



Charge Bronx Employer in Aiding Self, Worker to Fraud Helpings

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A Bronx restaurant owner and one of his employees have been arrested for claiming to be hurt, but allegedly continuing to work, in separate cases of workers' compensation fraud that had the potential of totaling more than \$359,600, NYSIF CEO/Executive Director David. P. Wehner announced.

Pietro Mellampe, 66, of Yates Avenue, and Ann Marie Defalco, 50, of Flint Avenue, both in the Bronx, were arrested March 19, 2008 by the Office of Bronx District Attorney Robert Johnson on charges of violating Sect. 114 of the Workers Compensation Law, grand larceny, insurance fraud and offering a false instrument for filing.

"In carrying out our mission and adhering to workers' compensation reforms, NYSIF is committed to continuing an aggressive attack on workers' compensation fraud in New York State," CEO Wehner said. "Such cases of 'double-dipping' smack of the abuses by individuals motivated by greed whose actions drain not only the system, but also the entire state's economy."

Investigators said Mr. Mellampe, owner of II Castillo Lido Restaurant on City Island, received benefit payments of \$400 per week, collecting \$66,640 in compensation for a back injury he allegedly sustained while lifting a case of wine at the restaurant in 1994. On several occasions during the investigation, however, surveillance allegedly captured him working at the restaurant even though he signed and submitted documents to NYSIF attesting to the contrary.

The arrest of Mr. Mellampe, who investigators said had his benefit checks sent to Italy, resulted in an estimated potential future savings of \$183,642 on his claim.

Ms. Defalco received \$130 per week for an injury claim she filed as the restaurant's office manager, allegedly collecting \$20,046 while working at the restaurant and signing sworn statements to the contrary. As her boss, Mr. Mellampe allegedly submitted documentation to NYSIF also indicating that Ms. Defalco had not returned to work.

The arrest of Ms. Defalco resulted in an estimated potential future savings of \$89,536 on her claim.

The New York State Insurance Department Frauds Bureau and the Workers' Compensation Board Fraud Inspector General's Office assisted in the investigation along with NYSIF's Division of Confidential Investigations.

Criminal complaints and indictments are accusations only. Defendants are innocent until proven guilty.