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**ADMINISTRATION FOR CHILDREN'S SERVICES SUPERVISOR
PLEADS GUILTY TO EMBEZZLING MONEY INTENDED
TO ASSIST NEEDY CHILDREN**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation ("DOI"), announced today that LETHEM DUNCAN, the Deputy Director of the Payment Services Department of the New York City Administration For Children's Services ("ACS"), pleaded guilty today to a six-count felony Information charging him with various crimes relating to the embezzlement of ACS funds destined for needy children. According to the Information and other documents filed in this case, as well as statements made during DUNCAN's guilty plea proceeding:

ACS is a New York City agency responsible for, among other things, providing services to needy children and their families. Among other duties, ACS administers payments from New York City to parents who adopt needy children and to not-for-profits that find and provide child care subsidies to foster parents. ACS administers approximately \$32 million in adoption subsidy payments each month. ACS also administers approximately \$42 million in monthly payments to not-for-profit foster care agencies.

Since 1998, DUNCAN has served as the Deputy Director of the Payment Services Department of ACS. In that capacity, DUNCAN has had the power to authorize ACS payments for services to,

among others, not-for-profit foster care agencies and their independent contractors.

In June 2005, DUNCAN caused a \$375,000 check, drawn on an account owned by the City of New York, to be delivered to a co-conspirator, PHILBERT GORRICK, whose company, Contemporary Technologies Co. ("Contemporary Technologies"), provided computer services to Concord Family Services, Inc. ("Concord"), a non-profit foster care agency. The \$375,000 check was paid to Contemporary Technologies for services that Contemporary Technologies did not provide. DUNCAN subsequently received over \$100,000 from GORRICK as his share of the embezzled funds.

Beginning in 2005 and continuing until March 2008, DUNCAN also conspired with another ACS employee, NIGEL OSARENKHOE, and Concord's fiscal director, STAY THOMPSON, to obtain fraudulent adoption subsidy payments. In the fall of 2005, DUNCAN provided THOMPSON's name to OSARENKHOE so that OSARENKHOE could arrange for THOMPSON to receive adoption subsidy payments even though she had adopted no children. On various occasions between the fall of 2005 and March 2008, THOMPSON paid DUNCAN a portion of the funds she received from the fraudulent adoption subsidy payments.

DUNCAN pleaded guilty today to six counts arising from his role in these schemes, including: embezzlement and conspiracy to embezzle funds in connection with the payment to Contemporary Technologies; mail fraud and conspiracy to commit mail fraud in connection with the fraudulent adoption subsidy payments; laundering the proceeds of these schemes; and receiving illegal gratuities from THOMPSON.

DUNCAN faces a total maximum sentence of 75 years in prison on these charges. He also faces a maximum fine on each charge of the greater of \$250,000 or twice the gross gain or loss from the offense.

Mr. GARCIA praised the outstanding investigative work of the New York City Department of Investigation.

The prosecution is being handled by the Office's Public Corruption Unit. Assistant United States Attorneys DANIEL STEIN and WILLIAM HARRINGTON are in charge of the prosecution.

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