SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: PART 65

THE PEOPLE OF THE STATE OF NEW YORK -against- RAYMOND LAVALLEE, THOMAS HALE, JOSEPH ESPOSITO, and JOHN MINERVA. Defendants.	INDICTMENT

The GRAND JURY OF THE COUNTY OF NEW YORK, by this indictment, accuses the defendants RAYMOND LAVALLEE, THOMAS HALE, JOSEPH ESPOSITO and JOHN MINERVA of the crime of **CONSPIRACY IN THE FOURTH DEGREE**, in violation of Penal Law §105.10(1), committed as follows:

The defendants, in the County of New York and elsewhere, during the period from in or about January 1988 to on or about December 18, 2013, with intent that conduct constituting a class B and class C felony, to wit, Grand Larceny in the First Degree and Grand Larceny in the Second Degree, be performed, did agree with one and more persons to engage in and cause the performance of such conduct.

INTRODUCTION TO THE CONSPIRACY COUNT

With regard to the First Count of this indictment, the Grand Jury charges that defendants LAVALLEE, HALE, ESPOSITO and MINERVA, together with others, from in or about January 1988 to on or about December 18, 2013, engaged in a conspiracy to steal more than $1,000,000 from the Social Security Disability Insurance program ("SSDI") of the United States Social Security Administration ("SSA") by directing and assisting hundreds of applicants (the "Applicants") in creating and submitting fraudulent SSDI applications, which resulted in the Applicants obtaining SSDI benefit payments to which they were not legally entitled. In return, defendants LAVALLEE, HALE, ESPOSITO and MINERVA collected substantial cash payments from the Applicants.

The SSDI program was enacted by the United States Congress in 1956 so that the SSA could provide benefits to insured disabled workers and their families. To receive benefits, applicants must have been "unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months," according to SSDI regulations. Once applications were approved, the applicant would receive monthly SSDI benefit payments based on his or her other past average monthly earnings. These benefits would continue until the applicant was no longer disabled or reached the age of 65, at which time the benefits would be reclassified as Social Security retirement insurance benefits. Beneficiaries were required to demonstrate continued eligibility to receive benefits, on an annual basis, by filing submissions regarding their current medical condition and treatment.

To achieve the objectives of their conspiracy, defendants LAVALLEE, HALE, ESPOSITO and MINERVA, together with others, engaged in a course of conduct in which the Applicants were sent to designated mental health professionals for a period of approximately one year in order to build a record of treatment for a psychiatric condition that would warrant, if genuine, an award of SSDI benefits. The Applicants were further instructed to manifest symptoms of depression, anxiety and related disorders when visiting the doctors.

The Applicants then sought benefits from the SSDI program on the basis of fraudulent claims that they were disabled due to their purported diagnosed psychiatric

infirmities, which were usually claimed to be post-traumatic stress disorder. On the applications, the Applicants generally claimed that they lived isolated lifestyles with limited social interactions as a result of their supposed medical conditions, when in fact, their lifestyles did not comport with these representations and they were not suffering from disabling psychiatric infirmities. The Applicants were also coached on how to demonstrate falsely that they were symptomatic to independent doctors appointed by the SSA during the application process. For instance, the Applicants were instructed how to fail memory tests administered as part of the examination process with plausibility, how to dress, and how to behave. They were also instructed on the possibility of surveillance by SSA investigators.

Most of the applications submitted as a part of the conspiracy followed the same distinctive pattern in their style and phraseology, asserting that the applicants rarely left their residences, had no interest in social activities, and were unable to handle their personal finances. For example, the vast majority of applications filed as a part of the conspiracy stated: "I nap on and off during the day, I usually have the TV on to keep me company;" "I don't have an interest in anything;" "I was a healthy, active, productive person;" "I am up and down all night long;" "My [family member] is always after me about my grooming;" and "I am unable to perform any type of work activity in or out of the house."

In reality, as the defendants well knew, the applicants performed activities that, to varying degrees, both contradicted these repeated statements and negated their eligibility for SSDI benefits. At various times, for example, certain applicants were recorded or photographed flying a helicopter, playing blackjack in Las Vegas, Nevada, working a cannoli

stand at the San Genaro Festival in Manhattan, riding a jet ski, and performing martial arts moves set to music.

