

16 MAG 6129

Approved: Thane Rehn  
ELI MARK / THANE REHN  
Assistant United States Attorneys

Before: HONORABLE RONALD L. ELLIS  
United States Magistrate Judge  
Southern District of New York

----- x

UNITED STATES OF AMERICA	:	<u>SEALED COMPLAINT</u>
	:	
- v. -	:	Violations of
	:	18 U.S.C. §§ 371, 641
SHLOMO KUBITSHUK,	:	and 2
RACHEL KUBITSHUK,	:	
NAFTALI ENGLANDER, and	:	COUNTY OF OFFENSE:
HINDA ENGLANDER,	:	NEW YORK
	:	
Defendants.	:	
	:	

----- x

SOUTHERN DISTRICT OF NEW YORK, ss.:

Ryan Covino, being duly sworn, deposes and says that he is a Special Investigator with the New York City Department of Investigation, New York City Housing Authority, Office of Inspector General, and charges as follows:

COUNT ONE

(Conspiracy to Steal Government Funds)

1. From at least in or about May 2001, up to and including at least in or about May 2016, in the Southern District of New York and elsewhere, SHLOMO KUBITSHUK, RACHEL KUBITSHUK, NAFTALI ENGLANDER, and HINDA ENGLANDER, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, theft of government funds, in violation of Title 18, United States Code, Section 641.

2. It was a part and object of the conspiracy that SHLOMO KUBITSHUK, RACHEL KUBITSHUK, NAFTALI ENGLANDER, and HINDA ENGLANDER, the defendants, and others known and unknown, would

and did embezzle, steal, purloin, and knowingly convert to their own use and the use of another, and, without authority, sell, convey, and dispose of records, vouchers, money, and things of value of the United States and of a department and agency thereof, to wit, the United States Department of Housing and Urban Development, the value of which exceeded \$1,000, in violation of Title 18, United States Code, Section 641.

3. It was further a part and object of the conspiracy that SHLOMO KUBITSHUK, RACHEL KUBITSHUK, NAFTALI ENGLANDER, and HINDA ENGLANDER, the defendants, and others known and unknown, would and did embezzle, steal, purloin, and knowingly convert to their own use and the use of another, and, without authority, sell, convey, and dispose of records, vouchers, money, and things of value of the United States and of a department and agency thereof, to wit, the United States Department of Agriculture, the value of which exceeded \$1,000, in violation of Title 18, United States Code, Section 641.

4. It was further a part and object of the conspiracy that SHLOMO KUBITSHUK, RACHEL KUBITSHUK, NAFTALI ENGLANDER, and HINDA ENGLANDER, the defendants, and others known and unknown, would and did embezzle, steal, purloin, and knowingly convert to their own use and the use of another, and, without authority, sell, convey, and dispose of records, vouchers, money, and things of value of the United States and of a department and agency thereof, to wit, the United States Department of Health and Human Services, the value of which exceeded \$1,000, in violation of Title 18 United States Code, Section 641.

#### Overt Acts

5. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about September 30, 2013, SHLOMO KUBITSHUK signed and submitted a false declaration of income to the New York City Human Resources Administration ("NYHRA") in New York, New York, for the purpose of applying for Medicaid benefits.

b. On or about September 30, 2013, RACHEL KUBITSHUK signed and submitted a false declaration of income to NYHRA in New York, New York, for the purpose of applying for

Medicaid benefits.

c. On or about May 1, 2013, NAFTALI ENGLANDER signed and submitted a false declaration of income to NYHRA in New York, New York, for the purpose of applying for Medicaid benefits.

d. On or about May 1, 2013, HINDA ENGLANDER signed and submitted a false declaration of income to NYHRA in New York, New York, for the purpose of applying for Medicaid benefits.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Theft of Government Funds - Federal Housing Subsidies)

6. From at least in or about November 2002, up to and including at least in or about August 2012, in the Southern District of New York and elsewhere, SHLOMO KUBITSHUK and RACHEL KUBITSHUK, the defendants, willfully and knowingly did embezzle, steal, purloin, and convert to their use and the use of another, vouchers, money and things of value of the United States and a department and an agency thereof, to wit, the United States Department of Housing and Urban Development, which exceeded the sum of \$1,000, and did receive, conceal, and retain the same with intent to convert it to his use and gain, knowing it to have been embezzled, stolen, purloined and converted, to wit, SHLOMO KUBITSHUK and RACHEL KUBITSHUK fraudulently obtained federal housing subsidies to which they were not entitled.

