



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE
JANUARY 14, 2004

CONTACT:

U.S. ATTORNEY'S OFFICE
MARVIN SMILON, HERBERT HADAD
MICHAEL KULSTAD
PUBLIC INFORMATION OFFICE
(212) 637-2600

POSTAL INSPECTION SERVICE
DAVID NG
(212) 330-3387

**U.S. ANNOUNCES ARREST OF HRA EMPLOYEE
IN MASSIVE IDENTITY THEFT SCHEME**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced the arrest yesterday of a New York City Human Resources Administration employee, VERONICA HARRISON, in connection with HARRISON's alleged sale of thousands of identities in a multimillion-dollar tax and identity fraud scheme run out of Manhattan and the Bronx, New York.

The arrest arose out of a long-term investigation involving an identity theft and tax fraud scheme to which approximately 20 other defendants ("the Co-Defendants") already have pled guilty. The scheme involved a conspiracy, from 2001 until the Co-Defendants' arrests in February 2003, to file thousands of false and fraudulent Individual Income Tax Returns, seeking tax refunds from the Internal Revenue Service ("IRS") by using fraudulently obtained identities. The Co-Defendants have

pled guilty to offenses related to their having obtained and used the names and Social Security numbers ("SSNs") of individuals who had long since been deceased or who otherwise did not file tax returns, and the defendants then kept the refunds for themselves, in whole or in part. The Complaint alleges that HARRISON was a primary source of fraudulently obtained identities.

According to the Complaint, over the course of the conspiracy, in their scheme to defraud the IRS by agreeing to cause and by causing the issuance of refund checks based on false income tax returns, the Co-Defendants possessed, transferred and used at least approximately 35,000 SSNs of individuals without the knowledge or consent of those individuals. This resulted in actual loss to the United States of at least \$7 million, and an intended loss of many millions more, it was charged.

According to the Complaint, in connection with the investigation, a cooperating witness (the "CW") - from whose apartment law enforcement agents recovered well over approximately 16,000 SSNs pursuant to a search warrant - informed agents that, over the past three years, s/he had purchased a large number of SSNs from VERONICA HARRISON.

In a series of consensually recorded phone calls placed in January 2004, HARRISON agreed to sell additional SSNs to the CW. HARRISON, who has been an HRA employee for approximately 17 years, was working in the area of child support enforcement; specifically,

she was responsible for helping to locate child support sources for children and mothers on public assistance and therefore had access to large quantities of identifying information, according to the charges.

HARRISON was presented before United States Magistrate Judge DEBRA FREEMAN in Manhattan federal court late yesterday and released on a \$100,000 personal bond.

The one-count Complaint charges HARRISON with conspiracy to commit identity fraud. If convicted, the defendant faces a maximum term of 15 years' imprisonment and a maximum fine of \$250,000 or twice the gross gain or loss resulting from the crime.

Mr. KELLEY praised the investigative efforts of the United States Postal Inspection Service.

Mr. KELLEY also said that the investigation is continuing.

Assistant United States Attorney E. DANYA PERRY is in charge of the prosecution.

The charge contained in the Complaint is merely an accusation, and the defendant is presumed innocent unless and until proven guilty.

04-09

###