Wasting away again…Introduction to PROGRAM INTEGRITY and FRAUD, WASTE AND ABUSE

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Mississippi Welfare Scandal Spreads Well Beyond Brett Favre

Millions earmarked for the needy in the nation's poorest state instead went to projects that benefited the well-to-do, the state alleges, including a

'Biggest fraud in a generation': The looting of the Covid relief plan known as PPP

COVID relief fraud: Muskegon man sentenced to 7-30 years, must pay back $124K

BREAKING

SBA Potentially Lost $200 Billion In Covid Pandemic Relief To Fraud And Abuse, Government Watchdog Finds

More Fraud Has Been Found in Federal COVID Funding—How Much Was Lost Under Unemployment Insurance Programs

INVESTIGATIONS

How the Paycheck Protection Program went from good intentions to a huge free-for-all

Evidence of PPP Fraud Mounts, Officials Say

Reports of waste and abuse in the Paycheck Protection Program inundate government watchdogs and federal prosecutors

Michigan landlord pleads guilty to defrauding COVID Emergency Rental Assistance program

The individual received jail time, community service, and was ordered to paul full restitution with court fines and fees

PENNSYLVANIA NEWS

Pennsylvania health clinic, owner to pay $900,000 after Medicaid fraud lawsuit

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WHAT IS THE PURPOSE OF INVESTIGATING FRAUD, WASTE AND ABUSE

Why is preventing and investigating fraud, waste and abuse important?

WHY IS PREVENTING FRAUD, WASTE AND ABUSE IMPORTANT

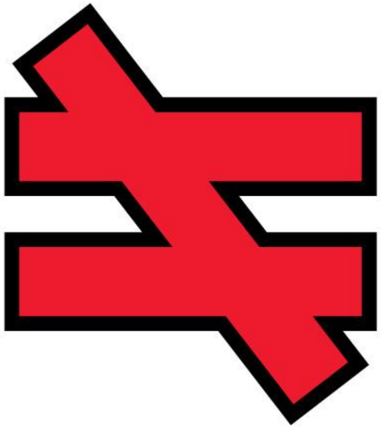
1. Programmatic Reasons
   - Program Integrity
     - Support and enthusiasm for the program
   - Meet Federal and State Program Requirements
   - Continue to be eligible to receive Federal and State Funds
   - Verify Limited Funds are Received by Eligible Households

2. Organizational Reasons
   - Continue to Receive State and Federal Dollars to serve Hoosiers
   - Increased Public Confidence in Your Organization
   - Your Organization's Reputation as a service provider
   - Your Organization's Reputation in the community

3. Personal Reasons
   - Personal ethical concerns
   - Personal moral code

TERMS

- **Fraud**: wrongful or criminal deception intended to result in financial or personal gain
- **Waste:** consuming, spending or expending thoughtlessly or carelessly
- **Abuse**: misusing or using improperly or excessively



- **Non-compliance:** failure of the individual participant to act in accordance with the rules and regulations of the specific assistance program(s)

IS IT FRAUD?

FRAUD:

- Participant intentionally fails to report changes in his or her circumstances in a timely manner to receive benefits for which he or she is not eligible
- Participant knows that the information he or she provides is false
- Participant intends to gain something of value by providing altered or false information

NOT FRAUD:

- Participant provides incorrect information by mistake
- Participant is unaware of responsibility to provide certain information
- Participant withholds information due to fear of reprisal
- Participant fails to understand a request and provides non-responsive documents

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IS IT FRAUD?

- An applicant omits a source of income from their application
- An applicant alters a paystub
- An applicant provides an incorrect email address for program communications
- An applicant fails to disclose that another family member joined the household, and the household income increased after the application was submitted

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PREVENTION AND EARLY DETECTION

- Review your program policies regularly
  - At least once a program year
  - Keep one electronic copy of old manuals
    - Track program evolution
    - Create audit trail for when changes were implemented
- Include parties in policy review from other programs or staffing areas
  - Non-program staff will have a unique viewpoint
- Policies should be updated to reflect the times and the technology
  - Verification of documents with third party resources
  - MOU with other groups to facilitate information exchange
- Maintain an agency or company wide debarment list
  - Fool a program once shame on you. Fool a program twice, shame on the record keeping.

