

State of New York  
Offices of the Welfare Inspector General



2016 Annual Report

Andrew M. Cuomo  
Governor

Catherine Leahy Scott  
Acting Welfare Inspector General

## **I. EXECUTIVE SUMMARY**

The mission of the New York State Office of the Welfare Inspector General (OWIG) is to investigate fraud, abuse, and illegal acts perpetrated within the department of social services or local social services districts, or by contractors or recipients of public assistance services, which involve services programs administered and funded by New York State, the federal government, and each local social services district. The 2016 OWIG Annual Report shows the successful execution of OWIG's mission and highlights its training and outreach efforts throughout New York State.

In 2016, OWIG investigations uncovered evidence of more than \$3.9 million in fraud and/or improper social service benefits payments. The overwhelming majority of improper benefit payments discovered by OWIG led to the arrest and criminal prosecution of 11 individuals.

OWIG also conducted proactive initiatives aimed at early fraud detection and prevention. OWIG partnered with federal, state, and local law enforcement, and with local social services districts, to target fraudulent schemes that occur in areas of the state where public assistance fraud is prevalent. OWIG's early detection efforts helped curtail the payment of unearned benefits and yielded savings to New York State.

In 2016, OWIG continued reviewing local social services districts to ensure their efficient and effective operation. After each review, OWIG shares its findings and recommendations with the relevant local social service districts. In 2016, OWIG completed 10 reviews in response to

issues identified through its investigations. Three reviews resulted in significant findings and recommendations, including the creation of a statewide policy for the management and security of residents' benefits cards at all residential facilities operated by the New York State Office of Mental Health; security improvements to the Welfare-to-Work Case Management System used by one local social services district to administer its Welfare-to-Work Block Grant Program; and administrative changes to the Work Experience Program at one local social services district to improve sponsor agency compliance with contractual and statutory requirements.

Finally, OWIG continues to raise awareness about public assistance fraud, educate stakeholders, and generate increased detection and reporting of fraud. In June 2016, the New York Welfare Fraud Investigators Association presented Acting Welfare Inspector General Catherine Leahy Scott with the President's Award at its 33rd Annual Training Seminar in Lake Placid, New York, in recognition of her efforts to combat welfare fraud and her support of the welfare fraud investigative community. In 2016, OWIG also participated in several public assistance fraud task forces, whose members include social services and law enforcement personnel, as well as corporate entities. At several multi-day conferences, OWIG personnel gave presentations on investigative techniques and ethical considerations in public assistance fraud investigations.

In 2017, OWIG will continue to partner with social service and law enforcement organizations to provide training on targeting public assistance fraud through investigations and proactive initiatives.

## **II. PURPOSE AND SCOPE OF THIS ANNUAL REPORT**

New York State Executive Law section 74(6) mandates that OWIG submit an annual report to the Governor, the state comptroller, the attorney general, and the legislature, summarizing the activities of the office for each calendar year. Consistent with OWIG's mandate, this report provides an overview and summary of OWIG's activities and accomplishments for 2016, including benefits fraud exposed by OWIG, significant prosecutions resulting from OWIG referrals, OWIG outreach and training, and investigations and reviews commenced by OWIG.

## **III. INTRODUCTION AND BACKGROUND**

In 1992, Executive Law section 74 established OWIG and empowered it to investigate and prosecute fraud, abuse, and illegal acts involving social services programs and funds administered and funded by New York State, the federal government, and in each local social services district. These programs include several state and federal public assistance programs, including Temporary Assistance (comprised of Family Assistance and Safety Net Assistance), the Home Energy Assistance Program (HEAP), the Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), and Medicaid.

Each public assistance program is designed to address specific needs of the indigent: Temporary Assistance provides basic grant allowances, home energy allowances, supplemental home energy allowances, shelter allowances, and fuel allowances;<sup>1</sup> SSI provides monthly

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<sup>1</sup> New York State Office of Temporary and Disability Assistance, Temporary Assistance Source Book, Chapter 2, Section B, Family Assistance, and Section D, Safety Net Assistance (June 30, 2011), <http://otda.ny.gov/programs/temporary-assistance/TASB.pdf>.

payments to “people who have low income and few resources and are age 65 or older, blind or disabled;”<sup>2</sup> HEAP assists low-income New Yorkers with the cost of heating their homes;<sup>3</sup> the United States Department of Agriculture (USDA) Food and Nutrition Service administers the SNAP program, which provides nutrition assistance to low-income individuals and families; and Medicaid provides medical coverage to individuals who cannot afford medical care. Recipients eligible for SNAP and cash benefits receive benefits by Electronic Benefit Transfer and access benefits using a Common Benefit Identification Card (“EBT Card”).

In New York State, each local social services district provides or administers publicly funded social service and cash assistance programs. New York State is divided into 58 local social services districts, including the five boroughs of New York City that comprise one district. Outside of New York City, each social services district corresponds to one of the remaining 57 counties in New York State. OWIG’s jurisdiction includes government employees and agencies that administer social services programs, recipients of public assistance benefits, and contractors that receive public funding for privately administered social services programs.

#### **IV. OVERVIEW AND SUMMARY**

##### **A. Investigations in Response to Complaints**

In 2016, OWIG enjoyed continued success and reinforced its statewide presence, receiving complaints from nearly every county in New York State. OWIG also saw a significant

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<sup>2</sup> Social Security Administration Supplemental Security Income Booklet, August 2012, <http://www.ssa.gov/pubs/EN-05-11000.pdf>.

<sup>3</sup> Office of Temporary Disability Assistance Home, Programs, Home Energy Assistance Program (HEAP), <https://otda.ny.gov/programs/heap/> (last visited Jan. 11, 2017).

increase in the number of complaints that it received. From January 1 through December 31, 2016, OWIG processed 562 allegations of public assistance fraud, as compared to 437 complaints processed in 2015, an over 28 percent increase in complaints.

Each complaint is evaluated by OWIG's Case Management Unit, as well as OWIG executive staff and senior management. OWIG conducted a preliminary analysis of these 562 complaints to compare the reported information against records included in the Welfare Management System, a computerized database that contains a complete benefits history for each applicant or recipient, operated and maintained by the New York State Office of Temporary and Disability Assistance (OTDA). Following this preliminary analysis, OWIG closed 121 of these matters because the allegations were either outside the Inspector General's jurisdiction or the complaint lacked sufficient information to warrant an investigation. As for the remaining 441 matters, OWIG opened cases for 119 of these complaints and assigned a multi-disciplinary team to conduct each of these investigations. OWIG assigned the remaining 322 cases to the appropriate local social services district or agency for further action. For these referred matters, OWIG remained involved with the investigation by reviewing progress reports from the local district or agency and providing resources such as staff and investigatory equipment.

When OWIG discovers evidence of criminality, OWIG partners with the appropriate prosecutorial agency to pursue prosecution. OWIG remains involved with the investigation by offering additional resources and support to all aspects of the prosecution, including hearings, trials, and appeals. OWIG also encourages its prosecutorial partners to seek full restitution for the fraud uncovered by OWIG.

