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Attorney General James and DOI Commissioner Garnett Announce Arrest and Indictment of Group for \$15 Million Bid-Rigging Scheme That Defrauded Public Benefits Programs

Defendants Submitted Thousands of False and Inflated Bids to Government Agencies for Services Intended to Help Domestic Violence Survivors and Other Victims of Crime

New York – New York Attorney General Letitia James and New York City Department of Investigation Commissioner Margaret Garnett today announced the [indictment and arrest of 10 individuals and corporations for operating a two decades-long bid-rigging scheme](#). The 17-count indictment, which was unsealed today in the New York County State Supreme Court, before the Honorable Curtis Farber, charges the defendants with submitting thousands of false and inflated bids to the New York state Office of Victim Services (OVS) and the New York City Human Resources Administration (HRA) for moving and storage services intended to aid public benefits recipients, domestic violence survivors, and other crime victims urgently in need of relocation services.

The defendants collected more than \$15 million from HRA and OVS for over 25,000 moving jobs, the vast majority of which are believed to have been rigged and fraudulently obtained. A joint investigation conducted by the Office of the Attorney General (OAG) and the New York City Department of Investigation (DOI) revealed that as a result of the defendants' bid-rigging, HRA and OVS were charged up to three times the fair market value for moving services.

"It is unconscionable that these individuals swindled programs that gave crime victims the chance to escape their dangerous situations," said **Attorney General James**. "Victims of crimes deserve every opportunity to get the help they need, but with financial gain in mind, the defendants took advantage of a system created to help those who needed it most. I will continue to use the full powers of this office to root out corruption in every corner of this state, and I thank the DOI and our other government partners for their continued commitment to cracking down on corruption wherever it lies."

"Corruption has a real and tangible impact on city government and this investigation demonstrates its costly toll: Defrauding the very government programs meant to assist some of the most vulnerable in our city, in this case survivors of domestic violence and other crimes, as well as public benefit recipients," said **DOI Commissioner Garnett**. "DOI thanks HRA for reporting the initial allegations that prompted this investigation by DOI

and the state attorney general. That kind of partnership is the best defense against corruption's scourge.”

The individuals charged today are:

- Derek T. Barney, 56, of Carteret, New Jersey;
- Avraham “Avi” Cohen, 60, of Great Neck, New York;
- Frank Lopez, Jr., 53, of Queens, New York;
- Cynthia Yeje Ramsaroop, 52, of Winter Haven, Florida; and
- Gennoevee Yeje, 48, of Land o’ Lakes, Florida.

The corporate entities charged today are:

- Prime Moving & Storage Inc. of Queens, New York;
- Prime Moving & Trucking LLC of the state of Delaware;
- Avi Moving & Trucking Inc. (d/b/a “Avi Moving & Storage”) of Queens, New York;
- Baya Inc. (d/b/a Baya Inc., “Moving & Storage”) of Queens, New York; and
- Fastrac Processing LLC (d/b/a the “Office of Eviction Services”) of Queens, New York.

From 2001 through the present, the defendants allegedly operated a scheme to defraud OVS and HRA through programs that would fund moving and storage services for public benefit recipients and crime victims. Because the agencies required their clients to submit three competitive bids to ensure that the government paid the lowest price, the defendants used various fraudulent means to divide the market and inflate prices for the services by submitting rigged and false bids to OVS and HRA.

The United Movers Association

Barney, the co-owner of Prime Moving & Storage Inc. and Prime Moving & Trucking LLC; Cohen, the owner of Avi Moving & Trucking Inc.; and Lopez, the owner of Baya Inc., formed and operated a sham trade association called the “United Movers Association.” Each of the moving companies exchanged blank signed bids sheets and agreed that they would use them to submit false bids to HRA and OVS.

In order to seem legitimate, Lopez, Barney, and others submitted a false letter to HRA claiming they had formed the association to combat fraud because other moving companies “submit our estimates fraudulently, without approval.” In fact, the association existed solely as a means for the defendants to perpetuate fraud and submit false bids.

Each of the moving companies told HRA and OVS clients that they would obtain, on their behalf, all three bids through their trade association. Instead, the defendants would create two false, costlier bids and submit them, along with their lower bid and the United Movers Association coversheet, directly to HRA or OVS.

The Office of Eviction Services

The defendants also operated a fraudulent entity called the “Office of Eviction Services,” which targeted unwitting OVS and HRA clients by falsely identifying itself as a governmental or non-profit organization dedicated to assisting those in need with applying for emergency relocation assistance. To convey this false impression, Yeje and Ramsaroop used phony titles when interacting with public benefits recipients and their caseworkers, claiming that they were the “Program Director” and “Senior Case Manager,” respectively, of the Office of Eviction Services.

