

The Gemach That Wasn't: Alleged Debt-Relief Scheme Targets Jewish Families in Crisis

Note: This investigation has been cleared to go public by Rabbanim who have conducted their own investigation, including speaking to victims and carefully examining pages and recordings of overwhelming evidence.

Chaim Cohen was in his office when he checked his email and felt his stomach drop. Four separate credit-card charges, totaling thousands of dollars, had hit his accounts in the past hour. He hadn't authorized any of them.

An hour earlier, he'd been on the phone with someone who said he was calling from a firm to help with his debt. Now, Cohen was frantically closing credit cards and filing fraud reports.

"I went into damage-control mode," says Cohen, whose name has been changed to protect his privacy.

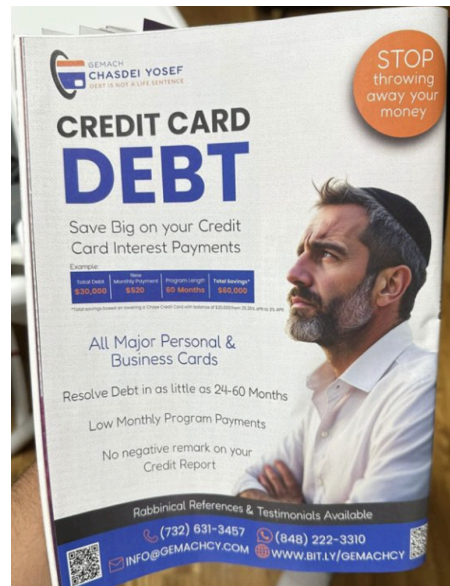
Cohen soon realized that he had just become the latest target of what former employees and clients describe as a sophisticated operation targeting Orthodox Jewish families: one that uses religious language and the sacred word *gemach* ([a charitable non-profit fund that typically offers interest-free loans to people in need](#)) to sell debt-relief services that clients could access themselves for little or no cost.

Credit-card debt has become a growing crisis in Orthodox communities, where large families, private-school tuition that can exceed \$15,000 per child and weddings costing \$50,000 or more, strain household budgets and often cause people to slide into debt. Into this gap stepped Gemach Chasdei Yosef, founded by Ben Tzion Abadi, who now reportedly lives in Beit Shemesh, Israel.

The organization presents itself [on its website](#) as a debt-relief service "committed to upholding Halacha in every action." And in phone calls with unsuspecting victims, it promised to help people lower credit-card interest rates to as low as 0% through what it calls "special bank relationships."

But insiders and clients tell a different story. They say families are charged thousands of dollars up front, sometimes before signing any contract, for access to standard DMPs (debt-management plans) available through nonprofit credit-counseling agencies like [GreenPath](#) & [MMI](#), typically for around \$25/month.

“Is She There Now?”



Advertisements for Gemach Chasdei Yosef have appeared weekly in Jewish magazines for years.

Cohen’s journey began in early 2025, when he emailed Gemach Chasdei Yosef after seeing its advertisements in popular Jewish magazines. The person who called back was warm and eager to help, he said. The Gemach representative recommended speaking to M Law Collect, a debt negotiation service.

Within minutes of agreeing to connect with M Law Collect, Cohen received an email from the Gemach asking for his credit-card statements, which Cohen shared. An email introduction was then made by the Gemach between Cohen and M Law.

15 minutes later, on a Sunday, M Law sent graphics showing the projected savings the firm could provide. Cohen’s repayment timeline, M Law said, would shrink from a few decades with over \$90,000 in interest to less than 7 years and under \$10,000 in interest.

By Wednesday morning, Cohen spoke with “Ben,” later identified as Ben Sion Abadi himself. “Extremely empathetic,” Cohen recalled. By the end of the pitch, Cohen agreed to move forward with documentation preparation but told Abadi he wanted to discuss it with his wife, Rena, first.

“Sure!” Abadi said. “Is she there now?”

Rena joined, listening in on speakerphone. The pitch sounded promising, but she texted her husband: “How do you know who they are?” He reassured her, confident in their credentials, pointing to ads in *seemingly* reputable outlets and endorsements from respected rabbis.

By the end of the call, Abadi had their Social Security numbers, dates of birth, and mailing address. Cohen felt protected — if something didn’t sit right, he simply wouldn’t sign the DocuSign contract that Abadi promised to send.

An hour later, at his office, Cohen checked his email and discovered the charges. He hadn’t signed or verbally agreed to any charges.