In addition to criminal penalties, an individual engaged in Temporary Assistance or SNAP fraud may be subject to civil sanctions following an Administrative Disqualification Hearing.<sup>4</sup> After referral, and with the assistance of OWIG, OTDA conducts an Administrative Disqualification Hearing to determine whether a program recipient has committed an Intentional Program Violation by making false or misleading statements, misrepresentations, or otherwise concealing or withholding facts relevant to eligibility. Individuals may waive a hearing and enter into a Disqualification Consent Agreement, whereby the accused admits to committing an Intentional Program Violation and consents to the imposition of sanctions. Intentional Program Violation offenders must pay restitution of any improperly received benefits and may be disqualified from receiving the relevant public assistance benefit for a specified period — in egregious and/or repeated cases involving Temporary Assistance, the individual can be barred for a period of five years, and in egregious and/or repeated cases involving SNAP, the individual can be barred for life. These administrative sanctions provide the state with a cost-avoidance savings equivalent to the amount that the beneficiary would have received. In 2016, OWIG identified \$52,654 in overpayments and cost-avoidance savings.

Once OWIG establishes evidence of fraud and improper benefit payments, it conducts an analysis to determine the amount overpaid by the social services program, which is then confirmed by the local social services district. In cases where benefits are discontinued, OWIG in conjunction with the local social services district calculates the cost-avoidance to project the amount of money saved as a result. Funds may be recovered through criminal prosecutions and

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<sup>4</sup> New York State Office of Temporary and Disability Assistance, Temporary Assistance Source Book, Chapter 6, Section, D, Continuing Eligibility, Disqualification for Intentional Program Violations, (Mar. 27, 2008), <http://otda.ny.gov/programs/temporary-assistance/TASB.pdf>.

civil recoupment by the local social services districts. As discussed further below, in addition to \$52,654 in overpayments and cost-avoidance savings, for cases opened between January 1 and December 31, 2016, OWIG investigators identified and confirmed public assistance fraud of \$3,924,924, for a total of \$3,977,578. Notably, this amount does not include matters that OWIG has referred to local prosecutors who have not yet filed charges.

### **B. Successfully Identified Prosecutions**

In 2016, eight OWIG investigations resulted in the arrest and criminal prosecution of 11 individuals. As summarized below, these eight OWIG investigations uncovered more than \$3,924,924 in public assistance fraud. All defendants are deemed innocent unless and until proven guilty in a court of law.

#### **Former Executive Director and Co-Defendants Charged with Embezzling and Laundering approximately \$1.6 Million from Publicly-Funded Not-For-Profit Organization**

In June 2016, an investigation conducted jointly by OWIG, the New York State Attorney General's Office, the Federal Bureau of Investigation, and the United States Attorney's Office for the Eastern District of New York, resulted in the arrests of Wafa Abboud, the former executive director of a not-for-profit charity that provides services to individuals with developmental disabilities, as well as Marcelle P. Bailey, Rami Misbah Taha, and Pawel Bak. The defendants were charged with embezzling and laundering over \$1.6 million in charitable funds for Abboud's personal use. A federal grand jury subsequently indicted Abboud, Bailey, and Taha.

From approximately January 2011 until her termination in May 2016, Abboud served as the executive director of Human First, Inc. (Human First), a not-for-profit social services

organization based in Nassau County that provided services to children and young adults with autism and other developmental disabilities throughout the metropolitan New York City area. During this period, Human First received funding from the New York State Office for People with Developmental Disabilities, primarily Medicaid funds.

The investigation revealed that during the relevant period, Abboud directed Human First to pay approximately \$900,000 in purported consulting fees to a company controlled by her co-defendant, Bailey. Abboud, in turn, used hundreds of thousands of dollars of these funds to pay her personal expenses, including more than \$114,000 in personal credit card debt, which included charges for cosmetic surgery, family vacations, jewelry, meals, and spa treatments. She also used the funds to pay property taxes on her residence in Merrick, New York.

In December 2014, Abboud purchased the Merrick residence for \$1.3 million, making a down payment of \$340,000. In the months prior to that purchase, she authorized hundreds of thousands of dollars in payments from Human First to companies controlled by her co-defendant Taha — payments that were purportedly for renovations to properties owned by Human First. Instead, that money was rerouted to Abboud and used to fund the down payment on her residence. Similarly, between April and December 2015, Abboud directed Human First to pay more than \$400,000 to Taha-controlled entities, which then transferred the vast majority of those funds to a construction company as payment for renovations on Abboud's residence. Abboud, Bailey, and Taha were also charged with conspiracy to commit bank fraud in connection with false statements they made to secure the \$1 million mortgage on Abboud's residence.

The United States Attorney's Office for the Eastern District of New York is prosecuting the case against all four defendants. The case is currently pending.<sup>5</sup>

### **Rochester Store Owner Pleads Guilty in \$1.4 Million SNAP-Trafficking Fraud Scheme**

On December 16, 2016, Irving Feldman of Pittsford, New York, was arrested and pleaded guilty to charges of SNAP benefit fraud. Feldman was the owner of Upstate Fish, Inc. (Upstate Fish), a Rochester retailer that was authorized to accept and redeem SNAP benefits. The investigation determined that between January 2010 and October 2015, Feldman made cash payments to eligible beneficiaries to purchase SNAP benefits for less than half their full value, but would receive the full dollar amount in payment from the USDA. Over this five-and-a-half-year period, Feldman engaged in approximately \$1,227,063 in illegitimate transactions.

As part of a separate scheme, Feldman directed beneficiaries to purchase fish at other retailers using their EBT cards. Beneficiaries would then bring the fish to Feldman at his Upstate Fish store, where he would provide cash to the beneficiaries in amounts less than the cost of purchasing the fish. This additional scheme resulted in a loss of approximately \$202,620 between the full value of the SNAP benefits and the cash received by recipients.

Feldman's plea was the result of a joint investigation by OWIG, the USDA's Office of the Inspector General, the Rochester Police Department's Economic Crimes Division, the Monroe County Department of Social Services, and the United States Immigration and Customs Enforcement's Homeland Security Investigations. The United States Attorney's Office for the Western District of New York prosecuted the matter. Feldman's sentence is currently pending.

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<sup>5</sup> All defendants are innocent unless and until proven guilty in a court of law.

## **Long Island Certified Public Accountant Created a Fake Identity and False Employment Records as Part of a \$647,000 Unemployment, Welfare, Social Security and Check-Theft Fraud Scheme**

On April 21, 2016, a joint investigation by OWIG and the New York State Department of Labor's Office of Special Investigations resulted in the arrest of Abraham Grossman (also known as Alan Grossman), a Long Island certified public accountant (CPA), for his role in a scheme to fraudulently obtain social security retirement, unemployment insurance, and public assistance benefits. Grossman was arrested and charged with theft of public funds. Following Grossman's initial arrest, it was determined that he had also stolen and cashed a \$440,000 check from one of his clients.