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PREVENTION AND EARLY DETECTION

- Thoroughly train all program staff on:
  - Conducting detailed eligibility reviews and interviews
  - Establish a simple and straightforward escalation system
    - Identify WHAT types of matters need to be escalated to a supervisor
    - This includes knowing WHO will receive the escalation
    - This also includes knowing WHEN a matter should be escalated
    - Identify HOW a matter should be escalated
      - Email
      - Task and flag inside a programmatic system
      - Regularly scheduled meetings
- Have staff or managers check your debarment list
- Ensure applications are complete and information is consistent

DISCOVERY AND REPORTING

Discovery may come from:

- Direct observation
- Patterns of Behavior
- Client interaction
- Vendor interaction
- Whistleblowers and anonymous tips
- Audits or monitoring findings

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WATCHING FOR FRAUD FLAGS

- What is a fraud flag
  - A fact or set of circumstances that might be an indicator of potential fraud
    - We will discuss potential fraud flags in the following slides
  - Does the presence of one fraud flag guarantee fraud is occurring
    - NO! Absolutely not.
  - What does a fraud flag signify
    - A reason to look more closely at the situation at hand
    - A reason to ask questions
    - A reason to pause and consider the internal process and potential escalation of a situation
  - One fraud flag may lead you to detect others
    - OR NOT!
  - Often fraud flags occur in groups
    - The more you find the more there is to consider

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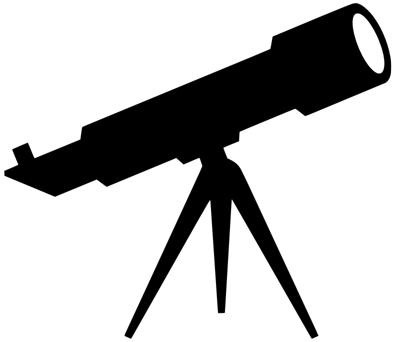
FRAUD FLAGS FOUND VIA DIRECT OBSERVATION



- There are MANY ways fraud, waste and abuse may be identified through direct observation.
  - A household has multiple applications under the names of different household members
  - A document appears altered or is missing pages or content
    - Lease goes from page 1 subparagraph 12 to Page 2 subparagraph 18
    - A tax return is incomplete
    - Power of Attorney missing multiple pages
- Documents for other state or out of state programs are provided
  - Required documents for other programs are received without request
- Overall application documents have inconsistencies
  - Applicant lease has address A
  - Applicant FSSA letter issued during lease term has address B
  - State Identification card issued during lease term has address C
  - Utility bill has a service address of that matches the lease and a mailing address that is address D

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FRAUD FLAGS FOUND VIA PATTERNS OF BEHAVIOR

- Fraud Waste and Abuse may also be detected through patterns of behavior
    - This may be the patterns of behavior of a coworker, program participant, or vendor
    - A program participant or vendor requests a direct or cash payment
    - A program participant is suddenly unwilling to come to the office when they previously stopped by frequently
    - A vendor has an abrupt change in their pattern of behavior or provision of services
        - A vendor constantly updating contact or payment information
    - A coworker suddenly upends their work routine or schedule without notice or reason
    - Your communication to Party A is always answered by Party B

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FRAUD FLAGS FOUND VIA CLIENT INTERACTION

- There are MANY ways fraud, waste and abuse may be identified through client interaction.
  - A conversation with a program participant reveals information that contradicts their program application or previously provided documents
    - Client mentions household members not disclosed
    - Client states household has no income then mentions household member is at work
    - Client provides contact information for a third party and request multiple or constant updates
  - A client that states they are unemployed and then provides paystubs
  - A client consistently calls from a number different than that provided
  - A client consistently emails from an address different than that provided
  - A client makes claims that contradict public records
    - I do not own my home I rent- while client is listed as the owner of record on the property card
    - I rent the basement apartment- when the property record card shows the house is on a slab foundation
    - Client indicates home is a one bedroom with a single occupant when property records show three bedrooms and a tax credit for an owner occupant

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FRAUD FLAGS FOUND VIA VENDOR INTERACTION