The Wolf in Sheep’s Clothing

The next day, M Law called to “finalize” the arrangement.

“I explained that we never had a service agreement, and it was highly unusual to bill me without any record at all,” Cohen said.

The response: “We do that because there is very sensitive information in the retainer agreement, and we want to know you’re committed as a client before we share it.”

Cohen pushed back. “You asked me for my Social Security number and charged thousands of dollars on my credit cards before I was your client. How sensitive is this information you can’t share?”

The representative grew defensive, Cohen said, insisting they record calls and could find where the misunderstanding occurred, further stating the firm didn’t want to turn this into a debate. When Cohen asked for guarantees on the promised rates, the answer was revealing: “Think of it like buying a house: the broker gets paid, and if something is wrong with the house, they don’t give their commission back.”

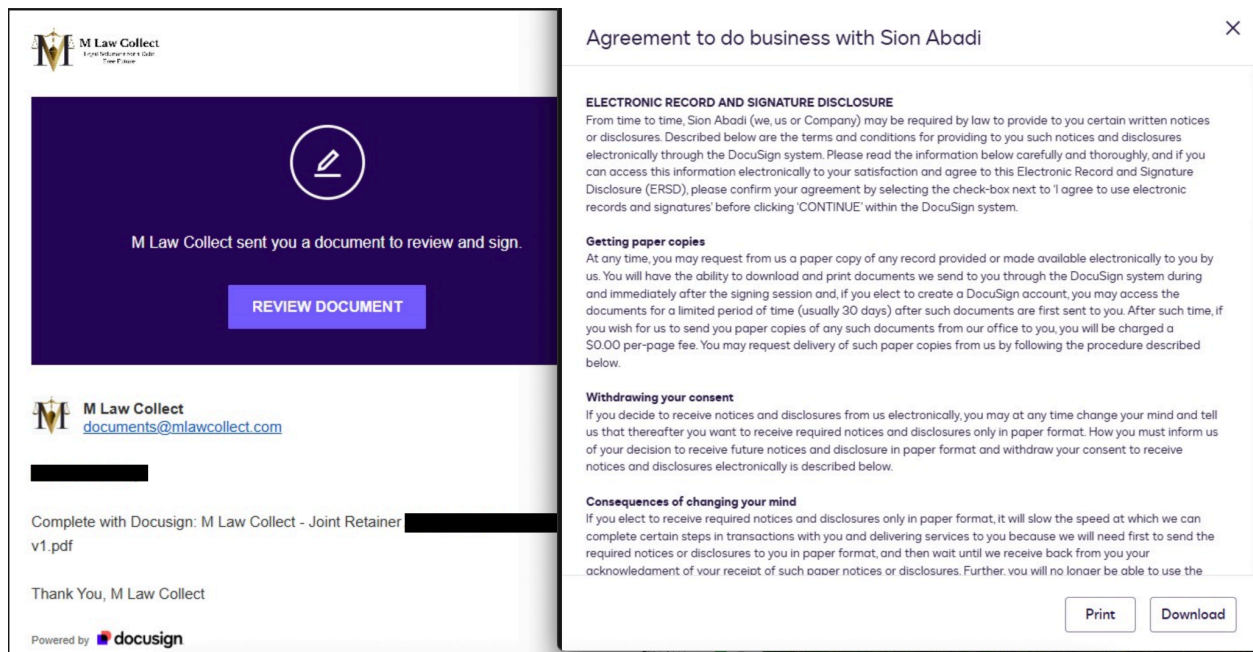
“The broker actually doesn’t get a penny until I sign a contract and have the deed to my new house,” Cohen replied. When Cohen further challenged him about the charges to his credit card, the representative said: “It was only a few thousand dollars. You still have an \$800 balance.”

Cohen’s case was not isolated. Multiple clients report similar experiences: unauthorized charges appearing on their credit cards before they signed any agreement and representations about services that didn’t match what was actually provided.

Cohen asked about M Law’s relationship to Gemach Chasdei Yosef. “They’re one of many organizations that refer cases to the firm,” the representative said. What he did not say was that Chasdei Yosef was just a front for M Law, which is overseen and operated behind the scenes by the same exact person: Ben Sion Abadi.

Sure enough, an hour later, Cohen received a DocuSign request that appeared to come from M Law Collect. But when he clicked the link, the document showed he was entering into an agreement with “Sion Abadi”—the same Ben Sion Abadi who identifies himself elsewhere as the “Executive Director” of Gemach Chasdei Yosef.

