

Approved: Thane REHN 16 MAG 6130
 ELI MARK / THANE REHN
 Assistant United States Attorneys

Before: HONORABLE RONALD L. ELLIS
 United States Magistrate Judge
 Southern District of New York

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 UNITED STATES OF AMERICA : SEALED COMPLAINT
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 - v. - : Violations of
 : 18 U.S.C. §§ 371, 641
 LEIB TEITELBAUM and : and 2
 DEVORAH TEITELBAUM, :
 : COUNTY OF OFFENSE:
 Defendants. : NEW YORK
 :
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SOUTHERN DISTRICT OF NEW YORK, ss.:

RYAN COVINO, being duly sworn, deposes and says that he is a Special Investigator with the New York City Department of Investigation, New York City Housing Authority, Office of Inspector General, and charges as follows:

COUNT ONE

(Conspiracy to Steal Government Funds)

1. From at least in or about April 2007, up to and including at least in or about April 2014, in the Southern District of New York and elsewhere, LEIB TEITELBAUM and DEVORAH TEITELBAUM, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, the theft of government funds, in violation of Title 18, United States Code, Section 641.

2. It was a part and object of the conspiracy that LEIB TEITELBAUM and DEVORAH TEITELBAUM, the defendants, and others known and unknown, would and did embezzle, steal, purloin, and knowingly convert to their own use and the use of another, and, without authority, sell, convey, and dispose of records, vouchers, money, and things of value of the United States and of a department and agency thereof, to wit, the United States Department of Housing and Urban Development, the

value of which exceeded \$1,000, in violation of Title 18, United States Code, Section 641.

3. It was further a part and object of the conspiracy that LEIB TEITELBAUM and DEVORAH TEITELBAUM, the defendants, and others known and unknown, would and did embezzle, steal, purloin, and knowingly convert to their own use and the use of another, and, without authority, sell, convey, and dispose of records, vouchers, money, and things of value of the United States and of a department and agency thereof, to wit, the United States Department of Agriculture, the value of which exceeded \$1,000, in violation of Title 18, United States Code, Section 641.

4. It was further a part and object of the conspiracy that LEIB TEITELBAUM and DEVORAH TEITELBAUM, the defendants, and others known and unknown, would and did embezzle, steal, purloin, and knowingly convert to their own use and the use of another, and, without authority, sell, convey, and dispose of records, vouchers, money, and things of value of the United States and of a department and agency thereof, to wit, the United States Department of Health and Human Services, the value of which exceeded \$1,000, in violation of Title 18, United States Code, Section 641.

Overt Acts

5. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about April 24, 2015, LEIB TEITELBAUM signed and submitted a false declaration of income to the New York City Human Resources Administration ("NYHRA") in New York, New York, for the purpose of applying for Medicaid benefits.

b. On or about April 24, 2015, DEVORAH TEITELBAUM signed and submitted a false declaration of income to the New York City Human Resources Administration ("NYHRA") in New York, New York, for the purpose of applying for Medicaid benefits.

(Title 18, United States Code, Section 371.)

COUNT TWO

(Theft of Government Funds - Federal Housing Subsidies)

6. From at least in or about April 2007, up to and including at least in or about April 2014, in the Southern District of New York and elsewhere, LEIB TEITELBAUM and DEVORAH TEITELBAUM, the defendants, willfully and knowingly did embezzle, steal, purloin, and convert to their use and the use of another, vouchers, money and things of value of the United States and a department and an agency thereof, to wit, the United States Department of Housing and Urban Development, which exceeded the sum of \$1,000, and did receive, conceal, and retain the same with intent to convert it to his use and gain, knowing it to have been embezzled, stolen, purloined and converted, to wit, LEIB TEITELBAUM and DEVORAH TEITELBAUM fraudulently obtained federal housing subsidies to which they were not entitled.

(Title 18, United States Code, Sections 641 and 2.)

