



*United States Attorney
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**FORMER OFFICIAL OF NYC ADMINISTRATION FOR CHILDREN'S
SERVICES SENTENCED TO 33 MONTHS FOR CONSPIRING
TO STEAL OVER \$500,000 IN AN
ADOPTION-SUBSIDY SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, and ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation ("DOI"), announced that NIGEL OSARENKHOE was sentenced today to 33 months in prison for conspiring to defraud New York City's Administration for Children's Services ("ACS") out of over \$500,000 in ACS funds that were intended to subsidize New York City families who had adopted needy children. OSARENKHOE was sentenced by United States District Judge BARBARA S. JONES.

According to the Indictment and Complaint previously filed in this case, and statements made at OSARENKHOE's guilty plea proceeding:

ACS is the New York City agency responsible for providing services to needy children and their families. Among other things, ACS administers subsidies provided under New York State law to parents who adopt needy children. These subsidies amount to approximately \$32 million per month.

From 1998 through mid-2008, OSARENKHOE was the Supervisor of Adoptions within ACS's Payment Services Department and was responsible, among other things, for internal reporting of adoption subsidy payments. OSARENKHOE was also a member of ACS's Quality Assurance Unit. As a result, OSARENKHOE had access to the ACS computer systems involved in processing adoption subsidy payments.

From 2002 through July 2008, OSARENKHOE abused his position at ACS by authorizing more than \$500,000 in adoption subsidy payments, including approximately \$265,930 via checks payable in the name of his wife and approximately \$145,845 via

checks payable to a co-conspirator, STAY THOMPSON, a/k/a "Stay Daniels." THOMPSON kicked back a portion of these funds with OSARENKHOE.

On January 20, 2009, OSARENKHOE, 49, pleaded guilty to a mail fraud before Judge JONES. In addition to his sentence today, Judge JONES ordered OSARENKHOE to pay restitution and forfeiture each in the amount of \$563,782.34.

THOMPSON was found guilty of mail fraud after an eight-day jury trial on August 13, 2009, before United States District Judge PETER K. LEISURE. She is scheduled to be sentenced on December 1, 2009, by Judge JONES. On July 31, 2008, LETHEM DUNCAN, another defendant in this case, pleaded guilty before United States District Judge JOHN G. KOELTL to related charges. He is scheduled to be sentenced on February 5, 2010. On July 21, 2009, PHILBERT GORRICK pleaded guilty to related charges and was sentenced to 33 months in prison by Judge JONES.

Three other defendants - OLETHA RHODES, BRENDA TOWE, and TAMMY MOORE - have also pleaded guilty on related charges in a case pending before United States District Judge WILLIAM H. PAULEY III. They are scheduled to be sentenced on December 11, 2009, at 11:30 a.m. RHODES, TOWE, and MOORE each face a statutory maximum sentence of 20 years as a result of their convictions. They will be sentenced by Judge PAULEY.

"Nigel Osarenkhoe abused his unique position of trust by literally stealing over half a million dollars away from New York City's neediest kids," said United States Attorney PREET BHARARA. "He lined his own pockets without regard for the welfare of the children he was supposed to be helping. I would like to thank the New York City Department of Investigation for their outstanding and tireless work in this case."

"Prison is a fitting end for this former ACS official who callously betrayed the City's taxpayers and needy children," said DOI Commissioner ROSE GILL HEARN. "For six years, OSARENKHOE fabricated sham adoptions to spirit hundreds of thousands of dollars out of ACS's accounts, until DOI and prosecutors from the Southern District of New York caught and stopped him. This case is a reminder that arrest, prosecution, and prison await individuals who perpetrate these kinds of embezzlement schemes."

The prosecution is being handled by the Office's Public Corruption Unit. Assistant United States Attorneys DANIEL L. STEIN and WILLIAM J. HARRINGTON are in charge of the prosecution.

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