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Description of document: Department of the Treasury Office of Inspector General (OIG) Weekly Reports to the Secretary of the Treasury and the White House, October-December 2015, July-August and September-November 2016

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FOIA and Transparency
Department of the Treasury
Office of the Inspector General
Washington, DC 20220
Fax: 202-622-3895
[Online FOIA Request Form](#)

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OFFICE OF INSPECTOR GENERAL WEEKLY CABINET REPORT

October 10, 2015

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

- Office of Investigations:
Has negative input this week.
- Office of Audit:

On November 6, KPMG informed our office and the Department that it may not be able to issue the auditor's report on Treasury's 2015 and 2014 consolidated financial statements and the closing package by the required dates of November 16 and 17, respectively. The possible delay is due to subsequent events related to the Debt Limit, which impacted the Government Accountability Office's issuance of its final auditor's report on the 2015 and 2014 Schedule of Federal Debt. KPMG is working with GAO and our office to complete the work as quickly as possible. KPMG performs the audit of Treasury's consolidated financial statements under contract with our office.

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30-60 Day Look-Ahead

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From: Kennon, Angela <KennonA@oig.treas.gov>
Sent: Tuesday, October 20, 2015 11:50 AM
Subject: OIG Weekly Report to the Secretary and White House Cabinet
Attachments: OIG Weekly Report 10-20-2015.docx

Good Afternoon

Please see the above attachment regarding the OIG Weekly Report to the Secretary and White House Cabinet.

Thank you

*Angela Kennon
Program Analyst
Department of the Treasury
Office of the Inspector General
Office of Investigations
1425 New York Avenue
Washington, D.C. 20005
(Desk) 202-927-6167
(Fax) 202-927-5404*

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Individual Sentenced to Two Years in Prison for Fraudulent Tax Refund Scheme

As a result of a joint investigation conducted by the Treasury, Office of Inspector General, Office of Investigation (TOIG), the Internal Revenue Service, Criminal Investigations (IRS-CI), and the District of Columbia (DC) Office of Tax and Revenue (DCOTR), Norman West was sentenced to two years in federal prison, followed by three years supervised probation, and ordered to pay restitution of \$408,221.30 in connection with a fraudulent tax refund scheme.

Background:

In October 2012, Capital One Bank notified TOIG about suspicious activity involving a business account opened under the name “Flash Cash Financial.” TOIG shared this information with IRS-CI and the DCOTR and began a joint investigation into Flash Cash Financial.

The investigation determined that Norman West conducted an identity theft and false income tax refund scheme using the personally identifiable information (PII) of individuals in Maryland, the District of Columbia and other states around the country. In 2012, at least 167 fraudulent 2011 Forms 1040, U.S. Individual Income Tax Return (tax return), were electronically filed with the IRS seeking approximately \$322,294.98 in fraudulently claimed income tax refunds for the tax year 2011. The income tax refunds were electronically deposited into multiple bank accounts of West’s company, Flash Cash Financial.

West was indicted by a Federal Grand Jury in the District of Maryland. West was subsequently arrested based on criminal violations Conspiracy, Theft of Public Money, Aggravated Identity Theft, and Aiding and Abetting.

In June 2015, West pled guilty. In October 2015 West was sentenced in the U.S. District Court for the District of Maryland to two years’ incarceration, followed by three years supervised probation, and ordered to pay restitution of \$408,221.30.

Subject Sentenced in Connection to a U.S. Treasury Check Fraud Scheme

In October 2015, as a result of an ongoing joint investigation between the TOIG, the IRS-CI, and the United States Postal Inspection Service (USPIS), Alvalonzo Graham was sentenced in the U.S. District Court, District of Columbia, to 46 months in jail and three years of supervised release. Graham was also ordered to make restitution in the amount of \$424,017.35 to the Treasury/IRS. Graham pled guilty in March 2014 to violation of Conspiracy to defraud the government with Respect to Claims.

Background:

In August 2010, an investigation was initiated when TOIG was contacted by a Wells Fargo bank fraud investigator regarding a business account opened by customer William Hughes. Wells Fargo reported that Hughes opened a business account in July 2009 and from July to December 2009, Hughes deposited 27 Federal tax refund checks into the account totaling \$66,813.05. Three of the checks were returned as non-negotiable and Wells Fargo suffered a loss in the amount of \$5,536.16. In addition, research by TOIG on data received from the Bureau of Fiscal Service (BFS) revealed that some of the checks in question were charged against the Treasury Check Fraud Insurance Fund (CFIF).

A review of checks deposited by Hughes indicated that multiple tax refund checks were sent to the same address and in many cases with the same payee receiving more than one tax refund

check. TOIG's investigation also determined thirteen addresses received tax refund checks, which were deposited into Hughes' Wells Fargo account. BFS provided a spreadsheet, which identified 568 tax refund checks that were sent to the 13 addresses in question.

Further investigation revealed another portion of this case was being investigated by the IRS-CI and USPIS. Subsequent information requests for data on suspect Treasury checks identified during the investigation were made to BFS. The results of the inquiries and further investigation assisted in identifying in excess of \$40 million in false claims filed to the IRS and approximately \$20 million in actual fraud losses to the Treasury as a result of fraudulently issued tax refund checks. A number of these Treasury checks related to the subjects in this case had impacted the CFIF fund. The refund scheme also involved bank tellers and U.S. postal carriers. From 2006 to date, in excess of 12,000 fraudulent Federal income tax returns were filed.

Individual Pleads Guilty to Fraud and Identity Theft

In September 2015, Jason Porter, Phillipstown, MA appeared in U.S. District Court, District of Massachusetts, and entered a plea of guilty to one count in violation of Identity Theft and one count of violation of Social Security Fraud. Porter entered this plea in accordance with an agreement between the United States Attorney's Office for the District of Massachusetts (USAO-MA) and his attorney.

Background:

In October 2014, TOIG received a referral from the Internal Revenue Service (IRS) in regards to Jason Porter fraudulently obtaining a MA Identification Card to cash U.S. Savings Bonds that were payable to his uncle Raymond Szajkowski of Berlin, CT. The referral also stated Porter had used the fraudulent MA ID Card to make numerous withdraws from Szajkowski's bank accounts from Webster Bank and TD Bank. TOIG reviewed numerous documents to include bond redemption forms, bank statements, bank video surveillance photos, and MA ID Card issuance documents in an attempt to positively identify the suspect in this case. TOIG contacted representatives from Webster Bank, TD Bank, and Citizens Bank in order to determine the amount of loss in this case. Webster Bank advised they had three accounts that had been affected by Porter's unauthorized withdraws with a total loss of \$74,500. TD Bank advised they had three accounts that had been affected by Porter's unauthorized withdraws for a total loss of \$118,500. Citizen's Bank advised they had cashed a yet to be determined amount of U.S. Savings Bonds in the name of Raymond Szajkowski with the fraudulent MA ID Card number. TOIG obtained documents from the Bureau of Fiscal Service (BFS) for 192 U.S. Savings Bonds. The records from BFS reflected that the bonds were negotiated from July 2014 through August 2014 at RBS Citizens Bank in Gardner, MA. The total value of the bonds redeemed is \$34,919.54. A signature of Raymond Szajkowski was shown on the bonds. MA Identification Card Number #S24645527 was presented as proof of identification.

In February 2015, Porter texted a confidential informant in this case and threatened to harm the TOIG Special Agent working this case. TOIG spoke with the confidential informant and confirmed the authenticity of the threat. The confidential informant stated he/she was concerned about Porter's state of mind and his access to weapons. TOIG contacted the USAO-MA in regards to the threat against a Federal Law Enforcement Officer. The USAO-MA authorized a criminal complaint and an arrest warrant for Porter for violation of Social Security Fraud, Aggravated Identity Theft, and Threats against a Federal Law Enforcement Officer was obtained. Porter was subsequently arrested by TOIG agents.

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On October 21, we plan to distribute a draft of the Inspector General's 2015 Treasury Management and Performance Challenges memorandum to Secretary Lew. This year, we plan to report six challenges, five updated from last year and a new one: (1) Cyber Threats, (2) Debt Ceiling (New Challenge), (3) Management of Treasury's Authorities Intended to Support and Improve the Economy, (4) Efforts to Promote Spending Transparency and to Prevent and Detect Improper Payments, (5) Anti-Money Laundering and Terrorist Financing/Bank Secrecy Act Enforcement, and (6) Gulf Coast Restoration Trust Fund Administration. The challenge "Management of Treasury's Authorities Intended to Support and Improve to Economy" incorporates the challenge "Continued Implementation of Dodd-Frank" that was reported separately in 2014. We also plan to continue reporting our elevated concerns about two other matters: currency and coin production and documenting key activities and decisions. We expect to issue the memorandum in final by October 28.

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November 3, 2015

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Subject Arrested and Arraigned for Attempted Mortgage Fraud

In October 2015, as a result of an ongoing joint investigation conducted by the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG) and Federal Housing Financing Agency, Office of Inspector General, Sophelia Alexander was arraigned in the 35th

District Court of Michigan, Plymouth, MI. Alexander was charged by complaint In September 2015 under MCL 750.219d (4) (b) [A] (Attempted Mortgage Fraud).

Background:

In December 2014, TOIG received information from the Office of the Comptroller of Currency (OCC) regarding a potential fraudulent document submitted by OCC Bank Examiner Alexander in obtaining a mortgage from Main Street Bank. In February 2015, Alexander confessed to TOIG that she altered a letter from the OCC's Human Resource Department in order to receive a mortgage. In January 2015, TOIG interviewed Main Street Bank employees regarding Alexander's mortgage. The Main Street Bank employees informed that the altered letter was not material in Alexander being approved for a mortgage.

Currency Seizure Resulting from Investigation Involving Intentionally Mutilated Currency and Operation of an Unlicensed/Unregistered Money Service Business (MSB)

In October 2015, a Federal seizure warrant was obtained with TOIG's assistance in the U.S. District Court for the Southern District of Texas, ordering the seizure of \$383,944 in mutilated currency submitted by Arnoldo Efron to the Bureau of Engraving and Printing (BEP). The seizure warrant is for forfeiture of the currency pursuant to violation of Racketeering Activity with "specified unlawful activities" constituting a crime, in part, to falsely forge, counterfeit, or alter an obligation or security of the United States, with the intent to defraud.

Background:

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Guilty Plea in Theft of Government Property (U.S. Savings Bonds)

In October 2015, in the Eastern District of Michigan (EDMI), Taras Nykoriak pled guilty to one count of Theft of Government Property in violation of 18 USC § 641, and agreed to pay restitution to the Department of the Treasury in the amount of \$73,170,01 (loss + penalties, administrative fees, and interest). Sentencing is scheduled for February 2016.

Background:

TOIG received a referral from the Bureau of the Fiscal Service (BFS) regarding allegations of the fraudulent redemption of U.S. Savings Bonds. In April 2009, 41 savings bonds were reported stolen from the St. Andrew Ukrainian Autocephalous Orthodox Church. Rather than replacing the bonds, the church opted to redeem the bonds and received a check from BFS for \$86,527.80.

From June 2013 through October 2014, 35 of the stolen bonds were redeemed for a loss to the government of \$70,936.40. In August 2015, Nykoriak was indicted in EDMI on 9 counts of theft of government property. In September 2015, TOIG arrested Nykoriak at JFK International Airport as he entered the U.S. after returning from Poland.