COUNT THREE

(Theft of Government Funds - SNAP Benefits)

7. From at least in or about August 2007, up to and including at least in or about December 2013, in the Southern District of New York and elsewhere, LEIB TEITELBAUM and DEVORAH TEITELBAUM, the defendants, willfully and knowingly did embezzle, steal, purloin, and convert to their use and the use of another, vouchers, money and things of value of the United States and a department and an agency thereof, to wit, the United States Department of Agriculture, which exceeded the sum of \$1,000, and did receive, conceal, and retain the same with intent to convert it to their use and gain, knowing it to have been embezzled, stolen, purloined and converted, to wit, LEIB TEITELBAUM and DEVORAH TEITELBAUM fraudulently obtained supplemental nutrition assistance benefits to which they were not entitled.

(Title 18, United States Code, Sections 641 and 2.)

COUNT FOUR

(Theft of Government Funds - Medicaid Benefits)

8. From at least in or about August 2007, up to and including at least in or about April 2016, in the Southern District of New York and elsewhere, LEIB TEITELBAUM and DEVORAH TEITELBAUM, the defendants, willfully and knowingly did embezzlè, steal, purloin, and convert to his use and the use of another, vouchers, money and things of value of the United States and a department and an agency thereof, to wit, the United States Department of Health and Human Services, which exceeded the sum of \$1,000, and did receive, conceal, and retain the same with intent to convert it to his use and gain, knowing it to have been embezzled, stolen, purloined and converted, to wit, LEIB TEITELBAUM and DEVORAH TEITELBAUM fraudulently obtained Medicaid benefits to which they were not entitled.

(Title 18, United States Code, Sections 641 and 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

9. I am a Special Investigator with the New York City Department of Investigation, New York City Housing Authority ("NYCHA"), Office of Inspector General, and have personally participated in the investigation of this matter. This affidavit is based upon my personal knowledge, my review of documents, and my conversations with law enforcement agents and other people. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions and statements of others are reported herein, they are reported in substance and in part, except where otherwise expressly indicated.

LEIB TEITELBAUM's and DEVORAH TEITELBAUM's Household Income and Assets

10. In the course of my investigation, I have reviewed documents maintained by several banks, from which I have learned, among other things, the following:

a. LEIB TEITELBAUM, the defendant, applied to a bank ("Bank-1") for a credit card on or about July 7, 2006. On his credit card application, TEITELBAUM stated that his monthly income was \$100,000, which is equivalent to an annual income of \$1,200,000. The bank issued the credit card ("Credit Card-1") on the basis of this application.

b. LEIB TEITELBAUM has been issued at least two additional credit cards ("Credit Card-2" and "Credit Card-3" and, together with Credit Card-1, the "Credit Cards") by Bank-1.

c. LEIB TEITELBAUM also has at least one personal bank account ("Bank Account-1") with Bank-1, and at least one additional personal bank account ("Bank Account-2" and, together with Bank Account-1, the "Bank Accounts") with another bank ("Bank-2").

d. LEIB TEITELBAUM and DEVORAH TEITELBAUM have both regularly signed checks drawn on Bank Account-1 and Bank Account-2.

e. Between April 2007 and March 2008, LEIB TEITELBAUM and DEVORAH TEITELBAUM spent at least \$17,626.51 on personal expenses, such as cellular phone bills and groceries, using Credit Card-1.

f. Between April 2008 and March 2009, LEIB TEITELBAUM and DEVORAH TEITELBAUM spent at least \$60,190.90 in personal expenses using Credit Card-1 and checks or withdrawals from Bank Account-1.

g. Between July 2010 and June 2011, LEIB TEITELBAUM and DEVORAH TEITELBAUM spent at least \$71,616.24 on personal expenses using the Credit Cards and checks or withdrawals from the Bank Accounts.

h. Between July 2011 and June 2012, LEIB TEITELBAUM and DEVORAH TEITELBAUM spent at least \$142,111.37 on personal expenses using the Credit Cards and checks or withdrawals from the Bank Accounts.

