

Name: Alert ID: TMML2024033940616 SAN DIEGO – Rabbi Yisroel Goldstein, former director at Chabad of Poway, and five of his associates pleaded guilty in federal court today and Monday to fraud charges, admitting that they participated in a complex, years-long, multi-million dollar tax-evasion scheme and other financial deceptions involving theft of public money. According to his plea agreement, while Rabbi Goldstein was director of the Poway synagogue, he received at least \$6.2 million in phony contributions to the Chabad and affiliated charities and secretly refunded up to 90 percent of the donations to the “donors.” After Rabbi Goldstein provided these donors with fake receipts, they illegally claimed huge tax deductions for these nonexistent donations, and the rabbi kept about 10 percent – more than half a million dollars over the course of the fraud - for himself. Tax losses to the IRS were more than \$1.5 million. At least 20 taxpayers were involved in this and related tax-evasion schemes. This case was under investigation for more than two years before Rabbi Goldstein was shot and wounded during the April 27, 2019 attack on worshippers at the Chabad. In that case, federal civil rights and hate crimes charges are pending against John T. Earnest of Rancho Peñasquitos. The rabbi was aware of the investigation at the time of the shooting. FBI and IRS agents had searched his home in October of 2018, and he began cooperating with the investigation shortly after that time. According to his plea agreement, Rabbi Goldstein has agreed to cooperate with ongoing investigations of uncharged co-conspirators and to forfeit \$1 million in proceeds and pay restitution of \$2.5 million. “This case has brought us all a great deal of anguish because of the attack on Chabad of Poway,” said U.S. Attorney Robert Brewer. “But whatever a defendant’s dire personal circumstances, or stature in the community, we will always seek justice, first and foremost. We cannot, and will not, sweep serious criminal conduct under the rug. We cannot look the other way because a perpetrator of crime has suddenly become a victim of crime.” “This case shows the FBI’s dedication to untangling the web of fraud in a complex, multi-million dollar charitable donation scheme that violated the trust of the Chabad of Poway and defrauded the United States government,” said FBI San Diego Acting Special Agent-in-Charge Omer Meisel. “The FBI is committed to holding those accountable who use their position and stature in the community as a disguise to commit fraud. All the defendants in this case, including Rabbi Yisroel Goldstein, have admitted their guilt in these fraudulent schemes and will no longer be able to use deceit and lies to cheat those who were intended to receive charitable funds and taxpayer dollars.” “The Chabad of Poway, which has served its community for decades, was used by Rabbi Yisroel Goldstein and the five co-defendants to evade over \$1.5 million in taxes over the last 8 years,” said Ryan L. Korner, Special Agent in Charge of the IRS’s Criminal Investigation Division. “The Chabad was further victimized in April 2019 when a shooter attacked its worshippers, and we recognize the pain that terrible event has caused for the Chabad, Rabbi Goldstein, and the community. Ultimately, the financial fraud schemes uncovered during this multi-year, multi-defendant investigation were egregious and IRS Criminal Investigation has a responsibility to bring to justice those who exploit and manipulate non-profit and religious organizations in order to benefit themselves. The IRS is responsible for protecting honest taxpayers and serving the public by ensuring the integrity of our tax system, which funds our nation’s critical infrastructures and vital programs, including supporting our citizens and small businesses during the ongoing pandemic. The hard work of our Special Agents will not stop despite the ongoing challenges posed by Covid-19. We will continue to work alongside our law enforcement partners, and this week’s six guilty pleas demonstrate our collective efforts to continue to enforce the law and ensure the public trust.” Five others who participated in the scheme with Rabbi Goldstein also entered guilty pleas in federal court this week, admitting that they knowingly participated by concealing their donations through the Chabad and making false deductions on their tax forms, or by recruiting new taxpayers to participate in the scheme. One taxpayer, defendant Bruce Baker, admitted that he began participating in this scheme with Rabbi Goldstein in the 1980s, and made millions of dollars in fictitious donations over the years. Rabbi Goldstein admitted today that in one instance in late 2017, he attempted to disguise the source of more than \$1.1 million in fraudulent donations by purchasing gold coins worth approximately \$1 million. He then delivered the gold to the phony donor. There were many schemes within the broader tax-fraud and kickback scheme, dating back to 2010 or earlier and continuing through 2018. Rabbi Goldstein admitted he defrauded three different Fortune 500 companies by tricking them into matching supposed charitable donations of their employees. Working with the employees, Rabbi Goldstein fabricated fake receipts and then secretly returned their fake