Legal

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November 3, 2015

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- Office of Audit:

Has negative input this week

- Office of Investigations:

Subject Arrested and Arraigned for Attempted Mortgage Fraud

In October 2015, as a result of an ongoing joint investigation conducted by the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG) and Federal Housing Financing Agency, Office of Inspector General, Sophelia Alexander was arraigned in the 35th

District Court of Michigan, Plymouth, MI. Alexander was charged by complaint In September 2015 under MCL 750.219d (4) (b) [A] (Attempted Mortgage Fraud).

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November 3, 2015

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Legal

30-60 Day Look-Ahead

From: Kennon, Angela <KennonA@oig.treas.gov>
Sent: Tuesday, November 17, 2015 10:20 AM
Subject: Weekly Report to the Secretary and White House Cabinet
Attachments: OIG Weekly Report-new 11-17-2015.docx

Good Afternoon

Please see the above attachment regarding the OIG Weekly Report to the Secretary and White House Cabinet.

Thank you

Angela Kennon
Program Analyst
Department of the Treasury
Washington, D.C. 20005
(Desk) 202-622-1090

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OFFICE OF INSPECTOR GENERAL WEEKLY CABINET REPORT

November 17, 2015

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The Council of Inspectors General on Financial Oversight (CIFGO) convened a Working Group to audit of Financial Stability Oversight Council's efforts to promote market discipline by eliminating expectations of government bailouts. The Working Group is holding its audit entrance conference with FSOC staff on November 17.

Office of Investigations:

Tobacco Distributor Sentenced for False Statements and Evasion of Excise Tax

In November 2015, Mashur Ayesh was sentenced on one count of False Statements and one count for Evasion of Excise Tax in the U.S. District Court of New Jersey in Camden, NJ. Ayesh was ordered to pay full restitution to Treasury in the amount of \$178,887. He was sentenced to eight months of home detention followed by 4 years and 4 months of probation. He was also ordered to participate in 300 hours of community service.

Background:

In 2011, The U.S Department of Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation regarding an alleged bribery of an Alcohol, Tobacco Tax and Trade Bureau (TTB) investigator by a tobacco supplier, Mashur Ayesh of Crown Tobacco, in MD. The TTB investigator claimed that Ayesh offered him employment and a vehicle (Porsche) during an inspection. TOIG conducted electronic surveillance using the TTB investigator, but Ayesh failed to bribe the investigator while being covertly monitored. However, inspections by TTB of Crown Tobacco found that tobacco products brought in to the U.S. from Jordan were misrepresented by Crown Tobacco and Ayesh so that a lower excise tax was required and paid. It was also found that he made false statements in his application to TTB claiming he had no prior criminal history, when in fact he had been convicted in 2002 for tax evasion of cigarettes in the state of New York. During interviews and proffer meetings with Ayesh, he claimed that he was unaware of any wrongdoing because relatives were responsible for much of the company, and claimed the false statements on his application were an oversight. During the investigation, Crown Tobacco in MD closed.

Subject Sentenced for Identity Theft and Wire Fraud Relating to Filing Fraudulent Tax Returns.

In November 2015, based on a joint investigation involving the TOIG, the Internal Revenue Service, Criminal Investigations (IRS-CI), the Department of Homeland Security, Homeland Security Investigations (DHS-HSI), the United States Postal Inspection Service (USPIS), and the Social Security Administration, Office of Inspector General (SSA-OIG), Kouame Tanoh was sentenced in federal court in the Eastern District of Virginia to 54 months' incarceration, \$671,760 in restitution, \$651,769 in a forfeiture money judgment, and a \$100 court assessment for violation of Aggravated Identity Theft and Wire Fraud, regarding his operating a longstanding fraudulent scheme using stolen personal identifying information and claiming over \$600,000 in false tax refunds.

Background:

In August 2014, the Metropolitan Washington Airports Authority Police (MWAA) conducted a vehicle stop near Dulles International Airport for a traffic violation. The male driver identified himself as Kouame Tanoh. The MWAA located several identification documents in the vehicle during their investigation. The documents included a driver's license and Social Security card in the name of other individuals. Tanoh advised that he was in possession of the documents because he was a tax preparer and the documents belonged to his clients.

The joint investigation revealed that Tanoh had obtained at least two Social Security Numbers (SSNs) from the SSA, and had provided both SSNs to law enforcement and financial institutions for identification purposes. Tanoh is a citizen of the Ivory Coast and has no lawful status in the United States.

In addition to filing false tax returns, Tanoh also used and lived under other people's identities, in part because he had no legal status to work or remain in the United States. From at least 2009 through 2015, Tanoh used the names and personal identifying information of at least eight individuals to seek and obtain employment, housing, and other items of value, such as bank accounts. To facilitate his use of these stolen identities, Tanoh obtained false identification in other people's names, including driver's licenses and Social Security cards.

Legal

30-60 Day Look-Ahead

OFFICE OF INSPECTOR GENERAL WEEKLY CABINET REPORT

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30-60 Day Look-Ahead

From: Kennon, Angela <KennonA@oig.treas.gov>
Sent: Tuesday, December 1, 2015 10:38 AM
Subject: OIG Weekly Report to the Secretary and White House Cabinet
Attachments: OIG Weekly Report-new 12-1-2015.docx

Good Afternoon

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Very respectfully,

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Program Analyst
Department of the Treasury
(Desk) 202-622-1090

OFFICE OF INSPECTOR GENERAL WEEKLY CABINET REPORT

December 1, 2015

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

Office of Audit has no input this week

Office of Investigations:

Guilty Plea Resulting from Investigation Involving Conspiracy, Bank Fraud, and Aggravated Identity Theft

In November 2015, as the result of a joint investigation by the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), U.S. Postal Inspection Service, and

U.S. Secret Service, Bertrand Essem pled guilty in U.S. District Court for the District of Maryland, to conspiracy to commit bank fraud.

The victim loss agreed upon is \$264,757.29 and Essem faces that amount in restitution and forfeiture. Essem's sentencing is scheduled for February 2016.

Background:

In July 2012, TOIG received information from the United States Mint (USM), indicating a fraudulent order was placed with the USM for eight American Buffalo 1oz Gold Proof coins, totaling \$14,884.95.

Subsequent investigative activities including a TOIG controlled delivery and search warrant revealed a complex identity theft, bank fraud, and money laundering scheme involving, among other individuals, Essem.

TOIG discovered Essem conspired with co-defendant Leslie Okyere and others to defraud numerous financial institutions. Specifically, Essem recruited college students at the University of Maryland Eastern Shore to open bank accounts, receive wire transfers derived from victim identities and credit cards in amounts ranging from \$2,500 to \$8,000, and withdraw the funds in cash. The students then provided the cash to Essem and were allowed to keep a portion, in some cases as much as \$300. Essem subsequently kept a portion of the cash before giving the remaining amount to Okyere. Essem collected approximately \$264,757.29 from the co-conspirators he recruited.

Arrests for Improper Payment Fraud involving the Theft and Conspiracy on Ongoing U.S. Treasury Check Tax Refund Fraud Investigation

In October and November 2015, as the result of an ongoing multi-agency joint investigation, the following five individuals were arrested for violations of Theft of Public Funds and Conspiracy: Michael Whittaker, Lakisha Jackson, Wayne Gardner, Antonio Cooper, and Cheryle Murphy. Arrest warrants issued by the U. S. District Court for the District of Columbia.

Background:

In August 2010, the Financial Management Service (FMS) – now the Bureau of Fiscal Service provided TOIG with information regarding U. S. Treasury Checks charged against the Check Forgery Insurance Fund (CFIF) overseen by the FMS. In January 2010, TOIG was contacted by Wells Fargo/Wachovia Bank regarding suspicious activity in a business account opened at Wachovia by William O. Hughes III, in which 27 U.S. Treasury Checks were deposited. The deposited checks totaled \$66,813.05. TOIG's subsequent investigation continues concerning a criminal organization comprised of over 130 individuals who are involved in the theft of personally identifying information (PII), and the filing of false tax returns to the IRS resulting in

the issuance of fraudulent tax refunds issued via U.S. Treasury checks to multiple subjects of this investigation. The investigation to date has resulted in 30 arrests.

Legal

30-60 Day Look-Ahead

OFFICE OF INSPECTOR GENERAL WEEKLY CABINET REPORT

December 1, 2015

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

Office of Audit has no input this week

Office of Investigations:

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the issuance of fraudulent tax refunds issued via U.S. Treasury checks to multiple subjects of this investigation. The investigation to date has resulted in 30 arrests.

Legal

30-60 Day Look-Ahead

From: Kennon, Angela <KennonA@oig.treas.gov>
Sent: Tuesday, December 15, 2015 10:52 AM
Subject: Weekly Report to the Secretary and White House Cabinet
Attachments: OIG Weekly Report-new 12-14-2015.docx

Good Afternoon

Please find the above OIG Weekly Secretary Report and White House Cabinet.

Thanks

Angela Kennon
Program Analyst
Department of the Treasury
202-622-1090

OFFICE OF INSPECTOR GENERAL WEEKLY CABINET REPORT

December 15, 2015

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

On December 17, KPMG will be holding the exit conference with Assistant Secretary Fontenot and Deputy Chief Financial Officer Roth on its audit of the Department's fiscal year 2015 consolidated financial statements. KPMG performed the audit under the supervision of our office. Inspector General Thorson plans to attend the exit conference.

Office of Investigations:

Office of Investigations has no input this week.

Legal

30-60 Day Look-Ahead

OFFICE OF INSPECTOR GENERAL WEEKLY CABINET REPORT

December 15, 2015

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

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Office of Investigations:

Office of Investigations has no input this week.

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TRESURY, OFFICE OF THE INSPECTOR GENEERAL

July 5, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

On June 30, 2016, Inspector General Thorson issued a letter to the Committee on Finance (Senate) and the Committee on Ways and Means (House of Representatives) regarding the United States Customs Revenue Function with respect to oversight and enforcement measures as required by Section 112 of Public Law 114-125, the Trade Facilitation and Trade Enforcement Act of 2015.

Office of Investigations

Office of Investigation has no report for the week

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TRESURY, OFFICE OF THE INSPECTOR GENEERAL

July 5, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

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Office of Investigations

Office of Investigation has no report for the week

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

July 12, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

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Items of Note

Office of Audit:

Office of Audit has no report for the week

Office of Investigations

Office of Investigation has no report for the week

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

July 12, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

Office of Audit has no report for the week

Office of Investigations

Office of Investigation has no report for the week

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

August 9, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit: (Open to Press)

Office of Audit has no report for the week

Office of Investigations

Subject Arrest Resulting from Ongoing Investigation Involving Business Email Compromise (BEC), Personal Email Compromise (PEC), U.S. Treasury & Business Check Mail Theft, and Stolen Identity Tax Refund Fraud

In July 2016, Bernard Sanganza was arrested in Arlington, Virginia on thirteen counts of bank fraud and false claims.

Background:

In October 2015, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information received regarding a U.S. Treasury check in the amount of \$28,601.00 which was stolen from the mail in Texas and deposited into a bank account in Alexandria, Virginia. Although the account was opened using a fake or stolen identity, extensive TOIG analysis of bank account transactions and investigative research identified Bernard Sanganza as the target who deposited the check and processed subsequent transactions on the account. TOIG later identified an additional account controlled by Sanganza which received fraudulent wire transfers in amounts of \$200,000 and \$27,450.70 as a result of BEC and PEC schemes. TOIG's investigation also located an account controlled by Sanganza which received both a \$52,168.00 stolen business check and another fraudulent BEC wire transfer worth \$25,196.40.

