



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York

U.S. ATTORNEY DAMIAN WILLIAMS

FOR IMMEDIATE RELEASE
Wednesday, August 9, 2023
<http://www.justice.gov/usao/nys>

CONTACT: U.S. ATTORNEY'S OFFICE
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**FLORIDA WOMAN CHARGED WITH DEFRAUDING SNAP
RECIPIENTS**

Damian Williams, the United States Attorney for the Southern District of New York, and Jocelyn E. Strauber, the Commissioner of the New York City Department of Investigation ("DOI"), announced the unsealing of an Indictment today charging GUYATREE SINGH with engaging in a years-long scheme to defraud at least approximately 120 low-income residents of New York City out of tens of thousands of dollars of their Supplemental Nutrition Assistance Program ("SNAP") benefits. SINGH was arrested yesterday and will be presented today in the Southern District of Florida. The case has been assigned to U.S. District Court Judge Jed S. Rakoff.

U.S. Attorney Damian Williams said: "Over the course of years, Guyatree Singh is alleged to have cheated at least approximately 120 low-income, primarily elderly residents of New York City. Singh allegedly preyed on some of the most vulnerable people in our community, leaving the victims with no money to buy food. Today's arrest demonstrates this Office's commitment to ensuring that our justice system protects everyone from fraud."

DOI Commissioner Jocelyn E. Strauber said: "The SNAP program provides food support to low-income New Yorkers. This defendant posed as a New York State employee to deceive more than a hundred SNAP recipients and gain access to their accounts, defrauding the recipients of about \$50,000 in benefits, as charged in the Indictment. I thank HRA for referring the matter to DOI, and the Office of the United States Attorney for the Southern District of New York for their partnership in thwarting such predatory schemes."

According to the allegations contained in the Indictment:¹

From at least in or about April 2019 through at least May 2023, SINGH engaged in a scheme to defraud at least approximately 120 SNAP recipients living in the Southern District of

¹ As the introductory phrase signifies, the entirety of the text of the Indictment and the description of the Indictment set forth herein constitute only allegations, and every fact described should be treated as an allegation.

New York — a majority of whom appear to be elderly — of their SNAP benefits. In total, SINGH defrauded the victims out of at least approximately \$49,754.52 in benefits.

SNAP provides low-income individuals with electronic benefits that can be used like cash to purchase food. People eligible for SNAP benefits are given an electronic benefits transfer (“EBT”) card, which looks like a debit card and gives a person access to his or her SNAP benefits, allowing the SNAP recipient to buy groceries and other items at participating stores.

SINGH called SNAP recipients and pretended to be a New York State employee working for SNAP. SINGH then asked the victims for their personally identifiable information, including their dates of birth and social security numbers. Unbeknownst to the victims, SINGH then used this information to reset the personal identification numbers (“PIN”) on their EBT cards. Once the PINs were reset, SINGH used the victims’ EBT account numbers and new PINs to make purchases for herself at grocery stores in Florida using the victims’ SNAP funds.

* * *

SINGH, 51, of West Palm Beach, Florida, is charged with one count of wire fraud, which carries a maximum sentence of 20 years in prison, and one count of aggravated identity theft, which carries a mandatory consecutive sentence of two years in prison.

The maximum potential sentence in this case is prescribed by Congress and is provided here for informational purposes only, as any sentencing of the defendant will be determined by a judge.

Mr. Williams praised the outstanding investigative work of the DOI and the Special Agents of the U.S. Attorney’s Office.

This case is being handled by the Office’s General Crimes Unit. Assistant U.S. Attorney Adam Sowlati is in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.



U.S. Department of Justice

Breon Peace

United States Attorney

Eastern District of New York

*271 Cadman Plaza East
Brooklyn, New York 11201*

FOR IMMEDIATE RELEASE

October 11, 2023

Contact:

John Marzulli

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United States Attorney's Office

(718) 254-6323

PRESS RELEASE

**FORMER SENIOR FISCAL OFFICER FOR NON-PROFIT ORGANIZATION
CHARGED WITH MULTI-MILLION DOLLAR EMBEZZLEMENT SCHEME**

***Defendant Allegedly Stole Nearly \$2.3 Million From Charity for Personal Expenses Including
Home Remodeling, Spa Treatments, and Mortgage Payments***

A criminal complaint was unsealed today in federal court in Brooklyn charging Marcia Joseph with wire fraud in connection with her embezzlement of approximately \$2.3 million from her employer, a non-profit organization (Company-1) that provides employment and education services for those in need. Joseph was arrested earlier today and made her initial her initial appearance this afternoon before United States Magistrate Judge Peggy Kuo. The defendant was released on a \$50,000 bond.

Breon Peace, United States Attorney for the Eastern District of New York, James Smith, Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI), and Jocelyn E. Strauber, Commissioner, New York City Department of Investigation (DOI), announced the arrest and charges.

“As alleged, Joseph lined her pockets with millions of dollars that she stole from a charity,” stated United States Attorney Peace. “Money that should have gone to support those with employment and educational needs instead was used to pay for the defendant’s personal expenses, including mortgage payments, spa treatments, home remodeling, and landscaping. Today’s charges send a message to those entrusted with positions of trust that if you abuse that trust for personal gain, you will be arrested and prosecuted.”

“Depleting resources procured for those with special needs is among the most egregious of financial crimes. As we allege today, Joseph did just that by embezzling millions of dollars from the company for which she worked, diverting money away from programs for those in need and right into her pockets. We remind the public that those who engage in similar schemes will be met with a similar fate,” stated FBI Assistant Director-in-Charge Smith.

“This former senior fiscal officer at a Brooklyn-based nonprofit embezzled more than \$2.3 million by submitting to the nonprofit fictitious invoices for services, some of which purportedly related to City contracts, for payment to an entity that the defendant created and controlled, according to the criminal complaint,” stated DOI Commissioner Strauber. “As charged, the defendant used her position of trust and responsibility to line her pockets at the expense of a nonprofit that receives City funding and provides critical services to vulnerable New Yorkers. I thank the FBI and the U.S. Attorney's Office for the Eastern District of New York for their partnership in this investigation and their commitment to protect important public resources from fraud and abuse.”

