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ELEVEN INDIVIDUALS AND TWO CORPORATIONS
INDICTED IN DEED FRAUD SCHEME

*Three Attorneys Among Indicted Defendants;
Alleged Victimized Homeowners Include Hospitalized U.S. Veteran
Waiting For Organ Transplant And Single Mother With Five Children*

Queens District Attorney Richard A. Brown, joined by New York City Sheriff Joseph Fucito, today announced that a Queens County grand jury has charged eleven individuals – including three attorneys – and two real estate corporations with preying on New York City homeowners in financial distress and defrauding them into signing over their properties. Nine of the individuals are presently in custody and the remaining two are being sought.

District Attorney Brown, “Instead of tossing the victims a lifeline, half of whom were elderly individuals, the defendants are accused of creating a financial nightmare for the homeowners and placing them in worse financial situations than when first contacted by the defendants. As a result of the alleged fraudulent deed transfer scheme, the homeowners are no longer the titled owners of their own properties and therefore cannot move toward a resolution with their own mortgage companies. In each case, the homeowner must retain a real estate attorney to have the fraudulent deed reversed, resulting in additional financial hardships on them.”

Sheriff Fucito said, “The Sheriff’s Office stands ready to investigate and arrest those who threaten the physical and financial security of people in their homes. We hope that these arrests send a strong message that the victimization of homeowners will not be tolerated. We will continue to work with our partners in the City Register’s Office and the District Attorney to diligently identify and counter criminal activity with unrelenting momentum.”

The nine individuals in custody and the two corporate defendants are presently awaiting arraignment before Queens Supreme Court Justice Daniel Lewis on a 55-count indictment in which all of the defendants are variously charged with the crimes of first- and second-degree criminal possession of stolen property, first-degree falsifying business records, first-degree offering a false instrument for filing, second- and third-degree grand larceny, unlawful eviction, fourth-degree criminal facilitation, fraudulently obtaining a signature and first-degree scheme to defraud. If convicted, the defendants face varying prison sentences, the shortest being up to four years in prison and the longest being up to 25 years in prison. In the case of a corporation, a felony is punishable

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by a fine of up to \$10,000 or double the amount of the illegal gain. (See addendum for additional details on each defendant)

District Attorney Brown said that, according to the charges, the investigation began in 2014 when several Queens homeowners informed his office that they had received cold calls from individuals employed at the defendant corporation, Kings Development Group, of Queens. In each case, the caller allegedly promised to assist the homeowner with whatever financial problems they were having with their home.

The investigation into Kings Development Group was jointly conducted by the Queens District Attorney Office's Economic Crimes Bureau and the New York City Sheriff Office's Deed Fraud Unit and allegedly revealed a fraudulent real estate operation in which the "purported assistance" that the defendants offered was actually no assistance at all in resolving the homeowners' problems with their properties but rather a scheme to get homeowners to unknowingly sign over the deeds to their property.

In a review of deeds filed with the City Register, it was allegedly determined that the defendants had received deed transfers from the homeowners, which transferred ownership of the properties to a corporate entity. Although the homeowners were no longer the recorded owners of the properties, they were still financially responsible for the mortgages. Once the new deeds were recorded, the defendants allegedly: 1) advised the current tenants of the homes that they were the new owners and began collecting the monthly rents; 2) evicted the current tenants; 3) notified the New York City Housing Authority and/or the Department of Social Services that they were the new owners of the properties and – by providing a copy of the newly recorded deeds – began collecting monthly subsidies for the tenants in the homes; or 4) placed new tenants into the victims' properties and began collecting monthly rents in excess of \$1,000 for each tenant.

The alleged scheme took place between August 2012 and January 2017 and while the defendants allegedly collected rental income from individuals or from the City's Housing Authority or Human Resources Administration (who were paying shelter expenses for individuals residing at the properties), the homeowners' properties continued to undergo the foreclosure process and the homeowners' credit continued to be destroyed.

In one instance, it is alleged, a United States veteran, while hospitalized for more than a year for illness and ultimately an organ transplant, was visited at the Veterans Administration hospital in October 2013 by representatives from Kings Development Group. While sick and on medication, the veteran and his wife were allegedly directed to sign several different documents that would enable Kings Development Group to help them resolve the financial issues that had arisen with their home during the veteran's hospitalization. Unbeknownst to the homeowners, one of the documents to be signed was allegedly a deed transfer, transferring ownership of their property to an unknown corporation associated with Kings Development Group.

In a second instance, a single mother with five children was in foreclosure and Kings Development Group employees allegedly promised that they could solve her financial problems with her house, restore her credit and assist her in buying a new house once the one in foreclosure was resolved. It is additionally alleged that, as part of Kings Development Group's assistance, the victim was told that she had to move out of her own house but that Kings Development Group would

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provide her residency in a different house. However, it is alleged that when the mother and her children moved into the home, she learned that Kings Development Group did not own the house in which she was placed but rather was owned by another homeowner whom Kings Development Group was purportedly helping with a short sale. The real owner of the house was forced to evict the single mother and her children, forcing them to live in a shelter for many months.