In February 2016, TOIG and the U.S. Postal Inspection Service (USPIS) discovered that the Internal Revenue Service, Criminal Investigations (IRS-CI) to be conducting a concurrent investigation into Sanganza for criminal tax violations amounting to millions of dollars of loss to the Treasury. The U.S. Attorney's Office for the Eastern District of Virginia (USAO-EDVA) merged the two investigations.

Subject Sentenced to 47 Months in Prison in a Stolen Identity Tax Refund Fraud Scheme

In July 2016, as the result of a joint investigation conducted by TOIG the IRS-CI and the USPIS, Bradley King was sentenced in U.S. District Court for the District of Columbia to serve 47 months in prison, followed by 3 years of supervised release and ordered to pay restitution to the Treasury in the amount of \$493,436 and a forfeiture money judgement of \$5,400. King previously pled guilty to violations including Theft and Conspiracy to Defraud the Government with Respect to Claims.

Background:

Since August 2010, a joint investigation by TOIG, the IRS-CI, USPIS and others, identified a large organized criminal organization that filed over 12,000 false IRS tax returns during 2005 to 2013 and sought more than \$42 million from the Treasury. To date, more than \$20 million in fraudulently obtained tax refunds in the form of Treasury checks have been negotiated, causing a significant loss to the Treasury. More than 130 subjects have been identified by the investigation. The investigation of King determined that from 2010-2015, he used his address and other addresses that he controlled to receive fraudulently obtained Treasury tax refund checks. Additionally, King recruited others to solicit personal history information and provide their own personal history information to use to file fraudulent tax returns to the IRS. The investigation determined that King filed approximately 444 fraudulent returns in the amount of \$1.5 million dollars and received \$493,436 from the Treasury. King facilitated the negotiation of

153 fraudulently obtained Treasury checks and also sold these scheme checks to another co-conspirator.

Subject Indicted and Arrested for Bank Fraud

In June 2016, as a result of an investigation conducted by the Department of the Treasury, Office of Inspector General, Office of Investigation's (TOIG) North Carolina Treasury Financial Crimes Task Force, the U.S. Attorney's Office for the Middle District of North Carolina (USAO-MDNC) filed a twenty-one count Criminal Indictment in U.S. District Court, charging Steven Jerome Keller with twenty-one counts of Bank Fraud. Subsequently Keller was indicted and a Federal Arrest Warrant was issued for Keller.

Keller self-surrendered to the United States Marshal's Office at the Dirksen Federal Building located at 2019 S. Dearborn Street, Chicago, Illinois. Keller was arrested on these charges without incident.

Background:

In May 2016, the TOIG received a referral from the USAO-MDNC regarding allegations of bank customer misconduct involving SunTrust Bank. Between January 19, 2016 and March 25, 2016, Keller, deposited checks drawn on his closed Wachovia Bank (now Wells Fargo Bank, an Office of the Comptroller of the Currency regulated financial institution) checking account, into his SunTrust Bank checking account. Keller processed over twenty (20) deposits into his SunTrust Bank checking account using his Wachovia Bank (now Wells Fargo Bank) checks. All of the deposits occurred at SunTrust Bank branches in North Carolina.

Using the deposits and the inflated credit balance, Keller began to deliberately and fraudulently withdraw the funds from this SunTrust Bank account. He did so using over-the-counter withdrawal forms (or bank counter items) for cash, or converted the funds to official bank checks, and then cashed those checks at a later date.

All of the deposited checks were returned to SunTrust Bank unpaid and stamped "Closed Account" or "No Account/Unable to Locate". As a result of Keller's fraudulent transactions, SunTrust Bank sustained a loss of \$72,865.

Subject Pleads Guilty for Theft and Possession of Government Funds (US Savings Bonds), and Wire Fraud

In July 2016, in U.S. District Court, Central District of California (CDCA), George Beatty pled guilty to one count each of Wire Fraud, Theft of Government Money, and Receiving Stolen Government Property.

Sentencing is scheduled for November 2016.

Background:

In February 2013, TOIG received a referral from the Bureau of the Fiscal Service (BFS) regarding allegations of fraudulent redemption of US Savings Bonds by George Beatty II. Beatty was alleged to have created an online account with Treasury Direct (TD) using Personally Identifiable Information (PII) of an identity theft victim without their permission or knowledge, converting 104 paper US Savings Bonds in that person's name to electronic bonds, and redeeming those bonds into a bank account in Beatty's name. The value of the bonds at the time was \$74,734.86.

In October 2013, the Los Angeles County Sheriff's Department (LASD) arrested Beatty on unrelated charges. At the time of his arrest, Beatty possessed six additional US Savings Bonds; three \$50 bonds in one name, and three \$10,000 bonds in another. TOIG verified with BFS that all six bonds had been reported stolen.

Beatty was interviewed by TOIG and admitted to all of the above.

In June 2015, Beatty was indicted by a Grand Jury in the Central District of California on one count each of Wire Fraud, Theft of Government Money, Receiving Stolen Government Property, and Aggravated Identity Theft.

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

August 9, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit: (Open to Press)

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Office of Investigations

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Subject Pleads Guilty for Theft and Possession of Government Funds (US Savings Bonds), and Wire Fraud

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Legal

30-60 Day Look-Ahead

From: Kennon, Angela <KennonA@oig.treas.gov>
Sent: Tuesday, August 16, 2016 11:25 AM
Subject: Weekly Report to the White House
Attachments: OIG Weekly Report-new August 16, 2016.docx

Good Afternoon

Please find the above Weekly Report to the White House.

Thank you

Angela Kennon
Program Analyst
Department of the Treasury
Office of the Inspector General
Office of Investigations
875 15th Street NW
Washington, DC 20005
202-927-6167 or 202-622-1090

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WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

August 16, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit: (Open to Press)

Office of Audit has no report for the week

Office of Investigations

Jury Conviction in a Trial for Theft of Treasury Checks, Tampa, Florida

In August 2016, the trial jury selected in the U.S. District Court, Tampa, FL, returned a verdict of guilty, convicting Darius Tolbert with violating one count of Theft of Government Funds and one count of Theft or Receipt of Stolen Mail. Sentencing has been tentatively scheduled for November 2016.

Background:

In May 2012, the Social Security Administration, Office of Inspector General (SSA-OIG) received information that several SSA recipients in the Pinellas County, FL area had not received their monthly benefit checks. SSA-OIG requested assistance from TOIG, the United States Postal Service OIG and Inspection Service (USPS-OIG & USPIS). The investigation determined that the checks were negotiated at small businesses in Tallahassee FL, Live Oak, FL, Tampa, FL and in South Georgia. The investigation determined that there was approximately \$2.3 million in loss as the result of the stolen Treasury checks and identified four other individuals, including a USPS employee who were involved in the conspiracy and have also been arrested for theft and possession of stolen mail.

In March 2016, Tolbert was indicted by a Federal Grand Jury in Tampa, FL for Theft of Government Funds and one count of Theft or Receipt of Stolen Mail.

In April 2016, TOIG, SSA-OIG, USPS-OIG and the Hillsborough County Sheriff's Department arrested Tolbert at his residence.

California Woman Sentenced for Theft of Government Property (US Savings Bonds) and making a False Statement to TOIG Agent

In August 2016, Acacia Brianne Jett-Smith was sentenced in Federal Court in the Central District of California to serve 6 months of home detention and 36 months of probation. Jett-Smith was also ordered to pay restitution to the U.S. Government in the amount of \$88,985.30.

Background:

In 2012, TOIG received a referral from the Bureau of the Fiscal Service regarding allegations of the fraudulent redemption of U.S. Savings Bonds. TOIG's investigation determined that between 2009 and 2013, Jett-Smith redeemed 140 U.S. Savings Bonds that had been reported stolen. At the time that she was interviewed by TOIG Jett-Smith had redeemed 134 bonds. During the interview, she told TOIG that she had shredded the remaining bonds. Subsequently, she redeemed six remaining bonds.

Subsequently, Jett-Smith was arrested and in March 2016, pled guilty to one count of Theft of Government Property in Excess of \$1,000 and one count of False Statement to a Government Agency.

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

August 16, 2016

Direct Message to the President

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VA Backlog:

Announcements - Department/Agency Priorities

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Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

August 16, 2016

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Office of Investigations

Jury Conviction in a Trial for Theft of Treasury Checks, Tampa, Florida

In August 2016, the trial jury selected in the U.S. District Court, Tampa, FL, returned a verdict of guilty, convicting Darius Tolbert with violating one count of Theft of Government Funds and one count of Theft or Receipt of Stolen Mail. Sentencing has been tentatively scheduled for November 2016.

Background:

In May 2012, the Social Security Administration, Office of Inspector General (SSA-OIG) received information that several SSA recipients in the Pinellas County, FL area had not received their monthly benefit checks. SSA-OIG requested assistance from TOIG, the United States Postal Service OIG and Inspection Service (USPS-OIG & USPIS). The investigation determined that the checks were negotiated at small businesses in Tallahassee FL, Live Oak, FL, Tampa, FL and in South Georgia. The investigation determined that there was approximately \$2.3 million in loss as the result of the stolen Treasury checks and identified four other individuals, including a USPS employee who were involved in the conspiracy and have also been arrested for theft and possession of stolen mail.

In March 2016, Tolbert was indicted by a Federal Grand Jury in Tampa, FL for Theft of Government Funds and one count of Theft or Receipt of Stolen Mail.

In April 2016, TOIG, SSA-OIG, USPS-OIG and the Hillsborough County Sheriff's Department arrested Tolbert at his residence.

California Woman Sentenced for Theft of Government Property (US Savings Bonds) and making a False Statement to TOIG Agent

In August 2016, Acacia Brianne Jett-Smith was sentenced in Federal Court in the Central District of California to serve 6 months of home detention and 36 months of probation. Jett-Smith was also ordered to pay restitution to the U.S. Government in the amount of \$88,985.30.

Background:

In 2012, TOIG received a referral from the Bureau of the Fiscal Service regarding allegations of the fraudulent redemption of U.S. Savings Bonds. TOIG's investigation determined that between 2009 and 2013, Jett-Smith redeemed 140 U.S. Savings Bonds that had been reported stolen. At the time that she was interviewed by TOIG Jett-Smith had redeemed 134 bonds. During the interview, she told TOIG that she had shredded the remaining bonds. Subsequently, she redeemed six remaining bonds.

Subsequently, Jett-Smith was arrested and in March 2016, pled guilty to one count of Theft of Government Property in Excess of \$1,000 and one count of False Statement to a Government Agency.

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

August 16, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit: (Open to Press)

Office of Audit has no report for the week

Office of Investigations

Jury Conviction in a Trial for Theft of Treasury Checks, Tampa, Florida

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Background:

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Background:

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Legal

30-60 Day Look-Ahead



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

WEEKLY REPORT

US DEPARTMENT OF THE TRESURY, OFFICE OF THE INSPECTOR GENEERAL

October 24, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

Office of Audit has no report for the week.

Office of Investigations

MEMORANDUM FOR INSPECTOR GENERAL THORSON

FROM: Jerry S. Marshall
Deputy Assistant Inspector General for Investigations

SUBJECT: Secretary's Report

The following significant activity is reported by the Office of Investigations and is submitted for your consideration.