- There are MANY ways fraud, waste and abuse may be identified through vendor interaction.
  - Vendor has an abrupt change in the quality of service
  - A vendor is suddenly unreachable through all prior means of contact
  - A vendor requests constant updates to method of payment or ACH information
  - A vendor contact refuses to let you speak with a supervisor
  - A vendor refuses to escalate a situation at your request
  - A connection is discovered between a vendor and program recipient that was not disclosed
  - A new vendor claims to have purchased or taken over a prior vendor with no notice from the prior vendor
  - The vendor requesting to provide services cannot be connected to the company they are requesting you pay for the service

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FRAUD FLAGS FOUND VIA WHISTLEBLOWERS AND ANONYMOUS TIPS

- Your agency, company, not for profit, or government entity should have a clear and obvious way for parties to report fraud
  - JotForm
    - Does your reporting form request enough information to review a matter
  - Designated email address
    - Is there a set auto-response that provides information about the process or requests further information
  - Reporting hotline
  - Consider a method or reporting that allows parties to remain anonymous as this may encourage parties to come forward

- There are MANY ways fraud, waste and abuse may be identified through whistleblowers or anonymous tips.
  - Receipt of a written report of fraud

  - Receipt of a written report of waste or abuse from a staff member

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FRAUD FLAGS FOUND VIA AUDITS OR MONITORING FINDINGS

- There are MANY ways fraud, waste and abuse may be identified through audits or monitoring.
  - Deposits do not match funding allocations or draws
  - Funds are moved rapidly between accounts
  - Supporting documents for funding draws are incomplete or missing
  - A vendor or partner refuses to provide their last yearly audit or audit findings
  - A vendor or participant refuses to provide records in support of payments received or drawn
  - Patterns or similarities between client files created by one party or one vendor

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I HAVE IDENTIFIED A FRAUD FLAG… NOW WHAT

- Review the situation are there other flags?
  - The more flags the more likely there is an issue
- Is there a logical explanation for what you have seen, heard, or observed?
  - Could a inconsistency be quickly resolved with a call or email
- Escalate the matter according to your internal protocols
  - If you are a state employee you may escalate outside your agency
- May report to other outside parties such as partners, police, or funding source
  - Is there a reporting obligation

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ONE EXAMPLE OF A PROGRAM SPECIFIC ESCALATION PROTOCOL

- This is IHCDA's system for the IERA program
  - Review Staff tasks matters to Team Management for Review
  - Manager Reviews Tasks
    - If Manager suspects potential wrongdoing or sees irregularities the matter is assigned to the Compliance Team
    - If the Manager sees no wrongdoing or irregularities that matter is tasked back to staff for additional review
  - Compliance Review
    - Compliance Team uses specialized tools to verify information in the application
    - If the information is verified the application is cleared and returned to normal processing
    - If the information cannot be verified, the Compliance Team will attempt to contact the parties for additional information
    - Compliance may decline the application if the requested information is not provided or does not address the outstanding issues with the application
  - Quality Control Staff, Vendor Staff, Payment Staff, and all Managers may also task matters directly to Compliance

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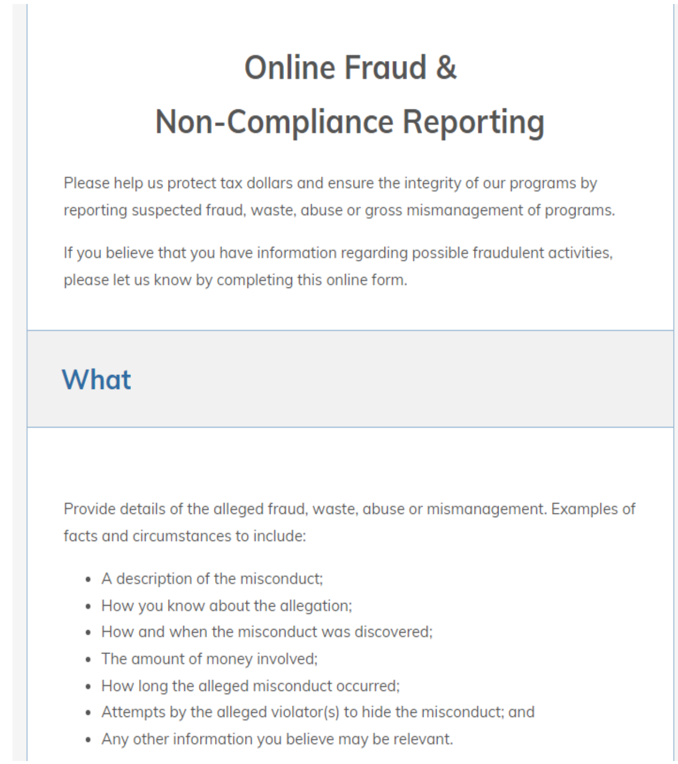
REPORTING OF FRAUD, WASTE, AND ABUSE