(Title 18, United States Code, Sections 641 and 2.)

COUNT THREE

(Theft of Government Funds - Medicaid Benefits)

7. From at least in or about April 2003, up to and including at least in or about February 2015, in the Southern District of New York and elsewhere, SHLOMO KUBITSHUK and RACHEL KUBITSHUK, the defendants, willfully and knowingly did embezzle, steal, purloin, and convert to his use and the use of another, vouchers, money and things of value of the United States and a department and an agency thereof, to wit, the United States Department of Health and Human Services, which exceeded the sum of \$1,000, and did receive, conceal, and retain the same with

intent to convert it to his use and gain, knowing it to have been embezzled, stolen, purloined and converted, to wit, SHLOMO KUBITSHUK and RACHEL KUBITSHUK fraudulently obtained Medicaid benefits to which they were not entitled.

(Title 18, United States Code, Sections 641 and 2.)

COUNT FOUR

(Theft of Government Funds - Federal Housing Subsidies)

8. From at least in or about July 2001, up to and including at least in or about March 2016, in the Southern District of New York and elsewhere, NAFTALI ENGLANDER and HINDA ENGLANDER, the defendants, willfully and knowingly did embezzle, steal, purloin, and convert to their use and the use of another, vouchers, money and things of value of the United States and a department and an agency thereof, to wit, the United States Department of Housing and Urban Development, which exceeded the sum of \$1,000, and did receive, conceal, and retain the same with intent to convert it to his use and gain, knowing it to have been embezzled, stolen, purloined and converted, to wit, NAFTALI ENGLANDER and HINDA ENGLANDER fraudulently obtained federal housing subsidies to which they were not entitled.

(Title 18, United States Code, Sections 641 and 2.)

COUNT FIVE

(Theft of Government Funds - SNAP Benefits)

9. From at least in or about March 2003, up to and including at least in or about July 2015, in the Southern District of New York and elsewhere, NAFTALI ENGLANDER and HINDA ENGLANDER, the defendants, willfully and knowingly did embezzle, steal, purloin, and convert to their use and the use of another, vouchers, money and things of value of the United States and a department and an agency thereof, to wit, the United States Department of Agriculture, which exceeded the sum of \$1,000, and did receive, conceal, and retain the same with intent to convert it to their use and gain, knowing it to have been embezzled, stolen, purloined and converted, to wit, NAFTALI ENGLANDER and HINDA ENGLANDER fraudulently obtained SNAP benefits to which they were not entitled.

(Title 18, United States Code, Sections 641 and 2.)

COUNT SIX

(Theft of Government Funds - Medicaid Benefits)

10. From at least in or about May 2001, up to and including at least in or about May 2016, in the Southern District of New York and elsewhere, NAFTALI ENGLANDER and HINDA ENGLANDER, the defendants, willfully and knowingly did embezzle, steal, purloin, and convert to his use and the use of another, vouchers, money and things of value of the United States and a department and an agency thereof, to wit, the United States Department of Health and Human Services, which exceeded the sum of \$1,000, and did receive, conceal, and retain the same with intent to convert it to his use and gain, knowing it to have been embezzled, stolen, purloined and converted, to wit, NAFTALI ENGLANDER and HINDA ENGLANDER fraudulently obtained Medicaid benefits to which they were not entitled.

