

News Releases

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WELFARE FRAUD CRACKDOWN CONTINUES

Attorney General Earl I. Anzai announced today that:

On March 19, 2002, Gregg R. Jorgensen, also known as Philip D. Pallone, also known as William D. Zogg, was arrested in Middlesex County, New Jersey by police officers from the Sayreville Police Department. Jorgensen, 47, is wanted by the State of Hawaii for one count of theft in the first degree. He was indicted by the Oahu Grand Jury for that offense on February 20, 2002. Jorgensen is accused of committing theft by fraudulently using multiple identities to obtain more than \$20,000.00 in public assistance benefits. Following extradition proceedings in New Jersey, Jorgensen will be returned to Hawaii to stand trial.

The Criminal Justice Division wants to acknowledge the cooperation and efforts of Chief John Garbowski and Detective Russell Anderson of the Sayreville Police Department in finding and apprehending Jorgensen.

An indictment is an accusation only. Mr. Jorgensen is presumed innocent until proven guilty at trial. On March 12, 2002, First Circuit Court Judge Sandra A. Simms denied a motion by Waipahu resident Faatupu Mitaina, 35, to defer acceptance of her no contest plea to one count of

-MORE-

Page 2

theft in the first degree and sentenced Mitaina, the mother of six children, to five years probation for that offense. Mrs. Mitaina was also ordered to pay restitution to the State of Hawaii in the amount of \$33,445.00 and to perform 200 hours of community service as special conditions of her probation. Over a period of three years, Mrs. Mitaina concealed from welfare officials the fact that her husband was in the home and employed. Immediately following sentencing, Mrs. Mitaina, a citizen of Western Samoa, was questioned by agents from the United States Immigration and Naturalization Service.

The maximum penalty for theft in the first degree is up to ten years in prison and a fine of up to twice the value of the property stolen or up to \$25,000.00, whichever is greater.

CONSEQUENCES OF WELFARE FRAUD

In addition to the criminal penalties, under federal law, any person convicted in state or federal court of making fraudulent representations concerning his identity in order to receive multiple food stamp benefits simultaneously, is ineligible to participate in the food stamp program for a minimum of ten years and in some cases for life. Since 1998, four individuals have been successfully prosecuted by the Criminal Justice Division for felony theft for misrepresenting their identities in order to fraudulently obtain multiple public assistance benefits.

Non-citizens of the United States who are convicted of welfare fraud offenses can be deported and denied re-entry into the United States. If the fraud involved the loss of more than \$10,000.00, the offense is considered an aggravated felony under federal law and an alien's options regarding defenses to deportation proceedings can be very limited. As can be seen from the Mitaina case

above, the deportation consequence is not an idle threat.

Since 1998, a Hawaii state court order that a criminal defendant pay restitution to the Department of Human Services does not automatically expire when the prison sentence, probation or deferral period ends. If there is a balance still due, the restitution order becomes in essence a civil money judgment against the defendant. And, such money judgments are typically not dischargeable in bankruptcy. In layman's terms, that debt can be as onerous as paying off a dead horse for many years after the horse died.

-MORE-

Page 3

With all the criminal and civil penalties that can attach to a welfare fraud conviction, not to mention the public embarrassment to the defendant and his or her family members, one has to wonder why people continue to commit the crime. One possible reason is the circulating myth that nobody will get caught. In Hawaii, welfare cheats are discovered and prosecuted every day.

During 2001, 157 cases of suspected welfare fraud involving the suspected theft of more than \$3,000,000.00 were referred to the Department of the Attorney General and to the county prosecutors for criminal prosecution. Statewide, 132 individuals were indicted for welfare fraud offenses and 93 individuals were convicted of welfare fraud offenses involving the theft of more than \$2,400,000.00. During 2001, more than 800 individuals were administratively sanctioned for intentional violations of public assistance program rules that resulted in them receiving more than \$940,000.00 in benefits that they were not legally entitled to receive.

WELFARE FRAUD TRENDS

Criminal investigators report discovering a growing number of cases where individuals have been discovered fraudulently obtaining childcare assistance money. Cases involving more than \$161,000.00 in suspected childcare assistance fraud were referred to prosecutors in 2001. The frauds have included child care assistance recipients lying about the presence of eligible children in the home, lying about meeting work or volunteer service eligibility requirements and lying about paying for child care assistance. Those misrepresentations have criminal conviction consequences. Even individuals who are not themselves receiving public assistance can be prosecuted for criminal offenses if they knowingly assist welfare recipients by misrepresenting to the Department of Human Services that children are in the home when they are not, by falsely representing that they were paid for child care services or by falsely representing that employment or volunteer services requirements were completed.

Hawaii is a small state. New schemes to cheat on welfare are seldom new very long. If you are thinking about committing welfare fraud because it looks so easy, look at the numbers and the consequences and reconsider. If you have information about possible welfare fraud but

-MORE-

Page 4

are not reporting it to authorities because you think nothing will happen, look at the numbers and reconsider. Criminal investigators at the Department of Human Services will take your information seriously.

Anyone having information regarding possible welfare fraud should call the Welfare Fraud Hotline at (808) 587-8444.

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