IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

IN RE: IRINA KUSHNEROVA) OEIG Case #13-00561

OEIG FINAL REPORT (REDACTED)

Below is an amended 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 this amended 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 Irina Kushnerova at her last known address.

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

I. ALLEGATIONS

On March 14, 2013, the Office of Executive Inspector General ("OEIG") received a complaint alleging that Funeral Director Irina Kushnerova submitted "fraudulent claims for reimbursement of funeral expenses" to the Illinois Department of Human Services ("DHS") on behalf of individuals who were not entitled to reimbursement.[1] In addition, the complaint alleged that [unfounded allegations redacted][2].

After conducting its investigation, the OEIG concludes that Ms. Kushnerova submitted false claims for reimbursement to DHS on behalf of clients she knew were not entitled to reimbursement. As detailed below, the OEIG concludes that such conduct violated Illinois law governing funeral directors.

II. BACKGROUND

[1] [Redacted]
[2] [Redacted]

A. IDFPR Licensure Of Funeral Directors

Funeral directors in Illinois are licensed by IDFPR.[3] IDFPR is charged with overseeing funeral directors and may revoke or suspend a funeral director's license for various reasons, including, for example, untrustworthiness, engaging in unethical or unprofessional conduct, deceiving the public, and knowingly making false statements.[4]

B. Funeral Home Contracts And Life Insurance Policies

Funeral home clients may pre-pay for funeral and burial services. Funeral home directors who are also licensed life insurance agents may sell life insurance policies to clients wishing to pre-pay for future funeral and burial expenses. By purchasing a life insurance policy, a client is promised that certain future funeral and burial expenses will be paid for by an insurance company. When a client buys insurance, that client may also sign a "pre-need agreement," a type of contract, with a funeral home. This agreement details the specific funeral and burial services selected by a client that will later be provided by the funeral home.

C. DHS Funeral And Burial Reimbursement

DHS also has a Funeral and Burial Program that provides reimbursement of up to $1,655 for funeral and burial expenses to qualifying individuals.[5] To qualify for reimbursement, a claimant must submit a "Funeral and Burial Reimbursement Claim" form ("DHS reimbursement claim form")[6] to DHS and include, among other things, all relevant contracts or invoices detailing the funeral and burial expenses the claimant incurred, as well as which expenses were paid for, if any. To qualify for DHS reimbursement, a claimant must, among other things, have actually paid for funeral or burial services,[7] rather than using insurance proceeds to pay for the funeral.[8]

D. SCI And Lloyd Mandel Levayah Funerals

SCI is a network of funeral homes and cemetery providers that provide funeral, cremation, burial, and entombment services. Lloyd Mandel Levayah Funerals ("Levayah") is a funeral home that is owned and operated by SCI. At all relevant times, [Individual 1] was SCI's Market Director and responsible for funeral homes, including Levayah. At all relevant times, [Individual 2] was the Location Manager of Levayah.

E. Irina Kushnerova

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[3] *See* 225 ILCS 41/1-30.
[4] *Id.* at 1-30(2)-(4) and 15-75(b)(5)(19)(25).
[5] *See* https://www.dhs.state.il.us/page.aspx?item=30367 (last accessed June 22, 2015).
[6] The form is available at https://www.dhs.state.il.us/onenetlibrary/12/documents/Forms/IL444-0094.pdf and a copy is attached as Exhibit 1.
[7] DHS Policy Manual 22-06-03.
[8] *Id.* at 22-06-05.

Irina Kushnerova has been a funeral director licensed by IDFPR since October 12, 2001. Ms. Kushnerova has also been licensed as an insurance agent by the Illinois Department of Insurance (IDOI) since October 13, 2012.

Ms. Kushnerova was employed by Levayah from 1999 to May 11, 2012. As a funeral director, Ms. Kushnerova's duties included meeting with clients, making funeral and burial arrangements, directing funerals, and handling the billing aspects of funerals. At all relevant times, Ms. Kushnerova reported to [Individual 2], who reported to [Individual 1].

Ms. Kushnerova is currently employed as a Funeral Director and the President of IKARE Funerals, Inc., which has been incorporated since October 25, 2012.

III. INVESTIGATION

A. SCI's Termination Of Ms. Kushnerova

OEIG investigators learned that on March 29, 2012, a Levayah employee discovered that Ms. Kushnerova told a client she would obtain a funeral reimbursement from DHS for the client, and had assisted other members of the family with obtaining DHS reimbursements. [Individual 2] and SCI staff reviewed Ms. Kushnerova's files, including insurance contracts and DHS reimbursement claim forms, and found DHS forms seeking reimbursement for funeral expenses even though the clients had insurance.

According to [Individual 1] and [Individual 2], on May 11, 2012, they interviewed Ms. Kushnerova, who admitted to applying for DHS funeral and burial benefits for clients when she knew the clients were not entitled to receive reimbursement, and said she did so because she thought the clients needed the money. Levayah terminated Ms. Kushnerova on the day of her interview.

B. [REDACTED]

[The following section of approximately two pages is related to matters determined to be unfounded. The Commission is exercising its authority pursuant to 5 ILCS 430/20-52 to redact it.]