(Title 18, United States Code, Sections 641 and 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

11. I am a Special Investigator with the New York City Department of Investigation, New York City Housing Authority ("NYCHA"), Office of Inspector General ("NYCHA-OIG"), and have personally participated in the investigation of this matter. This affidavit is based upon my personal knowledge, my review of various reports and records, and my conversations with law enforcement agents and other people. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions and statements of others are reported herein, they are reported in substance and in part, except where otherwise expressly indicated.

Background and Overview of the Evidence

12. In or about January 2013, NYCHA-OIG opened an investigation into the receipt of federal housing benefits by SHLOMO KUBITSHUK, RACHEL KUBITSHUK, NAFTALI ENGLANDER, and HINDA ENGLANDER, the defendants. Since that time, I and other law enforcement officers involved in the investigation have discovered, as set forth in greater detail below, that there is probable cause to believe that the defendants have collectively

fraudulently obtained more than \$980,000 in federal benefits to which they were not entitled.

13. Specifically, the evidence shows, among other things, that SHLOMO KUBITSHUK, RACHEL KUBUTSHI, NAFTALI ENGLANDER, and HINDA ENGLANDER, the defendants, each have household income and assets that far exceed the maximum limits for receipt of Section 8 housing benefits, and yet the defendants have received a combined total of more than \$375,000 in Section 8 housing benefits on the basis of fraudulent declarations of income and assets submitted to NYCHA.

14. The evidence further shows, among other things, that SHLOMO KUBITSHUK, RACHEL KUBUTSHI, NAFTALI ENGLANDER, and HINDA ENGLANDER, the defendants, each have household income and assets that far exceed the maximum limits for receipt of SNAP benefits and Medicaid benefits, and yet the defendants have received a combined total of more than \$118,000 in SNAP benefits and more than \$492,000 in Medicaid benefits on the basis of fraudulent declarations of income and assets submitted to NYHRA.

15. The evidence further shows, among other things, that the defendants have aided each other's fraudulent declarations of income to NYCHA and NYHRA. SHLOMO KUBITSHUK, the defendant, has repeatedly signed false verifications of income to support fraudulent declarations submitted by NAFTALI ENGLANDER and HINDA ENGLANDER, the defendants. In turn, NAFTALI ENGLANDER has repeatedly signed false verifications of income to support fraudulent declarations submitted by SHLOMO KUBITSHUK and RACHEL KUBITSHUK, the defendant.

SHLOMO KUBITSHUK's and RACHEL KUBITSHUK's Household Income and Assets

16. In the course of my investigation, I have reviewed mortgage documents and deeds submitted to the New York City Department of Finance and New York State Department of State. From my review of those documents I have learned, among other things, the following:

a. Since on or about July 25, 2002, through the present, SHLOMO KUBITSHUK, the defendant, has been the president, chief executive officer, and sole shareholder of Hirschring Corp., a corporation registered in New York State. The registered address for Hirschring Corp. is: 543 Bedford Avenue, Suite 283, Brooklyn, NY ("Business Address-1").

b. Beginning at least on or about October 1, 2002, Hirschring Corp. owned and controlled an apartment building in Brooklyn (the "Hirschring Property-1"), for which SHLOMO KUBITSHUK signed a mortgage in his capacity as president of Hirschring Corp.

c. Beginning at least on or about February 27, 2004, Hirschring Corp. owned and controlled another apartment building in Brooklyn (the "Hirschring Property-2"), for which SHLOMO KUBITSHUK signed a mortgage in his capacity as president of Hirschring Corp.

d. Since on or about January 6, 2003, through the present, SHLOMO KUBITSHUK has been the president and sole member of Zev Kohn, Inc., a corporation registered in New York State using Business Address-1.

d. Beginning at least on or about March 4, 2003, Zev Kohn, Inc. owned and controlled an apartment building in Brooklyn (the "Zev Kohn Property"), for which SHLOMO KUBITSHUK signed a mortgage in his capacity as President of Zev Kohn, Inc.

e. Since on or about April 15, 2005, through the present, SHLOMO KUBITSHUK has been the president and shareholder of Wolf Gold Inc., a corporation registered in New York State using Business Address-1.