What Cohen had stumbled into, whistleblowers say, was the front end of a far broader operation, one cloaked in the language of charity.



The DocuSign sent after contacting M Law Collect showing the connection to Ben “Sion Abadi”.

A Predatory Network Under a Charitable Facade

Gemach Chasdei Yosef (GCY) presents itself as a benevolent organization, but sources say founder Ben Sion Abadi, and possibly others, allegedly used the name and classification to lend religious legitimacy to a network of predatory for-profit operations, including Bye Bye APR, M Law Collect, and at least one other agency. These “companies” processed client payments and handled communications while the Gemach projected an image of piety and communal trust.

The operation promises to consolidate debt and reduce interest rates through “close relationships with the banks,” but a whistleblower, who spoke on condition of anonymity, said there was often little substance behind the pitch.

It’s worth noting that regulators intensified their crackdown on deceptive debt-relief schemes in the early 2000s in an effort to protect the financially vulnerable.

Staff at Bye Bye APR were required to sign nondisclosure agreements (NDAs) with penalties in the hundreds of thousands of dollars — an unusually high amount designed to silence concerns, the whistleblower said. “That’s not about protecting trade secrets,” she explained. “That’s about making sure no one talks.”

Nevertheless, she chose to speak out anyway. “Families are losing tens of thousands of dollars. They’re being lied to. Someone has to say something.”

Bye Bye APR was shut down following a partner’s departure, but according to sources, Abadi—and possibly others—allegedly continued the same practices, initially through the Gemach, a Kollel, and later through a new entity, M Law, using Gemach Chasdei Yosef as the funnel.

Under its thin veneer of respectability and a pile of rabbinic endorsements, GCY’s website raises many red flags.

An image of bearded men in white shirts on the ‘About Us’ page gives the impression of a dedicated team of inspired do-gooders at work. The image reportedly appears to be AI-generated, synthetic faces that don’t represent real people, which some might mistake for real images of an actual team. This creates a false sense of transparency and legitimacy. Meanwhile, Abadi lists no actual team members by name, concealing who is really behind the operation.

One rabbi listed as an endorser on the website and other marketing materials said he felt coerced into signing an endorsement letter and knew nothing about Gemach Chasdei Yosef's actual operations. Once other endorsing rabbis got word of this investigation, they began the retraction process, shocked to learn that families were being charged thousands of dollars for services available elsewhere for nominal fees

In Jewish communities, the word *gemach* — short for *gemilut chasadim*, or acts of kindness — carries deep resonance and inspires almost universal trust. A *gemach* typically offers interest-free loans or free goods to people in need. Families who would never blindly trust an ordinary debt-relief company were persuaded by Abadi because GCY sounded religiously sanctioned, the former employee said.

“One client with \$50,000 in debt was told they’d save that same amount in interest,” a former employee said. “Abadi charged between \$5,000 and \$20,000 upfront,” an exorbitant fee for a standard Debt Management Program (DMP) that consumers can enroll in themselves for roughly \$25 a month.

Such fees aren’t just excessive — they’re illegal under federal law.

Another client with \$250,000 in debt was told: “Normally I take 50% of the savings. Since your debt is so large, I’ll only charge around \$30,000.” The client paid about \$7,000 monthly: \$4,000 to creditors, \$3,000 to Abadi. After nine months, the client discovered he’d been placed in a standard DMP program available to any consumer without the hefty “middleman” fee. Sources allege that Abadi retained client funds under false pretenses. The bank ultimately refunded him for Abadi’s charges, but only after he shelled out tens of thousands of dollars.

The Phantom Office and Master Manipulation

The rent for M Law Collect’s Long Island, N.Y., address was paid by Abadi. The location hosts offices for several businesses, none of which are aware of M Law’s internal operations. Abadi simply subleased space at the address to help create the appearance of a legitimate connection, but no one associated with the premises had any knowledge of M Law’s alleged activities.

M Law Collect is not registered as a law firm in New York or New Jersey. Public records show that Gemach Chasdei Yosef has no IRS registration as a 501(c)(3) nonprofit, nor is it listed as a charitable organization in New York or New Jersey.

After the organization learned of this investigation, in an effort to cover up, its website was quietly updated in November 2025 to include a new disclaimer: "Gemach Chasdei Yosef is not a 501(c)(3) organization. We are a for-profit entity that provides professional advocacy and administrative support services."

