

State of New York  
Office of the Inspector General



Investigation of the Processing  
of Essential Personal Property Claims  
at the New York State Office of Victim Services

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Inspector General

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## **EXECUTIVE SUMMARY**

The New York State Office of Victim Services (OVS) reported to the Inspector General that an OVS employee inappropriately authorized payments to family members for claimed property losses as crime victims. The Inspector General determined that Miriam Brown, while employed as an OVS agency service representative, knowingly processed a false claim with OVS, resulting in an improper \$500 payment to her sister. Brown also participated in the filing of a questionable claim, which resulted in a \$500 payment to her daughter. In addition, Brown made false entries in OVS records to conceal her improper activities. Miriam Brown was criminally prosecuted, resigned her employment with OVS, and made restitution to the state. The Inspector General also determined that a co-worker of Brown conducted an inadequate review of one of the questionable claims that involved Brown.

The Inspector General's investigation further determined that the process by which OVS reviews property claims was inadequate. Claims were paid even when lacking information required by statute and agency procedures. In addition, no supervisory review of claims occurred, and OVS's Counsel's Office approved recommended payments without review.

The Inspector General recommended that OVS take action to ensure that staff complies with all requirements for the review of property loss claims, and that OVS implement procedures that include a substantive review by supervisors of staff recommendations.

OVS advised that in response to the Inspector General's investigation it has instituted substantial changes to its processing of property loss claims, including supervisory review and means to ensure that claims include all required information. OVS also has implemented new policy and conducted agency-wide training on employee conflicts of interest.

## **INTRODUCTION AND BACKGROUND**

The Office of Victims Services (OVS) provides financial assistance to victims of crimes and administers grants for organizations that provide services to crime victims. As a result of legislation enacted in June 2010, OVS replaced the Crime Victims Compensation Board as the agency responsible for providing this financial assistance, which includes reimbursement for medical expenses, lost earnings, counseling, court transportation, and the repair or replacement of "essential personal property," defined as property "necessary and essential to the health, welfare or safety of the victim."<sup>1</sup> Examples of essential personal property include clothing, shoes, eyeglasses, prescription medication, and cash.<sup>2</sup> Essential personal property claims are limited to a maximum of \$500 aggregate loss, including a maximum of \$100 cash.<sup>3</sup> While victims of crimes of

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<sup>1</sup> Executive Law §621(8)

<sup>2</sup> OVS, EPP, PI and Death Claims Expense Procedures, pg. 23

<sup>3</sup> Executive Law §631(9)

any age may claim reimbursement for incidents resulting in physical injury, only claimants under age 18, over age 60, or who are disabled as defined by law may receive compensation for crimes resulting solely in a loss of property.<sup>4</sup> The Executive Law governing payments to victims requires the prompt reporting of the crime that caused some injury or loss: “No award shall be made unless [OVS] finds that . . . criminal justice agency records show that such crime was promptly reported to the proper authorities.”<sup>5</sup> OVS procedures further mandate that items of essential personal property for which a loss is claimed must be included in an original or amended police report.<sup>6</sup>

OVS uses a dedicated computerized claims processing system called Claims Assistant; every document, phone call, and investigative step taken by staff members must be recorded on the network. Claims Assistant maintains a computerized signature of each person who types an entry or scans a document into the computer file for a claim. The Claims Assistant record is the official state record of all claims; paper filings submitted to OVS on essential personal property claims are destroyed 90 days after receipt.

OVS maintains offices in Brooklyn, Buffalo, and Albany. The processing of essential personal property claims is assigned to a unit located in OVS’s offices in Albany. At the time of the incidents under review, the unit consisted of two agency service representatives, supervised by crime victim specialists who worked in the Brooklyn office. The agency service representatives, including Miriam Brown, were responsible for processing and, as warranted, investigating all essential personal property claims, and recommending that the claims be approved or denied. For the three fiscal years 2010-2011 to 2012-2013, OVS processed a total of 9,753 essential personal property claims. Of this total, 4,179 were denied and 5,574 were paid, with awards totaling \$1,239,692.

Following the dissolution of the Crime Victims Compensation Board and the establishment of OVS, recommendations by agency service representatives to approve or deny essential personal property claims were forwarded to Counsel’s Office without review by supervisors. The general counsel or another attorney in Counsel’s Office merely hit a single computer key to confirm the recommendations, but did not review any file documents. The general counsel advised the Inspector General that this procedure was adopted with approval of OVS executive staff. Indeed, Tina Stanford, the then-Director of OVS, confirmed that she approved the process because she did not consider the possibility of paying a false essential personal property claim to be “a high risk in our view.”<sup>7</sup>

As will be demonstrated herein, the lack of supervisory review of the essential personal property claims processed at OVS permitted Miriam Brown to submit fraudulent and questionable claims on behalf of her family members.

