

IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

IN RE: DHS Caseworker) OEIG Case 13-01684

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.

This investigation report identifies applicants and recipients of certain benefits, whose identity may be protected by State and federal law. See, 305 ILCS 5/11-9 and 11-10 and 42 U.S.C. 1396a(a)(7). Out of an abundance of caution, the Commission is taking the unusual step of identifying the alleged wrongdoer only by her title “Caseworker.”

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 and to the Executive Inspector General for Agencies of the Governor.

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

FINAL REPORT

I. ALLEGATIONS

On August 13, 2013, the Office of Executive Inspector General (OEIG) received a complaint alleging that Department of Human Services (DHS) Caseworker [Caseworker] and her spouse were receiving medical benefits through DHS, but were not reporting their income. The

complaint further alleged that [Caseworker] improperly submitted an application for SNAP and medical benefits on behalf of her niece.¹

II. BACKGROUND

A. DHS Benefits

DHS administers the provision of various social services to individuals and families in financial need. These benefit programs include the Supplemental Nutrition Assistance Program (SNAP), which provides food benefits to low-income households. DHS customers can also apply for various Medical Assistance Programs, which provide medical benefits to persons who meet certain financial eligibility, residency, and other requirements. Recipients of these DHS benefits are required to report any changes that could affect their eligibility, such as changes in income, to DHS.²

B. DHS Caseworker [Caseworker]

[Caseworker] has been employed at DHS [identifying information redacted]. [Caseworker's] responsibilities include, among other duties:

- explaining eligibility criteria and requirements to potential DHS clients,
- collecting client data and determining eligibility for public assistance services, and
- making redeterminations of eligibility based on changes in client status.

When she began employment at DHS, [Caseworker] earned a gross monthly income of approximately \$3,416. As of the year 2014, that amount had increased to approximately \$4,414, per month, or almost \$53,000 annually.

III. INVESTIGATION

Investigators obtained and reviewed various documents pertaining to [Caseworker's] employment with DHS as well as the medical benefits that she and her family received. As discussed in further detail below, investigators discovered from these documents and interviews with various witnesses that [Caseworker] failed to report her income and improperly received medical benefits for herself and her family.

A. DHS Benefits Received By [Caseworker's] Family

[Husband] opened a case for SNAP and medical benefits in January 2010 for himself, his wife [Caseworker], and their children [Child 1],³ [Child 2], and [Child 3]. The case was

¹ During an interview with the complainant, OEIG investigators learned that [Caseworker] attempted to submit an application for her niece, but the application was not processed because her niece was not in Illinois at the time. After [Caseworker's] niece moved to Illinois and had an in-person interview with an intake caseworker, a medical case was opened. OEIG investigators asked the DHS Office of Internal Audit to conduct an audit of the case file of [Caseworker's] niece and no incorrect action was found to have occurred. Because OEIG investigators did not uncover sufficient evidence to prove that [Caseworker] took any improper action with respect to her niece's application for DHS benefits, this allegation is **UNFOUNDED**.

² DHS Policy Manual, 01-02-02-a.

³ [Child 1] aged out of eligibility in November 2011.

registered to an address located on Pulaski Road in Chicago, Illinois. A review of the case file indicates that [Husband] and [Caseworker] were unemployed at the time of application.

When [Caseworker] began employment with DHS in May 2011, her change in income was not reported or budgeted into the medical case.⁴ As a result, the [Family] household continued to receive the same level of medical benefits that they received when both [Caseworker] and [Husband] were unemployed. The medical portion remained active through July 2014, when the case was canceled, and no records indicate that [Caseworker's] income was ever reported at any time. Medical benefits obtained by the [Family] household after [Caseworker] began employment with DHS resulted in an overpayment of approximately \$5,900.⁵

B. State Employee's Group Health Insurance

A review of [Caseworker's] personnel file revealed that she opted out of group health insurance with the State when she began working for DHS in May 2011. Then, in April 2012, [Caseworker] enrolled in group health insurance with the State and listed [Husband], [Child 2], and [Child 3] as dependents. Again, no change was made to the [Family's] DHS benefit file during this time and they continued to receive medical benefits. [Caseworker] opted out of coverage, again, in January 2013. During the periods that she was not insured with the State, [Caseworker] submitted documentation indicating that she had alternate medical coverage through her husband's employer.