- Reports of Fraud may be asserted by many different parties
- Reports may be received from vendors, staff, partners or constituents
  - Online reporting form
  - Calls to the front desk
  - Unsolicited emails
  - Walks Ins
  - Local media
  - Local Authorities
  - Federal Authorities
  - Oversight Agencies

- How does your agency/ company
  wish to receive these reports?
  - Do you know?
  - Do your clients know?
  - Do your vendors know?
  - All reports of fraud, waste, and abuse should be addressed according to your agencies or companies' escalation protocol



Online Fraud &
Non-Compliance Reporting

Please help us protect tax dollars and ensure the integrity of our programs by reporting suspected fraud, waste, abuse or gross mismanagement of programs.

If you believe that you have information regarding possible fraudulent activities, please let us know by completing this online form.

What

Provide details of the alleged fraud, waste, abuse or mismanagement. Examples of facts and circumstances to include:

- A description of the misconduct;
- How you know about the allegation;
- How and when the misconduct was discovered;
- The amount of money involved;
- How long the alleged misconduct occurred;
- Attempts by the alleged violator(s) to hide the misconduct; and
- Any other information you believe may be relevant.

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IHCDA ONLINE AND EMAIL REPORTING

- IHCDA has an online reporting form that may be accessed from the front page of IHCDA's website
    - The reporting forms are electronically provided to the FWA (fraud, waste, and abuse) inbox.
    - The inbox also accepts direct emails
        - FWA@ihcda.in.gov
    - All reports are reviewed by IHCDA's program integrity staff
    - All reports are logged and researched
    - All reports are taken seriously
    - Not all reports have an IHCDA solution
        - Report may involve an independent housing authority
        - Report may involve a request for legal assistance that IHCDA cannot provide

    - Not all reports have an IHCDA solution
    - Not all reports have merit
    - IHCDA encourages and promotes the use of the form by any and all parties

- What does your agency, company or NFP do?

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BENEFITS OF ONLINE REPORTING

- Allows parties who are not sure where to report a starting point
- Allows parties to provide information directly to your company or agency
- Allows parties to name others and provide supporting documentation
- Allows for partial investigation PRIOR to follow-up
- Allows those that may fear repercussions to report anonymously
- Allows those that believe a manager or higher up is involved to report outside their department or organization
- Could allow those that do not believe they can report within their organization the ability to report to IHCDA

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I HAVE A REPORT… NOW WHAT?

- Things you should know
  - Do you know who investigates
  - Is it you
  - Is it someone in your agency
  - Is it IHCDA or a Federal agency
  - Do you have a reporting obligation?
- NEVER
  - NEVER Tell a party they are being investigated
  - This may alter a party's behavior
  - Cause parties to destroy/ hide information
  - Make it more difficult to investigate

- IHCDA Program Integrity Staff can review:
  - In-house documentation/databases
  - Application systems
  - Previous applications
  - Public and government web sites

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NOW WHAT?

- A problem was reported concerning your agency
  - Follow Established SOP
  - Notify a Manager

- Questions to Consider
  - Can this issue be fixed?
  - Should this issue be fixed?
  - How did this happen?
  - Why did this happen?
  - Why are we learning about it now?
  - Could it be fraud?
  - Could the spending be considered waste?
  - Was this accidental?
  - Is there a rational explanation?