According to the complaint, Joseph was the senior fiscal officer of Company-1, a 501(c)(3) non-profit organization located in Brooklyn, New York that provides comprehensive services to support employment opportunities for persons with emotional, developmental, and/or physical disabilities, and those who are economically disadvantaged. Joseph set up a company called Prestige Business Services (“Prestige”), which purported to provide specialized services to other companies on behalf of Company-1. In truth, Prestige performed no work, and instead was used by Joseph for the exclusive purpose of embezzling more than \$2.3 million from Company-1 over a 16-year period. Joseph used the money paid by Company-1 to Prestige to pay for numerous personal expenses, including approximately \$235,000 in mortgage payments; 207,000 in credit card payments; \$98,000 in car payments; \$45,000 in Amazon expenses; and various other personal items, such as home remodeling, spa treatment, landscaping expenses, and luxury goods. Joseph also withdrew nearly \$100,000 in cash, disbursed approximately \$16,000 to friends and family, and issued approximately \$50,000 in Prestige checks to herself.

The charges in the complaint are allegations, and the defendant is presumed innocent unless and until proven guilty. If convicted, the defendant faces up to 20 years’ imprisonment.

The government’s case is being handled by the Office’s Public Integrity Section. Assistant United States Attorney Eric Silverberg is in charge of the prosecution with assistance from Paralegal Specialists Elizabeth Reed and Melissa Bennett.

The Defendant:

MARCIA JOSEPH (also known as “Marcia James,” “Marcia Lewis,” and “Marcia Peters”)
Age: 57
Baldwin, New York

E.D.N.Y. Docket No. 23-MJ-883



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Southern District of New York

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**CEO AND BUSINESS PARTNER CHARGED WITH MASSIVE SCHEME
TO DEFRAUD NEW YORK CITY'S HOMELESS SERVICES PROGRAMS**

*Defendants Perpetrated the Scheme Through Childrens Community Services, a Non-Profit
Organization that Had Over \$900 Million in Contracts with the City*

Damian Williams, the United States Attorney for the Southern District of New York, and Jocelyn E. Strauber, the Commissioner of the New York City Department of Investigation ("DOI"), announced today the indictment of PETER WEISER and THOMAS BRANSKY for conspiring to defraud the City of New York (the "City") of millions of dollars through a multifaceted scheme to corruptly profit from the provision of temporary housing and homeless services in New York City. BRANSKY was the Chief Executive Officer of Childrens Community Services, Inc. ("CCS"), a purported not-for-profit homeless services provider formed and initially funded in part by WEISER. BRANSKY, in turn, fraudulently steered lucrative service contracts ultimately paid for by the City to a group of entities owned and controlled by WEISER. WEISER and BRANSKY intentionally concealed WEISER's involvement in the formation and operation of CCS and his ownership and control of certain entities that contracted with CCS, including by submitting false statements and documents to the City. WEISER and BRANSKY were arrested earlier today and will be presented before U.S. Magistrate Judge Valerie Figueredo in Manhattan federal court later today. The case is assigned to U.S. District Judge J. Paul Oetken.

U.S. Attorney Damian Williams said: "As alleged, the defendants engaged in a yearslong scheme to pocket millions in taxpayer dollars through the systematic exploitation of City programs intended to meet the basic needs of some of the most vulnerable New Yorkers – homeless men, women, and children. Worse still, the defendants allegedly perpetrated this massive scheme under the guise of a not-for-profit organization named 'Childrens Community Services.' Thanks to the persistent efforts of the New York City Department of Investigation and the Special Agents and career prosecutors of my Office, these two men will face justice for their brazen graft."

DOI Commissioner Jocelyn E. Strauber said: "These two defendants, as charged, used New York City's need for providers of homeless services as an opportunity for fraud and

personal profit. Through a nonprofit entity, Childrens Community Services, and related companies, the defendants caused the City to pay over \$50 million that the City would not otherwise have paid to these entities, including in inflated prices and unreasonable mark-ups for goods and services, as alleged in the Indictment. As charged, the defendants concealed their scheme by straw ownership of companies, false statements, and fictitious bids. I am grateful for the meticulous, exhaustive work of DOI's investigators and of the U.S. Attorney's Office for the Southern District of New York, our partners in the fight to protect critical public resources from wrongdoers, and for the cooperation of the City Department of Social Services.”

According to allegations in the Indictment filed in Manhattan federal court:¹

From at least in or about 2014 through at least in or about January 2020, THOMAS BRANSKY, who was the Chief Executive Officer of CCS, and his business partner, PETER WEISER, conspired to defraud the City agencies responsible for the administration of homeless services. Between in or about November 2014 and in or about February 2020, CCS was awarded 12 contracts with the City worth approximately \$913 million. BRANSKY fraudulently steered lucrative service contracts with CCS — contracts ultimately paid for by the City — to a group of affiliated entities owned and controlled by WEISER (the “Weiser Entities”). To carry out their scheme, WEISER, BRANSKY, and other individuals who worked with them intentionally concealed WEISER’s involvement in the formation and operation of CCS and his ownership and control of certain of the Weiser Entities from the City, including by submitting false statements and documents to the City.

WEISER and his associates created the Weiser Entities to profit unlawfully from the City’s provision of homeless services by capturing downstream revenues arising from CCS’s massive contracts with the City. For the most part, the Weiser Entities were created for the sole purpose of providing goods and services to CCS. WEISER and BRANSKY attempted to disguise the Weiser Entities as legitimate providers of, among other things, IT services and hardware, security services, office and living furniture, and food services. In reality, and with few exceptions, the Weiser Entities were fly-by-night companies with no or few employees. In most cases, the Weiser Entities obtained goods and services from legitimate third-party vendors and then re-sold those goods and services to CCS at marked-up and, in some cases, grossly inflated prices. For example:

- *Delta IT Solutions LLC (“Delta”)*: In or about December 2016, WEISER and his associates created the Weiser Entity Delta to sell IT services and hardware to CCS at inflated prices and in violation of the City’s conflict-of-interest policies. Internal Delta records reflect significant markups for goods that Delta purchased from vendors (such as Amazon and Staples) and resold to CCS. For example, an internal Delta pricing list from 2019 shows markups of up to 330% for items such as routers, printer cables, and surge protectors. Likewise, Delta charged a 331% markup for telecom services that Delta obtained from a third-party provider. These exorbitant markups were not disclosed to the City.