"donations." This allowed the employees to claim tax deductions for the completely fabricated donations, and allowed Rabbi Goldstein to collect the companies' matching funds—including some that matched double their employees' donations. Rabbi Goldstein helped to orchestrate this scheme with at least six taxpayer-employees and two other associates who helped recruit new donors or conceal the true recipient of the funds. In total, Rabbi Goldstein defrauded the companies out of at least \$134,000, and helped the taxpayer-employees to claim nearly as much in fictitious tax-deductible charitable contributions to the IRS. Rabbi Goldstein admitted that he also helped an individual conceal more than \$700,000 in income by allowing the individual to use Chabad bank accounts to deposit his income, thereby hiding it from the IRS. As his cut, Rabbi Goldstein kept 10 percent of this individual's income—more than \$70,000. Separate and apart from the tax evasion scheme, Rabbi Goldstein and defendant Alexander Avergoon, who also pleaded guilty today, used false information and fabricated invoices and other records to pretend to be eligible for emergency funds, grants or donations, and private loans. These frauds on the Federal Emergency Management Agency (FEMA), the California Governor's Office of Emergency Services (Cal OES), and private foundations resulted in losses to these programs of at least \$875,000. Rabbi Goldstein and Avergoon have agreed to pay restitution to recoup these losses and reimburse these programs. The rabbi also admitted in his plea agreement that he defrauded San Diego County courts by falsely certifying that co-conspirators and associates had performed volunteer work at the Chabad or its affiliated entities, so that those associates could submit fake reports to the courts that they had fulfilled sentencing requirements for criminal offenses showing dozens or even hundreds of community service hours. Finally, Rabbi Goldstein admitted that, along with Avergoon, he fraudulently obtained loans from banks and mortgage lending businesses by submitting false information in loan applications that they verified for one another. "Sadly, the facts of this case show a willful, devious effort to deceive on the part of a trusted community leader," Brewer said. "Evading taxes causes harm not just to the government, but also to one's fellow citizens, who are forced to bear a heavier burden. Members of the Chabad of Poway are also victims of this crime, for those fake donations certainly did not benefit their congregation. "There is no doubt that Rabbi Goldstein was the victim of a heinous hate crime that terrorized him and Chabad congregants," Brewer said. "This is a mitigating factor, but this is no excuse. We acknowledge the rabbi's cooperation and his community leadership in the wake of the shooting. But this illegal conduct had been going on for many years, and it cannot be ignored." U.S. Magistrate Judge Karen S. Crawford presided over today's arraignment and guilty plea. Rabbi Goldstein is next scheduled to appear at a sentencing hearing on October 19, 2020 at 9 a.m. before U.S. District Judge Cynthia Bashant. The five related guilty pleas involve a series of fraud and tax evasion schemes by Rabbi Goldstein's co-defendants: 1. Defendant Alexander Avergoon admitted that from 2010 to 2015, he recruited at least nine taxpayers who made more than \$275,000 in fraudulent "donations" to the Chabad, then used Avergoon as a conduit to secretly return 90 percent of the money to the purported "donors." He also admitted that he joined Rabbi Goldstein in the grant fraud scam in which they obtained hundreds of thousands of dollars in misappropriated grant funds. As part of the government benefits fraud scheme, Avergoon used shell companies, including "Imagination Construction Company," to create fictitious and backdated invoices for services like carpet installation, repairs to the Chabad of Poway's HVAC system, and replacing damaged books and other supplies—even though Avergoon had never performed these services. In some cases, Avergoon would give Goldstein several fake bids from different shell companies, so that Rabbi Goldstein could trick the grant program administrators into believing he had complied with their competitive bidding requirements. Avergoon and Goldstein pretended that the government grant funds would be used for facilities upgrades, security systems, and community programs. But in reality, the money often went straight to Goldstein's and Avergoon's pockets; other times they used portions of it to pay contractors who had in fact charged much lower prices than reflected on Avergoon's phony paperwork. Apart from his fraudulent partnership with Rabbi Goldstein, Avergoon also admitted to participating in separate real estate Ponzi schemes from 2010 to 2016, in which he cheated retirement investors out of a total of \$12 million. Avergoon was a San Diego-based real estate agent, and he used his industry knowledge and reputation to target trusting victims who would invest in what they thought was the purchase of rental property. Avergoon promised monthly dividends that would be paid from rental income. He created written investment materials like prospectus and projected income and

