Five Related Guilty Pleas

## 2. United States v. Bijan Moossazadeh

- 90/10 Tax Evasion Scheme with Goldstein
- From 2012 to 2018
- \$290,000 “donated” to Chabad of Poway
- \$261,000 funneled back from Goldstein in cash

# Five Related Guilty Pleas

## 3. United States v. Yousef Shemirani

- 90/10 Tax Evasion Scheme with Goldstein
- From 2011 to 2016
- \$137,650 “donated” to Chabad of Poway
- \$123,885 funneled back from Goldstein in cash

# Five Related Guilty Pleas

## 4. United States v. Alexander Avergoon

90/10 Tax Evasion Scheme with Goldstein from 2010 to 2015

- Connected Goldstein to at least 9 fraudulent “donors” who made more than \$275,000 in fraudulent “donations”

Grant Fraud with Goldstein from 2010 to 2015

- Created shell companies and fake invoices to obtain hundreds of thousands of dollars in misappropriated grant funds

Separate Real Estate Ponzi Schemes from 2010 to 2016

- Avergoon cheated retirement investors out of \$12 million



# Five Related Guilty Pleas

## 5. United States v. Boris Shkoller

- 90/10 Tax Evasion Scheme with Goldstein
- From 2015 to 2016
- \$122,000 “donated” to Chabad of Poway
- \$109,800 funneled back from Goldstein through Avergoon

# United States v. Yisroel Goldstein

- Federal Bureau of Investigation Acting Special Agent in Charge Omer Meisel
- Internal Revenue Service – Criminal Investigations Division Special Agent in Charge Ryan Korner
- Questions – Assistant U.S. Attorney Emily Allen