

# News from Attorney General Robert Abrams

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## ABRAMS ANNOUNCES ARREST IN \$1 MILLION COMMODITIES SWINDLE

Attorney General Robert Abrams announced the arrest this morning (Wednesday) of Harold Sorkin, 68, of 50 Lenox Road, Rockville Center, Long Island, who surrendered on charges of using a "boiler room" to defraud 217 investors located throughout the United States of more than \$1.3 million.

Sorkin, an unregistered securities dealer, allegedly conducted an illegal commodity-pool operation at 114 Liberty Street, 82 Beaver Street, and 225 Broadway, New York City, during a two-year period beginning in November, 1980, the Attorney General charged.

The defendant will be arraigned on two counts of fraud before Justice Ernst Rosenberger of Manhattan Supreme Court today, and if convicted could face up to eight years in prison and fines of double the amount he illegally gained by the scheme.

In legal papers filed in Supreme Court, Mr. Abrams charged that Sorkin's Panama-registered company, International Dynamics, Inc. (IDI), used telephones and direct-mail advertising to sell interests in commodity pools. Members of the public were told that funds they invested would be combined into "pools" of \$50,000 each, maintained in segregated bank accounts and used for trading in commodities futures. Investors would share proportionally in the profits on the pools. IDI's fee, according to Sorkin's sales pitch, was to be seven percent of the amount invested by each customer.

Mr. Abrams said that Sorkin allegedly used only some \$657,000 of the \$1.3 million he received from investors to trade commodities, and much of that was lost in the market. It is charged that he diverted to his own use over \$700,000, in addition to the \$86,500 he received from his seven-percent fee.

During the two-year period covered by the criminal information on which he was arrested today, Sorkin allegedly distributed falsified statements of account to his investors, indicating to them that their funds

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were invested in the commodities market and, in most cases, earning profits. In fact, most of the funds were never invested, and of those that were, most were lost or eventually turned over, on Sorkin's order, to himself or other companies he controlled.

The matter was handled for the Attorney General by Assistant Attorneys General Mark A. Tepper and Sheldon I. Walker, under the supervision of Orestes J. Mihaly, Chief of the Investor Protection and Securities Bureau.