

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL
oag.dc.gov



FOR IMMEDIATE RELEASE: Tuesday, October 25, 2016



Contact: Rob Marus, Communications Director: (202) 724-5646; robert.marus@dc.gov
Andrew Phifer, Public Affairs Specialist: (202) 741-7652; andrew.phifer@dc.gov

Bank of America agrees to pay the District \$13 Million to Settle Lawsuit over Bank's Role in Embezzlement Scheme

WASHINGTON, D.C. – Attorney General Karl A. Racine today announced that Bank of America has agreed to pay the District \$13 million to settle a lawsuit over the bank's role in a fraudulent tax refund scheme that took place while the institution served as the District's depository bank. The settlement concludes a suit the District first brought in 2008, shortly after officials discovered that a former District government employee stole millions of dollars from the government by creating fraudulent tax refund checks that were presented for payment or deposit into accounts at Bank of America. A Bank of America assistant branch manager ultimately pled guilty to his role in the scheme. The District's lawsuit alleged that inadequate controls by Bank of America contributed to the District's monetary loss.

"We are glad that this closes a chapter in the District's history," Attorney General Racine said. **"The District has made a host of changes in process and personnel to protect against the type of fraud leading to today's settlement."**

Attorney General Racine thanked several Office of the Attorney General (OAG) staff who worked on the case. **"I want to thank our team of attorneys and staff here at OAG for countless hours of hard work on this case,"** he said. **"In particular, my gratitude goes to Deputy Attorney General George Valentine; Section Chief Toni Jackson; Senior Assistant Attorneys General Stacy Anderson and Thomas Koger; Assistant Attorneys General Jane Drummey, William Causey, Amanda Montee, Pegah Eftekhari, and Conrad Risher; Paralegal Specialists Joan Hungerford and Twana Smalls-Hall; Senior Counsel to the Attorney General Stephanie Litos; and Director of Practice Administration and Practice Technology Marta Markowska."**

Connect with us online:

oag.dc.gov | [Facebook](#) | [Twitter](#) | [Instagram](#) | [YouTube](#)