



INSPECTOR GENERAL REPORT

2005-08-0424

August 31, 2006

JOBWORKS

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

This case involves Jobworks, a not-for-profit corporation that contracts with the State of Indiana through the Family and Social Services Administration (FSSA) to provide IMPACT (Indiana Manpower and Comprehensive Training) services. IMPACT programs provide mandatory job training for persons who receive public assistance from the State of Indiana. Jobworks performs its job training services and then bills the state according to the amount of client hours logged. FSSA then pays Jobworks according to the amount of work done.

I.

In August of 2005, the Office of the Inspector General (OIG) was notified by FSSA Investigator Chris Stanton that FSSA had begun an audit of Jobworks and that Jobworks was altering records in preparation for the audit. The focus of the investigation was on two Marion County contracts from fiscal years October

1, 2001 through September 30, 2002, and October 1, 2002 through September 30, 2003.

The investigation revealed several irregular billing practices by Jobworks.

A.

The first irregularity was in the logging of client hours by Jobworks.

Clients would arrive at Jobworks for class at 9:00 a.m. and sign in. Class was scheduled to end at 3:00 p.m. when clients were required to sign out as they left.

However, FSSA discovered that clients were usually only in class from 9:00 a.m. through noon or 1:00 p.m., when the time sheets regularly reflected that clients were in class for the entire day, from 9:00 a.m. through 3:00 p.m.

Additionally, even though the Jobworks contract required an eight-hour day of training, the training at best was only occurring from 9:00 a.m. through 3:00 p.m., a six-hour day.

B.

The second irregularity involved the training component sessions. Clients were involved in “training components,” which are work-shop training sessions held in a block of several days. On a regular basis, clients were logged as having completed all training components even if they only completed a couple of hours of the required training.

C.

The third irregularity involved activities that occurred in preparation for

the audit such as the adding of paperwork and case notes to client folders.

Various employees of Jobworks were interviewed.

On January 19, 2006, Employee One was interviewed. Employee One was the employee who notified FSSA when it was noticed that Jobworks files were being altered in preparation for the audit. Employee One stated that on the time sheets, it was always made to look like a client was there for the full amount of time, 9:00 a.m. to 3:00 p.m., regardless of the actual amount of time that the client was there. Employee One stated that this was the way employees were trained by Jobworks from the start of employment.

Eric Ahlbrand was the office manager of the Marion County Jobworks office from September of 1998 through October of 2004, and this practice continued when Ernest Walker took over management of Jobworks.

Ernest Walker became office manager of Jobworks in October of 2004 and continues to serve in this position. On May 23, 2005, after being informed that Jobworks was going to be audited by the FSSA, Walker sent his employees an email stating that they were going to be audited and that they would be doing “some sprucing up of the files.” Two days later on May 25, 2005, Employee One contacted FSSA to inform them that files were being altered in preparation for the audit. That day, FSSA investigators Chris Stanton and Kim Devoy went to the Jobworks office and looked at the 2003 files and found files “A” through “D” were missing. Employee One told them that those files were gone because they were being worked on. When interviewed, Walker admitted that he had asked his employees to “spruce up” the files before the FSSA audit. He thought they were allowed to add information into the client file after the fact. He stated that he

simply wanted to “neaten up” the files before the audit occurred. He denied that this instruction came from corporate headquarters and stated that he had thought of it himself.

Employee Two was interviewed and advised that her office manager, Eric Ahlbrand, and later, Ernest Walker, instructed her to go back into client folders and add information after the fact.

Employee Three stated that it was regular practice to over-bill the number of hours clients were actually in the office because the clients were supposed to be at home “doing homework” and other activities related to Jobworks.

III.

Because of the practices of Jobworks during the time Eric Ahlbrand served as office manager, the State Of Indiana was over-billed by thousands of dollars. According to the FSSA audit conducted for the fiscal year of 2003, the amount of overpayment to Jobworks is approximately \$184,000.

This investigation was submitted to the Marion County Prosecutor’s Office for prosecution, and criminal charges were filed on September 28, 2006 against Eric Ahlbrand for theft as a class C felony, and Ernest B. Walker for obstruction of justice, a class D felony.

Dated this 31st day of August, 2006.



David O. Thomas
Indiana Inspector General