



Department of Justice

United States Attorney
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HEALTH OFFICIAL SENTENCED TO 87 MONTHS IN PRISON IN SCHEME TO STEAL HUNDREDS OF THOUSANDS OF DOLLARS FROM FEDERAL PROGRAM DESIGNED TO ASSIST LOW-INCOME MOTHERS AND CHILDREN

LEV L. DASSIN, Acting United States Attorney for the Southern District of New York, today announced that CAROL PEIRCE, former Director of the federal Women, Infants, and Children ("WIC") Program at the New York and Presbyterian Hospital ("New York-Presbyterian"), was sentenced today to 87 months in prison on charges arising out of a scheme to defraud the WIC Program out of hundreds of thousands of dollars. In addition to the sentence, United States District Judge RICHARD J. SULLIVAN ordered PEIRCE to pay forfeiture of \$100,000, and ordered restitution to be decided at a later date. PEIRCE's sentencing comes after a Manhattan federal jury in February found her guilty on all five charges against her after a two-week trial before Judge SULLIVAN. According to the Indictment, evidence at trial, and documents filed in the case:

The WIC Program is designed to provide nutritious foods and nutritional counseling to low-income mothers, expectant mothers, infants, and young children. Among other things, the WIC Program provides participants with food vouchers for certain specified nutritious foods, such as milk, infant formula, and baby cereal. Mothers and expectant mothers also can participate in periodic nutrition education programs such as the New York-Presbyterian WIC's "food demonstrations" where they learn such things as how to prepare nutritious meals. PEIRCE was formerly Director of the WIC Program at the New York-Presbyterian Hospital in New York City from 1990 through August 2005; after that, she became Nutrition Program Director for the Palm Beach County, Florida, Health Department.

One way PEIRCE defrauded the WIC Program was by using her WIC Program credit card to purchase tens of thousands of dollars' of items and services for her personal benefit. PEIRCE purchased many of the items in the vicinity of her new second home in Port St. Lucie, Florida. These purchases included airfare from New York to Florida; car rentals; home improvement and building supplies; home decorations including a stained glass ceiling lamp, a bordeaux bench, and a wall sculpture; kitchenware including an ice cream maker, silver plates, a hostess set, and a Fortunoff tea kettle; and various electronics including a Sony Camcorder. PEIRCE had the WIC Program to pay her credit card bills by submitting false expense reports identifying the expenses as legitimate Program expenses.

PEIRCE also defrauded the Program by entering into a secret kickback agreement with ProGlow, a cleaning company she hired to clean the New York-Presbyterian WIC Program offices. ProGlow was owned and operated by PEIRCE's secretary, MIRIAM COLGAN, a fact PEIRCE did not disclose. In exchange for hiring ProGlow, COLGAN had the company send an employee to clean PEIRCE's home in Teaneck, New Jersey approximately two times per week. The woman who cleaned PEIRCE's home did so for over three years, and was paid approximately \$85 per day in WIC program money for her services. ProGlow inflated the costs of its cleaning services by tens of thousands of dollars each year to cover for this, ultimately billing the New York-Presbyterian WIC Program over \$311,000 in connection with this part of the scheme.

PEIRCE and COLGAN also embezzled approximately \$15,275 by having the WIC Program pay a number of fraudulent invoices submitted on behalf of a Queens bodega known as "Mejia Grocery" and "Joance Mini Market" (referred to herein as "Mejia Grocery").

PEIRCE directed COLGAN to falsely bill the New York-Presbyterian WIC Program for food and services that Mejia Grocery purportedly had provided for "food demonstrations" for WIC Program participants. In fact, Mejia Grocery had not provided any of the food or services listed on the invoices. Instead, after the New York-Presbyterian WIC Program had paid thousands of dollars to Mejia Grocery based on the phony invoices, COLGAN arranged with the owner of Mejia Grocery to have the fraudulently obtained money paid back to her.

PEIRCE also defrauded the WIC Program by submitting time sheets that falsely stated that she was working at the New York-Presbyterian WIC Program during a two-month period in August and September 2005, when she in fact already had left that job and moved to Florida, where she was working as the Nutrition Program Director for the Palm Beach County, Florida Health Department.

PEIRCE was found guilty of one count of conspiracy; two counts of mail fraud; and two counts of theft from a federally-funded program. The

mail fraud counts stem from the scheme involving the payment of personal credit card charges, and the kickback scheme involving ProGlow. The theft charges stem from, respectively, the Mejia grocery and time sheet schemes, discussed above.

At the sentencing Judge SULLIVAN found, among other things, that PEIRCE had obstructed justice when she testified falsely during her trial. Judge SULLIVAN further remarked that PEIRCE's crime, which involved stealing from a program designed to help the neediest persons in society, is "more than wrong—it's despicable."

PEIRCE, 53, resides in Port St. Lucie, Florida.

COLGAN, of Newark, New Jersey, previously pleaded guilty before United States District Judge LORETTA A. PRESKA to one count of conspiracy; one count of theft from a program receiving federal funds (pertaining to the Mejia Grocery scheme) and one count of mail fraud (pertaining to the ProGlow scheme).

Mr. DASSIN thanked the Federal Bureau of Investigation, the United States Postal Inspection Service, and the State of New York Department of Health Investigative Services Unit for their assistance in this investigation. Mr. DASSIN also thanked New York-Presbyterian Hospital for its cooperation in the investigation. Mr. DASSIN stated: "The federal WIC program is designed to assist some of the most vulnerable people in our community in times of great need. We will vigorously prosecute anyone who steals from such programs to satisfy their own greed."

This prosecution is being handled by the Major Crimes Unit of the United States Attorney's Office. Assistant United States Attorneys MARCUS A. ASNER and MARIA E. DOUVAS are in charge of the prosecution.

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