The investigation determined that Grossman, while working as a CPA and collecting social security retirement benefits, created a false identity by obtaining a second social security number and New York State driver's license under an assumed name. He used those documents, as well as his fictitious former employment at four different businesses, to improperly obtain additional social security retirement, unemployment insurance, and public assistance benefits to which he was not entitled.

From February 2012 through April 2016, Grossman applied for and received unemployment insurance benefits in both the states of New York and New Jersey using his real and fraudulent identities. Grossman falsely claimed that he had lost employment from businesses that no longer existed and that never claimed wages for Grossman. Grossman also

failed to report income that he earned as a CPA. Altogether, he fraudulently obtained approximately \$124,000<sup>6</sup> worth of unemployment insurance benefits.

The investigation further revealed that from 2012 through April 2016, Grossman improperly obtained \$20,744 in welfare benefits, including SNAP, HEAP, and Medicaid assistance. Grossman fraudulently obtained these benefits, in part, by failing to report income that he earned as a CPA. Grossman also failed to report the unemployment insurance benefits that he received as a result of fictitious companies and employment in the states of New York and New Jersey, as well as approximately \$63,000 in social security retirement benefits that he had improperly obtained using a fraudulent identity. Following Grossman's initial arrest, it was determined that he had also stolen and cashed a \$440,000 check belonging to one of his accounting clients.

On September 24, 2016, Grossman pleaded guilty in the United States District Court for the Eastern District of New York to federal charges of Possession of a Forged Security, which carries a maximum potential sentence of 10 years in prison. Under the terms of his plea agreement, Grossman is expected to pay full restitution for his thefts from the welfare, unemployment, and social security systems, and to the client from whom he stole the check. Grossman also agreed to forfeit \$110,000 to the federal government. His sentence is currently pending.

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<sup>6</sup> While Grossman was initially charged with fraudulently collecting both state and federally-funded benefits, he was only indicted for the federal portion of each category of benefits as follows: \$48,775 in federally-funded unemployment insurance benefits and \$12,500 of federally-funded SNAP and Medicaid benefits.

The United States Department of Labor's Office of the Inspector General, the New Jersey Department of Labor and Workforce Development, and the Social Security Administration's Office of the Inspector General also assisted with this investigation.

### **Executive of Queens Not-For-Profit Organization Pleads Guilty to Embezzling \$100,000 in Public Funds to Pay for Lavish Lifestyle**

On June 22, 2016, a joint investigation by OWIG, the Federal Bureau of Investigation and the United States Attorney's Office for the Eastern District of New York, resulted in the federal indictment and arrest of Yolanda Vitulli, the former head of a Queens not-for-profit organization, on charges that she embezzled approximately \$100,000 in federal and state funds intended to serve the developmentally disabled. She then used these stolen funds to subsidize her lavish lifestyle.

Between January 2001 and May 2016, Vitulli had served as the Executive Director of Tender Care Human Services Inc. ("Tender Care"), a Queens-based not-for-profit social service provider that delivered services to individuals with autism and other developmental disabilities throughout the metropolitan New York City area. Tender Care received approximately \$3 million in federal and New York State Medicaid funding each year.

A joint investigation by the Inspector General and the Federal Bureau of Investigation determined that between 2009 and May 2014, Vitulli used Tender Care funds to pay housekeepers who were employed at her personal residence and who cleaned, did laundry, and provided childcare services for Vitulli. The investigation further revealed that, between January 2012 and November 2013, Vitulli used stolen Tender Care funds to hire a contractor to purchase and install a Bahama Spa hot tub. She also used taxpayer-subsidized charitable funds for the

installation of a new dishwasher, a security camera system, fencing at her property, and bedroom furniture from Ethan Allen.

On October 12, 2016, Vitulli pleaded guilty in the United States District Court for the Eastern District of New York to one count of Theft or Bribery Concerning Programs Receiving Federal Funds. Her sentence is currently pending.

**Schenectady Woman Charged with Stealing More than \$51,000 In Welfare Benefits by Concealing Her Marriage and Husband's Income**

On December 19, 2016, Victoria Bell (also known as Victoria Pacheco) of Schenectady, New York, was arrested on charges that she improperly received more than \$51,000 in SNAP assistance and Medicaid benefits to which she was not entitled. An OWIG investigation revealed that starting in August 2012, Bell filed public benefits applications and re-certifications with the Schenectady County Department of Social Services and the New York State Health Marketplace on which she failed to disclose that she is married to and resides with her husband, who is the father of her three children. Her husband was a full-time employee at a local hospital and earned more than \$45,000 per year. Bell also failed to disclose that she had been earning more than \$10,000 each year as a part-time retail employee. As a result of these false filings, Bell improperly received \$24,815 in SNAP assistance and \$26,892 in Medicaid benefits.

The Schenectady County District Attorney's Office charged Bell with ten counts of Offering a False Instrument for Filing in the First Degree, and two counts of Welfare Fraud in the Third Degree, all felonies. Her case is currently pending.<sup>7</sup>

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<sup>7</sup> All defendants are innocent unless and until proven guilty in a court of law.

### **Albany County Man Charged in \$28,000 Welfare Benefits Theft**

On September 7, 2016, the Albany County Sheriff's Department arrested Charles Utsey on charges that he improperly received \$28,774 in Temporary Assistance and SNAP benefits. The arrest was the result of a joint investigation conducted by OWIG and the Albany County Department of Social Services. The investigation determined that from January 2015 through March 2016, Utsey submitted public benefits applications and re-certifications in which he intentionally failed to disclose that his spouse resided with him, was employed, and earned income. As a result of these false filings, Utsey received \$17,790 in Temporary Assistance and \$10,954 in SNAP benefits to which he was not entitled.

The Albany County District Attorney's Office charged Utsey with Welfare Fraud in the Third Degree, Grand Larceny in the Third Degree, and Offering a False Instrument for Filing in the First Degree, all felonies. His case is currently pending.<sup>8</sup>

### **Bronx Man Charged with Using Two Social Security Numbers to Steal More Than \$25,000 in Welfare and Unemployment Benefits**

On October 6, 2016, Bronx resident Daryel Moore was arrested on charges that he improperly received \$25,544 in welfare and unemployment insurance benefits. Moore's arrest was a result of a joint investigation conducted by OWIG and the New York State Department of Labor. The investigation revealed that since at least 2007, Moore had possessed two distinct social security numbers. Between 2012 and 2016, Moore used both social security numbers as part of a fraudulent scheme to collect approximately \$11,244 in unemployment insurance benefits and \$14,300 in welfare benefits to which he was not entitled. The investigation determined that when Moore lost a job for which he used one social security number, he would

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<sup>8</sup> All defendants are innocent unless and until proven guilty in a court of law.

find new employment using the second social security number. At the same time, Moore claimed unemployment insurance benefits using the first social security number. The investigation determined that over a four-year period, Moore held a total of six jobs using the two social security numbers. Yet, except for a three-week period in early 2015, Moore was never actually unemployed or without employment income.