Archives captured by the Wayback Machine [show no such disclosure on September 15, 2025](#). Yet the organization's LinkedIn page continues to describe itself as a nonprofit, and a [news release](#) from July 15, 2025, describes Gemach Chasdei Yosef as "a non-profit initiative designed to guide others through financial hardship."

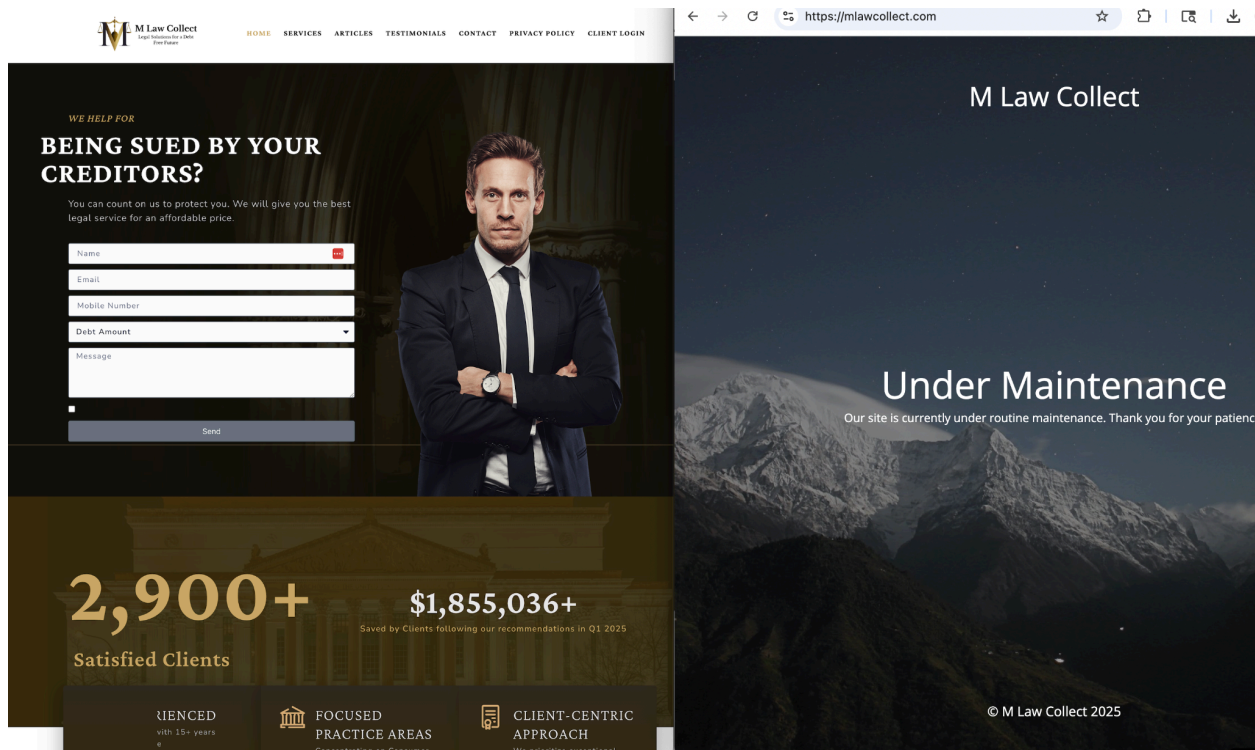
The belated and contradictory clarifications raise questions about whether struggling families who paid tens of thousands of dollars understood they were doing business with a for-profit company.

Since reporting on this story began, the M Law Collect [website has been taken down](#). (See archived version [here](#).)

According to the whistleblower and client testimonials, Abadi creates fake email accounts mimicking clients' identities, seizing control of communications with credit-counseling agencies, leaving them in the dark.

Clients often never see their budgets, payments, or messages directly from the DMPs. Unwitting clients are locked out of their own debt-management portals, furthering their debt crises.

Abadi is also accused of manipulating budget information submitted to credit-counseling agencies (which set up DMPs for about \$25 per month — not the thousands charged by Abadi) and in some cases, a source says he allegedly falsified tax receipts to disguise forgiven debt as charitable donations.



M Law Collect's [website](#) (left) compared to the current version (right), which was recently taken down.

This report is supported by documentation, including bank records, emails, internal contracts, payment records, and other forms of evidence. These materials have been reviewed and verified by an extensive team with Rabbanim, though to protect whistleblowers, victims, and ongoing legal processes, these documents are not published here.

