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**Office of The Attorney General**

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**Division of Criminal Justice**

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**Man Sentenced to Eight Years in Prison for Stealing  
\$317,736 from State by Filing Fraudulent Unemployment  
and Temporary Disability Claims**

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**TRENTON** –Attorney General Gurbir S. Grewal announced that a former resident of North Bergen, N.J., was sentenced to state prison today for stealing \$317,736 from the State of New Jersey by filing false claims for unemployment benefits and temporary disability benefits.

Jose Crespo, 52, of New Castle, Delaware – formerly of North Bergen and Fort Lee, N.J. – was sentenced to eight years in state prison, including three years of parole ineligibility, by Superior Court Judge Peter E. Warshaw Jr. in Mercer County. He also was ordered to pay full restitution of \$317,736. Crespo pleaded guilty on April 17, 2017 to a charge of second-degree computer theft. Two co-defendants previously were sentenced. His wife, Marilyn Crespo, 50, pleaded guilty to a second-degree theft charge and was sentenced to the Drug Court Program. However, if she fails to meet the requirements of that program, the alternative sentence is five years in prison. Jose Crespo’s friend Craig Mallone, 62, of Wilmington, Del., pleaded guilty to third-degree theft by deception and was sentenced to 364 days in jail and three years of probation.

Deputy Attorneys General Danielle Scarduzio and Christopher Keating prosecuted the defendants for the Division of Criminal Justice Specialized Crimes Bureau, and DAG Scarduzio handled today's sentencing. Crespo was indicted in an investigation by the Division of Criminal Justice, the New Jersey Department of Labor and Workforce Development, and the U.S. Department of Labor Office of Inspector General. They were assisted by the New Castle County (Del.) Police Department. The investigation began after the New Jersey Department of Labor uncovered the suspicious claims.

"Proliferous con artists like Crespo are a costly drain on the unemployment insurance trust fund, which is a vital safety net for hardworking New Jerseyans who lose their jobs through no fault of their own," said Attorney General Grewal. "The New Jersey Department of Labor has enhanced its resources to detect this type of fraud, and we'll continue to partner with them and the U.S. Department of Labor to ensure that these offenders face justice."

"This prison sentence is the result of great teamwork by our attorneys and detectives, collaborating with investigators from the New Jersey and U.S. Labor Departments," said Director Elie Honig of the Division of Criminal Justice. "We've put offenders on notice that this type of fraud carries strict penalties."

The State Labor Department's ongoing anti-fraud initiative has saved taxpayers \$950 million to date.

"The Labor Department continues to aggressively pursue cases of suspected fraud by working closely with the Department of Law and Public Safety and the U.S. Department of Labor to ensure that anyone who fraudulently collects or attempts to collect unemployment or temporary disability benefits is charged and prosecuted," said Acting Commissioner Robert Asaro-Angelo. "Our investigators are equipped with the technology and tools to detect suspicious claims activity."

"Jose and Marilyn Crespo defrauded the New Jersey Temporary Disability Insurance and Unemployment Insurance programs of more than \$317,000 by creating shell companies and using stolen identities of innocent victims to file fraudulent claims. These programs exist for the benefit of New Jersey taxpayers in need of the vital benefits these programs supply. The U.S. Department of Labor Office of Inspector General and its partners at the State of New Jersey will vigorously pursue those who commit fraud against the unemployment insurance program and we will continue to work together to ensure the integrity of the program" said Peter Nozka, Acting Special Agent-in-Charge, New York Region, U.S. Department of Labor Office of Inspector General.

Jose Crespo, with Marilyn's assistance, engaged in two separate schemes to steal a total of \$317,736 from the State of New Jersey between December 2012 and December 2015. In the first scheme, Jose Crespo filed 19 fraudulent Unemployment Insurance (UI) claims, all of which listed the same two employers, which were shell companies set up in New Jersey that were connected to the Crespos. Of the 19 fraudulent UI claims, 11 used the identities of current or former inmates in the Georgia state prison system, and several others were filed in the names of members of the Crespo family. A total of \$110,642 allegedly was stolen through false UI claims. Mallone was charged in connection with a false UI claim filed in his name by Jose Crespo, through which Mallone received \$12,825 in benefits.

In the second scheme, Jose Crespo allegedly filed 23 fraudulent Temporary Disability Insurance (TDI) claims which involved seven different employers, all of which again were shell companies connected to the Crespos, including the two companies used for the UI claims. Of the 23 TDI claims, 16 were filed in the names of current or former Georgia inmates, while others were filed in the names of members of the Crespo family. A total of \$207,094 allegedly was stolen through false TDI claims.

The investigation was conducted for the Division of Criminal Justice Specialized Crimes Bureau by Deputy Attorney General Scarduzio, Detective Christine Sullivan and Analyst Bethany Schussler. They worked with the New Jersey Department of Labor & Workforce Development and the U.S. Department of Labor Office of Inspector General. The investigation was conducted for the New Jersey Department of Labor by Supervising Investigator Michael Kulyk and Investigators Luke Schaffer and Thomas Fink of the Office of Benefit Payment Control. Detective Keith Sydnor, Detective Mike Santos and Sgt. Steve Legenstein of the New Castle County (Delaware) Police Department provided valuable assistance.

Crespo was sentenced in January to three years in federal prison for a scheme in which he fraudulently collected over \$1 million in tax refunds by falsely claiming tax credits for shell companies he created. He was charged in an investigation by the U.S. Attorney's Office for the District of New Jersey and the IRS Criminal Investigation Newark Field Office. Marilyn Crespo pleaded guilty yesterday in federal court in connection with the same criminal scheme.

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**Defense Attorney**

For Jose Crespo: Assistant Deputy Public Defender Laura A. Yaede, Mercer County