

IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

In re: DONNELLA ANDERSON-WATKINS and)
SAMMIE WATKINS) OEIG Case #12-2104

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 Donnell Anderson-Watkins and Sammie Watkins at their last known address.

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

FINAL REPORT

I. Introduction

In June 2012, the Chicago Transit Authority Office of Inspector General (CTA-OIG) received a complaint that CTA Bus Operators Donnell Anderson-Watkins and Sammie Watkins attempted to fraudulently withdraw funds from another CTA employee’s deferred compensation account. The Office of Executive Inspector General (OEIG) assumed responsibility for this investigation as authorized by Section 75-10(b) of the State Officials and Employees Ethics Act (Ethics Act).¹

After conducting an investigation, and as more fully set forth below, the OEIG finds that Ms. Anderson-Watkins and Mr. Watkins did in fact attempt to fraudulently withdraw funds from another CTA employee’s deferred compensation account. The OEIG also concludes that Ms. Anderson-Watkins and Mr. Watkins attempted to and did withdraw funds from their own

¹ 5 ILCS 430/75-10(b).

deferred compensation accounts on multiple occasions, based on false information and supported by fraudulent documents, in violation of CTA policies. In addition, the OEIG finds that Mr. Watkins's refusal to answer OEIG questions amounts to a failure to cooperate with this investigation, in violation of the Ethics Act.² Based on repeated violations of CTA policies over an extended period of time, and Mr. Watkins's failure to cooperate, the OEIG recommends the CTA terminate Ms. Anderson-Watkins and Mr. Watkins.³

II. Background

A. CTA 457 Deferred Compensation Plan

The CTA has established deferred compensation plans for its employees. The plans are administered by International City Management Association Retirement Corporation (the "Plan Administrator").⁴ One plan is administered pursuant to Section 457 of the Internal Revenue Code and is commonly referred to as a "457 account."⁵ The CTA does not contribute any funds to employee 457 accounts.

Employee funds deposited in a 457 account are not taxed until they are withdrawn. Internal Revenue Service (IRS) regulations strictly limit the ability of employees to withdraw funds from their 457 accounts.⁶ Employees can only withdraw funds in specific circumstances, such as when they experience an "unforeseeable emergency" as defined by IRS regulations. Unforeseeable emergencies include: foreclosure or eviction, funeral expenses for a spouse or dependent, lost wages, and unexpected medical bills.⁷

B. Emergency Withdrawal Process for 457 Accounts

The Plan Administrator provides a "CTA 457 Deferred Compensation Emergency Withdrawal Packet" to employees seeking to request an emergency withdrawal from their 457 accounts. The packet contains a "CTA 457 Compensation Plan Emergency Withdrawal Form" (the emergency withdrawal form) and instructions for completing the form. The instructions explain that employees must submit supporting documentation with their emergency withdrawal requests.

The CTA 457 Deferred Compensation Emergency Withdrawal Packet also informs employees that any misrepresentations in an emergency withdrawal request:

may lead not only to rejection of your request but also disciplinary action, including termination.

² 5 ILCS 430/20-70.

³ In light of the fact that the conduct also violated state and federal criminal laws, this matter was referred to the Office of the Illinois Attorney General and the criminal division of the United States Department of Treasury, Internal Revenue Service, pursuant to Section 20-80 of the Ethics Act, 5 ILCS 430/20-80.

⁴ The Plan Administrator has a contract with the CTA, effective Jan. 1, 2011 to Dec. 15, 2015.

⁵ 26 U.S.C. § 457.

⁶ See 26 U.S.C. § 457(d); 26 C.F.R. § 1.457-6; see also *Sanchez v. City of Hartford*, 89 F. Supp. 2d 210 (D. Conn. 2000) (discussing the purpose and structure of the 457 deferred compensation plan).

⁷ See 26 U.S.C. § 457(d); 26 C.F.R. § 1.457-6. Other circumstances in which CTA employees can withdraw funds from their 457 accounts include when an employee is terminated, retires, or reaches the age of 70½.

In addition, one version of the emergency withdrawal form requires the applicant to certify that he or she understands that any misrepresentation in the emergency withdrawal request “is sufficient cause for rejection of my application and/or disciplinary action up to and including termination.”

C. CTA Employee Donnella Anderson-Watkins

Donnella Anderson-Watkins has been a CTA Bus Operator since 1995. In June 1995, Ms. Anderson-Watkins signed a CTA form acknowledging receipt of CTA’s General Rule Book, which outlines general rules governing CTA employee behavior. Ms. Anderson-Watkins has a 457 account.

A certified copy of a judgment in a criminal case from the United States District Court for the Northern District of Illinois reveals that in November 2006, Ms. Anderson-Watkins was convicted of felony tax fraud.⁸ Federal Bureau of Prisons records reveal that Ms. Anderson-Watkins was in the custody of the United States Bureau of Prisons (USBOP) from April 2007 to June 2008. During her period of incarceration, Ms. Anderson-Watkins did not inform the CTA of her federal felony conviction but, rather, represented to the CTA that she was unable to work because of a medical condition.⁹ Ms. Anderson-Watkins continued to work for the CTA after her release from prison.

D. CTA Employee Sammie Watkins

Mr. Watkins has been a CTA Bus Operator since 1995. In June 1995, Mr. Watkins signed a CTA form acknowledging receipt of CTA’s General Rule Book. Mr. Watkins also has a 457 account.

III. Investigation Regarding the Attempted Withdrawal of Funds From a CTA Employee’s 457 Account

A. Sammie Watkins Asks to Borrow \$5,000 From a CTA Employee’s 457 Account

In June 2012, the CTA-OIG interviewed a CTA Employee (the “Employee”). The Employee stated that on May 22, 2012, Mr. Watkins attempted to call him. The Employee called Mr. Watkins back and during their conversation, Mr. Watkins asked to borrow \$5,000 from the Employee for a down payment on a house. In response to this request, the Employee told Mr. Watkins that he did not have money to lend. Mr. Watkins then suggested the Employee request an emergency withdrawal from the Employee’s 457 account. Mr. Watkins offered to call the Employee back the next day to explain the emergency withdrawal process. The following day, the Employee received two telephone calls from Mr. Watkins, which the Employee did not

⁸ See 18 U.S.C. §§ 287, 3559(a)(4).

⁹ The CTA-OIG investigated Ms. Anderson-Watkins’s 2006 conviction and incarceration, and concluded that she: (1) failed to report her felony conviction to the CTA; (2) submitted fraudulent documents to the CTA claiming she was receiving medical treatment when she was actually in prison; and (3) received \$2,880 in short term disability payments based on fraudulent medical documents. These events, however, occurred between 2006 and 2008, and are beyond the OEIG’s statute of limitations. See Ethics Act, 5 ILCS 430/20-20(1).

answer.

The Employee said he had no intention of requesting an emergency withdrawal from his 457 account and did not want to get involved with either Mr. Watkins or his wife, Ms. Anderson-Watkins, because Ms. Anderson-Watkins:

- had previously prepared his income tax returns and, for a fee, added fictitious exemptions;
- had prepared income tax returns for at least 100 CTA employees, and, for a fee added fictitious exemptions to their returns also; and
- was subsequently convicted of tax fraud and sentenced to over a year in prison.

The Employee said he was fined by the IRS for the fraudulent tax returns Ms. Anderson-Watkins prepared for him.

B. The Employee Receives a Change of Address Notification That He Did Not Request

The Employee also informed the CTA-OIG that on or about May 31, 2012 (about nine days after Mr. Watkins asked to borrow money), he received two notifications from the Plan Administrator regarding his 457 account. The first notification indicated that the Employee's mailing address had been changed. The second notification indicated that the Employee's emergency withdrawal request was incomplete.

