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STATE OF NEW YORK : CITY COURT
COUNTY OF ERIE : CITY OF BUFFALO
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THE PEOPLE OF THE STATE OF NEW YORK

-against-

FELONY COMPLAINT

NETTIE ANDERSON,
73 Girard Place, Buffalo, New York
dob 5/25/28

Defendant.

-----X

Investigator Harold Frank of the New York State Attorney General's Office, Buffalo,
New York, deposes and says:

Between on and about and between December 27, 2002, and on or about October 7, 2005,
in the City of Buffalo, County of Erie, State of New York, the defendant committed the offense
of:

Grand Larceny in the Second Degree, in violation of §155.40 of the Penal Law of the
State of New York in that the defendant stole property, and that the value of the property
exceeded fifty thousand (\$50,000) dollars.

This felony complaint is based upon an investigation conducted by the New York State
Attorney General's ("NYSAG") office, the New York State Department of State, business
records maintained by M&T Bank and the Community Action Organization of Erie County Inc.
the interview of L. Nathan Hare conducted on February 27, 2008, the interviews of Peggy
Krauthaus conducted on February 26, 2008 and February 29, 2008, the interview of Allen Wright
conducted on March 10, 2008, the interview of Thomas Gordon conducted on March 24, 2008
and March 27, 2008, the statement of Unites States Probation Officer Thomas Langolotti, the

interview of Carl Evans conducted on April 25, 2008, the interview of Edmond Battle conducted on April 28, 2008 and the interview of Carl Evans conducted on April 25, 2008. This crime was committed under the following circumstances:

1. Deponent states that on February 27, 2008, he interviewed L. Nathan Hare (hereafter "Hare") who stated that since June 2, 2002, he has been the Executive Director of the Community Action Organization ("CAO") of Erie County Inc., located at 70 Harvard Place, Buffalo, New York. Hare informed me that the CAO, a not-for-profit corporation community service organization, receives state and federal funding to carry out its mandate of providing goods and services to the disadvantaged people in the City of Buffalo and Erie County. Hare also stated that he was familiar with the defendant, Nettie Anderson (hereafter "Anderson"), who became the Facilities Director at the CAO in June 2002. During the time of her employment at the CAO, Anderson was responsible for the maintenance of properties owned by the CAO, and the operation of a project known as the Low Income Home Repair Program. Finally, Hare stated that Anderson continued her employment at the CAO until November 2005.

2. Deponent states that on February 26, 2008 and February 29, 2008, he interviewed Peggy Krathaus (hereafter "Krathaus"). Krathaus stated that she has been the Chief Financial Officer of the CAO since July 2004, but that she first began working at the CAO as a consultant/auditor in the fall of 2003 when she was employed by Conway Porter, CPA.

Larceny involving Allen Wright

3. Deponent is advised by Krathaus that in October 2007, she spoke with a person who identified himself as Allen Wright (hereafter "Wright"). Wright told Krathaus that the federal government had refused to provide him with his income tax refund because he allegedly owed

taxes on income that he had received from the CAO in 2003. Furthermore, according to Krathaus, Wright showed her a copy of a 1099 Miscellaneous Income federal income tax form that had been furnished to him by the Internal Revenue Service. Reflected on this document is Wright's name, address, social security number and that he had earned \$12,564 from the CAO in 2003. Finally, Wright told Krathaus that he could not have worked at the CAO in 2003 due to the fact that he was incarcerated in Indiana during that entire year. To substantiate this fact, Wright provided Krathaus with a copy of an Indiana Offender Database Search which contained Wright's date of birth. This document reflected that on August 17, 2001, Wright had been sentenced in Indiana to a seven-year term of incarceration, with the earliest possible release date of March 5, 2004.

4. Deponent has conducted a criminal record check for an "Allen Wright" with the date of birth and social security number that was listed on the documents that Wright gave to Krathaus. Deponent has determined that Wright, on September 5, 2001, had been received at the reception facility for the Indiana Department of Corrections to begin serving a ten year prison sentence, three years of which had been suspended.

5. Deponent states that on March 10, 2008, I spoke with Wright. I was advised by Wright that his grandmother was Nettie Anderson, that due to the fact that he was incarcerated in Indiana, he did not work for the CAO in 2003 and that he never gave anyone permission to use his social security number.