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- *AMX Distributors, LLC (“AMX”)*: WEISER and one of his associates created the Weiser Entity AMX to source and supply various consumer goods, including furniture, to CCS at inflated prices and in violation of the City’s conflict-of-interest policies. Through AMX, WEISER sold furniture and supplies to CCS, including, among other things, beds, mattresses, sheets, towels, pillows, sofas, cribs, microwaves, refrigerators, chairs, tables, and toiletries. WEISER sold these goods to CCS at unjustified markups of up to 309%.
- *511 Realty Management, LLC (“511 Realty”)*: CCS contracted with a Weiser Entity called 511 Realty to lease certain residential and commercial properties. However, 511 Realty provided no legitimate services. Instead, 511 Realty made monthly rent payments to third-party landlords on CCS’s behalf. For this, 511 Realty charged hefty markups to CCS and, as a result, the City. For example, CCS would make monthly payments to 511 Realty of approximately \$24,000 for CCS’s office space in the Rockaway Offices. 511 Realty, in turn, would pay the landlord \$17,500 monthly, representing a 37% markup, for essentially doing nothing more than writing a check; the markup increased to 46% by in or around 2019.
- *Pronto Cleaning Services, LLC (“Pronto”)*: A Weiser Entity called Pronto Cleaning contracted with a legitimate janitorial services company to provide cleaning services at CCS offices and facilities. Pronto, which had no employees, resold those cleaning services to CCS at an approximately 56% markup, which was paid for by the City.

WEISER and BRANSKY, along with their coconspirators, attempted to conceal the scheme from the various City agencies and components responsible for the administration of homeless services. The defendants and their coconspirators solicited straw owners to appear on paper as the owners of the Weiser Entities when, in reality, WEISER owned, financed, and controlled each Weiser Entity. Moreover, WEISER, BRANSKY, and their coconspirators made and caused to be made false statements to City officials and personnel about, among other things, the ownership of the Weiser Entities, the interconnectedness of the Weiser Entities, the selection process through which CCS awarded contracts to the Weiser Entities, and the ability and experience of the Weiser Entities in providing quality goods and services.

Likewise, to evade and bypass the City’s fraud-detection and cost-saving policies and procedures, WEISER and BRANSKY, along with their coconspirators, caused CCS to award contracts to the Weiser Entities without using a competitive bidding process, conducting proper due diligence, completing necessary documentation, or obtaining requisite approvals. When questioned by the City, BRANSKY at times made and caused to be made false statements, including that the required documentation had been misplaced when, in fact, it had never been completed. At other times, WEISER created and/or solicited fictitious competing bids and caused those fictitious bids to be submitted to the City to secure contracts between CCS and the Weiser Entities and to conceal the inflated pricing.

WEISER, BRANSKY, and their coconspirators caused CCS — and, as a consequence, the City — to pay the Weiser Entities more than \$50 million for goods and services. The City would

not have authorized or made these payments had proper and truthful disclosures about the Weiser Entities been made. The fraudulent scheme harmed the City in numerous ways, including: (i) the City paid inflated prices resulting from the unnecessary insertion of middlemen (the Weiser Entities) between legitimate providers of goods and services and CCS; (ii) the City paid objectively unreasonable markups for certain goods and services; and (iii) CCS's subversion of the mandatory bidding process and concealment of its conflicts of interest exposed the City to the risk — often realized — that the City would not obtain the best value for its money.

Through the scheme, WEISER collected more than \$7 million in illicit profits, and BRANSKY earned more than \$1.2 million in salary as the CEO of CCS.

* * *

WEISER, 80, of Lawrence, New York, and BRANSKY, 47, of Woodmere, New York, are each charged with one count of conspiracy to commit wire fraud and one count of wire fraud, which each carry a maximum sentence of 20 years in prison, and one count of embezzlement of government funds, which carries a maximum sentence of 10 years in prison. In addition, WEISER is charged with one count of money laundering, which carries a maximum sentence of 20 years in prison.

The maximum potential sentences are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants will be determined by the judge.

Mr. Williams praised the outstanding investigative work of DOI and the Special Agents of the U.S. Attorney's Office.

The prosecution of this case is being handled by the Office's Complex Frauds and Cybercrime Unit. Assistant U.S. Attorneys Nicholas Chiuchiolo, Jilan Kamal, and Sagar K. Ravi are in charge of the prosecution.

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

23-357

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UNITED STATES ATTORNEY'S OFFICE
Southern District of New York

U.S. ATTORNEY DAMIAN WILLIAMS

FOR IMMEDIATE RELEASE
Thursday, November 9, 2023
<http://www.justice.gov/usao/nys>

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BRONX MAN CHARGED WITH STEALING HUNDREDS OF THOUSANDS OF DOLLARS' WORTH OF CONSTRUCTION UTILITY VEHICLES FROM NYCHA HOUSING DEVELOPMENTS

Damian Williams, the United States Attorney for the Southern District of New York, and Jocelyn E. Strauber, the Commissioner of the New York City Department of Investigation ("DOI"), announced today the unsealing of a Complaint charging MAXIMO NUNEZ with theft of government property and conspiracy to commit theft of government property in connection with a years-long scheme in which he and others stole valuable construction utility vehicles ("Utility Vehicles") from New York City Housing Authority ("NYCHA") developments. NUNEZ was arrested this morning and will be presented before U.S. Magistrate Judge Sarah Netburn later today.

