



The City of New York
Department of Investigation

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DOI STATEMENT ON GUILTY PLEA BY FORMER SECRETARY OF BRONX NONPROFIT TO PROGRAM FRAUD
--Today's guilty plea follows that of former state Sen. Efrain Gonzalez, Jr. last week--

ROSE GILL HEARN, Commissioner of the Department of Investigation ("DOI"), issued the following statement regarding the guilty plea today of LUCIA SANCHEZ, a former secretary at the nonprofit West Bronx Neighborhood Association, Inc., before U.S. District Judge William H. Pauley III in Manhattan federal court. SANCHEZ pleaded guilty to defrauding West Bronx Neighborhood Association, Inc., of tens-of-thousands of public funds. She is expected to be sentenced August 21, 2009.

DOI Commissioner Rose Gill Hearn said, "A once-powerful public official and three associates turned their backs on public service and their community and manipulated their nonprofit service agencies into a conduit for fast cash and personal luxuries. With today's guilty plea, the four individuals who looted taxpayer-funded agencies now stand convicted and face justice. This result is a stark warning to any individual, no matter their position, that publicly-funded nonprofits are not easy marks and those individuals who use them as cash cows will be stopped and prosecuted."

Sanchez is the fourth defendant to plead guilty in this case. In March 2009, Neil Berger, the former executive director of the not-for-profit Pathways for Youth, Inc., pleaded guilty to a federal program fraud charge. In April 2009, Miguel Castanos, a former associate of former state Sen. Efrain Gonzalez, Jr. pleaded guilty to defrauding the not-for-profit Community Association of Progressive Dominicans ("ACDP") of nearly \$34,500 with a no-show job. On Friday, May 8, 2009, Gonzalez pleaded guilty to diverting taxpayer funds from one Bronx nonprofit to another Bronx nonprofit that existed primarily to pay for the expenses of Gonzalez and his co-defendants.

Commissioner Gill Hearn thanked Lev L. Dassin, Acting United States Attorney for the Southern District of New York, and Ronald J. Verrochio, Inspector-in-Charge of the New York Office of the United States Postal Inspection Service, and their staffs, for their work on this matter.

Commissioner Gill Hearn also thanked DOI's investigators who worked tirelessly on this investigation, including Benjamin Defibaugh, W. Valentine Douglas, Jose Ramos and Boris Galchenko for their hard work on the case.

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