



# Department of Investigation

## *Press Release*

Release # 044-99

### **29 CITY EMPLOYEES CHARGED IN UNEMPLOYMENT "DOUBLE DIP" SCAM**

THURSDAY, SEPTEMBER 2, 1999 - EDWARD J. KURIANSKY, Commissioner of the Department of Investigation (DOI), and Manhattan District Attorney ROBERT M. MORGENTHAU today announced that, as part of an ongoing probe, 29 City employees - - including 20 NYPD school crossing guards, 4 school nurses, 3 highway repairers, and 2 parks workers - - have been charged with illegally collecting a total of more than \$75,000 in unemployment benefits while also receiving City salaries. The investigation - - OPERATION DOUBLE DIPPING - - has focused on corrupt seasonal City workers who regularly return to the City payroll after their off-season, but fraudulently continue to collect unemployment benefits.

Commissioner Kuriansky and District Attorney Morgenthau stated, "Operation Double Dipping -- now in its second stage -- has been an extremely effective enforcement initiative. Since June 1999, sixty (60) City employees have been arrested, resulting thus far in 3 convictions and \$4,705 in court-imposed restitution."

Today's defendants, seasonal employees working for the New York Police Department (NYPD), and the City Departments of Health (DOH), Transportation (DOT), and Parks and Recreation (Parks), were each employed by the City for only part of the year. For example, seasonal employees such as school crossing guards and nurses work according to the school calendar, highway repairers typically do not work in the winter months, and parks workers are usually employed only during the spring and summer.

Commissioner Kuriansky and District Attorney Morgenthau noted that seasonal City employees are generally entitled to collect unemployment benefits during the off-season if they are not otherwise employed. To collect such benefits, the employees must first file for unemployment with the New York State Department of Labor (DOL), which has established a push-button telephone system to generate unemployment checks. Thereafter, the employees must regularly access DOL's computerized telephone system and verify electronically that they have not worked, and, therefore, are entitled to receive unemployment benefits for particular days or weeks. The DOL telephone system specifically asks claimants if they worked on the days for which they are requesting unemployment benefits, and gives ample opportunity for the caller to correct any errors. Although unemployment payments are made directly by DOL to the employees, the New York City Department of Citywide Administrative Services (DCAS) reimburses the State for all unemployment benefits paid to City workers.

Commissioner Kuriansky said, "The defendants -- who allegedly stole \$1,000 - \$9,000 each and have worked for the City for periods ranging from 2 to 21 years -- literally dialed in their fraud from their City jobs or from the comfort of their own homes. Fortunately, we have made great strides recently in cross-matching various government computer systems with the City payroll, making it easier to detect these schemes. Moreover, DCAS has now initiated a new unemployment insurance case-tracking system that will more effectively monitor benefits eligibility."

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District Attorney Morgenthau said, "Unemployment insurance fraud is a serious matter that costs New York taxpayers millions of dollars each year. The system is designed to assist hard-working residents who find themselves temporarily out of work. This case should serve as a warning to those individuals who cheat the system that they will be caught and be prosecuted."

This week's arrests constitute the second wave of charges in this ongoing investigation. Twenty-eight (28) City employees, from DOH, DOT, and Parks, were arrested in June of this year. Several of those defendants have already pled guilty and been ordered to make restitution of the monies they fraudulently received. The remainder of the cases are still pending.

Among those arrested this week were:

- - **GLORIA KIRKLAND**, who has been employed by NYPD as a school crossing guard for the past 7 years, and usually worked according to the school calendar, so that she was off during the summers and other school vacations. For 373 days between August 30, 1994, and January 24, 1999, **KIRKLAND** illegally collected \$8,963 in unemployment benefits by claiming she was not working when, in fact, she was employed by NYPD and collecting her City salary.

- - **GEORGE SALCEDO**, who has been employed by Parks as a seasonal worker for the past 15 years, earning \$11.00 per hour. **SALCEDO** generally did not work during the winter months and was entitled to collect unemployment benefits during his off-season. However, for 137 days between April 30, 1997, and December 13, 1998, **SALCEDO** unlawfully collected \$5,366 in unemployment benefits by representing to DOL that he was not working when, in fact, he was working for Parks and receiving his City salary.

- - **AMY REESE**, who has been employed by DOH as a school public health assistant for the past five years, earning \$12.00 per hour in City salary. For 129 days between August 26, 1996, and January 31, 1999, she illegally collected \$4,479 in unemployment insurance benefits by claiming she was not working when, in fact, she was employed by DOH and collecting her City salary.

The defendants have been variously charged with Grand Larceny in the Third Degree, a Class D felony punishable by up to 7 years in prison, or Grand Larceny in the Fourth Degree, a Class E felony punishable by up to 4 years in prison.

Commissioner Kuriansky and District Attorney Morgenthau expressed their appreciation to the City Department of Citywide Administrative Services, the State Department of Labor and its Inspector General's Office, and the NYPD's Internal Affairs Bureau for their cooperation and assistance during the course of the investigation.

