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## **A.G. Schneiderman, State Comptroller DiNapoli & DOI Commissioner Peters Announce The Sentence Of Non-Profit Executive Convicted In Theft Scheme**

Dorothy Ogundu Was Convicted In October Last Year Of Using Her Non-Profit To Steal Nearly \$300K In City, State And Federal Grant Funds

NEW YORK – Attorney General Eric T. Schneiderman, Comptroller Thomas DiNapoli and New York City Department of Investigation (NYC DOI) Commissioner Mark Peters today announced that Dorothy Ogundu, a nonprofit executive convicted for pocketing taxpayer dollars intended for public services and capital improvements in New York City was sentenced to 1-3 years of incarceration by the Honorable Barry A. Schwartz. A multi-agency joint investigation, including NYC DOI and two federal agencies, exposed the theft of approximately \$300,000 in public funds provided by New York State, the New York City Council, and federal earmark grants. On October 22, 2015, a jury convicted Dorothy Ogundu on 29 counts, including Grand Larceny in the Second Degree.

Dorothy N. Ogundu engaged in a scheme to defraud the City of New York, the State of New York and the United States using her not-for-profit corporation, Angeldocs, Inc. Angeldocs received a total of twelve government grants. Ogundu stole a portion of each of the twelve government grants by filing fraudulent requests for reimbursement and making false statements to the government agencies administering the grants. Ogundu used the money she stole from these government grants to pay the mortgage and utilities on a commercial property she owned, make improvements to that property to increase its value, purchase and ship vehicles to Nigeria, and make other purchases for her personal benefit and for the benefit of her for-profit business.

“Today’s sentence sends a clear message: if you use taxpayer funds to line your own pocket, you will face serious consequences,” said **Attorney General Schneiderman**. “We will continue to work with Comptroller DiNapoli and our law enforcement partners to use every tool at our disposal to crack down on anyone abusing the public trust.”

"This sentence holds Ms. Ogundu accountable for stealing from needy New Yorkers," said **State Comptroller Thomas P. DiNapoli**. "I commend Attorney General Schneiderman, the HUD Inspector General's Office and the New York City Department of Investigation for their commitment to fighting public corruption."

**Commissioner Mark G. Peters said**, "This defendant created a charade of good will to steal public funds intended to help others with their health care costs. Prison time is a just result for this crime of theft and greed. We will continue to work with our law enforcement partners on these important investigations."

"Dorothy Ogundu treated valuable federal grant funds entrusted to her for public services like an ATM machine for her own personal use, which is unacceptable," said **Scott Lampert, Special Agent in Charge of the Office of Inspector General, U.S. Department of Health and Human Services, New York Region**. "This is a successful example of working with our partners at the New York State Attorney General's Office to uncover and ultimately bring to justice a person who sought to enrich themselves with money from federal programs."

"Ms. Ogundu's sentence should remind our citizens that the HUD OIG and our law enforcement partners consider theft and misuse of grant funds for personal use as extremely serious and offensive and hope that today's sentence will deter anyone who contemplates engaging in this conduct," said **Christina Scaringi, Special Agent in Charge, U.S. Department of Housing & Urban Development, Office of Inspector General, Northeast Region**.

Ogundu received two types of government grants for Angeldocs: program grants to support Angeldocs programs and capital grants to improve the Angeldocs facility. To obtain payment on the program grants Angeldocs received, Ogundu falsely claimed that she spent grant funds on expenses related to various Angeldocs programs, primarily rental space for the programs. Ogundu diverted nearly all of the program grant funds to pay the mortgage and utilities on a commercial building she owned through a holding company, instead of using the building for the programs she promised to provide.

To obtain payment on the capital grants Angeldocs received, Ogundu claimed that she was building a state-of-the-art demonstration kitchen and making other capital improvements to a building that she falsely claimed was used by Angeldocs. Instead, Ogundu received kickbacks on the kitchen project from a contractor and diverted other capital grant funds to pay the mortgage on her building and other personal expenses.

As a result of the scheme, Ogundu stole approximately \$300,000 in government grants: approximately \$91,000 from the City of New York, approximately \$67,000 from the State of New York and approximately \$140,000 from the United States.

Individual disbursements of public funds are not themselves evidence of any wrongdoing, and it would be inappropriate to presume that any particular public official has engaged in misconduct simply by directing funds to a non-profit.

Ogundu was convicted on 29 counts, including Grand Larceny in the Second Degree, Forgery in the Second Degree and Offering a False Instrument for Filing in the First Degree.

Assistant Attorneys General Travis Hill and Jihee Suh of the Attorney General's Public Integrity Bureau prosecuted the case with assistance from legal support analyst Morgan McCollum. The Public Integrity Bureau is led by Bureau Chief Daniel Cort and Deputy Bureau Chief Stacy Aronowitz. The investigation was handled by Investigators Gerard Matheson and Angel LaPorte of the Investigations Bureau. The Investigations Bureau is led by Chief Investigator Dominick Zarrella. Forensic auditing analysis was provided by Deputy Chief Auditor Sandy Bizzarro of the Forensic Audit Section. The Forensic Audit Section is led by Chief Auditor Edward J. Keegan, Jr. Executive Deputy Attorney General Kelly Donovan leads the Criminal Justice Division.

The joint investigation was conducted with Special Agent William Martinez of the Office of the Inspector General of the United States Department of Housing and Urban Development, Special Agent Dan Connor of the Office of the Inspector General of the United States Department of Health and Human Services and the Comptroller's Division of Investigations.