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I AM THE INVESTIGATOR

- Six basic questions to consider while collecting information during an investigation:

INVESTIGATIVE RESOURCES

1. Employment records and tax returns
    - Does personal information match?
    - Tax deductions for children?
2. Utility and Phone Bills
3. Landlord or mortgage company
4. Public Record Databases
5. Sheriff or Police Department
6. Program Applications and Documents

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7. My Case
8. Clear
9. Lexis
10. Autentix
11. DOR MOU

USE AVAIALBE PUBLIC RESOURCES

- Indiana Secretary of State:
  - Is an entity authorized to do business in Indiana
  - Who is their designated representative
  - Where the office is located
  - How to contact the office
  - Did the entity previously have another name
  - Was the entity previously associated with other individuals

- US Phonebook: https://www.usphonebook.com/
  - Confirm phone numbers provided

- My Case (https://public.courts.in.gov/mycase/#/vw/Search)
  - Does the applicant have a history of wrongdoing/ misconduct
  - Does referenced litigation exist
  - Address and household member verification

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COURTHOUSE AND/OR RECORDERS OFFICE RECORDS

- Courthouse and/or Recorder's Office Records
  - Review records of the participant or property owner concerning:
    - Loans
    - Judgments
    - Mortgages
    - Real estate transfers
  - Search divorce, custody and marriage records: https://public.courts.in.gov/MLPL
  - Odyssey Court Records: mycase.in.gov
  - Beacon Property Records: https://beacon.schneidercorp.com
  - Doxpop Public Records (fee): https://www.doxpop.com

PROPERTY RECORD CARDS

Parcel Number	
5013029	
County	Marion, IN
Township	PERRY
Corporation	
District	
Plat	
Map	09-0023-049
Alt Parcel	49-15-07-151-015.000-523
Property Class	510
Tax District	523
Neighborhood	542682-5-426r

Property Address
1111 MAYNARD DR
INDIANAPOLIS, IN 46227

Ownership

Name
OSGOOD, ALLISON

Address
1111 MAYNARD DR
INDIANAPOLIS, IN 46227

Account	2068461		
Book		Page	

Legal
HOMECROFT 2ND SEC SUR 71FT NL X 200FT BEG 945FTS & 116FT E OF NW COR SW1/4 S7 T14 R4 0.32ACTR261

Topography	Pub. Utilities	Street or Rd.	Neighborhood
☑ Level	☑ Water	☑ Paved	☐ Improving
☐ High	☑ Sewer	☐ Unpaved	☑ Static
☐ Low	☑ Gas	☐ Proposed	☐ Declining
☐ Rolling	☑ Electricity	☐ Sidewalk	☐ Other
☐ Swampy	☐	☐ Alley	☐ Blighted

Transfer of Ownership Year 2024 Card 1

Date	Grantor	Valid	Amount	Type
Mar 27, 2012	APTER GARY M - Mar 23, 2012	Y	95000.00	Sale
Mar 27, 2012	APTER PROPERTIES LLC - Jan 01, 1900	Y	95000.00	Straight
Nov 21, 2011	HUD THE SECRETARY OF - Nov 09, 2011	N	39135.00	Sale
Nov 28, 2011	SECRETARY OF HOUSING & URBAN DEVELO - Jan 01,	Y	39135.00	Straight
Mar 17, 2011	LLC GMAC MORTGAGE - Feb 12, 2011	N	134994.97	Sale
Mar 17, 2011	GMAC MORTGAGE LLC - Jan 01, 1900	Y	134994.00	Straight
Mar 17, 2011	HODGE, ROBERT W & - Jan 01, 1900	Y	134994.00	Straight

VALUATION RECORD

Assessment Year		2024	2023	2022
Reason for Change				
Land	Homestead-C1	30,200	30,200	30,200
	Residential-C2	0	0	0
	Non-Residential-C3	0	0	0
	Total Land	30,200	30,200	30,200
Improvements	Homestead-C1	149,500	146,400	132,600
	Residential-C2	0	0	0
	Non-Residential-C3	0	0	0
	Total Imp	149,500	146,400	132,600
Total Assessed Value:		179,700	176,600	162,800

Property Sub Class: RES ONE FAMILY PLATTED LOT-510

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Memorandum

24p25 Reassessment Remove CNP Add WDK and Canopy verified via pictometry
Removed UTS for the 16p17 cyclical reassessment.

LAND DATA AND COMPUTATIONS

Land Type	Actual Frontage	Effective Frontage	Effective Depth	Factor	Base Rate	Adjusted Rate	Estimated Value	Influence Factor	Land Value
F-9	0	71	200	1.00	425.00	425.00	30180	0-	30180
		Acreage / Sq. Ft.							

