



The City of New York
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DOI ARRESTS TEN SEASONAL CITY EMPLOYEES FOR UNEMPLOYMENT INSURANCE SCAM

ROSE GILL HEARN, Commissioner of the Department of Investigation (DOI), announced today the felony arrests of ten seasonal City employees who fraudulently collected a total of \$63,310.63 in unemployment insurance benefits while also receiving their City salaries.

A "seasonal employee" is a City employee who may work for any number of City agencies for part of the year during a defined season. For example, the Parks Department, Department of Transportation, and the Police Department all have seasonal employees. Seasonal City employees are entitled to collect unemployment insurance benefits when they are not working during the off-season. Once their seasonal work begins and they start collecting their salary from the City, they are supposed to no longer receive unemployment benefits. However, in these cases announced today, the seasonal employees were both collecting their City paycheck and they continued to take the affirmative steps to collect their unemployment.

DOI Commissioner Rose Gill Hearn said, "These cases can fairly be described as a double-dipping from the system."

DERRICK FAULK, 41, a former Assistant City Highway Repairer with the New York City Department of Transportation (DOT), was arrested pursuant to a criminal complaint charging him with Grand Larceny in the Third Degree for fraudulently collecting \$13,365.00 in unemployment insurance benefits. If convicted, FAULK faces up to seven years in jail. FAULK was terminated by DOT on 4/26/06.

LILLIAN GATES, 44, a School Crossing Guard with the New York City Police Department, was arrested pursuant to a criminal complaint charging her with Grand Larceny in the Third Degree for fraudulently collecting \$10,549.47 in unemployment insurance benefits. If convicted, GATES faces up to seven years in jail.

MILDRED WILLIAMS, 65, a School Crossing Guard with the New York City Police Department, was arrested pursuant to a criminal complaint charging her with Grand Larceny in the Third Degree for fraudulently collecting \$7,307.25 in unemployment insurance benefits. If convicted, WILLIAMS faces up to seven years in jail.

JOHN CORNELL, 47, a City Seasonal Aide with the New York City Department of Parks and Recreation, was arrested pursuant to a criminal complaint charging him with Grand Larceny in the Third Degree for fraudulently collecting \$6,057.69 in unemployment insurance benefits. If convicted, CORNELL faces up to seven years in jail.

ALANS HERNANDEZ, 27, a City Seasonal Aide with the New York City Department of Parks and Recreation, was arrested pursuant to a criminal complaint charging him with Grand Larceny in the Third Degree for fraudulently collecting \$5,852.00 in unemployment insurance benefits. If convicted, HERNANDEZ faces up to seven years in jail.

SHERMAN ALLEYNE, 40, a City Seasonal Aide with the New York City Department of Parks and Recreation, was arrested pursuant to a criminal complaint charging him with Grand Larceny in the Third Degree for fraudulently collecting \$5,847.31 in unemployment insurance benefits. If convicted, ALLEYNE faces up to seven years in jail.

JOSEPH BENSON, 64, a City Seasonal Aide with the New York City Department of Parks and Recreation, was arrested pursuant to a criminal complaint charging him with Grand Larceny in the Third Degree for fraudulently collecting \$4,666.75 in unemployment insurance benefits. If convicted, BENSON faces up to seven years in jail.

KATRINA THOMAS, 46, a School Crossing Guard with the New York City Police Department, was arrested pursuant to a criminal complaint charging her with Grand Larceny in the Third Degree for fraudulently collecting \$4,243.71 in unemployment insurance benefits. If convicted, THOMAS faces up to seven years in jail.

EARL MEDLEY, 52, a former Stock Worker with the New York City Department of Transportation (DOT), was arrested pursuant to a criminal complaint charging him with Grand Larceny in the Third Degree for fraudulently collecting \$3,143.70 in unemployment insurance benefits. If convicted, MEDLEY faces up to seven years in jail.

LISA GONZALEZ, 42, a School Crossing Guard with the New York City Police Department, was arrested pursuant to a criminal complaint charging her with Grand Larceny in the Fourth Degree for fraudulently collecting \$2,277.75 in unemployment insurance benefits. If convicted, GATES faces up to four years in jail.

According to Commissioner Rose Gill Hearn, "This same scheme has been perpetrated year after year by some seasonal employees. Indeed, DOI has arrested 100 people for this same crime since 1999. Clearly this is a perennial problem and people do not think they will get caught. But this is a foolish way for people to ruin their record and compromise their opportunities for future employment. Moreover, DOI is checking on this each year so the chances of getting caught are quite real."

These 100 employees have been charged with stealing a total of over \$323,000 in unemployment insurance benefits while also receiving their City paychecks. DOI will pursue restitution in these cases as it has in all the others since 1999.

Commissioner Rose Gill Hearn thanked DCAS Commissioner Martha Hirst and her staff for their assistance and cooperation during the investigation and the members of the Manhattan District Attorney's Office Detective Squad, including Detective Judy Newton, for their assistance with the arrests. In addition, Commissioner Gill Hearn thanked the members of the New York City Police Department Internal Affairs Bureau, the New York State Department of Labor, and the New York State Department of Labor Inspector General's Office for their continued assistance with this investigation.

This investigation was conducted by DOI's Assistant Commissioner and Inspector General for DCAS Robert Joyce and members of his staff, including Investigator Avastie Satyacharran. These cases are being prosecuted by Assistant District Attorney Joanne H. Siegmund, under the supervision of Leroy Frazer, Bureau Chief of the Special Prosecutions Bureau of the Manhattan District Attorney's Office.

Criminal complaints are accusations. Defendants are presumed innocent until proven guilty.

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To report someone ripping off the city, call DOI at (212) 825-5959.*