The investigation further revealed that during this same time period, Moore submitted numerous applications for welfare benefits, such as Medicaid and SNAP assistance, but did not report his true income.

The Bronx County District Attorney's Office charged Moore with two counts each of Grand Larceny in the Third and Fourth Degrees, two counts each of Welfare Fraud in the Third and Fourth Degrees, and 55 counts of Offering a False Instrument for Filing in the First Degree, all felonies. Moore was also charged with two counts each of Petit Larceny and Welfare Fraud in the Fifth Degree, and 55 counts of Offering a False Instrument for Filing in the Second Degree, all misdemeanors. His case is currently pending.<sup>9</sup>

### **Niagara County Woman Pleads Guilty to Welfare Fraud Charges**

On September 26, 2016, an OWIG investigation resulted in the arrest of Christine Willett, of North Tonawanda in Niagara County, on charges that she fraudulently received SNAP benefits. The investigation determined that from November 1, 2015, to April 30, 2016, Willett improperly received \$2,244 in SNAP benefits as a result of her failure to report income that she earned as a home health aide to the Niagara County Department of Social Services. Willett was

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<sup>9</sup> All defendants are innocent unless and until proven guilty in a court of law.

charged with Grand Larceny in the Fourth Degree, Welfare Fraud in the Fourth Degree, and Offering a False Instrument for Filing in the First Degree, all felonies.

On December 20, 2016, Willett pleaded guilty to Offering a False Instrument for Filing in the Second Degree. In addition to pleading guilty, Willett executed a confession of judgment and was disqualified from receiving SNAP benefits for one year. The Niagara County District Attorney's Office prosecuted the case. Her sentence is currently pending.

### **C. 2016 Final Dispositions**

As discussed below, OWIG continued to monitor several investigations that had resulted in arrests in prior years, and were resolved by way of guilty plea in 2016. As discussed further below, 22 of the defendants on whom OWIG reported in 2015 were convicted or pleaded guilty to charges in 2016.

#### **Welfare Schemes Lead to Convictions of a New York City Social Services Supervisor and Eight Accomplices in the Theft of \$1.8 Million in Public Benefits**

On October 7, 2016, the United States District Court for the Southern District of New York sentenced Cherrise Watson-Jackson, a former supervisor at the New York City Human Resources Administration (HRA), to 23 months in prison and three years of supervised release for her role in a series of complex schemes that were used to steal more than \$1.8 million in public assistance benefits. Watson-Jackson had pleaded guilty on May 3, 2016, to charges of Conspiracy to Commit Mail Fraud and Conspiracy to Commit Wire Fraud. As part of her sentence, Watson-Jackson was ordered to pay more than \$1.8 million in restitution to HRA and to forfeit more than \$1.8 million to the federal government.

The sentence was a result of a joint investigation by OWIG, the New York City Department of Investigation, the United States Attorney's Office for the Southern District of New York, and the Federal Bureau of Investigation. The investigation determined that Watson-Jackson used her supervisory position at HRA to mastermind a series of complex schemes using a criminal ring to steal more than \$1.8 million in public assistance benefits. Specifically, Watson-Jackson authorized the deposit of fraudulent single-issuance "emergency grants" — which are intended only for persons with a documented urgent need — onto the EBT cards of hundreds of welfare recipients recruited by her accomplices. Watson-Jackson's accomplices then used several of the EBT cards containing the emergency grants at wholesale club stores to purchase approximately \$120,000 worth of Red Bull energy drink that they sold to various bodegas for cash.

In a separate scheme, Watson-Jackson's accomplices recruited individuals to fraudulently pose as landlords who owned rental properties that housed public assistance tenants. Watson-Jackson then used her supervisory position at HRA to authorize "rental arrears" payments — known as "One Shot Deals" — to these fraudulent landlords to cover back rent owed by phantom tenants. The fraudulent landlords cashed the rental assistance checks and shared in the proceeds with Watson-Jackson and her other accomplices, one of whom worked at a check cashing store in Brooklyn and facilitated many of the transactions.

In addition to Watson-Jackson, eight co-conspirators pleaded guilty to related charges in 2016:

- **Maurice Cromwell** was accused of receiving and cashing at least 83 rental arrears "One Shot Deal" checks – worth more than \$72,500 – at a Brooklyn check cashing store. More than 100 other checks worth an additional \$75,000 were sent to his home address and then cashed by others. He pleaded guilty to Conspiracy to Commit Mail and Wire Fraud

and was sentenced to 27 months in prison, followed by three years' probation. Cromwell was ordered to pay restitution of \$145,237 to HRA and forfeit \$217,856.

- **Isaac Allen**, who was incarcerated on unrelated charges at the time he was federally charged, received approximately \$9,444 in fraudulent issuances on his EBT card and helped recruit others to be a part of the EBT scheme. He pleaded guilty to Conspiracy to Commit Mail and Wire Fraud and was sentenced to 18 months in prison to be followed by three years' supervised release. Allen was ordered to pay restitution of \$13,333 to HRA and forfeit \$40,000.
- **Derrick Williams**, who was incarcerated on unrelated state charges at the time he was federally charged, received more than \$12,500 in fraudulent single-issuance deposits on his EBT card, as well as 82 fraudulent rental arrears checks worth nearly \$62,000. He pleaded guilty to Conspiracy to Commit Mail and Wire Fraud and was sentenced to 37 months in prison to be followed by three years' supervised release. Williams was ordered to pay restitution of \$291,550 to HRA and forfeit \$437,325.
- **Corey Brock** received more than \$8,500 in fraudulent single-issuance deposits on his EBT card. He pleaded guilty to Conspiracy to Commit Wire Fraud and was sentenced to five years' probation with special conditions of nine months of home confinement and 200 hours community service. He was also ordered to pay restitution of \$50,000 to HRA and forfeit \$120,000.
- **Jaron Annunziata** took part in the fraudulent landlord scheme by cashing 16 rental arrears checks worth nearly \$11,500. He also received nearly \$5,000 in fraudulent single-issuances on his EBT card. He pleaded guilty to Conspiracy to Commit Mail and Wire Fraud and was sentenced to three years' probation with a special condition of eight months' home confinement. Annunziata was ordered to pay restitution of \$10,345 to HRA and forfeit \$31,035.
- **Kevin Williams** was accused of taking part in the fraudulent landlord scheme by cashing 96 rental arrears checks worth nearly \$84,000. Of the checks he cashed, 57 were made out in his name, and 39 were made out to other persons, none of whom were actual landlords. He pleaded guilty to Conspiracy to Commit Mail Fraud, and was sentenced to 18 months in prison, to be followed by three years' supervised release. Williams was ordered to pay restitution of \$54,431 to HRA and forfeit \$163,294.
- **Vernecka Petersen-Fowler** took part in the fraudulent landlord scheme by cashing or depositing 43 rental arrears checks worth more than \$31,000. She also received other checks through the mail that she turned over to another individual. She pleaded guilty to Conspiracy to Commit Mail Fraud and was sentenced to three years' probation with a special condition of eight months of home confinement. Peterson was ordered to pay restitution of \$13,333 to HRA and forfeit \$40,000.
- **Beverly Franklin** took part in the fraudulent landlord scheme by cashing 15 rental arrears checks worth nearly \$13,000. She also received other checks through the mail which she turned over to another individual. She pleaded guilty to Conspiracy to Commit Mail Fraud and was sentenced to three years' probation. Franklin was ordered to pay restitution of \$30,747 to HRA and forfeit \$92,242.

