



McGregor W. Scott

United States Attorney
Eastern District of California

Sacramento
501 I. Street, Ste 10-100
Sacramento CA 95814
Tel (916) 554-2700
TTY (916) 554-2855

NEWS RELEASE

Fresno
2500 Tulare St., Suite 4401
Fresno, CA 93721
Tel (559) 497-4000
TTY (559) 497-4500

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Contact: Rosemary Shaul
916-554-2802

<http://www.usdoj.gov/usao/cae/home/>

BAKERSFIELD MAN CONVICTED FOLLOWING JURY TRIAL FOR STEALING ALMOST \$70,000 IN FEDERAL DISABILITY BENEFITS

FRESNO--United States Attorney McGregor W. Scott announced today that TERRY L. HAYES, 54, of Bakersfield, was convicted following a jury trial of nine counts of mail fraud and one count of theft of government property. The jury trial was held before United States District Judge Oliver W. Wanger, in Fresno, California.

This case is the product of an extensive investigation by the United States Social Security Administration, Office of Inspector General, Office of Investigations.

According to Assistant United States Attorneys Sherrill A. Carvalho and James R. Terzian, who prosecuted the case, the defendant defrauded the United States Social Security Administration of disability benefits by causing Social Security disability benefits to be mailed to him even though he was employed. Specifically, the jury convicted him of a fraud scheme involving his intentional failure to report his employment to the Social Security Administration as required. From September 2000 until September 2003, the defendant caused approximately \$67,000 in disability payments to be mailed to him and his dependents to which he was not entitled. During the same time frame, the evidence at trial showed that the defendant earned approximately \$200,000.

The maximum penalty under federal law for each count of mail fraud is twenty years and a fine of \$250,000. The maximum penalty for theft of government property is ten years and a

fine of \$250,000. In addition, he could be ordered to pay restitution of approximately \$67,000. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors. Sentencing is set for November 3 , 2008 before Judge Wanger.

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