1. [Redacted]

2. [Redacted]

C. OEIG Review Of Ms. Kushnerova's Client Files, Insurance Contracts, And Burial Reimbursement Claim Forms

Given the allegation that Ms. Kushnerova completed and submitted DHS reimbursement claim forms on behalf of clients she knew were not entitled to reimbursement, investigators obtained all of Ms. Kushnerova's 2011 and 2012 client files from the funeral home—

approximately 100 files. Investigators identified 24 files that contained documents indicating that Ms. Kushnerova may have sold insurance policies to those clients. For each of the 24 clients, investigators obtained and reviewed the following documents:

- insurance funded pre-need agreements signed by Ms. Kushnerova reflecting the funeral and burial services selected prior to the insured's death;
- enrollment forms for insurance signed by Ms. Kushnerova reflecting the policy amount and that Ms. Kushnerova was the agent who sold the insurance policy;
- at-need agreements signed by Ms. Kushnerova reflecting the funeral and burial services provided after the insured's death;
- comparison worksheets completed by Ms. Kushnerova reflecting the difference in the funeral and burial services selected in the pre-need and at-need agreements, and the price difference of same;
- funeral home claim forms directing an insurance company to pay the funeral home directly for funeral and burial services rendered;
- documents reflecting payments made to an insurance company in order to fund insurance policies;
- DHS reimbursement claim forms submitted to DHS;
- death certificates of the insureds/decedents;
- Statements of Goods and Services Selected signed by Ms. Kushnerova falsely reflecting that the claimant—not the insurance company—paid for the funeral and burial services; and
- documents showing whether and how much DHS reimbursed claimants.

A review of these 24 cases revealed that DHS reimbursement claim forms were submitted for all of them.[9] Further, investigators discovered that 22 clients were not entitled to reimbursement because they had pre-need agreements and insurance policies that paid for funeral and burial services, or were only entitled to partial reimbursements.[10] In total, DHS paid more than $30,000 to clients who were not entitled to reimbursement. DHS reimbursed these clients because the claim forms omitted the fact that funeral and burial expenses had already been paid by insurance.[11] Further, Ms. Kushnerova attached a "Statement of Goods and Services

[9] During her OEIG interview, Ms. Kushnerova said that she used Levayah envelopes to mail funeral and burial reimbursement claim forms to DHS.

[10] Two clients were entitled to the reimbursements they received, and some clients were entitled to partial reimbursements because their insurance policies covered or paid for less than the amount that DHS may reimburse.

[11] An example of such a claim form is attached as Exhibit 2.

Selected," which appeared to be an invoice, to the DHS claim reimbursement forms, which falsely stated that individuals—not insurance—paid for the funeral and burial expenses.[12]

Investigators also obtained records from American Memorial Life Insurance Company (AMLIC) and SCI reflecting that Ms. Kushnerova received insurance commissions for 11 of the 22 individuals, totaling $1,221.14.

The chart below summarizes the documentation obtained and reviewed by the OEIG, as well as the amounts DHS overpaid to clients.

Individual	**Insurance Contract Sold By Kushnerova**	**Commission Paid to Kushnerova**	**DHS Reimbursement Claim Form Submitted**	**Invoice signed by Kushnerova Omitting Insurance Benefits**	**DHS Overpayment**
F.G.	Yes	$0.00	Yes	Yes	$0.00
G.Z.	Yes	$40.51	Yes	Yes	$1,143.00
T.M.	Yes	$0.00	Yes	Yes	$1,236.00
Lia G.	Yes	$0.00	Yes	Yes	$0.00
A.G.	Yes	$0.00	Yes	Yes	$1,485.00
I.V.	Yes	$0.00	Yes	Yes	$83.40
Y.A.	Yes	$19.67	Yes	Yes	$1,186.00
Liza G.	Yes	$178.91	Yes	Yes	$1,655.00
B.S.	Yes	$426.69	Yes	Yes	$1,655.00
F.B.	Yes	$74.94	Yes	Yes	$1,655.00
M.V.	Yes	$113.47	Yes	Yes	$1,655.00
N.V.	Yes	$0.00	Yes	Yes	$1,655.00
M.B.	Yes	$0.00	Yes	Yes	$1,655.00
I.G.	Yes	$0.00	Yes	Yes	$1,655.00
Y.K.	Yes	$109.02	Yes	Yes	$1,655.00
N.R.	Yes	$0.00	Yes	Yes	$1,655.00
A.K.	Yes	$0.00	Yes	Yes	$1,212.00
A.D.	Yes	$52.66	Yes	Yes	$1,410.00
L.L.	Yes	$110.40	Yes	Yes	$1,655.00
L.R.	Yes	$71.91	Yes	Yes	$1,655.00
Y.L.K.	Yes	$22.96	Yes	Yes	$1,655.00
L.K.	Yes	$0.00	Yes	Yes	$1,655.00
Y.S.	Yes	$0.00	Yes	Yes	$1,655.00
R.M.	Yes	$0.00	Yes	Yes	$1,655.00
		$1,221.14			**$32,580.40**

D. Interviews Of SCI Market Director [Individual 1]

[12] An example of a false invoice is attached as Exhibit 3.

