



PRELIMINARY INSPECTOR GENERAL REPORT

2005-06-0303

December 29, 2006

MARION COUNTY PUBLIC ASSISTANCE FRAUD - 11

Inspector General David O. Thomas, after an investigation by Special Agent Alan McElroy and Staff Attorney Amanda Schaeffer, reports as follows:

This report addresses the arrest of defendant Nikol R. (Hughes) Wallace, criminally charged with the felony of welfare fraud on May 9, 2006, as a result of an Office of Inspector General (OIG) investigation of Family of Social Services Administration (FSSA) Caseworkers Geraldine Harper and Mary Miracle. Both Harper and Miracle, as well as a Stephanie Russell, were charged and convicted of welfare fraud as a result of the initial OIG investigation. The investigation was then expanded, resulting in this additional arrest.

Public assistance benefits are usually distributed through an Electronic Benefits Transaction (EBT) card. FSSA caseworkers, such as Harper and Miracle, supervise the issuance and maintenance of these EBT cards. This EBT card is similar to an ATM card in that the welfare recipient may withdraw cash

from automatic teller bank machines. One of the benefits in issuing public assistance through EBT cards is that the cash withdrawal transactions are captured by the computer for later investigative purposes.

In this case, Nikol R. (Hughes) Wallace is a friend of Russell's and received a fraudulent EBT card. Wallace is also Russell's neighbor. FSSA records indicate that a fraudulent EBT card was mailed to the Wallace residence. Wallace was interviewed on June 17, 2005 by OIG Special Agent Alan McElroy and Wallace admitted that she paid Russell \$80 for a \$200 EBT food stamp card.

Charges remain pending at the time of this report.

Dated this 29th day of December, 2006.



David O. Thomas, Inspector General