

IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

In re: MARGARITA LOPEZ) OEIG Case: 09-00681

OEIG FINAL REPORT (REDACTED)

Below is a final summary report from an Executive Inspector General. The General Assembly has directed the Executive Ethics Commission (Commission) to redact information from this report that may reveal the identity of witnesses, complainants or informants and “any other information it believes should not be made public.” 5 ILCS 430/20-52(b).

The Commission exercises this responsibility with great caution and with the goal of balancing the sometimes-competing interests of increasing transparency and operating with fairness to the accused. In order to balance these interests, the Commission may redact certain information contained in this report. The redactions are made with the understanding that the subject or subjects of the investigation have had no opportunity to rebut the report’s factual allegations or legal conclusions before the Commission.

The Commission received a final report from the Governor’s Office of Executive Inspector General (“OEIG”) and a response from the agency in this matter. The Commission, pursuant to 5 ILCS 430/20-52, redacted the final report and mailed copies of the redacted version and responses to the Attorney General, the Governor’s Executive Inspector General and to Margarita Lopez at her last known addresses.

The Commission reviewed all suggestions received and makes this document available pursuant to 5 ILCS 430/20-52.

FINAL REPORT

I. ALLEGATIONS

On June 19, 2009, the Office of Executive Inspector General (OEIG) received a complaint alleging that Illinois Department of Human Services (DHS) Division of Rehabilitation Services (DRS) Rehabilitation Counselor Margarita Lopez was engaging in various forms of benefit fraud. Specifically, it was alleged that Ms. Lopez:

- Opened Home Services Program (HSP) cases for her friends and family;
- Falsified information on DHS client¹ documents, such as addresses and signatures; and
- Caused the State to pay personal assistants (PAs) for services they did not provide.²

¹ DHS clients are often referred to as customers, and therefore the terms are used interchangeably in this Report.

² The complainant also alleged that Ms. Lopez was splitting the PA payments with her customers. As discussed in this Report, this issue, among other alleged misconduct, was referred by the OEIG to the Illinois Attorney General’s Office.

The OEIG, *sua sponte*, investigated whether Ms. Lopez violated DHS policy by failing to properly secure her computer password and confidential DHS client information.

The OEIG concludes that these allegations are **FOUNDED**.

II. BACKGROUND

A. Illinois Attorney General's Investigation

In April 2010, after conducting a preliminary investigation and discovering evidence of criminal conduct, the OEIG referred this matter to the Illinois Attorney General's (AG) Office. In May 2010, DHS placed Ms. Lopez on administrative leave. Ms. Lopez has been on unpaid administrative leave since April 2011.

On January 25, 2011, a Cook County grand jury returned a criminal indictment against Ms. Lopez for one count each of wire fraud, mail fraud, and intimidation, and two counts of official misconduct, pertaining to her creation of false customer accounts and related receipt of payments pertaining to services never provided. On March 9, 2012, Ms. Lopez was convicted by a jury on all counts.

B. DHS Home Services Program

DHS's Home Services Program (HSP or Program) provides home services to qualified customers so that they may avoid institutionalized care. *See* Ill. Admin. Code tit. 89, § 676.10; Home Services Program, DHS-4243, *available at* <http://www.dhs.state.il.us/page.aspx?item=36737>. DHS-DRS staff implements the HSP by determining customer eligibility, obtaining necessary medical releases and documentation, and developing a service plan for the customer. Home Services Program, DHS-4243, *available at* <http://www.dhs.state.il.us/page.aspx?item=36737>.

For some HSP customers, DHS will fund a personal assistant (PA). A PA assists the customer with household tasks, personal care, and certain health care procedures. *Id.* To be eligible for a PA through the HSP, the applicant's physician must approve the PA services. *Id.*; *see* Ill. Admin. Code tit. 89, § 676.30; IL 488-1780 (RS-04) Physician's Certification. The Physician's Certification form contains a section for the physician's contact information and signature. *See* IL 488-1780 (RS-04) Physician's Certification. DHS allows customers to choose their PA, and customers may employ a relative as their PA. *See* Ill. Admin. Code tit. 89, § 676.10. In light of the fact that HSP services are provided at the customer's home, the customer must have a valid home address to be eligible for the Program.

C. Duties of a DHS Rehabilitation Counselor

In March 2009, Ms. Lopez became a DHS rehabilitation counselor. This position requires a master's degree. DHS Rehabilitation Counselor Position Description. A DHS rehabilitation counselor conducts home visits to customers' homes, gathers information to determine eligibility, and "[p]lans for and authorizes services in adherence with the case

management system and applicable state and federal regulations.” DHS Rehabilitation Counselor Position Description. As the DHS-DRS customer’s eligibility may change, DHS-DRS rehabilitation counselors are required to monitor and update customer’s files. Indeed, the position description states that the counselor “[e]stablishes and updates case files, case notes and proper documentation of all medical records and assessments on all clients[; and] [p]repares progress reports, authorizations and written reports on each client.” The position description further specifies the following employment duties:

- Conducts home visits and interviews customers to determine HSP eligibility;
- Consults with physicians, psychologists, and other medical care providers to gather necessary eligibility documentation;
- Prepares customer HSP plans; and
- Conducts follow-up on-site visits to customers to monitor services.

III. INVESTIGATION

A. Review of Customer Files

The OEIG identified issues with DHS-DRS customer files that were assigned to Ms. Lopez, including files relating to: 1) [Customer 1], 2) [Customer 2], 3) [Customer 4], 4) [Customer 5], 5) [Customer 6],³ and 6) [Customer 7].⁴ Below is a chart of these files, with the names of the PAs for each of the HSP customers, and the relationships between either the customer or PA to Ms. Lopez, followed by issues investigators discovered. Collectively, from August 2008 to August 2009, the PAs of the six customer files that contained Ms. Lopez’s name or initials, were paid over \$55,000 by the State of Illinois.

