

# Former State Employee Sentenced to 36 Months for Unemployment Insurance Fraud Scheme

Thursday, November 9, 2023

## For Immediate Release

U.S. Attorney's Office, Northern District of New York

ALBANY, NEW YORK – Former New York State Department of Labor (NYSDOL) employee Wendell Giles, age 53, of Albany, was sentenced today to 36 months in prison for engaging in a fraudulent scheme to obtain more than \$800,000 in unemployment insurance benefits by abusing his position with the NYSDOL.

The announcement was made by United States Attorney Carla B. Freedman; Alfred A. Watson, Acting Special Agent in Charge of the Albany Field Office of the Federal Bureau of Investigation (FBI); and Jonathan Mellone, Special Agent in Charge, Northeast Region, U.S. Department of Labor, Office of Inspector General (USDOL-OIG).

As part of his [previously entered guilty plea](#) to conspiracy to commit mail fraud, Giles admitted that he and another former NYSDOL employee, Carl J. DiVeglia III, abused their state computer systems access to create and approve false unemployment insurance applications in 2020 and 2021, including applications for the federal Pandemic Unemployment Assistance (PUA) program.

Giles recruited relatives, friends and friends-of-friends to submit false benefits applications over the phone to DiVeglia after Giles had instructed them to lie in response to eligibility questions. Giles and DiVeglia then took a share of the benefits paid by NYSDOL on the false claims. Giles used his share to enrich himself, including by purchasing a three-wheeled motorcycle. In text messages, DiVeglia suggested a vanity license plate for Giles's new vehicle, "TY PUA," which Giles understood to mean "Thank You Pandemic Unemployment Assistance." Giles responded, "Lol." Giles had been

employed as a Senior Employment Security Clerk, and DiVeglia as a Labor Services Representative.

Giles admitted responsibility for \$826,530 in losses to pandemic-related UI benefits programs administered by the state. He has agreed to pay full restitution to NYSDOL. DiVeglia previously [pled guilty](#) to related charges and also agreed to pay restitution.

United States District Judge Glenn T. Suddaby also imposed a 2-year term of supervised release, to begin after Giles is released from prison. Judge Suddaby also ordered Giles to pay \$826,530 in restitution to the State of New York and to forfeit a \$100,000 money judgment to the United States.

The FBI and USDOL-OIG investigated this case, with assistance from the NYSDOL Office of Special Investigations. Assistant U.S. Attorneys Joshua R. Rosenthal and Joseph S. Hartunian prosecuted this case.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

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## Topics

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