expenses calculations, designed to give investors the false impression that their money would be safely tucked away in passive-income retirement investments. But in truth, instead of using investors' money to buy rental properties as he promised, Avergoon spent the money himself and just pretended that he had purchased the apartment buildings and office space he advertised. In true Ponzi fashion, for a time, Avergoon made the promised dividend payments—but rather than using rent income, he funded those payments using new investor money. Avergoon deceived more than a dozen unwitting investors, and convinced them to part with at least \$5 million. When an investor would ask to cash out, he encouraged them to re-invest, and at one point he pretended to “roll over” their retirement investments to purchase a multi-million dollar commercial building. In reality, he bought that building with a loan, not with investor money, and again diverted their money to his own personal use. He created fake partnership agreements, false purchase documents and deeds, and other fictitious records, and forged the signatures of his investors to conceal the fraud—then laundered the proceeds in order to disguise the true source and ownership of the money. Avergoon did not stop there. He convinced investors to part with another \$5 million or more by pretending to use their money to fund short-term, low-risk loans supposedly secured by the borrowers' high-end San Diego homes. But in reality, there were no “borrowers”—Avergoon used his real estate connections to identify homes he could pose as collateral, and he simply doctored up fake loan agreements and forged the borrowers' signatures. In some cases, the individuals he claimed were the borrowers did not even own the homes that were purportedly used as collateral. Avergoon made fake loan agreements, Deeds of Trust, mortgage Notes, and other official-looking documents, and he even created fake notary stamps and San Diego County Recorder's Office markings to make the paperwork appear legitimate. Once again, Avergoon used new investor money to make occasional payments to his victims, to make it appear that the “loans” were performing. But in truth, he diverted the money to his own use and the “investments” were worthless. Avergoon was indicted in August 2019 and apprehended in Latvia. He was extradited to the United States in November 2019 and has remained in custody since his extradition and initial appearance in federal court in San Diego. U.S. Magistrate Judge Barbara L. Major presided over his change of plea hearing today. Avergoon is next scheduled to appear at a sentencing hearing on October 19, 2020 at 9 a.m. before U.S. District Judge Cynthia Bashant.

2. Defendant Bruce Baker Bruce Baker pleaded guilty to conspiring with Rabbi Goldstein to defraud the IRS and file false tax returns beginning as early as the mid-1980s. For three decades, Baker admitted that he used fabricated records from Goldstein to fraudulently reduce his tax liabilities by pretending he was eligible for tax deductions for millions of dollars in nonexistent “gifts to charity” he reportedly made to the Chabad. In reality, Goldstein secretly returned 90 percent of Baker's donations, and kept a 10 percent fee. This part of the scheme was especially complex and intricate. Rather than simply paying cash or returning Baker's money in direct payments, Goldstein would pay Baker's creditors, make large purchases on his behalf, give money to Baker's relatives, or pay off bills on behalf of his family. To disguise the repayments, Rabbi Goldstein delivered the money in clandestine ways by, for example, paying: around \$200,000 to Baker's business partner to buy the partner's share of their business assets on Baker's behalf; more than \$420,000 in tuition and fees for Baker's son to attend dental school and a post-doctoral residency in dentistry; at least \$90,000 to a construction company for Baker's benefit, another \$200,000 directly to a building contractor working for Baker and \$129,000 to a home builder, and more than \$300,000 to Baker's account at a construction and building supply company; and \$200,000 from the proceeds of the sale of Goldstein's property paid directly to Baker's son. Over the years, Baker admitted that he “donated” at least \$2.6 million to Chabad of Poway, with at least \$2.4 million secretly funneled back from Goldstein to Baker. In total, Baker's and Goldstein's scheme cost the IRS around \$644,000 in tax losses.

Separate from his dealings with Rabbi Goldstein, Baker also admitted that he engaged in a similar tax evasion scheme with the director of a separate religious congregation and community organization in San Diego. In 2006, that individual offered Baker and his family an arrangement where they would pretend to make an “in-kind” donation to the religious organization of an ancient Iranian Torah—although no such Torah existed and the “in-kind” donation was a hoax. This other director provided Baker with a fraudulent appraisal that valued the Torah at \$1.2 million. Baker and his family used the fake paperwork to claim exorbitant tax deductions, and gave the co-conspirator a 10 percent fee—or \$120,000—in return. On top of that, the director charged Baker \$20,000 for the fake appraisal.

