



INSPECTOR GENERAL REPORT

2009-01-0012

July 9, 2009

ENERGY ASSISTANCE ACCOUNTABILITY

Inspector General Staff Attorney Todd Shumaker, after an investigation by Special Agent Darrell Boehmer, reports as follows:

On January 26, 2009, the Compliance Division of the Family and Social Services Administration (FSSA) reported to the Office of the Inspector General (OIG) the possibility of heating assistance fraud that it had discovered during the course of a welfare recipient investigation. Specifically, FSSA discovered that heating assistance information was missing from files at Community Action of Northern Indiana (CANI). CANI serves as the Allen County manager of the Indiana Housing and Community Development Authority's (IHCDA) Energy Assistance Program (EAP). Of these missing files, 40% of the missing files were attributed to the suspect, an employee with CANI.

The OIG is a law enforcement agency charged to address fraud, waste, abuse and wrongdoing in agencies. IC 4-2-7-2(b).

OIG Special Agent Darrell Boehmer was assigned to investigate. He conducted interviews and reviewed documents, whereby he found that: (1) CANI

had initiated its own audit upon becoming aware of the problem and discovered several files were missing, the majority of which had been processed by the suspect case manager; (2) one-half of the missing files were found to have EAP recipients whose incomes were underreported and would not otherwise have qualified for assistance; (3) neither the case manager nor the recipients who improperly received EAP assistance admitted that they misreported the recipients' income; (4) few, if any, controls regarding file access were in place at CANI at the time the files were discovered missing, and that consequently the files could have been accessed by any of the organization's employees; and (5) the missing files make it impossible to confirm whether the case manager or the recipients were responsible for misreporting the recipients' income.

Special Agent Boehmer also discovered in the course of his investigation that after the audit into CANI's procedures, CANI has since instituted policies to address the deficiencies in its record keeping that gave rise to this investigation. The OIG recommends that CANI continue to implement these internal policies and controls to ensure client files and records are stored securely and are only accessible by authorized personnel. These policies should be submitted to IHCDA for approval and continued monitoring as IHCDA deems appropriate.

After concluding the investigation, Special Agent Boehmer was informed that the suspect case manager had resigned her position with CANI. In light of this information and with no further evidence to substantiate the allegations made against the case manager in the complaint, this case will be suspended in order to pursue other pending investigations. Inspections for compliance of the new

controls may be conducted by the OIG, and should additional evidence be brought forward on these or other allegations, this case may be evaluated for further action.

Dated this 9th day of July, 2009.

APPROVED BY:

A handwritten signature in black ink, appearing to read "David O. Thomas". The signature is written in a cursive style with some loops and flourishes.

David O. Thomas, Inspector General