Subject Sentenced For Use of an Unauthorized Access Device

In September 2016, as the result of an investigation conducted by the United States Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG) and the North Carolina Treasury Financial Crimes Task Force (NC-TFCTF), Gregory S. Liggs was sentenced to five months in prison, followed by five months of home detention, followed by three years of supervised probation. Additionally, Liggs was ordered to pay restitution in the amount of \$10,826.80 and a special assessment fee of \$100 by U.S. District Court-Middle District of North Carolina (MDNC).

Background:

In January 2016, TOIG received a referral from the United States Attorney Office-MDNC regarding allegations of bank employee embezzlement by a former branch manager of SunTrust Bank. Between March 2015 and September 2015 Liggs, while performing his duties as branch manager, committed identity theft against one of SunTrust Bank's elderly clients. Liggs obtained a MasterCard in the victim's name, without the victim's knowledge, consent or authorization and made unauthorized charges on the card totaling \$2,706.54. Liggs also obtained a \$5,000 unsecured loan in the victim's name. These funds were deposited into the victim's SunTrust Bank account and withdrawn by Liggs. Finally, Liggs used the victim's Visa credit card making unauthorized charges totaling \$4140.68.

In March 2016, Liggs was indicted by a federal grand jury in the MDNC for one count of Bank Fraud, three counts of Aggravated Identity Theft and two counts of Use of Unauthorized Access Device. Subsequently, the TFCTF along with the Guilford County Sheriff's Office, arrested Liggs.

In May 2016, Liggs pled guilty to one count of violation of Use of Unauthorized Access Device.

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

September 20, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

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Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

Office of Audit has no report for the week

Office of Investigations

Two Subjects Indicted in Massive Tax Refund Fraud Scheme

In August 2016, as a result of an ongoing Treasury, Office of Inspector General, Office of Investigations (TOIG) and multi-agency joint investigation, Donnell Clayton Jr. and Antoine Robinson, both from Washington, D.C., were arrested for violations of Conspiracy, Theft of Public Money, Aggravated Identity Theft, and Aiding and Abetting. The arrest warrants were issued by the U.S. District Court, for the District of Columbia, following an indictment brought

by the United States Attorney's Office (USAO) for the District of Columbia and the Department of Justice, Tax Division.

Background:

In August 2010, the Financial Management Service – now the Bureau of Fiscal Service (BFS) - provided the US Department of the Treasury, Office of Investigations (TOIG), with information regarding fraudulently issued United States Treasury Checks. In January 2011, TOIG was contacted by Wells Fargo/Wachovia Bank regarding suspicious activity in a business account opened at Wachovia by William O. Hughes III, in which 27 U.S. Treasury Checks were deposited totaling \$66,813.05. A joint investigation by TOIG, the Internal Revenue Service, Criminal Investigations (IRS-CI), the United States Postal Inspection Service (USPIS) and others, identified that during 2005-2013, a large organized criminal organization filed over 12,000 false tax returns using the personally identifying information of co-conspirators and identity theft victims, to the IRS and sought more than \$40 million from the US Treasury. More than \$20 million in fraudulent tax refunds in the form of Treasury checks were issued and negotiated, causing a significant loss to the Treasury. The investigation identified more than 130 co-conspirators in the scheme, 40 arrests have been made so far resulting in 33 guilty pleas and 15 defendants being sentenced to nearly 32 ½ years in prison, followed by 59 years of probation and ordered to pay approximately \$6.2 million in restitution to the Treasury.

The investigation determined that from 2008-2013, Robinson and Clayton filed fraudulent tax returns and recruited others to do the same using information obtained willingly from co-conspirators and from stolen personal identifying information, obtained tax refund checks via U.S. Mail, recruited others to receive Treasury checks at addresses controlled by Robinson and Clayton, recruited a U.S. Postal carrier to steal Treasury checks from the mail, recruited individuals and bank tellers to deposit and negotiate Treasury checks through bank accounts, and recruited tellers at Money Service Businesses to negotiate Treasury checks.

One Individual Arrested for Aggravated Identity Theft, Bank Fraud, Wire Fraud, Mail Theft, and Theft of Public Money

In September 2016, as a result of a joint investigation conducted by the TOIG, the IRS-CI, the USPIS, and the USAO in Kansas City, Missouri, Michael Keefe White was arrested. From May 2016 to September 2016, White possessed two stolen United States Treasury checks and a stolen business check with a total value of \$268,033.77. White utilized two stolen identities to open bank accounts matching the names of the intended Treasury check recipients and deposited the checks into the bank accounts. White then electronically wired \$90,739.75 out of one of the bank accounts.

Background:

In May 2016, White entered Citizens Bank & Trust in Kansas City, MO and identified himself as Hugh Goldsmith of Redondo Beach, CA. White used a California driver's license to open an account in Goldsmith's name with \$50 cash. Later that same day, White went to the Citizens Bank & Trust in Leawood, Kansas and deposited a U.S. Treasury check made payable to Hugh Goldsmith in the amount of \$32,619. White again falsely identified himself as Hugh Goldsmith when he returned to Citizen's Bank & Trust in Kansas City, MO, and completed a wire transfer for \$26,838 to a business account in Long Beach, California. White also withdrew \$5,500 in cash.

In June 2016, Citizens Bank & Trust in Kansas City, MO, received a check deposit via mail to the Hugh Goldsmith account. A Bank of America check was drawn on the account of Title 9 Sports and made payable to Hugh Goldsmith for \$67,686.04. White returned to Citizens Bank & Trust in Kansas City, MO, and completed a wire transfer for \$62,251.50 from the Goldsmith account to the same business account in Long Beach, CA. White also withdrew \$5,427.04 in cash.

In August 2016, White entered Bank Liberty in Kansas City, MO and opened an account with \$100 cash. He identified himself as Brian Marc Pomerantz using a California driver's license. On the same day, White went to Bank Liberty in Parkville, MO and deposited a U.S. Treasury check made payable to Brian Marc Pomerantz of Woodland Hills, CA, for \$167,728.73. White was informed that the funds would not be available for withdrawal until September 2016.

Subsequently, TOIG was contacted by Bank Liberty reporting the suspicious activity. The investigation determined that White would be returning to the bank on the date that the funds cleared with the intent of making a withdrawal. TOIG contacted USPIS and IRS-CI Kansas City, MO offices and coordinated efforts to conduct surveillance and arrest White.

TOIG contacted the legitimate payees for the U.S. Treasury checks. The real Hugh Goldsmith stated that he was expecting to receive the check in the mail, had not received it, and had given no one permission to negotiate it. Title 9 Sports stated that their check had been stolen from the mail and was originally intended for American Express. The real Brian Marc Pomerantz stated that he was expecting to receive the check in the mail, had not received it, and had given no one permission to negotiate it.

Agents from IRS-CI, TOIG, and USPIS established surveillance at the Bank Liberty locations in Kansas City, MO and Parkville, MO, and White was arrested by TOIG and USPIS agents. During a search of White incident to arrest, agents discovered four California driver's licenses bearing White's photo and multiple names. White acknowledged that he had committed the offenses related to the Pomerantz account, but was unwilling to give full detail of his activities until he had opportunity to speak with a lawyer.

Subject Pleads Guilty to Conspiring to Defraud the Government Relating to Wire Fraud and Fraudulent Claims

In September 2016, Koissy Kemmeth, pled guilty to violation of Conspiracy to Commit Wire Fraud and False Claims. Kemmeth, an employee with the United Nations mission of the Ivory Coast, supplied co-conspirator Kouame Tanoh with fraudulent employment verification from the Ivory Coast Embassy which enabled Tanoh to obtain housing rental agreements using stolen identities. Kemmeth also filed false personal federal tax returns to the IRS with the assistance of Tanoh.

Background:

In August 2014, the Metropolitan Washington Airports Authority (MWAA) conducted a vehicle stop at the airport for a traffic violation. The driver identified himself as, Kouame Tanoh. The MWAA located several identification documents belonging to other individuals during a search of the vehicle. Tanoh advised that he was in possession of the documents because he was a tax preparer and the documents belonged to his clients.

MWAA contacted TOIG and a subsequent joint investigation determined that Tanoh had obtained at least two Social Security Numbers (SSNs) from the Social Security Administration and that Tanoh had provided both SSNs to law enforcement and financial institutions during this scheme. It was determined that Tanoh is a citizen of the Ivory Coast and has no lawful status in the United States. Tanoh was affiliated with several addresses in the Ashburn, Virginia area and also associated with at least four businesses.

The investigation further determined that from 2009 through 2015, Tanoh used the names and personal identifying information of at least eight individuals to seek and obtain employment, housing, and other items of value, such as bank accounts. To facilitate his use of these stolen identities, Tanoh obtained false identification in the victim's names, including driver's licenses and Social Security cards and received fraudulent employment verification letters on Ivory Coast letterhead from Kemmeth, an employee of the Ivory Coast Mission to the United Nations.

In November 2015, Tanoh was sentenced to 54 months' incarceration, and ordered to pay \$671,760 in restitution, \$651,769 in a forfeiture money judgment, and a \$100 court assessment for violation of Aggravated Identity Theft and Wire Fraud.

In May 2016, Kemmeth was arrested in Yonkers, NY, and charged with a violation of Conspiracy to Defraud the Government.

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

September 20, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

Office of Audit has no report for the week

Office of Investigations

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by the United States Attorney's Office (USAO) for the District of Columbia and the Department of Justice, Tax Division.

Background:

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Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

September 13 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

Office of Audit has no report for the week

Office of Investigations

Superseding Indictment Resulting from Ongoing Investigation Involving Over \$5,000,000 in Business Email Compromise (BEC), Personal Email Compromise (PEC), U.S. Treasury & Business Check Mail Theft, and Tax Refund Fraud

In August 2016, Bernard Sanganza was charged in a superseding indictment on 24 counts of criminal violations of Mail Fraud, Wire Fraud, False Claims, Bank Fraud, and Aggravated Identity Theft.

Background:

In October 2015, the US Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information regarding a US Treasury check in the amount of \$28,601.00 which was stolen from the mail in Texas and deposited into a bank account in Alexandria, Virginia. Although the account was opened using a stolen identity, extensive TOIG review of bank account transactions and investigative research identified Sanganza as the target who deposited the check and processed transactions on the account. TOIG later identified a second account controlled by Sanganza which received fraudulent wire transfers in amounts of \$200,000 and \$27,450.70 as a result of BEC and PEC schemes. TOIG also located an account controlled by Sanganza which received both a \$52,168.00 stolen business check and another fraudulent BEC wire transfer worth \$25,196.40. In February 2016, TOIG and the U.S. Postal Inspection Service discovered the Internal Revenue Service, Criminal Investigations (IRS-CI) to be conducting a concurrent investigation into Sanganza for criminal tax violations amounting to millions in loss to the Treasury. The U.S. Attorney's Office (USAO) for the Eastern District of Virginia merged the two investigations. In May 2016 Sanganza was indicted on 13 counts of bank fraud and false claims. In June 2016 he arrested as a result of the joint investigation and indictment.

One Individual Sentenced for Wire Fraud in United States District Court, District of Maryland.

As a result of a joint investigation conducted by TOIG, the Social Security Administration, Office of Inspector General (SSA-OIG), and the USAO, Baltimore, MD, John Calelah Lattisaw (John Lattisaw) was sentenced to 36 months' incarceration, 36 months' probation, and ordered to pay restitution in the amount of \$748,403 after pleading guilty to one count of Wire Fraud.