U.S. Attorney Damian Williams said: "As alleged, the defendant and others carried out a brazen scheme for years, stealing hundreds of thousands of dollars in valuable construction equipment that NYCHA needed to maintain the many public housing developments that thousands of New Yorkers call home. Thanks to the persistent efforts of the New York City Department of Investigation and the Special Agents and career prosecutors of my Office, this man now stands charged with this bold scheme."

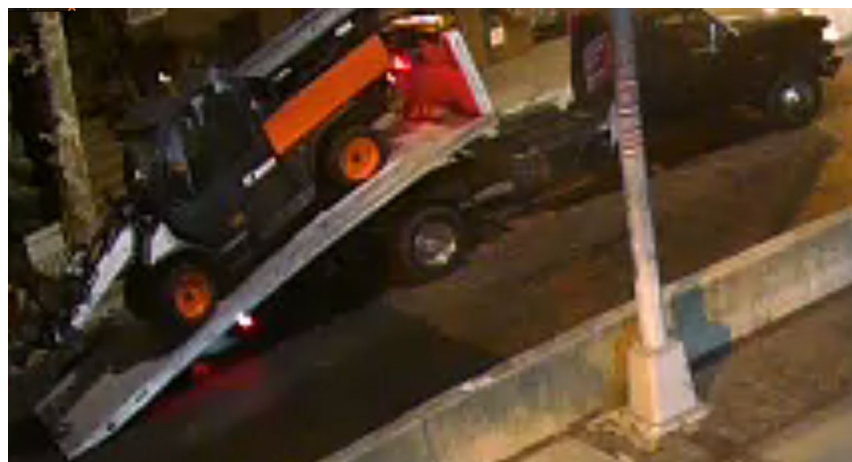
DOI Commissioner Jocelyn E. Strauber said: "As charged, Nunez and other co-conspirators stole at least 16 utility vehicles worth over several hundred thousand dollars from NYCHA. These vehicles are used to maintain NYCHA facilities for residents. NYCHA referred this matter to DOI and cooperated in this investigation, which involved the placement of GPS tracking devices on certain NYCHA utility vehicles and allowed law enforcement to recover one of the allegedly stolen vehicles. I thank the U.S. Attorney's Office for the Southern District of New York for their partnership in this investigation and their commitment to hold accountable those who steal valuable government property."

According to the allegations contained in the Complaint:¹

¹ As the introductory phrase signifies, the entirety of the text of the Complaint and the description of the Complaint set forth herein constitute only allegations, and every fact described herein should be treated as an allegation.

From in or about January 2021 through in or about September 2022, on at least 13 different occasions, NUNEZ and three other co-conspirators (“CC-1,” “CC-2,” and “CC-3”) stole at least 16 Utility Vehicles from over a dozen NYCHA developments throughout New York City. Utility Vehicles are pieces of heavy equipment that NYCHA uses to complete regular construction and maintenance tasks.

NUNEZ and others stole the Utility Vehicles in the middle of the night when NYCHA employees were not present. They often used large trucks to carry out their scheme so that they could steal more than one Utility Vehicle at a time. Photographs taken from surveillance video of two of the thefts are below:



Utility Vehicles often retail for anywhere from \$25,000 to \$65,000 each. NUNEZ and others made hundreds of thousands of dollars by selling the Utility Vehicles to individuals who did not know that they were stolen.

* * *

NUNEZ, 28, of the Bronx, New York, is charged with one count of conspiracy to commit theft of government property, which carries a maximum potential sentence of five years in prison, and one count of theft of government property, which carries a maximum potential sentence of 10 years in prison.

The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendant will be determined by the judge.

Mr. Williams praised the outstanding investigative work of DOI and the Special Agents and Investigative Analysts of the U.S. Attorney's Office.

This case is being handled by the Office's General Crimes Unit. Assistant U.S. Attorney Jackie Delligatti is in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

23-385

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U.S. Department of Justice

United States Attorney
Eastern District of New York

271 Cadman Plaza East
Brooklyn, New York 11201

FOR IMMEDIATE RELEASE

November 30, 2023

Contact:

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Danielle Blustein Hass
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PRESS RELEASE

**PRINCIPALS OF FIRE ALARM REPAIR COMPANY CHARGED WITH
DECADE-LONG SCHEME TO OVERBILL CITY AGENCIES**

***Defendants Significantly Overbilled City Agencies Through Numerous Fabricated Invoices
With Fraudulently Inflated Prices***

An indictment was unsealed today in federal court in Brooklyn charging two defendants, Walter Stanzione and William Neogra, with wire fraud conspiracy for systematically defrauding the City of New York. The defendants are charged with overbilling New York City agencies for more than a decade in connection with contracts to repair and maintain fire alarm systems. Stanzione is scheduled to be arraigned this afternoon before United States Magistrate Judge Cheryl L. Pollak, while Neogra is scheduled to be arraigned before United States Magistrate Judge Laura D. Hatcher in the District Court of Delaware.

Breon Peace, United States Attorney for the Eastern District of New York, Jocelyn E. Strauber, Commissioner, New York City Department of Investigation (DOI), James Smith, Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI) and Thomas Fattorusso, Special Agent-in-Charge, Internal Revenue Service Criminal Investigation, New York (IRS-CI) announced the charges.

“As alleged in the indictment, the defendants were hired to make sure that the fire alarm systems in hundreds of New York City buildings functioned safely and effectively,” stated United States Attorney Peace. “The defendants took this as an opportunity to steal and defraud, abusing and betraying their obligations. This indictment demonstrates our Office’s commitment to holding accountable government contractors who fleece city agencies and taxpayers.”

DOI Commissioner Jocelyn E. Strauber said, “These defendants, as charged, overbilled City agencies for more than a decade, including the Department of Citywide Administrative Services, the Department of Education, the Department of Environmental Protection, and the Department of Sanitation, by submitting fraudulent invoices reflecting inflated prices. I thank our federal law enforcement partners for their commitment to protect the

City's resources and to hold accountable vendors who use their City contracts to engage in fraud.”