The investigation was conducted by DOI Acting Inspector General for DCAS Robert Joyce and members of his staff including Assistant Inspector General Mary Kozlow, Senior Investigator Cassandra Cameron-White, Confidential Investigators Christine Carl, Jonathan Weinstein, and Frank Tumminia, and Investigative Auditor Sharon Sullivan.

The prosecution of the cases is being handled by Assistant District Attorney Leroy Frazer, Chief of the District Attorney's Special Prosecutions Bureau, and members of his staff.

### DEFENDANT ADDENDUM

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1. **SONIA BELL**, 42, of Brooklyn, has been employed by DOH as a Public Health Advisor for the last three years, earning \$14.00 per hour in City salary. **BELL** was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 77 days of unemployment insurance benefits (\$2,993) between August 24, 1995, and September 13, 1998.
2. **CHANTEL BRICE-PORCENA**, 32, of Long Island, has been employed by DOH as a Public Health Advisor for the last five years, earning \$14.00 per hour in City salary. **BRICE-PORCENA** was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 34 days of unemployment insurance benefits (\$1,431) between August 24, 1995, and September 6, 1998.
3. **ANGELA BYRON-HARRIS**, 32, of the Bronx, has been employed by DOH as a Public Health Assistant for the last six years, earning \$7.36 per hour in City salary. **BYRON-HARRIS** was charged with Grand Larceny in the Third Degree for fraudulently collecting 89 days of unemployment insurance benefits (\$3,012) between September 6, 1994, and September 7, 1997.
4. **CAROLYN CAPERS-KEALON**, 40, of Brooklyn, has been employed by NYPD as a school crossing guard for the last six years, earning \$9.75 per hour in City salary. **CAPERS-KEALON** was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 53 days of unemployment insurance benefits (\$1,110) between September 5, 1996, and February 14, 1999.
5. **MICHAEL CARUCCI**, 29, of Brooklyn, had been employed by DOT as an assistant highway repairer for two years, earning \$14.58 per hour in City salary. **CARUCCI** was charged with Grand Larceny in the Third Degree for fraudulently collecting 69 days of unemployment insurance benefits (\$3,906) between March 28, 1994, and July 3, 1994.
6. **JUANITA CASTON**, 36, Brooklyn, has been employed by NYPD as a school crossing guard for the last thirteen years, earning \$9.31 per hour in City salary. **CASTON** was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 48 days of unemployment insurance benefits (\$1,246) between September 5, 1996, and December 27, 1998.
7. **ROSETTA DUNNING**, 55, of Brooklyn, has been employed by NYPD as a school crossing guard for the last nineteen years, earning \$10.16 per hour in City salary. **DUNNING** was charged with Grand Larceny in the Third Degree for fraudulently collecting 194 days of unemployment insurance benefits (\$4,246) between September 12, 1994, and January 17, 1999.
8. **JOSEPH GANSAS**, 30, of Staten Island, has been employed by DOT as an assistant highway repairer for the last six years, earning \$32,254 annually in City salary. **GANSAS** was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 44 days of

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unemployment insurance benefits (\$2,325) between January 13, 1996, and April 6, 1998.

9. **SYLVIA GRAY**, 45, of Brooklyn, has been employed by NYPD as a school crossing guard for the last nine years, earning \$9.00 per hour in City salary. GRAY was charged with Grand Larceny in the Third Degree for fraudulently collecting 178 days of unemployment insurance benefits (\$3,606) between September 11, 1995, and April 18, 1999.
10. **SUZANNE GRIMALDI**, 54, of Manhattan, has been employed by NYPD as a school crossing guard for the last nineteen years, earning \$10.20 per hour in City salary. GRIMALDI was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 62 days of unemployment insurance benefits (\$1,366) between September 4, 1996, and September 20, 1998.
11. **LENA JONES**, 50, of the Bronx, has been employed by NYPD as a school crossing guard for the last nineteen years, earning \$9.00 per hour in City salary. JONES was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 121 days of unemployment insurance benefits (\$2,793) between September 7, 1995, and October 11, 1998.
12. **EDWINA KING**, 40, of the Bronx, has been employed by NYPD as a school crossing guard for the last fourteen years, earning \$9.58 per hour in City salary. KING was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 44 days of unemployment insurance benefits (\$1,049) between Dec. 16, 1996, and September 27, 1998.
13. **GLORIA KIRKLAND**, 47, Brooklyn, has been employed by NYPD as a school crossing guard for the last seven years, earning \$9.00 per hour in City salary. KIRKLAND was charged with Grand Larceny in the Third Degree for fraudulently collecting 373 days of unemployment insurance benefits (\$8,963) between August 30, 1994, and January 24, 1999.
14. **JANIE MARSH**, 50, of Brooklyn, has been employed by NYPD as a school crossing guard for the last ten years, earning \$9.00 per hour in City salary. MARSH was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 106 days of unemployment insurance benefits (\$2,599) between September 8, 1994, and May 30, 1999.
15. **PAULINE MARTIN**, 59, of Brooklyn, has been employed by NYPD as a school crossing guard for the last twenty-one years, earning \$10.37 per hour in City salary. MARTIN was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 44 days of unemployment insurance benefits (\$1,044) between September 6, 1995, and September 27, 1998.
16. **QUEEN McFARLAND**, 50, of the Bronx, has been employed by NYPD as a school crossing guard for the last twenty years, earning \$10.21 per hour in City salary.

