

**FAST FORWARD**

# Brooklyn Yeshiva to pay \$8 million after admitting to defrauding the government

A U.S. attorney called the misconduct 'systemic' and 'wide-ranging'

By Adam Kovac October 24, 2022



Central United Talmudical Academy in Brooklyn Photo by Google Maps

Central United Talmudical Academy, a private Brooklyn yeshiva with more than 2,000 students, will pay \$8 million after admitting to defrauding the government.

The Williamsburg yeshiva confessed to several instances of fraud, including one that resulted in the school obtaining \$3.2 million from a federal program to feed needy children, according to a U.S. Justice Department press release issued Monday.

Court filings show that the school, known as CUTA, received the meal program money between 2014 and 2016 but used it for purposes other than feeding children, including parties for adults. Leadership at the school then fabricated documents and misled government agencies to cover up the diversion of funds.

Government investigators uncovered other criminal acts, such as underrepresenting employees' incomes to commit tax and benefit fraud, and providing no-show jobs that allowed some individuals to fraudulently claim tax exemptions.

The school's admission of fraud follows the publication of a New York Times investigation in September that found New York state yeshivas systematically denied their students a basic education while taking more than a billion dollars in taxpayer funds in the past four years.

CUTA will pay \$5 million in penalties on top of \$3 million in restitution that has already been paid, according to the release.

A call to the yeshiva for comment was not immediately returned.

"What happened at CUTA speaks for itself," Beatrice Weber, executive director of Yaffed, a nonprofit that seeks to improve secular education in yeshivas, said in a statement. "An unregulated school system is ripe for all kinds of fraud."

In March 2018, the school's former executive director, Elozer Porges, and his assistant, Joel Lowy, both pleaded guilty for their roles in the conspiracy. Porges was sentenced to two years in prison and Lowy to five years probation and 1,000 hours of community service. Lowy was also ordered to pay over \$98,000 in restitution.

"The misconduct at CUTA was systemic and wide ranging, including stealing over \$3 million allocated for schoolchildren in need of meals," U.S. Attorney Breon Peace said in a statement. "Today's resolution accounts for CUTA's involvement in those crimes and provides a path forward to repay and repair the damage done to the community, while also allowing CUTA to continue to provide education for children in the community."

The DOJ said the yeshiva has spent the past several years making "remedial efforts," such as adopting a zero-tolerance policy toward fraud and replacing

its executive managers, implementing new financial controls and creating an oversight committee.

In addition to these efforts, the school will be overseen by an independent monitor who will ensure new management meets its ethical and legal obligations for three years.