Background:

In June 2013, TOIG received new information from the Office of General Law, Ethics and Regulation (OGER) regarding John Lattisaw. John Lattisaw was the subject of a previous investigation that was declined for criminal prosecution. TOIG examined the data provided by the OGER and developed new investigative leads.

TOIG found that John Lattisaw used the personal identifiable information (PII) of another individual to obtain access in 1995 to the bank account of elderly victim Synora Lattisaw. Synora Lattisaw died in November 1997; however, John Lattisaw continued to receive the DC retirement annuity payments and Social Security payments intended for Synora Lattisaw until July 2010. The continued payments resulted in an overpayment of approximately \$635,000.

An examination of court records and interviews with several estate attorneys revealed that John Lattisaw also defrauded, or attempted to defraud, three additional elderly victims: Minnie Broadus, Gladys Hall, and Martha McLloyd.

TOIG examined the bank records linked to elderly victim Broadus. The examination revealed that in 2006, John Lattisaw used the PII of another individual to obtain access to Broadus' bank accounts. The investigation revealed that Lattisaw stole approximately \$190,000, from Broadus' bank accounts.

TOIG also discovered that John Lattisaw was collecting Social Security benefits under his legitimately issued Social Security number (SSN). From November 1997 through July 2010, John Lattisaw never reported that he was receiving any additional income via the accounts of Synora Lattisaw or Minnie Broadus. Payment records revealed that John Lattisaw obtained approximately \$109,000 in Social Security benefit payments linked to his authentic SSN.

In June 2015, John Lattisaw was indicted by a Federal Grand Jury on three counts of Wire Fraud, one count of Title II Benefit Fraud, and one count of Social Security Benefit Fraud. An arrest warrant was issued for John Lattisaw, and he was subsequently arrested and brought to the United States District Court, District of Maryland for his initial appearance.

In May 2016, John Lattisaw entered a guilty plea in the United States District Court, District of Maryland to one count of Wire Fraud.

One Subject Pled Guilty to Fraud relating to Section 1603 Renewable Energy Recovery Act funds

In August 2016, as a result of a joint investigation between the TOIG, the Department of Energy, Office of Inspector General (DOE-OIG), and the Federal Bureau of Investigation (FBI), Brian Bartel pled guilty to one count of Conspiracy to Commit Wire Fraud in connection to his company's applications for and receipt of \$338,692 in American Recovery and Reinvestment Act (ARRA) Section 1603 (Payments for Specified Energy Property in Lieu of Tax Credits). The sentencing for Bartel is scheduled for November 2016.

Background:

Brian Bartel and Holly Rodriguez are siblings and co-owners of Easy Energy, LLC and BHE Financial, LLC. Easy Energy is based in Phoenix, AZ, and designs, installs, and maintains commercial solar energy systems. Phoenix-based BHE Financial is the commercial leasing partner of Easy Energy and focuses on financing commercial and industrial renewable energy projects.

Between July 2009 and September 2009, Bartel submitted 11 online applications where he applied for \$441,000 in Section 1603 funds. Bartel's applications were reviewed by the Department of Energy's National Renewable Energy Laboratory (NREL). NREL identified inflated costs of solar equipment, unsigned professional engineer seals, and vague breakdowns of eligible program costs. NREL, acting as a contractor for Treasury, recommended that all of

Bartel's applications be rejected. Treasury agreed with NREL's recommendations and ultimately rejected all 11 of Bartel's applications for Section 1603 funds.

Between September 2009 and August 2011, Rodriguez submitted 11 applications where she applied for over \$585,000 in Section 1603 funds. Rodriguez had eight applications fully funded and one application funded at a reduced amount. BHE Financial received \$338,601 in Section 1603 funds. BHE Financial also rescinded one application for unknown reasons, and Treasury denied one application because of a TOIG action where Bartel and Rodriguez were suspended from receiving all government funds.

TOIG issued 33 Inspector General (IG) Subpoenas. TOIG reviewed application materials submitted by Bartel and Rodriguez for 22 applications, as well as IG Subpoena returns. TOIG's investigation determined that Bartel fraudulently used professional engineer's seals, submitted fraudulent invoices, orchestrated product substitution for the products that were put into service and provided vague breakdowns of eligible program costs.

TOIG and DOE-OIG conducted numerous interviews with witnesses, professional engineers, and owners of properties where Bartel and Rodriguez installed solar collectors. Interviews confirmed that Bartel and Rodriguez had produced and installed their own solar collectors and that Bartel and Rodriguez submitted fraudulent paperwork.

As a result of the investigation, TOIG suspended Bartel and Rodriguez from engaging in business with all government programs in September 2011. The FBI contacted TOIG in March 2013 after locating Bartel and Rodriguez in the Excluded Parties List System. The FBI had received a complaint regarding solar collectors installed in Sierra Vista, AZ. The FBI used information from TOIG's investigation and determined that Bartel and Rodriguez had installed their own solar collectors for projects in Sierra Vista. Bartel and Rodriguez submitted paperwork for a Department of Energy program for the Sierra Vista projects. In these applications, Bartel and Rodriguez identified the installed solar collectors as those manufactured by the company in California.

Bartel and Rodriguez were indicted on numerous counts for violations of Conspiracy, Wire Fraud and Wire Fraud - Aid and Abet in connection to their applications for and receipt of \$338,692 in ARRA Section 1603 (Payments for Specified Energy Property in Lieu of Tax Credits). In December 2015 Holly Rodriguez previously pled guilty to one count of Fraud – Official Certificates or Writings and her sentencing is scheduled for October 2016.

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

September 13 2016

Direct Message to the President

Announcements - Presidential Priorities

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VA Backlog:

Announcements - Department/Agency Priorities

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Office of Audit:

Office of Audit has no report for the week

Office of Investigations

Superseding Indictment Resulting from Ongoing Investigation Involving Over \$5,000,000 in Business Email Compromise (BEC), Personal Email Compromise (PEC), U.S. Treasury & Business Check Mail Theft, and Tax Refund Fraud

In August 2016, Bernard Sanganza was charged in a superseding indictment on 24 counts of criminal violations of Mail Fraud, Wire Fraud, False Claims, Bank Fraud, and Aggravated Identity Theft.

Background:

In October 2015, the US Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information regarding a US Treasury check in the amount of \$28,601.00 which was stolen from the mail in Texas and deposited into a bank account in Alexandria, Virginia. Although the account was opened using a stolen identity, extensive TOIG review of bank account transactions and investigative research identified Sanganza as the target who deposited the check and processed transactions on the account. TOIG later identified a second account controlled by Sanganza which received fraudulent wire transfers in amounts of \$200,000 and \$27,450.70 as a result of BEC and PEC schemes. TOIG also located an account controlled by Sanganza which received both a \$52,168.00 stolen business check and another fraudulent BEC wire transfer worth \$25,196.40. In February 2016, TOIG and the U.S. Postal Inspection Service discovered the Internal Revenue Service, Criminal Investigations (IRS-CI) to be conducting a concurrent investigation into Sanganza for criminal tax violations amounting to millions in loss to the Treasury. The U.S. Attorney's Office (USAO) for the Eastern District of Virginia merged the two investigations. In May 2016 Sanganza was indicted on 13 counts of bank fraud and false claims. In June 2016 he arrested as a result of the joint investigation and indictment.

One Individual Sentenced for Wire Fraud in United States District Court, District of Maryland.

As a result of a joint investigation conducted by TOIG, the Social Security Administration, Office of Inspector General (SSA-OIG), and the USAO, Baltimore, MD, John Calelah Lattisaw (John Lattisaw) was sentenced to 36 months' incarceration, 36 months' probation, and ordered to pay restitution in the amount of \$748,403 after pleading guilty to one count of Wire Fraud.

Background:

In June 2013, TOIG received new information from the Office of General Law, Ethics and Regulation (OGER) regarding John Lattisaw. John Lattisaw was the subject of a previous investigation that was declined for criminal prosecution. TOIG examined the data provided by the OGER and developed new investigative leads.

TOIG found that John Lattisaw used the personal identifiable information (PII) of another individual to obtain access in 1995 to the bank account of elderly victim Synora Lattisaw. Synora Lattisaw died in November 1997; however, John Lattisaw continued to receive the DC retirement annuity payments and Social Security payments intended for Synora Lattisaw until July 2010. The continued payments resulted in an overpayment of approximately \$635,000.

An examination of court records and interviews with several estate attorneys revealed that John Lattisaw also defrauded, or attempted to defraud, three additional elderly victims: Minnie Broadus, Gladys Hall, and Martha McLloyd.

TOIG examined the bank records linked to elderly victim Broadus. The examination revealed that in 2006, John Lattisaw used the PII of another individual to obtain access to Broadus' bank accounts. The investigation revealed that Lattisaw stole approximately \$190,000, from Broadus' bank accounts.

TOIG also discovered that John Lattisaw was collecting Social Security benefits under his legitimately issued Social Security number (SSN). From November 1997 through July 2010, John Lattisaw never reported that he was receiving any additional income via the accounts of Synora Lattisaw or Minnie Broadus. Payment records revealed that John Lattisaw obtained approximately \$109,000 in Social Security benefit payments linked to his authentic SSN.

In June 2015, John Lattisaw was indicted by a Federal Grand Jury on three counts of Wire Fraud, one count of Title II Benefit Fraud, and one count of Social Security Benefit Fraud. An arrest warrant was issued for John Lattisaw, and he was subsequently arrested and brought to the United States District Court, District of Maryland for his initial appearance.

In May 2016, John Lattisaw entered a guilty plea in the United States District Court, District of Maryland to one count of Wire Fraud.

One Subject Pled Guilty to Fraud relating to Section 1603 Renewable Energy Recovery Act funds

In August 2016, as a result of a joint investigation between the TOIG, the Department of Energy, Office of Inspector General (DOE-OIG), and the Federal Bureau of Investigation (FBI), Brian Bartel pled guilty to one count of Conspiracy to Commit Wire Fraud in connection to his company's applications for and receipt of \$338,692 in American Recovery and Reinvestment Act (ARRA) Section 1603 (Payments for Specified Energy Property in Lieu of Tax Credits). The sentencing for Bartel is scheduled for November 2016.

Background:

Brian Bartel and Holly Rodriguez are siblings and co-owners of Easy Energy, LLC and BHE Financial, LLC. Easy Energy is based in Phoenix, AZ, and designs, installs, and maintains commercial solar energy systems. Phoenix-based BHE Financial is the commercial leasing partner of Easy Energy and focuses on financing commercial and industrial renewable energy projects.

Between July 2009 and September 2009, Bartel submitted 11 online applications where he applied for \$441,000 in Section 1603 funds. Bartel's applications were reviewed by the Department of Energy's National Renewable Energy Laboratory (NREL). NREL identified inflated costs of solar equipment, unsigned professional engineer seals, and vague breakdowns of eligible program costs. NREL, acting as a contractor for Treasury, recommended that all of

Bartel's applications be rejected. Treasury agreed with NREL's recommendations and ultimately rejected all 11 of Bartel's applications for Section 1603 funds.

Between September 2009 and August 2011, Rodriguez submitted 11 applications where she applied for over \$585,000 in Section 1603 funds. Rodriguez had eight applications fully funded and one application funded at a reduced amount. BHE Financial received \$338,601 in Section 1603 funds. BHE Financial also rescinded one application for unknown reasons, and Treasury denied one application because of a TOIG action where Bartel and Rodriguez were suspended from receiving all government funds.

