

Timothy Jeffries, Director

**FOR IMMEDIATE RELEASE**  
**April 28, 2016**

**MEDIA CONTACT**  
**Tasya Peterson**  
**602-542-4296**  
[TasyaPeterson@azdes.gov](mailto:TasyaPeterson@azdes.gov)

## ***DES Office of Inspector General Obtains Indictment for Benefits Fraud***

*Food Stamp and Medical Fraud of nearly \$53,000*

**PHOENIX** – The Department of Economic Security’s (DES) Office of Inspector General (OIG) announced the State Grand Jury indictment of Mr. Gustavo Rizo for two counts of Fraudulent Schemes & Practices, two counts of Theft, ten counts of Unlawful Use of Food Stamps and one count of Fraud.

A warrant was issued as a result of an investigation by the DES OIG, into allegations that Mr. Rizo provided false information to DES in order to obtain food stamp and medical benefits to which he and his family were not entitled. Due to the fraudulent misrepresentation by Mr. Rizo, the State of Arizona suffered a loss of \$24,970.00 to DES in food stamp funds and \$27,645.95 to AHCCCS.

“DES has the honor and obligation of upholding the public’s trust when determining and distributing funds dedicated to those with critical needs,” said Director Timothy Jeffries. “When someone chooses to defraud the system, the impact is felt by all, including those who truly need critical assistance. Fraudulent activity on any level is illegal and unacceptable. DES OIG remains vigilant in discovering illegal activity and holding people accountable on behalf of the State of Arizona.”

Juan J. Arcellana, DES Inspector General, was especially pleased by the work effort of the DES/OIG investigators on this case. “Through the tireless efforts of our fraud investigators, we successfully put an end to a fraudulent scheme that occurred over a five-year time period. The investigators exercised extraordinary patience in this matter, and are to be commended for their diligence.”

It is alleged that between December 1, 2009, and October 31, 2015, Gustavo Rizo received DES Supplemental Nutritional Assistance Program (SNAP) benefits and medical benefits from the Arizona Health Care Cost Containment System (AHCCCS). During the pertinent benefit periods, Mr. Rizo included his son and daughter on his applications as members of the household. However, as a result of the DES OIG investigation, it was established that Mr. Rizo’s son had been living with Mr. Rizo’s spouse in San Luis Rio Colorado, Sonora, Mexico since April 2009. During the course of the investigation, it was also discovered that Mr. Rizo and his daughter had been living in Mexico since May 2012. During that time Mr. Rizo represented he was residing in Arizona.

On April 25, 2016, Gustavo Rizo was arrested by the U.S. Border Patrol when he crossed into the United States at the U.S./Mexico Port of Entry in San Luis, Arizona. He is currently in custody in Yuma County pending extradition to Kingman, Mohave County, Arizona. Mr. Rizo may be transported as early as April 28.

###