

**ATTORNEY GENERAL CUOMO ANNOUNCES
ARREST OF FORMER STATE TAX DEPARTMENT
EMPLOYEE FOR USING POSITION TO STEAL
TAXPAYER IDENTITIES**

***Charged with Using Access to Sensitive Data, Including
Social Security Numbers, to Open Fraudulent Credit Card
Accounts***

ALBANY, N.Y. (April 22, 2009) - Attorney General Andrew M. Cuomo today announced the arrest of a former state tax department employee for illegally possessing sensitive personal data of thousands of New Yorkers and using some of that information in an elaborate identity theft scheme.

According to the complaint, Walter Healey, 63, of Oakwood Avenue in Troy, was assigned in 2006 to a Department of Taxation and Finance (DTF) unit that scans identification documents, including social security cards and birth certificates, which taxpayers submit in connection with routine audits. He also had access to various tax documents and returns through the department's computer system.

As part of the scheme, Healey allegedly took taxpayer identification information from tax department files and used that information to apply for and obtain credit cards. Evidence collected shows he had at least 90 allegedly fraudulent credit cards and other lines of credit at more than 20 banks with unpaid charges on the accounts exceeding \$200,000. The scheme was uncovered after another DTF employee noticed irregularities in certain DTF files to which Healey had been assigned. The case was then referred to the Attorney General's Office.

The complaint also alleges that on numerous occasions Healey made unauthorized use of DTF computers to access taxpayers' personal information, and stored this information at his home. Records show he opened accounts using the Social Security Numbers of at least fifteen different people, including a four-year old boy and at least four individuals who were deceased, including his own mother and sister.

"These charges go far beyond the theft of people's identities, they involve an egregious breach of public trust," said Attorney General Cuomo. "Government employees have a duty to act in the best interest of the people they serve. Public employees who violate the public trust can clearly expect to hear from my office."

According to court papers, an audit of Healey's computer use for May, June, and July 2008 showed him accessing the records of hundreds of taxpayers, far more than were conceivably required for his job, including a sample of fifty-three records found to have no relation to his job responsibilities.

As alleged in the complaint, in October 2008, the Attorney General's Office obtained and executed a warrant to search Healey's home in Troy. The search uncovered hundreds of pages of tax records, identity documents, and credit card statements and applications, including:

- Copies of over 700 New York State tax forms containing identifying information of New York taxpayers
- Numerous identity documents, including copies of over 300 birth certificates and over 1,000 Social Security cards in the names of various New York taxpayers and their children
- Hundreds of pages of credit card statements, credit card inquiry letters, credit applications and credit cards in the names of "Walter Healey" and numerous other individuals

- Approximately 2,000 Post-It notes with the Social Security Numbers of New York taxpayers handwritten on them - many of them accompanied by handwritten notes such as "good prospect," "had money," and "go with this one"

Department of Taxation and Finance Commissioner Robert L. Megna said, "Working in conjunction with the State Inspector General, our investigation uncovered a serious breach of security, a violation that we have not previously suffered and will not tolerate. The security measures we have in place were critical in uncovering this breach and our discovery of it led to the matter being referred to Attorney General Cuomo for criminal prosecution. The Tax Department is committed to providing the best possible security for the sensitive information entrusted to us by state taxpayers. Along with Attorney General Cuomo, we will be notifying impacted taxpayers."

The Attorney General's Office is in the process of contacting victims who had a credit card account applied for or opened in their name. The office is also taking action to assist the credit bureaus to rectify situations where credit was affected.

As required by law, state tax officials are sending notification to more than 2,000 individuals across the state whose information was breached.

Walter Healey is charged with Identity Theft in the First Degree (class D felony), Unlawful Possession of Personal Identification Information in the Second Degree (class E felony), Tampering with Public Records in the First Degree (class D felony) and Official Misconduct (class A misdemeanor). He was arraigned before Judge Christopher T. Maier in Troy City Court and released on \$5,000 bond. The charges carry a maximum of 6 to 18 years in prison.

Attorney General Cuomo urges all consumers to be informed. A provision in the Fair and Accurate Credit Transaction Act allows consumers to receive free copies of their credit report annually.

Reports can be obtained by visiting www.annualcreditreport.com. Additional information on identity theft is available on the Attorney General's site at www.oag.state.ny.us/bureaus/consumer_frauds/identity_theft.html and an informational booklet can be found at www.oag.state.ny.us/bureaus/consumer_frauds/pdfs/FreeCreditReports.pdf. More detailed information on remedying the impact of identity theft is available from the Federal Trade Commission at www.ftc.gov/bcp/edu/microsites/idtheft/consumers/index.html and in the FTC booklet, Take Charge: Fighting Back Against Identity Theft, available at www.ftc.gov/bcp/edu/pubs/consumer/idtheft/idt04.pdf.

The case was handled by Assistant Attorney General Lauren Popper Ellis with assistance from Assistant Attorney General Yujin Hong and under the supervision of Stacy Aronowitz, Deputy Chief of the Public Integrity Bureau, and Ellen Nachtigall Biben, Special Deputy Attorney General for Public Integrity, and Linda A. Lacewell, Special Counsel. The investigation was led by Senior Investigator Michael Battisti and Assistant Chief Investigator David Adams of the Attorney General's Office. Assisting in the investigation were Department of Tax and Finance Investigators Mark Tenzer and Vic Vasta, United States Postal Inspector Ray Smith, and Nicole McNamee-Wicks, Special Agent, United States Social Security Administration.

The charges against the defendant are merely accusations and he is presumed innocent until and unless proven guilty.

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