Investigators interviewed SCI Market Director [Individual 1] on multiple occasions. [Individual 1] explained that generally, a client, if financially qualified, could receive a DHS funeral reimbursement if the client did not have a pre-need agreement or insurance policy. [Individual 1] stated Ms. Kushnerova would have known if a family had an insurance policy that paid for funeral and burial expenses.

[Individual 1] stated that in 2012, [Individual 2] informed him that the family of a Levayah client said they were not reimbursed by DHS, as promised by Ms. Kushnerova. [Individual 1] stated that [Individual 2] reviewed the client's file, which revealed that the client had an insurance policy through AMLIC and thus, the client's family was not entitled to reimbursement because the insurance company—not the client—paid for the funeral and burial expenses. [Individual 1] stated that he then directed [Individual 2] to review Ms. Kushnerova's client files.

[Individual 1] stated that on May 11, 2012, he and [Individual 2] interviewed Ms. Kushnerova, who:

- admitted she completed and submitted DHS reimbursement claim forms on behalf of clients she knew were not entitled because she thought they needed the money;
- admitted telling clients not to return money they received from DHS;
- denied benefitting in any way or receiving a kickback; and
- stated that when she was unavailable, fellow Levayah Funeral Director [Individual 3] would have clients sign blank DHS reimbursement claim forms that she would later complete and submit to DHS.[13]

[Individual 1] stated that he terminated Ms. Kushnerova's employment after the interview.

E. Interview Of SCI General Manager [Individual 2]

On December 12, 2013, investigators interviewed SCI General Manager [Individual 2]. [Individual 2] stated that as General Manager of four funeral homes, including Levayah, he oversaw the day-to-day operations of the funeral homes.

1. "Statement of Goods and Services" created by Ms. Kushnerova

Investigators presented [Individual 2] with a document titled "Statement of Goods and Services." [Individual 2] stated that he was not familiar with the document and it was neither an official Levayah document, nor on Levayah's official letterhead. [Individual 2] stated that although Ms. Kushnerova had created documents like this to aid families with understanding the

[13] The OEIG obtained [Individual 1's] notes from the interview, which corroborated his statements regarding Ms. Kushnerova's admissions. The interview notes do not mention anything about [Individual 3]. The OEIG also interviewed [Individual 2], who confirmed that these were Ms. Kushnerova's statements she made in the interview.

cost of the funeral goods and services rendered, Ms. Kushnerova should not have created her own invoice; rather, that should have been produced by Levayah's administrative personnel.

2. DHS Reimbursement Claim Forms

[Individual 2] stated that clients are not entitled to DHS reimbursement when there is a pre-need agreement. [Individual 2] stated that he instructed all of his funeral directors, including Ms. Kushnerova, that they may only inform clients about the benefit, that they may be eligible for reimbursement, and that they may provide such clients with supporting purchase agreements and receipts, but are not permitted to submit DHS reimbursement claim forms because SCI did not want to bear any responsibility in the event an issue arose. In addition, [Individual 2] stated that he had approximately three personal meetings with Ms. Kushnerova regarding DHS reimbursement claims because he was told by Levayah personnel that clients were asking about the status of their reimbursement. [Individual 2] stated that he instructed Ms. Kushnerova to refrain from preparing and submitting DHS reimbursement claim forms on behalf of clients. [Individual 2] stated that during these earlier meetings, Ms. Kushnerova denied preparing and submitting DHS reimbursement claim forms on behalf of clients.[14]

F. Interview Of Former Levayah Funeral Director [Individual 3]

On September 16, 2014, investigators interviewed former Levayah Funeral Director [Individual 3], who said he worked at Levayah for 18 years and retired on February 26, 2014. [Individual 3] stated that he did not complete DHS reimbursement claim forms on behalf of families. [Individual 3] said that on rare occasions, when Ms. Kushnerova was out of the office, at her request, he would have clients sign a blank form and then give it to Ms. Kushnerova. Investigators presented [Individual 3] with a document entitled "Statement of Goods and Services." [Individual 3] reviewed the document and stated that he had never seen a statement like it before and that it is not an official Levayah document.

G. Interview Of DHS Funeral And Burial Unit Supervisor [Employee 3]

On August 27, 2013, investigators interviewed DHS Funeral and Burial Unit Supervisor [Employee 3]. [Employee 3] stated that she approves DHS reimbursement claim forms based on eligibility. [Employee 3] stated that the purpose of the Funeral and Burial Unit is to provide financial assistance to families of decedents who, at the time of death, were public aid recipients.

Investigators presented [Employee 3] with a blank DHS reimbursement claim form. [Employee 3] explained that lines 19 through 22 on the form are used to identify contributions, such as insurance payouts, that offset funeral and burial costs. [Employee 3] stated that the form specifically states that a claimant must submit "copies of contracts, purchase records, and receipts, show amounts paid, the payor, and the payee." [Employee 3] stated that when a decedent has a pre-need agreement, the claimant must also submit a copy of it.

[14] [Individual 2] stated that he also interviewed [Individual 3], who denied having families sign reimbursement claim forms, unless they were eligible for reimbursement.

