



## INSPECTOR GENERAL REPORT

2008-04-0099

December 10, 2010

### FORGERIES OF INDIANA PAYROLL WARRANTS BY CHICAGO RESIDENTS

*Staff Attorney Amanda Lufkin and Inspector General David O. Thomas, after an investigation by Special Agent and Director of Investigations Darrell Boehmer, report as follows:*

This investigation involved forgeries of state payroll warrants by six Chicago residents.

On May 3, 2008, the Indiana Treasurer's Office reported to the OIG that an attempt had been made by unknown persons to cash six Indiana Payroll Warrants that had been allegedly issued by the Indiana Auditor's Office.

OIG Director of Investigations and Special Agent Darrell Boehmer was assigned to investigate and confirmed the initial report. The investigation revealed that the six warrants had been rejected for payment and were from a series of seven consecutively numbered warrants. One warrant in the sequence was never presented for payment.

All six of the counterfeit warrants had been deposited in six different bank accounts in the Chicago, Cook County, Illinois area. The banks involved in these transactions never reported the losses they incurred from these obviously criminal transactions.

After the counterfeit warrants were deposited in the accounts, the banks processed them through clearing houses back to the issuing banks. In this process the originals were photocopied. Copies of the counterfeit warrants were then obtained and compared to blank unissued Indiana Payroll Warrants and also to processed copies of legitimately issued payroll warrants. Those sections of the counterfeit warrants which would have been printed by the Indiana Auditor's Office were obviously different from the Indiana samples. It did not appear that any attempt was made by the forgers to match the font, style or language used by the Indiana Auditor's Office. The Indiana Auditor's name was not even used.

To verify whether someone had obtained original blank warrants from the Indiana Auditor's Office, the Indiana Auditor's stock was inspected and the series of warrants including the numbers of the counterfeit checks were located. This series of checks was in a factory sealed box. Accordingly, the warrants and the box were all accounted for and unaltered, eliminating this avenue.

The supplier of the warrants to the Indiana Auditor was also contacted and all available OIG investigative information was shared with them in an attempt to determine what had occurred. The supplier representatives also pointed out differences in the Indiana Auditor printed portion of the warrants.

OIG Director of Investigations Boehmer then made contact with Illinois State Police law enforcement authorities. Special Agents Boehmer and Mark Mitchell met with an Illinois State Police Special Agent. The results of the Indiana OIG investigation were shared with the Illinois authorities, and through the further efforts of the Illinois State Police, the forgery suspects were identified.

Five of the six suspects were then apprehended and arrested. Criminal charges and arrests of those five Chicago residents resulted, and restitution amounts were ordered by the Illinois Courts to the State of Indiana in the amounts of \$3,635, \$144 and \$213.

It was concluded from the investigation that there had been no breach of Indiana Payroll Warrants, but that the forgeries had been planned and unsuccessfully accomplished by the Chicago residents.

Dated this 10<sup>th</sup> day of December, 2010.



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David O. Thomas, Inspector General