



INVESTIGATIVE REPORT

Cynthia V. Carrasco, Inspector General

OFFICE: FAMILY AND SOCIAL SERVICES ADMINISTRATION
TITLE: WELFARE FRAUD
CASE ID: 2013-12-0240
DATE: JUNE 22, 2015

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

On December 12, 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. Specifically, it was alleged that the Employee fraudulently processed funds through a program that reimburses food stamp benefit recipients’ losses incurred due to power outages.

During the investigation, Special Agent Boehmer learned that the Xerox 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 benefits. Xerox is a contract vendor that, among other things, manages SNAP. As an Eligibility Specialist the Employee was responsible for assisting applicants when applying for benefits and ensuring that all the required documentation was submitted.

In the normal course of business, when a client applies for SNAP benefits, they sign in when arriving at the DFR office and are assisted by the next available Eligibility Specialist. The

Eligibility Specialist enters the client's information into the DFR computer system and scans any documentation they received. Once the documents are processed, the Eligibility Specialist places them in a special bin to be shredded. An Eligibility Specialist is not permitted to maintain original documents or notes on processed cases. In instances where food is lost due to a power outage, a recipient may file for an auxiliary benefit by submitting an Affidavit for Replacement of Food Stamp Benefits ("Affidavit"). Along with the Affidavit, a recipient must provide documents that support the claim. The auxiliary benefit is only available for the replacement of food lost during a power outage of four or more hours, which was the result of a misfortune. The auxiliary benefit is not available due to refrigerator failure or termination of service by an electric company.

While investigating another case at the DFR, FSSA investigators discovered several Affidavits in the Employee's workstation under her computer keyboard. Each Affidavit requested that FSSA replace the applicant's food stamp benefits because they suffered a power outage. All six Affidavits were dated October 15, 2013 and were processed by the Employee within fifteen minutes. No supporting documentation was found to support any of the Affidavits.

On April 2, 2014, Special Agent Boehmer attempted to interview the Employee. The Employee declined and immediately tendered her resignation to FSSA. During a search of the Employee's workstation, Special Agent Boehmer found several hand-written notes containing names, case numbers and Social Security Numbers. He cross-referenced the names found on the hand-written notes with a list of Affidavits processed by the Employee and determined that approximately ninety-seven auxiliary benefits for the replacement of food stamp benefits had been issued to approximately eighty-six different recipients.

Throughout the investigation, Special Agent Boehmer interviewed numerous auxiliary benefit recipients. Each recipient was offered immunity from prosecution in exchange for their cooperation in the investigation. Some advised that a third party (“Accomplice”) arranged for them to receive the auxiliary benefits. The benefit recipients paid the Accomplice for arranging the auxiliary benefits either by allowing him to make purchases on their Food Stamp account or by paying him in cash. They also advised that they had not gone to the DFR office, signed the Affidavit or provided any supporting documentation. Other recipients stated that they obtained auxiliary benefits directly from the Employee.

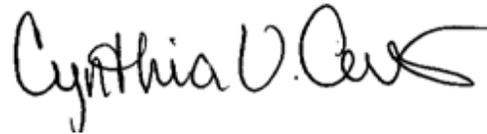
Special Agent Boehmer also determined that there were personal and familial relationships between some of the recipients, the Employee and the Accomplice. In addition, the Accomplice received his own auxiliary benefit payment which the Employee processed. There were also extensive telephone calls between the Employee and Accomplice. Special Agent Boehmer calculated that between November 1, 2012 and January 1, 2014 there were approximately three thousand nine hundred eighty (3,980) calls between the Employee and Accomplice. Finally, Special Agent Boehmer discovered the Employee has a previous felony conviction in Wisconsin for Failure to Report Receipt of Income. That criminal activity occurred over a three year period while the Employee was a welfare recipient. While she was on probation for that offense, she was convicted in Wisconsin for Forgery, which is also a felony.

The total amount of money fraudulently received among the numerous recipients was Fifty-Three Thousand Six Hundred Forty-Nine Dollars (\$53,649.00).

The results of this investigation were submitted to the Marion County Prosecutor's Office. Both the Employee and Accomplice were charged with one count of Corrupt Business Influence, one count of Welfare Fraud, and forty-four counts of Forgery. Accordingly, this investigation is closed.

Dated this 22nd day of June, 2015.

APPROVED BY:

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

Cynthia Carrasco, Inspector General