



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York

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SIX INDIVIDUALS CHARGED WITH PARTICIPATING IN LARGE-SCALE GOVERNMENT BENEFITS FRAUD

Preet Bharara, the United States Attorney for the Southern District of New York, and Mark G. Peters, Commissioner of the New York City Department of Investigation (“DOI”), announced today the filing of criminal charges against six defendants for participating in long-running schemes to hide substantial assets and income obtained from significant business and real estate interests in order to attain government benefits designed for low-income individuals. In total, the defendants allegedly obtained more than \$1.3 million of government benefits. SHLOMO KUBITSHUK, RACHEL KUBITSHUK, NAFTALI ENGLANDER, and HINDA ENGLANDER were charged in one complaint, and LEIB TEITELBAUM and DEVORAH TEITELBAUM were charged in a separate complaint. The defendants were arrested in Brooklyn this morning and are scheduled to appear in Manhattan federal court later today.

U.S. Attorney Preet Bharara said: “For over a decade, this ring of six defendants allegedly lied to city and federal officials about their financial status in order to obtain benefits that were meant for the needy. The alleged schemes that netted them over a million dollars has been put to an end and the defendants now face federal fraud charges.”

Commissioner Mark G. Peters said: “These defendants were millionaires stealing from the poor, as charged. The defendants fraudulently concealed their wealth to obtain benefits, including Section 8 vouchers intended to help low income New Yorkers find housing, according to the allegations. At a time when affordable housing is scarce, and there is a waiting list for Section 8 vouchers, it is reprehensible that some New Yorkers went without so that these defendants could have still more.”

According to the allegations contained in the Complaints¹:

¹ As the introductory phrase signifies, the entirety of the text of the Complaints and the description of the Complaints set forth below constitute only allegations, and every fact described should be treated as an allegation.

From 2001 to 2016, SHLOMO KUBITSHUK, RACHEL KUBITSHUK, NAFTALI ENGLANDER, and HINDA ENGLANDER conspired and engaged in a scheme to obtain government benefits designed for low-income residents, including Section 8 housing subsidies, Medicaid health insurance, and Supplemental Nutrition Assistance Program (“SNAP”) food stamps, totaling more than \$980,000. In connection with applications for these benefits, they failed to disclose substantial income and financial assets, including a portfolio of multimillion-dollar residential real estate properties. The defendants also perpetrated the fraud by providing false income affidavits for each other.

From 2007 to 2016, LEIB TEITELBAUM and DEVORAH TEITELBAUM also conspired and engaged in a scheme to obtain government benefits designed for low-income residents, including Section 8 housing subsidies, Medicaid health insurance, and SNAP food stamps, totaling more than \$330,000. In connection with applications for these benefits, they failed to disclose substantial income and financial assets, including a jewelry business and an apartment they owned.

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SHLOMO KUBITSHUK, 38, RACHEL KUBITSHUK, 39, both from Brooklyn, New York, are each charged with one count of conspiracy to steal government funds, which carries a maximum sentence of five years in prison, and two counts of theft of government funds, each carrying a maximum sentence of 10 years in prison. NAFTALI ENGLANDER, 40, HINDA ENGLANDER, 41, LEIB TEITELBAUM, 39, and DEVORAH TEITELBAUM, 36, all from Brooklyn, New York, are each charged with one count of conspiracy to steal government funds, which carries a maximum penalty of five years in prison, and three counts of theft of government funds, each carrying a maximum sentence of 10 years in prison.

The maximum potential sentences in these cases are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants will be determined by a judge.

U.S. Attorney Bharara praised the work of DOI and the Criminal Investigators of the United States Attorney’s Office for the Southern District of New York.

The case is being prosecuted by the Office’s General Crimes Unit. Assistant U.S. Attorneys Eli J. Mark and Thane Rehn are in charge of the prosecution.

The charges contained in the Complaints are merely accusations, and the defendants are presumed innocent unless and until proven guilty.