



NEWS RELEASE

Office of the New York State Welfare Inspector General
Catherine Leahy Scott – Acting Welfare Inspector General

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Contact [John Milgrim](#): 518-474-1010

MANHATTAN MAN SENTENCED TO PRISON AND PAYS RESTITUTION FOR HIS \$600,000 THEFT OF WELFARE AND UNEMPLOYMENT INSURANCE BENEFITS THROUGH FRAUD SCHEMES USING MORE THAN A DOZEN FRIENDS AND RELATIVES

NEW YORK CITY – New York State Inspector General Catherine Leahy Scott, New York State Department of Labor Commissioner Roberta Reardon and Manhattan District Attorney Cyrus R. Vance, Jr., today announced the sentencing to prison of a Manhattan man who used more than a dozen family members and friends in years-long schemes stealing more than \$600,000 in welfare and unemployment insurance benefits to which he was not entitled.

Ballal Hossain, 46, of Third Avenue, New York City, was sentenced in New York County Supreme Court to 2 1/3 to 7 years in state prison for his guilty plea to two counts of Grand Larceny in the Second Degree and one count of Grand Larceny in the Third Degree, all felonies. In addition to the sentence, \$603,000 in cash was seized from Hossain's home and will be used as full restitution for the stolen funds.

An investigation conducted by the Office of the Welfare Inspector General and the Department of Labor found that from early 2011 through early 2017, Hossain arranged for more than a dozen friends and family members (including himself and his wife), to work as salaried Home Attendants through the Medicaid-funded Consumer Directed Personal Assistance Program (CDPAP), purportedly caring for his mother and three other patients. None of these friends or family members provided the home attendant services for which they were paid by Medicaid. In addition, Hossain was able to fraudulently inflate the Home Attendant's amount of Unemployment Insurance (UI) Benefits that they would receive when they were "discharged" from service. The scheme enabled the theft of hundreds of thousands of dollars in Welfare and UI benefits.

"This defendant used a network of family and friends to enrich himself through an elaborate and brazen criminal manipulation of safety net programs meant to help New Yorkers who are truly in financial distress," said **Inspector General Leahy Scott**. "I thank the Department of Labor's investigative team and my law enforcement partners in this case, and I remain committed to ensuring the protection of welfare funds from abuse while pursuing anyone who takes criminal advantage of such critical programs."

"Under Governor Cuomo, New York State has a zero-tolerance policy for the theft of important safety net benefits," said **Commissioner Reardon**. "The amount stolen and the defendant's actions to perpetrate fraud in this case are egregious. I commend Inspector General Scott and her team for their tireless efforts and District Attorney Vance and his team for their cooperation and effort in this case. I also applaud the dedicated Department of Labor staff that detected this fraud. Let this case serve as a warning to those who would seek to defraud the UI system: you will be brought to justice."

"For half a decade, Ballal Hossain orchestrated a complex fraud to line his pockets with money intended to support New Yorkers in need," said **District Attorney Vance**. "The sentence imposed by the court, and the

sizeable restitution repaid to New York City and State, reflect the criminal and civil consequences of abusing a public program which serves as a lifeline for those who have lost their employment by no fault of their own.”

The Welfare Scheme:

Between October 2014 and March 2017, Hossain arranged for ten family members and friends to be hired through the CDPAP program as Home Attendants, also known as Personal Assistants (PA's), to provide home care for a patient he knew was out of the country. Hossain arranged for one of his brothers to pose as that patient when nurses from the CDPAP program conducted routine home visits. The “patient” had been in Bangladesh during the relevant time period and did not receive any home care services by Hossain or the PA's. Hossain reported false hours and dates of supposed care by these PA's to the CDPAP program, enabling them to get paid with Medicaid funds. The PA's paychecks generated from the CDPAP program were then deposited into bank accounts that Hossain controlled, from which he made cash withdrawals. Hossain also used the patient's identity to fraudulently obtain welfare benefit cards and collect Food Stamp and Medicaid benefits in the patient's name. All told, because of this scheme, Hossain stole \$182,206 in welfare benefits from the New York City Human Resources Administration (HRA).

In addition, at various times between October 2011 and March 2017, Hossain also arranged for friends and family members (fourteen individuals in total between the two schemes) to be hired as PA's, purportedly to provide home care services to three other patients, including his own mother. However, these services were never actually provided. As a result of this scheme, Hossain stole an additional \$95,336 in welfare benefits from HRA.

Between December 2012 and December 2016, Hossain, a welfare client himself, also submitted falsified annual re-certification documents for welfare benefits to HRA, specifically for Food Stamp and Medicaid assistance, which significantly understated his household income. Consequently, Hossain was able to fraudulently double the amount of food benefits and medical assistance received by his household, stealing an additional \$69,542 in welfare benefits from HRA.

The Unemployment Insurance Scheme:

Between April 2011 and January 2016, as mentioned in the welfare schemes above, Hossain arranged for at least 14 family members and friends to work as PA's through the CDPAP program, purportedly providing home care services for Hossain's mother and 3 other patients. No actual services were provided. Hossain controlled the hiring and discharging of each of these PA's and filed for Unemployment Insurance (UI) Benefits on their behalf. When Hossain discharged one of the PA's from duty, he would file a claim with the New York State Department of Labor (DOL) for UI Benefits on behalf of that PA, falsely stating that the reason for the separation from employment was “a lack of work.” However, the patient's purported need for PA services never changed, and often other family members replaced the fired PA.

In many instances, Hossain submitted altered paystubs to the DOL, falsely inflating the PA's compensation in order to qualify them for a higher weekly UI benefit rate. After the UI benefits were issued and ultimately expired, the discharged PA was then rehired to care for the same patient. In addition, Hossain made more than fifty calls to the DOL posing as both male and female UI recipients and visited DOL offices in the Bronx and Manhattan impersonating various UI claimants. The PA's UI benefits were deposited into more than two dozen bank accounts established in family members' names and controlled by Hossain, from which he made cash withdrawals. As a result of this scheme, Hossain stole UI benefits from the DOL totaling \$255,915.

During the investigation, law enforcement officials seized \$603,000 in cash discovered in Hossain's apartment, which was forfeited as part of the sentencing. Those funds will be used to pay back the stolen amounts including \$347,084 to HRA, and \$255,915 to the DOL.

Inspector General Leahy Scott thanked the New York State Department of Labor's Office of Special Investigations Major Case Unit, the Department of Homeland Security and the New York City Housing Authority for their partnership during this investigation, and Manhattan District Attorney Vance and his office for their work investigating and prosecuting this matter.

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The New York State Office of the Welfare Inspector General investigates fraud, abuse or illegal acts committed against public assistance programs designed to help those in need. Our office also investigates complaints about the agencies and local social services districts who administer social services programs. Complaints and referrals are kept confidential. We can be reached by calling toll free: 1-800-367-4448, utilizing our online complaint form: <http://www.ig.ny.gov> or sending an email to: inspector.general@ig.ny.gov. You also can write to our office at: Office of the Welfare Inspector General, Empire State Plaza, Agency Building 2, 16th Floor Albany, New York 12223