



**ALVIN L. BRAGG JR.,  
DISTRICT ATTORNEY**

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**FOR IMMEDIATE RELEASE**

March 6, 2026

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**D.A. BRAGG, ACTING DOI COMMISSIONER RYAN ANNOUNCE GUILTY PLEAS OF REAL ESTATE DEVELOPERS WHO DEFRAUDED NEW YORK'S 421-A PROGRAM**

Manhattan District Attorney Alvin L. Bragg, Jr. and Acting New York City Department of Investigation Commissioner Christopher Ryan announced the guilty pleas of developers JOEL KOHN, MICHAEL AMBROSINO, ALEN PAKNOUSH, and MENDEL GOLD, and their real estate corporations, for defrauding New York State's 421-a tax exemption program meant to promote affordable housing, and collectively obtaining more than \$1.6 million in illegal property tax benefits.

"Access to affordable housing in Manhattan is scarce. These defendants scammed the system to illegally increase the prices of affordable apartments that were meant for income-qualified tenants," said **District Attorney Bragg**. "These individuals are now facing accountability for their corrupt acts as developers, including paying restitution and creating new affordable units. We will continue to zero in on bad actors who scam New Yorkers looking for accessible housing or defraud the systems meant to help them."

**Acting DOI Commissioner Christopher Ryan** said, "The 421-a program is intended to expand affordable housing opportunities for New Yorkers. Instead, these defendants enriched themselves by fraudulently obtaining over \$1 million in tax credits from the City while also charging unlawful rents to tenants who did not qualify for affordable housing. Today's guilty pleas send an important message: developers who exploit these programs will be held accountable. I thank our partners at the Manhattan District Attorney's Office and the City Department of Housing Preservation and Development for their commitment to protect tenants and preserve the integrity of affordable housing benefits."

AMBROSINO pleaded guilty in New York State Supreme Court to one count of Offering a False Instrument for Filing in the Second Degree. He was sentenced on December 8, 2025, and paid restitution in the amount of \$76,241. AMBROSINO EQUITIES pleaded guilty to Offering a False Instrument for Filing in the First Degree.

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KOHN, PAKNOUSH, and GOLD pleaded guilty in New York State Supreme Court to one count each of Offering a False Instrument for Filing in the Second Degree. Each of their real estate corporations pleaded guilty to Offering a False Instrument for Filing in the First Degree.

Under the terms of their pleas, PAKNOUSH will create two additional affordable units, GOLD will pay \$275,000 in restitution and create one additional affordable unit, and KOHN will pay \$514,818 in restitution and create one additional affordable unit.

There will also be a three-year period of monitoring by DOI by an approved DOI monitor for the defendants who continue to have ownership interest in properties that are in the 421-a tax exemption program.

IONA SITA and GHEORGHE SITA have open and pending cases.

These developers, who owned five different Brooklyn apartment buildings, violated the terms of the 421-a program by submitting documents to the City and State falsely attesting that the designated affordable units would be rented only to qualified tenants. In order to qualify for tax benefits under the terms of the 421-a program, affordable apartments can only be rented to income-qualified tenants approved by the New York City Department of Housing Preservation & Development (“HPD”).

Instead, the defendants rented out the units that had been designed as affordable at higher rates for years — sometimes more than \$1,000 per month above the approved affordable level — to renters who did not qualify for affordable housing.

Additional information about this case can be found [here](#).

*Manhattan D.A.’s Housing & Tenant Protection Unit*

In October 2022, District Attorney Bragg launched the Office’s first-ever Housing & Tenant Protection Unit, which targets systemic criminal harassment of tenants and abuse of government programs by landlords and developers. Areas of focus are harassment of rent regulated tenants, deed fraud, and defrauding of government subsidy programs by landlords and developers. The Unit focuses on long-term investigations into systemic, structured, and organized criminal activity among landlords and developers. The Office also advocates for legislative changes to protect tenants, including recently [announcing legislation](#) to create new criminal penalties for the systemic harassment of rent-regulated tenants and penalize repeated, recidivist harassment.