As a further part of the conspiracy, the defendants LAVALLEE, HALE, ESPOSITO and MINERVA generally continued to assist successful Applicants by directing them how they should complete their subsequent annual submissions to the SSDI program in order to maintain the fraudulent appearance that their purported disabilities persisted.

Once an Applicant began receiving SSDI benefit payments, he or she split the proceeds of the crime with the defendants LAVALLEE, HALE, ESPOSITO and MINERVA generally in amounts equal to fourteen months' worth of the SSDI benefits received, usually between $ 15,000 and $50,000, less the authorized attorney fee of $6,000 that defendant LAVALLEE also charged.

OVERT ACTS

In furtherance of the conspiracy, and to effect its objectives, the defendants and their co-conspirators committed and caused to be committed the following overt acts, among others, in New York County and elsewhere:

1. On or about May 15, 2013, ESPOSITO had a conversation with James Matamoros, during which ESPOSITO said that he owed Esposito's co-conspirators a cash payment in an amount equal to fourteen monthly SSDI payments that Matamoros would be collecting, less the $6,000 fee the SSA withheld.

2. On or about May 15, 2013, ESPOSITO had a conversation with James Matamoros, during which ESPOSITO said that he himself was explaining to Matamoros the cash payment he owed because HALE was not willing to tell Matamoros this directly himself.

3. On or about July 12, 2013, LAVALLEE had a conversation with HALE, during

which LAVALLEE asked if a particular applicant had paid them yet, and HALE responded that he believed the payment had been made because the applicant had been referred to them by MINERVA.

4. On or about July 12, 2013, LAVALLEE had a conversation with HALE, during which LAVALLEE asked if a particular group of applicants who had failed to pay the required cash payments had all been referred by MINERVA.

5. On or about March 25, 2013, ESPOSITO had a conversation with Wieslawa Okrasa, during which ESPOSITO said that once he reached the age of 65, Okrasa would no longer have to continue with medical treatments for the purpose of maintaining eligibility for SSDI benefit payments, and would also be free to seek employment at that time.

6. On or about March 25, 2013, ESPOSITO had a conversation with Wieslawa Okrasa, during which ESPOSITO said that Okrasa could explain to his treating doctor that he had reached the age of 65 and that he was ending his treatment because he was feeling better.

7. On or about July 19, 2012, HALE had a conversation with Francis Palmeri, Jr., during which HALE said that Palmeri should read HALE the questions listed on a document Palmeri had received from the SSDI program, and that HALE would tell Palmeri how to answer the questions.

8. On or about January 3, 2013, ESPOSITO had a conversation with Jacqueline Powell, during which ESPOSITO instructed Powell how to act and respond to questions that would likely be posed to her by medical professionals from the SSDI program, with whom she was scheduled to meet with regarding her SSDI application.

9. On or about April 11, 2013, LAVALLEE had a conversation with HALE, during which LAVALLEE said that the doctors that worked with the conspirators only wrote certain information in their applicant reports after being instructed to do so by the conspirators.

10. On or about September 14, 2012, ESPOSITO had a conversation with Joseph Alameda, during which ESPOSITO said that a particular applicant referred by Alameda should say to officials from the SSDI program that her disability was related to the terrorist attacks connected to September 11, 2001, and not that her partner had left the applicant, or any other reason.

11. On or about August 10, 2013, HALE had a conversation with ESPOSITO, during which HALE said that one of the applicants was being investigated by law enforcement officials, and if law enforcement officials tracked that person, the defendants' interactions with all the SSDI applicants they had assisted would be exposed to law enforcement

scrutiny.

12. On or about August 10, 2013, HALE had a conversation with ESPOSITO, during which HALE warned ESPOSITO to be careful because if their many years of interacting with SSDI applicants were to be discovered by law enforcement officials, that might open a "Pandora's Box" for the defendants.

