

FTB:PP/ADG
F.#2021R01102

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

- - - - - X

UNITED STATES OF AMERICA

- against -

STEVEN CANGE,

Defendant.

- - - - - X

COMPLAINT

(T. 18, U.S.C., § 666)

22-MJ-1204

EASTERN DISTRICT OF NEW YORK, SS:

JEFFREY DOWNEY, being duly sworn, deposes and states that he is a Special Agent with the Federal Bureau of Investigation, duly appointed according to law and acting as such.

In or about and between March 2021 and November 2022, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant STEVEN CANGE, being an agent of an organization that received in a one year period benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance and other form of Federal assistance: to wit, the New York City Department of Correction, did knowingly and intentionally embezzle, steal, obtain by fraud and otherwise without authority knowingly convert to his own use and intentionally misapply property, in connection with business and one or more transactions and series of

transactions of such organization involving things of value of \$5,000 or more, to wit: New York City Department of Correction funds.

(Title 18, United States Code, Section 666(a)(1)(A)).

The source of your deponent's information and the grounds for his belief are as follows:¹

1. I am a Special Agent with the Federal Bureau of Investigation ("FBI") and have been since 2021. I am currently assigned to an FBI squad focused on public corruption. I am familiar with the facts and circumstances of this investigation from my personal participation in the investigation, review of documents and discussions I have had with other law enforcement personnel. Additionally, statements attributable to individuals herein are set forth in sum and substance and in part.

I. Background

2. Since late 2021, the FBI and the New York City Department of Investigation ("DOI") have been investigating correction officers with the New York City Department of Correction ("DOC") who have been fraudulently obtaining a salary while not working, often for over a year. These correction officers have committed fraud by abusing DOC sick leave policies to avoid work, falsely claiming they were too injured or sick to work, making false statements to the DOC regarding how they spend their time and, in some

¹ Because the purpose of this Complaint is to set forth only those facts necessary to establish probable cause to arrest, I have not described all the relevant facts and circumstances of which I am aware.

cases, submitting false documentation to the DOC regarding medical appointments they did not attend.

3. The DOC manages all New York City jails, including Rikers Island. Currently, approximately 5,600 individuals are incarcerated at DOC facilities. The DOC receives benefits in excess of \$10,000 per year under various federal government programs.

4. DOC correction officers, including the defendant STEVEN CANGE, work at jails managed by the DOC. As set forth in their union contracts, DOC officers have unlimited paid sick leave “for the full period of any incapacity due to illness, injury or mental or physical defect, whether or not service-connected.” If an officer needs to be on medical leave for more than two consecutive days, the officer must report to the DOC’s Health Management Division (“HMD”), at which time the officer may or may not be given a return date depending on the officer’s circumstances. While paid sick leave is unlimited, DOC rules and regulations require that, if a correction officer has been on sick leave for more than eight days in the calendar year, the officer cannot leave his or her residence while on sick leave outside of the hours 1:00 p.m. to 5:00 p.m. for any purpose other than a medical appointment unless he or she otherwise received authorization from HMD. If an officer wishes to leave his or her residence for a medical appointment outside of these hours, the officer must “log out” by calling the DOC prior to leaving the officer’s residence, as well as calling the DOC upon returning home from the appointment. The officer must also submit documentation to the DOC within 48 hours demonstrating that the officer actually went to a medical appointment outside of the hours of 1:00 p.m. to 5:00 p.m. I understand from speaking with a representative of the HMD that these restrictions are meant to ensure that

correction officers who report that they are too sick or injured to work for a lengthy period of time do not abuse sick leave policy by failing to return to work when the officers are medically able to do so.

5. According to DOC policy, if a DOC officer has an illness or injury that prevents them from being physically able to guard incarcerated individuals, that officer can, if medically able, work on medically modified duty, such as performing administrative duties.

6. In connection with this investigation, agents have, among other things, reviewed medical, financial, personnel and cell phone records; conducted surveillance; and interviewed witnesses, including medical providers.

