



*United States Attorney
Southern District of New York*

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**FORMER DEPUTY DIRECTOR OF NEW YORK HEAD START PROGRAMS
SENTENCED TO 30 MONTHS IN PRISON FOR EMBEZZLEMENT**

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 today that HUGH BLACKBURN, a former deputy director of two New York City-based Head Start programs, was sentenced to 30 months in prison in Manhattan federal court for embezzling hundreds of thousands of dollars in Head Start funds from two Head Start programs.

According to the Indictment filed in this case and statements made at BLACKBURN's sentencing before United States District Judge PAUL A. CROTTY:

HUGH BLACKBURN was the Deputy Director of two non-profit organizations -- La Peninsula, from 1989 to 1996, and St. Albans, from 1999 to 2007 -- that operated federally-funded Head Start programs in the Bronx and Queens, respectively. BLACKBURN was responsible for fiscal operations at both programs. Beginning in 1999, BLACKBURN, through two shell entities that he controlled -- "DACO Sales & Service" ("DACO") and "DSA Enterprises" ("DSA") -- arranged to receive purported vendor payments from La Peninsula and St. Albans, which he used to pay personal expenses. In particular, DACO and DSA billed St. Albans and La Peninsula for goods and services which were either never provided, or were provided at inflated prices. Thus, from 1999 to 2006, St. Albans and La Peninsula paid DACO and DSA more than \$1.4 million dollars, more than \$600,000 of which BLACKBURN diverted for his own and his wife's personal use, and for expenses of his children with two other women he was involved with.

BLACKBURN, 52, of Bronx, New York, pleaded guilty on April 14, 2009, to one count of embezzlement of federal funds.

In addition to the prison term, Judge CROTTY ordered BLACKBURN to pay restitution in the amount of \$692,428 to DOI and 3 years of supervised release.

Mr. DASSIN thanked DOI for its work in the investigation.

The case is being handled by the Office's Public Corruption Unit. Assistant United States Attorney RUA KELLY is in charge of the prosecution.

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