



The City of New York
Department of Investigation

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DOI STATEMENT ON SENTENCING OF FORMER NEW YORK CITY COUNCILMEMBER ON TAX FRAUD CHARGE

Margaret Garnett, Commissioner of the New York City Department of Investigation (“DOI”), issued the following statement on the sentencing of former New York City Councilmember CHAIM DEUTSCH to three months in prison and a \$5,500 fine. DEUTSCH will also pay \$107,007 in restitution, which is the amount he owes the IRS plus interest. The sentencing was meted out by U.S. Magistrate Judge James L Cott in United States District Court in Manhattan. According to the allegations contained in the Information and other court filings and proceedings, between 2013 and 2015, DEUTSCH’s failure to properly pay taxes on his income resulted in evading approximately \$82,906 in taxes due to the IRS. In April 2021, DEUTSCH, 52, of Brooklyn, pleaded guilty before Judge James Cott to a single count of filing a false tax return in connection with outside income he received from his real estate management corporation, Chasa Management, for the tax year 2015.

DOI Commissioner Margaret Garnett said, “Public servants only serve themselves when they break the law while purporting to be leaders upholding integrity and high standards. Now, this defendant rightly pays a high cost for his tax fraud: conviction, the loss of his seat on the New York City Council, three months of incarceration, a \$5,500 fine, and repaying the IRS the taxes he owes plus interest. DOI was pleased to work with the office of the U.S. Attorney for the Southern District of New York and the New York Field Office of the Internal Revenue Service’s Criminal Investigation division on this complex investigation that holds this former public official accountable.”

Commissioner Garnett thanked U.S. Attorney for the Southern District of New York Audrey Strauss and Special Agent-in-Charge of the IRS’s New York Field Office, Criminal Investigation, Jonathan D. Larsen, and their staffs, for their partnership on this investigation.

This matter was prosecuted by the Public Corruption Unit at the U.S. Attorney’s Office for the Southern District of New York, specifically Assistant U.S. Attorney Eli J. Mark.

At DOI, the investigation was conducted by Senior Investigative Auditor Helen Gromadsky, under the supervision of Director of Audits Laila Yu, First Deputy Inspector General Ivette Morales, Inspector General Andrew Brunsdan, Deputy Commissioner/Chief of Investigations Dominick Zarrella, and First Deputy Commissioner Daniel Cort.

DOI is one of the oldest law-enforcement agencies in the country and New York City’s corruption watchdog. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City. DOI’s strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.

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