[Employee 3] said there is no way for DHS to know if a decedent had a life insurance policy if the decedent does not disclose that information to DHS. [Employee 3] said that if the paperwork submitted to DHS contains no evidence of life insurance, she assumes that none exists. [Employee 3] said that DHS does not have adequate staff to conduct research to verify whether the information provided on each claim for reimbursement is accurate.

H. Interview Of Funeral Director Irina Kushnerova

On March 25, 2015, investigators interviewed former Levayah Funeral Director Irina Kushnerova. Ms. Kushnerova said she currently owns IKARE Funerals Inc., arranged approximately 40 funerals over the past year, and last arranged a funeral on March 24, 2015.

1. Employment Duties as Funeral Director at Levayah

Ms. Kushnerova stated that as a funeral director at Levayah, she met with families, arranged funerals, paid bills, and received payments from individuals and insurance companies. Ms. Kushnerova said she also sold pre-need agreements funded through AMLIC insurance policies. Ms. Kushnerova said she received a commission for each insurance policy she sold, and AMLIC would pay the funeral home directly for everything selected on a pre-need agreement. Ms. Kushnerova said she knew when AMLIC paid Levayah because a secretary would mention it to her, she would see a record of the payment in a client's file, or a client might inform her he/she had an insurance policy through AMLIC.

2. DHS Reimbursement Claim Forms

Ms. Kushnerova stated that she informed clients that DHS could reimburse them for funeral and burial services, but would not explain who qualified for reimbursement, because she did not know who qualified and it was not her job to know. Ms. Kushnerova stated she provided clients with the DHS reimbursement claim form, verbally translated the form, and allowed clients to fill out the form or would fill it out for the client with information provided by the client. When asked about the "Death Benefits" block on the form, Ms. Kushnerova said she did not understand what death benefits were, but now understands that insurance proceeds are death benefits.[15]

Ms. Kushnerova stated that once a DHS reimbursement claim form was complete, she mailed the form to DHS with a copy of the death certificate, receipt from the cemetery, and a Statement of Good and Services. Ms. Kushnerova stated she would not send a copy of the pre-need agreement to DHS. Ms. Kushnerova stated that the Statement of Good and Services was a form created by another employee on official Levayah letterhead that she would fill out and list the services selected and the amount paid by the claimant.

3. Levayah Decedent G.Z.

[15] Ms. Kushnerova acknowledged that an internal Levayah worksheet documenting costs and payments on a family's account that she or staff would prepare sometimes listed insurance payments as a "death benefit."

Investigators showed Ms. Kushnerova documents from Levayah and AMLIC related to G.Z., a decedent for whom she arranged funeral and burial services. After reviewing these documents, Ms. Kushnerova acknowledged, among other things:

- she sold and signed an insurance policy requiring AMLIC to pay $2,000 for the funeral and burial services;
- she signed and submitted a claim form to AMLIC informing the company of G.Z.'s death so that AMLIC would pay $2,005 for the funeral and burial services;
- it is possible she prepared a DHS reimbursement claim form for G.Z. based on information provided to her by the claimant;
- the completed DHS reimbursement claim form does not list any death benefits; and
- she used Levayah envelopes to mail the claim form to DHS on behalf of the claimant.

Investigators also showed Ms. Kushnerova a "Statement of Goods and Services Selected" document that she attached to the DHS reimbursement claim form. Ms. Kushnerova said the document was on official Levayah letterhead, but she could not explain why it was different than a copy of official Levayah letterhead provided to investigators by Levayah.

Ms. Kushnerova said the statement reflects the goods and services selected for G.Z.'s funeral and burial, and she prepared the document by copying information into a form. Ms. Kushnerova acknowledged that the statement does not reflect the amount paid by AMLIC, nor the additional amount paid by the claimant. Ms. Kushnerova acknowledged that the statement reflects that the total amount of the funeral and burial services was paid by in full by the claimant, M.G. When investigators asked Ms. Kushnerova if the statement is false, she stated "***I won't answer that.***" When investigators asked Ms. Kushnerova if the statement that M.G. paid the full amount was true, Ms. Kushnerova:

- ***admitted that M.G. did not pay the total amount; and***
- ***admitted that she knew at the time she prepared the statement that M.G. did not pay the full amount and that G.Z. had an AMLIC insurance policy.***

Ms. Kushnerova denied creating the statement so that M.G. would receive reimbursement from DHS and said the purpose of the statement was to show that the funeral home was paid. When investigators asked Ms. Kushnerova why she did not list the other sources of payment on the statement, Ms. Kushnerova stated that she had no way of knowing the origin of the money that funded the insurance policy, or other payments on G.Z.'s account.

4. Other Clients

Ms. Kushnerova said she prepared other documents like the Statement of Goods and Services Selected she prepared for G.Z for other clients, and that ***those documents contained***

inaccurate or false information. Ms. Kushnerova said she did not know how many times she prepared such documents. Investigators informed Ms. Kushnerova that the OEIG had files containing documents similar to those discussed above for G.Z. for an additional twenty clients that she served, including other Statements of Goods and Services like G.Z.'s. Investigators asked Ms. Kushnerova if those files might contain inaccurate or false information, similar to G.Z.'s statement, and Ms. Kushnerova said "yes, it's possible." Investigators asked Ms. Kushnerova if she would like to review the files; Ms. Kushnerova said she did not. Ms. Kushnerova said she only wrote what her clients told her to write and did not know if services were paid for by insurance.

