



U.S. Department of Justice

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FOR IMMEDIATE RELEASE

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PRESS RELEASE

Former NYC Fraud Investigator Sentenced to Prison for Stealing Homeless Victims' Identities to Apply for Unemployment Benefits

NYC Fraud Investigator Stole Victim Information from Department of Homeless Services Database and Conspired to Fraudulently Apply for Unemployment Insurance Benefits in Victims' Names

Earlier today, in federal court in Brooklyn, defendant Olabanji Otufale, a former New York City Department of Homeless Services fraud investigator, was sentenced by United States District Judge Kiyo A. Matsumoto to 27 months in prison for conspiracy to commit wire fraud and aggravated identity theft. Otufale and co-conspirator Marc Lazarre pleaded guilty in July 2024.

John J. Durham, United States Attorney for the Eastern District of New York, James E. Dennehy, Assistant Director in Charge, Federal Bureau of Investigation, New York Field Office (FBI), and Jocelyn Strauber, Commissioner, New York City Department of Investigation (DOI) announced the sentence.

"The defendant abused his position of trust as a fraud investigator to access and steal vulnerable homeless victims' personal identifying information for his personal benefit," stated United States Attorney John J. Durham. "Otufale betrayed the public trust and conspired to use his access for illicit financial gain. Today's sentence should serve as a lesson to this defendant and all public employees that exploiting positions of power for personal financial gain will be punished."

"Olabanji Otufale exploited his position within the Department of Homeless Services to steal the identities of homeless individuals and furtively reaped their allocated social services benefits. These abhorrent actions violate the trust and expected privacy placed in local agencies responsible for storing sensitive information. The FBI will never tolerate public service employees who prey upon our city's vulnerable populations for fiscal profits," stated FBI Assistant Director in Charge Dennehy.

DOI Commissioner Jocelyn E. Strauber said, "The defendant, a City fraud investigator with the Department of Homeless Services, had a duty to protect DHS and the vulnerable New Yorkers it serves from fraud. Instead, he used his access and position to steal personal information of applicants for social services, in a scheme to illegally obtain unemployment benefits. The sentence imposed today makes clear that we and our law enforcement partners will hold accountable those who misuse their City positions for personal profit. I thank the United States Attorney's

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Office for the Eastern District of New York and the FBI for their continued partnership in the effort to protect critical public funds.”

In the fall of 2020, Otufale conspired with others to steal the personal identifying information of more than ten homeless individuals and use that stolen information to fraudulently apply for unemployment insurance benefits in the names of those homeless individuals without their knowledge or consent.

At the time of the scheme, Otufale was a fraud investigator with the New York City Department of Homeless Services (the Department). In that role, Otufale was responsible for ensuring individuals who applied for homeless services—such as housing in homeless shelters—were qualified to receive services from the Department.

Otufale, however, used his access to a database maintained by the Department to commit fraud himself, stealing the personal identifying information—names, social security numbers, dates of birth—of vulnerable victims who had given that personal information to the Department when they applied for services. Otufale then texted this victim information to a co-conspirator, Marc Lazarre, who applied online for unemployment benefits in the names of the homeless victims. Otufale and Lazarre conspired to split the fraudulent benefits they received. Lazarre is scheduled to be sentenced on March 4, 2025.

The government’s case is being handled by the Office’s Public Integrity Section. Assistant United States Attorneys Sara K. Winik, Laura Zuckerwise and Katherine P. Onyshko are in charge of the prosecution, with assistance from Paralegal Specialist Nadya Osman.

The Defendants:

Olabanji Otufale
Age: 41
Brooklyn, NY

Marc Lazarre
Age: 39
Secaucus, NJ

E.D.N.Y. Docket No. 24-CR-170 (KAM)