i. Between July 2012 and June 2013, LEIB TEITELBAUM and DEVORAH TEITELBAUM spent at least \$170,962.84 on personal expenses using the Credit Cards and checks or withdrawals from the Bank Accounts.

j. Between July 2013 and June 2014, LEIB TEITELBAUM and DEVORAH TEITELBAUM spent at least \$83,290.02 on personal expenses using the Credit Cards and checks or withdrawals from the Bank Accounts.

k. A company named Glitz NY, Inc. opened a bank account (the "Glitz Bank Account") with Bank-2 on June 5, 2008. The sole signatory on that bank account is LEIB TEITELBAUM, the defendant. The address to which the bank account statements are sent is the address at which TEITELBAUM initially registered as a Section 8 housing recipient with NYCHA.

l. In calendar year 2011, there were a total of approximately \$358,111.20 in deposits were made into the Glitz Bank Account, and a total of approximately \$371,612.29 in withdrawals were taken from the Glitz Bank Account.

m. In calendar year 2012, there were a total of approximately \$505,193.62 in deposits were made into the Glitz Bank Account, and a total of approximately \$482,523.62 in withdrawals were taken from the Glitz Bank Account.

n. In calendar year 2013, there were a total of approximately \$212,570.32 in deposits were made into the Glitz Bank Account, and a total of approximately \$230,364.12 in withdrawals were taken from the Glitz Bank Account.

o. The address to which bank account statements for the Glitz Bank Account are mailed is the former Section 8 registered address for LEIB TEITELBAUM and DEVORAH TEITELBAUM.

p. LEIB TEITELBAUM is the owner of at least one additional credit card account with Bank-1, and the contact

information for TEITELBAUM listed on that credit card account is "leo@glitzs.com."

11. In the course of my investigation, I have visited a website for an online jewelry store identifying itself as Glitzs.com, at www.glitzs.com. The website states that the president of Glitzs.com is "Leo Baum."

12. In the course of my investigation, I have reviewed mortgage documents and deeds submitted to the New York City Department of Finance. From those documents I have learned, among other things, the following:

a. LEIB TEITELBAUM, the defendant, signed the deed on behalf of 723 Lafayette LLC as the owner of a two-family house (the "House") in Brooklyn, New York, on or about February 23, 2012.

b. TEITELBAUM signed a mortgage for the House on or about June 3, 2013.

The Section 8 Rental Subsidy Program

13. From my training and experience, I have learned the following about the NYCHA Section 8 Rental Assistance Program ("Section 8 Program"), administered by NYCHA for the United States Department of Housing and Urban Development ("HUD"), in substance and in part:

a. Low-income individuals who meet certain eligibility requirements (a "Section 8 recipient") may be approved for rental assistance payments. These payments make up the difference between what the Section 8 recipient can afford and the total rent charged by the particular landlord. HUD funds the Section 8 Program.

b. In order to receive benefits in the Section 8 Program, an applicant is required to complete a form certifying his or her annual income, assets, household composition, and income of household members, among other things. Persons who are accepted into the Section 8 Program are required by HUD to submit annually an affidavit of income to remain in the Section 8 Program. This form requires the applicant to certify, among other things, his or her annual

income, assets, household composition, and income of household members.

c. The maximum household income above which a household becomes ineligible for Section 8 rental assistance payments varies based on, among other things, the number of household members.

d. Whether a person is entitled to Section 8 rental assistance payments, and, if entitled, the amount to which that person is entitled, are based in part on the reported household income and composition.

e. Section 8 checks, including those checks issued on behalf of LEIB TEITELBAUM and DEVORAH TEITELBAUM, the defendants, are prepared by and mailed from NYCHA's Finance Department, which is located in New York, New York.