U.S. Magistrate Judge Karen S. Crawford presided over Baker's arraignment and guilty plea on July 13, 2020. Baker is scheduled for sentencing on October 19, 2020, at 9 a.m. before U.S. District Judge Cynthia Bashant. He has agreed to make full restitution to the IRS including all unpaid taxes, penalties, and interest.

3. Defendant Bijan Moossazadeh Bijan Moossazadeh began participating in the tax evasion scheme with Rabbi Goldstein as early as 2012. As he admitted in his plea agreement, between 2012 and 2018 he pretended to "donate" a total of around \$290,000 to Chabad of Poway. But instead of using the money for charitable purposes, Goldstein secretly funneled back 90 percent of the funds to Moossazadeh. Even so, Goldstein generated fraudulent donation receipt letters for Moossazadeh, so he could fraudulently verify that the money was indeed a "gift to charity." Moossazadeh fraudulently reduced his tax liability—or intended to, before he learned of this investigation in 2018—by more than \$91,500. Goldstein concealed his repayments by giving Moossazadeh large cash payments that would be difficult to trace. And he communicated in code when he had cash available, referring to his cash supplies as "challah" and his supplier as "the baker." In 2016, for example, Goldstein texted Moossazadeh to tell him he had cash: "I got a call from the Baker today he's preparing for Friday how many Chalah do you need?" Moossazadeh answered, "22"—by which he meant, \$22,000. The next day, Goldstein followed up: "Good morning[.] The baker came in earlier and has today 22 challa ready for pickup[.] Let me know what time?" Moossazadeh met Rabbi Goldstein at the Chabad on March 16, 2016, where he delivered a \$22,000 check made payable to the Chabad (with "Contribution" written in the memo line), and in exchange Goldstein gave him \$20,000 in cash (keeping the remaining \$2,000). Goldstein also gave Moossazadeh a fraudulent donation receipt thanking Defendant for his "generous tax deductible donation." They followed a similar pattern in 2018, when Goldstein again used coded text messages to alert Moossazadeh that he did not have cash ready and available: "Just got a call the baker is not baking challah this Friday-will be back next Friday and have the full order." A week later, Goldstein followed up: "Cook just finished . [] Come and pickup[.]" Moossazadeh admitted in his plea agreement that he met Goldstein at the Chabad the next day and delivered a check for \$33,000, made payable to the Chabad (again with "Contribution" written in the memo line). In exchange, Goldstein gave Moossazadeh \$30,000 in cash (keeping the remaining \$3,000), along with another fraudulent donation receipt. In August 2018—just at the time that court documents show Goldstein had offered to launder cash proceeds for an individual who he only later discovered was an undercover federal agent——Rabbi Goldstein let Moossazadeh know he had more cash available. He texted Moossazadeh: "I have a new baker who can bake many more challah almost unlimited[.] Let Joe [SHEMIRANI] know that a new baker came to town and to let me know how many challah to bake ? Can do as many as you need .. unlimited[.]" But just a few months later in October 2018, Moossazadeh learned that Rabbi Goldstein was under investigation. He did not attempt to deduct any of his 2018 purported donations to the Chabad. U.S. Magistrate Judge Karen S. Crawford presided over Moossazadeh's arraignment and guilty plea on July 13, 2020. He is scheduled for sentencing on October 19, 2020, at 9 a.m. before U.S. District Judge Cynthia Bashant. He has agreed to make full restitution to the IRS including all unpaid taxes, penalties (including a 75 percent fraud penalty), and interest.