Customer	PA(s)	Relationship with Ms. Lopez	Issues with Customer’s Address	Issues with Customer’s Physician’s Form
[Customer 1]	[PA 1]; [PA 2]	[Customer 1] is Ms. Lopez’s sister. [PA 1] is Ms. Lopez’s nephew.	Yes	No
[Customer 2]	[Customer 3]	[Customer 2] is Ms. Lopez’s sister. [Customer 3] is in a relationship with [Customer 2].	No	No
[Customer 3]	[Customer 2]	[Customer 2] is Ms. Lopez’s sister. [Customer 3] is in a relationship with [Customer 2].	No	No
[Customer 4]	[PA 1]	[PA 1] is Ms. Lopez’s nephew.	Yes	Yes

³ Notwithstanding their shared last names, the OEIG did not uncover any information that revealed that [customer 6] and [customer 5] were related.

⁴ The OEIG also reviewed the case file of HSP customer [customer 3], who employed Ms. Lopez’s sister as a PA.

[Customer 5]	[PA 3]	None	Yes	Yes
[Customer 6]	[PA 3]	None	Yes	Yes
[Customer 7]	[PA 4]	None	Yes	No

i. [Customer 1's] File

[Customer 1] is the sister of Ms. Lopez. The address for [customer 1] in her file is [redacted] S. Richmond Avenue, Chicago, Illinois. [Customer 1's] file also contains a Peoples Gas bill, dated June 2, 2009, that lists [redacted] S. Richmond Avenue, Chicago, Illinois as the service address.

A Peoples Gas holding company representative stated that the account [customer 1] has with Peoples Gas is for the address [redacted] W. Waveland Avenue, Chicago, Illinois, not [redacted] S. Richmond Avenue, Chicago, Illinois. Both of [customer 1's] PAs, [PA 2] and [PA 1], listed [redacted] W. Waveland Avenue, Chicago, Illinois as their address on their W-4 PA tax forms. [PA 1] is Ms. Lopez's nephew. It is unclear what, if any, relationship [PA 2] has to Ms. Lopez. In November 2009, a DHS representative went to [redacted] W. Waveland Avenue, and spoke with the building owner who confirmed that [customer 1] resided at that address.

ii. [Customer 2's] File

[Customer 2] is Ms. Lopez's sister. Investigators discovered that [customer 2], within a period of a few months, went from being an HSP customer serviced by PA [customer 3], to being [customer 3's] PA. In November 2008, [customer 2] was receiving HSP services. In December 2008, [customer 2's] case was closed. The electronic note in [customer 2's] file for December 26, 2008, states in part that, "Counselor made a visit to the hospital to follow up on the Customer's [customer 2] call. When Counselor arrived she was met by the Customer learned [sic] that the PA [customer 3] had . . . been hospitalized since 12/11/08. The Customer's health had improved and she was now the PA's appointed caregiver by hospital staff." This entry is initialed "ML." In April 2009, a payment request form for DHS PA services was completed for [customer 3] and PA [customer 2].

Investigators also discovered that [customer 2] was living with and had a personal relationship with [customer 3]. On October 9, 2007, [customer 2] completed an emergency notification form for her State employment and listed [customer 3] as her "boyfriend." The address [customer 2] listed for [customer 3] is the same as her address. [Customer 2's] HSP customer file also contains an electronic case folder memorandum entry dated December 26, 2008 that states "Counselor also learned from hospital staff that the Customer and PA are actually husband and wife." Further, [customer 3's] HSP customer file contains timesheets for [customer 2] as his PA, which reflect that [customer 3] and [customer 2] have the same address.

iii. *[Customer 4's] File*

The address listed in [customer 4's] file is [redacted] W. 19th Street, Chicago, Illinois. [Customer 4's] file contains a timesheet dated and signed April 30, 2009, that lists the [redacted] W. 19th Street, Chicago, Illinois as the customer's address. [Customer 4's] file contains an electronic note entry that states "Counselor made a home visit on 2/25/10 and was informed that the Customer had moved out of state going on almost a year now." The name in the author field for that note is "Margarita Lopez." The next note in [customer 4's] file reflects that his file was closed on March 8, 2010.

[Customer 4's] file contains a Physician's Certification form (PCF), which is necessary for obtaining PA services. The PCF has a section for the physician's name and address. In that section it states: "Dr. [redacted], M.D. [redacted] W. Fulton St., Chgo, IL [redacted]." The PCF also has a place for the physician's signature, which contains a signature dated February 8, 2009. In addition, there is a line that states: "APPROPRIATE for the Home Services Program," and next to that line is a handwritten "X." The PCF also has a section for the patient's name, social security number, and date of birth. The name "[customer 4]," and identifying information is listed in this section of the form. An OEIG investigator brought this form to Dr. [redacted's] office located at [redacted] W. Fulton Street, and showed the PCF to Chief Medical Officer [redacted] who handles all of the patient billing for Dr. [redacted]. Although [Chief Medical Officer] confirmed that the physician's signature was valid, he stated that there is no record of [customer 4] as a patient of that office.

[Customer 4's] file also contains Home Services Time Sheets. This form lists the number of hours the PA worked for the customer during the time period of either the first of the month through the fifteenth or the sixteenth of the month through the last day of the month. This form also has a place for the customer's signature. Above the customer signature line it states "Customer Certification for Services Received." [Customer 4's] file contains a February 28, 2009, timesheet that lists the PA as "[PA 1]," who is the son of [customer 1], Ms. Lopez's sister. In the space designated for the customer's signature the name "[customer 1]" is signed. A separate timesheet, also dated February 28, 2009, is signed "[customer 4]," but the signature is in handwriting that appears similar to other timesheets in [customer 1's] file signed "[customer 1]" and dissimilar to previous timesheets in [customer 4's] file with the signature "[customer 4]."

iv. *[Customer 5's] File*

The address listed in [customer 5's] file is [redacted] S. Hermitage, Chicago, Illinois. [Customer 5's] file contains an apartment lease in her name for the address [redacted] S. Hermitage, Chicago, Illinois. [Customer 5's] file also contains an AT&T bill, which states: "[customer 5] [redacted] S. Hermitage Chicago, IL [redacted]." In May 2009, the United States Postal Service (Postal Service) returned a letter that DHS sent to [Customer 5's] [redacted] S. Hermitage address. The Postal Service stamp reads: "attempted - not known unable to forward." [Customer 5's] file also contained a note stating that three attempts were made to locate [customer 5] at her Hermitage address, and that each attempt failed.

