



News Release

Timothy Jeffries, Director

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DES Office of Inspector General, Arizona Attorney General, AHCCCS, U.S. DEA Secure Indictment in Southeastern Arizona

29 count indictment - fraudulent schemes, forgery, theft, and conspiracy

PHOENIX – The Department of Economic Security’s (DES) Office of Inspector General (OIG) successfully partnered with AHCCCS and the U.S. Drug Enforcement Administration (DEA) on a 29-count indictment involving fraudulent schemes, forgery, theft, and conspiracy, with the Arizona Attorney General’s Office being the prosecuting agency in this case.

“All who seek to defraud the government through unscrupulous methods of obtaining benefits will be found and held accountable to the fullest extent of the law,” said Director Timothy Jeffries. “Committing fraud against a government agency is nothing new. Methods utilized by individuals involved in these acts, however, are becoming more detailed and elaborate. Fortunately, methods for detecting fraudulent activity are improving as well, which is why collaboration with our partners in law enforcement and government agencies is so critically important.”

Juan J. Arcellana, Inspector General, DES, reiterated Director Jeffries’ sentiments. “This was a difficult case to execute because of the locations where the crimes were committed. Surveillance was difficult and the schemes were sophisticated. Nonetheless, this is yet another example of our ongoing commitment to serve Arizonans and to do whatever it takes to protect the integrity of the SNAP Program.”

Two search warrants and one arrest warrant were executed on March 15, in the town of Naco, Arizona. The two arrest warrants (one executed and one outstanding) were served on current DES Supplemental Nutrition Assistance Program (SNAP) clients. Maria Morales was arrested in connection with this case. She is alleged to have committed fraud charges to include an overpayment of SNAP benefits in the amount of \$19,528 and AHCCCS fraud in the amount of \$33,719.28.

The magnitude of the operation is reflected in the size of the bank accounts of the individuals suspected of committing fraud. Between 2011 and 2015, over \$580,000 in deposits, including over \$340,000 in cash deposits, were made to the accounts of these individuals, while they were receiving SNAP and AHCCCS benefits. This is an ongoing investigation. One outstanding arrest warrant exists as well as the possibility of more to come.

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