“Doing business with the city is a privilege Neogra and Stanzione allegedly abused for over a decade. Their alleged crimes milked the city of valuable resources. They got used to getting paid more for less, but today it caught up to them,” stated FBI Assistant Director-in-Charge Smith.

“The defendants in this case took money out of the pockets of hard-working New Yorkers by allegedly overbilling the city with fake invoices and inflated prices. This fraud affects all those taxpayers who trusted that the City was paying for services rendered. The defendants are now being held responsible for their criminal acts and will face justice for their decades-long scheme.” said Thomas M. Fattorusso, Special Agent in Charge of IRS-CI New York.

As alleged in the indictment, the defendants exercised control over Fire Alarm Electrical Corp., a company that held numerous contracts with New York City agencies to repair and maintain fire alarm systems. For more than a decade, Fire Alarm Electrical Corp. overbilled those agencies by submitting fraudulent invoices with dramatically inflated prices, including invoices that purported to be from legitimate retailers, which the defendants had altered and modified, as well as invoices from shell companies that the defendants owned and controlled.

The charge in the indictment is an allegation, and the defendants are presumed innocent unless and until proven guilty. The defendants face maximum sentences of 20 years' imprisonment.

The government's case is being handled by the Office's Public Integrity Section. Assistant United States Attorneys Erik Paulsen and Michael Gibaldi are in charge of the prosecution.

The Defendants:

WALTER STANZIONE
Age: 65
East Meadow, New York

WILLIAM NEOGRA
Age: 63
Millsboro, Delaware

E.D.N.Y. Docket No. 23-CR-482

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U.S. Department of Justice

Breon Peace

United States Attorney

Eastern District of New York

*271 Cadman Plaza East
Brooklyn, New York 11201*

FOR IMMEDIATE RELEASE

December 6, 2023

Contact:

John Marzulli

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PRESS RELEASE

**OWNERS OF BROOKLYN PLUMBING COMPANY INDICTED FOR
EVADING TAXES ON MORE THAN \$10 MILLION IN INCOME**

***Defendants Allegedly Falsely Claimed That Personal Expenses, Including Disney World
Vacation, Clothing, Purchase of Homes and a Yacht, Were Business Expenses***

An indictment was unsealed earlier today in federal court in Brooklyn charging Alexander Figliolia, Jr., and Kenneth Sutherland, the owners of Liberty Water & Sewer (Liberty Water), a Brooklyn-based plumbing company which they operate as a partnership, with tax evasion and conspiracy to defraud the United States. Figliolia, Jr., and Sutherland were arrested earlier today, and their initial appearances are scheduled for this afternoon before United States Magistrate Judge James R. Cho.

Breon Peace, United States Attorney for the Eastern District of New York, Thomas Fattorusso, Special Agent-in-Charge, Internal Revenue Service Criminal Investigation, New York (IRS-CI), James Smith, Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI), and Jocelyn E. Strauber, Commissioner, New York City Department of Investigation (DOI), announced the arrests and charges.

“Business owners like everyone else have an obligation to pay their fair share of taxes,” stated United States Attorney Peace. “As alleged, the defendants made millions of dollars repairing water and sewer lines for New York City residents, but instead of dutifully paying the taxes they owed, they improperly classified more than \$10 million of personal expenses as business expenses. Their greed drained the government’s coffers of nearly \$4 million in tax revenue.”

“Figliolia and Sutherland were living the lavish life while allegedly failing to report more than ten million dollars in income. The yachts, jewelry and family trips were all paid for with money owed to the federal government. Today’s indictment is a message to all those who choose to evade taxes, one day your extravagant lifestyle on the taxpayer dime will come to an end, and you will be prosecuted for your actions.”

“The defendants, as charged, evaded taxes on millions of dollars of income from the business they conducted in New York City, by misclassifying lavish personal expenses as business expenses to reduce their tax burden. I thank our federal law enforcement partners for their commitment to hold corrupt contractors in this City accountable,” stated DOI Commissioner Strauber.

As alleged in the indictment and other court filings, between January 2017 and June 2020, the defendants evaded personal income taxes by issuing checks and wiring money from Liberty Water’s bank account to pay for personal expenses. The defendants classified these payments of their personal expenses as business expenses of Liberty Water, thereby reducing Liberty Water’s profits and reducing the defendants’ personal income tax burdens. For example, Figliolia, Jr., and Sutherland classified more than \$1.75 million of personal credit card expenses, including home renovations, a family trip to Disney World, jewelry, clothing and veterinary expenses, as business expenses. As another example, Figliolia, Jr., and Sutherland obtained loans of more than \$2.8 million on personal life insurance policies, and repaid the loans using Liberty Water funds, allowing them to siphon that money out of the business without paying taxes. As still another example, Figliolia, Jr., issued more than \$4 million in checks from Liberty Water’s bank account to a law firm for the payment of personal expenses, including the purchase of multiple properties and a yacht, but classified them as business expenses of Liberty Water.

In total, Figliolia, Jr., and Sutherland intentionally diverted approximately \$10,225,213 from Liberty Water between tax years 2017 and 2019, resulting in the evasion of approximately \$3,933,046 in federal taxes.

The charges in the indictment are allegations, and the defendants are presumed innocent unless and until proven guilty. If convicted, the defendants each face a maximum sentence of five years’ imprisonment on each count.

The government’s case is being handled by the Office’s Public Integrity Section. The government’s case is being prosecuted by Assistant United States Attorneys Philip Pilmar and Dana Rehnquist.

The Defendants:

ALEXANDER FIGLIOLIA, JR.

Age: 50

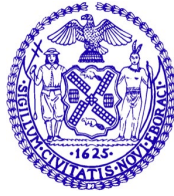
Staten Island, NY

KENNETH SUTHERLAND

Age: 62

Staten Island, NY

E.D.N.Y. Docket No. 23-CR-498



The City of New York
Department of Investigation

JOCELYN E. STRAUBER
COMMISSIONER

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Release #11-2023
nyc.gov/doi

FOR IMMEDIATE RELEASE
TUESDAY, MARCH 21, 2023

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QUEENS COUPLE CHARGED IN \$112,707 PUBLIC BENEFITS SCAM

Jocelyn E. Strauber, Commissioner of the New York City Department of Investigation (“DOI”), announced today the arrest of a Queens couple on federal charges of conspiracy to commit mail fraud relating to the theft of \$112,707 in state and federal benefits involving three separate public benefit programs. DOI investigated this matter in collaboration with the United States Postal Inspection Service’s New York Office and the United States Attorney’s Office for the Eastern District of New York, which is prosecuting the case.