Additional criminal charges are currently pending against the following individuals in this scheme:

- **Gerard Stokes** is accused of receiving nearly \$5,000 in fraudulent single-issuance deposits on his EBT card. Stokes is also accused of using his wholesale club shopping account to make purchases using EBT cards that were not issued in his name. In total, he allegedly purchased nearly \$120,000 worth of Red Bull energy drink at wholesale clubs. He is charged with Conspiracy to Commit Mail Fraud and Wire Fraud, and Aggravated Identity Theft. The charges against him are currently pending.
- **Yesenia Depena** is accused of participating in the fraudulent landlord scheme by using her position as an employee at a Brooklyn check cashing store to process and cash at least 221 checks worth nearly \$187,500. She is charged with Conspiracy to Commit Mail Fraud and Wire Fraud. The charges against her are currently pending.<sup>10</sup>

OWIG will continue to assist in the prosecution of these cases in 2017.

### **Manhattan Messenger Pleads Guilty to Using Fraudulent Social Security Numbers to Steal more than \$280,000 in Public Assistance and Unemployment Benefits**

On May 3, 2016, Jeffrey Green, a Manhattan messenger, was sentenced to five years' probation after previously pleading guilty to charges that he defrauded the government of over \$245,000 in Safety Net cash assistance, SNAP assistance, and Medicaid benefits, and an additional \$37,000 in unemployment insurance benefits.

OWIG had commenced an investigation after the New York State Department of Labor advised that Green was fraudulently collecting unemployment insurance benefits while employed. The investigation determined that between January 2009 and May 2013, Green had engaged in a scheme in which he intentionally concealed his unemployment insurance benefits and employment income totaling over \$116,000 in order to collect more than \$245,000 in fraudulent benefits from public assistance programs.

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<sup>10</sup> All defendants are innocent unless and until proven guilty in a court of law.

To conduct this scheme, Green created two false social security numbers and dates of birth, one to use while employed and the other to collect unemployment insurance benefits. Green's use of false dates of birth and social security numbers allowed him to conceal his sources of income from both welfare and Department of Labor officials. At various intervals during the period charged in the fraud, Green completed and submitted welfare recertification documents to HRA in which he failed to disclose that he was both employed and collecting unemployment insurance benefits. As a result of these false filings, Green improperly obtained a total of \$245,127 in public assistance benefits, namely, \$17,275 in Safety Net cash assistance, \$10,528 in SNAP assistance, and \$217,324 in Medicaid benefits. In addition, Green collected a total of \$37,000 in unemployment insurance benefits by failing to report that he was employed as a messenger.

Green pled guilty to the charge of Welfare Fraud in the Second Degree, a C felony, and was subsequently sentenced on a May 3, 2016, to five years' probation. The New York County District Attorney's Office prosecuted the case.

### **Bronx Woman Pleads Guilty to Theft of More Than \$115,000 from Welfare Programs**

On May 5, 2016, Bronx resident Lizette Cuadrado pleaded guilty to defrauding New York State of more than \$115,000 in Medicaid, Family Assistance, and SNAP benefits after failing to report that her spouse, a former bus driver for the New York City Metropolitan Transportation Authority, resided in her household and was earning income.

An OWIG investigation determined that from January 2006 to April 2012, Cuadrado submitted false applications to HRA in which she failed to disclose that she lived with her spouse, who earned an income. As a result of these fraudulent submissions, Cuadrado

improperly received a total of \$115,438 in public assistance benefits, consisting of \$57,563 in Medicaid benefits, \$33,057 in Family Assistance cash benefits, and \$24,818 in SNAP assistance.

Cuadrado pleaded guilty to Welfare Fraud in the Fourth Degree, a felony. The plea included an expected sentence of five years' probation as well as a civil judgment against Cuadrado for the full \$115,450 that she obtained through the fraud. Cuadrado will also be precluded from collecting SNAP benefits for one year and Family Assistance benefits for six months. The Bronx County District Attorney's Office prosecuted the case.

### **Employee of the Office for Persons with Developmental Disabilities Pleads Guilty to \$89,000 Welfare Theft**

On September 11, 2016, the Kings County Criminal Court sentenced Angela Bethune, an employee at the New York State Office for Persons with Developmental Disabilities, to a conditional discharge pending her payment of \$89,749 in restitution to HRA. Bethune had previously pleaded guilty to one charge of Petit Larceny, a class A misdemeanor. A joint investigation by OWIG and the King's County District Attorney's Office found that between October 2007 and August 2010, Bethune had concealed her state employment from HRA and improperly received approximately \$89,000 in welfare benefits, which was comprised of \$16,000 in SNAP benefits, \$55,000 in Medicaid benefits, and \$18,000 in public assistance cash benefits.

### **New York City Man Pleads Guilty to \$80,000 Welfare Fraud Perpetrated by Decade-Long Identity Theft**

In January 2016, the New York County Criminal Court sentenced Adolphis Dukeshire to a suspended two-to-four year prison term, on the condition of his participation in a Judicial Diversion program for drug treatment. Dukeshire is eligible for a reduction in charge or

sentence, up to and including, dismissal if he successfully completes drug treatment. Dukeshire had previously pleaded guilty to one count of Grand Larceny in the Third Degree, a class D felony, after admitting that he had stolen a total of \$80,140 in Temporary Assistance, SNAP assistance, and Medicaid benefits between 2003 and 2013 by assuming the identity of an Albany man whom he had met more than 20 years earlier. The Manhattan District Attorney's Office prosecuted the case.

### **Queens Woman Pleads Guilty to Theft of Nearly \$80,000 in Welfare Benefits While Supported by Court Officer's Six-Figure Income**

On March 1, 2016, Yessenia Gonzalez pleaded guilty in Queens County Criminal Court to misdemeanor charges of Petit Larceny after admitting that she improperly received nearly \$80,000 in Medicaid and SNAP benefits from October 2006 to April 2015. The plea was the result of an OWIG investigation, which determined that at various intervals during the fraud, Gonzalez had completed and submitted welfare recertification documents to HRA in which she failed to disclose that the father of her children resided with her and provided financial support to the family. In addition to his \$70,000 salary as a New York State Court Officer, he owned several income-producing properties in Queens and Brooklyn. In 2013 and 2014, he received approximately \$105,000 in rental income from these properties. As a result of the false filings, Gonzalez improperly received \$78,431 in public benefits, including \$49,654 in SNAP benefits, and \$28,777 in Medicaid benefits.

