

INVESTIGATIVE REPORT

Cynthia V. Carrasco, Inspector General

OFFICE: FAMILY AND SOCIAL SERVICES ADMINISTRATION
TITLE: ALLEGATION OF WRONGDOING- CONTRACTOR
CASE ID: 2013-10-0207A
DATE: APRIL 7, 2015

Inspector General Staff Attorney Kristi Shute, after an investigation by Special Agent Alan McElroy, reports as follows:

On October 21, 2013, the Office of the Inspector General received information from the Indiana Family and Social Services Administration (“FSSA”) stating that a Xerox Corporation (“Xerox”) employee (“Employee”) was suspected of committing acts of fraud and theft. Specifically, it was alleged that the Employee fraudulently submitted documents to obtain benefits she was not entitled to receive.

During the investigation, Special Agent McElroy learned that the Employee was an Eligibility Specialist at FSSA’s Division of Family Resources (“DFR”). The DFR is responsible for establishing eligibility for Medicaid, Supplemental Nutrition Assistance Program (“SNAP” or “Food Stamps”), and Temporary Assistance for Needy Families (“TANF”) benefits. Xerox is a contract vendor that, among other things, manages SNAP.

In addition to being an Eligibility Specialist at FSSA, the Employee was also receiving SNAP benefits, Child Care Development Fund (“CCDF”) benefits, and replacement SNAP benefits. Based on information obtained through witnesses, records and documents, Special Agent McElroy determined that the Employee submitted forged and fraudulent documents to obtain SNAP and CCDF benefits she was not entitled to receive. Generally, the Employee under-reported her income and over-reported her expenses. She also assisted two friends with their

Food Stamp cases so they would obtain benefits they were not entitled to receive.

This scheme began when the Employee submitted a Report of Change form to the DFR which stated that she had a change of address. The Employee falsely listed her monthly rental payment on the form. She also provided a forged Residential Lease Agreement as evidence of her shelter costs. In this instance she over-reported her expenses by \$125.00. The Employee did this on two more occasions, over-reporting her shelter expenses by \$225.00 on each occasion.

In addition to over-reporting her expenses, the Employee also under-reported her income. She did this on five separate occasions by submitting forged Request for Earnings Information forms to the DFR.

On two separate occasions, the Employee submitted fraudulent documents to receive replacement SNAP benefits. A SNAP client is permitted to apply for Replacement Food Stamp benefits when a misfortune occurs and food is destroyed. On the first occurrence, the Employee claimed she suffered a power outage due to severe weather and submitted forged documents in support of her claim. Special Agent McElroy determined that the Employee did not suffer a power outage on the date in question. On the second occurrence, the Employee again claimed that she suffered a power outage due to a transformer failure and submitted forged documents in support of her claim. Special Agent McElroy determined that the Employee did suffer a power outage on the date in question but it was only for one hour and not the claimed nine hours.

In addition to receiving SNAP benefits she was not entitled to receive, the Employee falsely reported her income to acquire CCDF benefits she was not entitled to receive. CCDF recipients are recertified for benefits every six months. On six occasions (using two separate documents each time) the Employee falsified Earnings Statement forms to either claim she was working when she was unemployed or under-reported her income when she was employed to increase the CCDF benefits she received.

Furthermore, Special Agent McElroy determined the Employee assisted two friends in obtaining SNAP benefits they were not entitled to receive. In her role as an Eligibility Specialist, the Employee assisted one friend with her SNAP application. Included in the application was a document used to verify the friend's rental expenses. The document was signed by the friend's former step-mother as a representative of the landlord. Due to the close relationship among the three women, the Employee likely knew the document submitted by the friend to obtain SNAP benefits was a forgery but accepted it to assist her friend in getting benefits.

Moreover, Special Agent McElroy determined that the Employee assisted a second friend in obtaining SNAP benefits she was not entitled to receive. When the friend was interviewed she stated that she submitted her paystubs to the Employee and that the Employee worked on her case. She admitted that the Employee told her that she might not qualify for SNAP benefits based on her wages. She also admitted that she knew the Employee changed her paystubs so she could qualify for SNAP benefits. Not only did the Employee assist her friend, but the friend also assisted the Employee in obtaining benefits she was not entitled to receive by signing a forged letter as verification of shelter costs.

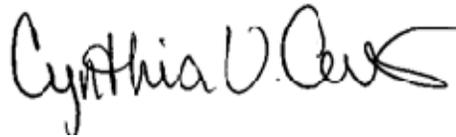
Finally, the Employee also signed and submitted numerous documents under the penalty of perjury in her SNAP benefits case after submitting, among other things, false shelter expenses, false income verifications and a fictitious landlord's name.

These actions resulted in the Employee receiving Eleven Thousand Two Hundred Forty-Five Dollars (\$11,245.00) in SNAP benefits she was not entitled to receive between May 2011 through November 2013. It also resulted in the Employee receiving Sixty-Eight Thousand Two Hundred Forty-Four Dollars (\$68,244.00) in CCDF benefits she was not entitled to receive during the same time period. The total amount the Employee fraudulently received was Seventy Nine Thousand Four Hundred Eighty Nine Dollars (\$79,489.00).

The results of this investigation were submitted to the Marion County Prosecutor's Office ("MCPO"). The Employee was charged with one count of Corrupt Business Influence, one count of Welfare Fraud, one count of Theft, twenty counts of Forgery and thirteen counts of Perjury. The Employee was also terminated when her fraudulent acts were discovered. Accordingly, this investigation is closed.

Dated this 7th day of April, 2015.

APPROVED BY:

A handwritten signature in black ink that reads "Cynthia V. Carrasco". The signature is written in a cursive style with a long horizontal stroke at the end.

Cynthia V. Carrasco, Inspector General