TOIG issued 33 Inspector General (IG) Subpoenas. TOIG reviewed application materials submitted by Bartel and Rodriguez for 22 applications, as well as IG Subpoena returns. TOIG's investigation determined that Bartel fraudulently used professional engineer's seals, submitted fraudulent invoices, orchestrated product substitution for the products that were put into service and provided vague breakdowns of eligible program costs.

TOIG and DOE-OIG conducted numerous interviews with witnesses, professional engineers, and owners of properties where Bartel and Rodriguez installed solar collectors. Interviews confirmed that Bartel and Rodriguez had produced and installed their own solar collectors and that Bartel and Rodriguez submitted fraudulent paperwork.

As a result of the investigation, TOIG suspended Bartel and Rodriguez from engaging in business with all government programs in September 2011. The FBI contacted TOIG in March 2013 after locating Bartel and Rodriguez in the Excluded Parties List System. The FBI had received a complaint regarding solar collectors installed in Sierra Vista, AZ. The FBI used information from TOIG's investigation and determined that Bartel and Rodriguez had installed their own solar collectors for projects in Sierra Vista. Bartel and Rodriguez submitted paperwork for a Department of Energy program for the Sierra Vista projects. In these applications, Bartel and Rodriguez identified the installed solar collectors as those manufactured by the company in California.

Bartel and Rodriguez were indicted on numerous counts for violations of Conspiracy, Wire Fraud and Wire Fraud - Aid and Abet in connection to their applications for and receipt of \$338,692 in ARRA Section 1603 (Payments for Specified Energy Property in Lieu of Tax Credits). In December 2015 Holly Rodriguez previously pled guilty to one count of Fraud – Official Certificates or Writings and her sentencing is scheduled for October 2016.

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

September 13 2016

Direct Message to the President

Announcements - Presidential Priorities

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Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

Office of Audit has no report for the week

Office of Investigations

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Background:

In June 2013, TOIG received new information from the Office of General Law, Ethics and Regulation (OGER) regarding John Lattisaw. John Lattisaw was the subject of a previous investigation that was declined for criminal prosecution. TOIG examined the data provided by the OGER and developed new investigative leads.

TOIG found that John Lattisaw used the personal identifiable information (PII) of another individual to obtain access in 1995 to the bank account of elderly victim Synora Lattisaw. Synora Lattisaw died in November 1997; however, John Lattisaw continued to receive the DC retirement annuity payments and Social Security payments intended for Synora Lattisaw until July 2010. The continued payments resulted in an overpayment of approximately \$635,000.

An examination of court records and interviews with several estate attorneys revealed that John Lattisaw also defrauded, or attempted to defraud, three additional elderly victims: Minnie Broadus, Gladys Hall, and Martha McLloyd.

TOIG examined the bank records linked to elderly victim Broadus. The examination revealed that in 2006, John Lattisaw used the PII of another individual to obtain access to Broadus' bank accounts. The investigation revealed that Lattisaw stole approximately \$190,000, from Broadus' bank accounts.

TOIG also discovered that John Lattisaw was collecting Social Security benefits under his legitimately issued Social Security number (SSN). From November 1997 through July 2010, John Lattisaw never reported that he was receiving any additional income via the accounts of Synora Lattisaw or Minnie Broadus. Payment records revealed that John Lattisaw obtained approximately \$109,000 in Social Security benefit payments linked to his authentic SSN.

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Brian Bartel and Holly Rodriguez are siblings and co-owners of Easy Energy, LLC and BHE Financial, LLC. Easy Energy is based in Phoenix, AZ, and designs, installs, and maintains commercial solar energy systems. Phoenix-based BHE Financial is the commercial leasing partner of Easy Energy and focuses on financing commercial and industrial renewable energy projects.

Between July 2009 and September 2009, Bartel submitted 11 online applications where he applied for \$441,000 in Section 1603 funds. Bartel's applications were reviewed by the Department of Energy's National Renewable Energy Laboratory (NREL). NREL identified inflated costs of solar equipment, unsigned professional engineer seals, and vague breakdowns of eligible program costs. NREL, acting as a contractor for Treasury, recommended that all of

Bartel's applications be rejected. Treasury agreed with NREL's recommendations and ultimately rejected all 11 of Bartel's applications for Section 1603 funds.

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Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

September 13 2016

Direct Message to the President

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Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

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Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

September 20, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

Office of Audit has no report for the week

Office of Investigations

Two Subjects Indicted in Massive Tax Refund Fraud Scheme

In August 2016, as a result of an ongoing Treasury, Office of Inspector General, Office of Investigations (TOIG) and multi-agency joint investigation, Donnell Clayton Jr. and Antoine Robinson, both from Washington, D.C., were arrested for violations of Conspiracy, Theft of Public Money, Aggravated Identity Theft, and Aiding and Abetting. The arrest warrants were issued by the U.S. District Court, for the District of Columbia, following an indictment brought

by the United States Attorney's Office (USAO) for the District of Columbia and the Department of Justice, Tax Division.

Background:

In August 2010, the Financial Management Service – now the Bureau of Fiscal Service (BFS) - provided the US Department of the Treasury, Office of Investigations (TOIG), with information regarding fraudulently issued United States Treasury Checks. In January 2011, TOIG was contacted by Wells Fargo/Wachovia Bank regarding suspicious activity in a business account opened at Wachovia by William O. Hughes III, in which 27 U.S. Treasury Checks were deposited totaling \$66,813.05. A joint investigation by TOIG, the Internal Revenue Service, Criminal Investigations (IRS-CI), the United States Postal Inspection Service (USPIS) and others, identified that during 2005-2013, a large organized criminal organization filed over 12,000 false tax returns using the personally identifying information of co-conspirators and identity theft victims, to the IRS and sought more than \$40 million from the US Treasury. More than \$20 million in fraudulent tax refunds in the form of Treasury checks were issued and negotiated, causing a significant loss to the Treasury. The investigation identified more than 130 co-conspirators in the scheme, 40 arrests have been made so far resulting in 33 guilty pleas and 15 defendants being sentenced to nearly 32 ½ years in prison, followed by 59 years of probation and ordered to pay approximately \$6.2 million in restitution to the Treasury.

The investigation determined that from 2008-2013, Robinson and Clayton filed fraudulent tax returns and recruited others to do the same using information obtained willingly from co-conspirators and from stolen personal identifying information, obtained tax refund checks via U.S. Mail, recruited others to receive Treasury checks at addresses controlled by Robinson and Clayton, recruited a U.S. Postal carrier to steal Treasury checks from the mail, recruited individuals and bank tellers to deposit and negotiate Treasury checks through bank accounts, and recruited tellers at Money Service Businesses to negotiate Treasury checks.

One Individual Arrested for Aggravated Identity Theft, Bank Fraud, Wire Fraud, Mail Theft, and Theft of Public Money

In September 2016, as a result of a joint investigation conducted by the TOIG, the IRS-CI, the USPIS, and the USAO in Kansas City, Missouri, Michael Keefe White was arrested. From May 2016 to September 2016, White possessed two stolen United States Treasury checks and a stolen business check with a total value of \$268,033.77. White utilized two stolen identities to open bank accounts matching the names of the intended Treasury check recipients and deposited the checks into the bank accounts. White then electronically wired \$90,739.75 out of one of the bank accounts.

Background:

In May 2016, White entered Citizens Bank & Trust in Kansas City, MO and identified himself as Hugh Goldsmith of Redondo Beach, CA. White used a California driver's license to open an account in Goldsmith's name with \$50 cash. Later that same day, White went to the Citizens Bank & Trust in Leawood, Kansas and deposited a U.S. Treasury check made payable to Hugh Goldsmith in the amount of \$32,619. White again falsely identified himself as Hugh Goldsmith when he returned to Citizen's Bank & Trust in Kansas City, MO, and completed a wire transfer for \$26,838 to a business account in Long Beach, California. White also withdrew \$5,500 in cash.

In June 2016, Citizens Bank & Trust in Kansas City, MO, received a check deposit via mail to the Hugh Goldsmith account. A Bank of America check was drawn on the account of Title 9 Sports and made payable to Hugh Goldsmith for \$67,686.04. White returned to Citizens Bank & Trust in Kansas City, MO, and completed a wire transfer for \$62,251.50 from the Goldsmith account to the same business account in Long Beach, CA. White also withdrew \$5,427.04 in cash.

In August 2016, White entered Bank Liberty in Kansas City, MO and opened an account with \$100 cash. He identified himself as Brian Marc Pomerantz using a California driver's license. On the same day, White went to Bank Liberty in Parkville, MO and deposited a U.S. Treasury check made payable to Brian Marc Pomerantz of Woodland Hills, CA, for \$167,728.73. White was informed that the funds would not be available for withdrawal until September 2016.

Subsequently, TOIG was contacted by Bank Liberty reporting the suspicious activity. The investigation determined that White would be returning to the bank on the date that the funds cleared with the intent of making a withdrawal. TOIG contacted USPIS and IRS-CI Kansas City, MO offices and coordinated efforts to conduct surveillance and arrest White.

TOIG contacted the legitimate payees for the U.S. Treasury checks. The real Hugh Goldsmith stated that he was expecting to receive the check in the mail, had not received it, and had given no one permission to negotiate it. Title 9 Sports stated that their check had been stolen from the mail and was originally intended for American Express. The real Brian Marc Pomerantz stated that he was expecting to receive the check in the mail, had not received it, and had given no one permission to negotiate it.

Agents from IRS-CI, TOIG, and USPIS established surveillance at the Bank Liberty locations in Kansas City, MO and Parkville, MO, and White was arrested by TOIG and USPIS agents. During a search of White incident to arrest, agents discovered four California driver's licenses bearing White's photo and multiple names. White acknowledged that he had committed the offenses related to the Pomerantz account, but was unwilling to give full detail of his activities until he had opportunity to speak with a lawyer.

Subject Pleads Guilty to Conspiring to Defraud the Government Relating to Wire Fraud and Fraudulent Claims

In September 2016, Koissy Kemmeth, pled guilty to violation of Conspiracy to Commit Wire Fraud and False Claims. Kemmeth, an employee with the United Nations mission of the Ivory Coast, supplied co-conspirator Kouame Tanoh with fraudulent employment verification from the Ivory Coast Embassy which enabled Tanoh to obtain housing rental agreements using stolen identities. Kemmeth also filed false personal federal tax returns to the IRS with the assistance of Tanoh.

Background:

In August 2014, the Metropolitan Washington Airports Authority (MWAA) conducted a vehicle stop at the airport for a traffic violation. The driver identified himself as, Kouame Tanoh. The MWAA located several identification documents belonging to other individuals during a search of the vehicle. Tanoh advised that he was in possession of the documents because he was a tax preparer and the documents belonged to his clients.

MWAA contacted TOIG and a subsequent joint investigation determined that Tanoh had obtained at least two Social Security Numbers (SSNs) from the Social Security Administration and that Tanoh had provided both SSNs to law enforcement and financial institutions during this scheme. It was determined that Tanoh is a citizen of the Ivory Coast and has no lawful status in the United States. Tanoh was affiliated with several addresses in the Ashburn, Virginia area and also associated with at least four businesses.