As part of her plea agreement, the court ordered Gonzalez to repay the nearly \$80,000 she had fraudulently obtained from the public benefits programs. The Queens County District Attorney's Office prosecuted the case.

## **Troy Housing Authority Official Sentenced for the Theft of Nearly \$40,000 in SNAP Benefits and Housing Subsidies**

On July 12, 2016, Paul Moses, a former member of the Troy Housing Authority's Board of Commissioners, was sentenced in Rensselaer County Court to 90 days in jail, five years of probation, and ordered to pay full restitution in connection with his theft of SNAP benefits and rental subsidies to which he was not entitled. Moses had previously pleaded guilty to charges of Welfare Fraud in the Third Degree and two counts of Grand Larceny in the Third Degree, all felonies.

An OWIG investigation found that Moses improperly received \$8,098 in SNAP benefits from 2009 through 2015. Moses also received \$30,996 in unwarranted rental subsidies from the Troy Housing Authority from 2008 through 2015. In his applications for SNAP benefits and rental subsidies, Moses indicated he had no employment income; however, the investigation determined that Moses had been working as a bartender at a tavern in Troy for the previous nine years. Moses was also a tenant representative elected to the Troy Housing Authority's Board of Commissioners since 2009. Tenants in Housing Authority apartments may receive rental subsidies based on their income. Moses's crimes enabled him to receive rental subsidies for which he was not eligible. After his arrest in 2015, Moses was evicted from his Housing Authority apartment and removed from the board of commissioners. The Rensselaer County District Attorney's Office prosecuted the case.

## **Rensselaer County Supervising Fraud Investigator Pleads Guilty to Filing False Report to Help Troy Housing Official Evade Arrest**

On June 27, 2016, Emanuel (Manny) Ned, a former supervising welfare fraud investigator for the Rensselaer County Department of Social Services, pleaded guilty to charges that he used his official position in an attempt to conceal wrongdoing by a former housing

official in Troy, New York. Ned pleaded guilty in Troy City Court to Official Misconduct, a misdemeanor.

The plea was the result of a joint investigation by OWIG and the Rensselaer County District Attorney's Office, which prosecuted the matter. The investigation determined that in early 2015, Ned had received allegations that Troy Housing Authority Board of Commissioners Member Paul Moses (discussed above) was engaged in welfare fraud by failing to disclose employment income. Shortly thereafter, Ned filed investigative records in which he fabricated witness interviews that never took place in order to create the appearance that the allegations against Moses were meritless and to close the case. As part of his sentence, the court ordered Ned to pay a \$500 fine, and he agreed to resign from his employment with Rensselaer County.

### **Three Rochester Business Owners Plead Guilty to over \$25,000 in SNAP-Benefits Fraud**

In March and April 2016, three Rochester Business owners pleaded guilty to charges that they illegally exchanged over \$25,000 in SNAP benefits with customers at their stores for a fraction of their value in cash. The pleas were the result of a year-long joint investigation conducted by OWIG, USDA, OTDA, the Rochester Police Department, and the Monroe County Department of Human Services.

The investigation determined that Nabil Saeed, the owner of Discount Food Market, Kamalaldain Ahmed, the owner and operator of Hudson Best Mini Mart, and Aimal Sultan, owner of the S and M Mini Mart, engaged in a SNAP trafficking scheme, whereby they provided discounted cash payments of approximately 50 to 70 percent in exchange for the full value of a customer's SNAP benefits. The store then submitted the entire amount of the SNAP benefit to

the USDA for reimbursement. In a separate scheme, the store owners allowed customers to purchase items not authorized under SNAP guidelines, such as cigarettes and lottery tickets.

Under the plea agreements, Saeed (responsible for fraudulent transactions totaling \$16,596), Ahmed (responsible for fraudulent transactions totaling \$3,465), and Sultan (responsible for fraudulent transactions totaling \$5,000) each pleaded guilty to one charge of Misuse of Food Stamps, a class E felony. All three individuals were sentenced to 16 weekends in jail. Saeed's sentence also included the forfeiture of more than \$50,000 in cash that law enforcement officials had seized from his store. The Monroe County District Attorney's Office handled the criminal prosecutions, while the United States Attorney's Office for the Northern District of New York handled the forfeiture action.

### **Syracuse Business Owner and Associate Plead Guilty to Trafficking Welfare Benefit Cards**

On May 2, 2016, Syracuse business owner Julia Shaquir and her associate, Haider Alwaeli, pleaded guilty to misdemeanor charges of Misuse of Food Stamps and agreed to pay more than \$11,000 in restitution.

An OWIG investigation found that between 2012 and 2014, Shaquir, the owner of Sabatino's Pizzeria and Deli, an authorized SNAP retailer, had engaged in various SNAP trafficking schemes. Shaquir acquired EBT cards from store customers in exchange for items not authorized under SNAP guidelines, such as cash, beer, cigarettes, and prepared food, and charged customers double the value of these items. Shaquir and her associate Alwaeli, together and separately, repeatedly used these EBT cards at area retailers to purchase goods that they resold at Sabatino's Pizzeria and Deli. The Onondaga County District Attorney's Office prosecuted this matter.

## **Capital Region Landlord Pleads Guilty to Welfare Fraud in the Bronx**

On May 26, 2016, Alina Griffen-Dowe, a Bronx resident who owns rental properties in Rensselaer County, pleaded guilty to stealing nearly \$8,000 worth of SNAP benefits. An OWIG investigation determined that between January 2012 and January 2015, Griffen-Dowe had fraudulently collected \$7,927 in SNAP benefits from HRA by intentionally concealing income from two multi-unit rental properties that she owned. During the three-year period of the fraud, these properties generated approximately \$83,000 in rental income for Griffen-Dowe, who failed to report this rental income to HRA as required under SNAP eligibility rules. Griffen-Dowe also failed to disclose that she had earned at least \$12,880 through part-time employment at a law firm. As part of her plea, Griffen-Dowe agreed to pay full restitution and was disqualified from receiving public assistance benefits for one year. The Bronx County District Attorney's Office prosecuted the case.

### **D. Cases Pending in 2016**

As discussed below, OWIG continued to assist in the investigation and prosecution of a matter that resulted in an arrest in 2014.

## **Queens Man Charged with Appropriating the Identity of Deceased Twin Brother and Stealing More Than \$500,000 in Welfare Benefits**

On September 9, 2014, the Queens County District Attorney's Office charged Thomas Murphy with defrauding federal, state, and city government agencies of more than \$581,000 in welfare benefits from 1994 to 2013. Murphy committed the alleged fraud by appropriating the identity of his twin brother, who died shortly after birth in 1962. OWIG's investigation revealed an elaborate scheme wherein Murphy used the identity of his deceased twin to apply for social services benefits that he collected for more than 18 years.