[Customer 5's] file contains a PCF, which is necessary for obtaining PA services. The PCF has a section for the physician's name and address. In that section it states: "[redacted],

M.D. [redacted] W. Van Buren 5th Floor Chicago, IL [redacted].” The PCF also has a section for the physician’s signature, which contains a signature dated January 5, 2009. In addition, there is a line that states: “APPROPRIATE for the Home Services Program,” and next to that line is a handwritten check mark. The PCF also has a section for the patient’s name, social security number, and date of birth. The name “[customer 5],” and identifying information is listed in this section of the form. An OEIG investigator brought this form to [redacted’s] office located at [redacted] W. Van Buren, and showed the PCF to a nurse who works with [redacted], [redacted]. The physician’s staff confirmed that the physician’s signature was valid, but she stated that there is no record of [customer 5] as a patient of that office.

v. *[Customer 6’s] File*

The address in [customer 6’s] file is [redacted] S. Elizabeth Street, Chicago, Illinois.⁵ [Customer 6’s] file contains a Direct TV bill with the name [customer 6], “[f]or [s]ervice at: [redacted] S. Elizabeth Chicago, IL [redacted].” [Customer 6’s] file also contains a handwritten rent receipt that was “[r]eceived from [customer 6] . . . [f]or [r]ent of [redacted] S. Elizabeth Chicago, IL [redacted].” When an OEIG investigator traveled to [redacted] S. Elizabeth Street, he discovered it was a vacant lot.

[Customer 6’s] file contains a PCF, which is necessary for obtaining PA services. The PCF has a section for the physician’s name and address. In that section it states: “[redacted], MD [redacted] S. California Chgo, Il [redacted].” The PCF also has a section for the physician’s signature, which contains a signature dated December 23, 2008. In addition, there is a line that states: “APPROPRIATE for the Home Services Program,” and next to that line is a handwritten check mark. The PCF also has a section for the patient’s name, social security number, and date of birth. The name “[customer 6],” and identifying information is listed in this section of the form. An OEIG investigator brought this form to [redacted’s] office located at [redacted] S. California, Chicago, and showed the PCF to [redacted’s] assistant [redacted]. [Redacted] searched the physician’s records for [customer 6] by using his name, as well as by social security number and address. As with [customer 4’s] and [customer 5’s] files discussed above, although a member of the physician’s staff confirmed that the physician’s signature was valid, she stated that there is no record of [customer 6] as a patient of that office.

vi. *[Customer 7’s] File*

Investigators discovered that the address listed in [customer 7’s] file was [redacted] S. Harper Ave, Chicago, Illinois.⁶ [Customer 7’s] file contains an April 16, 2009, Peoples Gas bill that listed [redacted] S. Harper Avenue, Chicago, Illinois as the service address. However, a representative from the holding company for Peoples Gas told an OEIG investigator on October 28, 2009, that: (1) there was no record of [customer 7] as a customer of Peoples Gas; and (2) there is no Peoples Gas account connected with the address [redacted] S. Harper Avenue, Chicago, Illinois. Additionally, according to the Postal Service Customer Service Manager, [redacted] S. Harper Avenue, Chicago, Illinois is a non-existent address.

⁵ [Customer 6’s] file lists his previous address as [redacted].

⁶ [Customer 7’s] file also contains the address [redacted].

B. Interview of [Employee 1]

On March 9, 2011, OEIG investigators interviewed [employee 1]. According to [employee 1], a rehabilitation case coordinator can access a DHS-DRS client file with his/her personal user-ID and password and then update or edit information in the file. Any changes a rehabilitation case coordinator makes to the file are recorded under his or her system identity, typically his/her User ID.

[Employee 1] also explained that a LAN coordinator can access the case management system, which includes “case notes.” [Employee 1] specified that a LAN coordinator can only access the so-called case notes in “read only” mode, and would not have authority to update or edit those notes. [Employee 1] stated that a LAN coordinator could reset a user’s password and then access and update case notes with the new password. [Employee 1] explained that if a LAN coordinator inappropriately changed a password, his or her conduct would be discovered when the actual user attempted to log-in because the user’s old password would be rejected.

[Employee 1] stated that the DHS-DRS office manager assigns employees to certain districts or assignment areas.⁷ [Employee 1] stated that if an employee is not assigned to a district, he/she cannot access any case notes in DHS-DRS files.

C. Activity in Files Under the Name Margarita Lopez

Ms. Lopez’s supervisor identified the following six files as assigned to Ms. Lopez: 1) [Customer 1], 2) [Customer 2], 3) [Customer 4], 4) [Customer 5], 5) [Customer 6], and 6) [Customer 7]. The name “Margarita Lopez” or the initials “ML” were written over sixty times throughout the six files. Additionally, the case folder memoranda for those six customers contain the following respective electronic entries regarding the customers’ HSP status:

- MARGARITA LOPEZ completed a [sic] Addendum plan for [customer 1] age 40 on Jun 06, 2006;
- MARGARITA LOPEZ completed a Formal plan for [customer 2] age 45 on Jun 23, 2008;
- MARGARITA LOPEZ completed a Formal plan for [customer 4] age 49 on Jan 06, 2009;
- MARGARITA LOPEZ completed a Formal plan for [customer 5] age 40 on Dec 23, 2008;
- MARGARITA LOPEZ completed a Formal plan for [customer 6] age 21 on Dec 22, 2008; and
- MARGARITA LOPEZ completed a Formal plan for [customer 7] age 55 on Mar 03, 2006.

Furthermore, in [customer 1’s], [customer 4’s], [customer 5’s], [customer 6’s], and [customer 7’s] file, Ms. Lopez is listed as the Counselor/Case Manager on several documents.⁸

⁷ [Employee 2] explained during his interview that a “district” is an assignment area.

⁸ DHS was unable to locate a complete file for [customer 2], so it is unclear whether the documents that exist for the other five abovementioned DHS-DRS customers were created for [customer 2’s] file.