C. Timeline Of Medical Services Received Using DHS Benefits

OEIG investigators obtained and reviewed reports of activity on the medical cards issued under the [Family] DHS benefit case. These reports revealed numerous instances of various members of the [Family] household using DHS benefits to cover medical services that were obtained after [Caseworker] began employment with DHS. The timeline below represents the dates on which medical services were obtained with DHS benefits, who received them, the provider performing the services, and significant events that occurred during this period.⁶

⁴ OEIG investigators discovered that [Husband] also began receiving income upon obtaining employment at some time in 2012. This income was not reported to DHS.

⁵ Illinois Department of Healthcare and Family Services (HFS) Office of Inspector General reviewed the [Family] case file and indicated that the overpayments totaled \$5,899.34. DHS Office of Internal Audit also reviewed the [Family] case file and calculated the overpayment total to be \$6,318.02.

⁶ The reports of activity on the [Family] medical case also revealed that prescription medications were obtained with medical benefits by various members of the [Family] household, as well as other medical fees, after [Caseworker] began employment with DHS; however, these costs are not represented here.

<u>Event</u>	<u>Date</u>	<u>Patient</u>	<u>Provider</u>
[Caseworker] is hired at DHS and opts out of health insurance.	5/2/2011		
	6/4/2011	[Child 1]	Dr. [REDACTED]
	6/4/2011	[Child 3]	Dr. [REDACTED]
	6/21/2011	[Child 3]	Dr. [REDACTED]
	6/27/2011	[Child 3]	Dr. [REDACTED]
	1/13/2012	[Child 2]	Illinois Eye Institute
	1/13/2012	[Child 2]	Dr. [REDACTED]
	2/21/2012	[Child 2]	Lawndale Christian Health Center
	2/27/2012	[Child 3]	Dr. [REDACTED]
	3/26/2012	[Child 3]	Lawndale Christian Health Center
[Caseworker] opts into health insurance.	4/24/2012		
	4/25/2012	[Husband]	MacNeal Hospital
	4/26/2012	[Husband]	MacNeal Hospital
	4/26/2012	[Husband]	Dr. [REDACTED]
	4/30/2012	[Child 2]	Lawndale Christian Health Center
	5/3/2012	[Husband]	Dr. [REDACTED]
	5/24/2012	[Caseworker]	Lawndale Christian Health Center
	5/31/2012	[Caseworker]	Dr. [REDACTED]
	5/31/2012	[Caseworker]	Mt. Sinai Medical Center
	6/12/2012	[Child 3]	Lawndale Christian Health Center
	6/22/2012	[Child 3]	Lawndale Christian Health Center
	7/11/2012	[Child 2]	Dr. [REDACTED]
	8/14/2012	[Child 3]	Dr. [REDACTED]
	8/20/2012	[Child 3]	Dr. [REDACTED]
	8/31/2012	[Child 3]	Dr. [REDACTED]
	11/3/2012	[Child 2]	Dr. [REDACTED]
	11/3/2012	[Child 3]	Dr. [REDACTED]
[Caseworker] opts out of health insurance.	1/10/2013		
	2/12/2013	[Child 3]	Dr. [REDACTED]
	5/17/2013	[Child 2]	Dr. [REDACTED]
	5/17/2013	[Child 2]	Lawndale Christian Health Center
	5/21/2013	[Child 3]	Dr. [REDACTED]
	5/28/2013	[Child 3]	Dr. [REDACTED]
	5/29/2013	[Child 3]	Dr. [REDACTED]
	6/1/2013	[Child 3]	Dr. [REDACTED]
	6/24/2013	[Caseworker]	Lawndale Christian Health Center
	7/6/2013	[Child 2]	Dr. [REDACTED]
	7/26/2013	[Child 3]	Lawndale Christian Health Center
	8/3/2013	[Child 3]	Dr. [REDACTED]
	8/5/2013	[Child 3]	Lawndale Christian Health Center
	8/8/2013	[Child 2]	Lawndale Christian Health Center
	8/12/2013	[Child 2]	Lawndale Christian Health Center
	8/19/2013	[Child 2]	Lawndale Christian Health Center
	9/6/2013	[Husband]	Dr. [REDACTED]
	10/10/2013	[Child 2]	Lawndale Christian Health Center
Case goes into spenddown status after income is budgeted.	11/2013		

D. Lawndale Christian Health Center Records

Patient records obtained from Lawndale Christian Health Center reveal that [Caseworker] used DHS benefits for herself and members of her household to cover the cost of medical visits. Registration forms on file for [Caseworker], [Child 2], and [Child 3] at Lawndale Christian Health Center were signed by [Caseworker]⁷ and dated after she began working at DHS. Specifically, the registration forms for [Caseworker], [Child 2], and [Child 3] are respectively dated May 24, February 21, and March 26, 2012. On the forms, there is a section for applicable medical insurance, which declared that the patient was covered by the Illinois Medicaid program (medical benefits received through DHS). In addition, medical cards⁸ were scanned into the medical record for [Caseworker] and [Child 3], which had the Pulaski Road address listed on the front and the ID number of the DHS medical case listed on the back.⁹

E. Interview Of [DHS Administrator 1]

OEIG investigators interviewed [Administrator 1]¹⁰ [identifying information redacted].