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McFARLAND was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 74 days of unemployment insurance benefits (\$1,608) between September 7, 1995, and Oct. 4, 1998.

17. **JOSEPH PALACINO**, 32, of Staten Island, has been employed by DOT as an assistant highway repairer for the last four years, earning \$15.00 per hour in City salary. **PALACINO** was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 43 days of unemployment insurance benefits (\$2,394) between January 13, 1996, and March 29, 1998.
18. **OBDULIA PALERMO**, 29, of Brooklyn, has been employed by NYPD as a school crossing guard for the last five years, earning \$9.00 per hour in City salary. **PALERMO** was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 74 days of unemployment insurance benefits (\$1,294) between September 5, 1996, and September 20, 1998.
19. **VALENCIA PATTERSON**, 34, of Brooklyn, has been employed by NYPD as a school crossing guard for the last five years, earning \$8.00 per hour in City salary. **PATTERSON** was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 39 days of unemployment insurance benefits (\$1,190) between September 5, 1996, and September 21, 1997.
20. **AMY REESE**, 26, of Brooklyn, has been employed by DOH as a school public health assistant for the last five years, earning \$12.00 per hour in City salary. **REESE** was charged with Grand Larceny in the Third Degree for fraudulently collecting 129 days of unemployment insurance benefits (\$4,479) between August 26, 1996, and January 31, 1999.
21. **JUANITA RODRIGUEZ**, 43, of Brooklyn, has been employed by NYPD as a school crossing guard for the last seven years, earning \$9.00 per hour in City salary. **RODRIGUEZ** was charged with Grand Larceny in the Third Degree for fraudulently collecting 151 days of unemployment insurance benefits (\$3,021) between September 12, 1994, and April 26, 1998.
22. **GEORGE SALCEDO**, 29, of Brooklyn, has been employed by Parks as a seasonal park worker for the last fifteen years, earning \$11.00 per hour in City salary. **SALCEDO** was charged with Grand Larceny in the Third Degree for fraudulently collecting 137 days of unemployment insurance benefits (\$5,366) between April 30, 1997, and December 13, 1998.
23. **DAVID SANTANA**, 30, of Manhattan, had been employed by NYPD as a school crossing guard for seven years, earning \$9.00 per hour in City salary. **SANTANA** was charged with Grand Larceny in the Third Degree for fraudulently collecting 316 days of unemployment insurance benefits (\$6,519) between September 19, 1994, and November 1

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unemployment insurance benefits (\$0,919) between September 12, 1994, and November 1, 1998.

24. **BETH SAUNDERS**, 35, of Brooklyn, has been employed by NYPD as a school crossing guard for the last eight years, earning \$9.00 per hour in City salary. SAUNDERS was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 44 days of unemployment insurance benefits (\$1,056) between September 12, 1994, and September 20, 1998.
25. **BRIGETTE SHELLLOW**, 40, of Brooklyn, has been employed by NYPD as a school crossing guard for the last nine years, earning \$9.00 per hour in City salary. SHELLLOW was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 53 days of unemployment insurance benefits (\$1,307) between September 12, 1994, and June 30, 1996.
26. **JESSIE SMITH**, 33, of Brooklyn, has been employed by NYPD as a school crossing guard for the last six years, earning \$9.00 per hour in City salary. SMITH was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 177 days of unemployment insurance benefits (\$2,152) between September 7, 1995, and May 9, 1999.
27. **MARTHA STRONG**, 55, of Brooklyn, has been employed by NYPD as a school crossing guard for the last twenty years, earning \$9.00 per hour in City salary. STRONG was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 90 days of unemployment insurance benefits (\$2,993) between September 12, 1994, and September 27, 1998.
28. **TAMMY SWAN**, 31, of Manhattan, has been employed by Parks as a parks associate for the last five years, earning \$11.00 per hour in City salary. SWAN was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 62 days of unemployment insurance benefits (\$1,816) between June 1, 1996, and June 28, 1998.
29. **CYNTHIA WALLACE**, 45, of Brooklyn, has been employed by NYPD as a school crossing guard for the last eleven years, earning \$9.75 per hour in City salary. WALLACE was charged with Grand Larceny in the Fourth Degree for fraudulently collecting 105 days of unemployment insurance benefits (\$2,165) between September 12, 1994, and September 27, 1998.