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**RABBI AFFILIATED WITH FAR ROCKAWAY PRE-SCHOOL PROVIDER PLEADS
GUILTY TO STEALING \$5 MILLION INTENDED FOR SPECIAL NEEDS STUDENTS**
Defendant Diverted Education Funds For Own Purposes; Will Be Sentenced To State Prison Time

Queens District Attorney Richard A. Brown, joined by New York State Comptroller Thomas P. DiNapoli, today announced that Rabbi Samuel Hiller, the former assistant director of Island Child Development Center, once one of the City's largest providers of special education services to preschoolers with disabilities, has pleaded guilty to stealing \$5 million in City and State funding between 2005 and 2012 – money that was intended for special needs students between ages three and five.

Island Child Development Center (ICDC), a private not-for-profit company that is now defunct, was located at 1854 Cornaga Avenue in Far Rockaway, Queens, and primarily provided services to pre-school children in the Orthodox Jewish communities of Far Rockaway in Queens and Williamsburg and Borough Park in Brooklyn.

District Attorney Brown said, "The public funds provided to Island Child Development Center were earmarked for special needs pre-schoolers with disabilities. Instead, the defendant chose to divert millions of these funds for his own purposes. While it is disheartening to see a betrayal of the public trust of such magnitude as exposed here, those who engage in frauds of this nature will be brought to justice and held accountable for their actions."

Comptroller DiNapoli said, "Stealing from the public is bad enough, but exploiting small children to pay your plumber and support your for-profit camps, is reprehensible. I thank District Attorney Brown for partnering with my office in the fight to end special education fraud in New York state."

The District Attorney identified the defendant as Rabbi Samuel Hiller, 59, of Far Rockaway, Queens. Hiller appeared yesterday afternoon before Queens Supreme Court Justice Joseph Zayas and pleaded guilty to first-degree grand larceny. Additionally, Hiller will forfeit approximately \$1 million in seized assets, sign a confession of judgment for an additional \$3 million, pay an additional \$1 million in restitution at the time of sentencing, June 15, 2017, and make a full and truthful completion of a "Statement of Financial Condition."

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District Attorney Brown said that Hiller is expected to be sentenced to one to three years in prison. However, if he fails to pay the full additional \$1 million in restitution at sentencing, he will be immediately sentenced to two to six years in prison. Similarly, if any falsehood is found on his Statement of Financial Condition, he will be immediately sentenced to two to six years of incarceration.

Hiller and his three co-defendants – Ira Kurman, 54, of Hewlett, Roy Hoffmann, 53, of Woodmere, and Daniel Laniado, 44, of Brooklyn – were indicted on the alleged thefts in 2014. All were accused of illegally diverting more than \$12 million of the \$27 million ICDC received in state funding to their relatives, their for-profit businesses and for personal expenses including jewelry, a family wedding and home renovations.

Kurman had been the former Executive Director of ICDC; Roy Hoffmann had been hired by ICDC to serve as its independent auditor as required by the State; and Daniel Laniado, while not employed by ICDC, was a self-described “investor” in ICDC.

Kurman and Hoffman, who previously pleaded guilty to first-degree grand larceny for their roles in the scheme, are awaiting sentencing, which will include making restitution. The case against Laniado is presently pending in court.

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.

The thefts were discovered after the Office of New York State Comptroller Thomas P. DiNapoli notified ICDC and specifically, Ira Kurman, that it planned to conduct a routine audit of SEIT funds provided to ICDC. When state auditors arrived for the meeting, in July 2012, they were informed that Kurman had left his position and had taken his books and records with him. After further investigation, the auditors referred the case to the Queens District Attorney’s Office.

The investigation was conducted by the District Attorney’s Detective Bureau and his Economic Crimes Bureau.

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 (DOE) and the DOE Deputy and Assistant Auditors General for their assistance in the investigation.

Assistant District Attorneys Eleonora B. Rivkin and Charissa Ilardi, of the District Attorney’s Economic Crimes Bureau, are prosecuting the case under the supervision of Gregory C. Pavlides, Bureau Chief, and Kristen A. Kane and Christina Hanophy, Deputy Bureau Chiefs, and under the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco.

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