The Employee said that after he received these notifications, he immediately contacted the Plan Administrator by telephone and letter. He informed the Plan Administrator that he had not changed his address nor had he submitted an emergency withdrawal request.¹⁰

C. Review of Documents Submitted in Support of the Employee's Purported Emergency Withdrawal Request and OEIG Interview of the Employee

1. Review of Emergency Withdrawal Request and Supporting Documents

The OEIG obtained and reviewed the emergency withdrawal request purportedly submitted by the Employee, dated May 26, 2012. The emergency withdrawal request sought \$18,000 to allegedly cover funeral expenses for a person identified as the Employee's son. The supporting documents included:

- a funeral home invoice addressed to the Employee;
- a death certificate identifying the Employee as the decedent's father; and
- 2010 state and federal tax returns that were purportedly filed by the Employee and listed the decedent as one of the Employee's dependents.

2. OEIG Interview of the Employee

¹⁰ The OEIG interviewed Plan Administrator staff, who confirmed that this emergency withdrawal request was never processed and no funds were disbursed from the Employee's 457 account.

a) *Regarding Donnella Anderson-Watkins and Sammie Watkins*

On November 27, 2012, and June 14, 2013, the OEIG interviewed the Employee. In these interviews, the Employee reiterated what he had previously told the CTA-OIG and added that he has known Ms. Anderson-Watkins and Mr. Watkins since 1995.

In addition, during the first interview, the Employee located a text message on his cellular telephone from Mr. Watkins, dated May 17, 2012, which stated, "Call me when you can. It's important." The Employee also stated that Mr. Watkins explained that he could request an emergency withdrawal from his 457 account by claiming that he was about to be evicted or that a family member, such as a child, had died. Mr. Watkins also told the Employee that he (Mr. Watkins) had withdrawn money from his own 457 account using documents created by Ms. Anderson-Watkins.

b) *Employee's Review of His Purported Emergency Withdrawal Request and Supporting Documents*

The Employee was asked to review and did review the May 26, 2012 emergency withdrawal request and supporting documents that he purportedly submitted. The Employee said the handwriting and signature on the emergency withdrawal form was not his handwriting or signature, and he confirmed that:

- he had never seen the supporting documents before;
- he did not create or submit the request or supporting documents; and
- he did not give anyone permission to submit the request or supporting documents.

In addition, the Employee stated that the individual identified as his deceased son in the emergency withdrawal request and supporting documents was not his son, as he did not have a son with that name.

D. Investigation Regarding the Authenticity of the Documents Submitted in Support of the Employee's Emergency Withdrawal Request

The supporting documents submitted with the Employee's purported emergency withdrawal request were reviewed in order to determine their authenticity. The review revealed that:

- the supporting documents were fraudulent, false, or incorrect; and
- certain information included in the emergency withdrawal request and supporting documents is associated with Ms. Anderson-Watkins, Mr. Watkins, or both.

Below is a summary of the fraudulent, false, or incorrect documents discovered.

1. Fraudulent, False, or Incorrect Documents Submitted in Support of the Employee's Purported Emergency Withdrawal Request

a) *Fraudulent Funeral Home Invoice*

The supporting documents submitted with the Employee's purported emergency withdrawal request included a [funeral home #1] invoice.

The OEIG interviewed [funeral home #1] staff, who stated that the invoice was fraudulent and that [funeral home #1] had never performed funeral services for the individual identified in the invoice.

b) Fraudulent Death Certificate

The death certificate submitted with the Employee's purported emergency withdrawal request contained numerous defects.

i) False Funeral Director License Number

First, the death certificate identified [funeral home #1] as the funeral service facility, but listed a funeral director license number that did not belong to [funeral home #1].

The OEIG discovered that the funeral director license number belonged to a funeral director at [funeral home #2], rather than [funeral home #1]. [Funeral home #2] staff interviewed by the OEIG said they had never performed funeral services for the individual named in the death certificate. The [funeral home #2] Director stated, however, that she was familiar with Ms. Anderson-Watkins because her family has been friends with Ms. Anderson-Watkins's family for many years.

The [funeral home #2] Director also stated that she had performed funeral services for both of Ms. Anderson-Watkins's parents and provided the OEIG with copies of their death certificates. The death certificates for Ms. Anderson-Watkins's parents, like the death certificate submitted with the Employee's purported emergency withdrawal request, included the [funeral home #2] Director's license number.

ii) False Doctor's Signature

Second, the death certificate purportedly submitted by the Employee indicated it was signed by a doctor on May 25, 2012. The OEIG interviewed the doctor whose signature appears on the death certificate. The doctor said he was the Commissioner for the City of Chicago Department of Public Health from December 2000 to June 2005, and that as Commissioner he did sign birth and death certificates.

The doctor (former Commissioner) reviewed the death certificate and confirmed that the signature on the document was not his signature. He also said he did not sign any birth or death certificates after June 2005, and thus could not have signed a May 25, 2012 death certificate.

iii) Incorrect Death Certificate Format

Third, the death certificate purportedly submitted by the Employee was supposedly issued by the City of Chicago Department of Public Health.

The OEIG interviewed the former Commissioner and employees from the Cook County Office of Vital Records. They confirmed that the death certificate was not valid because, among other things, the format was incorrect.¹¹

iv) False Decedent

Fourth, the death certificate identifies the decedent as the Employee's son. As noted above, the Employee informed OEIG investigators that the decedent identified on the death certificate was not his son.

2. Identifiers Associated with Donnella Anderson-Watkins and Sammie Watkins in the Employee's Purported Emergency Withdrawal Request

In addition, OEIG investigators reviewed the emergency withdrawal request and supporting documents purportedly submitted by the Employee, and discovered that many of the identifiers on the false, fraudulent, or incorrect documents are associated with Mr. Watkins, Ms. Anderson-Watkins, or both. Below is a summary.

a) *PO Box [REDACTED], Lansing, IL, Registered to Donnella Anderson-Watkins and Sammie Watkins*

First, the emergency withdrawal form included in the Employee's purported emergency withdrawal request directed that payment be sent to an "alternate address" of [REDACTED] Roy Street # [REDACTED], Lansing, IL. The supporting documents purportedly submitted by the Employee, which included the death certificate, the funeral home invoice, the 2010 federal tax return, and the 2010 state tax return, all referenced [REDACTED] Roy Street # [REDACTED], Lansing, IL, as the Employee's address or his alleged son's address.

The OEIG confirmed that [REDACTED] Roy Street # [REDACTED], Lansing, IL, is the address of the United States Post Office in Lansing, IL. United States Postal Service records reveal that Post Office Box [REDACTED] in Lansing, IL, has been registered to Ms. Anderson-Watkins since 2008. The records further reveal that Mr. Watkins is identified as an authorized user of PO Box [REDACTED].

b) *Telephone Number Associated with Donnella Anderson-Watkins's Brother*

Second, the emergency withdrawal form also lists telephone number (708) 720-[REDACTED] as the telephone number belonging to the Employee. The Employee informed OEIG investigators that the telephone number listed on the form was not his number.

As set forth below, Ms. Anderson-Watkins told investigators that telephone number (708) 720-[REDACTED] was the number to her brother's former residence. Investigators also found that this telephone number was associated with the address [REDACTED] Providence Drive, Matteson, IL, an address that Mr. Watkins told investigators he and Ms. Anderson-Watkins lived at in 2012.

¹¹ Employees of the Cook County Office of Vital Records also identified other characteristics that reveal that the death certificate is fraudulent.

c) Doctor's Signature on the Death Certificates

Third, the signature of the former Commissioner, which appears on the fraudulent death certificate submitted with the Employee's purported emergency withdrawal request, also appears on the death certificates for Ms. Anderson-Watkins's parents.

During his interview with the OEIG, the former Commissioner confirmed that the death certificates for Ms. Anderson-Watkins's parents appeared to be valid and that his signature on those death certificates was authentic.

d) Registrar's Seal and Signature

Fourth, a registrar's seal accompanied by the former Commissioner's signature appears in the middle of the fraudulent death certificate. The same seal and signature also appear in the right-hand margin of the death certificate for Ms. Anderson-Watkins's father.

