



News Release

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Former Federal Reserve Board Employee Charged in Social Security Disability Fraud Scheme

The Inspector General for the Social Security Administration, Gail S. Ennis, today announced Federal charges of wire fraud against a former senior financial analyst for the Board of Governors of the Federal Reserve System, for an alleged fraud scheme involving the Social Security Administration and the Federal Reserve System's disability programs. The charges are the result of a joint investigation by the Federal Reserve Board Office of Inspector General (OIG) and the Social Security Administration OIG.

Lawrence Rufrano, who made his initial appearance October 28, 2020 in the Northern District of California, is alleged to have worked as executive director of a financial technology laboratory at a university and various law firms while collecting both long-term disability benefits from the Federal Reserve System and Social Security Disability Insurance benefits. The fraud loss is estimated to be \$185,000.

According to the criminal complaint, Rufrano claimed that he was disabled in July 2013 and was later diagnosed as suffering from agoraphobia with panic attacks, obsessive-compulsive disorder, and anxiety. He received short-term disability benefits and was later approved for the Federal Reserve System's long-term disability program. Rufrano received long-term disability benefits from January 2014 until March 2019. He also filed a claim for Social Security Disability Insurance benefits in approximately October 2014 and his disability claim was approved.

According to the complaint, Rufrano did not report his outside employment to either disability benefit program despite requirements to do so. The third-party administrator of the Federal Reserve System's disability program suspected he was concealing employment, and our joint investigation subsequently found evidence he held several lucrative positions during the time he was receiving benefits, at law firms and a university. This work and income would have made him ineligible for both benefit programs.

"These charges are the result of a thorough investigation by the Federal Reserve Board OIG and my office to gather evidence of Mr. Rufrano's fraud," said Inspector General Ennis. "We

will continue to work in partnership with other agencies and the Department of Justice to maintain the integrity of critical safety net programs, and recover valuable taxpayer funds.”

This investigation was conducted under the supervision of Special Agent-in-Charge Robb Stickley of the Social Security OIG’s San Francisco Field Division, and Special Agent-in-Charge John T. Perez of the Federal Reserve Board OIG. Inspector General Ennis thanked the Federal Reserve Board OIG for its partnership, and the United States Attorney’s Office for its support of the investigation, which led to these charges.

Charges set forth in the indictment are merely accusations and do not constitute proof of guilt. Every defendant is presumed to be innocent unless and until proven guilty.

Members of the public are encouraged to report suspected Social Security fraud to the OIG at <https://oig.ssa.gov>.

Members of the press may make inquiries to Social Security OIG at oig.dcom@ssa.gov or (410) 965-2671