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Southern District of New York

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RINGLEADER OF MASSIVE IMMIGRATION FRAUD MILL PLEADS GUILTY IN MANHATTAN FEDERAL COURT

New York City Lawyer is the 13th Defendant to Plead Guilty in Connection with the Scheme

Preet Bharara, the United States Attorney for the Southern District of New York, announced today that EARL SETH DAVID, a/k/a "Rabbi Avraham David," pled guilty today to operating a massive immigration fraud mill through his Manhattan-based law practice. As part of the scheme, DAVID and his co-conspirators submitted fraudulent claims to labor and immigration authorities concerning employers they claimed were sponsoring tens of thousands of illegal aliens who were seeking legal status. DAVID was indicted along with 11 other defendants in October 2011 and extradited to the United States from Canada in January 2012. In total, 27 individuals have been charged in connection with the scheme. DAVID pled guilty today before U.S. District Judge Naomi Reice Buchwald.

Manhattan U.S. Attorney Preet Bharara stated: "As he admitted today, for more than a decade, Earl David used his law firm as a front for an immigration fraud mill that deceived authorities and exploited thousands of people who were seeking a legal path to citizenship. He thought he could escape the consequences of his actions by making a surreptitious get-away to Canada, but as the charges against him and his co-conspirators and today's plea demonstrate, he was sorely mistaken."

According to the Superseding Indictment and statements made during today's proceeding:

United States law permits an alien to petition for legal status if the individual has obtained a certification from the U.S. Department of Labor ("DOL") certifying that a U.S. employer wishes to employ, or "sponsor," them. An alien who obtains DOL certification can then use it to petition the U.S. Citizenship and Immigration Services to obtain legal status in the United States.

From 1996 until early 2009, DAVID operated a Manhattan-based immigration law firm that made millions of dollars purportedly procuring legal immigration status for its clients. However, the firm, which charged up to \$30,000 per client, applied for and obtained thousands of DOL certifications based upon phony claims that U.S. employers had "sponsored" the aliens for employment. As part of the scheme, DAVID's firm used fabricated documents, including fake pay stubs, fake tax returns, and fake "experience letters," purporting to show that the

sponsorships were real and that the aliens possessed special employment skill sets justifying labor-based certification by DOL. In reality, the sponsors had no intention of hiring the aliens, and the sponsor companies often did not even exist other than as shell companies for use in the fraudulent scheme.

To date, the Government has identified at least 25,000 immigration applications submitted by DAVID's firm – the vast majority of which have been determined to contain false, fraudulent, and fictitious information. As a result of the fraud, DOL issued thousands of certifications, and immigration authorities granted legal status to thousands of DAVID's clients who did not meet the legal requirements.

In furtherance of the scheme, DAVID and his employees recruited many people to participate, including dozens of individuals who agreed to falsely represent to DOL that they were sponsoring aliens for employment in exchange for payment from the firm. They also recruited corrupt accountants who created fake tax returns for the fictitious sponsor companies and a corrupt DOL employee who helped ensure that DOL certifications were granted based upon the fraudulent applications.

DAVID continued to operate the scheme even after he was suspended from practicing law in New York State in March 2004. He fled to Canada in 2006 after learning that his firm was under federal criminal investigation, and illicit profits from the scheme continued to be funneled to him via a Canadian bank account. In 2009, DAVID's firm ceased operations when federal search warrants were executed at several of its locations.

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DAVID, 48, of New York City, New York, pled guilty to one count of conspiracy to commit immigration fraud and one count of conspiracy to commit mail and wire fraud. He faces a maximum sentence of 25 years in prison. As part of his agreement, DAVID also agreed to forfeit at least \$2,500,000. He is scheduled to be sentenced on August 15, 2012 at 3:30 p.m.

With DAVID's plea, 13 of the 27 defendants charged in connection with the scheme have pled guilty. The charges against the remaining defendants are pending, and they are presumed innocent unless and until proven guilty. Two defendants are fugitives.

Mr. Bharara praised the work of the U.S. Immigration and Customs Enforcement's Homeland Security Investigations and the U.S. Department of Labor's Office of Inspector General, Office of Labor Racketeering and Fraud Investigations for their outstanding work in the investigation.

This case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorney E. Danya Perry and Special Assistant U.S. Attorney John Reh are in charge of the prosecution.

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