f. Beginning at least on or about June 9, 2005, Wolf Gold Inc. owned and controlled an apartment building in Brooklyn (the "Wolf Gold Property"), for which SHLOMO KUBITSHUK signed a mortgage in his capacity as shareholder of Wolf Gold Inc.

g. Since on or about July 28, 2006, through the present, SHLOMO KUBITSHUK has been the president, chief executive officer, and shareholder of Ben Klein Inc., a corporation registered in New York State using Business Address-1.

h. Beginning at least on or about June 9, 2005, Ben Klein Inc. owned and controlled an apartment building in Brooklyn (the "Ben Klein Property"), for which SHLOMO KUBITSHUK signed a mortgage in his capacity as president of Ben Klein Inc.

i. Since on or about January 18, 2007, through the present, SHLOMO KUBITSHUK has been the secretary and

authorized agent of Keter Residence LLC, a corporation registered in New York State using Business Address-1.

j. Beginning at least on or about January 2, 2008, Keter Residence LLC owned and controlled an apartment building in Brooklyn (the "Keter Property"), for which SHLOMO KUBITSHUK signed a mortgage in his capacity as secretary and authorized agent of Keter Residence LLC.

k. Since on or about May 22, 2007, through the present, SHLOMO KUBITSHUK has been the chief executive officer of Garden Prop Inc., a corporation registered in New York State using Business Address-1.

l. Beginning at least on or about October 27, 2008, Garden Prop Inc. owned and controlled an apartment building in Brooklyn (the "Garden Property"), for which SHLOMO KUBITSHUK signed a mortgage on behalf of Garden Prop Inc.

m. Since on or about March 27, 2009, through the present, SHLOMO KUBITSHUK has been the chief executive officer of 327 Melrose Prop Inc., a corporation registered in New York State using Business Address-1.

n. Beginning at least on or about May 14, 2009, 327 Melrose Prop Inc. owned and controlled an apartment building in Brooklyn (the "327 Melrose Property"), for which SHLOMO KUBITSHUK signed a mortgage on behalf of 327 Melrose Prop Inc.

o. Since on or about July 20, 2011, through the present, SHLOMO KUBITSHUK has been the manager of Melrose Prop LLC, a corporation registered in New York State using Business Address-1.

p. Beginning at least on or about July 28, 2011, Melrose Prop LLC owned and controlled an apartment building in Brooklyn (the "Melrose Property"), for which SHLOMO KUBITSHUK signed a mortgage on behalf of Melrose Prop LLC.

q. Since on or about February 10, 2006, through the present, SHLOMO KUBITSHUK has been the managing member of 1144 Bergen St. LLC, a corporation registered in New York State using Business Address-1.

r. Beginning at least on or about April 10, 2006, 1144 Bergen St. LLC owned and controlled an apartment building in Brooklyn (the "Bergen Property"), for which SHLOMO



KUBITSHUK signed a mortgage in his capacity as managing member of 1144 Bergen St. LLC.

s. Since on or about February 21, 2012, through the present, SHLOMO KUBITSHUK has been the sole member of Grattan Prop LLC, a corporation registered in New York State using Business Address-1.

t. Beginning at least on or about March 13, 2012, Grattan Prop LLC owned and controlled an apartment building in Brooklyn (the "Grattan Property"), for which SHLOMO KUBITSHUK signed a mortgage in his capacity as sole member of Grattan Prop LLC.

u. Since on or about July 20, 2011, through the present, SHLOMO KUBITSHUK has been the agent of 1436 Greene LLC, a corporation registered in New York State using 192 Middleton Street, #1R, Brooklyn, NY.

v. Beginning at least on or about December 5, 2012, 1436 Greene LLC owned and controlled an apartment building in Brooklyn (the "1436 Greene Property"), for which SHLOMO KUBITSHUK signed a mortgage on behalf of 1436 Greene LLC. The recording of the mortgage with the Office of the City Register of the City of New York states that the address for 1436 Greene LLC is Business Address-1.

w. Since on or about February 20, 2013, through the present, SHLOMO KUBITSHUK has been the sole member and manager of Melrose Residents LLC, a corporation registered in New York State using Business Address-1.

x. Beginning at least on or about March 6, 2013, Melrose Residents LLC owned and controlled an apartment building in Brooklyn (the "Melrose Residents Property"), for which SHLOMO KUBITSHUK signed a mortgage in his capacity as sole member and manager of Melrose Residents LLC.

y. On or about November 25, 2013, SHLOMO KUBITSHUK purchased a single-family residential condo unit in Brooklyn (the "Condo").