The investigation further determined that from 2009 through 2015, Tanoh used the names and personal identifying information of at least eight individuals to seek and obtain employment, housing, and other items of value, such as bank accounts. To facilitate his use of these stolen identities, Tanoh obtained false identification in the victim's names, including driver's licenses and Social Security cards and received fraudulent employment verification letters on Ivory Coast letterhead from Kemmeth, an employee of the Ivory Coast Mission to the United Nations.

In November 2015, Tanoh was sentenced to 54 months' incarceration, and ordered to pay \$671,760 in restitution, \$651,769 in a forfeiture money judgment, and a \$100 court assessment for violation of Aggravated Identity Theft and Wire Fraud.

In May 2016, Kemmeth was arrested in Yonkers, NY, and charged with a violation of Conspiracy to Defraud the Government.

Legal

30-60 Day Look-Ahead



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

October 24, 2016

Direct Message to the President

Announcements - Presidential Priorities

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Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

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Office of Audit:

Office of Audit has no report for the week.

Office of Investigations

MEMORANDUM FOR INSPECTOR GENERAL THORSON

FROM: Jerry S. Marshall
Deputy Assistant Inspector General for Investigations

SUBJECT: Secretary's Report

The following significant activity is reported by the Office of Investigations and is submitted for your consideration.

Subject Sentenced For Use of an Unauthorized Access Device

In September 2016, as the result of an investigation conducted by the United States Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG) and the North Carolina Treasury Financial Crimes Task Force (NC-TFCTF), Gregory S. Liggs was sentenced to five months in prison, followed by five months of home detention, followed by three years of supervised probation. Additionally, Liggs was ordered to pay restitution in the amount of \$10,826.80 and a special assessment fee of \$100 by U.S. District Court-Middle District of North Carolina (MDNC).

Background:

In January 2016, TOIG received a referral from the United States Attorney Office-MDNC regarding allegations of bank employee embezzlement by a former branch manager of SunTrust Bank. Between March 2015 and September 2015 Liggs, while performing his duties as branch manager, committed identity theft against one of SunTrust Bank's elderly clients. Liggs obtained a MasterCard in the victim's name, without the victim's knowledge, consent or authorization and made unauthorized charges on the card totaling \$2,706.54. Liggs also obtained a \$5,000 unsecured loan in the victim's name. These funds were deposited into the victim's SunTrust Bank account and withdrawn by Liggs. Finally, Liggs used the victim's Visa credit card making unauthorized charges totaling \$4140.68.

In March 2016, Liggs was indicted by a federal grand jury in the MDNC for one count of Bank Fraud, three counts of Aggravated Identity Theft and two counts of Use of Unauthorized Access Device. Subsequently, the TFCTF along with the Guilford County Sheriff's Office, arrested Liggs.

In May 2016, Liggs pled guilty to one count of violation of Use of Unauthorized Access Device.

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

September 20, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

Office of Audit has no report for the week

Office of Investigations

Two Subjects Indicted in Massive Tax Refund Fraud Scheme

In August 2016, as a result of an ongoing Treasury, Office of Inspector General, Office of Investigations (TOIG) and multi-agency joint investigation, Donnell Clayton Jr. and Antoine Robinson, both from Washington, D.C., were arrested for violations of Conspiracy, Theft of Public Money, Aggravated Identity Theft, and Aiding and Abetting. The arrest warrants were issued by the U.S. District Court, for the District of Columbia, following an indictment brought

by the United States Attorney's Office (USAO) for the District of Columbia and the Department of Justice, Tax Division.

Background:

In August 2010, the Financial Management Service – now the Bureau of Fiscal Service (BFS) - provided the US Department of the Treasury, Office of Investigations (TOIG), with information regarding fraudulently issued United States Treasury Checks. In January 2011, TOIG was contacted by Wells Fargo/Wachovia Bank regarding suspicious activity in a business account opened at Wachovia by William O. Hughes III, in which 27 U.S. Treasury Checks were deposited totaling \$66,813.05. A joint investigation by TOIG, the Internal Revenue Service, Criminal Investigations (IRS-CI), the United States Postal Inspection Service (USPIS) and others, identified that during 2005-2013, a large organized criminal organization filed over 12,000 false tax returns using the personally identifying information of co-conspirators and identity theft victims, to the IRS and sought more than \$40 million from the US Treasury. More than \$20 million in fraudulent tax refunds in the form of Treasury checks were issued and negotiated, causing a significant loss to the Treasury. The investigation identified more than 130 co-conspirators in the scheme, 40 arrests have been made so far resulting in 33 guilty pleas and 15 defendants being sentenced to nearly 32 ½ years in prison, followed by 59 years of probation and ordered to pay approximately \$6.2 million in restitution to the Treasury.

The investigation determined that from 2008-2013, Robinson and Clayton filed fraudulent tax returns and recruited others to do the same using information obtained willingly from co-conspirators and from stolen personal identifying information, obtained tax refund checks via U.S. Mail, recruited others to receive Treasury checks at addresses controlled by Robinson and Clayton, recruited a U.S. Postal carrier to steal Treasury checks from the mail, recruited individuals and bank tellers to deposit and negotiate Treasury checks through bank accounts, and recruited tellers at Money Service Businesses to negotiate Treasury checks.

One Individual Arrested for Aggravated Identity Theft, Bank Fraud, Wire Fraud, Mail Theft, and Theft of Public Money

In September 2016, as a result of a joint investigation conducted by the TOIG, the IRS-CI, the USPIS, and the USAO in Kansas City, Missouri, Michael Keefe White was arrested. From May 2016 to September 2016, White possessed two stolen United States Treasury checks and a stolen business check with a total value of \$268,033.77. White utilized two stolen identities to open bank accounts matching the names of the intended Treasury check recipients and deposited the checks into the bank accounts. White then electronically wired \$90,739.75 out of one of the bank accounts.

Background:

In May 2016, White entered Citizens Bank & Trust in Kansas City, MO and identified himself as Hugh Goldsmith of Redondo Beach, CA. White used a California driver's license to open an account in Goldsmith's name with \$50 cash. Later that same day, White went to the Citizens Bank & Trust in Leawood, Kansas and deposited a U.S. Treasury check made payable to Hugh Goldsmith in the amount of \$32,619. White again falsely identified himself as Hugh Goldsmith when he returned to Citizen's Bank & Trust in Kansas City, MO, and completed a wire transfer for \$26,838 to a business account in Long Beach, California. White also withdrew \$5,500 in cash.

In June 2016, Citizens Bank & Trust in Kansas City, MO, received a check deposit via mail to the Hugh Goldsmith account. A Bank of America check was drawn on the account of Title 9 Sports and made payable to Hugh Goldsmith for \$67,686.04. White returned to Citizens Bank & Trust in Kansas City, MO, and completed a wire transfer for \$62,251.50 from the Goldsmith account to the same business account in Long Beach, CA. White also withdrew \$5,427.04 in cash.

In August 2016, White entered Bank Liberty in Kansas City, MO and opened an account with \$100 cash. He identified himself as Brian Marc Pomerantz using a California driver's license. On the same day, White went to Bank Liberty in Parkville, MO and deposited a U.S. Treasury check made payable to Brian Marc Pomerantz of Woodland Hills, CA, for \$167,728.73. White was informed that the funds would not be available for withdrawal until September 2016.

Subsequently, TOIG was contacted by Bank Liberty reporting the suspicious activity. The investigation determined that White would be returning to the bank on the date that the funds cleared with the intent of making a withdrawal. TOIG contacted USPIS and IRS-CI Kansas City, MO offices and coordinated efforts to conduct surveillance and arrest White.

TOIG contacted the legitimate payees for the U.S. Treasury checks. The real Hugh Goldsmith stated that he was expecting to receive the check in the mail, had not received it, and had given no one permission to negotiate it. Title 9 Sports stated that their check had been stolen from the mail and was originally intended for American Express. The real Brian Marc Pomerantz stated that he was expecting to receive the check in the mail, had not received it, and had given no one permission to negotiate it.

Agents from IRS-CI, TOIG, and USPIS established surveillance at the Bank Liberty locations in Kansas City, MO and Parkville, MO, and White was arrested by TOIG and USPIS agents. During a search of White incident to arrest, agents discovered four California driver's licenses bearing White's photo and multiple names. White acknowledged that he had committed the offenses related to the Pomerantz account, but was unwilling to give full detail of his activities until he had opportunity to speak with a lawyer.

Subject Pleads Guilty to Conspiring to Defraud the Government Relating to Wire Fraud and Fraudulent Claims

In September 2016, Koissy Kemmeth, pled guilty to violation of Conspiracy to Commit Wire Fraud and False Claims. Kemmeth, an employee with the United Nations mission of the Ivory Coast, supplied co-conspirator Kouame Tanoh with fraudulent employment verification from the Ivory Coast Embassy which enabled Tanoh to obtain housing rental agreements using stolen identities. Kemmeth also filed false personal federal tax returns to the IRS with the assistance of Tanoh.

Background:

In August 2014, the Metropolitan Washington Airports Authority (MWAA) conducted a vehicle stop at the airport for a traffic violation. The driver identified himself as, Kouame Tanoh. The MWAA located several identification documents belonging to other individuals during a search of the vehicle. Tanoh advised that he was in possession of the documents because he was a tax preparer and the documents belonged to his clients.

MWAA contacted TOIG and a subsequent joint investigation determined that Tanoh had obtained at least two Social Security Numbers (SSNs) from the Social Security Administration and that Tanoh had provided both SSNs to law enforcement and financial institutions during this scheme. It was determined that Tanoh is a citizen of the Ivory Coast and has no lawful status in the United States. Tanoh was affiliated with several addresses in the Ashburn, Virginia area and also associated with at least four businesses.

The investigation further determined that from 2009 through 2015, Tanoh used the names and personal identifying information of at least eight individuals to seek and obtain employment, housing, and other items of value, such as bank accounts. To facilitate his use of these stolen identities, Tanoh obtained false identification in the victim's names, including driver's licenses and Social Security cards and received fraudulent employment verification letters on Ivory Coast letterhead from Kemmeth, an employee of the Ivory Coast Mission to the United Nations.

In November 2015, Tanoh was sentenced to 54 months' incarceration, and ordered to pay \$671,760 in restitution, \$651,769 in a forfeiture money judgment, and a \$100 court assessment for violation of Aggravated Identity Theft and Wire Fraud.

In May 2016, Kemmeth was arrested in Yonkers, NY, and charged with a violation of Conspiracy to Defraud the Government.

Legal

30-60 Day Look-Ahead



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

MEMORANDUM FOR INSPECTOR GENERAL THORSON

FROM: Jerry S. Marshall
Deputy Assistant Inspector General for Investigations

SUBJECT: Secretary's Report

The following significant activity is reported by the Office of Investigations and is submitted for your consideration.

Subject Sentenced For Use of an Unauthorized Access Device

In September 2016, as the result of an investigation conducted by the United States Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG) and the North Carolina Treasury Financial Crimes Task Force (NC-TFCTF), Gregory S. Liggs was sentenced to five months in prison, followed by five months of home detention, followed by three years of supervised probation. Additionally, Liggs was ordered to pay restitution in the amount of \$10,826.80 and a special assessment fee of \$100 by U.S. District Court-Middle District of North Carolina (MDNC).

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WASHINGTON, D.C. 20220

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In May 2016, Liggs pled guilty to one count of violation of Use of Unauthorized Access Device.

