

Department of Justice
U.S. Attorney's Office
Northern District of New York

FOR IMMEDIATE RELEASE

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Former State Employee Indicted for Unemployment Insurance Fraud

Another Ex-Employee Admitted to More Than \$1.6 Million in Fraud

ALBANY, NEW YORK – A grand jury indictment unsealed today alleges that former New York State Department of Labor (NYSDOL) employee Wendell Giles, age 51, of Albany, conspired with another former NYSDOL employee to fraudulently obtain unemployment insurance (UI) benefits, including federally funded pandemic-relief benefits. A co-conspirator, Carl J. DiVeglia III, age 33, of Albany, waived indictment and pled guilty on April 13 to mail fraud and aggravated identity theft charges before Chief United States District Judge Glenn T. Suddaby.

The announcement was made by United States Attorney Carla B. Freedman; Associate Deputy Attorney General and Director of COVID Fraud Enforcement Kevin A. Chambers; Janeen DiGuseppi, 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).

The indictment alleges that from about July 2020 through August 2021, Giles and DiVeglia initiated fraudulent unemployment insurance applications in the names of other people and then abused their NYSDOL computer systems access to release benefits payments on the false claims. Giles and DiVeglia each received a share of the fraudulently obtained UI benefits. The charges in the indictment against Giles are merely accusations. He is presumed innocent unless and until proven guilty.

United States Attorney Carla B. Freedman stated: “As alleged, Wendell Giles breached the public’s trust by taking money from government programs designed to help out-of-work New Yorkers during a global pandemic. The integrity of government benefits programs depends on the honesty of the people who help to administer them. We continue to prioritize COVID fraud prosecutions to maintain public confidence in these programs and to hold accountable those who have abused the system.”

Director Kevin A. Chambers stated: “Those who took advantage of the government’s pandemic relief packages decided that their personal gain was more important than the health and economic security of their fellow citizens. This behavior is even more egregious when committed by government employees who abused their positions of trust. I applaud the hard work of those who are investigating and prosecuting this matter.”

FBI Special Agent in Charge Janeen DiGuseppi stated: “As alleged in the indictment, Wendell Giles and his co-conspirator used their (former) positions at the NYS Department of Labor to cheat a system designed to help unemployed New Yorkers. Their scheme lined their own pockets during a global pandemic when millions lost their jobs and needed help more than ever. The FBI, along with our partners, will continue to aggressively investigate and hold accountable those who defraud programs designed to assist Americans in need.”

USDOL-OIG Special Agent in Charge Jonathan Mellone stated: “An important part of the mission of the Office of Inspector General is to investigate fraud involving unemployment insurance programs. This is particularly true when an allegation involves misconduct by the very government employees charged with overseeing those programs. We will continue to work with our law enforcement partners and state workforce agencies to aggressively investigate unemployment insurance fraud.”

Giles appeared today and pled not guilty to mail fraud and aggravated identity theft charges before United States Magistrate Judge Daniel J. Stewart. Giles was released with conditions.

As part of DiVeglia’s guilty plea on April 13, he admitted responsibility for over \$1.6 million in losses to NYSDOL and to personally receiving approximately \$225,000 in fraud proceeds.

A mail fraud charge 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 charge carries a mandatory term of 2 years in prison, to be imposed consecutive to any other terms of imprisonment. A defendant’s sentence is imposed by a judge based on the particular statute the defendant is charged with violating, the U.S. Sentencing Guidelines and other factors.

This case is being 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):

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