What Comes Next?

The allegations described here have not been adjudicated in court.

Under U.S. federal law — specifically, the Federal Trade Commission's Telemarketing Sales Rule — debt-relief companies are prohibited from requesting or receiving any upfront or advance fee before they have successfully negotiated, settled, or reduced a consumer's debt and the consumer has made at least one payment under the new terms.

Creating fake email accounts to impersonate clients can violate identity fraud and wire fraud statutes in many circumstances. Misrepresenting an entity as a nonprofit when it isn't registered as such is a deceptive practice under FTC rules.

From a religious perspective, community members say the described practices violate core Jewish legal principles: deception, financial exploitation, and the desecration of God’s name through the misuse of religious authority.

This compelled the whistleblower and other parties to come forward, noting that the Talmud states: “One exposes the hypocrites due to the desecration of God’s name.”

Cohen is attempting to recover his losses through credit-card disputes. He considers himself fortunate — he acted quickly. Others were not so lucky.

“I felt stupid,” Cohen said. “I’m an educated person. I thought I was being careful. But they were so good at what they did.”

Consumer advocates say families struggling with debt should contact certified nonprofit agencies directly, such as those affiliated with the [National Foundation for Credit Counseling](#), and never pay upfront fees for debt-relief services.

“What makes this so damaging,” one expert said, “is that these are people who are already drowning. And someone who presents himself as a lifeguard is pushing them underwater.”

Covering Their Tracks

Amid growing attention, the Gemach scrambled to rewrite its story. But new disclaimers can’t erase years of deceptive advertising or the families already hurt.

The image displays two screenshots of the Gemach Chasdei Yosef website. The left screenshot shows the 'Frequently Asked Questions' page with a 'GENERAL' section containing questions about services, eligibility, and costs. The right screenshot shows the 'Frequently Asked Questions' page with an 'APR REDUCTIONS' section.

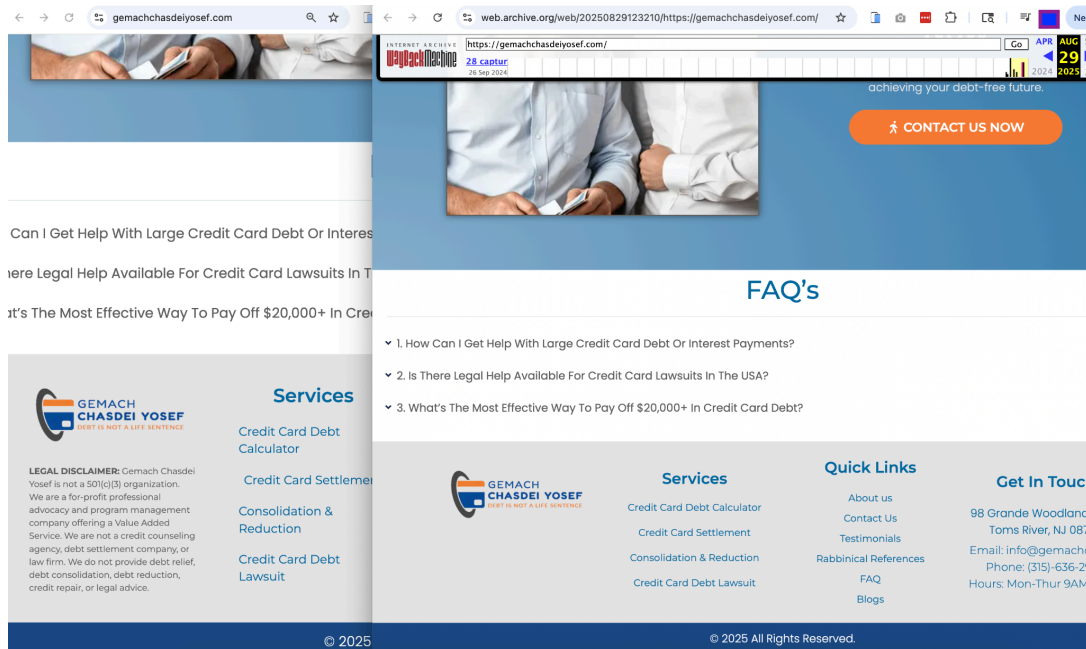
Left Screenshot: Frequently Asked Questions - GENERAL

- What does Gemach Chasdei Yosef do?
- How do I qualify to be helped by the Gemach Chasdei Yosef?
- How much do Gemach Chasdei Yosef services cost?
Nothing! The gemach's services and referrals are provided free of charge. Financial services firms we recommend might charge a fee for their services. The gemach can help to assist with those fees in cases of need.
- Why should I consult with Gemach Chasdei Yosef instead of consulting with debt agencies?
- Which types of creditors can Gemach Chasdei Yosef help me with?

