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Southern District of New York

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MANHATTAN U.S. ATTORNEY ANNOUNCES FEDERAL WORKERS' COMPENSATION BENEFITS FRAUD CHARGES AGAINST 11 FEDERAL EMPLOYEES

*Federal Employees Exaggerated Alleged Injuries Incurred On the Job and, in Some Cases,
Failed to Disclose Other Sources of Income Earned While Collecting Federal Disability
Payments*

Preet Bharara, the United States Attorney for the Southern District of New York, Rafael A. Medina, the Special Agent-in-Charge of United States Postal Service, Office of Inspector General ("USPS-OIG"), and Cheryl Garcia, Acting Special Agent-in-Charge of the United States Department of Labor, Office of Inspector General ("DOL-OIG"), Office of Labor Racketeering and Fraud Investigations, today announced charges against 11 defendants for defrauding the Department of Labor's federal workers' compensation benefits program by claiming to be injured or disabled so that they could claim benefits to which they were not entitled. In addition, certain of the defendants failed to report income that they earned from other businesses they were running while allegedly too disabled to return to their federal employment. The 11 defendants include 10 United States Postal Service employees and one employee of the U.S. Navy, all but one of whom were arrested and presented today in Manhattan federal court before Magistrate Judge James C. Francis IV. One defendant was arrested on April 17, 2014, as part of the same operation.

Manhattan U.S. Attorney Preet Bharara said: "A federal employee is entitled to workers' compensation benefits if he is in fact disabled by a workplace injury. As alleged, these defendants all showed remarkable strength and vigor for people claiming to have sustained debilitating injuries. They also showed a lack of integrity in exploiting a program meant to provide assistance to the truly disabled, not a source of easy money for the unscrupulous."

Rafael A. Medina, Special Agent-in-Charge of the USPS-OIG, said: "Today's arrests should send a clear message to every Postal Service employee that workers' compensation fraud is a federal crime that carries serious consequences and will not be tolerated. The USPS-OIG, along with our law enforcement partners, will continue to aggressively investigate those who

engage in fraudulent activities intended to defraud federal benefit programs and the Postal Service.”

According to the allegations in the Complaints unsealed today in Manhattan federal court:

The Regulatory Scheme

Postal Service and other federal employees are covered by the Federal Employees’ Compensation Act (“FECA”), which provides tax-free benefits to civilian federal employees who sustain injuries or an occupational disease as a result of their employment. Postal employees can receive up to 75 percent of the gross salary to which the employee is entitled if the employee has at least one dependent. The Postal Service is the largest participant in FECA, paying more than \$1 billion in benefits and \$60 million in administrative fees annually.

Pursuant to the DOL’s Office of Workers’ Compensation Programs (“OWCP”) guidelines, a claimant must prove that he or she is injured by submitting a claim, including medical documentation and other evidence, which attests to the severity of the claimant’s injury or disability. The employee’s claim and supporting medical evidence is evaluated by the OWCP to determine the claimant’s medical impairment and the effect of the impairment on the claimant’s ability to work on a sustained basis. Once approved, in order to receive FECA benefits on an ongoing basis, the claimant is required to update the OWCP periodically on, among other things, the status of his or her physical condition. In addition, the claimant is required to certify periodically whether he or she has had any other sources of income within the past 15 months. Claimants are advised that fraudulent concealment of income or other information which would have an effect on benefits may result in criminal prosecution.

The Defendants

The 11 defendants charged as part of this operation are JUANITA TOLBERT, SAMUEL MUNOZ, SHONTA HOLMES, ALICE BACA, FAITH PINKNEY, ANGEL CORUJO, PEDRO NUNEZ, RONALD WERNER, LASHONNE TUGGLES, CHARLES WALWYN and JEANNIE WIGFALL. The defendants defrauded the DOL’s OWCP in a variety of ways. For example:

SHONTA HOLMES, who had been employed by the Postal Service since 1989, submitted a federal workers’ compensation claim indicating that she sustained an occupational injury, Carpal Tunnel Syndrome, on or about April 17, 2002. Since May 2004, HOLMES has drawn federal benefits and has not reported to work. In January 2012, HOLMES was examined by a doctor to evaluate her capacity to work. The doctor’s report stated that HOLMES could not resume any type of work and that HOLMES was unable to handle even “10 pounds of weight up to one-third at a time even in a sedentary position.” In July 2012, another doctor submitted a report which concluded that HOLMES was “permanently and totally disabled.” In September 2013, HOLMES stated that her condition limits many of her daily activities including bathing, bike riding, doing her hair, driving, laundry, going to the store, and sexual activities. HOLMES indicated that she considered herself “totally disabled” and “unable to perform any assignment for the Postal Service.” Nevertheless, in the course of the investigation from October 2011 through September 2013, HOLMES has been observed in and around public places, such as stores and gyms, engaged in strenuous physical activity. For example, HOLMES has been

observed in a gym using dumbbell free weights, each weighing approximately 10 to 20 pounds, and performing repetitive strengthening exercises such as bicep curls and chest presses; using a “Smith Machine,” which is a free standing piece of equipment used in weight training, to perform shoulder press exercises with the machine loaded with approximately 50 to 100 pounds of weights; participating in an “Ultimate Abs” class, which involved the use of weight training exercises with a barbell; exercising on a treadmill and a Stairmaster; and working out with a personal trainer, including punching a punching bag while wearing boxing gloves. In addition, HOLMES has been observed driving, shopping, and running errands. As of May 3, 2014, HOLMES has received FECA compensation totaling approximately \$426,114.35.