For example, all of the five abovementioned files contain a HSP Service Plan Form and a HSP Financial Data Sheet that sets forth the customer's assets. On those forms, the name "Margarita Lopez" is written in the space designated for the Counselor/Case Manager. Those files also contain a DRS Letter of Notification form. That form has a space for the DRS Counselor or Case Manager to write his or her name and address, and it also has a space for the DHS HSP Counselor to sign his or her name. In each of the abovementioned five files, the name "Margarita Lopez" appears on the form in the space reserved for the DRS counselor or case manager's name. Additionally, in each of the five files "Margarita Lopez" is signed on the line designated for the DHS HSP counselor's signature.

In the [customer 2] partial file, the initials "ML" or the name "Margarita Lopez" is written over fifteen times.

D. Interview of Margarita Lopez

On December 3, 2010, investigators interviewed Margarita Lopez. According to Ms. Lopez, her position as a rehabilitation counselor required her to assist customers by determining their needs for services or their qualifications for the home service program. Ms. Lopez stated that part of her responsibilities required her to go into the field to meet with customers to make these assessments, document files with doctor's reports, determine any home modifications that were necessary, and complete either handwritten or electronic notes for the activities that occur on each assigned file.

During the interview, investigators showed Ms. Lopez the files of [customer 1], [customer 4], [customer 5], [customer 6], [customer 7], and the partial file for [customer 2]. These files were all assigned to Ms. Lopez, and each file contains several documents with the name "Margarita Lopez" or the initials "ML" written on them. During her interview, Ms. Lopez stated that she did not handle or could not recall [customer 6's], [customer 7's], [customer 1's], or [customer 2's] file. Further, she did not recall [customer 4] or [customer 5], and would only state that those files were in her district. Ms. Lopez also stated that she did not have any knowledge of [customer 3's] file.

During her interview, Ms. Lopez would not confirm that the "Margarita Lopez" signatures in [customer 5's], [customer 6's], [customer 1's] or [customer 4's] file were her signatures, but she did state that the signatures looked like her signature. Ms. Lopez also stated that she informed [employee 2] that she did not make electronic notes in [customer 1's] file despite her initials at the end. Ms. Lopez also stated that she did not draft the electronic notes in [customer 2's] file that contain the initials "ML" after the entries. However, in discussing [customer 7's] file, Ms. Lopez stated that she may have made some of the notes in the file. Ms. Lopez stated that she made one of the notes in [customer 5's] file.

During her interview, Ms. Lopez stated that [employee 3] was her immediate supervisor and trained her in her job. Ms. Lopez stated that [employee 3], and possibly others had access to her computer and password. Ms. Lopez stated she informed [employee 2] in 2007 or 2008 that [employee 3] had access to her computer and password. Ms. Lopez further stated that [employee 3] signed Ms. Lopez's name to many files. Ms. Lopez stated that [employee 3] may have

handled [customer 5's], [customer 6's], [customer 1], and [customer 2's] file. Ms. Lopez also stated that [employee 3] was performing home visits that she was not qualified to perform.

i. Ms. Lopez's statements regarding [customer 1's] file

During her interview, Ms. Lopez said that [customer 1] is her sister and [PA 1], one of [customer 1's] PAs, is her nephew. Ms. Lopez stated that she never visited her sister at the Richmond Avenue address and did not know where her sister lived when the file was set up or where her sister currently lives. Ms. Lopez was unaware of [customer 1] having an address on Waveland Avenue in Chicago. Ms. Lopez stated she last saw her sister at their mother's home two or three months prior to the interview. Ms. Lopez stated that she knows very little about her nephew [PA 1] and denied making any of the electronic notes that have the initials "ML" at the end; denied working on this case beyond attending the initial home visit with [employee 3], whom she identified as her supervisor; and, denied creating the Peoples Gas bill that listed the Richmond Avenue address.

Investigators showed Ms. Lopez a copy of the administrative rule which states that an employee must notify his or her supervisor if a family member or close friend applies for DHS-DRS services. Ill. Admin Code tit. 89, § 557.60. After reviewing the administrative rule, Ms. Lopez said that she had not handled family members' files and therefore did not notify her supervisor.

ii. Ms. Lopez's statements regarding [customer 2's] file

During her interview, Ms. Lopez said that [customer 2] is her sister, but she denied handling her file. Ms. Lopez denied making any of the electronic notes in this file despite the fact that the initials "ML" followed several of the case notes in this file. Specifically, investigators read Ms. Lopez the December 26, 2008, case file entry that identified the customer and the PA as husband and wife. Ms. Lopez denied having knowledge about the incident despite the "ML" initials that followed the case note. During her interview, Ms. Lopez stated that [employee 3] conducted [customer 2's] customer assessment.

Ms. Lopez stated that she did not have contact with [customer 2] while the file was open and has not had contact with her sister since 2007 or 2008. Ms. Lopez stated that [customer 2's] PA, [customer 3], may be [customer 2's] boyfriend; she did not know if her sister was married. Ms. Lopez stated that she did not destroy [customer 2's] file.

iii. Ms. Lopez's statements regarding [customer 4's] file

During her interview, Ms. Lopez first stated that she thought [customer 4's] file was one of her files. Later in the interview, Ms. Lopez did not recall this customer, and stated that this file was in her district or assignment area. Ms. Lopez would not confirm the "Margarita Lopez" signatures on any documents in the file, but did state that the signatures looked like her signature. Ms. Lopez stated that she did not know how her nephew [PA 1] knew [customer 4] and did not recall how the PCF became part of the file. When discussing [customer 4's] file, Ms. Lopez stated that [employee 3] and possibly others have access to her computer and password.

iv. Ms. Lopez's statements regarding [customer 5's] file

During her interview, Ms. Lopez stated that she thought [customer 5's] file was one of her files, but said she could not recall meeting [customer 5] in person. In response to questions about specific events in the file, Ms. Lopez stated that she could not recall anything about the file and therefore could not provide an answer. Ms. Lopez would not confirm the signatures in the file, but did state that the signatures looked like her signature. Ms. Lopez denied creating the telephone bill or lease agreement found in [customer 5's] file.

