



## PRELIMINARY INSPECTOR GENERAL REPORT

2005-07-0343

March 16, 2006

### GARY MILEAGE AND OVERTIME CHARGES

*Inspector General David O. Thomas, after an investigation by Special Agent Bud Allcron, reports as follows:*

This case involves the investigation and criminal charging of Tannette Kinnon, a state employee with the Gary Office of Family and Social Services Administration (FSSA) and the Department of Child Services (DCS). Kinnon was charged on March 15, 2006 by the Office of the Lake County Prosecuting Attorney with felony theft and official misconduct.

The OIG investigation leading up to the arrest was as follows. On June 24, 2005, Adam Horst of the Government Efficiency and Financial Planning (GEFP) unit of the Office of Management and Budget reported to the OIG that an audit had found suspicious activity regarding mileage reimbursement claims by an employee of the DCS. This report was also made to Director Jim Payne who simultaneously requested, participated in and cooperated with the OIG investigation.

The investigation revealed that Tannette Kinnon was an employee of DCS

in the position of “Homemaker”. Her main duties were to transport children to and from foster care and other related DCS requirements. These transports were made in her personal vehicle. The investigation revealed, however, that she was claiming to travel sometimes an average of 700 miles per day. An example of the suspicious activity was her claiming to travel between Gary and Indianapolis twice in the same day, for the same child.

The investigation further showed that Kinnon had made mileage claims to DCS which were approved and paid in excess of 110,000 miles between July 1, 2004 and September 30, 2005. In addition to claiming and receiving \$39,000 in mileage over her base salary, she claimed and received an additional \$17,000 in overtime from state funds.

Base salary:	\$20,000
Mileage payments:	+ \$39,397 (claiming 115,939 miles)
<u>Overtime payments:</u>	<u>+ \$17,153 (claiming 836 overtime hours)</u>
Total paid:	\$76,550 (from 7-1-2004 through 9-30-2005).

From these figures that were actually claimed and received by Kinnon, a large portion of the money she received was determined to have been fraudulent claims.

For example, the investigation revealed that Kinnon was claiming 193 trips to and from various cities including Fort Wayne, Indianapolis, South Bend, Laporte, Rensselear, Michigan City and Columbia City. From interviews of those allegedly affected by these transports, the investigation revealed that these trips did not occur. The resulting false mileage submitted was for 38,686 miles. Kinnon claimed and received payments exceeding \$13,000 for these false trips

and an additional \$17,000 for her accompanying false overtime billings.

False mileage:	\$13,153 (38,686 miles)
False overtime:	<u>\$17,153</u>
TOTAL FRAUD	\$30,306 (from July 2004 through September 2005)

Her combined mileage payments were the highest in the state in the past year, and also were double the amount claimed by any other state employee.

After gathering and reviewing the documentation regarding her mileage claims, the OIG also executed search warrants in Lake County. Photographs of the vehicle Kinnon claimed to be using in the transports and its odometer reading were obtained. Interviews of Kinnon and the supervisors who approved her mileage claims were also conducted.

The information gathered from the OIG search warrants also showed that although Kinnon claimed to have traveled 104,349 miles in the past year in her personal vehicle for her work, her vehicle odometer only showed a total increase of 65,771 miles.

Kinnon was also interviewed and stated that she did not prepare the claims until many months after the driving or overtime occurred. She stated, “[I] didn’t keep an accurate record. And it shows that, and I was writing stuff and I probably shouldn’t have wrote half the stuff that I wrote, OK... because I didn’t go.”

The FSSA Compliance Division, the investigative division of FSSA, also assisted in the investigation. Investigator Sylvia Stincic-Ferry of Lake County gathered numerous documents and conducted multiple interviews. She was further instrumental with OIG Special Agents in submitting the case to the Lake

County Prosecuting Attorney's Office and obtaining the criminal charge and arrest warrant on March 15, 2006.

Kinnon was suspended from employment at the beginning of the investigation when these facts were first corroborated.

The OIG, along with DCS Director Jim Payne, will follow up the investigation to impose various internal controls within the Gary Office of FSSA and DCS. These will address the concerns involved with transporting children in personal vehicles and the lack of supervisory oversight which allowed these excessive mileage and overtime claims to be processed and paid.

Dated this 16<sup>th</sup> day of March, 2006.



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David O. Thomas, Inspector General