



OFFICE OF THE DISTRICT ATTORNEY, KINGS COUNTY
RENAISSANCE PLAZA at 350 JAY STREET
BROOKLYN, N.Y. 11201-2908
718-250-2300
www.brooklynda.org

CHARLES J. HYNES
District Attorney

JERRY SCHMETTERER
Director of Public Information

Contact: (718) 250-2300

Media Release for April 27, 2010

KINGS COUNTY DISTRICT ATTORNEY CHARLES J. HYNES, NEW YORK CITY HUMAN RESOURCES ADMINISTRATION COMMISSIONER ROBERT DOAR, AND NEW YORK CITY DEPARTMENT OF INVESTIGATION COMMISSIONER ROSE GILL HEARN ANNOUNCE 32 INDICTMENTS AGAINST WELFARE CHEATS

DEFENDANTS STOLE \$1 MILLION IN BENEFITS

Brooklyn, April 27, 2010 – Kings County District Attorney Charles J. Hynes, New York City Human Resources Administration Commissioner Robert Doar and New York City Department of Investigation Commissioner Rose Gill Hearn today announced the indictment of 32 people – including business owners, landlords, and real estate developers – charged in separate cases with stealing close to \$933,500 in welfare benefits from the city of New York.

“The city’s Human Resources Administration is not there for the personal enrichment of financially secure families who would rather not pay for their own health insurance or groceries, and it is certainly not designed to help drug dealers obtain cheap narcotics,” said District Attorney Hynes. “All these scams and schemes significantly reduce the available funds for those who actually need public assistance. I would like to thank Commissioner Gill Hearn and Commissioner Doar for their help and hard work in investigating these cases.”

“HRA is committed to protecting the integrity of the benefits that we administer,” said HRA Commissioner Doar. “Those who conceal information to obtain benefits for which they are not eligible will be prosecuted to the fullest extent of the law.”

DOI Commissioner Rose Gill Hearn said, “We cannot afford to waste public money on unscrupulous individuals who conceal substantial assets and income to obtain public assistance. They should know that City investigators and prosecutors are zeroed in and determined to root out these abuses. DOI welcomes this opportunity to stand with District Attorney Hynes and Commissioner Doar and their staffs in our joint commitment to this effort.”

The largest theft is charged to Liz Sobeida, 37, who collected \$460,000 in Medicaid benefits for herself and her two children, between 2004 and 2009. Sobeida is charged with claiming to be a single mother on assistance applications, when in fact, her husband, with whom

she lived, was employed as a technician at a Cadillac dealership – earning \$70,000 in 2009 – and she worked at Brooks Brothers.

Another defendant, Marlowe Gershenson, 35, is charged with collecting \$63,000 in Medicaid benefits, over the course of six years, despite the fact that her husband, with whom she lives and owns property, owns a clothing wholesale manufacturing company – AV Denim – and a real estate business, MDK Leasing. At one point in 2007, her husband’s checking account had a balance of over \$110,000, and on an automobile loan application – she owns a Bentley Coupe and a Land Rover SUV – she claimed annual earnings of \$500,000, according to the indictment.

Ariel, 31, and Joyce Soudry, 28, are charged with stealing \$59,000 in Medicaid benefits over five years, while their bank balance exceeded \$2.2 million. The couple’s real estate companies own and manage rental properties and develop condominiums in Long Branch, NJ and in Brooklyn. They currently make payments on three luxury cars, including one Mercedes.

Shawana Kennedy, AKA Shawana Wade, 33, is charged with stealing \$55,000 in Medicaid and Food Stamp assistance during a five-year period. On applications she claimed to be a single mother, when in fact, she lives with her husband, the father of her children, who works for the city Sanitation Department.

The District Attorney’s Public Assistance Crimes Unit recently secured a felony conviction, for Attempted Criminal Possession of a Forged Instrument in the Second Degree and Criminal Use of a Public Benefit Card, against a defendant who sold the use of his benefits card for \$10, so it could fill a forged prescription for a controlled substance. He faces two to four years, when he is sentenced May 11.

Also charged in the cases announced today are 11 defendants who either forged drug prescriptions or allowed others to use the defendants’ Medicaid cards to bill Medicaid for forged prescriptions totaling \$13,000.

Of the 32 cases announced today, nine defendants live in Nassau County, Westchester County or New Jersey, but are charged with using fake addresses on Medicaid applications, to claim they lived in Brooklyn and steal approximately \$182,000 in benefits.

The cases are being prosecuted by Assistant District Attorneys Frank Dudis, Chin-Ho Cheng, John Vourderis and Sabrina Thanse. Lauren Mack is Chief of the Public Assistance Crimes Bureau.

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Contact: Jonah Bruno
(718) 250-2300