Tips and complaints can be submitted to the Unit’s helpline at 212-335-3300 or emailed to [Danyhousing@dany.nyc.gov](mailto:Danyhousing@dany.nyc.gov). The Office seeks justice for every victim and witness, regardless of immigration status.

Recent prosecutions include:

- The [indictment](#) of a man who allegedly stole a woman's identity to forge documents, apply for a luxury apartment in Murray Hill, and rent it out to a subletter under false pretenses.
- The [indictment](#) of a man for allegedly stealing approximately \$20,000 from at least five individuals by purportedly advertising a Hell's Kitchen apartment for rent in August 2025.
- The [indictment](#) of a man for allegedly stealing over \$32,000 from four individuals by falsely representing himself as the landlord of a Midtown Manhattan luxury studio apartment between April 11, 2025, and May 28, 2025.
- The [indictment](#) of two landlords for allegedly harassing two older, rent regulated tenants in Chelsea between September 2020 and September 2025.
- The [indictment](#) of a man for allegedly stealing approximately \$25,000 from three victims through an apartment rental scam.
- The [indictment](#) of three individuals and three companies for allegedly working together to steal a Harlem brownstone by posing as the heir of the deceased owner of the building and committing deed fraud. The defendants allegedly acquired ownership of the building and fraudulently obtained a mortgage and construction loan to renovate the property so they could sell it for profit.
- The [indictment](#) of a man for allegedly stealing over \$100,000 from at least eight prospective tenants in a rental scam.

Assistant D.A.s Kofi Sansculotte (Chief of the Financial Frauds Bureau) and Hope Korenstein, (Deputy Chief of the Financial Frauds Bureau) handled the prosecution of this case under the supervision of Judy Salwen (Deputy Chief of the Investigation Division) and Executive Assistant D.A. Jodie Kane (Chief of the Investigation Division). Assistant D.A. Chikaelo Ibeabuchi (Chief of the Housing & Tenant Protection Unit) assisted with prosecution of the case. Senior Financial Investigator Lana Wong, Senior Rackets Investigator Robert Delaney, Senior Rackets Investigator Sam Ahdout and Discovery Analyst Rebecca Singh, assisted with the investigation.

D.A. Bragg thanked DOI Inspector General Michael Morris, Deputy General Counsel Jacqueline Hui, Special Investigator Eric Johnson, and Investigative Auditor Giorgi Petriashvili; HPD Deputy General Counsel Nancy Batterman and Daniel Shin, Executive Director of the Tax Incentives Programs John Leonard, and Director of 421-a/b Programs, Pramila Louison; and DOF Director of Commercial Exemptions and Abatements Theodore Oberman.

Defendant Information:

ALEN PAKNOUSH (682 Bushwick Avenue)

Convicted:

- Offering a False Instrument for Filing in the Second Degree, a Class A misdemeanor, one count

BUSHWICK PLAZA LLC (682 Bushwick Avenue)

Convicted:

- Offering a False Instrument for Filing in the First Degree, a class E felony, one count

MENDEL GOLD (140 Stanhope Street & 1140 Bushwick Avenue)

Convicted:

- Offering a False Instrument for Filing in the Second Degree, a Class A misdemeanor, one count

140 STANHOPE GROUP, LLC (140 Stanhope Street)

Convicted:

- Offering a False Instrument for Filing in the First Degree, a class E felony, one count

MICHAEL AMBROSINO (300 Eldert Street)

Convicted:

- Offering a False Instrument for Filing in the Second Degree, a class A misdemeanor, one count

AMBROSINO EQUITIES (300 Eldert Street)

Convicted:

- Offering a False Instrument for Filing in the First Degree, a class E felony, one count

JOEL KOHN (70 Bushwick Avenue)

Convicted:

- Offering a False Instrument for Filing in the Second Degree, a Class A misdemeanor, one count

BUSHWICK POWERS LLC (70 Bushwick Avenue)

Convicted:

- Offering a False Instrument for Filing in the First Degree, a class E felony, one count

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