



Offices of the
Inspector General

LUCY LANG
Inspector General

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October 12, 2022

Mary T. Bassett, M.D., M.P.H.,
Commissioner
New York State Department of Health
Corning Tower
Empire State Plaza
Albany, New York 12237

Re: NYS IG 1842-012-2021

Dear Commissioner Bassett:

On July 29, 2021, the New York State Department of Health (DOH) alleged to the Offices of the New York State Inspector General an instance of potential check fraud. Specifically, on March 13, 2020, DOH electronically deposited a [REDACTED] check for \$ [REDACTED] into its M&T Bank account. The check was made out to “NYS DOH” and was from [REDACTED] [REDACTED]. On April 28, 2020, DOH received a “Customer Adjustment Notification” from M&T Bank indicating that DOH’s account had been debited the \$ [REDACTED] because the check had been “posted twice.” Per DOH’s referral letter to the Inspector General, the same check had apparently been physically cashed at a Bank of America location after March 13, giving it precedence over the electronically cashed check and thereby necessitating the debit. DOH was concerned fraudulent activity had occurred and referred the matter to the Inspector General for review.

The Inspector General spoke with representatives from M&T Bank, Bank of America, and Provident Bank (the source of the check) and reviewed documents from these entities. The investigation found that the [REDACTED] check was deposited into a Bank of America account belonging to two individuals living outside of New York via mobile deposit on March 20, 2020. The Inspector General was unable to establish any connection between these individuals and DOH. On May 17, 2022, the Inspector General alerted a representative from the Federal Bureau of Investigation (FBI) of the potential fraud associated with the cashing of the check. The FBI provided information regarding the check and the individual(s) that cashed it to local authorities for review.

The Inspector General’s investigation ultimately found that individuals whose names clearly did not appear on the face of the [REDACTED] check were able to deposit it into their account. As the check was made out to “NYS DOH,” the DOH’s original March 13, 2020

deposit should have superseded this subsequent deposit. Moreover, the Inspector General found that the check's subsequent deposit was made using mobile deposit and not, as stated in the DOH's referral, at a physical Bank of America location.

The Inspector General recommends that any further redress or remedy to this situation be sought by DOH from the banks in question. If you require further information, please contact Deputy Inspector General Michele Bayer at 212.635.4367.

Sincerely,

A large black rectangular redaction box covering the signature of the Inspector General.

L
Inspector General

cc: Kathy S. Marks, Esq.
General Counsel