6. Deponent has received from Krathaus copies of the CAO's records concerning Wright's alleged employment at the CAO. Krathaus advises deponent that these records are kept in the ordinary course of business of the CAO. Included in these records is a copy of the CAO's

1099 Miscellaneous Income federal income tax form for Wright for tax year 2003. Listed on this document is the address and social security number which Wright gave to Krathaus, as well as the fact that Wright received \$12,564 from the CAO in 2003. Also included in those records are copies of 37 CAO checks, dated between February 12, 2003 and October 30, 2003, that are all made payable to Wright. The amount of these checks vary between \$144 and \$360 for a total of \$12,564. All 37 of the CAO checks were signed on the back by "Allen Wright" and "Nettie Anderson". Deponent has reviewed copies of M&T Bank deposit slips, provided by David Rutecki, a representative of M&T Bank, which show that almost all of the CAO checks issued to Wright were deposited into an M&T Bank account in the name of Nettie Anderson. The rest of the checks were also cashed.

7. As previously stated, Hare advised deponent that as the Facilities Director, Anderson supervised the Low Income Home Repair Program. The purpose of this program was to hire individuals to work, on an hourly basis, to repair and rehabilitate buildings and residences in the community. Prior to an individual's receiving payment for the work that they had performed, Anderson was required to submit to the CAO a "CAO Requisition" form detailing the dates, hours and place of employment for each worker.

8. Krathaus has provided deponent 35 CAO Requisition forms that are dated between February 10, 2003 and October 28, 2003, and that relate to the work that was allegedly performed by Wright. Krathaus advises deponent that these records are kept in the ordinary course of business of the CAO. These forms identify Wright as the vendor entitled to payment, indicate the dates and hours that he allegedly worked and the place where the work was allegedly performed. In addition, almost all the forms include the social security number provided by

Wright, and indicate that the work was "Requested By: N.A". The amounts to be paid by the CAO to Wright, based upon the Requisition forms, varies between \$144 and \$360 per week. Finally, all of the Requisition forms are initialed "N.A." on the "Approved by Project Director" line.

Larceny involving Thomas Gordon

9. Deponent further states that Krathaus provided him with CAO records pertaining to CAO's employment of an individual named Thomas Gordon (hereafter "Gordon"). According to Krathaus, these records are kept in the ordinary course of business of the CAO. Included in these records is Gordon's address and social security number; in addition to CAO checks and CAO Requisition forms. These documents reflect that between January 16, 2003 and October 28, 2003, Gordon received \$11,700 from the CAO for work that he allegedly performed on behalf of the CAO at various work sites. The checks vary between \$144 and \$423, and almost all of the CAO checks were signed on the back by "Thomas Gordon" and "Nettie Anderson." Deponent has reviewed copies of M&T Bank deposit slips, provided by a representative of M&T Bank, that show that almost all of the CAO checks issued to Gordon were deposited into an M&T Bank account in the name of Nettie Anderson. The rest of the checks were also cashed.

10. Deponent is advised by Krathaus that in November 2003, records of the CAO indicate that Gordon allegedly became a salaried employee of the CAO; and that the payroll for CAO employees was processed by Automatic Data Processing, Inc. from November 2003 until April 2004. I have reviewed additional records that are kept in the ordinary course of business by the CAO that were provided to me by Krathaus regarding the work allegedly performed by Gordon on behalf of the CAO during the period from November 7, 2003 through December 19, 2003. Those records show that Gordon received an additional gross salary of \$2,304 from the CAO

during this time period.

11. Deponent was further advised by Krathaus that beginning in May 2004 and throughout 2005 the payroll was handled by CAO staff; and that as a salaried employee in 2004 and 2005, Gordon was required to submit a “Bi-Weekly Non-Exempt Employee Timesheet (hereafter “time sheet”)” detailing the hours that he worked. These time sheets, after being approved by the employee’s immediate supervisor, are the basis for the generation of paychecks by the CAO staff.

12. Deponent has been provided more than 40 time sheets that were submitted by “Thomas Gordon” and approved by “Nettie Anderson.” for the years 2004 and 2005, in addition to payroll checks in the names of “Thomas Gordon” for this time period. Krathaus advises deponent that these documents are kept in the ordinary course of business of the CAO. These documents reflect that between January 9, 2004 and October 7, 2005, the CAO paid a gross salary to Gordon of \$18, 216 in 2004 and \$14,112 in 2005.