During his interview with the OEIG, the former Commissioner also noted that it was unusual to see the registrar's seal placed in the middle of a death certificate, as it was on the death certificate purportedly submitted by the Employee.

IV. Investigation Regarding Withdrawals From Donnella Anderson-Watkins's and Sammie Watkins's 457 Accounts

A. The OEIG Obtained Additional Emergency Withdrawal Requests

Based on the discovery of fraudulent documents containing information associated with both Ms. Anderson-Watkins and Mr. Watkins from the Employee's purported emergency withdrawal request, and the Employee's statement that Mr. Watkins said he previously withdrew funds from his own 457 account, the OEIG requested copies of all emergency withdrawal requests submitted by Ms. Anderson-Watkins and Mr. Watkins between June 2011 and December 2012. In response, the OEIG received copies of six emergency withdrawal requests, three for Mr. Watkins and three for Ms. Anderson-Watkins.

B. Investigation Regarding the Authenticity of Documents Submitted for Donnella Anderson-Watkins's and Sammie Watkins's Emergency Withdrawal Requests

The OEIG's investigation revealed that numerous supporting documents submitted with the six emergency withdrawal requests were fraudulent or contained false information, and that there were numerous similarities between the information contained in the six emergency withdrawal requests and the information contained in the emergency withdrawal request purportedly submitted by the Employee, as described below.

Emergency Withdrawal Requests for Donnella Anderson-Watkins's 457 Account

Date	Request & Reason	Fraudulent supporting documents	Similarities to request for the Employee's 457 Account
July 25, 2011	\$6,000: funeral expenses for the death of a son	<ul style="list-style-type: none"> • Funeral home invoice¹² • Death certificate for [REDACTED]¹³ • 2010 federal tax return¹⁴ 	<ul style="list-style-type: none"> • PO Box address¹⁵ • Death certificate format, doctor's signature, and registrar's seal
Apr. 24, 2012	\$3,000: funeral expenses for the death of a son	<ul style="list-style-type: none"> • Funeral home invoice • Death certificate for [REDACTED] • 2009 federal tax return 	<ul style="list-style-type: none"> • PO Box address • Death certificate format, doctor's signature, and registrar's seal
Oct. 15, 2012	\$5,214: eviction expenses	<ul style="list-style-type: none"> • Hospital discharge instructions for [REDACTED]¹⁶ 	<ul style="list-style-type: none"> • Telephone number associated with a Matteson, IL address¹⁷

Emergency Withdrawal Requests for Sammie Watkins's 457 Account

Date	Request & Reason	Fraudulent supporting documents	Similarities to request for the Employee's 457 account
May 27, 2011	\$13,000: eviction expenses	<ul style="list-style-type: none"> • Eviction notice¹⁸ • Notice of mortgage arrearages¹⁹ • Court summons²⁰ 	<ul style="list-style-type: none"> • PO Box address
Aug. 26, 2011	\$12,403: funeral expenses for the death of a son	<ul style="list-style-type: none"> • Death certificate for [REDACTED] • Funeral home invoice 	<ul style="list-style-type: none"> • PO Box address • Death certificate format, doctor's signature, and registrar's seal • Funeral home invoice²¹

¹² Funeral home staff confirmed that every funeral home invoice submitted with these requests was fraudulent.

¹³ The death certificates for [REDACTED], [REDACTED], and [REDACTED] were purportedly signed by the former Commissioner and formatted the same, but, according to the former Commissioner, the death certificates are not valid and the format is incorrect. The same funeral director license number is listed on the fraudulent death certificate submitted with the Employee's purported request, the fraudulent death certificate submitted with the April 24, 2012 request, and the authentic death certificate for Ms. Anderson-Watkins's father.

¹⁴ The 2009 and 2010 tax returns list Ms. Anderson-Watkins's mother as a dependent, but the authentic death certificate for her mother reveals that she died in 2004.

¹⁵ The address listed on all of the requests is the PO Box in Lansing, IL, which is registered to Ms. Anderson-Watkins, and of which Mr. Watkins is an authorized user.

¹⁶ In a letter to the Plan Administrator, Ms. Anderson-Watkins said she was being evicted because her son, [REDACTED], was shot and wounded, she was unable to work, and she fell behind on rent. Attached were purported hospital documents dated May 2012. A hospital employee confirmed that the documents were fraudulent and [REDACTED] was not a patient at the hospital in May 2012.

¹⁷ The October 15, 2012 request included documents listing [REDACTED] Providence Drive, Matteson, IL as Mr. Watkins's and Ms. Anderson-Watkins's address.

¹⁸ Ms. Anderson-Watkins notarized the eviction notice after her public notary commission had expired.

¹⁹ The eviction notice and notice of mortgage arrearages were purportedly issued by "Funding Services Corp.," but investigators discovered that the address and telephone number listed on the document were false.

²⁰ A review of the court file and an interview with the counsel that represented one of the parties revealed that Mr. Watkins was not a party to the case, and the court summons is a fraudulent document.

²¹ The funeral home invoices submitted with the Employee's purported emergency withdrawal request and the August 26, 2011 request were both purportedly issued by [funeral home #2].

Apr. 22, 2012 \$4,000: lost wages • Hospital discharge instructions²² • PO Box address
because of a heart • Medical referral form²³
attack • Medical letter²⁴

C. 457 Account Disbursements to Donnella Anderson-Watkins and Sammie Watkins

Investigators obtained copies of checks and wire transfer instructions that resulted from the six emergency withdrawal requests for Mr. Watkins's and Ms. Anderson-Watkins's 457 accounts. Investigators also obtained bank statements, deposited checks, and bank signature cards from Ms. Anderson-Watkins's and Mr. Watkins's bank accounts. Below is a summary of this information.

1. Disbursements from Donnella Anderson-Watkins's 457 Account

a) *The July 25, 2011 Emergency Withdrawal Request*

Ms. Anderson-Watkins's July 25, 2011 emergency withdrawal request was granted. The Plan Administrator issued a \$6,000 check dated August 9, 2011, payable to Ms. Anderson-Watkins at PO Box [REDACTED], Lansing, IL.

The signature "Donnella D. Watkins" appears on the back of the check, as well as the driver's license number belonging to Ms. Anderson-Watkins. A stamp on the back of the check directs "pay to the order of . . . New Calumet City Sibley Blvd. Currency Exchange, Inc.," and indicates the check was deposited into the currency exchange's bank account on August 15, 2011. On August 12, 2011, Ms. Anderson-Watkins's bank account at the First Savings Bank of Hegewisch reveals a \$4,680 cash deposit.

b) *The April 24, 2012 Emergency Withdrawal Request*

Ms. Anderson-Watkins's April 24, 2012 emergency withdrawal request was granted. The Plan Administrator issued a \$3,000 check dated May 2, 2012, payable to Ms. Anderson-Watkins at [REDACTED] Roy Street # [REDACTED], Lansing, Illinois 60438.

The signature "Donnella D. Watkins" appears on the back of the check. On May 7, 2012, this \$3,000 check was deposited into Ms. Anderson-Watkins's bank account at the First Savings Bank of Hegewisch.

c) *The October 15, 2012 Emergency Withdrawal Request*

Ms. Anderson-Watkins's October 15, 2012 emergency withdrawal request was granted. On December 14, 2012, the Plan Administrator transferred \$5,214 to Ms. Anderson-Watkins's

²² A hospital employee confirmed that Mr. Watkins was not a patient at the hospital on the dates listed in the document, and that the hospital had not issued the document.

²³ Doctor's office employees stated the referral was a valid document, but the medical procedure referenced in the form had nothing to do with heart attacks.

²⁴ The medical employee who purportedly wrote and signed the letter confirmed that she did not write or sign the letter.

bank account via wire transfer.