SEAD SELIMOVIC, 52, and his wife, MIRELA SELIMOVIC, 46, both of Bellerose, Queens, are each charged with conspiracy to commit mail fraud and face a maximum sentence of 20 years’ imprisonment if convicted. The SELIMOVICS were presented today before United States Magistrate Judge Vera M. Scanlon in U.S. District Court for the Eastern District of New York and they were each released on a \$50,000 bond.

DOI Commissioner Jocelyn E. Strauber said, “As charged, these defendants schemed to illegally obtain public benefits, painting a false picture of their finances to claim that they were eligible and in need when, in fact, they owned numerous properties and had substantial income. I thank our federal partners, the U.S. Postal Inspection Service and the U.S. Attorney’s Office for the Eastern District of New York, for their dedication in exposing the misuse of public benefits and preserving critical public funds.”

Inspector in Charge of the New York Division Daniel B. Brubaker said, “This case highlights the Selimovics’ greed, who gamed the system and stole not just from the government, but from those who are truly in need. Their alleged actions took benefits directly from programs designed to assist those who are trying to make ends meet in an already tough economy. Postal Inspectors and their law enforcement partners will never tolerate this behavior and will work tirelessly to bring criminals to justice who harm the American public.”

According to the complaint, between approximately February 2017 and January 2023, SEAD and MIRELA SELIMOVIC conspired with others, to knowingly submit applications through the United States mail for three separate public benefits programs, repeatedly providing false information in support of their applications including, understating their family income, falsely stating they each had only one residence, and falsely stating that their primary residence was a rental, among other false information.

The Disabled Homeowners’ Exemption (“DHE”) program is a New York State program that allows local governments, including New York City, to reduce the property taxes paid by qualifying persons with disabilities — that is, those who have documented evidence of their disability and meet certain income limitations and other requirements relating to their legal residence and income.

The federal government administers the Supplemental Nutrition Assistance Program (“SNAP”), which subsidizes low-income households and enables them to achieve a more nutritious diet by increasing their food-purchasing power. The New York State Medicaid program is a federal and state health care program providing benefits to individuals and families who meet specified financial and other eligibility requirements. For both the

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SNAP and Medicaid programs, beneficiaries are required to submit annual documentation supporting their eligibility.

According to the complaint, this investigation found that the defendants filed DHE applications and repeatedly understated their family income level, falsely stating, among other things, that they each had only one residence. In fact, the defendants owned numerous rental properties in New York and Pennsylvania from which they received just over \$575,000 between 2017 and 2022. In addition, SEAD SELIMOVIC repeatedly falsely stated in SNAP benefits' applications that his primary residence was a rental, when in fact he and MIRELA SELIMOVIC owned their residence, underreported his income, and failed to report his wife as a member of his household. SEAD SELIMOVIC also applied for Medicaid benefits and in that context made repeated false statements, including with respect to his income and the income of other members of his household.

In connection with this fraudulent scheme, between about February 2017 and January 2023, the defendants received approximately \$40,707 in DHE benefits, approximately \$51,091 in SNAP benefits, and approximately \$20,909 in Medicaid benefits to which they were not entitled.

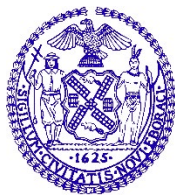
DOI Commissioner Strauber thanked Breon Peace, United States Attorney for the Eastern District of New York and his staff for the prosecution of this matter, which is being handled by Assistant United States Attorney Chand Edwards-Balfour. Commissioner Strauber also thanked Daniel Brubaker, U.S. Postal Inspection Service Inspector in Charge of the New York Office, and his staff, especially Postal Inspector Joseph Marcus, for their partnership on this investigation.

Confidential Investigator Jeffrey Li of DOI's Office of the Inspector General for DOF investigated this matter, along with Investigative Auditors Carmen Wong and Yanyan Wang, under the supervision of Assistant Inspector General Anastasia Plakas, Director of Audits Laila Yu, Senior Inspector General Ann Petterson, Deputy Commissioner/Chief of Investigations Dominick Zarrella, and First Deputy Commissioner Daniel G. Cort.

A complaint is an accusation. Defendants are presumed innocent until proven guilty.

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The City of New York
Department of Investigation

JOCELYN E. STRAUBER
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Release #15-2023
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FOR IMMEDIATE RELEASE
FRIDAY, APRIL 14, 2023

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**DOI STATEMENT ON TWO DEFENDANTS IN \$5.4 MILLION SCHEME
TO DEFRAUD NYC HOMELESS VETERANS SENTENCED TO PRISON**

Jocelyn E. Strauber, Commissioner of the New York City Department of Investigation (“DOI”), announced today the sentencing of RUDEAN WEIR, 37, of Atlanta, Georgia, and JEROME WEAH, 46, of Trenton, New Jersey, for their involvement in a \$5.4 million scheme to defraud a program of the New York City Human Resources Administration (“HRA”) that provides cash assistance to homeless veterans of the United States armed services seeking permanent housing. WEIR and WEAH pled guilty to one count of conspiracy to commit wire fraud in December and January, respectively. On March 30, 2023, WEIR was sentenced by United States District Judge Denise L. Cote in the U.S. District Court for the Southern District of New York to 30 months in prison and three years’ supervised release and ordered to forfeit six properties WEIR owns in Georgia. Today, WEAH was sentenced by Judge Cote to 46 months in prison and three years’ supervised release and ordered to forfeit his property in New Jersey. Both were ordered to pay a total of \$5,388,769.60 in restitution.