Ms. Lopez stated that this file was in her district or assignment area and could have been handled by [employee 3]. Ms. Lopez further stated that [employee 3] probably conducted a home visit for [customer 5] in December 2008. Ms. Lopez stated that [employee 3] signed Ms. Lopez's name to many of her files. Ms. Lopez, however, did confirm that she made an April 21, 2009 electronic note in [customer 5's] file. The April 21, 2009 entry describes what the customer said to the counselor during a telephone call.

v. Ms. Lopez's statements regarding [customer 6's] file

During her interview, Ms. Lopez stated that she thought [customer 6's] file was one of her files, but she could not recall handling the file. Ms. Lopez would not confirm the "Margarita Lopez" signatures on any documents in the file, but she did state that they looked like her signature. When investigators asked Ms. Lopez about specific events in the file she stated that she could not provide an answer because she does not recall anything about the file, including entering electronic notes in the file. Ms. Lopez denied knowing that the customer's address was a vacant lot. Ms. Lopez stated that she put [customer 6's] PCF in his file, but she could not recall where it came from. Ms. Lopez denied creating the television bill or the rent receipt for this file.

Ms. Lopez stated that [customer 6's] file was a file within her district or assignment area and could have been handled by [employee 3]. Ms. Lopez stated that [employee 3] had access to her computer and password, and that Ms. Lopez informed [employee 2] about this in 2007 or 2008. Ms. Lopez also stated that [employee 3] signed her name to many files.

vi. Ms. Lopez's statements regarding [customer 7's] file

During her interview, Ms. Lopez stated that she did not handle this file; however, she said that she may have entered some of the electronic notes in the file. Ms. Lopez denied meeting [customer 7] on March 2, 2007. A case note entry in [customer 7's] file states that: "MARGARITA LOPEZ completed a Reassessment plan for [CUSTOMER 7] age 56 on Mar 02, 2007." Ms. Lopez also denied creating [customer 7's] Peoples Gas bill.

E. Interview of [employee 2]

On January 17, 2011, investigators interviewed [employee 2]. [Employee 2] stated that he is Ms. Lopez's supervisor. [Employee 2] stated Ms. Lopez was assigned and handled the files of [customer 1], [customer 4], [customer 5], [customer 6], [customer 7], and [customer 2].

[Employee 2] stated that [employee 3] never supervised Ms. Lopez. [Employee 2] also explained that [employee 3's] position is subordinate to Ms. Lopez's position. [Employee 2] stated that as a rehabilitation case coordinator, [employee 3] fulfills a clerical function in the office. [Employee 2] stated that a rehabilitation case coordinator's duties include taking referrals, answering telephone calls, opening files, processing timesheets, and performing other administrative tasks. [Employee 2] stated that as a rehabilitation case coordinator, [employee 3] would typically have access to case files within her district, which means assignment area. [Employee 2] stated that before Ms. Lopez was hired [employee 3] occasionally performed client evaluations and redeterminations in the field for Spanish speaking clients because no one else was available. However, since Ms. Lopez was hired, [employee 2] is unaware of [employee 3] having served any further in that capacity.

Investigators asked [employee 2] about the DHS-DRS employees' computer access. [Employee 2] stated that the DHS information technology (IT) assigns employees User IDs. [Employee 2] also stated that a LAN coordinator can reset passwords. After an employee's password is reset, that employee must select a new password in order to access the system.

Investigators asked [employee 2] about the computer issues Ms. Lopez raised in her interview. [Employee 2] stated that he was not aware of a time when Ms. Lopez raised concerns about someone accessing her computer system and files, and making entries in case notes under her name. [Employee 2] stated that he is unaware of any discussion with Ms. Lopez where she alleged that someone was signing her name to documents in the files. [Employee 2] stated that if that issue was brought to his attention he would have investigated it. [Employee 2] stated that Ms. Lopez did express a general concern about [employee 3] having access to everyone's computer. [Employee 2] stated that he informed Ms. Lopez that [employee 3] had access because she was the LAN Coordinator.

F. Interview of [employee 3]

On February 3, 2011, investigators interviewed [employee 3]. [Employee 3] stated that her supervisor is [employee 2]. [Employee 3] stated that as a rehabilitation case coordinator she fulfills an administrative support role. [Employee 3] stated that her job duties include opening new cases, coordinating activities with counselors, answering the telephone, requesting doctor's reports, processing PA timesheets for payment, and verifying new customers' information, such as public aid benefits and employment history. [Employee 3] stated that she does not supervise or train anyone, except she may train a newly hired case coordinator.

[Employee 3] stated that as a rehabilitation case coordinator she has access to electronic and paper files within certain districts. [Employee 3] described a district as a caseload for a counselor and said she can update the case files within her assigned area, but only by using her

own personal login User ID and password. [Employee 3] further stated that any electronic update she performs on a case file automatically includes her name as the author for that activity.

[Employee 3] stated that she previously supported a district that predominantly spoke Spanish, but when Ms. Lopez was hired, Ms. Lopez was assigned to that district. In early 2006, [Employee 3] requested to be removed from accessing files in that district and [employee 2] removed her access to the files assigned in Ms. Lopez's district. [Employee 3] said that she could not access or update Ms. Lopez's files again until April 2010.

[Employee 3] discussed her involvement in DHS-DRS home visits and customer evaluations. [Employee 3] stated that there were possibly 10-20 times over the past few years when [employee 2] directed her to perform a home visit or evaluation. [Employee 3] explained that she is not qualified to perform customer evaluations as they must be done by a counselor with a master's degree. [Employee 3] stated that at [employee 2's] direction she would normally accompany a counselor on a home visit to translate or for safety reasons and said some of those assignments were for Ms. Lopez's cases.

During the interview, [employee 3] stated that she never electronically accessed or updated a co-worker's case file with a User ID or password that was not hers. [Employee 3] also stated that she did not recall signing Ms. Lopez's name to any official file documents, but if she did she would have written her initials next to the signature because that was her standard practice.

Investigators showed [employee 3] [customer 1's] file. [Employee 3] denied conducting a home visit in this case and denied signing Ms. Lopez's name to any documents within this file.

Investigators asked [employee 3] about [customer 2's] file. When asked about this file, [employee 3] stated that this file is missing from the office.

Investigators showed [employee 3] [customer 4's], [customer 5's], and [customer 6's] file. [Employee 3] stated that she was familiar with the names of these files because another co-worker had mentioned that these files appeared "weird," because, among other things, there was no photograph of the PA in these files. [Employee 3] also stated that she did not sign Ms. Lopez's name to any of the forms in these files and did not conduct a home visit or evaluation for [customer 5] or [customer 4].