5. Ms. Kushnerova's Termination from SCI

Ms. Kushnerova stated [Individual 1] and [Individual 2] confronted her in 2012 about submitting DHS reimbursement claim forms on behalf of clients that were not entitled to reimbursement. Ms. Kushnerova said she did not recall if she told [Individual 1] that she submitted claims on behalf of families who were not entitled because she thought the families needed the money, but may have said many things during the 2012 interview "out of spite."

6. [redacted]

[redacted]

7. Additional Statements by Ms. Kushnerova

At the conclusion of the interview, Ms. Kushnerova's attorney, [Attorney], made additional statements on Ms. Kushnerova's behalf. [Attorney] stated SCI used the allegation that Ms. Kushnerova was submitting DHS reimbursement claim forms on behalf of clients that were not entitled to reimbursement as an excuse to terminate Ms. Kushnerova in retaliation for filing a grievance against SCI. [Attorney] stated that [Individual 2] and SCI staff regularly reviewed Ms. Kushnerova's funeral home files, "they knew what she was doing," and never told her she was doing anything wrong until she filed a grievance. [Attorney] added that there was no way for Ms. Kushnerova to know who actually funded G.Z.'s AMLIC insurance policy. [Attorney] stated that Ms. Kushnerova would also not know if DHS actually reimbursed families, and that Ms. Kushnerova had nothing to gain. Ms. Kushnerova said she agreed with [Attorney's] statements.

IV. ANALYSIS

A. Irina Kushnerova Violated the Funeral Directors and Embalmers Licensing Code

The Funeral Directors and Embalmers Licensing Code, among other things, prohibits funeral directors from taking actions that would constitute untrustworthiness,[16] from engaging in conduct "of a character likely to deceive, defraud or harm the public,"[17] and from knowingly making false statements "of a character likely to influence, persuade or induce others in the course of performing professional services or activities."[18]

The OEIG's investigation revealed that on at least 22 occasions, Ms. Kushnerova signed pre-need contracts and sold insurance from AMLIC that would cover the cost of a funeral and burial service. On many of those occasions, she received a commission for selling the insurance policy. After funeral and burial services were provided, Ms. Kushnerova created and signed a Statement of Goods and Services, which was essentially an invoice, that falsely stated an individual paid for funeral and burial services when, in fact, AMLIC had paid for the services. Ms. Kushnerova would have known that AMLIC paid for services because she sold the very insurance policies that paid for the services.

She then assisted clients in filling out DHS reimbursement claim forms, attached the false invoices to the claim forms, and mailed the claims to DHS. By not advising clients that insurance benefits should be included on the DHS reimbursement claim forms, and then attaching an invoice that falsely stated that an individual had paid for funeral and burial services, Ms. Kushnerova provided false information to DHS that was designed to mislead DHS into believing that the claimant paid for funeral and burial expenses when the claimant had not. By doing so, the claimant was more likely to receive reimbursement from DHS. In other words, by creating and attaching the false invoice to claims for reimbursement and mailing those documents to DHS, Ms. Kushnerova misled DHS about who paid for funeral and burial services and what amount, if any, the claimant should receive as a reimbursement. As a result of her actions, DHS paid more than $30,000 to 22 individuals who were not entitled to reimbursement.

Indeed, during her OEIG interview, Ms. Kushnerova admitted that she created and submitted to DHS an invoice reflecting that M.G. paid for G.Z.'s funeral and burial services, even though she knew that M.G. did not pay for the full amount of services because G.Z. had an insurance policy through AMLIC, which paid for said services. Ms. Kushnerova further admitted that she prepared documents containing inaccurate or false information, such as the M.G. invoice, for other individuals. Ms. Kushnerova declined to review the OEIG's documents with respect to other individuals, and instead, said that "it's possible" the documents contained false information similar to M.G.'s invoice. As previously detailed, the OEIG's review of the documents confirms that Ms. Kushnerova created false invoices and then submitted those invoices with DHS reimbursement claim forms to DHS for at least 22 individuals.

Ms. Kushnerova denied creating the invoices so that claimants would receive reimbursement from DHS, and claimed she created the invoices simply to show that there had been payment for services. The OEIG does not find this explanation credible. First, [Individual 1], [Individual 2], and [Individual 3] all reviewed the Statements of Goods and Services, or invoices, that Ms. Kushnerova created and said those invoices were not official documents and

[16] 225 ILCS 41/15-75(b)(5).
[17] *Id.* at 15-75(b)(19).
[18] *Id.* at 15-75(b)(25).

they had never seen a document like that before. This indicates that Ms. Kushnerova likely created the invoices, containing false information, to appear as if they were official funeral home documents. Regardless, even if the invoices were official funeral home documents, as Ms. Kushnerova said they were, they served no purpose other than to mislead DHS in evaluating eligibility for reimbursement. Although Ms. Kushnerova said the invoices documented that funeral services were paid for, other documents in clients' files already documented this fact, and the invoices Ms. Kushnerova created falsely documented who paid for the services by incorrectly stating that individuals, instead of insurance, paid for services.

