



The City of New York
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Release #01-2017
nyc.gov/html/doi

FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 3, 2017

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**DOI STATEMENT ON THE GUILTY PLEA BY A FORMER HUMAN RESOURCES ADMINISTRATION EMPLOYEE
ON PUBLIC ASSISTANCE FRAUD AND OTHER CHARGES**

Mark G. Peters, Commissioner of the New York City Department of Investigation (“DOI”) issued the following statement on a former City Human Resources Administration (“HRA”) employee who pleaded guilty today to Conspiracy to Commit Wire Fraud in U.S. District Court in connection with the theft of more than \$600,000 in cash assistance benefits, and to other unrelated charges involving a narcotics trafficking scheme. DOI’s role focused on the public assistance fraud scheme, in which the defendant, PETRONILA PERALTA, issued fraudulent benefits to individuals who were not entitled to receive them. The case was included in DOI’s 2015 Report, detailing various schemes to defraud HRA and exploit vulnerabilities in the agency’s computerized case management system. A copy of the report and release can be found here: <http://www1.nyc.gov/assets/doi/downloads/pdf/2015/Dec15/pr38HRAFraud12-01-2015.pdf>. PERALTA is scheduled to be sentenced on April 4, 2017. She was remanded into Federal custody pending her sentencing date. The U.S. Attorney’s Office for the Southern District of New York is prosecuting this case.

DOI Commissioner Mark G. Peters said, “When a City employee entrusted with providing services to some of our neediest New Yorkers violates that duty, they must be held accountable. This defendant exploited public assistance funds to greedily line her pockets and those of her associates. DOI will continue to pursue these individuals who attempt to defraud basic public benefits and work with our partners to ensure they are prosecuted.”

PERALTA, 52, of The Bronx, N.Y. was arrested in December 2015 and had been employed by HRA since April 2005 as a Job Opportunity Specialist working at the HRA Job Center 37 in Queens. She was terminated in August, 2014, in connection with DOI’s investigation. At the time of her termination, Peralta was receiving an annual salary of \$42,346.

DOI’s investigation showed between 2008 and 2011, PERALTA was linked to over 800 fraudulent benefit issuances to approximately 140 individuals who were not entitled to receive them. DOI also found that recruiters working with PERALTA identified clients who received public assistance and offered them money in exchange for their account information, which was then used to issue the fraudulent benefits. Most issuances were processed manually using paper forms, which was susceptible to fraud, an issue that was addressed in DOI’s Report. PERALTA’s scheme resulted in the theft of more than \$600,000 of public funds.

Two other City employees have received prison sentences as a result of DOI’s investigation into public assistance fraud. Last year, the subject of another DOI investigation, former HRA supervisor CHERRISE WATSON-JACKSON, was sentenced to 23 months in federal prison for her role in multiple public assistance fraud schemes totaling approximately \$1.8 million, including a scheme in which DOI investigators found \$120,000 of public assistance funds were used to purchase large quantities of the energy drink “Red Bull,” to be “fenced” at local bodegas for cash. WATSON-JACKSON was also ordered to pay \$1,809,811 in restitution and another \$1,809,811 in forfeiture. A copy of the release on WATSON-JACKSON’s sentencing can be found here:

http://www1.nyc.gov/assets/doi/downloads/pdf/2016/Oct16/pr32WatsonJackson_HRA_100716.pdf

Former HRA Eligibility Specialist HARRY FLETCHER, pleaded guilty in April 2016 to Solicitation and Receipt of Bribes and was sentenced to three years in federal prison for his role in fraudulently issuing SNAP benefits totaling more than \$250,000 in exchange for cash. A copy of the release on FLETCHER's sentencing can be found here: <http://www1.nyc.gov/assets/doi/downloads/pdf/2016/Jul16/26Fletcher%20Sentencing%2007.27.pdf>

So far, in total, DOI's investigations into public assistance fraud have led to 20 convictions.

HRA has also adopted numerous recommendations for reform recommended by DOI as part of this investigation.

DOI Commissioner Peters thanked Preet Bharara, United States Attorney for the Southern District of New York, and his staff, for their dedication, assistance and cooperation in the PERALTA investigation.

The PERALTA investigation was conducted by DOI's Office of the Inspector General for HRA, specifically Assistant Inspector General Octavia Hill, Special Investigator Katerina Kurteva and Deputy Inspector General Margaret Shivers; Director of Investigative Auditing Laila Yu, Senior Data Analyst Calvin Lam, and Investigative Auditor Lap Chan; under the supervision of Inspector General Milton Yu, Special Associate Commissioner Susan Lambiase, Deputy Commissioner/Chief of Investigations Michael Carroll, and First Deputy Commissioner Lesley Brovner.

Assistant United States Attorneys Shawn G. Crowley and Daniel C. Richenthal of the office of the U.S. Attorney for the Southern District's Public Corruption Unit prosecuted the case.

DOI is one of the oldest law-enforcement agencies in the country and New York City's corruption watchdog. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City. DOI's strategy attacks corruption comprehensively through systemic investigations that lead to high-impact arrests, preventive internal controls and operational reforms that improve the way the City runs.

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