Investigators showed [employee 3] [customer 7's] file. [Employee 3] stated that she did not conduct a home visit in this case and did not sign Ms. Lopez's name to any of the documents in the file. [Employee 3] stated that in June 2009, [employee 2] asked her to go to an address on South Harper Avenue in Chicago to attempt to locate [customer 7] and verify her address. [Employee 2] told [employee 3] that if she made contact with [customer 7] she should inform her that DHS-DRS would visit her to discuss her case. [Employee 3] stated that she was unable to locate [customer 7] at the address listed in her file, and recalls that it was a vacant lot.

VII. ANALYSIS

In summary, the OEIG investigation revealed four main issues with Ms. Lopez's conduct as a State employed rehabilitation counselor. First, Ms. Lopez handled her family's HSP cases. Second, five of Ms. Lopez's files contain false address information and three of Ms. Lopez's files contain a PCF that misrepresented that the customer was a patient of the certifying physician. Third, Ms. Lopez failed to secure her computer and confidential customer files. Fourth, Ms. Lopez made false and conflicting statements to the OEIG about her and another DHS employee's handling of files that were assigned to her and that contain the name and/or signature "Margarita Lopez" throughout the file.

A. Work on Family Cases

The Illinois Administrative Code requires DHS-DRS employees to notify their supervisor if they learn that a family member or close friend applies for DHS-DRS services. Ill. Admin. Code tit. 89, § 557.60. Additionally, DHS policy states that "[a]n employee may not authorize assistance, benefits, or services to relatives Further, an employee may not be directly involved in deciding or redetermining eligibility for DHS services for relatives or household members." DHS Employee Handbook, Section V – Relatives Applying For/Receiving Services.

Ms. Lopez admitted to the OEIG investigators during her interview that DHS-DRS customers [customer 1] and [customer 2] are her sisters and that DHS-DRS PA [PA 1] is her nephew. Ms. Lopez was assigned [customer 1's] file, and her name is listed in her file as the DHS Counselor/Case Manager. Additionally, Ms. Lopez's name appears in the author column in [customer 2's] and [customer 1's] case folder memorandum notes, and entries in their files reflect that Ms. Lopez completed a service plan for both DHS-DRS customers. Therefore, Ms. Lopez was directly involved in deciding her family members' eligibility for DHS services, or authorizing their assistance or benefits. Further, Ms. Lopez admitted that she did not disclose to her supervisor that she was related to these customers or PA. Therefore, the allegation that Ms. Lopez handled the cases of her family members, [customer 2] and [customer 1], is **FOUNDED**.

B. False File Information

i. Fraudulent Misrepresentation of HSP Customer Eligibility

DHS's Employee Handbook and Administrative Directive 01.02.03.040 prohibit employees from participating in fraud, dishonesty, or misrepresentation. DHS Employee Handbook, Section V – Employee Personal Conduct; DHS Administrative Directive 01.02.03.040.

The OEIG investigation revealed that the files of [customer 1], [customer 4], [customer 5], [customer 6], and [customer 7] contain false address information. All five files contain addresses that were either not linked to the purported customer or were not linked to any home residence. Specifically, [customer 1's] file contains a gas bill that lists an address for a residence where this alleged customer did not live. [Customer 4's] file contains a timesheet that lists an address for a residence where this alleged customer had not lived at for almost a year. [Customer

5's] file contains an apartment lease and a telephone bill that list an address for a residence where this alleged customer did not live. [Customer 6's] file contains a rent receipt and a television bill that list an address that an OEIG investigator discovered was a vacant lot. [Customer 7's] file contains a gas bill that lists an address that the Postal Service stated was non-existent.

In addition, three of Ms. Lopez's files contain a PCF that misrepresented the customer's information. To be eligible for a PA through the HSP, the applicant's physician must approve the PA services. The OEIG investigation revealed that the files of [customer 4], [customer 5], and [customer 6] contain PCFs that list physician's offices that have no record of the customers as patients.

Ms. Lopez, as the assigned DHS rehabilitation counselor, was responsible for obtaining accurate and complete documentation for the customers' files. Based on the abovementioned false documentation and false statements in those files, the OEIG finds that the allegation that Ms. Lopez misrepresented the eligibility of [customer 1], [customer 4], [customer 5], [customer 6], and [customer 7] for HSP benefits is **FOUNDED**.

ii. Ms. Lopez's Administrative Malfeasance

DHS Employee Handbook states that "[e]mployees who willfully misappropriate resources, misuse their position, fail to report fraud or perform other unlawful actions may be guilty of administrative malfeasance." DHS Employee Handbook Section V- Performance of Duties.

As discussed above, Ms. Lopez failed to ensure five of her assigned files were accurate or complete. Indeed, those purported customers assigned to Ms. Lopez should not have received State benefits because their eligibility determinations were predicated on invalid documentation and information. Therefore, the allegation that Ms. Lopez engaged in administrative malfeasance by willfully misusing her position to approve customers for HSP benefits that was based on false information is **FOUNDED**.

C. Security of Computer and Confidential Information

DHS policy prohibits employees from disclosing their computer passwords to anyone without a valid business reason. DHS Employee Handbook, Section V – Computer Security and Confidentiality. Further, DHS Administrative Directive 01.02.03.140 requires employees to keep confidential information secure. Moreover, employees with duties involving confidential healthcare information must secure that information so that it cannot be viewed by those who do not have a right to access that information. DHS Administrative Directive 01.03.01.020.

Ms. Lopez failed to properly secure her computer and confidential files. Ms. Lopez admitted that she kept her computer unsecured. Specifically, Ms. Lopez admitted that she does not secure her computer, her computer password, or her customers' confidential information, and that others could impermissibly access confidential customer files. Therefore, the allegation that Ms. Lopez failed to secure her computer and confidential information is **FOUNDED**.

D. Failure to Cooperate

Pursuant to the Ethics Act, DHS employees have a duty to cooperate with the Executive Inspector General. 5 ILCS 430/20-70. A failure to cooperate may be grounds for dismissal. *Id.* Employees fail to cooperate if, for example, they make “intentional omissions and knowing false statements.” *Id.* DHS policies also require employees to fully cooperate with the OEIG. *See* DHS Employee Handbook, Section V – Employee Personal Conduct; DHS Administrative Directive 01.02.03.040.