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<sup>4</sup> Executive Law §§631(1), (8) and (17)

<sup>5</sup> Executive Law § 631(1)(c).

<sup>6</sup> EPP, Personal Injury and Death Claims Investigation Procedures.

<sup>7</sup> Elizabeth Cronin was appointed OVS Director in September 2013.

## **THE INSPECTOR GENERAL FOUND THAT MIRIAM BROWN FILED FALSE AND QUESTIONABLE CLAIMS; OFFICE OF VICTIM SERVICES PAID CLAIMS AFTER INADEQUATE REVIEW**

The claims at issue in this investigation were made in late 2010 and early 2011, when, as noted, recommendations made by OVS agency service representatives were accepted without supervisory or Counsel's Office review. The claims arose from three instances when Schenectady Police were called to the home of Miriam Brown and her husband Keith Brown in November and December 2010. On each occasion, the responding police officer prepared a report for alleged property damage. An essential personal property claim was filed with OVS after each incident – once by Keith Brown on behalf of his and Miriam Brown's minor daughter, and twice by Miriam Brown's sister. The claim submitted by Keith Brown was paid by OVS after an inadequate review. One of the claims filed by Miriam Brown's sister was paid; one was denied.

### **The December 6, 2010 Claim**

On November 4, 2010, Keith Brown called Schenectady Police to the Brown residence to report alleged damage to his automobile. The police report stated that Keith Brown, the complainant, "found 21 screws in his tire." The report mentioned no other victim and no damage to the vehicle other than the screws in the tire. On December 6, 2010, OVS received an essential personal property claim from Keith Brown on behalf of his minor daughter. As part of that claim, Brown included a copy of the police report and a note written by him stating that he "realized shortly thereafter" – presumably after the police report was written – that items of clothing belonging to his daughter had been stolen from his car during the incident. Brown's submission also included a list, in different handwriting, of the purportedly stolen items, including shirts, pants, and footwear with a claimed total value of \$790.

When the Inspector General interviewed Keith Brown, he related that the tire on his automobile was damaged overnight on November 3 to 4, 2010, and he contacted the Schenectady Police to report the loss. He said that after the police officer gave him the completed incident report and left, he noticed that his daughter's clothing was missing from the vehicle. He admitted that he should have obtained an amended police report, but did not. Brown stated that he filed a claim for the loss of his daughter's property which he signed, but admitted that the claim application and the list of lost clothes were prepared by his wife, Miriam Brown.

When Miriam Brown was confronted with the claim filed on behalf of her daughter, she initially denied any knowledge of it. After she was shown the claim documents, however, she admitted she prepared the claim forms for her daughter and identified her handwriting on claim documents. Throughout her interview, Miriam Brown stated that the claim was legitimate.

## **Review of Brown's Claim Was Inadequate**

Despite the fact that Miriam Brown and her minor daughter share the same last name and address, the claim was initially assigned to her for processing. On that same day, however, Brown notified her supervisor that the claim was filed by her husband on behalf of their daughter and should be reassigned. To avoid a conflict of interest, the supervisor then assigned the claim to the other agency service representative in the unit. Approximately six weeks later, this agency service representative forwarded to OVS's Counsel's Office a recommendation that the claim be approved. The following day, the general counsel confirmed the recommendation and payment of \$500 was made.

Two irregularities in the claim filed by Keith Brown should have raised concern resulting in closer scrutiny by OVS: (1) the claim came from a relative of an OVS agency service representative; and (2) the claimed loss of clothing was not reported to police. While the supervisor of the essential personal property unit properly reassigned the claim, no heightened review of the claim occurred.

