



## INSPECTOR GENERAL REPORT

2008-04-0090

October 22, 2008

### MEDICAID FRAUD

*Inspector General David O. Thomas, after an investigation by FSSA investigator Sylvia Stincic-Ferry and OIG Special Agent Darrell Boehmer, reports as follows:*

This was an investigation of Medicaid fraud commenced by the Family of Social Services Administration (FSSA) Compliance Division. The Office of the Inspector General (OIG) provided assistance through the application and execution of search warrants.

Medicaid programs provide financial public assistance to persons whose income and resources are insufficient to pay for health care. The United States federal government provides matching funds to the state Medicaid programs. *See:* Indiana Code 12-15-1.

The investigation led by FSSA investigator Sylvia Stincic-Ferry revealed that Sophie Tjortjis, a resident of Lake County, Indiana, made false applications for Medicaid benefits.

Medicaid applicants are required to list family members living in the household regardless of whether the family member is applying for health coverage. Public assistance benefits are based on this information. The

application also requires the disclosure of all work and non-work income of both the applicant and other members of the applicant's family. Similarly, the supplemental application contains a section in which the applicant is to list all persons who live at the applicant's address and also contains sections related to financial resources which are to be filled out by both the applicant and an FSSA office worker.

The investigation revealed that Tjortjis on August 18, 2004, gave birth to a child who was born with severe health problems that required extensive medical care. With the assistance of a hospital employee, Tjortjis first applied for Medicaid coverage under Indiana's Hoosier Healthwise health care program for herself and her children on August 19, 2004. On that initial application, Tjortjis listed herself, her husband, Pete Tjortjis, and her three children as being members of her household. Her husband was not shown to be employed on this first application.

On August 26, 2004, Tjortjis provided information to supplement her initial application for Medicaid coverage in which she removed her husband as a member of her household. Tjortjis also indicated in this supplemental information that her gross monthly income was \$1,050.00. Medicaid coverage was granted to Tjortjis and her children on August 26, 2004, applying retroactively to April of 2004.

Since that time, Tjortjis has reapplied for and been granted Medicaid coverage annually for herself and her children and has continually omitted her husband as a member of her household, asserting that her husband's whereabouts

are unknown and that he has returned to Greece. In an interview conducted with Tjortjis on August 11, 2008, she still maintained that her husband was not part of her household.

However, the investigation revealed that Tjortjis' husband was, in fact, both a member of, and a source of income for, Tjortjis' household at the time she first applied for Medicaid coverage in 2004. Her husband had also continued to be a member of and source of income through October of 2008. For example, the investigation revealed that: (1) he signed checks making payments on a Toyota vehicle he and Tjortjis purchased, (2) he registered to vote and identified their home as his address, (3) he listed their home address in tax filings, (4) he listed their home address in accident reports, (5) he applied for building permits listing their home address, (6) he applied for business licenses and listed this same address, and (7) he listed this same address on the Certificate of Title when he purchased their Hummer H2.

Tjortjis' husband also reported on a GMAC Financial Services Credit Sale/Lease Application for the Hummer that his gross annual income was \$80,000.

Search warrants were issued for properties held by the Tjortjis family in October of 2008, revealing this corroborating documentation. Tjortjis' husband was also found to be physically residing in their residence at the time the search warrants were executed.

In summary, Tjortjis and her children have received Medicaid benefits from April of 2004 through October of 2008, while continuing to submit false

information in her applications. During that time, Medicaid has paid out benefits in excess of \$450,000.

These findings were submitted to the Office of the Prosecuting Attorney of Lake County, Indiana, and criminal charges of welfare fraud and theft, both class C felonies, were filed against Tjortjis in October of 2008.

Dated this 22<sup>nd</sup> day of October, 2008.



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David O. Thomas, Inspector General