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PRESS RELEASE

HAAS SISTERS INDICTED FOR GOVERNMENT BENEFITS AND BANKRUPTCY FRAUD

Colm F. Connolly, United States Attorney for the District of Delaware, Michael Robinson, Special Agent In Charge, Office of Inspector General, Social Security Administration, and Jeffrey G. Hughes, Special Agent In Charge, Office of Inspector General, Veterans Administration announced that Candy Jean Haas, age 54, and Pamela J. Haas, age 58, of Dover, Delaware were indicted today by the Grand Jury for the District of Delaware. The Indictment charges both women with one count of conspiracy to wilfully and knowingly convert to their own use, without authority, over \$1,000 in United States government funds, in violation of 18 U.S.C. Sections 641 and 371, and one count of bankruptcy fraud for each defendant (false statement under penalty of perjury in a bankruptcy petition), in violation of 18 U.S.C. Sec. 152(3).

The Indictment alleges that the defendants failed to report their mother Mary F. Haas's death in September 2005 so that the sisters could retain their mother's federal benefit payments from the Social Security Administration ("SSA"), Veterans Administration ("VA"), and United States Air Force, through the Defense Finance and Accounting Service ("DFAS"). Because Mary F. Haas's death was not known to United States government authorities until July 2006, the SSA, VA, and DFAS continued to disburse and deposit United States government funds, payable to Mary F. Haas

as beneficiary and authorized payee, into a Kansas City, Kansas bank account on which the defendants were joint signatories with their mother. Thereafter, the Indictment alleges that Candy Haas wrote checks off of this bank account for the sisters' benefit.

The bankruptcy fraud charges stem from Candy and Pamela Haas's personal bankruptcy filings in October 2005. Specifically, the two women certified under penalty of perjury that each had listed all checking accounts in which she had an interest as required on her bankruptcy petition and attached schedules. The Indictment alleges that each defendant knowingly and fraudulently failed to list her interest in the Kansas City, Kansas checking account into which all of their mothers' federal benefits were deposited.

The Indictment is merely an accusation, and the defendants are presumed innocent until and unless proven guilty.

For each of the three of the counts in the Indictment, the maximum penalty is five (5) years imprisonment and a \$250,000 fine. The defendants could also be ordered to pay restitution to their victims. No court date has been set.

U.S. Attorney Connolly noted: "Taking federal benefits to which you are not entitled is stealing – pure and simple. Military retirement and survivors benefits acknowledge the veteran's service to and for our country, and these programs must be safeguarded against abuse."

Michael Robinson, Special Agent In Charge of the Office of the Inspector General's Philadelphia Field Division, encourages private citizens or relatives of a deceased individual to contact Social Security as soon as practical following a death. "Social Security fraud impacts everyone. Anyone with information regarding the illegal collection of benefits -- including checks being sent to someone who has died -- can call the Office of Inspector General. Suspected fraud can be reported anonymously to the SSA Hotline number at 1-800-269-0271."

This case was investigated by special agents with the Offices of the Inspector General of the Social Security Administration and the Veterans Administration, as well as special agents with the Defense Criminal Investigative Service (“DCIS”). The bankruptcy fraud component of this investigation stemmed from a referral by the United States Trustee’s Office for the District of Delaware, which is responsible for overseeing the integrity of the bankruptcy system.

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