On December 14, 2012, Ms. Anderson-Watkins's bank account at Fifth Third Bank received an incoming wire transfer of \$5,214.

2. Disbursements from Sammie Watkins's 457 Account

a) *The May 27, 2011 Emergency Withdrawal Request*

Mr. Watkins's May 27, 2011 emergency withdrawal request was denied. A notification letter from the Plan Administrator addressed to Mr. Watkins stated that this request was denied because of inconsistencies in the request, and specified "your spouse can not notarize your 30 day notice." No funds were disbursed from Mr. Watkins's 457 account as a result of this request.

b) *The August 26, 2011 Emergency Withdrawal Request*

Mr. Watkins's August 26, 2011 emergency withdrawal request was granted. The Plan Administrator issued an \$11,162.70 check²⁵ dated September 15, 2011, payable to Mr. Watkins at PO Box [REDACTED], Lansing, IL.

The signature "Sammie Watkins" appears on the back of the check. The check was deposited into Mr. Watkins's bank account at Bank of America on September 20, 2011. Mr. Watkins is the only authorized user for this account.

c) *The April 22, 2012 Emergency Withdrawal Request*

Mr. Watkins's April 22, 2012 emergency withdrawal request was granted. The Plan Administrator issued a \$4,000 check dated June 19, 2012, payable to Mr. Watkins at PO Box [REDACTED], Lansing, IL.

The signature "Sammie Watkins" appears on the back of the check. The check was deposited into Mr. Watkins's bank account at Bank of America on June 25, 2012. Mr. Watkins is the only authorized user for this account.

D. Interview of Donnella Anderson-Watkins

1. Background Information

On June 13, 2013, the OEIG interviewed Ms. Anderson-Watkins. During the interview, Ms. Anderson-Watkins stated that she is married to Mr. Watkins and has three sons, [REDACTED], [REDACTED], [REDACTED].

²⁵ The \$11,162.70 check is 10% less than the total amount of money requested, which was \$12,403. The emergency withdrawal form instructs applicants that the Plan Administrator will withhold 10% for taxes by default unless the applicant provides alternative instructions in the request. No alternative instructions were provided in the August 26, 2011 emergency withdrawal request; therefore, the Plan Administrator deducted 10% for taxes.

January 2012. According to Ms. Anderson-Watkins, the [REDACTED] William Street, Lansing, IL, address listed on her driver's license, issued on June 18, 2010, is incorrect.²⁶

Ms. Anderson-Watkins also stated that she did not currently have a cellular telephone but identified the following telephone numbers as belonging to the following persons:

Telephone Number	Belonging To
(708) 539-[REDACTED]	Ms. Anderson-Watkins (former cellular telephone)
(708) 933-[REDACTED]	Ms. Anderson-Watkins (former residence)
(708) 720-[REDACTED]	Ms. Anderson-Watkins's brother (former residence) ²⁷

Ms. Anderson-Watkins also confirmed that she had two bank accounts, one at First Savings Bank of Hegewisch and the other at Fifth Third Bank.

2. Donnella Anderson-Watkins Initially Denies Submitting the Fraudulent Emergency Withdrawal Requests

Ms. Anderson-Watkins was shown a copy of a certified Cook County birth certificate for [REDACTED], one of the sons she said was currently living with her and Mr. Watkins at the [REDACTED]. Ms. Anderson-Watkins reviewed the document and confirmed that the birth certificate contained correct information relating to her son, including his date of birth.

Ms. Anderson-Watkins was then shown a copy of a death certificate reflecting that her son, [REDACTED], had died on July 26, 2011, and was asked if she had ever seen the death certificate before. In response, Ms. Anderson-Watkins said no. Ms. Anderson-Watkins was then asked to review her July 25, 2011²⁸ emergency withdrawal request of \$6,000 for funeral expenses, which included a signature of "Donnella D. A. Watkins," and a copy of the same death certificate for [REDACTED] that she was just shown and had been part of the documents submitted in support of the emergency withdrawal request. Ms. Anderson-Watkins confirmed that her signature appeared on the emergency withdrawal form, but denied submitting the request and stated that she had never seen it or the supporting documents before.

Ms. Anderson-Watkins was then shown a copy of the \$6,000 check issued to her by the Plan Administrator on August 9, 2011, resulting from her July 25, 2011 emergency withdrawal request, and a bank statement showing a \$4,680 cash deposit into her bank account on August 12, 2011. In response, Ms. Anderson-Watkins said she did not recognize the check and did not know where the cash deposited into her account came from.

Ms. Anderson-Watkins was then shown a copy of a birth certificate for [REDACTED], which she recognized as the birth certificate for her son, [REDACTED]. Ms. Anderson-Watkins was then shown a copy of a death certificate reflecting that [REDACTED] had died on April 19, 2012. Ms. Anderson-Watkins said she had never seen the death certificate before. Ms.

²⁶ Section 6-116 of the Illinois Vehicle Code requires individuals to update the address on their driver's licenses within 10 days of moving. 625 ILCS 5/6-116.

²⁷ This is the telephone number that was listed as belonging to the Employee in the emergency withdrawal request purportedly submitted by the Employee.

²⁸ The emergency withdrawal request was dated one day before [REDACTED] purportedly died.

Anderson-Watkins was then asked to review her April 24, 2012 emergency withdrawal request of \$3,000 for funeral expenses, which included a signature of “Donnella D. A. Watkins” and copy of the same death certificate for ██████████ that she was just shown. Ms. Anderson-Watkins confirmed that the handwriting on the emergency withdrawal form looked like her handwriting, but denied submitting the request or supporting documents.

Ms. Anderson-Watkins was then shown a copy of the \$3,000 check issued to her by the Plan Administrator on May 2, 2012, resulting from her April 19, 2012 emergency withdrawal request, and a bank statement showing the check was deposited into her bank account. In response, Ms. Anderson-Watkins said she did not recognize the check and did not know how the money got into her bank account.

Ms. Anderson-Watkins was then shown a copy of hospital documents reflecting that her son, ██████████,²⁹ was admitted to the hospital with multiple gunshot wounds on May 4, 2012, and court documents reflecting that a landlord was attempting to evict her and Mr. Watkins from a residence at ██████ Providence Drive, Matteson, IL. Ms. Anderson-Watkins said that these were all valid documents. Ms. Anderson-Watkins was then asked to review the October 15, 2012 emergency withdrawal request for \$5,214 for eviction expenses, which included a signature of “Donnella D. A. Watkins,” and copies of the same hospital and court documents that she was just shown. Ms. Anderson-Watkins stated that she recognized the request and confirmed that she had submitted the emergency withdrawal request.

Ms. Anderson-Watkins was then shown wire transfer instructions and a bank account statement showing that \$5,214 was wired to her bank account. Ms. Anderson-Watkins said that she did not remember receiving the money.

Ms. Anderson-Watkins was also asked about the May 26, 2012 emergency withdrawal request purportedly submitted by the Employee, which sought \$18,000 to cover funeral expenses for the Employee’s non-existent son. In response, she confirmed that she did know the Employee and that:

- the Employee was the best man at her wedding, but he and Mr. Watkins were no longer speaking to each other;
- her PO Box address in Lansing, IL, was listed on the Employee’s withdrawal request; and
- her brother’s telephone number was also listed on the withdrawal request.

Ms. Anderson-Watkins nevertheless denied creating or submitting the May 26, 2012 emergency request for a withdrawal from the Employee’s 457 account, and said she had never seen the request or supporting documents before.

Ms. Anderson-Watkins was asked to compare the death certificate for the Employee’s purported son (submitted in support of the May 26, 2012 emergency withdrawal request) with the death certificates for ██████████ and ██████████. After her review, she said all of the death

²⁹ This was the same ██████████ that had purportedly died on April 19, 2012, as reflected in the death certificate submitted in support of Ms. Anderson-Watkins’s April 24, 2012 emergency withdrawal request, for which she received \$3,000 to cover funeral expenses for ██████████.

certificates looked like fake documents, but denied creating any of them.

