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FOR IMMEDIATE RELEASE
TUESDAY, MAY 13, 2014

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**FAR ROCKAWAY PRE-SCHOOL PROVIDERS CHARGED WITH THEFT
OF \$12.4 MILLION INTENDED FOR SPECIAL NEEDS STUDENTS**

*Defendants Allegedly Diverted City And State Education Funds To Private School, Summer
Camp And To Pay Personal Expenses, Including Home Renovations*

Queens District Attorney Richard A. Brown and New York State Comptroller Thomas P. DiNapoli today announced that four men, including a Far Rockaway rabbi, with ties to one of the City's largest providers of special education services to preschoolers with disabilities have been indicted on grand larceny and other charges for allegedly stealing more than \$12.4 million in City and State funding between 2005 and 2012 – money that was meant for special needs students between ages 3 and 5.

District Attorney Brown said, "It is disheartening to see a betrayal of the magnitude alleged in this indictment. The public funds provided to Island Child Development Center were earmarked for special needs pre-schoolers with disabilities but instead were allegedly used by the defendants for their own purposes. This investigation makes clear that frauds of this nature will inevitably be exposed and rooted out and that those who engage in them will be brought to justice."

Comptroller DiNapoli said, "These individuals allegedly stole millions of taxpayer dollars meant for special needs children in brazen disregard for common decency and the law. I thank District Attorney Brown and his staff for working closely with us to uncover this violation of public trust and pursuing justice for taxpayers."

The District Attorney identified the defendants as Ira Kurman, 52, of 1116 Westwood Road, Hewlett, New York; Rabbi Samuel Hiller, 56, of 791 Elvira Avenue, Far Rockaway, Queens; Roy Hoffmann, 50, of 1 Hazel Place, Woodmere, New York; and Daniel Laniado, 41, of 1572 East 17th Street in Brooklyn. The defendants are expected to be arraigned later today before Queens Supreme Court Justice Richard L. Buchter on a 42-count indictment in which they are variously charged with first-, second- and third-degree grand larceny, first-degree offering a false instrument for filing, first-degree identity theft and first-degree falsifying business records. If convicted, they face up to 25 years in prison.

District Attorney Brown pointed out that New York State's Education Law requires that the State Education Department meet the physical and educational needs of children with disabilities. Additionally, within the City of New York, the Department of Education contracts with private service providers to deliver services for those who require them, including Special Education Itinerant Teachers (SEIT) who provide education services in children's homes and other venues.

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Today's indictment charges that four men affiliated with the Island Child Development Center (ICDC), a private not-for-profit company located at 1854 Cornaga Avenue, in Far Rockaway, Queens, which primarily provides services to pre-school children in the Orthodox Jewish communities of Far Rockaway in Queens and Williamsburg and Borough Park, in Brooklyn, stole approximately \$12.4 million between 2005 and 2012. The alleged thefts were discovered after the state comptroller's office notified ICDC and specifically, Ira Kurman, the former Executive Director of ICDC, that it planned to conduct a routine audit of SEIT funds provided to ICDC. When auditors arrived for the meeting, in July 2012, they were informed that Kurman had left his position and allegedly taken his books and records with him. After further investigation, the auditors referred the case to the Queens District Attorney's Office.

The District Attorney added that defendant Samuel Hiller is the Assistant Director of ICDC; defendant Roy Hoffmann was hired by ICDC to serve as its independent auditor as required by the State; and defendant Daniel Laniado, while not employed by ICDC, was a self-described "investor" in ICDC.

The District Attorney said that, the investigation disclosed that ICDC received approximately \$27 million in state funding between 2005 and 2012. Of that amount, it is alleged, \$12.472 million was illegally diverted to the defendants for their personal use, to their families, to their other business endeavors and to local members of their religious communities.

For example, it is alleged, approximately \$8 million was diverted by Rabbi Hiller to numerous religious schools and camps not affiliated with ICDC, including \$3 million to B'nos Bais Yaakov Academy, a private all girls school located in Far Rockaway where he serves as principal. It is alleged that money was also diverted to a related summer camp for Orthodox youth called Camp Malka, located in Greene County, New York, and Camp Ohra Day in Far Rockaway. The monies were allegedly used by the school and camps to pay for hot lunches and other kosher food services, carpeting, vehicles and staff salaries. Additionally, approximately \$30,000 was allegedly diverted to pay for plumbing work on Hiller's personal residence.

It is also alleged that Kurman made more than \$143,000 in loans to members of the community and received repayment of the loans in cash in addition to receiving goods and services at cost, such as the services of a caterer for events related to his daughter's wedding and his son's Bar Mitzvah.

Furthermore, according to the investigation, approximately \$300,000 was illegally diverted to pay for the redesign of defendant Hoffmann's personal residence. Approximately \$15,000 was allegedly diverted to Hoffmann's wife, a make-up retailer.

Finally, defendant Daniel Laniado, the owner of a Kosher supermarket in Borough Park, allegedly cashed or had cashed more than \$1 million in ICDC checks through check cashing locations, many of which were in the names of individuals or businesses who had not consented to allow the defendant to cash checks in their names.

In addition to the criminal charges, the District Attorney's Office has filed a civil forfeiture

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action against all four defendants seeking the forfeiture of more than \$11.472 million in illegally obtained proceeds. This figure reflects the fact that approximately \$1 million has been repaid by B'nos Bais Yaakov Academy and Camp Malka.

The investigation was conducted by Detective Richard A. Lewis and Detective Patrick F. Dolan, of the District Attorney's Detective Bureau, under the supervision of Sergeant John W. Kenna and Lieutenant Robert J. Burke, and the overall supervision of Chief Investigator Franco Russo. Assisting in the investigation were Forensic Accountant John M. Murphy and Paralegal Kathleen P. Feeney of the District Attorney's Economic Crimes Bureau. The civil aspect of the case is being handled Detectives John R. Warner, Joseph Brancaccio, Jeffrey A. Boyce, John J. Keeley, David Matos, and Sergeant Ronald H. Georg, under the supervision of Sergeant Elizabeth A. Curcio of the Crimes Against Revenue Unit, and with the assistance of Special Agent David Mondanaro of Department of Homeland Security Investigations.

The case was additionally investigated by Comptroller DiNapoli's Division of State Government Accountability and Division of Investigations.

The District Attorney thanked the New York City Department of Education and the DOE Deputy and Assistant Auditors General for their assistance in the investigation.

Senior Assistant District Attorney Jonathan D. Scharf, of the District Attorney's Economic Crimes Bureau, is prosecuting the case, under the supervision of Gregory C. Pavlides, Bureau Chief, and Kristen A. Kane and Christina Hanophy, Deputy Bureau Chiefs; Assistant District Attorney David S. Zadnoff, of the District Attorney's Special Proceedings Bureau, is handling the civil case under the supervision of Assistant District Attorneys Anthony M. Communiello, Bureau Chief, and Oscar W. Ruiz, Deputy Bureau Chief. Both the criminal and civil matters are under the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney for Investigations Linda M. Cantoni.

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 at www.queensda.org.