

SUMMARY

A task force consisting of the United States Attorney's Office for the Southern District of New York, Social Security Administration, Office of Inspector General, United States Secret Service, United States Postal Inspection Service, and New York City, Department of Investigation is currently investigating the theft of over four hundred & fifty (450) Supplemental Security Income (SSI) Interim Assistance Reimbursement (IAR) checks.

The Social Security Administration's SSI program reimburses municipalities which provided welfare benefits to certain individuals. This reimbursement is in the form of an IAR check which is a United States Treasury check. The only legal payee is the municipality. The name appearing after the "A/O" is strictly for internal accounting purposes, and is not an alternative payee.

To date, four hundred & fifty (450) IAR checks payable to "New York City DSS" (Department of Social Services) have been stolen. Although these IAR checks are payable only to New York City, approximately forty have been successfully deposited or cashed at financial institutions throughout the United States. The remaining four hundred & ten IAR checks are unaccounted for at this time, and the Social Security Administration has issued stop payment notices to the U.S. Treasury for these checks.

Four schemes to fraudulently negotiate the IAR payments have been identified:

1. Individuals have forged the signature of the welfare recipient's name (the name appearing after the "A/O,"); then endorsed the IAR check with the bank account holders name, and deposited the IAR check. After the IAR check has cleared, the funds are withdrawn from the account.
2. Individuals have obtained bogus identification in the welfare recipient's name (the name appearing after the "A/O,"); endorsed the IAR check in that name, and opened a bank account with the IAR check. Once the IAR check has cleared, the funds are withdrawn. The same method has been used to cash the IAR checks at check cashing facilities.
3. Individuals with the same surname as that appearing after the "A/O" on the IAR check have been recruited to deposit the IAR check into their existing bank account, stating that the IAR check is intended for a family member. Once the IAR check has cleared, the funds are withdrawn.