II. The Defendant Steven Cange's Federal Program Fraud

7. The defendant STEVEN CANGE is a resident of Brooklyn, New York. CANGE has been a correction officer with the DOC since approximately October 30, 2014. CANGE has been on sick leave since approximately March 2021, during which time he has collected a full salary.

8. As set forth below, there is probable cause to believe that the defendant STEVEN CANGE fraudulently received more than \$160,000 in salary by failing to abide by DOC sick leave policies, falsely claiming that he was too injured or sick to work, making false reports to the DOC and submitting to the DOC fraudulent medical notes stating that he was at medical appointments which he never attended.

9. The defendant STEVEN CANGE initially reported to DOC on or about March 18, 2021, that he could not work because of "vaccine side effects." On or about

March 20, 2021, CANGE reported to DOC that he could not work for “gastrointestinal reasons.” Throughout his sick leave, CANGE repeatedly reported to DOC that he could not work because of vertigo (a type of dizziness) and other supposed side effects from the COVID-19 vaccine.² For example, on or about December 8, 2021, CANGE submitted notes from his physician to DOC reporting that he had severe pain in his head, suffered from vertigo, and could not sit, stand, bend, pull, push or lift. CANGE also submitted a note, from his physician, to DOC reporting that he had these symptoms on April 28, 2022. On other occasions, CANGE reported he had double vision. On or about June 29, 2021, CANGE also told DOC, through a note from his doctor, that he was not able to drive. In addition, on at least two occasions, CANGE used a cane when he reported to his appointments with HMD doctors.

10. Medical records acquired by the government pursuant to subpoena contradict the defendant STEVEN CANGE’s claimed infirmities. For example, in January 2021, CANGE had a Magnetic Resonance Angiography which came back with no abnormal findings. CANGE did not provide any medical records to DOC, outside of doctor’s notes which were based solely on his own self-reported symptoms, that indicate he suffered from vertigo, COVID-19 vaccine side effects or had any difficulty walking, standing or driving.

11. As part of his scheme to defraud DOC, the defendant STEVEN CANGE made false statements to DOC and submitted altered and false medical

² CANGE also reported to DOC that he had vertigo in 2019, approximately two years before receiving the COVID-19 vaccine.

documentation to DOC. As stated above, correction officers such as CANGE must “log out” and submit medical documentation to DOC if they wish to leave their residence outside of the hours of 1:00 p.m. to 5:00 p.m. Records subpoenaed from CANGE’s health care providers show that CANGE often did not attend medical appointments on days when notes he submitted state he went to an appointment. For example, CANGE reported to DOC that he went to Comprehensive Healthcare Medical (“Comprehensive”) or Pain Management and Rehab approximately 80 times in or about and between April 2021 and January 2022.³ CANGE submitted documentation to DOC purportedly from Comprehensive for more than 60 appointments. However, records produced by Comprehensive show that CANGE only went to Comprehensive for approximately 33 medical appointments, including approximately nine appointments he went to for which he did not inform DOC. Based on Comprehensive’s records, approximately 46 notes submitted by CANGE were fraudulent. CANGE also reported to DOC that he went to Maimonides Rehabilitation Center in Brooklyn (“Maimonides”) approximately 129 times between approximately May 2021 and July 2022, and he submitted documentation to DOC from Maimonides for approximately 94 visits. However, documents produced by Maimonides show that CANGE only went to Maimonides for seven medical appointments, including two appointments when he did not tell DOC he was leaving his residence. Approximately 90 notes submitted by CANGE were fraudulent. Finally, CANGE reported to the DOC that he went to Kings County Hospital approximately 25 times between approximately July 2021 and July 2022, and submitted

³ Comprehensive and Pain Management and Rehab share the same address and are thus collectively referred to as Comprehensive in this application.

documentation to the DOC for approximately 18 of the purported visits. However, documents produced by Kings County Hospital show that CANGE only went to Kings County Hospital on one occasion, and it was not on one of the days he told the DOC he was at the hospital. CANGE never went to the hospital on the days he told the DOC he went to the hospital, and accordingly, all of the notes submitted by CANGE to the DOC were fraudulent.