13. Deponent states that on March 24, 2008 and March 27, 2008, I spoke with a Thomas Gordon who possesses the same date of birth and social security number that are reflected in the CAO records. Gordon told me that Nettie Anderson was his adopted mother and that he lived with her for significant periods of his life. Gordon further stated that he did not work for the CAO in 2003, 2004 or 2005; and that he was incarcerated in Pennsylvania between October 2003 and December 10, 2007. In addition, Gordon told me that he never gave permission to anyone to use his social security number. I have conducted a criminal record check for “Thomas Gordon” with the date of birth and social security number listed in the CAO records, and have spoken with Unites States Probation Officer Thomas Langolotti who verified that Gordon had pleaded guilty to a federal drug offense and was remanded to the Batavia, New York reception center on

October 21, 2003. On May 4, 2004, Gordon was sentenced to 54 months incarceration in a federal correctional facility.

Larceny involving Edmund Battle

14. Deponent further states that Krathaus has provided him with CAO records pertaining to CAO's alleged employment of an individual named Edmund Battle (hereafter "Battle").

According to Krathaus, these records are kept in the ordinary course of business of the CAO.

Included in these records is Battle's address and social security number as well as CAO checks and CAO Requisition forms. These documents reflect that between December 27, 2002 and October 15, 2003, Battle received \$9,000 from the CAO for work that he allegedly performed on behalf of the CAO at various work sites. The checks vary from between \$180 and \$360, and almost all of the CAO checks were signed on the back by either "Edmund Battle" or "Edmund Battle" and "Nettie Anderson". Deponent has reviewed copies of M&T Bank deposit slips, provided by a representative of M&T Bank, that show that most of the CAO checks issued to Battle were deposited into an M&T Bank account in the name of Nettie Anderson. The balance were cashed. In addition, deponent states that the 22 CAO Requisition forms relating to Battle indicate that the work was "Requested By: N.A."; and all of the forms indicate dates and hours worked and the place where the work was allegedly performed by Battle.

15. Deponent states that on April 28, 2008, I spoke to an Edmund Battle who possesses the same date of birth and social security number as are reflected in the CAO records. Battle told me that Nettie Anderson is his grandmother and that he moved to Connecticut in 1998, where he currently works as a probation officer. Battle further told me that he did not work for the CAO in 2002 or 2003, did not receive any money from the CAO or Nettie Anderson in 2002 or 2003, and never gave permission to anyone to use his social security number.

Larceny involving Carl Evans

16. Deponent states that Krathaus has provided him CAO records pertaining to CAO's alleged employment of an individual named Carl Evans (hereafter "Evans"). According to Krathaus, these records are kept in the ordinary course of business of the CAO. Included in these records is Evans's address and social security number, in addition to CAO checks and CAO Requisition forms. These documents reflect that between January 27, 2003 and October 9, 2003, Evans received \$6,009 from the CAO for work that he allegedly performed on behalf of the CAO at various work sites. The checks vary between \$150 and \$648, and almost all of the CAO checks were signed on the back by either "Carl Evans" or "Carl Evans" and "Nettie Anderson". Deponent has reviewed copies of M&T Bank deposit slips, provided by a representative of M&T Bank, that show that most of the CAO checks issued to Evans were deposited into an M&T Bank account in the name of Nettie Anderson. The rest of the checks were also cashed. In addition, deponent states, that the 17 CAO Requisition forms relating to Evans indicate that the work was "Requested By: N.A."; and all of the forms indicate the dates and hours worked and the place where the work was allegedly performed by Evans.

17. Deponent states that on April 25, 2008, I spoke with a Carl Evans who possesses the same date of birth and social security number reflected in the CAO records. Evans told me that he worked for Anderson and the CAO for a short period until his employment was terminated on or about January 24, 2003. Evans further told me he did not work for the CAO between January 27, 2003 and October 7, 2003, and that he did not receive any money from the CAO or Anderson during that time period.

18. Deponent has added the amount of money that the CAO paid to Wright (\$12,564), Gordon (\$46,332), Battle (\$9,000) and Evans (\$6009) which these individuals say they never

received, and has determined that it totals \$73,905; \$65,139 of which is comprised of payroll authorized by the CAO requisition forms that were initialed "N.A." taken together with the weekly time sheets that are signed "Nettie Anderson".

Dated: _____, 2008

False Statements are punishable as a class A misdemeanor pursuant to Section 210.45 of the Penal Law.

Harold Frank