Ms. Kushnerova also said that she did not know who actually paid for insurance policies. This is irrelevant—who actually paid for the insurance policies does not change the fact that insurance ultimately paid for the cost of services, and that Ms. Kushnerova was aware of and intentionally obscured that fact. For example, the documents in G.Z.'s file show that Ms. Kushnerova was aware that funeral services were paid for by the insurance company, as she signed and submitted a claim to AMLIC so that AMLIC could pay for the services, then signed a pre-need agreement documenting that AMLIC paid for the funeral. Ms. Kushnerova was therefore aware that services were paid for by insurance, not an individual.

In addition, Ms. Kushnerova claimed that she never understood DHS' policies regarding reimbursement, and had no way of knowing whether claimants would be reimbursed. Again, Ms. Kushnerova's explanation is not credible. She repeatedly and knowingly created false invoices that served no purpose other than to mislead DHS by falsely attributing payment to individuals, not insurance companies, which indicates she had some knowledge of who was eligible for reimbursement. Further, [Individual 1] and [Individual 2] said Ms. Kushnerova admitted to them that she submitted claims for reimbursement to DHS for claimants she knew were not entitled to reimbursement because they needed the money. Notes from their interview of Ms. Kushnerova confirm their statements to the OEIG, and the OEIG finds [Individual 1] and [Individual 2] credible. Moreover, whether DHS actually reimbursed the claimants does not change or excuse the fact that Ms. Kushnerova created false invoices and submitted them to DHS.

Finally, Ms. Kushnerova claimed that Levayah was aware that she submitted claims for reimbursement to DHS, never told her she had done anything wrong, and used this matter as an excuse to fire her over a labor dispute. Even if this was true, this does not excuse the fact that Ms. Kushnerova's conduct broke the law.

Thus, the allegation that Ms. Kushnerova violated 225 ILCS 41/15-75(b)(5) by acting in an untrustworthy manner in the practice of funeral directing when she created false invoices on at least 22 occasions and submitted them to DHS as part of DHS funeral and burial reimbursement claims is **FOUNDED.**[19]

Similarly, the allegation the Ms. Kushnerova violated 225 ILCS 41/15-75(b)(19) when she engaged in dishonorable, unethical, and unprofessional conduct of a character likely to

[19] The OEIG concludes that an allegation is "founded" when it has determined that there is reasonable cause to believe that a violation of law or policy has occurred, or that there has been fraud, waste, mismanagement, misconduct, nonfeasance, misfeasance, or malfeasance.

deceive, defraud, or harm the public when she created false invoices on at least 22 occasions and submitted them to DHS as part of DHS funeral and burial reimbursement claims is **FOUNDED.**

Finally, the allegation that Ms. Kushnerova violated 225 ILCS 41/15-75(b)(25) when she knowingly made false statements of a character likely to influence, persuade or induce DHS to provide reimbursements for funeral services when she created false invoices on at least 22 occasions and submitted them to DHS as part of DHS funeral and burial reimbursement claims is **FOUNDED.**

B. [Redacted]

[This section, consisting of two paragraphs, is related to matters determined to be unfounded. The Commission is exercising its authority pursuant to 5 ILCS 430/20-52 to redact it.][20]

V. CONCLUSIONS AND RECOMMENDATIONS

Following due investigation, the OEIG issues these findings:

- **FOUNDED** – Irina Kushnerova violated 225 ILCS 41/15-75(b)(5) by acting in an untrustworthy manner in the practice of funeral directing when she created false invoices on at least 22 occasions and submitted them to DHS as part of DHS funeral and burial reimbursement claims.

- **FOUNDED** – Irina Kushnerova violated 225 ILCS 41/15-75(b)(19) when she engaged in dishonorable, unethical, and unprofessional conduct of a character likely to deceive, defraud, or harm the public when she created false invoices on at least 22 occasions and submitted them to DHS as part of DHS funeral and burial reimbursement claims.

- **FOUNDED** – Irina Kushnerova violated 225 ILCS 41/15-75(b)(25) when she knowingly made false statements of a character likely to influence, persuade or induce DHS to provide reimbursements for funeral services when she created false invoices on at least 22 occasions and submitted them to DHS as part of DHS funeral and burial reimbursement claims.

- **UNFOUNDED** – [Redacted].

[redacted] The above findings reveal that Ms. Kushnerova did, in fact, engage in repeated, intentional, and serious misconduct. The OEIG therefore recommends that IDFPR:

1. review the OEIG's investigation;

[20] [Redacted].

2. revoke Ms. Kushnerova's funeral director's license;[21] and

3. remind licensed funeral directors about rules relating to DHS reimbursement claim forms.

In addition, because DHS funds were improperly disbursed, the OEIG recommends that DHS recoup the $32,580.40 in improperly disbursed funds and take whatever actions it deems appropriate to prevent fraud in the administration of its funeral and burial reimbursement program.

