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U.S. CHARGES NEW YORK CITY EMPLOYEE
AND ACCOMPLICE WITH EMBEZZLING FUNDS INTENDED FOR
FOSTER CHILDREN

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and ROSE GILL HEARN, Commissioner of the New York City Department of Investigation, announced today the arrests of EVELYN MCCOY of Manhattan and MARVIN DUNLAP of Winston-Salem, North Carolina on charges of defrauding the New York City Administration of Children's Services (ACS) of over \$65,000 in funds that were intended for the care of foster children.

MCCOY is charged with theft from a program receiving federal funds and mail fraud. According to the Complaint, MCCOY has been employed by the City of New York since 1970. During 2003, MCCOY was a senior supervisor in the financial services department at ACS where her responsibilities included, among other things, overseeing payments made by ACS in connection with ACS's foster care program. The Complaint alleges that MCCOY implemented a scheme to improperly remove funds in excess of \$65,000 intended for the benefit of foster children from an account operated by ACS to which, in her role as a senior ACS supervisor, she had access.

As part of its stated mission, ACS recruits and trains foster parents and caregivers to provide safe homes for children in foster care. In particular, ACS certifies adults as foster parents and implements and manages a program that provides homes for children in need of foster care. Foster parents are entitled to funding to provide necessary care to the foster children for whom they are

responsible. The amount of funds allocated to a particular child is dependent upon the level of difficulty that child presents. The greater the amount of care a child requires, the more funds will be provided by ACS.

The Complaint alleges MCCOY submitted false information to ACS designating DUNLAP, who is charged with mail fraud, as a foster parent to three children whom he had never met. MCCOY then allegedly changed, without authorization, the level of difficulty rankings for those children in order to trigger additional disbursements of funds to those children. Because DUNLAP was listed as the foster parent for purposes of those disbursements, those funds were diverted to him. The Complaint further alleges that DUNLAP divided the embezzled funds with MCCOY.

If convicted, MCCOY and DUNLAP each face a maximum sentence of 30 years in prison on the mail fraud charge and a one million dollar fine. MCCOY faces a maximum sentence of 10 years in prison on the theft from a program receiving federal funds charge and a \$250,000 fine.

MCCOY was arrested on Monday and presented and released on a \$100,000 personal recognizance bond in federal court in Manhattan. DUNLAP was arrested today and is expected to be presented in federal court in North Carolina.

Mr. GARCIA praised the investigative efforts of the New York City Department of Investigation, and thanked the United States Postal Inspection Service for their assistance in this case.

Assistant United States Attorney JOHN T. ZACH is in charge of the prosecution.

The charges contained in the complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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