When interviewed by the Inspector General about her processing of Keith Brown's claim, the agency service representative acknowledged that the submitted police report included no mention of a break-in to the car or stolen clothing. Therefore, in view of the lack of such information in the police report, the agency service representative should not have recommended approval of the claim. She advised, however, that it was her understanding that a claim could be approved even if it did not match the police report. With respect to this particular claim, the agency service representative said she obtained additional information by speaking with Miriam Brown, her co-worker who had been removed from the case due to a conflict of interest. According to the agency service representative, Miriam Brown claimed that her husband and daughter had been shopping for clothes for her daughter at a local mall, and when they returned home they mistakenly left the packages containing the clothes in the car. Miriam Brown told the other agency service representative that the following morning her husband noticed the tire damage and called the police. The agency service representative advised the Inspector General that she believed Miriam Brown's explanation, and coupled with the note in the file regarding the omission of the information on the police report, she considered this information a sufficient basis for recommending approval of the claim despite the inconsistent police report. Of note, the agency service representative did not document her discussion with Miriam Brown in the Claims Assistant computer file.<sup>8</sup>

While the supervisor properly re-assigned the claim to the other agency service representative to avoid a conflict of interest involving Miriam Brown, no follow-up by the supervisor occurred to ensure that the conflict was avoided and that the claim received the heightened scrutiny necessary under the circumstances.

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<sup>8</sup> There is no indication that the other agency service representative had any personal incentive or motive to aid Brown in any improper conduct. According to the agency service representative, while she and Brown had an amicable working relationship, they did not socialize with one another outside the office.

### **The January 4, 2011 Claim**

On December 28, 2010, Keith Brown contacted Schenectady Police to report that eggs had been thrown at the Brown residence. The resulting police report stated that a window screen with a value of \$75 had been damaged. According to the police report, the incident was caused by a conflict between a named individual and Miriam Brown's "sister."

On January 4, 2011, OVS received a claim from Elena Rojas, Miriam Brown's sister who is disabled. Again, although the claim related to Miriam Brown's property and one of her relatives, the case was assigned to her. Included in the submission was a claim form signed by Rojas and a letter by Rojas in her handwriting dated January 2, 2011, claiming that eggs thrown at the house had caused "damage to the siding, windows and screens." While Rojas's disability provided her standing to make a claim under the law, the claim of damage to her brother-in-law's home, in and of itself, was not reimbursable to her.

The Inspector General determined that while this claim was purportedly filed by Rojas, Miriam Brown was actively involved in the submissions that accompanied the claim and even made fraudulent alterations to the OVS file regarding this claim. On January 6, 2011, Miriam Brown printed from the Internet a \$109 price quote for a new window, which she scanned into the file. In doing so, Brown violated agency procedure, which states that information regarding damage and cost of repair must be submitted by the claimants, not researched and provided by OVS staff.

On January 12, 2011, OVS received from Schenectady Police the police report, which listed Keith Brown as the only victim of the egging incident. The report was scanned into the OVS claim file on that date. On January 19, 2011, the police report was again scanned into the file, now including Elena Rojas as a victim, but in different handwriting than the rest of the report. In addition to the altered police report, a note purporting to be from Rojas was scanned into the OVS file claiming damage to property belonging to Rojas. This note stated that a suitcase of clothing was "missing" after the egging incident described in the police report, but that Rojas had forgotten to inform the police officer. The note included a list of clothing items worth \$850 and a \$100 television. None of these alleged losses were indicated on either the original or even the altered police report.

According to the Claims Assistant computer file, this claim was processed by Miriam Brown. All scans and file entries, after the initial claim intake, were performed by Miriam Brown. No record of an e-mail to a supervisor or anyone else exists stating either that Brown could not review this claim or identifying the claimant as her sister. The Claims Assistant record reflected that Brown recommended the claim for payment. An award of \$500 to Elena Rojas was approved by Counsel's Office on January 20, 2011, and was paid.

When presented with the claim, the list of lost clothing, and the altered police report submitted with the claim, Keith Brown identified his wife's handwriting on all three documents. Significantly, he acknowledged that the alteration to the police report adding Rojas as a victim was in his wife's handwriting.

When shown the claim submitted by Rojas, Miriam Brown identified the claimant as her sister, but initially denied having any knowledge of the claim. Brown informed investigators that her sister resides in Florida. When shown the computer file printout indicating that she processed the claim, Brown admitted that she worked on the claim despite knowledge that OVS employees are not permitted to process a claim filed by a family member. Indeed, as noted earlier, Brown had previously informed her supervisor of the conflict of interest regarding the claim filed on behalf of her daughter.

Brown then denied authorship of any of the documents submitted with the claim. Nevertheless, after additional questioning, she identified some of the handwriting as hers and some as her sister's. Miriam Brown stated, however, that all signatures were in Rojas's handwriting. When shown two police reports, one without her sister's name listed and another with her sister's name in what appeared to be Brown's handwriting, Brown initially stated that she did not write "Elena Rojas" on the second incident report. When pressed, Brown conceded that she wrote her sister's name on the police report: "Okay. I did it," she said, and then by way of excuse added, "I wasn't thinking." Brown also admitted recommending payment of the claim and advised that she knew that her sister was, in fact, paid \$500.