17. In the course of my investigation, I have reviewed documents maintained by Signature Bank, from which I have learned, among other things, the following:

a. On or about March 26, 2013, Signature Bank prepared a Corporate Credit Offering Memorandum listing 1144 Bergen St. LLC as the borrower seeking a \$2.1 million loan to be secured by a mortgage on the Bergen Property. The Memorandum states that SHLOMO KUBITSHUK, the defendant, is the "100% owner" of 1144 Bergen St. LLC. The Memorandum further states that SHLOMO KUBITSHUK "is a multi-family real estate owner who has been active as such for approximately 10 years," and that SHLOMO KUBITSHUK "owns 10 investment properties all located in the Brooklyn, NY area."

b. On or about March 26, 2013, Signature Bank prepared a Corporate Credit Offering Memorandum listing Keter Residence LLC as the borrower seeking a \$1.05 million loan to be secured by a mortgage on the Keter Property. The Memorandum states that SHLOMO KUBITSHUK is the "100% owner" of Keter Residence LLC. The Memorandum further states that SHLOMO KUBITSHUK "is a multi-family real estate owner who has been active as such for approximately 10 years," and that SHLOMO KUBITSHUK "owns 10 investment properties all located in the Brooklyn, NY area."

c. On or about March 26, 2013, Signature Bank prepared a Corporate Credit Offering Memorandum listing Ben Klein Inc. as the borrower seeking a \$1.125 million loan to be secured by a mortgage on the Ben Klein Property. The Memorandum states that SHLOMO KUBITSHUK is the "100% owner" of Ben Klein Inc. The Memorandum further states that SHLOMO KUBITSHUK "is a multi-family real estate owner who has been active as such for approximately 10 years," and that SHLOMO KUBITSHUK "owns 10 investment properties all located in the Brooklyn, NY area."

d. On or about October 17, 2013, Signature Bank prepared a Corporate Credit Offering Memorandum listing 327 Melrose Prop Inc. as the borrower seeking a \$1.25 million loan to be secured by a mortgage on the 327 Melrose Property. The Memorandum states that SHLOMO KUBITSHUK is the "100% owner" of 327 Melrose Prop Inc. The Memorandum further states that SHLOMO KUBITSHUK "is a multi-family real estate owner who has been active as such for approximately 10 years," and that SHLOMO KUBITSHUK "owns 10 investment properties all located in the Brooklyn, NY area."

18. In the course of my investigation, I have reviewed mortgage application documents submitted by SHLOMO KUBITSHUK, the defendant, to several banks, from which I have learned, among other things, the following:

a. For the calendar year 2003, mortgage application documents submitted by SHLOMO KUBITSHUK reported that his total assets had a value in excess of \$300,000, and that the rental income on properties he owned was, at a minimum, greater than \$11,000.

b. For the calendar year 2004, mortgage application documents submitted by SHLOMO KUBITSHUK reported that his total assets had a value in excess of \$500,000, and that the rental income on properties he owned was, at a minimum, greater than \$150,000.

c. For the calendar year 2005, mortgage application documents submitted by SHLOMO KUBITSHUK reported that his total assets had a value in excess of \$390,000, and that the rental income on properties he owned was, at a minimum, greater than \$150,000.

d. For the calendar year 2006, mortgage application documents submitted by SHLOMO KUBITSHUK reported that his total assets had a value in excess of \$2,000,000, and that the rental income on properties he owned was, at a minimum, greater than \$300,000.