4. Defendant Yousef Shemirani Yousef Shemirani admitted in his plea agreement that he participated in the tax scheme from 2011 to 2016, and in total he pretended to "donate" \$137,650 to Rabbi Goldstein and the Chabad of Poway. In return, Goldstein secretly funneled approximately 90 percent of the "donations" back to Shemirani, keeping 10 percent (around \$13,765). Shemirani's participation in the scheme resulted in a tax loss to the IRS of more than \$39,000. As with Moossazadeh, Rabbi Goldstein used coded language to discuss the scheme with Shemirani, and he concealed his return of the "donations" by returning Shemirani's payments in large amounts of cash. As Shemirani admitted in his plea agreement, Goldstein texted him in June 2015 to alert him that he would have cash available: "The baker will be back in July and will have all the Chalah you need :)" In July 2015, he followed up: "I just got a call from the Baker he may be in this Friday do you still need Chalah?" A year later, Goldstein continued the disguise, alerting Shemirani: "The Baker came today and actually be a nice amount of fresh Chalah – you can come by today and pick it up." Shemirani heard from Rabbi Goldstein again on October 20, 2018, when Goldstein appeared unannounced at Shemirani's door. As Shemirani admitted, Goldstein warned that he was under investigation and that his home and office had been searched by federal agents. He alerted Shemirani that the next time they

saw each other, Goldstein might be “wearing a wire.” Shemirani understood this was a warning, and he took steps to amend his fraudulent tax returns in response. Shemirani was arraigned and entered a guilty plea on July 13, 2020, before U.S. Magistrate Judge Karen S. Crawford. His sentencing is scheduled on October 19, 2020, at 9 a.m. before U.S. District Judge Cynthia Bashant. He has agreed to make full restitution to the IRS including all unpaid taxes, penalties (including a 75 percent fraud penalty), and interest.

5. Defendant Boris Shkoller Boris Shkoller admitted that from 2015 to 2016, he “donated” \$122,000 to Chabad of Poway and secretly received 90 percent—or \$109,800—back from Goldstein. Shkoller used Alexander Avergoon as a conduit to make the payments and receive the kickbacks. Avergoon also passed along fraudulent and backdated donation receipt letters that fraudulently verified Shkoller’s “generous tax deductible donation[s].” Shkoller admitted that he filed fraudulent tax returns for both years, resulting in tax losses to the IRS of more than \$36,000. Shkoller was arraigned and pleaded guilty today before U.S. Magistrate Judge Karen S. Crawford. His sentencing is scheduled on October 19, 2020 at 9 a.m. before U.S. District Judge Cynthia Bashant. He has agreed to pay \$53,772 in restitution to the IRS for his tax underpayment, penalties, and interest. U.S. Attorney Brewer commended the excellent work of prosecutors Emily Allen, Andrew Young and Oleksandra Johnson as well as case agents from the FBI and IRS.

DEFENDANTS AND SUMMARY OF CHARGES

Yisroel Goldstein, Case Number 20CR1916-BAS Age: 58 Poway Conspiracy to Defraud the United States and Commit Wire Fraud, in violation of Title 18, USC 371 Maximum Penalty: Five years in prison Alexander Avergoon, Case Number 19CR2955-BAS Age: 44 San Diego Wire Fraud, in violation of Title 18, USC 1343 Maximum Penalty: Twenty years in prison Aggravated Identity Theft, in violation of Title 18, USC 1028A Maximum Penalty: Two years minimum consecutive term in prison Money Laundering, in violation of Title 18, USC 1956(a)(1)(B)(i) Maximum Penalty: Twenty years in prison Bruce Baker, Case Number 20CR1912-BAS Age: 74 La Jolla Conspiracy to Defraud the United States and file false tax returns, in violation of Title 18, USC 371 Maximum Penalty: Five years in prison Bijan Moossazadeh, Case Number 20CR1893-BAS Age: 63 San Diego Filing a False Tax Return, in violation of Title 26, USC 7206(1) Maximum Penalty: Three years in prison Yousef Shemirani, Case Number 20CR1895-BAS Age: 74 Poway Filing a False Tax Return, in violation of Title 26, USC 7206(1) Maximum Penalty: Three years in prison Boris Shkoller, Case Number 20CR1913-BAS Age: 83 Del Mar Filing a False Tax Return, in violation of Title 26, USC 7206(1) Maximum Penalty: Three years in prison

INVESTIGATING AGENCIES: Federal Bureau of Investigation, Internal Revenue Service [CLICK HERE](#) - Avergoon Indictment [CLICK HERE](#) -Goldstein Plea Agreement [CLICK HERE](#) - Avergoon Plea Agreement [CLICK HERE](#) - Shkoller Plea Agreement [CLICK HERE](#) - Goldstein Information [CLICK HERE](#) - Baker Information [CLICK HERE](#) - Moossazadeh Information [CLICK HERE](#) - Shemirani Information [CLICK HERE](#) - Shkoller Information