



NEWS RELEASE

From New York State Inspector General
Catherine Leahy Scott

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TWO BROOKLYN BUSINESSMEN FEIGNED STATUS AS STATE AUTHORIZED ENTITIES TO STEAL UPS SHIPPING SERVICE DISCOUNTS

NEW YORK CITY – New York State Inspector General Catherine Leahy Scott and Acting Brooklyn District Attorney Eric Gonzalez today announced the arrest and guilty pleas of two Brooklyn businessmen who fraudulently claimed status as New York State authorized entities to steal tens of thousands of dollars in of UPS delivery service discounts for their own use.

Jacob Herbst, 45, of 17th Avenue, Brooklyn, and his brother-in-law Dov Cinner, 34, of 17th Avenue, Brooklyn, both arrested and charged today with Grand Larceny in the Fourth Degree, a felony. They both subsequently pleaded guilty to lesser charges and paid a total of \$37,000 to UPS as part of a prearranged plea agreement.

Both men used a phony email address and phony incorporation papers for a residential health care facility to be able to take part in a State program for local governments and public authorities, public schools, and certain other public and nonprofit entities. Under the program, such entities may purchase products and services through the New York State Office of General Services (“OGS”) contracts that often provide deep discounts compared to prices paid by the general public.

An investigation by Inspector General Leahy Scott and the Office of the Brooklyn District Attorney found that Herbst, using a fictitious identity and phony incorporation papers, feigned affiliation with a nursing home in New York City in a late 2012 application to OGS to take part in the discount program. The application was approved by OGS which provided a customer identification number to use in order to obtain goods and services at State contract prices. Herbst shared that customer identification number with Cinner, enabling both to take advantage of the discounted State rate. Herbst and Cinner, throughout 2014, used that customer number to obtain UPS shipping services at tens of thousands of dollars less than the full retail prices paid by the general public.

“These defendants used blatantly fraudulent tactics to take advantage of a New York State program with which they had no business being affiliated,” said **Inspector General Catherine Leahy Scott**. “I will continue to work with partners in government and law enforcement to protect the integrity of the State contracting programs.”

“These defendants thought they could outsmart the system and created a bogus company to take advantage of a business discount available to local governments, public schools and certain other not-for-profits, to which they were not entitled,” said **Acting Brooklyn District Attorney Eric Gonzalez**. “We will continue to root out frauds such as this in collaboration with our law enforcement partners. I commend the Inspector General’s office for its hard work with my prosecutors to hold the defendants accountable.”

As part of a prearranged plea agreement, Herbst pleaded guilty at his arraignment to Petit Larceny, agreed to pay \$20,000 to UPS and was sentenced to 200 hours of community service and a conditional discharge. Cinner pleaded guilty to Disorderly Conduct and paid \$17,000 to UPS.

Inspector General Leahy Scott thanked Acting Brooklyn District Attorney Eric Gonzalez and his office for their assistance with the investigation and for prosecuting this matter.

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