e. For the calendar year 2007, mortgage application documents submitted by SHLOMO KUBITSHUK reported that his total assets had a value in excess of \$2,000,000, and that the rental income on properties he owned was, at a minimum, greater than \$300,000.

f. For the calendar year 2008, mortgage application documents submitted by SHLOMO KUBITSHUK reported that his total assets had a value in excess of \$2,000,000, and that the rental income on properties he owned was, at a minimum, greater than \$300,000.

g. For the calendar year 2009, mortgage application documents submitted by SHLOMO KUBITSHUK reported that his total assets had a value in excess of \$2,000,000, and that the rental income on properties he owned was, at a minimum, greater than \$300,000.

h. For the calendar year 2010, mortgage application documents submitted by SHLOMO KUBITSHUK reported that his total assets had a value in excess of \$2,000,000, and

that the rental income on properties he owned was, at a minimum, greater than \$300,000.

i. For the calendar year 2011, mortgage application documents submitted by SHLOMO KUBITSHUK reported that his total assets had a value in excess of \$2,000,000, and that the rental income on properties he owned was, at a minimum, greater than \$510,000.

j. For the calendar year 2012, mortgage application documents submitted by SHLOMO KUBITSHUK reported that his total assets had a value in excess of \$5,000,000, and that the rental income on properties he owned was, at a minimum, greater than \$390,000.

19. In the course of my investigation, I have reviewed reports submitted to the New York Department of Housing and Community Renewal ("DHCR") regarding the rents paid for apartments in buildings owned and operated by SHLOMO KUBITSHUK, the defendant. These reports do not provide the rents for all the apartments in all of the properties owned by SHLOMO KUBITSHUK, and thus provide only a partial share of the rental income derived from his properties. From these reports, I have learned the following:

a. For the calendar year 2013, DHCR records indicate that the rental income derived from properties owned and operated by SHLOMO KUBITSHUK was, at a minimum, greater than \$560,000.

b. For the calendar year 2014, DHCR records indicate that the rental income derived from properties owned and operated by SHLOMO KUBITSHUK was, at a minimum, greater than \$560,000.

c. For the calendar year 2015, DHCR records indicate that the rental income derived from properties owned and operated by SHLOMO KUBITSHUK was, at a minimum, greater than \$210,000.

20. In the course of my investigation, I have reviewed a credit card application submitted to a bank by RACHEL KUBITSHUK, the defendant, on or about May 30, 2013. The credit card application states that RACHEL KUBITSHUK's annual business income is \$300,000. The statements for the credit card are addressed to RACHEL KUBITSHUK at Hirschring Corp., and are mailed to Business Address-1.

NAFTALI ENGLANDER's and HINDA ENGLANDER's Household Income and Assets

21. In the course of my investigation, I have reviewed documents filed with Companies House, the United Kingdom's Registrar of Companies. From those documents I have learned, among other things, the following:

a. Since on or about July 26, 2001, through the present NAFTALI ENGLANDER has been the sole shareholder and a Co-Director of City Gate Estates Ltd. City Gate Estates is a Limited Liability Company doing business in the United Kingdom, with two listed company addresses. The first listed company address is: Medcar House, 149A Stamford Hill, London, UK. The second listed company address is: 193 South 9<sup>th</sup> Street, Brooklyn, New York, which is the former registered Section 8 address for NAFTALI ENGLANDER and HINDA ENGLANDER, the defendant. City Gate Estates Ltd, is engaged in the business of purchasing and managing real property in the United Kingdom.

b. Beginning at least in or about July 2002, City Gate Estates Ltd. owned and controlled assets of approximately £168,149. NAFTALI ENGLANDER controlled shareholder funds worth approximately £3,279.

c. Beginning at least in or about July 2003, City Gate Estates Ltd. owned and controlled assets of approximately £168,149. NAFTALI ENGLANDER controlled shareholder funds worth approximately £9,576.

d. Beginning at least in or about July 2004, City Gate Estates Ltd. owned and controlled assets of approximately £382,126. NAFTALI ENGLANDER controlled shareholder funds worth approximately £12,847.