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

Date: **September 24, 2015**

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

By: **Joshua I. Grant**
Deputy Inspector General

Tara M. Grimm
Assistant Inspector General

Edward Escamilla
Supervising Investigator #137

[21] The OEIG notes that the acts detailed in this report do not fall outside of IDFPR's five-year statute of limitations. *See* 225 ILCS 41/15-75(d).

October 20, 2015

Via e-mail to Fallon Opperman, Deputy Inspector General and Chief of Chicago Division, on behalf of:
Maggie Hickey
Executive Inspector General
Office of the Executive Inspector General for the Agencies of the Illinois Governor
69 West Washington Street, Suite 3400
Chicago, Illinois 60602

RE: Response to the Final Report for Complaint 13-00561

Dear Executive Inspector General Hickey:

This letter responds to the Final Report for Complaint Number 13-00561, attached. The Final Report contains many allegations. In relevant part to the Department of Human Services (DHS), it indicates numerous overpayments in DHS' funeral and burial reimbursement program. It concludes by making two recommendations to DHS, namely to recoup funds improperly disbursed and to improve the program to prevent future fraud.

Steps are being taken by DHS to recover the funds improperly disbursed as described in the Report. As a first step, the evidentiary materials supplied by your office are being reviewed to obtain the full names of those who improperly received payments. As you may know, the recovery process could take quite some time, perhaps even years. As a result, DHS does not plan to update your office regarding the recoveries as the process moves along. If your office would like an update, please contact Robert J. Grindle, DHS' Ethics Officer.

Regarding the second recommendation, as you know, DHS is committed to combating fraud wherever possible. That specific program, however, is based on self-reporting and no national database exists regarding life insurance purchases or funeral pre-payments. As a result, DHS requests a meeting with staff from your office to better understand how the information regarding these overpayments was uncovered. Through this meeting, perhaps a method to uncover and thwart such fraud can be found. The contact person for such a

meeting is Leslie Cully, Bureau Chief, Bureau of Local Office Transactions & Support Services, who can be reached at 217-524-9156. In addition, please keep Mr. Grindle informed of the meeting details.

If you have any questions, please feel free to contact Mr. Grindle.

Regards,

James T. Dimas
Secretary-designate

Illinois Department of Financial and Professional Regulation

Office of Legal Affairs

BRUCE RAUNER
Governor

BRYAN A. SCHNEIDER
Secretary

Jessica Baer
General Counsel

October 21, 2015

Fallon Opperman
Deputy Inspector General
Office of the Executive Inspector General

Re: OEIG 2013-00561

Dear Deputy Inspector Opperman:

I received a copy of the OEIG Case Summary for 2013-00561 from Secretary Bryan Schneider recommending that Ms. Kushnerova's Funeral Director and Embalmer license be revoked.

IDFPR investigated and prosecuted a similar complaint involving DHS under IDFPR case# 2012-05675. REDACTED As the REDACTED is non-public and not subject to FOIA, I kindly ask that you redact that information from your summary should it be disseminated to any person or entity outside of your agency.

Another matter is currently pending at the Department under IDFPR case #2015-01570. The initial complaint was filed with the IDFPR Complaint Intake Unit on February 23, 2015. On March 5, 2015, the matter was assigned to an investigator. The investigation was completed on September 14, 2015, reviewed by a supervisor and referred to the General Prosecutions Unit on September 24, 2015. A staff attorney in prosecutions was assigned to the case on September 30, 2015.

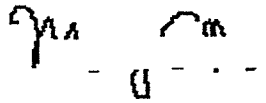
The current case alleges violations of several portions of the Funeral Directors and Embalmers Act including, 225 ILCS 41/15-75 (b)(3), (7), (9), (18), (19), (22), (26), (31), and (34). This statute and accompanying rules will control what discipline is appropriate.

Licensees are afforded due process and this case will proceed accordingly. The case has been assigned to a staff attorney for approximately 2 weeks; therefore, it is premature to provide a response using the choices on the Agency or Ultimate Jurisdictional Authority Response Form.

In addition, it is my opinion that it would be inappropriate to consider OEIG recommendations on a pending prosecution. The Department is bound by precedent and procedural due process. When determining the appropriate sanction statutory mitigating and aggravating factors must be considered and weighed. The IDFPR enforcement manual indicates that IDFPR staff should be careful that their search for facts is not obscured or influenced by the origin of a complaint. Therefore, I have not shared your report with the staff attorney assigned to the case.

I will monitor the progress of the case and keep you apprised of any significant developments as they occur. At a minimum, I will provide an update in 90 days.

Very truly yours,



Mary Catherine Marubio
Ethics Officer

Illinois Department of Financial and Professional Regulation

Office of Legal Affairs

BRUCE RAUNER
Governor

BRYAN A. SCHNEIDER
Secretary

Jessica Baer
General Counsel

July 6, 2016

Fallon Opperman
Deputy Inspector General
Office of the Executive Inspector General

Re: OEIG 2013-00561 Kushnerova

Dear Deputy Inspector Opperman:

This letter is a follow-up to the October 21, 2015 letter of then Ethics Officer, Mary Catherine Marubio. As Ms. Marubio indicated in her previous letter, the Department had a then pending case referred from investigations to prosecutions. That matter has now resolved in a Consent Order, copy attached, in which Irina Kushnerova's funeral director and embalmer license number 034-015754 was suspended for 30 months and fined $10,000.

