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Former State Employee Pleads Guilty in Unemployment Insurance Fraud Case

ALBANY, NEW YORK – Former New York State Department of Labor (NYSDOL) employee Wendell Giles, age 52, of Albany, pled guilty today to mail fraud and aggravated identity theft charges.

The announcement was made by United States Attorney Carla B. Freedman; Janeen DiGuiseppi, Special Agent in Charge of the Albany Field Office of the Federal Bureau of Investigation (FBI); and Jonathan Mellone, Special Agent in Charge, New York Region, U.S. Department of Labor, Office of Inspector General (USDOL-OIG).

As part of his guilty plea, Giles admitted that he and another former NYSDOL employee, Carl J. DiVeglia III, abused their state computer systems access to create and approve false unemployment insurance (UI) applications in 2020 and 2021, including applications for the federal Pandemic Unemployment Assistance (PUA) program.

Giles recruited relatives, friends and friends-of-friends to submit false benefits applications over the phone to DiVeglia after Giles had instructed them to lie in response to eligibility questions. Giles and DiVeglia then took a share of the benefits paid by NYSDOL on the false claims. Giles used his share to enrich himself, including by purchasing a three-wheeled motorcycle. In text messages, DiVeglia suggested a vanity license plate for Giles's new vehicle, "TY PUA," which Giles understood to mean "Thank You Pandemic Unemployment Assistance." Giles responded, "Lol." Giles had been employed as a Senior Employment Security Clerk, and DiVeglia as a Labor Services Representative.

Giles admitted responsibility for $826,530 in losses to pandemic-related UI benefits programs administered by the state. He has agreed to pay full restitution to NYSDOL. DiVeglia previously pled guilty to related charges and also agreed to pay restitution.

The mail fraud conviction carries a maximum term of 20 years in prison, a fine of up to $250,000, and a term of supervised release of up to 3 years. The aggravated identity theft conviction carries a mandatory term of 2 years in prison, to be imposed consecutively to any other term of imprisonment. Giles is scheduled to be sentenced on January 5, 2023 by Chief United States District Judge Glenn T. Suddaby. A defendant's sentence is imposed by a judge based on the particular statutes the defendant is charged with violating, the U.S. Sentencing Guidelines, and other factors.

This case was investigated by the FBI and USDOL-OIG, with assistance from the NYSDOL Office of Special Investigations, and is being prosecuted by Assistant U.S. Attorneys John T. Chisholm and Joshua R. Rosenthal.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists

agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit https://www.justice.gov/coronavirus.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form.

Topic(s):
Coronavirus
Labor & Employment
Financial Fraud
Identity Theft

Component(s):
USAO - New York, Northern

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