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## Head of New York law firm charged with immigration fraud

The proprietor of a law firm and 11 other individuals were charged Tuesday with operating a massive immigration fraud mill through a Manhattan-based law practice. The defendants and coconspirators allegedly 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. A total of 27 individuals have been charged as part of the investigation led by U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) and the Department of Labor's Office of Inspector General (DOL-OIG).

Those charged include: Earl Seth David, also known as "Rabbi Avraham David," who was the principal of the law offices and the scheme's ringleader, and who was arrested Tuesday in Canada after fleeing the United States; employees of David's law offices who created fake documents to support the fraudulent immigration applications; numerous phony "sponsors" - individuals who, in exchange for payments from David and his employees, agreed to falsely represent that they were sponsoring aliens for employment; corrupt accountants who created fake tax returns for fictitious sponsor companies; and a corrupt Department of Labor employee who assisted in the scheme.

"This law firm and its associates allegedly exploited the immigration system and carried out one of the largest immigration fraud schemes to have ever been committed in our country," said James T. Hayes, Jr., special agent in charge of ICE HSI in New York. "These arrests reflect HSI's commitment to investigating document and benefit fraud and those who try to circumvent our nation's immigration laws."

"As alleged, Earl David and his many cohorts corrupted the immigration process through a carefully orchestrated scheme that was stunning in its scope and audacity," said Preet Bharara, U.S. attorney for the Southern District of New York. "They allegedly reaped millions of dollars for filing tens of thousands of fraudulent applications for lawful immigration status on behalf of their alien clients. We will not tolerate this flagrant abuse of a program that is designed to assist U.S. employers in their efforts to obtain legal status for truly qualified employees."

"Today's indictment charges 12 individuals in an immigration fraud scheme in which thousands of fraudulent petitions, applications, and supporting documentation were allegedly filed with the U.S. Departments of Labor and Homeland Security," said Robert Panella, special agent in charge of the Department of Labor,

Office of Inspector General in New York. "The Office of Inspector General will continue to work closely with our law enforcement partners at the Document and Benefit Fraud Task Force to investigate those who would defraud Department of Labor programs."

According to court documents, 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, the firm procured legal immigration status for the clients based upon phony 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 certification from the U.S. Department of Labor (DOL) 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 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 upon phony 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 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 alleged 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 created 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 allegedly continued to operate the scheme from behind-the-scenes even after he was suspended from practicing law in New York 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 titled "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.

The indictment unsealed Tuesday charged each of the 12 defendants with conspiracy to commit immigration fraud through the making of false statements, which carries a maximum penalty of five years in prison; immigration fraud, which carries a

maximum penalty of 10 years in prison; and conspiracy to commit wire and mail fraud, which carries a maximum penalty of 20 years in prison. David alone is additionally charged with conspiracy to commit money laundering, which carries a maximum penalty of 20 years in prison.

David, who allegedly fled to Canada after learning that the David Firm was under federal criminal investigation, was arrested Tuesday morning in Ontario, Canada, by the Toronto Fugitive Squad of the Toronto Police Service and is expected to face extradition proceedings.

For more information please visit: <http://www.ice.gov/>