

## **Summary: OST Beneficiary Checks Cashed Fraudulently**

**Report Date: June 1, 2018**

**Report Number: 17-1011**

The OIG investigated allegations that approximately \$30,000 in checks issued erroneously by the Office of the Special Trustee for American Indians (OST) in the name of a deceased tribal member had been fraudulently negotiated after his death.

We found that the decedent's son received the checks, endorsed them with his own signature, and cashed them. The son admitted he took the checks and acknowledged he knew it was wrong to do so.

We also learned that the OST did not have a process in place to identify beneficiaries who had died. In this instance, the decedent's sister attempted to report his death to OST, but she did not have sufficient information to complete the required report when she called the OST's Trust Beneficiary Call Center. The center did not follow up with the sister and did not remove the decedent from its list of beneficiaries.

We referred this matter to the United States Attorney's Office for the District of New Mexico, which declined to prosecute.

We will conduct an inspection of OST to determine internal control weakness that allowed the fraud to occur.

This is a summary of an investigative report that we provided to OST.