The investigation further revealed that Murphy concealed his dual identity by maintaining separate addresses, bank accounts, and driver's licenses in his name and that of his deceased brother. Murphy had been employed by the New York City Department of Sanitation since 2006, and was therefore unqualified to receive benefits. As a result of Murphy's false filings, he is alleged to have improperly obtained \$581,805 in public assistance benefits, including \$216,481 in Medicaid assistance, \$15,024 in SNAP benefits, \$209,902 in state rental subsidies, and \$140,398 from the Social Security Administration.

The Queens County District Attorney's Office issued two complaints that charged Murphy with a total of 10 felonies and two misdemeanors. One complaint charged Murphy with two counts of Second Degree Grand Larceny, one count of Second Degree Welfare Fraud, one count of First Degree Identity Theft, two counts of First Degree Falsifying Business Records, and two counts of First Degree Offering a False Instrument for Filing, all felonies. The second complaint charged Murphy with one count of First Degree Falsifying Business Records, and one count of First Degree Offering a False Instrument for Filing, both felonies, along with one count of and Second Degree Falsifying Business Records, and one count of Making a Punishable False Written Statement, both misdemeanors. The matter is currently pending.<sup>11</sup>

#### **E. Initiatives**

On July 7, 2016, Governor Andrew M. Cuomo announced changes to New York State's SNAP eligibility requirements that resulted in an additional 750,000 working families being eligible for benefits. The change, which was one of several recommendations made by the Governor's Anti-Hunger Task Force, raised the gross income level required to qualify for New

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<sup>11</sup> All defendants are innocent unless and until proven guilty in a court of law.

York State SNAP benefits from 130 to 150 percent of the federal poverty level, thereby increasing the number of eligible individuals. Accordingly, OWIG renewed its focus on pursuing SNAP-trafficking fraud and ensuring the integrity of the eligibility determination process in all 58 social services districts throughout New York State.

SNAP-trafficking fraud can result in the criminal prosecution of both retailers and benefit recipients. State and federal governments can also pursue civil penalties. For example, USDA Food and Nutrition Services can permanently bar a retailer found guilty of SNAP trafficking from participation in the SNAP program. State agencies must also investigate any recipient who is “alleged [to have committed an] intentional Program violation . . . and [must] ensur[e] that appropriate cases are acted upon either through administrative disqualification hearings or to a court of appropriate jurisdiction.”<sup>12</sup> Thus, SNAP-trafficking investigations not only identify fraud, but prevent future fraudulent acts by those implicated in an investigation. OWIG and OTDA operate their SNAP initiative under a State Law Enforcement Bureau agreement, which authorizes OWIG to conduct SNAP-trafficking investigations independent of other law enforcement agencies.

In 2016, OWIG initiated SNAP-trafficking investigations of 18 individual target locations in Monroe, Albany, Bronx, and Richmond counties. OWIG partnered with local and federal law enforcement, including the USDA’s Office of the Inspector General, the United States Department of Homeland Security, Immigration and Customs Enforcement, the Federal Bureau of Investigation, and the United States Attorneys’ Offices for the Southern and Western Districts of New York, to conduct SNAP-trafficking investigations.

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<sup>12</sup> 7 C.F.R. §273.16(a)(1).

As previously discussed, one OWIG investigation resulted in the arrest and guilty plea of Monroe County resident Irving Feldman, who had engaged in two SNAP-trafficking schemes that resulted in losses of more than \$1.4 million. Feldman made cash payments to eligible beneficiaries to purchase SNAP benefits for less than half their full value, but would receive the full dollar amount in payment from the USDA. Over this five-and-a-half-year period, Feldman engaged in approximately \$1,227,063 in illegitimate transactions. As part of a separate scheme, Feldman directed beneficiaries to purchase fish at other stores using their EBT cards. Beneficiaries would then bring the fish to Feldman at his Upstate Fish store, where he would provide cash to the beneficiaries in amounts less than the cost of purchasing purchase the fish. This additional scheme resulted in a loss of approximately \$202,620 between the full value of the SNAP benefits and the cash received by recipients. Feldman is currently awaiting sentencing.

In 2017, OWIG will continue its investigations into SNAP-trafficking schemes.

#### **F. OWIG Compliance Review Program**

New York State Executive Law section 74 mandates that the Welfare Inspector General “conduct and supervise investigations related to the programs of the department of social services,” and investigate “fraud, abuse or illegal acts perpetrated within the department of social services or local social services districts.” OWIG has continued to review programs provided by local social services districts to ensure their efficient and effective operation. After each review, OWIG shares its findings and recommendations with the relevant local social services districts. In 2016, OWIG completed 10 reviews in response to issues identified through its investigations. Three reviews resulted in significant findings.

For example, in 2016 OWIG completed a comprehensive review of the management and security of EBT cards of residents at the New York State Office of Mental Health (OMH) Hutchings Psychiatric Center. OWIG's review followed a 2015 SNAP-trafficking investigation, which uncovered the theft of benefit cards from a number of SNAP-eligible residents at Hutchings Psychiatric Center's community residences. OWIG's review revealed that OMH, Hutchings Psychiatric Center, and its two community residences lacked written policies on the management, use, and security of residents' benefits cards. Specifically, OWIG determined that residents' benefit cards and their personal identification numbers were unsecured and accessible to all employees of the community residences. The review also found that neither OMH's Bureau of Audit nor Hutchings Psychiatric Center conducted an audit or otherwise reviewed benefit card usage at the community residences.

As a result of OWIG's review, Hutchings Psychiatric Center implemented comprehensive procedures to safeguard residents' benefits cards, including secure storage, limited staff access, detailed ledger entries that will require both resident and staff signatures to acknowledge the removal and return of resident benefit cards, weekly ledger reviews, and regular audits. In addition, OWIG recommended, and OMH implemented, a statewide policy regarding the management, use, and security of residents' benefit cards at all OMH residential facilities.

In 2016, OWIG also evaluated the vulnerability of the Welfare to Work Case Management System (WTWCMS) at the Chautauqua County Department of Social Services. OWIG commenced its review following reports that an individual employed by Career Systems, a contractor hired by Chautauqua County Department of Health and Human Services to administer its Welfare-to-Work Block Grant Program, accessed WTWCMS without a legitimate

business purpose. The OWIG review determined that WTWCMS lacked the ability to detect fraudulent activity within the system. Specifically, OWIG found that WTWCMS did not maintain logs reflecting the activity of all users who accessed or modified the system, but only logged the user who most recently updated a particular case. OWIG contacted OTDA to review potential modifications to WTWCMS to include fraud detection capabilities. OTDA immediately issued a notification to all local district commissioners reminding them of their continuing obligation to ensure that “improper access to client information does not occur.” Additionally, OTDA plans to incorporate OWIG’s findings into the current development of the new public benefit database, the Integrated Eligibility System, which will encapsulate the WTWCMS system.