Ms. Lopez made false statements about her customers’ files and a DHS employee during her interview. During her interview, Ms. Lopez stated that she did not handle or could not recall [customer 1’s], [customer 2’s], [customer 6’s], or [customer 7’s] file, despite the fact that her supervisor stated that she was assigned these files. Further, she stated that she did not recall [customer 4] or [customer 5] as customers and would only state that those files were in her district. Additionally, Ms. Lopez would not confirm that the “Margarita Lopez” signatures in [customer 5’s], [customer 6’s], [customer 1’s] or [customer 4’s] file were her signatures, but she did state that the signatures looked like her signature. Ms. Lopez also stated that she did not draft the electronic notes in [customer 2’s] file that contain the initials “ML” after the entries.

Additionally, Ms. Lopez alleged that [employee 3] may have signed her name to some of these files and improperly worked on some of the files. Ms. Lopez also stated that [employee 3] was her supervisor. [Employee 2], the supervisor of both Ms. Lopez and [employee 3], however, denied this assertion. According to [employee 2], Ms. Lopez never raised any concerns about someone else using her computer or signing her name to documents in her files. The investigation reflects that [employee 3] did not access Ms. Lopez’s computer, and that Ms. Lopez would have been immediately notified if a LAN coordinator had changed her password. In short, the OEIG investigation found no support for Ms. Lopez’s allegations against [employee 3]. Rather, Ms. Lopez’s false interview statements bolster the conclusion that Ms. Lopez was aware that the documentary evidence within the files was manufactured. Therefore, because Ms. Lopez made false statements and accusations during her interview, the allegation that Ms. Lopez failed to cooperate with the OEIG is **FOUNDED**.

VIII. CONCLUSIONS

As a result of its investigation, the OEIG issues the following findings:

- **FOUNDED** – Margarita Lopez violated the Illinois Administrative Code and DHS policy when she handled her sister [customer 2’s] HSP case without disclosing the familial relationship to her supervisor.
- **FOUNDED** – Margarita Lopez violated the Illinois Administrative Code and DHS policy when she handled her sister [customer 1’s] HSP case without disclosing the familial relationship to her supervisor.
- **FOUNDED** – Margarita Lopez violated DHS policy when she misrepresented the eligibility of [customer 1] for HSP benefits.

- **FOUNDED** – Margarita Lopez violated DHS policy when she misrepresented the eligibility of [customer 4] for HSP benefits.
- **FOUNDED** – Margarita Lopez violated DHS policy when she misrepresented the eligibility of [customer 5] for HSP benefits.
- **FOUNDED** – Margarita Lopez violated DHS policy when she misrepresented the eligibility of [customer 6] for HSP benefits.
- **FOUNDED** – Margarita Lopez violated DHS policy when she misrepresented the eligibility of [customer 7] for HSP benefits.
- **FOUNDED** – Margarita Lopez violated DHS policy when she committed administrative malfeasance by willfully misusing her position to approve [customer 1] for HSP benefits.
- **FOUNDED** – Margarita Lopez violated DHS policy when she committed administrative malfeasance by willfully misusing her position to approve [customer 4] for HSP benefits.
- **FOUNDED** – Margarita Lopez violated DHS policy when she committed administrative malfeasance by willfully misusing her position to approve [customer 5] for HSP benefits.
- **FOUNDED** – Margarita Lopez violated DHS policy when she committed administrative malfeasance by willfully misusing her position to approve [customer 6] for HSP benefits.
- **FOUNDED** – Margarita Lopez violated DHS policy when she committed administrative malfeasance by willfully misusing her position to approve [customer 7] for HSP benefits.
- **FOUNDED** – Margarita Lopez violated DHS policy by failing to secure her computer and confidential client information.
- **FOUNDED** – Margarita Lopez violated the Ethics Act and DHS policy when she failed to cooperate during the OEIG investigation by making false statements about her involvement in [customer 1's] file.
- **FOUNDED** – Margarita Lopez violated the Ethics Act and DHS policy when she failed to cooperate during the OEIG investigation by making false statements about her involvement in [customer 2's] file.
- **FOUNDED** – Margarita Lopez violated the Ethics Act and DHS policy when she failed to cooperate during the OEIG investigation by making false statements about her involvement in [customer 4's] file.

- **FOUNDED** – Margarita Lopez violated the Ethics Act and DHS policy when she failed to cooperate during the OEIG investigation by making false statements about her involvement in [customer 5's] file.
- **FOUNDED** – Margarita Lopez violated the Ethics Act and DHS policy when she failed to cooperate during the OEIG investigation by making false statements about her involvement in [customer 6's] file.
- **FOUNDED** – Margarita Lopez violated the Ethics Act and DHS policy when she failed to cooperate during the OEIG investigation by making false statements about her involvement in [customer 7's] file.
- **FOUNDED** – Margarita Lopez violated the Ethics Act and DHS policy when she failed to cooperate during the OEIG investigation by making false statements about [employee 3].

This investigation reveals that Margarita Lopez is not suitable for continued State employment. The OEIG recommends that DHS discharge her with no right to reinstatement.

In light of the fact that a jury convicted Ms. Lopez of one count each of wire fraud, mail fraud, and intimidation, and two counts of official misconduct, the OEIG will not refer Ms. Lopez's non-cooperation to the Illinois Attorney General for a reasonable cause determination.

No further investigative action is needed and this case is considered closed.



Pat Quinn, *Governor*

Michelle R.B. Saddler, *Secretary*

Office of the Secretary
401 South Clinton Street • Chicago, Illinois 60607
100 South Grand Avenue East • Springfield, Illinois 62762

April 19, 2012

Mr. Ricardo Meza
Executive Inspector General
Office of the Executive Inspector General
For the Agencies of the Illinois Governor
32 West Randolph Street, Suite 1900
Chicago, Illinois 60601

Re: OEIG Case No: 09-00681-Final Report

Dear Inspector General Meza:

We are in receipt of your report dated March 27, 2012 recommending that the Department of Human Services (DHS) discharge Department of Rehabilitation Services (DRS) Counselor, Margarita Lopez with no right of reinstatement. DHS accepts your recommendation in this matter.