The Office of Eviction Services advertised directly to public benefits recipients and HRA caseworkers by distributing flyers outside of HRA job centers and operating a website for the sham entity. The HRA and OVS clients who called the Office of Eviction Services were told that it would assist them with the process of obtaining and submitting the three required bids. However, much like the United Movers Association, the Office of Eviction Services instead created and submitted false, rigged, and inflated bids for the same movers.

Originally, Yeje and Ramsaroop worked for Cohen and operated the Office of Eviction Services as a means of steering business to Avi Moving & Trucking Inc. They did so by creating a bid for Avi Moving and two costlier, false competitor bids. Several employees worked for both Avi Moving and the Office of Eviction Services, and to conceal their dual roles, those employees would use fake names and disguised voices when switching between answering the phones for the entities.

In 2016, Cohen sold the Office of Eviction Services to Yeje, and she, along with Ramsaroop, operated it remotely from Florida. Under their control, the Office of Eviction Services operated to divide HRA and OVS, moving business between Avi Moving, Prime Moving, and Baya, Inc. In exchange for a kickback of 25 percent or more, Yeje and Ramsaroop would create two false competitor bids and submit them, along with the selected company’s bid, directly to HRA or OVS under the coversheet of the Office of Eviction Services.

That same year, Yeje incorporated another sham entity, Fastrac Processing LLC, which was designed to secretly collect undisclosed kickbacks from the moving companies for the rigged and inflated bids that they were awarded through the Office of Eviction Services. Yeje regularly emailed Barney, Cohen, and Lopez monthly invoices, detailing the jobs that they had been awarded and kickbacks owed to Fastrac Processing as a result of the false and rigged bids submitted on their behalf.

The charges are merely accusations and the defendants are presumed innocent unless and until proven guilty in a court of law.

Attorney General James would like to thank the DOI for its partnership during this investigation. The case was investigated by Inspector General John M. Bellanie, Deputy Inspector General Audrey Feldman, Assistant Inspector General Jeremy Reyes, and

Confidential Investigator Gabriel Lipker, under the supervision of Deputy Commissioner and Chief of Investigations Dominick Zarrella and First Deputy Commissioner Daniel Cort.

Attorney General James would also like to thank the New York state Office of Victim Services and the New York City Department of Social Services and Human Resources Administration.

“OVS compensation funds are dedicated to helping victims recover from crime,” said **New York state Office of Victim Services Director Elizabeth Cronin**. “The fact that anyone would even consider targeting funds intended to help crime victims, including domestic violence survivors fleeing abuse, is an outrage. We thank Attorney General Letitia James and her staff for investigating this case and for their efforts to hold perpetrators believed to have preyed on crime victims to account and for sending a clear message that schemes like this will not be tolerated in New York state.”

“As stewards of vital programs that provide important resources to New Yorkers in need, our top priority is ensuring our clients are able to receive the services they expect and deserve as they get back on their feet — and that includes holding accountable to the fullest extent possible any individuals who violate and take advantage of that public trust,” said **New York City Department of Social Services Commissioner Steven Banks**. “We thank our dedicated staff at DSS-DHS-HRA for seeing something and saying something, which helped to bring these allegations forward to law enforcement, and we extend our gratitude to the DOI commissioner and the New York attorney general for their decisive actions, which are bringing these bad actors to justice.”

The OAG investigation was conducted by Detective Brian Metz of the Major Investigations Unit, under the supervision of Detective Supervisor Michael Leahy, Assistant Chief Mario Rivera, and Deputy Chief Antoine Karam. The Investigations Bureau is led by Chief Investigator Oliver Pu-Folkes.

Prosecuting the case is Assistant Attorney General Greg Morrill of the OAG’s Public Integrity Bureau, under the supervision of Bureau Chief Gerard Murphy. Legal Support Analyst Crystal Bisbano of the Public Integrity Bureau and Hewson Chen of the Practice Technologies Group also assisted in the investigation.

Financial analysis was conducted by Principal Auditor Investigator Meaghan Scotellaro and Auditor Investigator Karishma Tukrel, under the supervision of Deputy Chief Auditor Sandy Bizzarro and Chief Auditor Kristen Fabbri of the Forensic Audit Section.

Both the Investigations Bureau and the Public Integrity Bureau are part of the Division for Criminal Justice, which is led by Chief Deputy Attorney General José Maldonado and overseen by First Deputy Attorney General Jennifer Levy.