



ILLINOIS ETHICS MATTERS

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Honesty, Integrity, Service

A newsletter from the OFFICE OF EXECUTIVE INSPECTOR GENERAL FOR THE AGENCIES OF THE ILLINOIS GOVERNOR

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Four Recently Released Investigative Reports

On Monday, October 17, 2011, the Executive Ethics Commission (EEC) released four redacted final reports of OEIG investigations, all of which are now available on the OEIG website. One of these reports concerned large-scale fraud by a grantee of the Department of Children and Family Services, and is described in the article below. The other three reports were:

- ***In re: Michael Stout, 10-00381:*** The OEIG found that IDOT employee Mr. Stout did not disclose outside employment, used a State vehicle for unauthorized purposes, used his State computer and email to conduct personal business, and failed to properly account for benefit time. Mr. Stout was counseled, issued a reprimand letter, and his benefit time records adjusted per the recommendations in the report.
- ***In re: Darrell Ross, 10-00134:*** The OEIG found that Mr. Ross violated the Ethics Act by engaging in prohibited political activity by misappropriating his Western Illinois University email account. Mr. Ross has left State employment.
- ***In re: Lee Coleman, 10-00008:*** The OEIG found that Mr. Coleman violated IDOT policy by failing to complete a notice of outside employment and created an apparent conflict of interest by maintaining a website for a secondary business that identified IDOT contractors as clients. Mr. Coleman was suspended for 10 calendar days.

OEIG/OIG-DCFS Investigation Discovers Large-Scale Fraud



Of the four recently released investigative reports, one was the result of a joint investigation by the Office of the Inspector General for the Department of Children and Family Services (OIG-DCFS) and the Office of Executive Inspector General for the Agencies of the Illinois Governor (OEIG). The report details the large-scale fraud committed by Dr. George E. Smith, an individual whom former DCFS Director Erwin McEwen described as his “personal friend and mentor.” This report also describes how:

- **Dr. Smith and former Director McEwen failed to cooperate with investigators;**
- **numerous State agencies failed to adequately monitor grants awarded to Dr. Smith and his various business entities; and,**
- **State agencies paid Dr. Smith grant funds with little or no effort to determine whether services were actually provided.**

In short, DCFS and other State agencies failed to adequately monitor the grants they awarded to Dr. Smith, facilitating his receipt of millions of dollars in State funds.

The investigation further revealed that former Director McEwen failed to:

- **maintain an effective internal control system;**
- **effectively and efficiently manage DCFS;**
- **ensure that grants received or made by DCFS were monitored, administered, and accounted for in accordance with applicable laws and regulations; and**
- **safeguard against waste, loss, unauthorized use, and misappropriation.**

Ricardo Meza
Executive Inspector General

Calendar of Events: November 4, 2011 – OEIG Computer Forensic investigator Thomas Chan will discuss cyber crimes at the “Breaking Barriers: Building Bridges” seminar presented by the Chicago Bar Association.