[Administrator 1] said she was aware of [Caseworker] working at the Englewood FCRC while she was [identifying information redacted]. OEIG investigators showed [Administrator 1] a medical card that was issued to the [Family] household in May 2012 and had the Pulaski Road address. [Administrator 1] said that when the [Family] household was receiving benefits, these paper medical cards would have been mailed to their residence monthly. [Administrator 1] stated that at some point in 2013, DHS began issuing plastic cards that did not have to be mailed monthly. [Administrator 1] stated that [Caseworker] never informed her that she was a recipient on an active DHS medical case. [Administrator 1] stated that as a DHS caseworker, [Caseworker] was responsible for reporting a change of income on her husband's case even though she was not the person who opened the case.

F. Interviews Of [DHS Administrator 2]

OEIG investigators twice interviewed [Administrator 2], [identifying information redacted]. [Administrator 2] said that a DHS customer is required to notify DHS of any change in income. [Administrator 2] said that, based on [Caseworker's] income alone the [Family] household would not have qualified for medical benefits.

[Administrator 2] stated that, in April 2014, she and [Administrator 3] informally interviewed [Caseworker] about why she did not report to DHS her receipt of medical benefits or a change in her income. [Administrator 2] said that [Caseworker] replied that she did not know she was required to notify DHS that she received medical benefits and that she did not think it

⁷ During an interview with OEIG investigators, [Caseworker] confirmed that the signatures were hers.

⁸ HFS, in conjunction with the federal government, funds medical services administered by DHS, including various Medical Assistance Programs provided by the State.

⁹ [Hospital Official] told OEIG investigators that patients at Lawndale Christian Health Center must fill out registration forms every year. [Hospital Official] said that at the time of registration, a patient's insurance card will be scanned into the patient's electronic medical file and her photo will be taken.

¹⁰ [Administrator 1] was the [identifying information redacted] until she was transferred to another location in March 2014.

was her responsibility to report a change in income because the case belonged to her husband, not herself.

G. Interview Of DHS Caseworker [Caseworker]

OEIG investigators interviewed [Caseworker], who confirmed that she resided at the Pulaski Road address along with her husband, [Husband], and their three children, [Child 1], [Child 2], and [Child 3]. [Caseworker] said that, as a Human Services Caseworker, she works in service coordination and her responsibilities include, among others, determining the eligibility of DHS customers for medical benefits and performing medical redeterminations. She was aware that, per DHS policy, a DHS customer must report changes in income within ten days, and she administers this policy for cases under her control. Moreover, [Caseworker] verified that any member of the household may report a change in income.

[Caseworker] confirmed that given the income that she and her husband received since she started working at DHS, the [Family] household did not qualify for medical benefits. [Caseworker] admitted that she did not notify her supervisor or anyone else that she had a medical benefits case or report her income to DHS in relation to her medical benefits case at any time during her employment. [Caseworker] was aware that the [Family] household was mailed medical cards on a monthly basis, but she said she did not use the medical cards and never held them in her hand.

[Caseworker] stated that when she was hired by DHS in May 2011, she was unaware that she was receiving DHS medical benefits. She said that her receipt of medical benefits only came to her attention after she went to the doctor in May 2012, a year after her hire. According to [Caseworker], the doctor's office already had a medical card on record at the time of her appointment. She said that she did not subsequently discuss the matter with her husband, question why the doctor's office had a medical card with her name on it, or question why she was receiving medical benefits.

OEIG investigators showed [Caseworker] three patient registration forms from Lawndale Christian Health Center that she signed on behalf of herself, [Child 2], and [Child 3]. Medicaid was the only item listed in the insurance section of these forms. [Caseworker] remarked that she did not fill out the insurance section and must have signed the forms leaving that section blank. When asked how Lawndale Christian Health Center obtained medical cards issued for the months in which the registration forms were completed for herself and [Child 3], [Caseworker] surmised that her husband might have given Lawndale Christian Health Center a medical card earlier in the month. OEIG investigators advised [Caseworker] of her legal obligation to answer questions truthfully and [Caseworker] responded that either she or her husband gave Lawndale Christian Health Center the medical cards, she could not remember.