e. Beginning at least in or about July 2005, City Gate Estates Ltd. owned and controlled assets of approximately £382,126. NAFTALI ENGLANDER controlled shareholder funds worth approximately £22,839.

f. Beginning at least in or about July 2006, City Gate Estates Ltd. owned and controlled assets of approximately £382,457. NAFTALI ENGLANDER controlled shareholder funds worth approximately £32,447.

g. Beginning at least in or about July 2007, City Gate Estates Ltd. owned and controlled assets of approximately £382,536. NAFTALI ENGLANDER controlled shareholder funds worth approximately £38,933.

h. Beginning at least in or about July 2008, City Gate Estates Ltd. owned and controlled assets of approximately £383,560. NAFTALI ENGLANDER controlled shareholder funds worth approximately £36,220.

i. Beginning at least in or about July 2009, City Gate Estates Ltd. owned and controlled assets of approximately £383,201. NAFTALI ENGLANDER controlled shareholder funds worth approximately £44,775.

j. Beginning at least in or about July 2010, City Gate Estates Ltd. owned and controlled assets of approximately £616,806. NAFTALI ENGLANDER controlled shareholder funds worth approximately £284,375.

k. Beginning at least in or about July 2011, City Gate Estates Ltd. owned and controlled assets of approximately £616,068. NAFTALI ENGLANDER controlled shareholder funds worth approximately £292,428.

l. Beginning at least in or about July 2012, City Gate Estates Ltd. owned and controlled assets of approximately £616,323. NAFTALI ENGLANDER controlled shareholder funds worth approximately £301,012.

m. Beginning at least in or about July 2013, City Gate Estates Ltd. owned and controlled assets of approximately £616,451. NAFTALI ENGLANDER controlled shareholder funds worth approximately £308,414.

n. Beginning at least in or about July 2014, City Gate Estates Ltd. owned and controlled assets of approximately £616,088. NAFTALI ENGLANDER controlled shareholder funds worth approximately £321,306.

22. In the course of my investigation, I have reviewed travel records maintained by United States Immigration and Customs Enforcement, from which I have learned, among other things, the following:

a. On or about June 16, 2015, NAFTALI ENGLANDER, the defendant, took an international flight from John

F. Kennedy International Airport in Brooklyn, New York, to London Heathrow International Airport in London, England. On or about June 21, 2015, NAFTALI ENGLANDER took an international flight from Charles de Gaulle Airport in Paris, France, to John F. Kennedy International Airport.

b. On or about April 1, 2015, NAFTALI ENGLANDER and HINDA ENGLANDER, the defendants, took an international flight from John F. Kennedy International Airport to London Heathrow International Airport. On or about April 14, 2015, NAFTALI ENGLANDER and HINDA ENGLANDER took an international flight from London Heathrow International Airport to Newark International Airport in Newark, New Jersey.

c. On or about May 29, 2013, NAFTALI ENGLANDER took an international flight from John F. Kennedy International Airport to Ben Gurion International Airport in Tel Aviv, Israel. On or about June 5, 2013, NAFTALI ENGLANDER took an international flight from Ben Gurion International Airport to John F. Kennedy International Airport.

d. On or about November 27, 2012, NAFTALI ENGLANDER and HINDA ENGLANDER took an international flight from John F. Kennedy Airport to London Heathrow International Airport. On or about December 5, 2012, NAFTALI ENGLANDER and HINDA ENGLANDER took an international flight from London Heathrow International Airport to John F. Kennedy International Airport.

e. On or about September 27, 2011, NAFTALI ENGLANDER, the defendant, took an international flight from John F. Kennedy International Airport to Amsterdam Airport Schiphol in Amsterdam, the Netherlands. On or about October 10, 2011, NAFTALI ENGLANDER took an international flight from Amsterdam Airport Schiphol to John F. Kennedy International Airport.

f. On or about March 9, 2011, NAFTALI ENGLANDER took an international flight from John F. Kennedy International Airport to London Heathrow International Airport. On or about March 15, 2011, NAFTALI ENGLANDER took an international flight from London Heathrow International Airport to John F. Kennedy International Airport.