3. Donnella Anderson-Watkins Subsequently Admits to Submitting Three Requests for Withdrawals From Her 457 Account

Prior to the conclusion of her interview, Ms. Anderson-Watkins was asked if she would like to correct or clarify any of her prior statements. In response, Ms. Anderson-Watkins said she had submitted the three requests for emergency withdrawals from her 457 account. Specifically, she stated that:

- she had submitted the July 25, 2011 emergency withdrawal request and related documents, received a \$6,000 check, and cashed the check at a currency exchange;
- she had submitted the April 24, 2012 emergency withdrawal request and related documents, received a \$3,000 check, and deposited the check into her bank account; and
- she submitted the October 15, 2012 emergency withdrawal request and related documents and received a wire transfer of \$5,214.

Ms. Anderson-Watkins also said she created the death certificates for [REDACTED] and [REDACTED], even though both sons were (and are) alive when she created the death certificates. In addition, she said she created the hospital discharge instructions, which were submitted with her October 15, 2012 request and indicated that [REDACTED] was admitted to the hospital with multiple gunshot wounds in May 2012.

Despite her admissions, Ms. Anderson-Watkins nevertheless continued to deny that she created or submitted the May 26, 2012 emergency withdrawal request and supporting documents seeking an \$18,000 withdrawal from the Employee's 457 account.

Prior to the conclusion of the interview, Ms. Anderson-Watkins was asked if she would be willing to provide a written statement about what she had done. She agreed and provided the following written statement, in its entirety:

Today I gave a statement in reference to my participation in withdrawing funds from [the Plan Administrator] fraudently [sic].

E. Interview of Sammie Watkins

1. Background Information

On June 13, 2013, the OEIG interviewed Mr. Watkins. Mr. Watkins stated that he has been married to Ms. Anderson-Watkins since 2003. Mr. Watkins stated that he, Ms. Anderson-Watkins, and her son, [REDACTED], currently live at a [REDACTED] hotel in Lansing, IL, and have lived there since August 2012.³⁰ Mr. Watkins explained that he has a son named [REDACTED] Watkins, who currently lives with an uncle in the Chicago area, and Ms. Anderson-Watkins has

³⁰ Mr. Watkins's current Illinois driver's license also lists his address as [REDACTED] William Street, Lansing, IL. Section 6-116 of the Illinois Vehicle Code requires individuals to update the addresses on their driver's license within 10 days of moving. 625 ILCS 5/6-116.

two additional sons, [REDACTED] and [REDACTED], who currently live in Chicago.

Mr. Watkins stated that prior to living at the [REDACTED], he and Ms. Anderson-Watkins lived in a house located at [REDACTED] Providence Drive, Matteson, IL, from about January 2012 to August 2012. Mr. Watkins said that they had problems with their landlord and moved out after the landlord shut off their utilities. Mr. Watkins stated that he and Ms. Anderson-Watkins have also previously lived in Calumet City and at [REDACTED] William Street, Lansing, IL.

Mr. Watkins stated that he and Ms. Anderson-Watkins receive mail at PO Box [REDACTED], Lansing, IL, and have received mail there since 2008.

Mr. Watkins provided his current cellular telephone number, his telephone number at the [REDACTED], a telephone number for Ms. Anderson-Watkins, and a telephone number for his son, [REDACTED]. When asked if he ever used the telephone number (708) 720-[REDACTED] (which Ms. Anderson-Watkins identified as the telephone number to her brother's former residence), Mr. Watkins said he recognized the number but could not recall whose number it belonged to.

Mr. Watkins stated that he has worked as a Bus Operator for the CTA since 1995, and that he took an extended leave of absence from work from March 2012 to September 2012 because of an aggravated spinal injury.

Mr. Watkins confirmed that he has a bank account at Bank of America and provided his account number. Mr. Watkins also confirmed that he is the only authorized user on the account.

2. Questions about Emergency Withdrawal Requests

Mr. Watkins reviewed a copy of a certified Cook County birth certificate for his son, [REDACTED]. Mr. Watkins confirmed that the information on the birth certificate was accurate and that he had last seen [REDACTED] a few days prior to the June 13, 2013 interview.

Mr. Watkins was then shown a copy of a death certificate reflecting that [REDACTED] had died on August 20, 2011. Mr. Watkins said that he had never seen this document before and did not know anything about it. Mr. Watkins was then asked to review the August 26, 2011 emergency withdrawal request of \$12,403 for funeral expenses, which included a signature of "Sammie Watkins" and a copy of the same death certificate for [REDACTED] that he was just shown. Mr. Watkins stated that the signature was not his, he had never seen the request before, and he did not submit it.

Mr. Watkins was then shown a copy of the \$11,162.70 check³¹ issued to him by the Plan Administrator on September 15, 2011, and a bank statement reflecting a check deposit of \$11,162.70 into his bank account on September 20, 2011. Mr. Watkins stated: he did not recognize the check, the signature on the back of the check was not his signature, and he did not

³¹ As previously discussed in footnote 25, the \$11,162.70 check is 10% less than the total amount of the \$12,403 request because no tax withholding instructions were provided in the August 26, 2011 emergency withdrawal request; therefore, the Plan Administrator withheld 10% for taxes by default.

recall depositing the \$11,162.70 check into his bank account.

Mr. Watkins was then shown hospital documents reflecting that he suffered a heart attack in March 2012. Mr. Watkins said that he did not recognize the documents and that he has never had a heart attack. Mr. Watkins was then asked to review the April 22, 2012 emergency withdrawal request requesting \$4,000 for lost wages because of a heart attack, which was submitted in his name but was not signed, and which included a copy of the hospital documents that he was just shown. Mr. Watkins said the handwriting on the withdrawal form was not his and he had never seen the emergency withdrawal request or supporting documents before.

At this point in the interview, Mr. Watkins stated that he did not want to answer any further questions about the emergency withdrawal requests.

3. Questions About the Employee

Mr. Watkins was then asked if he knew the Employee. In response, Mr. Watkins confirmed that he did know the Employee and that he has asked to borrow money from the Employee on several occasions. However, Mr. Watkins stated that he has never attempted to withdraw funds from the Employee's 457 account and he did not know anything about an attempted withdrawal of \$18,000 from the Employee's 457 account.

4. Sammie Watkins Refuses to Answer Additional Questions and is Warned of Duty to Cooperate

At this point in the interview, Mr. Watkins said he did not wish to answer any additional questions. Mr. Watkins was informed that his refusal to answer questions could result in a finding of non-cooperation against him and could also result in discipline up to and including discharge. In response, Mr. Watkins stated that he understood, but said he still did not want to answer any additional questions.

In light of Mr. Watkins's refusal to cooperate and answer questions, on June 17, 2013, the OEIG hand delivered a letter to Mr. Watkins. In the letter, Mr. Watkins was again reminded of his duty to cooperate with this investigation. In addition, he was informed that he should contact the OEIG if he wished to continue the interview and avoid a finding of non-cooperation. Mr. Watkins never responded to the letter and thus has continued his refusal to cooperate.