The investigation was jointly conducted by the Economic Crimes Bureau of the Queens District Attorney Office; by Detective-Investigators David Moore and Joseph J. LaSpina, of the District Attorney's Detective Bureau, under the supervision of Sergeant Patrick F. Dolan, Lieutenant John W. Kenna, Deputy Chief Investigator Robert J. Burke and Chief Investigator Franco Russo; by Detectives Jonathan Saat and Michael Trano, of the New York City Department of Finance's Sheriff Office's Bureau of Criminal Investigation, under the supervision of Sheriff Joseph Fucito and the overall supervision of Department of Finance Commissioner Jacques Jiha, and by the New York State Police QDA Squad under the supervision of Senior Investigator David S. Douglas and the overall supervision of Captain Paul Hogan, Acting Troop NYC Commander Captain. Robert Willis and Superintendent George Beach.

Senior Assistant District Attorney Christine E. Burke, of the District Attorney's Economic Crimes Bureau, presented the case to the grand jury and will be prosecuting the case under the supervision of Assistant District Attorneys Gregory C. Pavlides, Bureau Chief, and Christina Hanophy and Kristen A. Kane, Deputy Bureau Chiefs, and the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco.

It should be noted that an indictment is merely an accusation and that a defendant is presumed innocent until proven guilty.

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Note to Editors: Press release e-version posted on www.queensda.org

ADDENDUM

- * attorney
- ** suspended attorney
- *** not in custody

Netanel Barnes (a.k.a. Nathan), 39, of Brooklyn, is charged with first- and second-degree criminal possession of stolen property, second-degree grand larceny, fraudulently obtaining a signature and first-degree scheme to defraud. If convicted, the defendant faces up to 25 years in prison.

*** Domingo A. Fernandez, 63, of Manhattan, is charged with second-degree grand larceny, second-degree criminal possession of stolen property, fraudulently obtaining a signature and first-degree scheme to defraud. If convicted, Fernandez faces up to 15 years in prison.

Welmi Y. Fernandez-Cabrera (a.k.a. Jasmine), 32, of Manhattan and the Bronx, is charged with first- and second-degree criminal possession of stolen property, second-degree grand larceny, fraudulently obtaining a signature, first-degree scheme to defraud, first-degree offering a false instrument for filing and first-degree falsifying business records, If convicted, the defendant faces up to 25 years in prison.

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* Michael Herskowitz, 37, of Brooklyn, is charged with second-degree grand larceny, second-degree criminal possession of stolen property, fraudulently obtaining a signature and first-degree scheme to defraud. If convicted, the defendant faces up to 15 years in prison.

* Yariv Katz, 43, of New Rochelle, is charged with first-degree scheme to defraud, second-degree grand larceny, second-degree criminal possession of stolen property, fraudulently obtaining a signature and first-degree scheme to defraud. If convicted, the defendant faces up to 15 years in prison.

Nadia Khedu (a.k.a. Nadia Sankar), 31, of Queens, is charged with fourth-degree criminal facilitation, second-degree grand larceny, second-degree criminal possession of stolen property, fraudulently obtaining a signature and first-degree scheme to defraud. If convicted, the defendant faces up to 15 years in prison.

Kings Development Group, of Queens, is charged with third-degree grand larceny and first-degree scheme to defraud. If convicted, the defendant faces a fine of up to \$10,000 or double the amount of the illegal gain.

Assaf Moshe (a.k.a. Joe Levi), 40, of Queens, is charged with first- and second-degree criminal possession of stolen property, second-degree grand larceny, fraudulently obtaining a signature and first-degree scheme to defraud. If convicted, the defendant faces up to 25 years in prison.

Nissan Pinchasov, 30, of Brooklyn and Cedarhurst, Long Island, is charged with first- and second-degree criminal possession of stolen property, second-degree grand larceny, unlawful eviction, fraudulently obtaining a signature, first-degree offering a false instrument for filing, first-degree falsifying business records and first-degree scheme to defraud. If convicted, the defendant faces up to 25 years in prison.

** Sanford Solny, 59, of Brooklyn, is charged with first- and second-degree criminal possession of stolen property, second-degree grand larceny, fraudulently obtaining a signature, first-degree offering a false instrument for filing, first-degree falsifying business records and first-degree scheme to defraud. If convicted, the defendant faces up to 25 years in prison.

*** Shandelle Solny, 25, of Brooklyn, is charged with first-degree falsifying business records, first-degree offering a false instrument for filing, fourth-degree criminal facilitation and first-degree scheme to defraud. If convicted, the defendant faces up to 4 years in prison.

* Yisroel Steinberg, 36, of Brooklyn, is charged with first-degree falsifying business records, first-degree offering a false instrument for filing, second-degree grand larceny, second-degree grand larceny, fourth-degree criminal facilitation, fraudulently obtaining a signature and first-degree scheme to defraud. If convicted, the defendant faces up to 15 years in prison.

Yisroel Services Corp., of Brooklyn, is charged first-degree falsifying business records, first-degree offering a false instrument for filing, fourth-degree criminal facilitation and first-degree scheme to defraud. If convicted, the defendant faces a fine of up to \$10,000 or double the amount of the illegal gain.