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Press Release

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28 Additional Individuals Indicted in Connection to New York City-Based Disability Fraud Scheme

Charges Follow Earlier Arrests of 102 Beneficiaries and 4 Facilitators

Social Security Administration (SSA) Inspector General Patrick P. O'Carroll, Jr. and Manhattan District Attorney Cyrus R. Vance, Jr. today announced that another 28 individuals, many of them retired New York City police officers and firefighters, have been indicted for their alleged involvement in a vast and longstanding criminal conspiracy to defraud SSA out of millions of dollars. This follows [106 indictments and arrests](#) in January as part of the same scheme.

The beneficiaries indicted last month allegedly stole over \$23.2 million in fraudulent Social Security disability benefits; the 28 indicted today are alleged to have stolen more than another \$6.3 million, bringing the total fraud loss to just shy of \$30 million. The investigation remains active and ongoing.

The 130 disability beneficiaries and four facilitators indicted to date were uncovered in this sweeping investigation, which dates back to 2008, after SSA and New York State disability examiners referred suspicious disability claims to the OIG's New York [Cooperative Disability Investigations](#) (CDI) unit. We identified a potential criminal conspiracy based on similar medical documentation claiming mental disabilities—some based on participation in the events following the September 11, 2001 terrorist attacks. Uncovering this criminal conspiracy required the exhaustive review of thousands of pages of disability records by CDI and SSA personnel, surveillances, and other complex investigative techniques.

The scheme allegedly consisted of former NYPD officers acting as “recruiters” who coached disability applicants on how to act during examinations, and what to include in their disability applications. They would also refer them to cooperating facilitators, including an attorney, a disability consultant, and one of two doctors. With coaching and medical documentation, many of these individuals were approved for disability benefits. As payment, the new beneficiaries would then be instructed to withdraw more than a year's worth of benefits from their bank accounts, in small withdrawals to avoid IRS reporting, and give the cash to the recruiters, who would share it with the facilitators.

Today's arrest operation targeted 16 former NYPD employees, five former NYFD firefighters, one corrections officer, and six civilians. It encompassed seven states and nine law enforcement agencies. As a result of these indictments, SSA will suspend the benefits of those charged, as well as their spouses and children, if applicable. This investigation involves SSA, the OIG, the New York County District Attorney's Office, and the NYPD.

We have established a special toll-free fraud hotline at (877) 471-6012 where individuals can report additional information connected with this indictment or other suspected Social Security fraud. Reports of fraud may also be sent to the OIG online at <http://oig.ssa.gov/report>.

For more information, please contact Jonathan Lasher, OIG's Assistant Inspector General for External Relations, at (410) 965-2671.