Lastly, in 2016 OWIG conducted a comprehensive review of the Monroe County Department of Human Service’s Work Experience Program (WEP). Monroe County requested OWIG’s assistance after it received allegations that a WEP-sponsor agency, Life Listening Resources, doing business as Coffee Connection, violated WEP regulations by using WEP participants to staff its locations in lieu of paid employees.

By way of background, federal and state law empower social services districts to require recipients of public assistance to participate in a variety of activities, including job training and work experience programs. New York Social Services Law section 336-c sets forth minimum standards and requirements that local social services district work experience programs must meet. Monroe County incorporated these requirements into a sponsor agency agreement that must be executed by all WEP-sponsor agencies. Specifically, the agreement precludes WEP-sponsor agencies from assigning participants to perform “substantial portion[s] of work ordinarily and actually performed by regular employees.” In addition, the agreement prohibits

participants from being assigned to work more than forty hours per week. Finally, sponsor agencies must provide time records reflecting the type of activity performed and number of hours worked by each participant.

The Monroe County Department of Human Services contracted with Rochester Works, Inc. (Rochester Works), a not-for-profit corporation, to administer its workforce development programs and evaluate potential “worksite sponsor agencies.” Once an agency is determined to be a qualified sponsor, the Monroe County Department of Human Services executes a sponsor agency agreement with the worksite sponsor agency before participants are assigned to a location. Importantly, although the sponsor agency agreement is between the worksite sponsor agency and the Monroe County Department of Human Services, in practice, many of the reporting obligations are directed to Rochester Works.

OWIG’s review found that Coffee Connection’s workforce was almost entirely comprised of WEP participants, in direct violation of the sponsor agency agreement. In addition, Coffee Connection provided insufficiently detailed records of the work performed by each WEP participant, making it difficult to determine the actual hours worked by participants and for the Monroe County Department of Human Services to determine whether Coffee Connection complied with WEP guidelines. As a result of our investigation, Monroe County Department of Human Services revised its management contract with Rochester Works and its sponsor agency agreement to better reflect current communication processes and expectations.

In 2017, OWIG will continue to evaluate social service districts for programs in need of review and to further promote integrity in the administration of public benefit programs throughout New York State.

### **a. Outreach and Training**

In 2016, the Inspector General and her staff continued to participate and proactively identify opportunities to provide training, promote awareness, and develop partnerships to combat public assistance fraud. The Inspector General was recognized by the New York Welfare Fraud Investigators Association (NYWFIA) for her contributions to training and education in the welfare fraud investigation community. OWIG also strengthened its partnerships with federal and local law enforcement and county departments of social services to target fraudulent schemes in areas of the state where public assistance fraud is prevalent.

As part of its efforts, OWIG met with officials and specialized personnel in Richmond, Warren, Putnam, Rensselaer, Greene, Jefferson, Nassau, and Bronx Counties to discuss potential fraud investigations. OWIG had similar discussions with the United States Attorneys' Offices for the Southern and Eastern Districts of New York. In addition, OWIG continued its membership in several organizations that address public assistance fraud, including the Western, Central and Metropolitan Regional Health Care Fraud Task Force, as well as the Central New York Organized Retail Crime Task Force. In 2016, OWIG also joined the New York Anti-Car Theft and Fraud Association, Inc. These task forces include law enforcement and private sector professionals, who combine intelligence and resources to combat public assistance and other types of fraud. OWIG also worked closely with its state partners, including OTDA, the Department of Motor Vehicles, and the Department of Labor, and successfully identified fraudulent activity. In addition, OWIG expanded its training program by providing training at one local department of social services regarding appropriate use of public assistance databases.

Since Governor Cuomo appointed Inspector General Catherine Leahy Scott as Acting Welfare Inspector General in October 2012, OWIG has become a prominent member of NYWFIA and has participated in all NYWFIA training events. NYWFIA provides support and training to its membership, consisting of investigators, administrators, prosecutors, eligibility workers, and claims and recovery specialists from local and state agencies that fight fraud, waste, and abuse in social services programs. NYWFIA conducts annual and regional trainings that cover updates to the New York State Social Services Law and policies, as well as skills training. NYWFIA continues to be a valuable opportunity to reach the statewide investigative welfare fraud community in one venue.

In 2016, NYWFIA presented Inspector General Scott with the President's Award at its 33rd Annual Training Seminar in Lake Placid, New York. Inspector General Scott was recognized for her dedication to combating welfare fraud and her support of the statewide welfare fraud investigation community. OWIG provided the opening remarks at the three-day event attended by 250 members. OWIG personnel also presented a welfare fraud investigation course, "Welfare Fraud 101: Demystifying Public Assistance Fraud Investigations." The comprehensive course includes a model investigative plan, an overview of available resources and tools, and a review of investigators' ethical and legal obligations.

OWIG also participated in NYWFIA's Regional Training Meetings, which are one-day conferences held five times in four different regional locations to maximize attendance. In 2016, at regional conferences attended by 416 members, OWIG conducted a training titled, "The Importance of Confidentiality in Social Services," which focused on the obligation of social services employees to ensure confidentiality of recipient information under social services rules

and regulations, the Health Insurance Portability and Accountability Act, and other state and federal laws.

In April 2016, OWIG also provided confidentiality training to the Sullivan County Department of Social Services, following reports of employees accessing recipient information without a legitimate business purpose. The two-day training reinforced the importance of confidentiality of recipient information in social services databases and was attended by more than 140 employees.

For the first time since Catherine Leahy Scott was named Acting Welfare Inspector General, OWIG bolstered its connection to the national welfare fraud investigation community by attending the 44th Annual United Council on Welfare Fraud (UCOWF) Training Conference held in Cleveland, Ohio. UCOWF is an American and Canadian professional organization comprised of welfare fraud professionals from federal, state and local agencies. UCOWF's mission is to support professionals in their efforts to combat fraud, waste, and abuse in social services programs. UCOWF's annual training conference is a valuable training and networking opportunity with many of OWIG's federal counterparts such as the Social Security Administration Inspector General and the USDA Food and Nutrition Services Inspector General.

Inspector General Scott conducted additional outreach efforts at events held by the National Insurance Crime Bureau and New York Alliance Against Insurance Fraud in May 2016, New York State Association of Counties in August 2015, the New York State Association of Self-Insured Counties in September 2015, the New York Women in Law Enforcement in October 2015, and the New York Claim Association in November 2015.

In 2017, OWIG will continue to partner with outside organizations to provide training and conduct proactive initiatives to raise awareness and target public benefit fraud throughout New York State.

### **G. Conclusion**

The OWIG 2016 Annual Report shows the successful execution of OWIG's mission to investigate fraud, abuse, and illegal acts perpetrated within the department of social services or local social services districts, or by contractors or recipients of public assistance services, which involve social services programs administered and funded by New York State, the federal government, and each local social services district. In 2017, OWIG will continue to promote government efficiency and integrity through its education and outreach efforts and pursue proactive initiatives to curtail fraudulent activities and yield significant savings to New York State.