DOI investigated this case with the U.S. Department of Veterans Affairs, Office of the Inspector General-Criminal Investigation Division, and the U.S. Attorney’s Office for the Southern District of New York, which prosecuted the case.

DOI Commissioner Jocelyn E. Strauber said, “The defendants stole millions of taxpayer dollars by abusing New York City’s Enhanced One-Shot Deal program, which was designed to help homeless veterans find permanent residences. They went to great lengths to concoct phony landlord-tenant agreements in the names of veterans, who never signed any paperwork and often didn’t even live in the City. Their prison sentences send a strong message to those who would defraud the City of precious public funds intended to help those in need. I thank the City’s Department of Social Services for alerting DOI to the scheme and the U.S. Attorney’s Office for the Southern District of New York and the Office of Inspector General for the U.S. Department of Veterans Affairs for their partnership in ensuring a successful prosecution of this case.”

According to the criminal complaint, from October 2020 to May 2022, WEIR and WEAH submitted more than 340 fraudulent applications to HRA for housing assistance payments from the Enhanced One-Shot Deal (“EOSD”) program, a one-time cash assistance program aimed at helping military veterans pay rent, broker fees and other costs. EOSD payments often are used to help individuals move out of homeless shelters or other temporary housing into permanent housing. WEIR and WEAH submitted fraudulent applications on behalf of veterans, who in some cases provided the defendants with their detailed personal information with the belief their information would be used to obtain COVID-19 relief funds.

Fraudulent EOSD applications reviewed by DOI included a purported lease agreement with a landlord (“Landlord-1”) and forms requesting payment to that landlord and a broker (“Broker Company-1”). The investigation found that the lease agreements in fact had not been signed by the veterans and Landlord-1

and that Broker Company-1 did not provide any services to the veterans. The scheme was aided by forged identification cards using the likenesses of unwitting brokers licensed by New York State.

In most cases, HRA issued three checks to Landlord-1, Broker Company-1 and the veteran named on a particular application. HRA made EOSD payments of at least \$5.4 million in connection with these fraudulent EOSD applications. The checks were picked up in person at an HRA office in Manhattan by an individual who signed for them under the name "Rudean Weir" and presented an identification bearing defendant WEIR's likeness. Approximately \$3.6 million was deposited into an account controlled by WEIR between October 2020 and May 2022. Another approximately \$1 million was deposited during that time into an account controlled by WEAH. During this period, about \$1 million was transferred from the bank account controlled by WEIR to the one held in WEAH's name.

The investigation was referred to DOI by the Department of Social Services.

Commissioner Strauber thanked U.S Attorney for the Southern District of New York Damian Williams and his staff for their collaboration on this investigation and prosecution, which was handled by Assistant United States Attorney Matthew Weinberg.

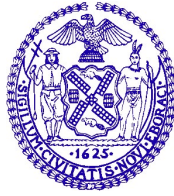
This investigation was conducted by DOI's Office of the Inspector General for the Department of Social Services, specifically Assistant Inspector General Alexandra Davie along with Senior Investigative Auditor Yanyan Wang, under the supervision of Director of Audits Laila Yu, Deputy Inspector General Jeremy Reyes, Senior Inspector General John Bellanie, Deputy Commissioner/Chief of Investigations Dominick Zarrella and First Deputy Commissioner Daniel G. Cort.

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Release #08-2023
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**FOR IMMEDIATE RELEASE
THURSDAY, MARCH 9, 2023**

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**DOI STATEMENT ON SENTENCING OF FORMER EXECUTIVE OF TWO PUBLICLY-FUNDED NONPROFITS
FOR STEALING HUNDREDS OF THOUSANDS OF DOLLARS FROM THOSE ORGANIZATIONS**

Jocelyn E. Strauber, Commissioner of the New York City Department of Investigation (“DOI”), issued the following statement on today’s sentencing of REGINALD WILLIAMS, 70, of New York, N.Y., for stealing hundreds of thousands of dollars while serving as President and CEO of the Addicts Rehabilitation Center Fund, Inc. (“ARC Fund”) and Chairman of the Board (and previously as the President and CEO) of the Addicts Rehabilitation Center Foundation, Inc. (“ARC Foundation”). ARC Fund and ARC Foundation are nonprofits that have received funding from City and State agencies to provide housing and social services to New Yorkers with HIV/AIDS, substance and alcohol use disorders, and others. In November 2022, WILLIAMS pled guilty to four counts of Grand Larceny in the Second Degree, a class C felony, and one count of Grand Larceny in the Third Degree, a class D felony. He was sentenced today in New York State Supreme Court by Judge April Newbauer to three years’ probation and ordered to pay restitution of \$450,000 to the ARC Foundation. DOI investigated this case with the Office of Manhattan District Attorney Alvin Bragg and the Office of New York State Inspector General Lucy Lang.

WILLIAMS’ co-defendants, both of Teaneck, N.J., NAOMI BARRERA, 45, the President and CEO of the ARC Foundation, and BENNIE HADNOTT, 78, president of Tondah Consulting Group, which provided financial consulting services to the ARC Foundation, pled guilty in late 2022 to Petit Larceny, a class A misdemeanor, and were sentenced to a conditional discharge. BARRERA was also ordered to pay \$30,000 in restitution to the ARC Foundation.

DOI Commissioner Jocelyn E. Strauber said, “Through kickbacks and deception, Williams worked with his co-defendants to funnel charitable dollars to himself, buying personal luxuries at the expense of New Yorkers in need of aid. DOI, the Manhattan District Attorney and the New York State Inspector General worked together to expose these crimes and to ensure that funds will be repaid to the nonprofits victimized by this illegal conduct. These criminal convictions underscore that stealing public dollars through a taxpayer-funded nonprofit has serious consequences.”

Manhattan District Attorney Alvin Bragg said, “Alongside DOI and the New York State Office of the Inspector General, we put a stop to this fraud targeting nonprofits that provide critical housing and social services to New Yorkers. Thanks to the strength of our partnership, those who attempted to illegally profit off contracts serving the City’s most vulnerable residents have been held accountable.”

