

Thursday, July 7, 2005

**CITY AIDE CHARGED IN \$175,000 SOCIAL SECURITY AND INCOME TAX FRAUD SCHEMES; ALLEGEDLY CASHED DECEASED FATHER'S RETIREMENT BENEFIT CHECKS TOTALING OVER \$106,000 FOR TWENTY-TWO YEARS AND FAILED TO REPORT INCOME; ALSO ALLEGEDLY FILED OVER 400 FALSE STATE INCOME TAX CLAIMS IN NAMES OF WELFARE RECIPIENTS AND WRONGFULLY RECEIVED OVER \$69,000**

Queens District Attorney Richard A. Brown, joined by Social Security Administration, Regional Inspector General Edward J. Ryan, New York State Tax and Finance Department Commissioner Andrew S. Eristoff and New York City Department of Investigation Commissioner Rose Gill Hearn, today announced that a food stamp eligibility specialist employed by the New York City Human Resources Administration has been charged with stealing over \$175,000 by fraudulently negotiating for twenty-two years after her father's death hundreds of his Social Security retirement benefit checks and failing to pay taxes on the unreported income and also with filing over 400 false state income tax claims in the names of welfare recipients and wrongfully receiving over \$69,000 in refunds.

District Attorney Brown said, "According to the charges, the defendant's father died on December 12, 1981 and the defendant over the next 22 years received 247 of his Social Security retirement checks totaling \$106,222, fraudulently negotiated them, failed to report the additional income and retained the proceeds. The defendant is additionally charged with filing hundreds of false state income tax claims in the names of welfare recipients and receiving over \$69,000 in refunds. The charges are serious and will be vigorously prosecuted."

Social Security Administration, Regional Inspector General Ryan said, "The type of fraud alleged in this complaint can only be addressed by a joint federal, state and local investigation, as demonstrated by this effort. Our Office is not only committed to the continued pursuit of those who defraud SSA programs but also those who misuse Social Security numbers to commit financial crimes against other agencies."

New York State Commissioner of Taxation and Finance Eristoff said, "The arrest of Ms. Barber demonstrates the Department of Taxation and Finance's continued commitment to rooting out fraud and theft of taxpayer resources. Ms. Barber's filing of approximately 700 false returns over a period of five years shows a wilful and concerted effort to nefariously pocket almost \$70,000 she was not entitled to receive. The fact that she abused her position of trust as a New York City Human Resources Administration employee to commit this fraud only serves to make her action more despicable."

DOI Commissioner Gill Hearn said, "This City employee engaged in a cynical bid to line her own pockets. She used her access to city welfare clients so that she could use their information to file fraudulent tax claims that enabled her to receive unwarranted tax refunds from the State."

The District Attorney identified the defendant as Lorraine Barber, 57, of 109-96 201st Street in Hollis, Queens, an Eligibility Specialist currently employed by the New York City Human Resources Administration at the Food Stamp Center at 253 Schemerhorn

**Street in Brooklyn. The defendant has been charged with Grand Larceny in the Second Degree; Identity Theft in the First Degree; Scheme to Defraud in the First Degree; Falsifying Business Records in the First Degree and Offering a False Instrument for Filing in the First Degree and faces up to 15 years in prison if convicted.**

**District Attorney Brown said that the investigation began earlier this year when the Social Security Administration-Office of the Inspector General received information alleging that the defendant was cashing her dead's father's retirement checks.**

**The District Attorney said that the investigation disclosed that the defendant between 1981 and 2003 received at her deceased father Charles Barber's Hollis residence, where she resides, 247 Social Security Administration retirement checks totaling \$106,222 issued to him, endorsed them with both his and her names and forwarded them to The Frost Bank in San Antonio, Texas, where she previously resided, for deposit in her personal account.**

**District Attorney Brown said that the investigation additionally disclosed that the defendant between 1999 and 2003 submitted over 700 fraudulent tax returns to New York State in the names of welfare recipients earning less than \$18,000 a year resulting in 452 refund checks totaling over \$69,000 being sent by mail to her residence in Hollis which the defendant endorsed with both their and her names for deposit in her personal account at the San Antonio bank.**

**The defendant is being held pending arraignment later today in Queens Criminal Court.**

**The investigation was conducted by Special Agent George Feliciano of the Social Security Administration-Office of the Inspector General with the assistance of Investigator James McCue of the Revenue Crimes Bureau New York State Department of Taxation and Finance and Investigator Anthony DeLeo of the New York City Department of Investigation with the assistance of Postal Inspector Michael Mikulka of the United States Postal Inspection Service.**

**The case is being prosecuted by Assistant District Attorney Christine Burke of the District Attorney's Economic Crimes Bureau under the supervision of Assistant District Attorneys Gregory C. Pavlides and Diane M. Peress, Deputy Chief, and the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney for Investigation Linda M. Cantoni.**

**It should be noted that criminal charges are merely accusations and that a defendant is presumed innocent until proven guilty.**