Total Residential Land Value	30200
Total Non-Residential Land Value	0
Total	
Total Land Value	30200

Land Type

F	Front Lot	81	Legal Ditch
R	Rear Lot	82	Public Road
1	Comm. Ind. Land	83	Utility Trans. Tower
11	Primary	9	Homesite
12	Secondary	91	Res. Excess Acres
13	Undeveloped Usable	92	Ag Excess Acres
14	Undeveloped Unusable		
2	Classified Land		
3	Undeveloped Land		
4	Tillable Land		
5	Non-tillable Land		
6	Woodland		
7	Other Farmland		
8	Ag Support Land		

Influence Factors

0	Other	5	Misimprovement
1	Topography	6	Restrictions
2	Under Improved	7	Traffic Flow
3	Excess Frontage	8	View
4	Shape or Size	9	Corner Infl.

DOCUMENT! DOCUMENT! DOCUMENT!

- Document each step taken in an investigation as it occurs
- Include your notes
    - Notes may contain your impressions or thoughts
    - Should not contain
        - work inappropriate language
        - Assumptions
- Include copies of relevant documents
- Include copies of relevant emails
- Include copies of relevant internal policies
- Important for agency records, audits, and future law enforcement investigations

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CONFIDENTIALITY

1. Protect the identity and reputation of persons being investigated.

2. Protect the investigation.

FINAL STEPS

- After violation has been corroborated, action needs to be taken.
- Action may need to be taken against a program participant, vendor, coworker, or peer
- Do program benefits need to be recalled or forfeited
- Do vendor payments need to be canceled or contracts terminated
- Internal staff may need reprimanded or a more severe action may be needed

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IHCDA'S PROGRAM INTEGRITY DEPARTMENT

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PROGRAM INTEGRITY: NEW IN 2025

Staff:
Attorney/ Director: Rayanna Binder
Paralegal/ Investigator: Michelle Bowling
Lead Investigator: Christopher Zinerman

Mission:
Program Integrity Staff will investigate allegations of fraud, waste, and abuse in an effort to safeguard the integrity of all IHCDA programs and associated funding. Staff will employ the highest ethical standards in working with partners, vendors, program participants and staff when identifying and attempting to prevent fraud waste and abuse while allowing IHCDA programs to remain accessible to all Hoosiers.

Goal:
To work with all Departments and Program Staff to review program processes and mechanisms with a focus on prompt delivery of services to IHCDA's constituents, partners, and vendors while minimizing areas of programmatic vulnerabilities.

WHAT CAN PROGRAM INTEGRITY DO FOR YOU?

- Investigate Reports of Fraud, Waste, and Abuse
- Work with program staff to identify process points where fraud, waste, and abuse could occur
- Work with partners and vendors to identify process points where fraud, waste, and abuse could occur
- Lead Trainings. Like this one!
    - Would you like a training for your agency, company, or NFP
    - We are here to help!
    - Our trainings FREE
    - We can come to you
- Work to establish and maintain relationships with other state agencies for purposes of information verification and exchange

I NEED TO REPORT

HE NEEDS TO REPORT

THEY NEED TO REPORT

WE NEED TO REPORT

SHE NEEDS TO REPORT

SOMEONE NEEDS TO REPORT

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REPORTS OF FRAUD AND ABUSE

- Reports sent to PI from outside the agency
  - Reporting Form Available on IHCDA's homepage

  - To Report Fraud Waste and Abuse
    - Navigate to IHCDA's homepage
    - Scroll to the Bottom
    - Click on "Report Fraud, Waste, and Abuse"

  - Anyone can use this form
    - Staff
    - Vendors
    - Partners
    - Constituents

PI INVOLVEMENT

- PI Staff are available to assist during any phase of a report or investigation.
- Be sure to make PI Staff aware of all suspected and substantiated acts of fraud, waste and abuse involving IHCDA funding or contracts
- If you do not know, cannot decide…
    - Request a meeting
    - Let’s talk it through

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PROGRAM INTEGRITY CONTACTS

- Find the online reporting form at: https://www.in.gov/ihcda/
- Email Program Integrity at: FWA@ihcda.in.gov
- Contact staff

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