LEIB TEITELBAUM's and DEVORAH TEITELBAUM's Housing Subsidy Fraud

14. From my review of documents maintained by NYCHA, I have learned, among other things, the following:

a. LEIB TEITELBAUM and DEVORAH TEITELBAUM, the defendants, first became NYCHA tenants of record for a particular apartment in Brooklyn (the "NYCHA Apartment") in or about August 2003.

b. From at least in or about August 2003 through in or about April 2014, LEIB TEITELBAUM and DEVORAH TEITELBAUM received Section 8 subsidies in connection with the NYCHA Apartment.

c. As Section 8 recipients, LEIB TEITELBAUM and DEVORAH TEITELBAUM signed and submitted annual Affidavits of Income and Declarations of Assets to NYCHA in connection with their lease of the NYCHA Apartment, as required, beginning on or about August 2003, and most recently on or about July 27, 2011.

d. At no time did LEIB TEITELBAUM and DEVORAH TEITELBAUM disclose to NYHCA their actual household composition, assets, or income. From 2007 through 2014, LEIB TEITELBAUM and DEVORAH TEITELBAUM disclosed annual household income that was

lower than the household income reflected by the expenditures described supra, paragraphs 10 through 12.

15. Based on information available to it at this time, the NYCHA Leased Housing Department Fraud and Abuse Unit calculates that, between April 2007, and April 2014, NYCHA paid to the landlords of the NYCHA Apartment, on LEIB TEITELBAUM's and DEVORAH TEITELBAUM's behalf, at least \$82,023.58 in HUD funds to which LEIB TEITELBAUM and DEVORAH TEITELBAUM were not entitled.

16. From my review of documents and records reflecting maximum income limits provided by NYCHA I have learned, among other things, that at no time between April 2007 and April 2014 would LEIB TEITELBAUM and DEVORAH TEITELBAUM have been eligible for the Section 8 rental assistance payments that he received had they accurately reported their actual household income, assets, and composition.

The Supplemental Nutrition Assistance Program

17. From my training and experience, and from conversations with officers of NYHRA, I have learned the following about the United States Department of Agriculture's ("USDA") Food and Nutrition Service ("FNS") administers the Supplemental Nutrition Assistance Program ("SNAP"):

a. Under the SNAP program, certain pre-approved retail stores are authorized to sell eligible food items in exchange for coupons ("SNAP benefits") presented by eligible members of certain low-income households ("SNAP recipients").

b. In New York City, eligibility for SNAP benefits is determined, and the distribution of those benefits made, by the New York City Human Resources Administration ("NYHRA"), which processes applications for SNAP benefits at its office located in New York, New York.

c. SNAP benefits are provided to households that meet eligibility requirements that are based on, among other criteria, household income and the number of people living in the household.

d. Recipients of SNAP benefits, like recipients of Section 8 benefits, must disclose their household members and income.

e. Whether a person is entitled to SNAP benefits, and, if entitled, the amount to which that person is entitled, are based in part on the reported household income and composition.

LEIB TEITELBAUM's and DEVORAH TEITELBAUM's SNAP Fraud

18. From my review of certain documents maintained by NYHRA and my discussions with other law enforcement agents and employees of NYHRA, I have learned the following, in substance and in part:

a. On or about August 28, 2007, LEIB TEITELBAUM and DEVORAH TEITELBAUM, the defendants, first became recipients of SNAP benefits.

b. In connection with their receipt of SNAP benefits, LEIB TEITELBAUM and DEVORAH TEITELBAUM submitted to NYHRA annual declarations of household composition and household income, beginning on or about August 28, 2007, and most recently on or about December 3, 2012.

c. At no time have LEIB TEITELBAUM and DEVORAH TEITELBAUM disclosed to NYHRA their actual household composition or income. From 2007 through 2012, LEIB TEITELBAUM and DEVORAH TEITELBAUM disclosed annual household income that was lower than the household income reflected by the expenditures described supra, paragraphs 10 through 12.

d. Since on or about August 2007, LEIB TEITELBAUM and DEVORAH TEITELBAUM have received a total of approximately \$12,494 in SNAP benefits.