V. Investigation Regarding Ms. Anderson-Watkins's Tax Fraud Conviction

A. The OEIG Obtained Ms. Anderson-Watkins's Personnel File

During the course of this investigation, the OEIG obtained and reviewed a copy of Ms. Anderson-Watkins's CTA personnel file, which contained criminal background check reports from January 2010. A nine-page report from the Federal Bureau of Investigation (FBI), dated January 6, 2010, revealed that Ms. Anderson-Watkins was convicted of tax fraud in 2006. Specifically, the FBI background check included the following language, verbatim:

COURT –

CHARGE – FILING FALSE, FICTITIOUS, OR FRAUDULENT CLAIMS –
18 USC 287

SENTENCE –
11-6-2006, 18 MOS CUSTODY OF THE U.S.B.O.P.; 3 YRS SUPERVISED
RELEASE, \$114,375 RESTITUTION, AND \$400 S/A

SUPERVISION OR CUSTODY –
AGENCY – US PROBATION CHICAGO (IL016017G)
2008/08/08 STATUS – SUPERVISED RELEASE

In contrast, reports from the Illinois State Police, dated January 12, 2010, and a company named “HireRight,”³² dated January 5 and 21, 2010, revealed no prior convictions for Ms. Anderson-Watkins. Ms. Anderson-Watkins’s personnel file contained no record of what action, if any, was taken against Ms. Anderson-Watkins, nor did it reflect that she was disciplined after the CTA received the January 2010 FBI report identifying Ms. Anderson-Watkins’s conviction.

B. The OEIG Interviewed the Director of the CTA Human Resources Department

Between January and June 2013, the OEIG interviewed the CTA Director of Human Resources (HR Director) about the criminal background check found in Ms. Anderson-Watkins’s personnel file.³³ The HR Director was the CTA employee responsible for reviewing background checks in January 2010, and he had held this position since 2008.³⁴ The HR Director explained that the CTA General Rules provide that CTA employees may not be convicted of a felony, and that a felony conviction is grounds for discipline.³⁵

The HR Director reviewed the documents found in Ms. Anderson-Watkins’s personnel file and explained that the CTA conducted a background check on her in January 2010 because she was returning to work after an extended medical absence of over three months (from October 2009 to January 2010). He said that he reviewed the background check for Ms. Anderson-Watkins in January 2010 and approved her background check as clear.

The HR Director acknowledged that the FBI report reflected that Ms. Anderson-Watkins was convicted of a tax crime in 2006, but said he could not identify whether this conviction was a felony because the FBI report did not state that it was a felony. He said that he was not aware

³² HireRight is the primary CTA vendor that conducts background checks for the CTA.

³³ At the time of the January 2013 OEIG interview, the HR Director was the General Manager of Recruitment and Workforce Planning. He was subsequently promoted to Acting Vice President of Human Resources from February to April 2013, when he became the HR Director.

³⁴ The HR Director was a Manager between 2008 and 2010, and was responsible for reviewing all background checks containing “hits,” such as a prior conviction. He continues to review background checks in his current position as the HR Director, with the assistance of a subordinate manager.

³⁵ CTA General Rule 7(c), 14(g) (Oct. 1, 1989). A more recent CTA policy, which was not in effect in 2010 when the CTA conducted background searches on Ms. Anderson-Watkins, provides that if a background check reveals that a current employee obtained a felony conviction during the course of employment and failed to disclose the conviction to the CTA, or falsified employment information in any manner, the employee may be disciplined up to and including discharge. CTA Administrative Procedure 1021: Background Checks, Sections 4.7, 4.8 (Aug. 15, 2011).

that an offense for which a person is sentenced to more than one year in prison is a felony, and also said he has not been trained on how to identify felony convictions when reviewing a background check that does not specifically identify whether a conviction is a felony or misdemeanor.³⁶

The HR Director stated that when he reviewed Ms. Anderson-Watkins's background check, he recognized the inconsistency between the FBI report, which identified a prior conviction for Ms. Anderson-Watkins, and the Illinois State Police and HireRight reports, which found no convictions. The HR Director described this type of inconsistency as being very rare. Despite this rarity, however, he believed that he did not question Ms. Anderson-Watkins about the conviction because he could not be certain that the conviction was a felony. When asked whether it would have been in the best interest of the CTA to contact Ms. Anderson-Watkins for clarification about her prior conviction, the HR Director responded, "No . . . because [you] know, the employee can lie," and because he could not verify whether what the employee was saying was true, therefore "there is no true value in hearing their side of the story."

Finally, the HR Director stated that if he had known Ms. Anderson-Watkins was convicted of a felony and served 18 months in federal prison, he would have found the information "alarming" and would have checked her personnel file to see whether she reported the conviction and whether she had faked a medical illness during the time she was incarcerated.

VI. Analysis

A. Submitting Fraudulent Emergency Withdrawal Requests

The CTA General Rules prohibit the falsification of any written or verbal statements.³⁷ Ms. Anderson-Watkins and Mr. Watkins each received a copy of these rules in 1995, when they began working for the CTA.

The CTA 457 Deferred Compensation Plan Emergency Withdrawal Packet expressly states that any misrepresentations in an employee's emergency withdrawal request "may lead not only to rejection of your request but also disciplinary action, including termination." Ms. Anderson-Watkins also signed a certification on her July 25, 2011 and April 24, 2012 requests acknowledging that she understood that "any misrepresentation of facts or material omissions on the Emergency Withdrawal Application and Worksheet is sufficient cause for rejection of my application and/or disciplinary action up to and including termination, per the terms of my employment agreement with the Chicago Transit Authority."³⁸

1. Fraudulent Emergency Withdrawal Requests for Donnella Anderson-Watkins's 457 Account

³⁶ The HR Director said he was not aware that any conviction with a sentence of over one year was a felony conviction, and he did not know that "U.S.B.O.P." referred to the United States Bureau of Prisons. He also thought that because the FBI report identified "supervision or custody" by "U.S. Probation Chicago," it was possible that Ms. Anderson-Watkins did not serve any time in prison and instead was only placed on probation.

³⁷ CTA General Rule 14(j) (eff. Oct. 1, 1989).

³⁸ For all other emergency withdrawal requests reviewed during the course of this investigation, the certification either was not included on the emergency withdrawal form, or was included but was not signed.

Although Ms. Anderson-Watkins initially denied her misconduct, she eventually admitted that she submitted three emergency withdrawal requests, which were based on false information and supported by fraudulent documents, including:

- a July 25, 2011 request of \$6,000 for funeral expenses for her son, [REDACTED], who had not in fact died, and which was supported by a fraudulent death certificate, fraudulent funeral home invoice, and a tax return containing false information;
- an April 24, 2012 request of \$3,000 for funeral expenses for her son, [REDACTED], who had not in fact died, and which was supported by a fraudulent death certificate, fraudulent funeral home invoice, and a tax return containing false information; and
- an October 15, 2012 request of \$5,214 for eviction expenses prompted by her inability to work because her son, [REDACTED], was in the hospital with gunshot wounds in May 2012, when he was not in fact hospitalized at that time, and which was supported by fraudulent hospital documents.

Ms. Anderson-Watkins not only submitted these fraudulent documents, but she specifically admitted to creating the fraudulent death certificates and hospital documents. All three emergency withdrawal requests were granted and the Plan Administrator disbursed funds to Ms. Anderson-Watkins via check and wire transfer, based upon the false information and fraudulent documents. Ms. Anderson-Watkins acknowledged receiving these funds.

Accordingly, the allegation that Ms. Anderson-Watkins violated CTA policies by creating and submitting an emergency withdrawal request for her 457 account on July 25, 2011, which contained false written statements and misrepresentations, and was supported by fraudulent documents, is **FOUNDED**.³⁹

The allegation that Ms. Anderson-Watkins violated CTA policies by creating and submitting an emergency withdrawal request for her 457 account on April 24, 2012, which contained false written statements and misrepresentations, and was supported by fraudulent documents, is also **FOUNDED**.

Finally, the allegation that Ms. Anderson-Watkins violated CTA policies by creating and submitting an emergency withdrawal request for her 457 account on October 15, 2012, which contained false written statements and misrepresentations, and was supported by fraudulent documents, is **FOUNDED**.

