



# UNITED STATES ATTORNEY'S OFFICE

## Southern District of New York

U.S. ATTORNEY PREET BHARARA

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### **ALLEGED RINGLEADER OF MASSIVE IMMIGRATION FRAUD MILL EXTRADITED FROM CANADA TO FACE CHARGES IN MANHATTAN FEDERAL COURT**

*Defendant's Law Firm Submitted at Least 20,000 False Immigration Applications*

Preet Bharara, the United States Attorney for the Southern District of New York, announced today the extradition of EARL SETH DAVID, a/k/a "Rabbi Avraham David," from Canada to face charges of conspiracy to commit immigration fraud, conspiracy to make false statements to immigration authorities, conspiracy to commit mail and wire fraud, and conspiracy to commit money laundering. The charges relate to the alleged operation of a massive immigration fraud mill – through a Manhattan-based law practice – in which DAVID and his co-conspirators applied for legal status for tens of thousands of illegal aliens based on phony claims that U.S. employers had "sponsored" those aliens for employment in the United States. DAVID and the other participants in the scheme took in millions of dollars in illicit proceeds from the illegal aliens who utilized their services. DAVID, a dual citizen of Canada and the United States, was arrested in Canada on October 11, 2011, when the Indictment against him was unsealed. Following his extradition by Canadian authorities, DAVID arrived in the Southern District of New York on January 24, 2012, and was presented and arraigned today before U.S. Magistrate Judge Michael H. Dolinger. The case against DAVID and 11 other defendants is pending before U.S. District Judge Naomi Reice Buchwald, and the next conference before Judge Buchwald is scheduled for January 30, 2012, at 4:00 p.m.

Manhattan U.S. Attorney Preet Bharara stated: "When he fled to Canada to avoid prosecution, Earl Seth David left thousands of victims of his alleged fraud in his wake – people who believed he was helping them secure legal status and paid him a lot of money to do so. Thanks to the cooperative efforts of our law enforcement partners here and in Canada, he was apprehended and extradited back to the United States where he will now face justice."

The following allegations are based on the Indictment and other court documents previously filed in Manhattan federal court:

From 1996 until early 2009, EARL SETH DAVID operated a Manhattan-based immigration law firm (the "David Firm") that took in millions of dollars through a long-running scheme to charge exorbitant fees to the Firm's alien-clients, in return for procuring legal

immigration status for them based on false claims that U.S. employers had “sponsored” the aliens for employment.

United States law permits an alien to petition for legal status if the alien has obtained a certification from the U.S. Department of Labor (“DOL”) certifying that a U.S. employer wishes to employ, or “sponsor,” the alien. An alien who obtains that DOL certification can then use it to petition the U.S. Citizenship and Immigration Services to obtain legal status in the United States. As alleged in the Indictment, in return for fees of up to \$30,000 per alien-client, the David Firm applied for, and obtained, thousands of DOL certifications based on false employment sponsorships and fabricated documents, including fake pay stubs, fake tax returns, and fake “experience letters,” purporting to show that the sponsorships were real, and that the aliens possessed special employment skill sets justifying labor-based certification by DOL. In reality, the sponsors had no intention of hiring the aliens, and the sponsor companies often did not even exist other than as shell companies for use in the fraudulent scheme. As a result of the fraud, DOL issued thousands of certifications, and immigration authorities granted legal status to thousands of the David Firm’s clients, when such adjustments were unwarranted and otherwise would not have been made. To date, the Government has identified at least 25,000 immigration applications submitted by the David Firm – the vast majority of which have been determined to contain false, fraudulent, and fictitious information.

In furtherance of the scheme, DAVID and his employees recruited many people to participate, including dozens of individuals who, in exchange for payment, agreed to falsely represent to DOL that they were sponsoring aliens for employment; corrupt accountants who create fake tax returns for the fictitious sponsor companies; and a corrupt DOL employee who helped ensure that DOL certifications were granted based upon the fraudulent applications.

DAVID continued to operate the scheme, from behind-the scenes, even after he was suspended from the practice of law in New York State in March 2004. DAVID fled to Canada in 2006 after learning that his firm was under federal criminal investigation. Nevertheless, illicit profits from the scheme continued to be funneled to him in Canada, including through a bank account in the name of a biblical treatise he had authored entitled “Code of the Heart.” The David Firm ceased operations in early 2009, when federal search warrants were executed at several locations associated with the firm.

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EARL DAVID, 47, of New York, New York, faces a maximum sentence of 50 years in prison in connection with the charges in the Indictment.

Mr. Bharara praised the outstanding investigative work of U.S. Immigrations and Customs Enforcement’s Homeland Security Investigations and U.S. Department of Labor’s Office of Inspector General. He also thanked the Office of International Affairs in the U.S. Department of Justice’s Criminal Division, the United States Citizenship and Immigration Services, the U.S. Department of Labor – Employment Training Administration, Fraud Detection Unit, the Canadian Department of Justice – Ontario Regional Office, the Toronto Police Department, and the United States Marshals Service for their assistance with the extradition.

This case is being handled by the Office’s Complex Frauds Unit. Assistant U.S.

Attorney Danya Perry and Special Assistant United States Attorney John M. Reh are in charge of the prosecution.

The charges and allegations contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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