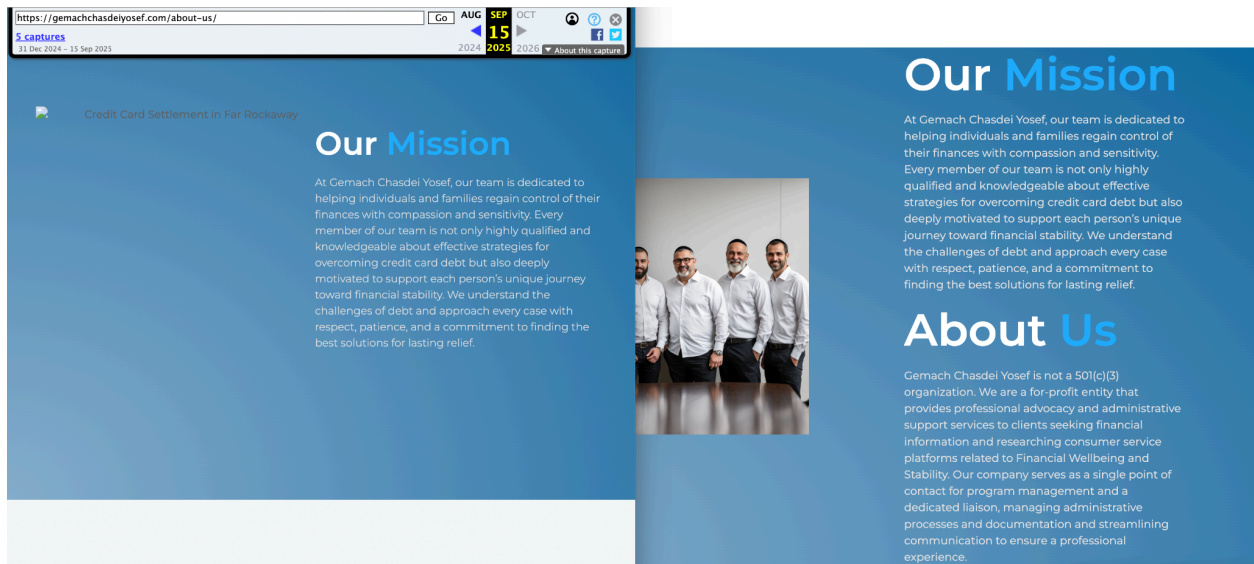
Right Screenshot: Frequently Asked Questions - APR REDUCTIONS

- What Does Gemach Chasdei Yosef Do?
- How Do I Qualify To Be Helped By The Gemach Chasdei Yosef?
- How Much Do Gemach Chasdei Yosef Services Cost?
Gemach Chasdei Yosef is not a 501(c)(3) organization. We are a for-profit professional advocacy and program management company offering Value Added Services.
- Why Should I Consult With Gemach Chasdei Yosef Instead Of Consulting With Debt Agencies?