2. Fraudulent Emergency Withdrawal Requests for Sammie Watkins's 457 Account

The investigation also revealed that there were three emergency withdrawal requests and supporting documents submitted to the Plan Administrator in Mr. Watkins's name. The emergency withdrawal requests were based on false information and supported by fraudulent

³⁹ In addition to violating CTA policy, because the emergency withdrawal requests and supporting documents were submitted via mail or wire, this conduct also may violate state and federal criminal laws.

documents, including:

- a May 27, 2011 request of \$13,000 for eviction, which was supported by fraudulent eviction documents and court documents;
- an August 26, 2011 request of \$12,403 for funeral expenses for the death of his son, [REDACTED], who Mr. Watkins's stated is in fact alive, and which was supported by a fraudulent death certificate and funeral home invoice; and
- an April 22, 2012 request of \$4,000 for lost wages because of a heart attack, when Mr. Watkins stated that he has never had a heart attack, and which was supported by fraudulent medical documents.⁴⁰

Two of the three emergency withdrawal requests purportedly submitted by Mr. Watkins were granted, and the Plan Administrator issued two checks to Mr. Watkins at his PO Box in Lansing, IL. The checks were endorsed in Mr. Watkins's name and deposited into Mr. Watkins's bank account. Although Mr. Watkins acknowledged that he receives mail at this PO Box and that he was the only person authorized to access his bank account, he nevertheless denied submitting the emergency withdrawal requests, said he did not recall receiving the money, and refused to answer further questions about the requests and deposits.

Despite Mr. Watkins's denials, the OEIG concludes that Mr. Watkins participated in the submission of the three fraudulent emergency withdrawal requests for his 457 account, in violation of CTA policies.

Accordingly, the allegation that Mr. Watkins violated CTA policies by participating in the submission of an emergency withdrawal request for his 457 account on May 27, 2011, which contained false written statements and misrepresentations, and was supported by fraudulent documents, is **FOUNDED**.⁴¹

The allegation that Mr. Watkins violated CTA policies by participating in the submission of an emergency withdrawal request for his 457 account on August 26, 2011, which contained false written statements and misrepresentations, and was supported by fraudulent documents, is also **FOUNDED**.

Finally, the allegation that Mr. Watkins violated CTA policies by participating in the submission of an emergency withdrawal request for his 457 account on April 22, 2012, which contained false written statements and misrepresentations, and was supported by fraudulent documents, is **FOUNDED**.

⁴⁰ Although the medical referral form was a valid document, the submission of this document in support of the claim that Mr. Watkins had experienced a heart attack was false and misleading because the services referenced in the referral were not related to a heart attack or heart attack symptoms.

⁴¹ In addition to violating CTA policy, because the emergency withdrawal requests and supporting documents were submitted via mail or wire, this conduct may also violate state and federal criminal laws.

3. Fraudulent Emergency Withdrawal Request for the Employee's 457 Account

In addition to the six emergency withdrawal requests submitted by Ms. Anderson-Watkins and Mr. Watkins, the May 26, 2012 emergency withdrawal request for \$18,000 submitted for the Employee's 457 account was also based on a false claim and supported with fraudulent documents. The Employee denied submitting this emergency withdrawal request, and correspondence between the Plan Administrator and the Employee confirms the Employee cancelled the request shortly after receiving notification of it and of the purported change of address for his 457 account. Accordingly, the OEIG concludes that the Employee did not submit the emergency withdrawal request.

The OEIG concludes, based on its investigation, that both Ms. Anderson-Watkins and Mr. Watkins participated in the fraudulent attempt to withdraw \$18,000 in deferred compensation funds from the Employee's 457 account.

First, Mr. Watkins called the Employee in May 2012 and suggested that the Employee request an emergency withdrawal from his 457 account by claiming that he was about to be evicted or that a family member, such as a child, had died.⁴² About nine days later, the Plan Administrator then received an \$18,000 emergency withdrawal request for the Employee's 457 account, which was based on the death of a fictitious child.

Second, the PO Box address listed on the emergency withdrawal request for the Employee's 457 account belongs to Ms. Anderson-Watkins and Mr. Watkins. The emergency withdrawal form directed the Plan Administrator to send the requested funds to this address.

Third, Ms. Anderson-Watkins stated that the telephone number listed on the emergency withdrawal request for the Employee's 457 account was her brother's former telephone number. Investigators found the number was associated with ■■■ Providence Drive, Matteson, IL. Mr. Watkins stated that he and Ms. Anderson-Watkins resided at ■■■ Providence Drive, Matteson, IL, at the time this emergency withdrawal request was submitted in May 2012. Ms. Anderson-Watkins also submitted supporting documents with her October 15, 2012 emergency withdrawal request identifying ■■■ Providence Drive, Matteson, IL, as her and Mr. Watkins's residence.

Fourth, the emergency withdrawal request for the Employee's 457 account contained the Employee's actual social security number. Ms. Anderson-Watkins had access to the Employee's social security number because she had previously prepared tax returns for him.

Fifth, there are numerous similarities between the false death certificate purportedly submitted by the Employee in support of the \$18,000 emergency withdrawal request, the false death certificates that Ms. Anderson-Watkins admitted to creating, and the false death certificate submitted with the August 26, 2011 request for Mr. Watkins's 457 account. Specifically, all four

⁴² The Employee's statements are supported by the fact that the OEIG was able to corroborate many of the statements he made during his interviews. The Employee stated: (1) Ms. Anderson-Watkins was convicted of tax fraud for filing fraudulent tax returns, which the OEIG confirmed was true; (2) Mr. Watkins said he had previously withdrawn funds from his own 457 account, which the OEIG confirmed was true; (3) Mr. Watkins called the Employee in May 2012, which was corroborated by a May 17, 2012 text message from Mr. Watkins asking the Employee to call him; and (4) Mr. Watkins asked to borrow money from the Employee, which was corroborated by Mr. Watkins's statement that he has asked to borrow money from the Employee before.

death certificates:

- were purportedly signed by the same doctor (the former Commissioner);
- used the same incorrect format; and
- contained the same registrar's seal and signature.

Moreover, the authentic death certificates for Ms. Anderson-Watkins's parents were also signed by the former Commissioner, and the death certificate for her father contains the same registrar's seal and signature. In addition, the [funeral home #2] Director's license number appears on the false death certificate purportedly submitted by the Employee, one of the false death certificates created by Ms. Anderson-Watkins, and both of the authentic death certificates for Ms. Anderson-Watkins's parents.

Finally, the emergency withdrawal request for the Employee's 457 account and Mr. Watkins's August 26, 2011 request both included a false invoice from [funeral home #2]. The [funeral home #2] Director explained that she was friends with Ms. Anderson-Watkins's family for years, and she performed funeral services for both of Ms. Anderson-Watkins's parents.

Despite denials by both Ms. Anderson-Watkins and Mr. Watkins, based on the investigation, the OEIG concludes that the allegation that Ms. Anderson-Watkins violated CTA policies by participating in the submission of an emergency withdrawal request for \$18,000 from the Employee's 457 account on May 26, 2012, which contained false written statements and misrepresentations, and was supported by fraudulent documents, is **FOUNDED**.

The allegation that Mr. Watkins violated CTA policies by participating in the submission of an emergency withdrawal request for \$18,000 from the Employee's 457 account on May 26, 2012, which contained false written statements and misrepresentations, and was supported by fraudulent documents, is also **FOUNDED**.

B. Failure to Cooperate with OEIG Investigation

Section 20-10(c) of the Ethics Act provides that the OEIG has jurisdiction over all employees of the Regional Transit Boards, which includes CTA employees.⁴³ Section 20-70 provides that every employee under the jurisdiction of the OEIG has a duty to cooperate with the OEIG in any investigation undertaken pursuant to the Ethics Act.⁴⁴ Failure to cooperate constitutes "grounds for disciplinary action, including dismissal."⁴⁵

Mr. Watkins clearly refused to cooperate with this investigation by refusing to answer questions during his interview. Moreover, even after being informed in writing of the consequences of refusing to cooperate, Mr. Watkins failed to contact the OEIG and reschedule his interview. Accordingly, the allegation that Mr. Watkins failed to cooperate with an OEIG investigation in violation of state law is **FOUNDED**.