Lopez's case was referred to the Illinois Attorney General for investigation and as a result on May 20, 2010 she was placed on administrative leave. When the Attorney General filed charges, Lopez was placed on a suspension pending judicial verdict on April 1, 2011. She was found guilty of mail fraud, wire fraud, intimidation and official misconduct on March 9, 2012 and was sentenced on April 6, 2012. During the sentencing, restitution to DHS was included. Lopez has 30 months to pay through the courts \$17,453 back to DHS. DHS/DRS is working with the Attorney General's office and Fiscal to initiate this process. DHS/DRS is also working with payroll and the State Retirement System to place a hold on Lopez's retirement.

After receiving notice of the verdict, DHS/DRS began the process to place Lopez on a suspension pending discharge and then discharge. In the attempt to contact Lopez to set up the pre-disciplinary meeting, she wished to have her attorney represent her instead of the union (AFSCME). Since she is a member of the collective bargaining unit she is entitled to certain due process rights. Despite accommodating her request to reschedule and numerous attempts to contact Lopez, neither she nor her attorney attended the pre-disciplinary hearing on April 9, 2012. The AFSCME representative did attend the meeting and the representative has submitted a rebuttal to the charges.

DHS/DRS will continue to work with Labor Relations and Human Resources to finalize the paperwork for submission to Central Management Services (CMS). Once approved, Lopez will be removed from the suspension pending judicial verdict and placed on a suspension pending discharge for up to 30 days. CMS will serve the discharge during the time she is on this suspension pending discharge. Lopez will be discharged

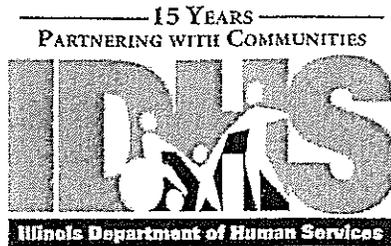
Mr. Ricardo Meza
April 19, 2012
Page 2 of 2

with no reinstatement rights. As soon as all the paperwork is processed, approved and served, DHS will inform the OEIG of the suspension dates and then the discharge date.

Please do not hesitate to contact us if you have any further questions regarding this matter.

Sincerely,

Michelle R.B. Saddler
Secretary



Pat Quinn, Governor

Michelle R.B. Saddler, Secretary

100 South Grand Avenue, East • Springfield, Illinois 62762
401 South Clinton Street • Chicago, Illinois 60607

December 10, 2012

Mr. Ricardo Meza
Executive Inspector General
Office of the Executive Inspector General
for the Agencies of the Illinois Governor
32 West Randolph Street, Suite 1900
Chicago, Illinois 60601

RE OEIG #09-00681

Dear Mr. Meza:

This responds to your request for a follow-up on the referenced case involving Margarita Lopez, a Rehabilitation Counselor for the Division of Rehabilitation Services. Your investigation determined that Ms. Lopez had opened cases on family and friends, falsified documents, and approved and authorized voucher payments to personal assistants who were also family members and friends for services they did not provide. After conducting a preliminary investigation and identifying criminal conduct, your office referred the case to the Illinois Attorney General's Office. At that same time, the Department placed Ms. Lopez on administrative leave while the investigation continued.

On April 1, 2011, after criminal charges were filed, Ms. Lopez was placed on a suspension pending judicial verdict. Ms. Lopez remained on suspension during her trial. She was found guilty of mail fraud, wire fraud, intimidation and official misconduct on March 9, 2012 and was sentenced on April 6, 2012. Restitution was included in the sentencing and Ms. Lopez has 30 months to pay \$17,453 back to the Department of Human Services/Division of Rehabilitation Services. The Department worked with the Attorney General's office to initiate the repayment process. Since the payment process was established, Ms. Lopez has reduced the amount owed to \$17,256. DHS Payroll and the State Retirement System were also contacted to place a hold on her retirement.

Also upon receiving information of the guilty verdict on March 9, 2012, we worked with our Bureau of Labor Relations to initiate the discipline process. Ms. Lopez was discharged effective May 15, 2012. Ms. Lopez grieved her discipline and resolution of the grievance at Step 4 prior to arbitration would have allowed her to voluntarily resign her employment by August 31, 2012 and agree not to seek or accept reemployment with the State of Illinois at any time in the future. Ms. Lopez failed to submit a resignation by August 31; therefore, her discharge remains effective May 15, 2012.

Sincerely,

Michelle R.B. Saddler
Secretary

RESOLUTION PRIOR TO ARBITRATION

Grievance #: 6263-0075-12 (372718)

Grievant: Margarita Lopez

Agency/Facility: Human Services

Issue: ~~Discharge~~ SPJV
RP IC

Resolution: Withdrawn

For the Employer

8-17-12

Date

For the Union

8-20-12

Date

RESOLUTION PRIOR TO ARBITRATION

GRIEVANCE NO: 6263-0128-12 (544329)

~~GRIEVANT: Margarita Lopez~~

AGENCY/FACILITY: Department of Human Services

ISSUE: Discharge

RESOLUTION: This resolution is in full and complete resolution of the above-captioned matter, the parties agree as follows:

1. The grievant, Margarita Lopez, agrees to resign and hereby does voluntarily resign her position of employment with the Illinois Department of Human Services by August 31, 2012, and further agrees not to either seek or accept re-employment with the State of Illinois, at any time in the future.
2. Upon receipt of the written resignation by the Employer, personnel records of Margarita Lopez will be purged of any mention of discharge, but will contain a copy of the resignation. The period May 15, 2012 through August 31, 2012 shall be considered an unpaid leave of absence.
3. Should grievant, Margarita Lopez, fail to provide a written resignation by August 31, 2012, the parties agree that she will be considered as having been discharged.
4. The Union and the grievant, Margarita Lopez, agree to refrain from initiating any grievance, administrative or other judicial proceedings arising out of this discharge action or the circumstances that led to the filing of charges of discharge.
5. This resolution is made without precedent or prejudice to either party and may not be utilized in any subsequent proceedings except for the enforcement of its terms.

For the Employer

8-17-12

Date

For the Union

8-20-12

Date