13. In or about March 2010, an application for SSDI benefits for Ann Marie Aglialoro was filed with the SSA.

14. In or about March 2006, an application for SSDI benefits for Christopher Agoglia was filed with the SSA.

15. In or about June 2006, an application for SSDI benefits for John Arezzo was filed with the SSA.

16. In or about December 2005, an application for SSDI benefits for Donald Avenoso was filed with the SSA.

17. In or about March 2006, an application for SSDI benefits for Michael Barton was filed with the SSA.

18. In or about January 2008, an application for SSDI benefits for Philip Blessinger was filed with the SSA.

19. In or about March 2012, an application for SSDI benefits for Sheldon Bratton was filed with the SSA.

20. In or about October 2009, an application for SSDI benefits for Tyrone Breeden was filed with the SSA.

21. In or about October 2008, an application for SSDI benefits for Dermot Breslin was filed with the SSA.

22. In or about April 2006, an application for SSDI benefits for Ninfa Brunetto, aka Ninfa Brunetto-Kavanagh was filed with the SSA.

23. In or about June 2010, an application for SSDI benefits for John Byrne was filed with the SSA.

24. In or about November 2005, an application for SSDI benefits for George Byrnes was filed with the SSA.

25. In or about January 2011, an application for SSDI benefits for Brian Carey was filed with the SSA.

26. In or about November 2012, an application for SSDI benefits for Atrailyes Denese Carter was filed with the SSA.

27. In or about June 2010, an application for SSDI benefits for John Canosco was filed with the SSA.

28. In or about June 2009, an application for SSDI benefits for John Closs was filed with the SSA.

29. In or about December 2004, an application for SSDI benefits for John Colombi was filed with the SSA.

30. In or about October 2008, an application for SSDI benefits for Edwin Colon was filed with the SSA.

31. In or about November 2010, an application for SSDI benefits for Daniel Conklin was filed with the SSA.

32. In or about September 2004, an application for SSDI benefits for Jacqueline Connolly was filed with the SSA.

33. In or about November 2007, an application for SSDI benefits for Ronald Connor was filed with the SSA.

34. In or about May 2009, an application for SSDI benefits for Richard Cosentino was filed with the SSA.

35. In or about April 2005, an application for SSDI benefits for Edward Curley was filed with the SSA.

36. In or about September 2006, an application for SSDI benefits for David Czark was filed with the SSA.

37. In or about October 2005, an application for SSDI benefits for Thomas Damon was filed with the SSA.

38. In or about February 2008, an application for SSDI benefits for Michael DeMartino was filed with the SSA.

39. In or about October 2006, an application for SSDI benefits for Thomas Dinkelacker was filed with the SSA.

40. In or about January 2006, an application for SSDI benefits for Robert Donaldson was filed with the SSA.

41. In or about August 2001, an application for SSDI benefits for Mustafa Dufan was filed with the SSA.

42. In or about January 2003, an application for SSDI benefits for Ralph Ehresman was filed with the SSA.

43. In or about February 2004, an application for SSDI benefits for John Famularo was filed with the SSA.

44. In or about September 2004, an application for SSDI benefits for Glenn Galanos was filed with the SSA.

45. In or about December 2010, an application for SSDI benefits for Karen Galimi was filed with the SSA.

46. In or about June 2007, an application for SSDI benefits for Kevin Galimi was filed with the SSA.

47. In or about January 2003, an application for SSDI benefits for Thomas Galimi was filed with the SSA.

48. In or about July 2009, an application for SSDI benefits for Vincent Gergenti was filed with the SSA.

49. In or about August 2006, an application for SSDI benefits for Jack Giancaspro was filed with the SSA.

50. In or about January 2010, an application for SSDI benefits for Daniel Gonzalez was filed with the SSA.

51. In or about March 2010, an application for SSDI benefits for Scott Greco was filed with the SSA.

52. In or about September 2007, an application for SSDI benefits for William Gross was filed with the SSA.

53. In or about December 2002, an application for SSDI benefits for Paul Hansen was filed with the SSA.

54. In or about April 2007, an application for SSDI benefits for Raymond Herlihy was filed with the SSA.

55. In or about April 2011, an application for SSDI benefits for Keran Howard was filed with the SSA.

56. In or about March 2010, an application for SSDI benefits for Donald Hunter was filed with the SSA.

57. In or about November 2005, an application for SSDI benefits for Kevin Hurley was filed with the SSA.

58. In or about June 1990, an application for SSDI benefits for Louis Hurtado was filed with the SSA.

59. In or about December 2005, an application for SSDI benefits for Darlene Ilchert was filed with the SSA.

60. In or about July 2011, an application for SSDI benefits for Peter Inzerilla was filed with the SSA.

61. In or about September 2011, an application for SSDI benefits for Jodi Isolano, aka Jodi Guidice was filed with the SSA.