### **The March 28, 2011 Claim**

On the morning of December 18, 2010, 10 days prior to the incident described in the preceding claim, Keith Brown lodged a complaint with Schenectady Police resulting in an incident report claiming that his house had been egged at 12:25 that morning. The incident report does not state that any damage or loss, other than the egging, was sustained to the residence or any vehicle on the property.

On or about March 28, 2011, OVS received a claim from Elena Rojas claiming damage to her personal property and including a copy of the Schenectady Police incident report from December 18, 2010. Rojas claimed that she was at her brother-in-law's home when the residence was egged and that her personal property was stolen from the garage. She claimed to have discovered the loss of her personal property "after a few minutes" from when they found the egg damage. No explanation was proffered with the claim as to why Keith Brown failed to indicate this loss when reporting the egging incident to the police.

The Inspector General discovered, however, that Keith Brown's reason for excluding any mention of Rojas or her putative property damage in the December 18, 2010 police report was simple: when the incident occurred at the Browns' home, Rojas was in Florida, and did not arrive in New York until December 25, 2010. A review of Miriam Brown's OVS e-mail uncovered Rojas's travel arrangements. On November 22,

2010, Rojas e-mailed Miriam Brown with a copy of her flight information indicating she would arrive in Albany from Florida, at 10:45 a.m. on December 25. Initially, Keith Brown advised the Inspector General that Rojas was at his property on December 18. He then claimed she came and went at different times. When confronted with the e-mail, he finally admitted that she was not present on December 18, 2010, and did not arrive until December 25 when he picked her up at the airport.

Fortuitously, OVS denied the claim, erroneously believing it was duplicative of the claim previously filed by Rojas. Equally fortunate for the investigation into this matter, this claim was treated as a personal injury complaint because OVS intake staff considered the claim a stalking incident. Because of the longer retention schedule for personal injury claims, the copy of the police report, given to victims of crime by the responding officer, was still in OVS records in its paper form. The form had the name “Keith Brown” written on it through means of a carbonless copy in blue ink, and the name “Elena Rojas” written in pencil in significantly different handwriting. Several of Miriam Brown’s co-workers, and her husband, identified the writing as belonging to Miriam Brown.

After initially denying that she added the name of Rojas to this police report as well, Miriam Brown conceded that she, in fact, wrote the name on the report. When asked why she participated in the filing of the two improper claims for her sister, Brown stated, “This wasn’t for me,” and then confirmed that she took these actions to obtain money for her sister. Miriam Brown said her husband had no role in the false filings, stating, “It’s just her and I did that. As far as he knows, he just called the police whenever they threw eggs.” Brown admitted guilt stating, “I know what I did was not right. I wouldn’t do it again.”

### **Miriam Brown Criminally Prosecuted**

Miriam Brown was arrested by the Inspector General and the New York State Police on November 3, 2011, and prosecuted by the Albany County District Attorney. She was charged with Forgery in the Second Degree and Falsifying Business Records in the First Degree, both felonies, and Petit Larceny, a misdemeanor. Brown pleaded guilty to disorderly conduct on August 30, 2012, resigned her employment with OVS, and paid \$500 restitution to the state.

### **Significant Failure in Essential Personal Property Claim Oversight**

Lax oversight and management practices at OVS, as well as deficient procedures, allowed Miriam Brown to file and process personal claims and improperly obtain money for her family. As a threshold issue, no internal control or procedure existed to prevent the assignment of any claim made by a family member or co-domiciliary to that OVS employee. Instead, OVS relied upon the integrity of its employees, a quality demonstrably lacking in Miriam Brown, to self-identify and appropriately act on any possible conflict of interest. Neither the computer system nor the intake staff screened claims based on the address of the claimant or the locale of the crime to determine if a

connection to an OVS employee existed. Significantly, all of the police reports reviewed in this investigation listed the home address of Miriam Brown. If such a screening process had taken place, Miriam Brown's fraud might well have been detected. At the very least, the claims would have been reassigned. The Inspector General acknowledges that OVS employees could be the victims of crime. In the event such occurs, stringent controls over the identification and processing of those claims, if they existed, would protect all its employees against the appearance of impropriety.