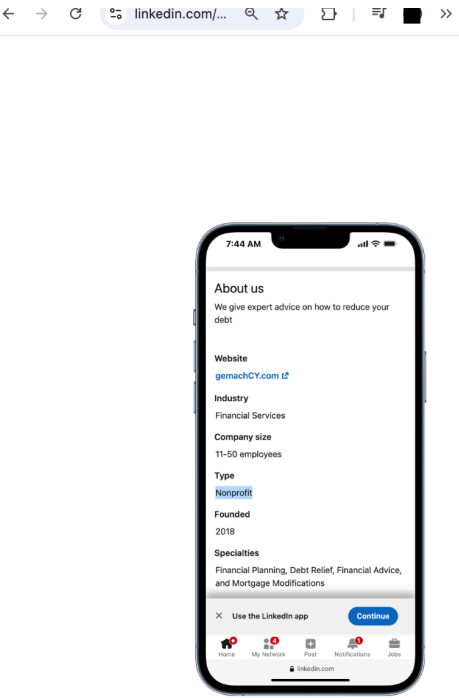
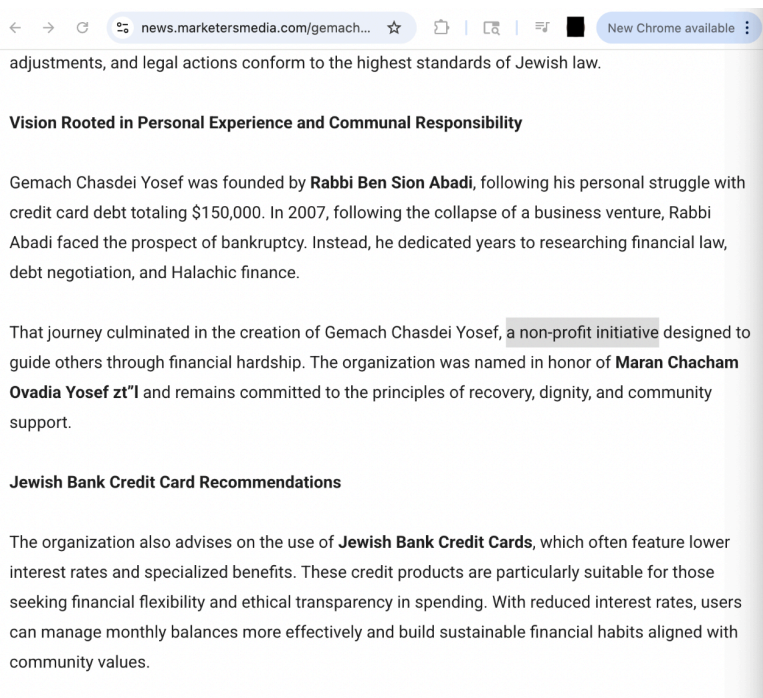
The Gemach Chasdei Yosef FAQ page originally claimed services were "provided free of charge" (left, see [Wayback Machine capture from September 16, 2025](#)). After learning of this investigation, the [page](#) was updated to disclose the organization is "a for-profit professional advocacy" (right).



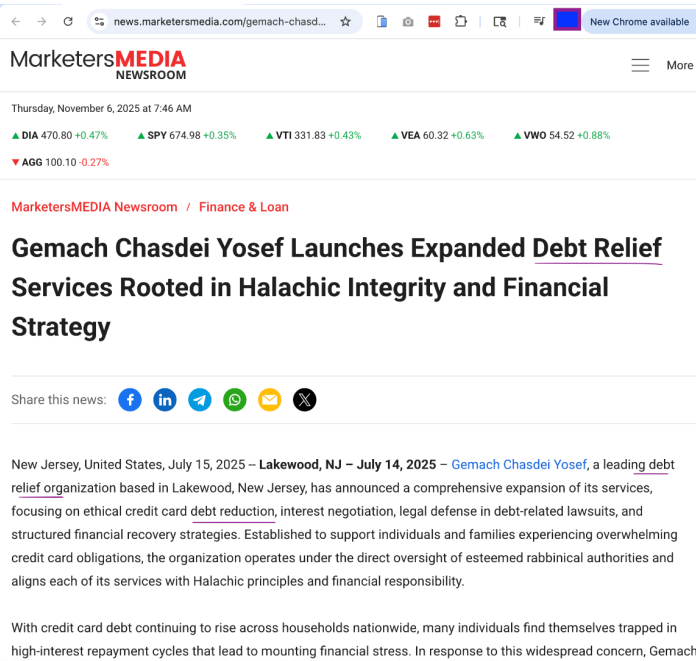
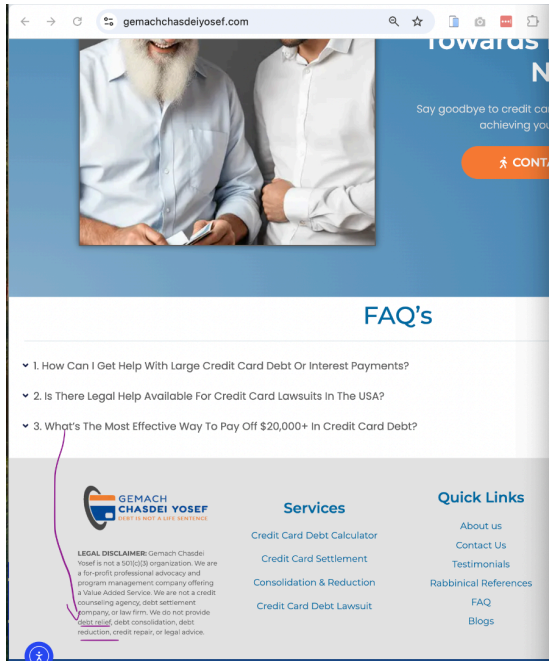
After learning of this investigation, Gemach Chasdei Yosef added legal disclaimers to its website (left) that contradict its years-long presentation as a charitable organization. The August 2025 archived version (right) shows no such disclosure.