12. In support of his fraud, the defendant STEVEN CANGE altered medical notes he had previously received from providers. For example, on or about June 4, 2021, CANGE went to the Kings County Hospital Emergency Department and was seen by a particular physician assistant regarding a laceration to his left thumb from cutting food in his kitchen. As discussed above, CANGE regularly told the DOC he was going to Kings County Hospital from approximately July 2021 to July 2022 even though he did not actually go to the hospital. On approximately eight occasions, CANGE submitted a note stating that he was seen at the Kings County Hospital Emergency Department for a laceration to his left thumb; the notes indicate that on each occasion, CANGE was treated by the same physician assistant and received the same medication. The only alteration among the notes is the date of the purported visit. However, as indicated above, Kings County Hospital has no record of CANGE being seen on any of the dates for which he submitted these altered notes.

13. As another example, CANGE logged out on July 30, 2021, at 5:13 p.m., stating that he had a physical therapy appointment at Maimonides in Brooklyn and submitted a note on Maimonides letterhead “certif[ying]” that CANGE was seen at 5:00 p.m. on that date. However, the Maimonides employee who purportedly created and signed the

note stated that while some of the note was in her handwriting, the date of the visit and time of the appointment were not in her handwriting. Similarly, another employee at Maimonides stated that a different note submitted by CANGE and supposedly written by her had certain numbers on the note that were not in her handwriting.

14. CANGE also submitted fraudulent documentation to support his alleged diagnosis of vertigo. For example, on or about January 23, 2022, CANGE submitted a fraudulent note from Kings County Hospital Emergency Department stating he was seen for vertigo on that date by the same physician assistant who treated him for his thumb laceration and that he was prescribed Meclizine, an anti-vertigo medication. Kings County Hospital has no record of CANGE being seen on this date. On another occasion, CANGE submitted a fraudulent note stating he was seen on December 5, 2021, at the same emergency room by the same physician assistant for a left-thumb laceration, but the note indicated that CANGE was prescribed the anti-vertigo medication Meclizine. Kings County Hospital does not have a record of CANGE being seen on that date, and, on information and belief, CANGE mistakenly submitted a fraudulent note that said he was seen for his left thumb laceration instead of his alleged vertigo. A copy of the note is included below:

AFTER VISIT SUMMARY

Steve Cange MRN: [REDACTED]

NYC
HEALTH+
HOSPITALS**Kings County**

12/05/2021 Kings County Adult ED 718-245-4617

Instructions

You were evaluated in the Emergency Room for left thumb laceration.

Please take medications as prescribed:

1. Meclizine 100mg per Day

Please return if you experience any worsening/severe pain, chest pain, trouble breathing, redness, swelling, increased pus, abdominal pains, nausea, vomiting.

Today's Visit

You were seen by [REDACTED], PA

Reason for Visit

follow-up

What's Next

You currently have no upcoming appointments scheduled.

General Emergency Department**Discharge Instructions**

We appreciate that you chose us as your healthcare provider.

This form provides you with information about the care you received in our Emergency Department and instructions about caring for yourself after you leave the Emergency Department. If you have further questions concerning this visit please call us at the included phone number above on this form. Please keep this form and bring it with you should you need additional treatment. If your symptoms become worse or you are not improving as expected and you are unable to reach your usual health care provider, or get to your follow-up appointment, you should return to the Emergency Department immediately. We are available 24 hours a day.

It is my understanding, based on publicly available research, that there is no medical reason why an individual would be prescribed Meclizine for a thumb laceration. Thus, the evidence shows that CANGE repeatedly forged medical notes in support of his fraud.

