



NEWS RELEASE

Office of the New York State Welfare Inspector General
Catherine Leahy Scott – Acting Welfare Inspector General

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LONG ISLAND CPA CREATED FAKE IDENTITY AND FALSE EMPLOYMENT RECORD AS PART OF A \$207,000 UNEMPLOYMENT INSURANCE, WELFARE AND SOCIAL SECURITY FRAUD SCHEME

Fraudulently Obtained Home Heating Aid And Food Stamps While Earning Income As A Certified Public Accountant and Maintaining A Suffolk County Home And Beachfront Condo in Florida

LONG ISLAND – New York State Inspector General Catherine Leahy Scott and the New York State Department of Labor today announced the arrest of a Long Island certified public accountant (“CPA”) with a Florida vacation home who created a fake identity and a bogus employment record as part of a \$207,000 Social Security, unemployment insurance and welfare fraud scheme.

Abraham Grossman (a/k/a Abrahan Grossman, a/k/a Alan Grossman), 76, of Chase Commons, Yaphank, was arrested on the federal criminal charge of theft of public money (18 USC §641). The charge carries a maximum potential penalty of 10 years in prison if convicted.

An investigation initiated by the State Department of Labor’s Office of Special Investigations and joined by Inspector General Leahy Scott found that Grossman, while working as a CPA and collecting Social Security Retirement benefits, created a false identity by obtaining a second Social Security number and New York State driver’s license under an assumed name. He used those documents, as well as his fictitious former employment at four different businesses, to fraudulently obtain additional Social Security Retirement, unemployment insurance and public assistance benefits to which he was not entitled. The New Jersey Department of Labor and Workforce Development, as well as federal investigators, assisted in the investigation.

“From food stamps and Social Security to home heating aid and unemployment benefits, this defendant used a litany of bogus employment and fake identity schemes to horde government benefits meant to help those who are truly in need,” said **Inspector General Leahy Scott**. “This investigation, with our state and federal law enforcement partners, has put a stop to an egregious and ghastly abuse of the public benefits systems, and I remain committed to using all of my powers and resources to pursue anyone who steals public funds.”

“The New York State Department of Labor takes Unemployment Insurance fraud extremely seriously,” said **Acting New York State Labor Commissioner Roberta Reardon**. “When unscrupulous individuals attempt to defraud the Unemployment Insurance system, they are committing a crime against the people and businesses of New York State. Benefits are meant for those who have lost work through no fault of their own and I thank the dedicated Department investigators for their constant vigilance and ongoing efforts to ensure that the integrity of the Unemployment Insurance system is preserved.”

“My department takes fraud very seriously,” said **New Jersey Department of Labor and Workforce Development Commissioner Harold J. Wirths**. “The aggressive measures we’ve implemented in New Jersey have stopped nearly \$700 million in fraud. We continue to partner with law enforcement to ensure everyone caught stealing public funds is prosecuted to the fullest extent.”

From February 2012 to present, Grossman applied for and received unemployment insurance in both New York and New Jersey under his real and fake identities. Under both identities, Grossman’s eligibility for benefits was premised upon his loss of employment from businesses that no longer existed and that had never declared wages for Grossman. He also failed to report the income he received as a CPA and altogether fraudulently obtained approximately \$124,000 worth of unemployment insurance benefits.

Through his alleged scheme, Grossman improperly obtained welfare benefits, including food stamps, home energy assistance program (“HEAP”) and Medicaid benefits worth \$20,744.23 from 2012 to present. Grossman received these welfare benefits fraudulently by failing to report income he obtained in the form of unemployment insurance benefits received from fabricated jobs in New York and New Jersey, income he received as a CPA, and Social Security Retirement benefits he received under a false identity from 2012 to present. The investigation alleged that Grossman also received about \$63,000 in Social Security Retirement benefits to which he was not entitled.

The welfare benefits he received are meant to assist New Yorkers most in need of financial assistance. Throughout his alleged scheme, Grossman was earning income as a CPA and owned a second home in Hallandale Beach Florida, just south of Fort Lauderdale.

Grossman was arraigned in United States District Court for the Eastern District of New York in Central Islip, pleaded not guilty, and posted a \$200,000 bond pending future court appearances.

The Department of Labor’s Major Case Unit (“MCU”) initially discovered Grossman’s alleged fraud in their data mining and analysis program. The investigation revealed that Grossman had used the identity of several defunct businesses and began filing false documents with the State claiming that he was employed and then laid off from these defunct companies. The MCU investigation discovered that the defendant had also used this scheme against the State of New Jersey’s unemployment insurance program.

The New York State Department of Labor operates one of the largest Unemployment Insurance systems in the country. In addition to administering the system, the Department is responsible for preventing and stopping fraud and protecting the integrity of the Unemployment Insurance Trust Fund. When the Trust Fund is forced to pay out because of a fraudulent claim, employers have to pay more -- and that means consumers will pay more as well.

Department of Labor Office of Special Investigations staff monitors several data sources and utilizes various analytical techniques to determine when fraud occurs. On the whole, only a very small percentage of individuals who collect benefits do so illegally. Those who attempt to defraud the system are generally detected quickly. Once suspected fraud is detected, cases are referred to law enforcement.

Inspector General Leahy Scott thanked the United States Department of Labor Office of Inspector General, the New York State Department of Labor’s Office of Special Investigations, the New Jersey Department of Labor, and the Social Security Administration’s Office of the Inspector General for their partnership in this investigation. The Inspector General also thanked the United States Attorney for the Eastern District of New York for handling the criminal prosecution.

The defendant is presumed innocent until and unless proven guilty in a court of law.

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The New York State Office of the Welfare Inspector General investigates fraud, abuse or illegal acts committed against public assistance programs designed to help those in need. Our office also investigates complaints about the agencies and local social services districts who administer social services programs. Complaints and referrals are kept confidential. We can be reached by calling toll free: 1-800-367-4448, utilizing our online complaint form: <http://www.ig.ny.gov> or sending an email to: inspector.general@ig.ny.gov. You also can write to our office at: Office of the Welfare Inspector General, Empire State Plaza, Agency Building 2, 16th Floor Albany, New York 12223