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**U.S. ARRESTS TWO FORMER CITY EMPLOYEES FOR DEFRAUDING
THE NYC MEDICAL EXAMINER'S OFFICE OF MILLIONS OF
DOLLARS IN 9/11 FUNDS PROVIDED BY FEMA**

MICHAEL J. GARCIA, 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, announced that NATARAJAN R. VENKATARAM, a/k/a "Raju," and ROSA ABREU, both of Queens, New York, were arrested Wednesday on charges that, over a period of several years, they defrauded New York City's Office of the Chief Medical Examiner ("OCME") of millions of dollars in funds provided to that office by the Federal Emergency Management Agency ("FEMA"), following the September 11, 2001 terrorist attacks.

According to a criminal Complaint filed in Manhattan federal court, defendant VENKATARAM was the director of OCME's department of Management Information Systems ("MIS") for approximately 13 years, and in that capacity had responsibility for the procurement and support of OCME's computer hardware and software applications. He was also responsible for procuring and supervising outside consultants who provided day-to-day support services for OCME's computer network. Even before the September 11, 2001 attack on the World Trade Center, VENKATARAM - assisted by defendant ABREU, who was OCME's Director of Records and was also involved in a personal relationship with VENKATARAM - used his position to steer OCME contracts and payments to entities that performed little or no work for the OCME. These entities, in turn, funneled the funds fraudulently obtained from OCME into shell companies set up and controlled by VENKATARAM and ABREU.

The Complaint alleges that OCME - which utilizes computer systems for a variety of purposes, such as keeping track of forensic evidence (including DNA evidence) collected by law enforcement from crime scenes, and identifying crime victims by matching DNA results to known DNA samples collected from the families of victims and others -- developed a particularly acute

need for computer services following the September 11th attacks, when that office was assigned the task of identifying victims through the forensic analysis of body parts and other evidence collected at Ground Zero. In order to carry out its mission, OCME obtained millions of dollars from FEMA that were specifically earmarked for the purchase of computer hardware, software applications and support services.

The Complaint alleges that after September 11, 2001, the defendants steered a \$11.4 million contract to a company called Comprehensive Computer Resources ("CCR"), which was controlled by a close associate of defendant VENKATARAM. Although CCR did some work for OCME under that contract, the majority of the money CCR received under the contract was transferred out of CCR's bank accounts by VENKATARAM using blank checks signed by VENKATARAM's associate at CCR and provided to VENKATARAM. The checks were payable to companies that did little or no work for CCR or OCME under the contract. Some of those companies were controlled by the defendants. For example, approximately \$400,000 in OCME funds reimbursed by FEMA were deposited into the bank account of a company called "A&D Marketing," and approximately \$86,000 in OCME funds reimbursed by FEMA were deposited into the bank account of a company called "Trade A2Z." According to the Complaint, A&D Marketing was a shell company established at ROSA ABREU's request by one of her family members, and Trade A2Z was a company formed by NATARAJAN VENKATARAM. In addition, approximately \$5.5 million in OCME funds reimbursed by FEMA were transferred from CCR to bank accounts in India, at VENKATARAM's direction.

With respect to the work actually performed by CCR under the \$11.4 million contract with OCME, the Complaint alleges that New York City's Department of Information Technology and Telecommunications ("DOITT") has evaluated that work. DOITT has determined that the work could have been performed for a fraction of the \$11.4 million paid to CCR, and would have been performed substantially better by other companies operating in the marketplace.

The Complaint further alleges that the defendants steered an OCME computer contract to a company called Infotech, which was controlled by the same associate who controlled CCR. Infotech performed no work for OCME, but nonetheless collected \$500,000 under the contract. At least \$140,000 of that money has been traced by investigators through intermediary entities to a company that was wholly owned by VENKATARAM.

VENKATARAM and ABREU appeared before United States

Magistrate Judge ANDREW PECK yesterday. ABREU has been temporarily held without bail pending a further hearing, and VANKETARAM's bail has been set at a \$1 million bond, secured by \$400,000 in cash. VENKATARAM will be confined with electronic monitoring to the home of a co-signer, and will be permitted to leave that home only to attend court proceedings. Judge PECK ordered that all bail conditions be met before VENKATARAM could be released.

Mr. GARCIA praised the efforts of the Department of Investigation in this case, and indicated that the investigation is continuing.

Assistant United States Attorneys DEBORAH E. LANDIS and ARLO DEVLIN-BROWN are in charge of this prosecution.

The charges in the criminal Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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