62. In or about January 2003, an application for SSDI benefits for Tracy Jackson was filed with the SSA.

63. In or about October 2007, an application for SSDI benefits for Terrance Johnson was filed with the SSA.

64. In or about November 2009, an application for SSDI benefits for John Kellett was filed with the SSA.

65. In or about May 2004, an application for SSDI benefits for Helen Krill was filed with the SSA.

66. In or about June 2007, an application for SSDI benefits for Michael Kull was filed with the SSA.

67. In or about October 2011, an application for SSDI benefits for Darrin Lamantia was filed with the SSA.

68. In or about May 2011, an application for SSDI benefits for Vincent Lamantia was filed with the SSA.

69. In or about February 2005, an application for SSDI benefits for Thomas LaRosa was filed with the SSA.

70. In or about February 2010, an application for SSDI benefits for Glenn Leibermann was filed with the SSA.

71. In or about June 2007, an application for SSDI benefits for Christopher Lisanti was filed with the SSA.

72. In or about September 2005, an application for SSDI benefits for David Lopez was filed with the SSA.

73. In or about February 2011, an application for SSDI benefits for Terrence Magagnos was filed with the SSA.

74. In or about February 2008, an application for SSDI benefits for Anthony Maher was filed with the SSA.

75. In or about August 2007, an application for SSDI benefits for Edward Mahoney was filed with the SSA.

76. In or about November 2011, an application for SSDI benefits for Daniel Mallo was filed with the SSA.

77. In or about February 2008, an application for SSDI benefits for Francis Marino was filed with the SSA.

78. In or about April 2009, an application for SSDI benefits for Peter Martin was filed with the SSA.

79. In or about February 2008, an application for SSDI benefits for John Massoni was filed with the SSA.

80. In or about September 2011, an application for SSDI benefits for James Matamoros was filed with the SSA.

81. In or about April 2009, an application for SSDI benefits for Lauren Mazza was filed with the SSA.

82. In or about December 2006, an application for SSDI benefits for Gerard McCarthy as filed with the SSA.

83. In or about February 2005, an application for SSDI benefits for Kevin McCullah was filed with the SSA.

84. In or about July 2011, an application for SSDI benefits for John McGarry was filed with the SSA.

85. In or about October 2009, an application for SSDI benefits for Arlene Mellett was filed with the SSA.

86. In or about October 2007, an application for SSDI benefits for Salvatore Moriello was filed with the SSA.

87. In or about August 2006, an application for SSDI benefits for Robert Morrissey was filed with the SSA.

88. In or about June 2010, an application for SSDI benefits for Joseph Morrone was filed with the SSA.

89. In or about December 2005, an application for SSDI benefits for Arnold Moskowitz was filed with the SSA.

90. In or about May 2005, an application for SSDI benefits for Jeremiah Moynihan was filed with the SSA.

91. In or about July 1998, an application for SSDI benefits for Leonard Narducci was filed with the SSA.

92. In or about March 2009, an application for SSDI benefits for Mergim Nesimi was filed with the SSA.

93. In or about June 2011, an application for SSDI benefits for Michael Nuzzi was filed with the SSA.

94. In or about August 2011, an application for SSDI benefits for Terrence O'Hara was filed with the SSA.

95. In or about March 2011, an application for SSDI benefits for John Orosz was filed with the SSA.

96. In or about August 1997, an application for SSDI benefits for Francis Palmeri was filed with the SSA.

97. In or about March 2005, an application for SSDI benefits for James Pates was filed with the SSA.

98. In or about April 2005, an application for SSDI benefits for Joseph Polite was filed with the SSA.

99. In or about February 2011, an application for SSDI benefits for Daniel Pollicino was filed with the SSA.

100. In or about March 2003, an application for SSDI benefits for Thomas Ponzo was filed with the SSA.

101. In or about April 2010, an application for SSDI benefits for John Quinn was filed with the SSA.

102. In or about August 2006, an application for SSDI benefits for Liana Rivera, aka Liana Benitez-Rivera was filed with the SSA.