15. In addition to business records and witness testimony, CANGE's telephone records further reflect that he did not attend medical appointments he claimed to have attended. On or about May 31, 2022, the Honorable James R. Cho, United States

Magistrate Judge, authorized a warrant for historical cell site location data for CANGE's cell phone for twelve of the days CANGE told the DOC he went to a medical appointment but for which the respective medical providers did not have a record of CANGE being treated. On all twelve days, cell site location data shows that CANGE was not near the respective medical provider's location. For example, on September 18, 2021, CANGE told the DOC that he was at King's County Hospital at 4:28 p.m. and submitted a fraudulent note to DOC regarding this appointment. However, cell site location data shows that CANGE was in New Jersey at the time he made the call, spent much of that day in New Jersey and was not near Kings County Hospital at any time that day. As another example, on December 27, 2021, CANGE told DOC that he was at Maimonides at 4:34 p.m. and submitted a fraudulent note to DOC regarding this appointment. However, cell site location data shows that CANGE was in New Jersey at the time he made this call, spent his entire afternoon in New Jersey and was not near Maimonides at any time that day.

16. Finally, social media posts and law enforcement surveillance show that the defendant STEVEN CANGE is not sick and is able to work, but instead used his sick leave to pursue his interest in publishing comic books. On February 26, 2021, approximately five weeks before reporting he was too sick to work, CANGE wrote on his Instagram account that he: "just had an amazing meeting for [his] book" and that the "road was long to get here and I still have some miles to go but we'll get there together ... Now back to work!" He also posted that he was "hard at work" on creating the "best possible art[,] the best possible coloring[,] and the best possible lettering." CANGE's Instagram account also documented his work as a cartoonist working on a comic book rather than

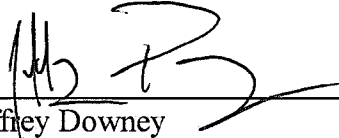
working as a correction officer. For example, on or about April 15, 2022, CANGE posted a photograph on Instagram announcing that his comic book was now available for sale. Since then, CANGE posted on several occasions that he met with fans of his comic book. On April 21, 2022, CANGE posted a picture of himself meeting a fan at a comic bookstore. On the same day, CANGE told DOC he had a physical therapy appointment at Maimonides, even though that facility later confirmed that CANGE did not attend an appointment on that day. CANGE has also submitted notes to DOC from his physician stating that was he was unable to stand, sit, drive or lift, including on April 28, 2022. However, on or about May 8, 2022, CANGE posted a video on YouTube where he “unboxed” rare comic books. In the video, CANGE lifted and moved two large boxes that he described as “heavy”. On May 20, 2022, CANGE posted a photograph on Instagram of exercise equipment and United States Postal Services boxes and envelopes with the title “Moving that weight lol thank you All for the support.” Finally, on June 10, 2022, law enforcement authorities witnessed CANGE playing basketball and driving despite his claims of vertigo and other illnesses.

17. On or about August 29, 2022, I and another law enforcement agent attempted to interview the defendant STEVEN CANGE. When we arrived at his residence, CANGE did not open the door. When reached later by telephone, CANGE stated that he was home but did not wish to speak to law enforcement. However, on August 29, when we arrived at CANGE’s residence in Brooklyn, we did not witness CANGE’s car in the building parking lot. After our attempted interview, CANGE did not log out to medical appointments for over a month, despite, prior to our visit, logging out nearly every day. In addition, after the FBI spoke to him by telephone, CANGE deleted his Instagram account,

and then, less than two months later, created a new Instagram account with a different username.

WHEREFORE, your deponent respectfully requests that the defendant STEVEN CANGE be dealt with according to law.

I further request that the Court issue an order sealing, until further order of the Court, all papers submitted in support of this application, including the affidavit and arrest warrant. Based upon my training and experience, premature disclosure of the contents of this affidavit and related documents will seriously jeopardize the investigation, including by giving the defendant an opportunity to flee from prosecution, destroy or tamper with evidence or change patterns of behavior.



Jeffrey Downey
Special Agent
Federal Bureau of Investigation

Sworn to before me by telephone this
8 day of November, 2022

Vera M. Scanlon

THE HONORABLE VERA M. SCANLON
UNITED STATES MAGISTRATE JUDGE
EASTERN DISTRICT OF NEW YORK