



Department of Investigation *Press Release*

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5 INDIVIDUALS -- INCLUDING 4 CITY EMPLOYEES -- CHARGED IN \$140,000 WELFARE FRAUD

TUESDAY, MAY 25, 1999 -- EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), and Manhattan District Attorney ROBERT M. MORGENTHAU today announced the felony arrest of 5 individuals for stealing a total of nearly \$140,000 in public assistance benefits while employed either by New York City or by a City vendor. Three of the defendants -- including a City Correction Officer and a \$50,000-a-year computer programmer -- were previously employed by the New York City Housing Authority (NYCHA), one by the Human Resources Administration (HRA), and one by a City-contracted vendor whose employees' salaries were paid with City funds.

DOI's investigation revealed that each of the defendants provided false information to HRA about their employment and income in order to fraudulently obtain welfare benefits. Four (4) of today's arrests stem from a DOI/HRA computer "match" of City employees who were also receiving public assistance benefits. DOI and HRA cross-checked New York City's Payroll Management System, as well as personnel and payroll records from NYCHA, to determine if any City employees were also listed as welfare recipients. Although some City employees may, in fact, be entitled to public assistance benefits, the investigation determined that the 4 defendants were improperly receiving payments. The 5th arrest arose from a separate DOI investigation, which disclosed that an individual employed by a City-contracted vendor (and whose salary was paid with City funds) had illegally received public assistance payments as well.

The details of the investigation leading to each arrest are summarized below.

1.) NICOLE BLUNT WADE, while employed as an Office Aide with NYCHA at an annual salary of \$25,710, fraudulently failed to disclose her City employment and income to HRA so as to collect public assistance benefits. WADE has been charged with stealing \$52,580 in welfare benefits between January 1990 through June 1995. WADE resigned from NYCHA in January 1996 to become a Corrections Officer with the New York City Department of Corrections (DOC). She was immediately suspended without pay. WADE, 35, of Brooklyn, was charged with Grand Larceny in the Second Degree and Offering a False Instrument for Filing the First Degree. If convicted, she faces up to 15 years in prison.

2) FELICIA WILLIAMS, while employed as a Computer Associate with NYCHA at an annual salary of \$50,669, failed to disclose her City employment and income to HRA in order to fraudulently collect public assistance benefits. WILLIAMS has been charged with stealing \$31,107 in welfare benefits between August 1994 and June 1997. WILLIAMS resigned from NYCHA in May 1997, and received her last NYCHA paycheck in June 1997. She is currently unemployed. WILLIAMS, 38, of 106 Beach 59th Street in Arverne, Queens, was charged with Grand Larceny in the Third Degree, Welfare Fraud in the Third Degree, and Offering a False Instrument for Filing in the First Degree. If convicted, she faces up to 7 years in prison.

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3) LASHURN SANDERS, while employed as an Office Aide with NYCHA earning a yearly salary of \$21,738, improperly failed to disclose her City employment and income to HRA in order to collect public assistance benefits. SANDERS has been charged with stealing a total of \$22,002 in welfare benefits over two separate periods, September 1993 through October 1995, and April 1998 through July 1998. She was immediately suspended without pay. SANDERS, 29, of 2980 West 28th Street in Brooklyn, was charged with Grand Larceny in the Third Degree and Welfare Fraud in the Fourth Degree. If convicted, she faces up to 7 years in prison.

4) CAROL DeFREITAS, while employed as an Eligibility Specialist with HRA's Medical Assistance Program at an annual salary of \$25,729, unlawfully failed to disclose her City employment and income to HRA in order to collect public assistance benefits. In addition, DeFREITAS failed to inform HRA of Worker's Compensation payments she had received while also collecting public assistance. DeFREITAS has been charged with stealing a total of \$7,635 in welfare benefits between August 1995 and October 1996. She was immediately suspended without pay. DeFREITAS, 58, of 94-25 57th Avenue in Elmhurst, Queens, was charged with Grand Larceny in the Third Degree and Welfare Fraud in the Third Degree. If convicted, she faces up to 7 years in prison.

5) MICHELE SCOTT, while employed as a Bookkeeper for Coney Island United Services (a City-contracted vendor) earning an annual salary of approximately \$33,000, failed to disclose her employment and income to HRA in order to fraudulently collect public assistance benefits. Coney Island United Services was a contract vendor with the New York City Department for the Aging. SCOTT's salary was paid with City funds pursuant to the contract. SCOTT has been charged with stealing a total of \$17,044 in welfare benefits between June 1994 and April 1996. In addition, after leaving her employment with Coney Island United Services, SCOTT became employed as a Teacher's Assistant at the New York City Technical College, at a salary of \$13.03 per hour. She again failed to disclose this employment and income to HRA while fraudulently collecting public assistance benefits. SCOTT has been charged with stealing a total of \$7,432 in welfare benefits between June 1997 and April 1998. In total, SCOTT is alleged to have stolen \$24,476 in public assistance benefits during the two periods. SCOTT, 39, of 1176 Ocean Avenue in Brooklyn, was charged with Grand Larceny in the Third Degree, Welfare Fraud in the Third Degree, and Offering a False Instrument for Filing the First Degree. If convicted, she faces up to 7 years in prison.

Commissioner Kuriansky and District Attorney Morgenthau expressed their appreciation to HRA Commissioner Jason A. Turner's Office of Fiscal and Program Integrity for its assistance during the course of the investigation.

The investigation was conducted by Gerard Hoey, DOI's Inspector General for HRA, and members of his staff, including Deputy Inspector General Benjamin Defibaugh, Chief Investigator Emanuel Lane, and Confidential Investigators Nanci Chalkin and Sandy Yung. Assistant District Attorneys Mario Simmons, Susan Gyves, Melissa Bristol, and Polly Samuels are prosecuting the cases, under the supervision of Assistant District Attorney Bridget Fleming, Chief of District Attorney Morgenthau's Welfare Fraud Unit.

FOR MORE INFORMATION
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