103. In or about September 2004, an application for SSDI benefits for Michael Rocco was filed with the SSA.

104. In or about November 2008, an application for SSDI benefits for Samuel Rushing was filed with the SSA.

105. In or about July 2008, an application for SSDI benefits for Matthew Salmon was filed with the SSA.

106. In or about September 2004, an application for SSDI benefits for John Salvato was filed with the SSA.

107. In or about May 2005, an application for SSDI benefits for Michael Scialabba was filed with the SSA.

108. In or about December 2009, an application for SSDI benefits for Nicholas Secchi was filed with the SSA.

109. In or about December 2008, an application for SSDI benefits for John Senese was filed with the SSA.

110. In or about April 2005, an application for SSDI benefits for John Stefanowski was filed with the SSA.

111. In or about November 2003, an application for SSDI benefits for Andre Stennett was filed with the SSA.

112. In or about February 2005, an application for SSDI benefits for Shannon Tumminello was filed with the SSA.

113. In or about October 2003, an application for SSDI benefits for Larry Wiltbank was filed with the SSA.

114. In or about August 2010, an application for SSDI benefits for Sidney Young was filed with the SSA.

115. In or about May 2004, an application for SSDI benefits for Frank Azzato III was filed with the SSA.

116. In or about January 2007, an application for SSDI benefits for Lucille Camarda was filed with the SSA.

117. In or about October 1999, an application for SSDI benefits for Rawle Collins was filed with the SSA.

118. In or about September 2006, an application for SSDI benefits for Janice Tigner Daniels (aka Janice Daniels) was filed with the SSA.

119. In or about July 2006, an application for SSDI benefits for Geoffrey Davila was filed with the SSA.

120. In or about May 2000, an application for SSDI benefits for Renee Defalco was filed with the SSA.

121. In or about June 1994, an application for SSDI benefits for Kenneth Delgado (aka Joseph Del Gallo) was filed with the SSA.

122. In or about January 2007, an application for SSDI benefits for Sam Esposito was filed with the SSA.

123. In or about March 2009, an application for SSDI benefits for Eileen Giambrone was filed with the SSA.

124. In or about December 2005, an application for SSDI benefits for Robert Giammarino was filed with the SSA.

125. In or about October 2011, an application for SSDI benefits for Michael Guidice Jr. was filed with the SSA.

126. In or about September 2003, an application for SSDI benefits for Douglas Hale was filed with the SSA.

127. In or about June 2008, an application for SSDI benefits for Joseph Jannis was filed with the SSA.

128. In or about December 2006, an application for SSDI benefits for John Joyce was filed with the SSA.

129. In or about October 2010, an application for SSDI benefits for William Korinek was filed with the SSA.

130. In or about November 2005, an application for SSDI benefits for Daniel Mandella was filed with the SSA.

131. In or about April 2007, an application for SSDI benefits for Frank Mannino was filed with the SSA.

132. In or about June 2008, an application for SSDI benefits for Jose Medina Jr. was filed with the SSA.

133. In or about February 2003, an application for SSDI benefits for Vincent Nolie was filed with the SSA.

134. In or about September 2008, an application for SSDI benefits for Kenneth O'Brien was filed with the SSA.

135. In or about October 2009, an application for SSDI benefits for William Orfanos was filed with the SSA.

136. In or about December 2009, an application for SSDI benefits for Stacey Paone was filed with the SSA.

137. In or about August 2009, an application for SSDI benefits for Frances Prestipino was filed with the SSA.

138. In or about June 2006, an application for SSDI benefits for Catherine Rocanello was filed with the SSA.

139. In or about November 2003, an application for SSDI benefits for Thomas Sgueglia was filed with the SSA.

140. In or about May 2010, an application for SSDI benefits for Edward Sweeney was filed with the SSA.

141. In or about February 2011, an application for SSDI benefits for James Urkonis was filed with the SSA.

142. In or about May 2008, an application for SSDI benefits for Daniel Walsh was filed with the SSA.

CYRUS R. VANCE, JR.
District Attorney

GJ #-

Filed: NA

No.

THE PEOPLE OF THE STATE OF NEW YORK

-against-

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INDICTMENT

CONSPIRACY IN THE FOURTH DEGREE, P.L. §105.10(1) - DEF. Raymond Lavallee, Thomas Hale, John Minerva, and Joseph Esposito, 4 Cts

CYRUS R. VANCE, JR., District Attorney

A True Bill

Christopher Santora/Bryan Serino
RAC

Foreman Preston Blair

ADJOURNED TO PART _____ ON _____