19. I have discussed LEIB TEITELBAUM's and DEVORAH TEITELBAUM's eligibility for SNAP benefits based on their actual household composition and income with representatives of NYHRA, and from those conversations I have learned, among other things, that at no time between at least August 2007 and December 2013 would LEIB TEITELBAUM and DEVORAH TEITELBAUM have been eligible

the SNAP benefits that they received had they accurately reported their actual household income and composition.

The Federal Medicaid Program

20. From my training and experience, and from conversations with officers of NYHRA, I have learned the following about publicly-funded health insurance plans:

a. Various publicly-funded health insurance plans are available to low-income individuals and their children in New York State and elsewhere. These plans include, among others, Medicaid, a health insurance program for low-income adults and children, and Family Health Plus, a health insurance program for certain lower-income adults who are not eligible for standard Medicaid. Family Health Plus, Medicaid, and other similar publicly-funded health insurance plans fall within what is commonly referred to as the Medicaid Program.

b. While the Medicaid Program is largely federally-funded, it is administered by the states. The New York State Department of Health (the "NYDOH") administers the Medicaid Program in New York State, and the federal Department of Health and Human Services ("HHS") provides more than \$1 billion annually to the NYDOH to fund and/or reimburse the costs of the Medicaid Program.

c. Local departments of social services within New York State process applications for health insurance plans falling within the Medicaid Program and monitor the provision of plans at the local level. In New York City, the pertinent department of social services with respect to the Medicaid Program is NYHRA, which processes applications for health insurance plans falling within the Medicaid Program in its office in Manhattan, New York.

d. Once an individual is initially approved for Medicaid benefits by the NYHRA, the individual must renew his or her eligibility annually, certifying in writing that he or she continues to qualify. This certification must include statements by the claimant regarding household income and composition.

e. Whether a person is entitled to Medicaid benefits, and, if entitled, the amount to which that person is entitled, are based in part on the reported household income and composition.

LEIB TEITELBAUM's and DEVORAH TEITELBAUM's Medicaid Fraud

21. From my review of certain documents maintained by NYHRA, I have learned the following, in substance and in part, the following:

a. On or about August 19, 2007, LEIB TEITELBAUM and DEVORAH TEITELBAUM, the defendants, first became recipients of Medicaid benefits.

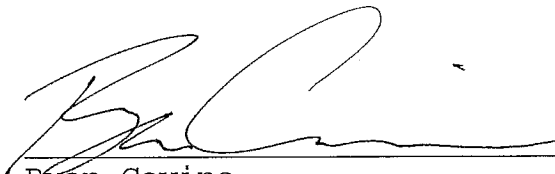
b. In connection with their receipt of Medicaid benefits, LEIB TEITELBAUM and DEVORAH TEITELBAUM have submitted to NYHRA annual declarations of household composition and household income from at least in or about August 2007 until at least in or about April 2015.

c. At no time did LEIB TEITELBAUM and DEVORAH TEITELBAUM disclose to NYHRA their actual household composition, assets, or income. From 2007 through 2015, LEIB TEITELBAUM and DEVORAH TEITELBAUM disclosed annual household income that was lower than the household income reflected by the expenditures described supra, paragraphs 10 through 12.

d. Since on or about May 2001, LEIB TEITELBAUM and DEVORAH TEITELBAUM have received a total of approximately \$241,372.64 in Medicaid benefits.

22. From my review of documents and records reflecting maximum income limits provided by NYHRA I have learned, among other things, that at no time between at least May 2001 and the present would LEIB TEITELBAUM and DEVORAH TEITELBAUM have been eligible the Medicaid benefits that they received had they accurately reported their actual household income, assets, and composition.

WHEREFORE, I respectfully request that arrest warrants be issued for LEIB TEITELBAUM and DEVORAH TEITELBAUM, the defendants, and that they be arrested and imprisoned, or bailed, as the case may be.



Ryan Covino
Special Investigator
New York City Housing Authority
Office of Inspector General
Department of Investigation

Sworn to before me this
26th day of September 2016.

S/Ronald L. Ellis

HONORABLE RONALD L. ELLIS
United States Magistrate Judge
Southern District of New York