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

October 25, 2016

Direct Message to the President

Announcements - Presidential Priorities

Jobs/Economy:

ACA Implementation:

Immigration:

Climate/Energy:

My Brother's Keeper:

VA Backlog:

Announcements - Department/Agency Priorities

Principal Schedules

Items of Note

Office of Audit:

- We have initiated and audit of the Office of the Comptroller of the Currency's Supervision of Wells Fargo. The objectives of our audit are to assess (1) OCC's supervision of incentive-based compensation structures within Wells Fargo and (2) the timeliness and adequacy of OCC's supervisory and other actions taken related to Wells Fargo's sales practices, including the opening of accounts.

Office of Investigations:

Postal Carrier arrested on Charges of Theft of Government Money Related to stolen US Treasury Checks

In October 2016, Danarian Thompson Jr., a United States Postal Service Mail Carrier, was arrested for violation of 18 USC § 641 Theft of Government Money. Thompson stole numerous U.S. Treasury checks payable to customers on his mail route, and then deposited the stolen checks directly into his personal bank account.

Background:

In August 2016, the United States Postal Service (USPS), Office of the Inspector General (Postal-IG) requested TOIG's assistance investigating stolen U.S. Treasury checks in the Kingstowne area of Alexandria, VA after a U.S. Postal Service customer learned that her stolen U.S. Treasury check had been deposited into a Navy Federal Credit Union (NFCU) account in June 2016.

TOIG contacted NFCU regarding the stolen check and determined that the account where the stolen check had been deposited belonged to Danarian Thompson Jr. In addition, TOIG discovered that approximately ten U.S. Treasury checks, totaling approximately \$9,963 and made payable to somebody other than Thompson, had been deposited into Thompson's NFCU account.

Further investigation revealed that Thompson is a USPS Mail Carrier in the Kingstowne Post Office in Alexandria, VA, and all of the stolen U.S. Treasury checks deposited into Thompson's NFCU account had been addressed to addresses on Thompson's mail route.

In October 2016, a criminal complaint was drafted for an arrest warrant for Thompson. TOIG and Postal-IG subsequently arrested Thompson for violation of 18 USC § 641 Theft of Government Money.

Legal

30-60 Day Look-Ahead

WEEKLY REPORT

US DEPARTMENT OF THE TREASURY, OFFICE OF THE INSPECTOR GENERAL

October 25, 2016

Direct Message to the President

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Legal

30-60 Day Look-Ahead



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

November 28, 2016

MEMORANDUM FOR INSPECTOR GENERAL THORSON

FROM: Anthony J. Scott
Special Agent in Charge
Office of Investigations

SUBJECT: Secretary's Report

The following significant activities are reported by the Office of Investigations and are submitted for your consideration.

Postal Carrier Pleads Guilty to Theft of Government Money Related to Stolen U.S. Treasury Checks

In November 2016, Danarian Thompson Jr., a United States Postal Service Mail Carrier, pled guilty to a one count of violation of Theft of Government Money. TOIG's investigation determined that Thompson stole numerous U.S. Treasury checks payable to customers on his mail route, and then deposited the stolen checks directly into his personal bank account.

Background:

In August 2016, the United States Postal Service, Office of the Inspector General (USPS-OIG) requested TOIG's assistance investigating stolen U.S. Treasury checks in the Kingstowne area of Alexandria, VA after a U.S. Postal Service customer learned that her stolen U.S. Treasury check had been deposited into a Navy Federal Credit Union (NFCU) account in June 2016.

TOIG contacted NFCU regarding the stolen check and determined that the account where the stolen check had been deposited belonged to Danarian Thompson Jr. Further investigation determined that ten U.S. Treasury checks, totaling \$9,963 which were made payable to individuals other than Thompson, had been deposited into Thompson's NFCU account.

Thompson was identified as a USPS Mail Carrier in the Kingstowne Post Office in Alexandria, VA, and all of the stolen U.S. Treasury checks deposited into his NFCU account had been mailed to addresses on Thompson's mail route.

In October 2016, a criminal complaint was drafted for an arrest warrant for Thompson and he was taken into custody by TOIG and USPS-OIG.

In November 2016, Thompson pled guilty to one count of violation of Theft of Government Money. Thompson's sentencing is scheduled for February 2017.

Subject Charged With Conducting Criminal Enterprises and Uttering and Publishing in Wayne County, Michigan

In November 2016, TOIG obtained an arrest warrant for Oliver Owens II for violations of Michigan Penal Code (MCL) Conducting Criminal Enterprises and Uttering and Publishing after Owens allegedly altered and cashed approximately \$18,996 in U.S. Treasury bonds.

Background:

In August 2015, TOIG received information from the Bureau of the Fiscal Service (BFS) regarding Oliver Owens II, who purportedly attempted to redeem approximately 135 Treasury bonds at Comerica Bank in Wayne County, MI. The total value of the bonds was approximately \$18,996.

TOIG reviewed information regarding the 135 Treasury bonds provided by Comerica Bank and determined that the original and legitimate purchasers/owners of all the Treasury bonds were Manual and Jaine H. Sanchez, both of whom are deceased. The bonds were altered to display Owens's name and address, and had face values of either \$25 or \$50. Owens also purportedly gave two \$30 gift cards to Comerica Bank tellers as a bribe in the hopes that the tellers would assist him with redeeming the altered bonds. The tellers immediately reported the incident to the bank's management. The Owens's transactions were video recorded by surveillance cameras at Comerica Bank.

In October 2015, TOIG interviewed the victim's granddaughter, Jaine L. Sanchez, regarding the Treasury bonds. The granddaughter was not aware of any Treasury bonds, but she did state that her grandfather's house was vandalized and burned down in 2013 by neighbors whom she believed wanted her grandfather's land. The granddaughter believed that the bonds may have been kept in a metal safe or box in the house. The metal safe was never recovered and a police report was not filed.

In January 2016, TOIG presented the facts of the case to the Michigan Attorney General's Office (MAGO) for prosecution. MAGO stated they were already investigating Owens for attempting to cash worthless checks in Detroit, MI, and accepted the case for prosecution.

In March 2016, Owens was interviewed by the Michigan Attorney General's Office (MAGO). Owens admitted to cashing the altered Treasury bonds at Comerica Bank, but he claimed he did not alter the bonds. According to Owens, unknown individuals that he met through Facebook altered the bonds and gave them to Owens to cash in exchange for a portion of the proceeds.

In May 2016, the Comerica Bank tellers provided sworn testimony under oath to MAGO stating that they had conducted transactions with the altered Treasury for Owens at the bank.

In November 2016, MAGO and TOIG drafted and obtained an arrest warrant for Owens for violations MCL Conducting Criminal Enterprises and Uttering and Publishing.

George Beatty Sentenced for Theft and Possession of Government Funds (U.S. Savings Bonds) and Wire Fraud

On November 10, 2016, a Federal Judge in the Central District of California sentenced George Harlan Beatty III to serve 33 months in prison. Upon release from imprisonment,

Beatty will be placed on supervised release for 36 months. Beatty was also ordered to pay restitution to the U.S. Department of the Treasury in the amount of \$74,734.86.

Background:

On February 5, 2013, TOIG received a referral from the Bureau of the Fiscal Service (BFS) regarding allegations of fraudulent redemption of U.S. Savings Bonds by George Beatty II. Beatty was alleged to have created an online account with TreasuryDirect (TD) using someone else's Personally Identifiable Information their permission or knowledge, converting 104 paper U.S. Savings Bonds in that person's name to electronic bonds, and redeeming those bonds into a bank account in Beatty's name. The value of the bonds at the time was \$74,734.86.

In October 2013, the Los Angeles County Sheriff's Department (LASD) arrested Beatty on unrelated charges. At the time of his arrest, Beatty possessed six U.S. Savings Bonds; three \$50 bonds in one name, and three \$10,000 bonds in a second name. TOIG verified that all six bonds had been reported stolen.

During an interview with TOIG, Beatty admitted to all of the above.

In June 2015, Beatty was indicted by a Grand Jury in the Central District of California (CDCA) on one count each of Wire Fraud, Theft of Government Money, Receiving Stolen Government Property, and Aggravated Identity Theft.

In July 2016, George Beatty pled guilty to one count each of Wire Fraud, Theft of Government Money, and Receiving Stolen Government Property in the CDCA.

Subject Indicted in Massive Tax Refund Fraud Scheme

In November 2016, as a result of an ongoing TOIG led multi-agency joint investigation, Timothy West was indicted for violations of Aggravated Identity Theft, Mail Fraud, by a federal grand jury in the District of Maryland (Greenbelt). An arrest warrant will be obtained

Background:

In August 2010, the Financial Management Service – now the Bureau of Fiscal Service (BFS) - provided the US Department of the Treasury, Office of Investigations (TOIG), with information regarding fraudulently issued United States Treasury Checks. In January 2011, TOIG was contacted by Wells Fargo/Wachovia Bank regarding suspicious activity in

a business account opened at Wachovia by William O. Hughes III, in which 27 U.S. Treasury Checks were deposited totaling \$66,813.05. A joint investigation by TOIG, the Internal Revenue Service, Criminal Investigations (IRS-CI), the United States Postal Inspection Service (USPIS) and others, identified that during 2005-2013, a large organized criminal organization filed over 12,000 false tax returns using the personally identifying information of co-conspirators and identity theft victims, to the IRS and sought more than \$40 million from the US Treasury. More than \$20 million in fraudulent tax refunds in the form of Treasury checks were issued and negotiated, causing a significant loss to the Treasury. The investigation identified more than 130 co-conspirators in the scheme, 40 arrests have been made so far resulting in 33 guilty pleas and 15 defendants being sentenced to nearly 32 ½ years in prison, followed by 59 years of probation and ordered to pay approximately \$6.2 million in restitution to the Treasury.

The investigation determined that West, along with other co-conspirators, filed bogus tax returns, obtained tax refund checks via U.S. Mail, deposited, and cashed these scheme checks.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

November 28, 2016

MEMORANDUM FOR INSPECTOR GENERAL THORSON

FROM: Anthony J. Scott
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SUBJECT: Secretary's Report

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Background:

In August 2010, the Financial Management Service – now the Bureau of Fiscal Service (BFS) - provided the US Department of the Treasury, Office of Investigations (TOIG), with information regarding fraudulently issued United States Treasury Checks. In January 2011, TOIG was contacted by Wells Fargo/Wachovia Bank regarding suspicious activity in

a business account opened at Wachovia by William O. Hughes III, in which 27 U.S. Treasury Checks were deposited totaling \$66,813.05. A joint investigation by TOIG, the Internal Revenue Service, Criminal Investigations (IRS-CI), the United States Postal Inspection Service (USPIS) and others, identified that during 2005-2013, a large organized criminal organization filed over 12,000 false tax returns using the personally identifying information of co-conspirators and identity theft victims, to the IRS and sought more than \$40 million from the US Treasury. More than \$20 million in fraudulent tax refunds in the form of Treasury checks were issued and negotiated, causing a significant loss to the Treasury. The investigation identified more than 130 co-conspirators in the scheme, 40 arrests have been made so far resulting in 33 guilty pleas and 15 defendants being sentenced to nearly 32 ½ years in prison, followed by 59 years of probation and ordered to pay approximately \$6.2 million in restitution to the Treasury.

The investigation determined that West, along with other co-conspirators, filed bogus tax returns, obtained tax refund checks via U.S. Mail, deposited, and cashed these scheme checks.