Sincerely,

Susan J. Gold
Senior Deputy General Counsel and
Ethics Officer

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF PROFESSIONAL REGULATION

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION of the State of Illinois, Complainant	)	
IRINA KUSHNEROVA License No. 034.015754 Applicant	)	No. 201501570

CONSENT ORDER

The Department of Financial and Professional Regulation by Diane M. Para, one of its attorneys, and Respondent, Irina Kushnerova, by and through her attorney, Stephanie A. Wolfson agree:

STIPULATIONS

Respondent is the holder of a Certificate of Registration License No. 034.015754 to practice as Funeral Director and Embalmer in the State of Illinois. At all times material to the matter set forth in this Consent Order, the Department of Financial and Professional Regulation of the State of Illinois has jurisdiction over the subject matter and parties herein.

It is alleged that Respondent created false invoices and submitted them to the Illinois Department of Human Services on multiple occasions as part of said Department's funeral and burial reimbursement claims. Additionally, Respondent signed a client's name to documents without proper legal authorization to do so.

The allegations as set forth herein, if proven to be true, would constitute grounds for the Department to discipline Respondent's Certificate of Registration to practice as a Funeral Director and Embalmer in the State of Illinois on the authority of 225 ILCS 41/15-75(b)(5) 41/15-75(b)(19) and 41/15-75(b)(25) (2015).

As a result of the foregoing allegation(s), the Department held a Disciplinary Conference at its offices located at 100 West Randolph Street, Suite 9-300, Chicago, Illinois on January 26, 2016. Respondent appeared in person on that date and was represented by Stephanie A. Wolfson. Diane M. Para and Araceli R. De La Cruz, Chief of General Prosecutions, appeared as attorneys for the Department, and Mark A. Rizzo appeared as chairman of the Illinois Funeral Directors and Embalmers Licensing and Disciplinary Board.

Respondent has been advised of the right to have the pending allegations reduced to written charges, the right to a hearing, the right to contest any charges brought, and the right to administrative review of any Order resulting from a hearing. Respondent knowingly waives each of these rights, as well as any right to administrative review of this Consent Order.

Respondent accepts the following terms and conditions for purposes of this Consent Order.

Respondent and the Department have agreed, in order to resolve this matter, that Respondent be permitted to enter into a Consent Order with the Department, providing for the imposition of disciplinary measures which are fair and equitable in the circumstances and which are consistent with the best interests of the People of the State of Illinois.

CONDITIONS

WHEREFORE, the Department, through Diane M. Para, one of its attorneys, and Respondent, Irina Kushnerova, by and through her attorney, Stephanie A. Wolfson, agree:

A. Respondent's license to practice as a Funeral Director and Embalmer in the State of Illinois is suspended for a period of thirty (30) months.

B. Respondent shall not practice or otherwise hold herself out as a Funeral Director and Embalmer while her license is suspended.

C. Respondent shall pay a fine in the amount of Ten Thousand Dollars ($10,000.00) to be remitted in the following manner: the first installment in the amount of Five Thousand Dollars ($5,000.00) shall be remitted within ninety (90) days of the effective date of this Consent Order. The second and final installment in the amount of Five Thousand Dollars ($5,000.00) shall be remitted one hundred eighty (180) days from the effective date of this Consent Order. All fine installments shall be submitted to the Illinois Department of Financial and Professional Regulation, 320 West Washington, Springfield, Illinois 62786, Attention: Fiscal Unit. The checks or money orders shall be made payable to the Illinois Department of Financial and Professional Regulation and shall reference Respondent's name and this case number. If all funds remitted are not honored by the financial institution on which they are drawn or remitted in the prescribed time frame, Respondent's funeral director and embalmer license shall be automatically revoked.

D. The above named Respondent consents to electronic service of the Final Consent Order in lieu of service by certified mail. Service shall be made upon Respondent's counsel's email address and Respondent's email address.

E. This Consent Order shall become effective fourteen (14) calendar days after the Director's signature, as dated and signed below.

DEPARTMENT OF FINANCIAL AND
PROFESSIONAL REGULATION
DIVISION OF PROFESSIONAL REGULATION
of the State of Illinois

5/4/16
DATE

Diane M. Para
Attorney for the Department

5-3-16
DATE

Irina Kushnerova
Respondent

5/8/16
DATE

Stephanie A. Wolfson
Attorney for Respondent

5-4-2016
DATE

Mark A. Rizzo
Chairman of the Funeral Directors and Embalmers
Licensing and Disciplinary Board

The foregoing Consent Order is approved in full.

DATED THIS 16th DAY OF May, 2016.

DEPARTMENT OF FINANCIAL AND
PROFESSIONAL REGULATION
DIVISION OF PROFESSIONAL REGULATION
of the State of Illinois
Bryan A. Schneider, Secretary

JAY STEWARD
DIRECTOR OF PROFESSIONAL REGULATION

Application No. 034.015754
Case No. 201501570

JS:DMP:map