Furthermore, in order to validate a claim prior to payment, OVS must determine that a crime was reported to the proper authorities on a timely basis. In addition, OVS procedures state that essential personal property items for which a loss is claimed must be included in an original or amended police report. Notwithstanding these reporting requirements, OVS staff interviewed admitted that if the police report reasonably matches the items claimed, they take the claimants at their word that the loss was sustained as a result of the crime, even if not precisely reflected in the police report. To be sure, if proper scrutiny of the claims and police reports had occurred in the cases in question, neither of the claims would have been paid.

Finally, the investigation found that no review of the recommendations made by agency service representatives occurred when Counsel's Office approved payment on essential personal property claims. Recommendations for payment or denial of payment were forwarded by computer from the agency service representatives to counsel's office. During the period relevant to this investigation, the general counsel or a subordinate accessed each file by computer and simply confirmed the recommendation. The general counsel admitted that no file document was examined and no review occurred prior to approving a claim recommendation.

### **Audit of Miriam Brown's Essential Personal Property Claims**

In light of the investigation's finding that Miriam Brown acted improperly with respect to three essential personal property claims, the Inspector General undertook an audit of 318 of Miriam Brown's completed claim reviews, approximately 22 percent of the claims she processed during the final year of her employment at OVS. Of those 318, eight were found to contain errors or unauthorized deletions. Of the eight cases with errors, the Inspector General is referring the three cases that included deletions to OVS for additional review to determine if claims were inappropriately approved or denied.

The Inspector General also reviewed a random sample of the other agency service representative's completed claim reviews. No unusual or unexpected activity was uncovered. The audit of OVS's essential personal property claim files also did not show any systemic abuse of the claim process resulting in claims improperly paid to family members of OVS staff.

## **FINDINGS AND RECOMMENDATIONS**

The Inspector General determined that Miriam Brown, while employed as an agency service representative in the Office of Victim Services, knowingly processed a false claim with OVS, resulting in an improper \$500 payment to her sister. Brown also participated in the filing of a questionable claim, which resulted in a \$500 payment to her daughter. In addition, Brown made false entries in OVS records to conceal her illegal activities. Miriam Brown was arrested by the Inspector General and the New York State Police, and prosecuted by the Albany County District Attorney. Brown pleaded guilty to disorderly conduct, resigned her employment with OVS, and made restitution to the state.

The Inspector General also determined that the other agency service representative in the claim processing unit conducted an inadequate review of a questionable claim that involved Brown. In addition, the OVS general counsel approved the recommendations of agency service representatives to pay or deny claims without any review. Proper scrutiny should have detected the false and questionable claims and prevented payment. OVS should review the conduct of these employees for possible discipline, re-training, or both.

The Inspector General also determined that OVS's processing of essential personal property claims was grossly inadequate. Agency service representatives recommended payment of claims even in instances where information required by statute and agency procedures was lacking. No review of agency service representative recommendations was conducted by the representatives' supervisors or by agency counsel, who automatically approved all recommendations.

The Inspector General recommended that OVS fundamentally reform its processing of essential personal property claims to ensure compliance with Executive Law and agency requirements. New or amended procedures for the processing of essential personal property claims should be formalized and incorporated in the agency policy and procedure manual. First and foremost, the processing of claims should include meaningful review by supervisors or Counsel's Office, or both. OVS should disseminate a revised manual to all staff and mandate that staff read and understand the policy, and provide written certification of same. OVS should provide training in the new procedures to all appropriate staff.

Finally, all claims filed by OVS employees, their families, or individuals who reside with OVS employees, or where the situs of the claim is owned by an OVS employee, should be subjected to heightened scrutiny.

### **Corrective Action Taken by the Office of Victim Services in Response to the Inspector General's Findings and Recommendations**

The Inspector General shared the findings and recommendations of this investigation with OVS and assisted OVS in formulating corrective actions. These actions included:

- The processing of essential personal property claims has been revised to include spot checks of claims by supervisors. Approximately 80 percent of claims processed during the past two years have received such review. A random sample of approved claims not reviewed by a supervisor will be examined on a regular basis.

- To facilitate the submission of complete and accurate information, claimants will be allowed to submit an affidavit in lieu of an amended police report to list lost property.

- The computerized claims processing system's audit function has been adjusted to track all staff accesses to claimant files and instruct staff that all accesses, even when no other action is taken, must be notated in the file. The system's audit function also now includes a cross-check of employees' known addresses with claimant addresses, with the general counsel alerted to matches. Paid claims will be audited for matches not previously detected.

- Agency-wide policy on employee conflicts of interest has been implemented, including a specific procedure if an employee encounters a claim or other work assignment involving a party personally known to the employee. Formal ethics training, with a focus on employee conflicts of interest, has been conducted for all staff and will continue to be provided.