ANGEL CORUJO, who had been employed by the Postal Service since 1987, submitted a federal workers’ compensation claim indicating he sustained a back injury on or about July 15, 2003. Since he began to draw federal benefits in or about August 2003, CORUJO has not reported for work. In October 2013, CORUJO certified that he had not worked for any employer during the past 15 months. In January 2014, CORUJO submitted a report by a doctor in which CORUJO reported pain as a “7/10 severity all the time” and represented that he used a motorized wheelchair while at home and a cane for ambulatory assistance in the community. Nevertheless, in the course of the investigation, CORUJO was observed in 2013 hanging holiday decorations at his home, including balancing on a stepstool; pushing a loaded shopping cart at a home improvement store without the aid of a wheelchair or cane; and, in 2014, using a snow blower to clear his driveway of snow. In addition, the investigation uncovered that CORUJO was employed periodically in 2013 and 2014 by another employer other than the Postal Service, something he did not report as required. As of April 5, 2014, CORUJO has received FECA compensation totaling \$402,651.

RONALD JAMES WERNER, who had been employed as a civilian firefighter by the U.S. Navy prior to September 2005, submitted a federal workers’ compensation claim indicating he sustained a knee injury in September 2005. Since at least April 2008, WERNER has drawn federal benefits and has not reported for work. In January 2013, WERNER certified that he had not worked for any employer during the past 15 months and that he had not earned any income from other employment in that time period. In January 2012, WERNER submitted a report by a doctor which stated that he could not perform his usual job or another type of work even with restrictions. In May 2013, WERNER submitted a report by another doctor which stated that WERNER was “permanently unable to work” due to a “[t]otal knee replacement” and that he would be unable to, among other activities, sit, walk, stand, reach, twist, bend or operate a motor vehicle to work. Nevertheless, in the course of the investigation in 2013, WERNER was observed in the vicinity of a truck bearing the logo “Werner’s Home Improvements” at various worksites where residential construction was taking place; entering and shopping in various home improvement stores, including purchasing 2x4s and other construction supplies; loading and unloading building construction materials into and out of a pickup truck; and arriving at a recycling center and unloading various appliances from his vehicle. WERNER’s credit card records reflect over \$180,000 in purchases from a home improvement store from 2010 to 2013. In addition, an employee of a home improvement store where WERNER shopped praised WERNER to law enforcement agents who asked for a recommendation for a contractor, saying that WERNER was highly recommended and had been known at the store for years. Between April 2008 and March 2014, WERNER has received FECA compensation totaling \$340,812.

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Ten of the defendants were taken into custody this morning and are expected to be presented in Manhattan federal court later this afternoon. ANGEL CORUJO was arrested on April 17, 2014, as part of the same operation. All 11 defendants are charged with theft of government funds, which carries a maximum sentence of 10 years in prison, and federal workers' compensation benefits fraud, which carries a maximum sentence of five 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 Court.

Attached is a chart reflecting the age and place of residence for each of the charged defendants.

Manhattan U.S. Attorney Bharara praised the USPS-OIG, the DOL-OIG's Office of Labor Racketeering and Fraud Investigations, the Social Security Administration – Office of Inspector General, and the Naval Criminal Investigative Service for their outstanding work in the investigation, which he noted is ongoing.

The Office's General Crimes Unit is handling the case. Assistant U.S. Attorneys Richard Cooper, Andrew DeFilippis, Patrick Egan, Samson Enzer, Margaret Graham, Andrea Griswold, Jared Lenow, and Special Assistant U.S. Attorney Daniel Tracer are in charge of the prosecution.

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

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DEFENDANT	AGE	RESIDENCE
TOLBERT, JUANITA	48	Bronx, NY
MUNOZ, SAMUEL	52	Old Bridge, NJ
HOLMES, SHONTA	44	Bronx, NY
BACA, ALICE	58	Avenel, NJ
PINKNEY, FAITH	40	Elizabeth, NJ
CORUJO, ANGEL	47	Great Meadows, NJ
NUNEZ, PEDRO	49	Sparta, NJ
WERNER, RONALD	57	Colts Neck, NJ
TUGGLES, LASHONNE	51	New York, NY
WALWYN, CHARLES	66	Bellport, NY
WIGFALL, JEANNIE	43	Newburgh, NY