In addition to trips to Lawndale Christian Health Center, [Caseworker] was asked about the use of DHS benefits to cover other doctors seen by her and her family and prescriptions that were filled. [Caseworker] said that she was aware that DHS benefits were being used but thought that they were only used as secondary insurance. She said that she did not know why all these doctors were billing Medicaid instead of billing her primary insurance.

[Caseworker] informed OEIG investigators that [Administrator 2] and [Administrator 3] confronted her about her medical case in May 2014. According to [Caseworker], it was in this meeting that she first learned that her DHS benefit case was located at the Englewood FCRC. In addition, [Caseworker] said that the first time she discussed the DHS benefit case with her husband was after this meeting. According to [Caseworker], her husband then told her that he had called to cancel the case twice after he obtained employment in August 2012. After this discussion, [Caseworker] said that she and her husband then wrote a letter to DHS, requesting the cancellation of their benefit case.

OEIG investigators asked [Caseworker] if she violated DHS policy and State law by failing to report her income and using medical benefits that she knew, or should have known, she was not entitled to receive. [Caseworker] replied, “No,” because she trusted that her husband was taking care of the case.

IV. ANALYSIS

According to DHS policy, an employee shall not participate in or condone fraud, dishonesty, or misrepresentation in the performance of duties.¹¹ DHS policy also provides that “[e]mployees who . . . fail to report fraud or perform other unlawful actions, may be guilty of administrative malfeasance.¹² Moreover, Illinois public benefits recipients are required to report certain changes that could affect their receipt of assistance including “a change in income.”¹³

The OEIG investigation revealed that [Caseworker’s] husband, [Husband], opened a benefits case with DHS in January 2010. [Caseworker] and [Husband] were listed as recipients on the DHS benefits case along with their children. Reports of activity on the medical cards issued to the [Family] household indicate that medical benefits were obtained and used by every family member up through April 2014.

Once [Caseworker] gained employment at DHS in May 2011, the financial status of the [Family] household changed. At that point [Caseworker] was earning around \$40,000 annually, but this income was not reported to DHS by either [Husband] or [Caseworker]. In fact, [Caseworker’s] income was never reported to DHS, up through the case’s cancellation in July 2014.

[Caseworker] had an obligation to report her change in income upon being hired at DHS. As a spouse on the benefits case, she could report any change in circumstances and [Caseworker] acknowledged that she was aware of this policy. There is evidence that [Caseworker] was aware that she and her family were receiving medical benefits even though she was ineligible because of her income. For instance, [Caseworker] signed registration forms at Lawndale Christian Health Center on February 21, March 26, and May 24, 2012, which indicated the family was using Medicaid to cover medical expenses for herself and her children. The medical provider was also given medical cards, which had the names of [Caseworker] and her children. According to [Administrator 1], these paper medical cards were being mailed to the client’s residence monthly until sometime in 2013. However, at no point during her employment at DHS

¹¹ DHS Employee Handbook, Section V – Employee Personal Conduct (April 1, 2009).

¹² *Id.*

¹³ DHS Policy Manual (PM) 01-02-02: Reporting Changes. *See also* PM 18-04-09-a: Changes That Require Proof (includes earned income changes of \$100 or more).

did [Caseworker] ever report a change in income. [Caseworker] stated that she did not even inquire into the matter until May 2014, after she was confronted by her supervisors. By taking no action and allowing fraud to persist for three years, [Caseworker] condoned State benefits fraud in the performance of duties.

According to [Caseworker], she did not think she violated DHS policy because she trusted that her husband was taking care of the benefits case. Yet, she admitted that she did not have any discussion with her husband about the benefits case until May 2014, three years after she started working at DHS. Furthermore, [Caseworker] claimed in her interview that she became aware that she was receiving medical benefits in *May 2012*, when she was informed at a doctor's appointment. If this is the case, [Caseworker] knew in May 2012 and should have informed DHS of the fact rather than waiting until she was confronted by her supervisor in 2014. At the very least, [Caseworker] should have had a conversation with her husband in May 2012 to see why they were still receiving medical benefits and what he was doing to cancel the benefits, if in fact she was relying on him to take action.