⁴³ 5 ILCS 430/20-10(c).

⁴⁴ 5 ILCS 430/20-70.

⁴⁵ *Id.*

VII. Recommendations

After due investigation, the OEIG issues these findings:

- **FOUNDED**—Ms. Anderson-Watkins violated CTA policies by creating and submitting an emergency withdrawal request for her 457 account on July 25, 2011, which contained false written statements and misrepresentations, and was supported by fraudulent documents.
- **FOUNDED**—Ms. Anderson-Watkins violated CTA policies by creating and submitting an emergency withdrawal request for her 457 account on April 24, 2012, which contained false written statements and misrepresentations, and was supported by fraudulent documents.
- **FOUNDED**—Ms. Anderson-Watkins violated CTA policies by creating and submitting an emergency withdrawal request for her 457 account on October 15, 2012, which contained false written statements and misrepresentations, and was supported by fraudulent documents.
- **FOUNDED**—Mr. Watkins violated CTA policies by participating in the submission of an emergency withdrawal request for his 457 account on May 27, 2011, which contained false written statements and misrepresentations, and was supported by fraudulent documents.
- **FOUNDED**—Mr. Watkins violated CTA policies by participating in the submission of an emergency withdrawal request for his 457 account on August 26, 2011, which contained false written statements and misrepresentations, and was supported by fraudulent documents.
- **FOUNDED**—Mr. Watkins violated CTA policies by participating in the submission of an emergency withdrawal request for his 457 account on April 22, 2012, which contained false written statements and misrepresentations, and was supported by fraudulent documents.
- **FOUNDED**—Ms. Anderson-Watkins violated CTA policies by participating in the submission of an emergency withdrawal request for \$18,000 from the Employee's 457 account on May 26, 2012, which contained false written statements and misrepresentations, and was supported by fraudulent documents.
- **FOUNDED**—Mr. Watkins violated CTA policies by participating in the submission of an emergency withdrawal request for \$18,000 from the Employee's 457 account on May 26, 2012, which contained false written statements and misrepresentations, and was supported by fraudulent documents.
- **FOUNDED**—Mr. Watkins violated Section 20-70 of the Ethics Act by failing to cooperate with this OEIG investigation.

Based on these repeated violations of CTA policies over an extended period of time, and Mr. Watkins's failure to cooperate,⁴⁶ the OEIG recommends CTA terminate Ms. Anderson-Watkins and Mr. Watkins.

The OEIG also recommends that the CTA train all employees responsible for reviewing and approving background checks in how to read and decipher background checks, and how to identify felony convictions.

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

Date: **June 26, 2013**

Office of Executive Inspector General
for the Agencies of the Illinois Governor
69 W. Washington St., Suite 3400
Chicago, IL 60602

Kara Dunn
Assistant Inspector General #153

Edward Escamilla
Investigator #137

Kevin Wujciga
Investigator #106

⁴⁶ In light of the OEIG's recommendation of termination and criminal referrals based on other state and federal laws, the OEIG has chosen not to refer the finding of non-cooperation to the Office of the Illinois Attorney General.



Office of Executive Inspector General
for the Agencies of the Illinois Governor
www.inspectorgeneral.illinois.gov

OEIG RESPONSE FORM

Case Number: 12-02104

Return By: _____

Please check the box that applies. (Please attach additional materials, as necessary.)

We have implemented all of the OEIG recommendations. Please provide details as to actions taken:

We will implement all of the OEIG recommendations but will require additional time. We will report to OEIG within 60 days from the original return date.

We do not wish to implement any of the OEIG recommendations. Please provide details as to actions taken, if any, in response to OEIG recommendations:

Signature

Monica McMillan-Robinson
Print Name

Chicago Transit Authority, Acting Vice President Bus Ops
Print Agency and Job Title

July 11, 2013
Date



Office of Executive Inspector General
for the Agencies of the Illinois Governor
www.inspectorgeneral.illinois.gov

OEIG RESPONSE FORM

Case Number: 12-02104

Return By: _____

Please check the box that applies. (Please attach additional materials, as necessary.)

We have implemented all of the OEIG recommendations. Please provide details as to actions taken:

We will implement all of the OEIG recommendations but will require additional time. We will report to OEIG within 60 days from the original return date.

We do not wish to implement any of the OEIG recommendations. Please provide details as to actions taken, if any, in response to OEIG recommendations:

Signature

Omar A. Brown
Print Name

Chicago Transit Authority VP of HR
Print Agency and Job Title

July 11, 2013
Date



TO: Office of Executive Inspector General

FROM: Omar A. Brown
Vice President, Human Resources
Chicago Transit Authority

DATE: September 13, 2013

RE: **OEIG Case No. 12-2104 – FINAL REPORT
RESPONSE REQUIRED**

I. OEIG Recommendation for Termination

The above-referenced final report involves allegations of misconduct by former CTA Bus Operators Sammie Watkins and Donnell Anderson-Watkins.

Based on findings and recommendations in the OEIG's Final Report, CTA's Bus Operations Department initiated termination proceedings for Mr. Watkins and Ms. Anderson-Watkins. However, prior to the completion of the termination process, Mr. Watkins and Ms. Anderson-Watkins each resigned. Ms. Anderson-Watkins and Mr. Watkins' resignations became effective on July 16, 2013, and July 29, 2013, respectively.

The OEIG's final report has been placed in each employees' personnel files in order to prevent future consideration for rehire.

No further action will be taken on the matter, and CTA considers this issue closed.

II. OEIG Recommendation for Background Check Training

The OEIG found that Ms. Anderson-Watkins was convicted of a felony in 2006. A background check performed by CTA in 2010 included information regarding Ms. Anderson-Watkins' 2006 conviction. However, the conviction was not appropriately identified as a felony.

The OEIG recommended that CTA train all employees responsible for reviewing background checks. Accordingly, CTA's Human Resources (HR) Department has enlisted several companies/state agencies to perform training for staff members responsible for reviewing and approving criminal background check information on various materials regarding best practices for reading, deciphering, and understanding criminal records.

On August 7, 2013, HR personnel participated in an online training session provided by HireRight, CTA's background check vendor. The training focused on the skills that are required to navigate a criminal background report as well as assess the information contained therein. The training also explained the Fair Credit Reporting Act and transportation industry standards. On October 1, 2013, the Illinois State Police (ISP) will conduct an "in-house" training for HR personnel on the following topics: Illinois State Responses vs. FBI Responses, Fingerprint Quality, Understanding and Correcting errors, and How to Interpret a Rap sheet. This training will be conducted by

In mid-October (date TBD), Chicago-area law firm, _____ along with staff from _____ will host a seminar for HR personnel on the following topics: understanding the consequences and potential liabilities involved with obtaining criminal background information; identifying red flags for violations of Illinois and federal law; and, recognizing and understanding relevant factors when evaluating conviction information.

No further action will be taken on the matter, and CTA considers this issue closed.

III. CTA Response to Additional OEIG Findings

The OEIG's investigation found that Ms. Anderson-Watkins was incarcerated in 2006 as a result of a felony tax fraud conviction. Ms. Anderson-Watkins failed to report her felony conviction to the CTA. Additionally, Ms. Anderson-Watkins represented that she was unable to work due to a medical condition in order to conceal her incarceration from the CTA. It appears that Ms. Anderson-Watkins supported the false claims of short-term disability with fraudulent medical documents.

As a result of obtaining this information, CTA has subsequently filed a lawsuit against Ms. Anderson-Watkins for fraud. The case is currently pending in the Circuit Court of Cook County.

Please advise the CTA if additional information is required. This matter is, otherwise, considered closed.

cc: Doug Kucia
Karen Seimetz
David Kowalski
Monica McMillan-Robinson
Kevin Rakers
Jeffrey Hulbert
Rita Kapadia