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**FOR IMMEDIATE RELEASE
FEBRUARY 11, 2009**

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**FORMER FOSTER CARE AGENCY CONTRACTOR PLEADS GUILTY TO
CONSPIRING WITH NYC ADMINISTRATION FOR CHILDREN'S SERVICES
OFFICIAL TO STEAL MONEY INTENDED FOR NEEDY CHILDREN**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, and ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation ("DOI"), announced that PHILBERT GORRICK, 54, of Queens, New York, pleaded guilty today to conspiring to defraud the New York City Administration for Children's Services ("ACS") in a scheme that netted GORRICK and his co-conspirators \$375,000 in ACS funds that were intended to assist needy children. GORRICK entered the guilty plea in Manhattan federal court before United States Magistrate Judge JAMES C. FRANCIS.

According to the Indictment and Complaint previously filed in this case, and statements made at GORRICK's guilty plea proceeding:

ACS is the New York City agency responsible for providing services to needy children and their families. Among other things, ACS administers payments to not-for-profit agencies that find and provide child care subsidies to foster parents. ACS administers approximately \$42 million in monthly payments to not-for-profit foster care agencies.

Concord Family Services, Inc. ("Concord") was a not-for-profit foster care agency that was paid by ACS from 1990 through 2008 to provide foster care services to needy children in New York City. Between 2005 and 2008, Concord had three contracts with ACS to provide foster care services, resulting in more than \$28 million in payments from ACS to Concord. GORRICK provided computer services to Concord from 2004 until the time of

his arrest in July 2008 through his company, Contemporary Technologies Co. ("Contemporary Technologies"), and maintained office space for Contemporary Technologies at Concord.

In 2005, GORRICK and co-conspirator STAY THOMPSON -- who was from 2004 until the time of her arrest in July 2008 the Fiscal Director at Concord -- agreed that GORRICK would accept a payment from ACS for \$375,000 for services that were never provided. LETHEM DUNCAN -- who from 1998 through the time of his arrest in July 2008 served as the Deputy Director of the Payment Services Department of ACS -- arranged for ACS to make the payment, and GORRICK, THOMPSON, and DUNCAN shared the stolen money. GORRICK used the proceeds to pay for, among other things: a 2006 BMW 750 LI sedan; a 2006 Range Rover; and at least \$30,000 in rental payments for a New York City apartment in a doorman building with a private garage.

In April 2008, GORRICK, again working with THOMPSON, submitted a fictitious invoice to ACS for \$711,420.25 in computer supplies which were never provided to ACS. GORRICK and THOMPSON were arrested in July 2008 after they received an ACS check for the \$711,420.25 from DUNCAN, who was then acting at the direction of the New York City Department of Investigation.

As a result of his plea to the embezzlement conspiracy, GORRICK faces a maximum sentence of 5 years in prison and a maximum fine of the greater of \$250,000 or twice the gross gain or loss from the offense.

On July 31, 2008, DUNCAN pleaded guilty before United States District Judge JOHN G. KOELTL to related charges.

Another defendant in the case, NIGEL OSARENKHOE, pleaded guilty to related charges on January 20, 2009 before Judge JONES.

Trial against STAY THOMPSON is pending. The charges as to her remain are merely accusations and she is presumed innocent unless and until proven guilty.

Mr. DASSIN praised the investigative work of DOI.

The prosecution is being handled by the Office's Public Corruption Unit. Assistant United States Attorneys DANIEL L. STEIN and WILLIAM J. HARRINGTON are in charge of the prosecution.