As a DHS caseworker, [Caseworker] is tasked with determining eligibility for medical benefits, performing medical redeterminations, and updating the case file when information about a DHS customer changes. [Caseworker] confirmed that she was aware that she would not have been entitled to medical benefits based on her income. Based on [Caseworker's] position as a DHS caseworker, and her understanding of a beneficiary's obligation to report status changes, she should have reported her income to be budgeted into her husband's case. [Caseworker's] excuse that she was relying on her husband to take care of the case holds no weight because she admittedly did not have a conversation with her husband regarding this matter for three years and thus had no way of knowing whether he was taking care of the case. Furthermore, she was clearly made aware that her husband had not taken care of the case when the family continued to receive and use medical benefits, which she admitted she was not entitled to, based on her income.

[Caseworker] further claimed that she thought she was using medical benefits as a secondary form of insurance. But, whether she thought medical benefits were being used as a secondary form, or even a tertiary form of insurance, is entirely irrelevant to the question of whether she participated and condoned fraud in the performance of duties when she failed to report her income after becoming aware of the medical case. Upon discovering that she was receiving medical benefits, she was obligated to report her income to DHS and let the caseworker determine whether secondary medical benefits were allowable. She failed to do either.

Therefore, the allegation that [Caseworker] violated DHS policy when she participated in and condoned fraud in the performance of duties is **FOUNDED**.

V. FINDING AND RECOMMENDATIONS

Upon completion of this investigation, the OEIG issues the following finding:

- **FOUNDED** – [Caseworker] violated DHS policy when she participated in and condoned fraud in the performance of duties from at least May 2012 through July 2014.

The OEIG recommends that DHS terminate [Caseworker's] employment. The OEIG further recommends that DHS seek to determine the exact amount of overpayment made to the [Family] household and pursue recovery of those funds.

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

Date: **July 9, 2015**

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

David Sanchez
Assistant Inspector General

Margaret Marshall
Investigator



Bruce Rauner, Governor

James T. Dimas, Secretary-designate

July 30, 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 Cases

and 13-01684

Dear Executive Inspector General Hickey:

This letter responds to the Final Reports for Cases and 13-01684 (attached). The Reports indicate wrongdoing by certain Department of Human Services (DHS) Division of Family and Community Services employees. The Reports recommend a variety of employment-related activity and possible recovery of funds.

Where recommended, DHS is seeking to recover funds. Staff have notified the Department of Healthcare and Family Services for assistance regarding medical benefits. In addition, below is a detailed list of employment-related activity by DHS for these Reports.

Case

The Report recommends discipline for . The Department, however, is seeking employment termination for

Case

The Report recommends employment termination for seeking employment termination for her.

The Department is

Case _____

The Report recommends discipline for _____ . The Department is pursuing discipline for her.

Case 13-01684

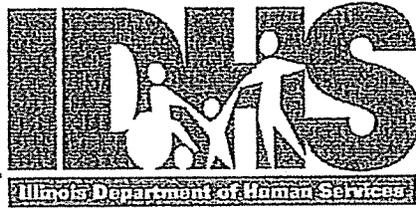
The Report recommends employment termination for _____ . The Department is seeking her employment termination.

As you know, the Collective Bargaining Agreement specifies a process for discipline, including termination. Accordingly, a pre-disciplinary meeting is currently scheduled for all four employees. At that meeting, the charges, their basis and proposed action will be shared with each employee. A rebuttal period will be afforded to them and possibly several review periods, before any final action can be taken. As you probably know, the process could take some time for resolution. The Department will provide you updates as the process moves along.

If you have any questions, please feel free to contact Robert J. Grindle, DHS' Ethics Officer.

Regards,


James T. Dimas
Secretary-designate



Bruce Rauner, Governor

James T. Dimas, Secretary-designate

March 29, 2016

*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

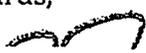
RE: Response to OEIG Complaint Number 13-01684

Dear Executive Inspector General Hickey:

This letter provides your office with updated information regarding complaint number 13-01684. The Final Report recommended employment termination for [redacted]. While the Department of Human Services (DHS) pursued this action, it was grieved. At a third level grievance, she was allowed to resign instead. In addition, DHS cannot process an overpayment for medical benefits. Apparently, repayment is voluntary. [redacted] was informed that she can repay the amount she owes (payable to the Department of Healthcare and Family Services (HFS), Bureau of Fiscal Operations 2200 Church Hill Rd. Bldg A Springfield IL 62704). It is DHS' understanding that some payments have been made, but HFS would have the most accurate information should you need anything further.

With all action completed, DHS now considers this matter closed. If you have any questions, please feel free to contact Robert J. Grindle, DHS' Ethics Officer.

Regards,


James T. Dimas
Secretary-designate