



# Department of Investigation

## *Press Release*

**U.S. Department of Justice**  
*United States Attorney*  
*Southern District of New York*

**FOR IMMEDIATE RELEASE**  
**APRIL 11, 2002**

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### **NYC EMPLOYEE, 2 OTHERS CHARGED IN U.S. COURT WITH PLOT TO DEFRAUD GOVERNMENT OF \$165,000 IN BENEFITS SCHEME**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, and ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced today that THOMAS MENDEZ, an employee of New York City's Human Resources Administration, and two other defendants have been arrested on a criminal Complaint filed in Manhattan federal court charging them with conspiring to steal Government funds. MENDEZ was charged with conspiring to accept payment from applicants he illegally helped to obtain public assistance, food stamps and Medicaid benefits.

MENDEZ was arrested Tuesday, April 9, 2002 and was released by United States Magistrate Judge GABRIEL W. GORENSTEIN on \$100,000 personal recognizance bond. MARRERO and LOPEZ voluntarily surrendered yesterday and were released last night by

United States Magistrate Judge RONALD L. ELLIS on \$40,000 and \$30,000 personal recognizance bond respectively.

According to the Complaint, from July 1999, through June 2000, MENDEZ, who worked as a case-worker at the HRA's Waverly Job Center in Manhattan, submitted fraudulent requests for disbursements of public assistance, food stamps and Medicaid benefits in at least 17 cases resulting in a \$165,000 theft.

Several of the applicants were introduced to MENDEZ by co-defendants ANGELIQUE MARRERO and STEPHANIE LOPEZ.

According to the Complaint, after MENDEZ submitted requests for funds on the applicants' behalf, the applicants receive either checks or an Electronic Banking Transaction card ("EBT" card), which permitted them to obtain public assistance funds, food stamps or Medicaid benefits. In numerous cases, after they received their benefits, the applicants were allegedly then instructed, by either MENDEZ or by MARRERO or LOPEZ, to remit a portion of the benefits back to MENDEZ as payment for submitting their request.

The investigation was initiated by the Department of Investigation of New York City and was assisted by the United States Department of Health and Human Services ("HHS").

Mr. COMEY stated: "We are committed to working with local and federal agencies, such as DOI and HHS, to root out corruption, especially in government programs created to help the neediest of our citizens. We will seek out and punish those who would illegally profit from the misery of others less fortunate."

Ms. HEARN stated: "The charges, particularly those against the HRA employee, indicate a very deliberate and reprehensible effort to steal money from a government program intended to assist needy New Yorkers. Fortunately, the controls the Department of Investigation and the HRA have implemented worked, triggering the investigation that resulted in these arrests. I am gratified that DOI worked successfully with U.S. Attorney COMEY and the U.S. Department of Health and Human Services to uncover this fraud and initiate a criminal prosecution of those who profited."

Count One of the Complaint, which charges the defendants with conspiring to steal Government funds, carries a maximum sentence of 5 years' imprisonment and the greater of a \$250,000 fine or twice the gross gain or loss resulting from the offense. Count Two of the Complaint, which charges the defendants with aiding and abetting the theft from a program receiving federal funds, carries a maximum sentence of 10 years' imprisonment and the greater of a \$250,000 fine or twice the gross gain or loss resulting from the offense.

Mr. COMEY and Ms. HEARN praised the investigative efforts of the New York City Department of Investigation and the United States Department of Health and Human Services.

Assistant United States Attorney MIRIAM H. BAER is in charge of the prosecution.

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