



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York

U.S. ATTORNEY PREET BHARARA

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<http://www.justice.gov/usao/nys>

CONTACT: Ellen Davis, Carly Sullivan,
Jerika Richardson
(212) 637-2600

**MANHATTAN U.S. ATTORNEY SETTLES CIVIL FRAUD LAWSUIT
AGAINST RELATIVES OF DECEASED SOCIAL SECURITY
BENEFICIARIES**

Defendants Agree To Pay \$178,000 in Damages

Preet Bharara, the United States Attorney for the Southern District of New York, announced today that the United States has filed and settled a civil fraud lawsuit alleging that LAURO and JUANITA MENDOZA (the "Mendozas") improperly collected Supplemental Security Income ("SSI") payments from the Social Security Administration ("SSA") that were mistakenly made to individuals who are deceased. U.S. District Judge Vincent L. Briccetti approved the settlement today.

Manhattan U.S. Attorney Preet Bharara said: "With today's settlement, Lauro and Juanita Mendoza have admitted to accepting payments to which they were not entitled. The Government will now recover this loss plus additional penalties."

As alleged in the Complaint, which was filed in White Plains federal court on November 28, 2011:

SSI is a federal income supplement program administered by SSA to assist individuals who have limited incomes and who are aged, blind, and/or disabled. Both of LAURO MENDOZA's parents – his mother, Purificacion Mendoza, and his father, Venancio Mendoza – received SSI payments based on their ages and incomes. JUANITA MENDOZA's father, Dionesio Filarmeo, also received SSI payments. These payments were deposited every month into bank accounts to which the Mendozas had access. Purificacion and Venancio Mendoza passed away on July 25, 1998 and April 9, 2001, respectively, and Dionesio Filarmeo passed away on December 5, 2006. No notification of their deaths was made to SSA, and as a result, SSA continued to deposit monthly SSI payments into their respective bank accounts. The Mendozas were aware that these payments were intended for their parents, but they neither informed SSA that they had passed away nor returned the payments to SSA. The complaint alleges that the Mendozas violated the False Claims Act and asserts common law claims, such as unjust enrichment.

The Mendozas acknowledged in the settlement that they retained the SSI payments and that retaining these payments was wrongful. According to the settlement, the Mendozas will pay

approximately \$178,000, which represents the SSI payments that they improperly retained, interest on those payments, plus \$50,000 in civil penalties.

Mr. Bharara thanked the Social Security Administration, Office of Inspector General for their cooperation with this investigation.

The case is being handled by the Office's Civil Frauds Unit. Assistant U.S. Attorney Ellen London is in charge of the matter.

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