The Gemach Chasdei Yosef website captured on September 15, 2025 (right), showing a newly added disclaimer that it is "a for-profit entity," language absent from earlier versions (left).



A July 2025 news release (left) and the organization's LinkedIn page (right) both describe Gemach Chasdei Yosef as a nonprofit, contradicting the recent website disclaimer claiming it is "a for-profit entity."



Following this investigation, Gemach Chasdei Yosef added a legal disclaimer to its website (left, visible in bottom corner) claiming "We do not provide debt relief, debt consolidation, debt reduction, credit repair, or legal advice." Yet the organization's own July 2025 [press release](#) (right) describes it as "a leading debt relief organization" offering "credit card debt reduction" and "structured financial recovery strategies."

In summary, here's what Gemach Chasdei Yosef and Ben Sion Abadi are accused of:

1. ***Unauthorized charging without documentation:*** Charging exorbitant and arbitrary sums from people already struggling with debt with no prior warning and with no documentation or contract of what he would provide in exchange
2. ***Massive overcharging:*** Illegally charging thousands of dollars upfront for debt-management programs that cost \$25/month through legitimate nonprofits; this includes maxing out people's credit cards to help pay obscene and allegedly illegal fees
3. ***Affinity fraud:*** Using the sacred term "gemach" under false pretenses to exploit trust within the Jewish community and prey on struggling families
4. ***Shell company scheme:*** Abadi ran both Gemach Chasdei Yosef and M Law Collect, creating a fake referral system to funnel clients and disguise a single predatory operation
5. ***Fraudulent nonprofit claims with no legal registration:*** Operating as a for-profit company while presenting itself as a charitable gemach for years, despite not being registered as a nonprofit with the IRS, New York State, or New Jersey State; M Law is not registered as a law firm
6. ***Pressured endorsements:*** At least one rabbi says he was pressured to sign an endorsement letter and never looked into the organization. Rabbis, when learning of the alleged operation, have begun retracting endorsements
7. ***Identity theft:*** Creating fake email accounts in clients' names to control communications with credit-counseling agencies
8. ***Locking clients out:*** Preventing clients from accessing their own debt-management accounts
9. ***Deceptive cover-up:*** Taking down the M Law website in an attempt to cover tracks; quietly adding legal disclaimers after this investigation began, contradicting years of advertising, active press releases and the Gemach's LinkedIn page still describe the organization as a nonprofit

Watch Out for Debt-Relief Scams

Consumer advocates say families can protect themselves by following these guidelines:

If someone says they can erase or cut your credit-card debt, be very careful. Scammers often use friendly talk, religion, or fake “inside connections” to sound trustworthy.

Here’s what to look out for:

They Want Money Up Front

- *Real credit-help agencies don’t charge you before they do anything.*
- *Asking for a “setup,” “processing,” or “deposit” fee is a red flag, and often against the law.*

They Claim “Special Bank Connections”

- *Nobody has secret deals with banks.*
- *Real debt-help programs (called Debt Management Plans) are open to everyone through nonprofit credit counselors. See one such program called [Greenpath](#).*

They Tell You to Fudge Your Numbers

- *Some shady groups say to lie about your income or expenses to qualify. That’s fraud, and you could get in trouble.*

They Tell You to Use Credit to Pay Them

- *If someone says, “Use your card to pay us first,” stop right there. They’re trying to drain your credit before you get any help.*

They Control Your Accounts

- *Scammers may make fake email or login accounts in your name. That keeps you from seeing real messages from your creditors. You should always have direct access to any account about your money.*

They Use Religion or Community Trust

- *Be careful if someone uses religious or community ties to win your trust.*

- *No honest group would take advantage of others for profit.*

What Real Debt Relief Looks Like

Legit help usually comes from nonprofit credit-counseling agencies.

Here's how it works:

- *You make one monthly payment, and the agency pays your creditors.*
- *They may lower your interest rates through normal bank agreements.*
- *They don't charge up front — only small monthly fees after work is done.*