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**FORMER FISCAL OFFICER AT FOSTER CARE AGENCY SENTENCED
IN MANHATTAN FEDERAL COURT TO 51 MONTHS IN PRISON FOR
ADOPTION SUBSIDY SCHEME**

PREET BHARARA, 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 that STAY THOMPSON, a/k/a "Stay Daniels," was sentenced today to 51 months in prison for her role in defrauding New York City of adoption subsidies that were intended to care for adopted children and also attempting to embezzle over an additional \$1 million. The sentence was imposed by United States District Judge BARBARA S. JONES in Manhattan federal court.

According to the Indictment and Complaint previously filed in this case, as well as testimony heard at trial:

The Administration for Children's Services ("ACS") is the New York City agency responsible for providing services to needy children and their families. Among other things, ACS administers payments to not-for-profit agencies that find and provide child care subsidies to foster parents.

From 1990 to 2008, ACS paid Concord Family Services, Inc. ("Concord"), a not-for-profit foster care agency, to provide foster care services to needy children in New York City. THOMPSON was the fiscal director at Concord, and in that position was responsible for, among other things, managing Concord's financial cash flow and interacting with the ACS to ensure Concord's proper funding.

Adoption Subsidy Scheme

Since 2002 through his arrest in July 2008, co-defendant NIGEL OSARENKHOE used his position as the Adoption Subsidy Supervisor at ACS to authorize adoption subsidy payments to be made to co-conspirators posing as adoptive parents who in fact did not adopt any children. An adoption subsidy is a monthly payment mandated by New York State law to be made for the care, maintenance, and medical needs of an adopted child including handicapped or hard-to-place. From September 23, 2002, through April 4, 2006, OSARENKHOE caused approximately \$266,629 in fraudulent checks payable to his wife to be mailed to OSARENKHOE's prior residence.

Beginning in 2005, and continuing through her arrest, THOMPSON received adoption subsidy payments arranged by OSARENKHOE to care for four children who did not exist. From December 2005 to 2007, OSARENKHOE fraudulently caused approximately \$145,845 in adoption subsidy payments to be mailed to THOMPSON. THOMPSON shared the monies with OSARENKHOE and LETHEM DUNCAN, the Deputy Director of the Payment Services Department of ACS, who had introduced THOMPSON to OSARENKHOE.

Fictitious Services Scheme

In 2005, THOMPSON and PHILBERT GORRICK, whose company, Contemporary Technologies Co., provided computer services to Concord, agreed that GORRICK would submit a fictitious request for payment to ACS for \$375,000 in computer services. DUNCAN arranged for ACS to make the payment, and GORRICK, THOMPSON, and DUNCAN shared the stolen money. In April 2008, GORRICK, again working with THOMPSON, submitted a fictitious invoice to ACS for \$711,420.25 in computer supplies which were never provided to ACS.

The Trial

After an eight-day jury trial before United States District Judge PETER K. LEISURE, THOMPSON was found guilty of mail fraud in connection with her receipt of over \$145,000 in adoption subsidy checks and money laundering in connection with her deposit of those monies into a bank account at the Municipal Credit Union. After the jury verdict, Judge LEISURE ordered that THOMPSON's bail be revoked and remanded her to the custody of the United States Marshal Service.

The jury did not reach a verdict on THOMPSON's alleged involvement in the fictitious services scheme.

In addition to the prison term, Judge JONES sentenced THOMPSON, 45, to three years of supervised release and ordered her to pay restitution and forfeiture each in the amount of \$148,667.

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A total of seven individuals have been charged and convicted in connection with these schemes to defraud and embezzle money from ACS:

DUNCAN, 64, pleaded guilty on July 31, 2008, before United States District Judge JOHN G. KOELTL to various crimes relating to the embezzlement of ACS funds and is scheduled to be sentenced on a later date.

OSARENKHOE, 50, was sentenced by Judge JONES on December 7, 2009, to 33 months in prison and ordered to pay restitution in the amount of \$563,782.34 after pleading guilty to conspiracy to defraud ACS.

GORRICK, 55, was sentenced by Judge JONES on July 21, 2009, to 33 months in prison and ordered to pay restitution in the amount of \$375,000 after pleading guilty to conspiracy to embezzle funds from ACS.

TAMMY MOORE, OLETHA RHODES, and BRENDA TOWE, were charged for conspiring with OSARENKHOE to obtain adoption subsidy payments from ACS that they were not entitled to. All three defendants were sentenced on March 23, 2010, by United States District Judge WILLIAM H. PAULEY. MOORE, 39, was sentenced to five years of probation and ordered to pay restitution in the amount of \$99,416.86 after pleading guilty to conspiracy to commit mail fraud. RHODES, 63, was sentenced to three years of probation and ordered to pay restitution in the amount of \$33,365.88 after pleading guilty to conspiracy to commit mail fraud. TOWE, 48, was sentenced to three years of probation and ordered to pay restitution in the amount of \$54,972.72 after pleading guilty to mail fraud.

United States Attorney PREET BHARARA said, "Motivated by greed, Stay Thompson and her co-conspirators joined together to steal money intended for the City's most vulnerable children. By faking adoptions, the defendants betrayed the people they had pledged to help and sought to fill their own wallets with public funds. Through our close partnership with the New York City Department of Investigation, our Office will continue to investigate and expose schemes that threaten the well-being of taxpayer dollars and services meant for needy New Yorkers."

DOI Commissioner ROSE GILL HEARN said, "This defendant, while pretending to help needy children, siphoned bucketfuls of public money from the City's Administration for Children's Services. Justly, she and two of her co-defendants are now serving prison sentences for their roles in that contemptible scheme. The strong partnership between DOI and the U.S. Attorney's Office for the Southern District of New York exposed and shut down this scam and led to the successful prosecution of the participants. In addition, DOI has worked with ACS to implement new procedures to prevent a recurrence."

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

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