g. On or about April 28, 2010, NAFTALI ENGLANDER took an international flight from John F. Kennedy International Airport to Zurich International Airport in Zurich, Switzerland. On or about May 5, 2010, NAFTALI ENGLANDER took an

international flight from Boryspil International Airport in Kiev, Ukraine to John F. Kennedy International Airport.

h. On or about January 19, 2010, HINDA ENGLANDER took an international flight from John F. Kennedy Airport to London Heathrow International Airport. On or about January 25, 2010, NAFTALI ENGLANDER and HINDA ENGLANDER took an international flight from London Heathrow International Airport to John F. Kennedy International Airport.

#### The Section 8 Housing Subsidy Program

23. From my training and experience, I have learned the following about the NYCHA Section 8 Rental Assistance Program ("Section 8 Program"), administered by NYCHA for the United States Department of Housing and Urban Development ("HUD"), in substance and in part:

a. Low-income individuals who meet certain eligibility requirements (each such individual a "Section 8 recipient") may be approved for rental assistance payments. These payments make up the difference between what the Section 8 recipient can afford and the total rent charged by the particular landlord. HUD funds the Section 8 Program.

b. In order to receive benefits in the Section 8 Program, an applicant is required to complete a form certifying his or her annual income, assets, household composition, and income of household members, among other things. Persons who are accepted into the Section 8 Program are required by HUD to submit annually an affidavit of income to remain in the Section 8 Program. This form requires the applicant to certify, among other things, his or her annual income, assets, household composition, and income of household members.

c. The maximum household income above which a household becomes ineligible for Section 8 rental assistance payments varies based on, among other things, the number of household members.

d. Whether a person is entitled to Section 8 rental assistance payments, and, if entitled, the amount to which that person is entitled, are based in part on the reported household income and composition.



e. Section 8 checks, including those checks issued on behalf of SHLOMO KUBITSHUK and RACHEL KUBITSHUK, the defendants, and those checks issued on behalf of NAFTALI ENGLANDER and HINDA ENGLANDER, the defendants, are prepared by and mailed from NYCHA's Finance Department, which is located in New York, New York.

The Defendants' Housing Subsidy Fraud

24. From my review of documents maintained by NYCHA, I have learned, among other things, the following:

a. SHLOMO KUBITSHUK and RACHEL KUBITSHUK, the defendants, first became NYCHA tenants of record for a particular apartment in Brooklyn (the "Kubitshuk NYCHA Apartment") in or about December 2002.

b. From at least in or about December 2002 through in or about August 2012, SHLOMO KUBITSHUK and RACHEL KUBITSHUK received Section 8 subsidies in connection with the Kubitshuk NYCHA Apartment.

c. As Section 8 recipients, SHLOMO KUBITSHUK and RACHEL KUBITSHUK signed and submitted annual Affidavits of Income and Declarations of Assets to NYCHA in connection with their lease of the Kubitshuk NYCHA Apartment, as required, beginning on or about November 22, 2002, and most recently on or about February 21, 2011.

d. At no time have SHLOMO KUBITSHUK and RACHEL KUBITSHUK disclosed to NYCHA their actual household composition, assets, or income. From 2002 through 2011, SHLOMO KUBITSHUK and RACHEL KUBITSHUK disclosed annual household income ranging from \$7,200 to \$13,409, and in each of these years SHLOMO KUBITSHUK and RACHEL KUBITSHUK disclosed no household assets. SHLOMO KUBITSHUK and RACHEL KUBITSHUK never disclosed their ownership and interest in, and income derived from, the assets described supra, in paragraphs 16 through 20.

25. From my review of documents and records reflecting maximum income limits provided by NYCHA I have learned, among other things, that at no time between December 2002 and August 2012 would SHLOMO KUBITSHUK and RACHEL KUBITSHUK have been eligible for the Section 8 rental assistance payments that they received had they accurately reported their actual household income, assets, and composition.