New York State Inspector General Lucy Lang said, “This case speaks to the core work of the Offices of the Inspector General to protect the systems that serve the most vulnerable New Yorkers. Every dollar stolen here was a dollar not going to those in need of housing, social services, drug treatment and those living with HIV, which makes the work of all those involved in this investigation so critical. I commend District Attorney

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Bragg and his office for their commitment to this case and the New York City Department of Investigation Commissioner Strauber and her office for their tireless efforts and collaboration with this and all such investigations.”

In July 2019, WILLIAMS, BARRERA and HADNOTT were each indicted for their involvement in the theft of hundreds of thousands of dollars from ARC Foundation and ARC Fund through multiple schemes.

In one scheme, the ARC Foundation paid HADNOTT’s Tondah Consulting group \$40,000 annually for financial consulting services under WILLIAMS’s direction. In exchange, HADNOTT kicked back approximately 25 percent of that payment to WILLIAMS annually, from 2010 through 2015, over \$54,000 in total. In another scheme, WILLIAMS, acting in concert with BARRERA, stole from the ARC Foundation on two separate occasions; WILLIAMS received \$135,000 and BARRERA received \$30,000. Lastly, WILLIAMS stole funds from the ARC Foundation and the ARC Fund by requesting reimbursements for personal expenses that he falsely claimed were business expenses. WILLIAMS received more than \$100,000 for near-monthly travel expenses to the Bahamas, Jamaica, and the Dominican Republic for himself, family, and friends, including lodging, restaurants, bar tabs, and taxis. WILLIAMS also received over \$170,000 in reimbursements for frequent restaurant and bar tabs in New York City from the ARC Foundation and the ARC Fund. For more information on the indictment and original charges, [please click here](#).

DOI Commissioner Strauber thanked Manhattan District Attorney Bragg and his staff for the prosecution of this matter, which was handled by Assistant District Attorney Daniel Passeser and supervised by Julieta Lozano, Bureau Chief of the District Attorney’s Major Economic Crimes Bureau. DOI Commissioner Strauber also thanked New York State Inspector General Lucy Lang and her staff for their work on this investigation, which was handled by Senior Investigative Counsel Kenneth Michaels and Director of Audit Giovanni Liotine.

Assistant Inspector General Sara Leibowitz of DOI’s Office of the Inspector General for City-Funded Nonprofits investigated this matter, under the supervision of First Deputy Inspector General/Chief Forensic Auditor Ivette Morales, Senior Inspector General Andrew Sein, Deputy Commissioner/Chief of Investigations Dominick Zarrella and First Deputy Commissioner Daniel G. Cort.

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U.S. Department of Justice

Breon Peace

United States Attorney

Eastern District of New York

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FOR IMMEDIATE RELEASE

June 8, 2023

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United States Attorney's Office

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PRESS RELEASE

**SOCIAL WORKER SENTENCED TO 42 MONTHS IN PRISON FOR
DEFRAUDING PROGRAM FOR DEVELOPMENTALLY DELAYED CHILDREN**

***Jury Found that Defendant Billed Medicaid and the New York State Early Intervention
Program for More than 1,700 Social Work Sessions that Never Occurred***

Earlier today, at the federal courthouse in Brooklyn, social worker Enock Mensah was sentenced by United States District Judge Ann M. Donnelly to 42 months' imprisonment for health care fraud and theft of federal funds after a jury found him guilty of defrauding the New York State Early Intervention Program (EIP), a public program designed to provide remedial services to developmentally delayed children. Mensah was also ordered to pay over \$177,000 in restitution. Mensah was convicted in December 2019 following a one-week trial.

Breon Peace, United States Attorney for the Eastern District of New York, Michael J. Driscoll, Assistant Director-in-Charge, Federal Bureau of Investigation (FBI), and Jocelyn E. Strauber, Commissioner, New York City Department of Investigation (DOI), announced the sentence.

"Mensah shamefully enriched himself at the expense of the children who the Early Intervention Program is meant to benefit," stated United States Attorney Peace. "With today's sentence, the defendant paid the price for abusing the trust placed in him as a social worker for vulnerable families. This case should deter others who would attempt to defraud public benefit programs."

"With today's sentence, Mr. Mensah will face the consequences of taking advantage of a program designed to assist those in need of specialized care. For all those willing to exploit the public benefit system for their own self interest, let this case serve as a warning. The FBI and our partners are committed to eradicating abuse and fraud in these systems," stated FBI Assistant Director-in-Charge Driscoll.

“This defendant’s reprehensible scheme deprived children with special needs of assistance they required and deserved; today he faces the serious consequences of his illegal conduct,” stated DOI Commissioner Strauber. “DOI is proud to work with the U.S. Attorney’s Office for the Eastern District of New York and the FBI to protect the public funds that support critical services for New York’s children and families.”

Between August 2013 and October 2018, Mensah fraudulently billed Medicaid and EIP for more than 1,700 therapy sessions that never occurred, resulting in the theft of more than \$145,000 in Medicaid funds and more than \$29,000 in New York City Department of Health and Mental Hygiene funds. At the trial, several parents of special needs children testified that Mensah did not provide therapy sessions to which their families were entitled under the program, despite documents showing that Mensah claimed to have done so and submitted claims forms for payment to the health care agencies. One parent testified that she was in the Dominican Republic with her autistic child when Mensah billed for two purported therapy sessions with them. Mensah fabricated more than one thousand session notes in order to receive payment for work he had not done. In some cases, he forged the parents’ signatures on these claims forms; in others, he persuaded them to sign blank forms, which he later filled with falsified information and used to justify payment.

The government’s case is being handled by the Office’s Public Integrity Section. Assistant United States Attorneys Ryan Harris, Anthony Bagnuola, and Oren Gleich are in charge of the prosecution with assistance of Paralegal Specialist Melissa Bennett.

The Defendant:

ENOCK MENSAH

Age: 62

Franklin Park, New Jersey

E.D.N.Y. Docket No. 19-CR-60 (S-1) (AMD)