

# Fiscal Year 2012-2013 Annual Report



**Integrity | Ethics | Accountability**

**Tom Corbett  
Governor**

**Michael A. Sprow  
Inspector General**



## Mission Statement

The Office of Inspector General's mission is to ensure integrity, accountability and public confidence in Pennsylvania Government by preventing, investigating and eliminating fraud, waste, abuse and misconduct within all agencies under the jurisdiction of the Governor.



COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE GOVERNOR

Greetings,

My administration remains committed to working diligently to create a more efficient and responsible state government. We must ensure that the Commonwealth operate with transparency, accountability and fiscal discipline. Our vital resources must be safeguarded and our citizens must be assured that their government is spending tax dollars appropriately.

The Office of Inspector General's mission is to ensure integrity, accountability and public confidence in Pennsylvania government by preventing, investigating and eliminating fraud, waste, abuse and misconduct in agencies under the Governor's jurisdiction. As such, the Office of Inspector General is a vital tool within state government as it assists the effort toward a more efficient, effective, and transparent government.

Pennsylvania taxpayers deserve responsible state government and fiscal accountability. While carrying out its mission, the Office of Inspector General provides a significant role in examining government programs and protecting the government from fraud. This mission supports this Administration's ability to manage public resources and serve the citizens of the Commonwealth.

On behalf of the Commonwealth of Pennsylvania, I commend the Office of Inspector General for its commitment to the Commonwealth and for the vital work it does to maintain public confidence in state government.

A handwritten signature in black ink that reads "Tom Corbett".

Tom Corbett  
Governor



## Inspector General's Message



As Governor Corbett appointed me Inspector General midway into the second half of the fiscal year, I was pleased to accede to an office that already had an impressive fiscal year start. The statistics, anecdotes, charts, and graphs within this Annual Report reflect this year's fulfillment of the mission and purpose of the Office of Inspector General (OIG). The primary credit for the OIG's success belongs to its dedicated employees. Those individuals who conducted investigations, accounted for our collections, kept our network operational, processed our administrative and budget issues, provided legal advice, or otherwise worked in support of the office's mission - every OIG employee - played an integral role toward this year's accomplishments.

The OIG's ability to ensure integrity and demand accountability in executive agencies under the Governor's jurisdiction is closely tied to referrals from citizens, state employees, agency heads, and our partners at the Department of Public Welfare (DPW). These stewards of good government are those who suspect fraud and take action to prevent it from being repeated. In the absence of citizen and employee watchfulness and initiative, fraud, waste, and abuse might otherwise go unreported and cast a shadow on the myriad of wonderful services and benefits the commonwealth offers.

The OIG's primary role to investigate fraud – whether employee, contractor, or public assistance – is an endeavor that produces impressive results. In this annual report you will note that the OIG's investigative staff: performed 27,916 public assistance application investigations resulting in cost avoidance of more than \$93.2 million; conducted 447 candidate background investigations; collected more than \$33 million in overpaid public assistance; and conducted 127 investigations into fraud, waste, and abuse within the agencies and programs under the Governor's jurisdiction so that Pennsylvania taxpayers can be confident their resources are used for their intended purposes.

I am honored to release the results of the OIG's accomplishments for Fiscal Year (FY) 2012-2013. I thank the OIG's dedicated employees, fellow state employees, and all commonwealth citizens who reported suspected fraud, waste, abuse, and misconduct. The citizens of Pennsylvania expect accountability and integrity in state government – as you will read in the following pages, the OIG has met those expectations during the past fiscal year. Be assured that we will approach the next fiscal year with the same drive and determination to protect our commonwealth's precious public resources.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Sprow". The signature is fluid and cursive, with a long horizontal line extending to the right.

Michael A. Sprow  
Inspector General

## About the Inspector General

### Inspector General Michael A. Sprow

Michael A. Sprow was appointed Inspector General by Governor Corbett on June 3, 2013, after serving in an acting capacity since April 5, 2013. Sprow had been named Chief Counsel for the OIG in November of 2012. Prior to joining the OIG, Sprow served as a Senior Deputy Attorney General in the Criminal Prosecutions Section of the Pennsylvania Office of Attorney General (OAG). During his six years at the OAG, he was responsible for overseeing investigations and conducting prosecutions with a primary focus on child predator and public corruption cases, including several high profile cases involving corruption within the state government. In 2008, Sprow received the Attorney General's Award for Excellence, in recognition of his outstanding service to the citizens of Pennsylvania.

Prior to serving as a Senior Deputy Attorney General, Sprow was a Deputy District Attorney in Dauphin County, where he prosecuted adult criminal cases from the preliminary hearing through appeal. There, he conducted dozens of jury trials, including homicide cases, violent crimes, drugs, and white collar crime. Before joining the District Attorney's Office, Sprow served as a law clerk for Chief U.S. District Judge George P. Kazen in the Southern District of Texas. Sprow earned his Bachelor of Arts degree from Gettysburg College, where he graduated *cum laude*, and his Juris Doctor degree from the William and Mary School of Law, where he graduated as a member of the *Order of the Coif*.

## Table of Contents

Executive Summary .....	7
Organizational Chart .....	8
OIG Staff Complement .....	9
Fiscal Year Accomplishments .....	10
Bureau Summaries .....	11
Special Events and Initiatives .....	21
Significant Cases .....	23
OIG Outreach.....	32
Contact the OIG - Report Fraud, Waste, and Abuse .....	33

## Executive Summary

The OIG was created by Executive Order 1987-7 on April 6, 1987. The purpose of the OIG is to deter, detect, prevent, and eradicate fraud, waste, misconduct and abuse in the operations of state executive agencies and to keep the Governor and heads of executive agencies fully informed about the problems and deficiencies relating to the administration of agency programs, operations and contracting. Additionally, since 1994, the OIG has been responsible for investigating and prosecuting welfare fraud and conducting collection activities for the public assistance programs administered by the Department of Public Welfare (DPW).

Throughout its more than 25-year history, the OIG has diligently worked to ensure taxpayer funds are spent appropriately and state government is operating efficiently. While the overall mission of the OIG has not changed, the OIG's methodology, scope, and investigative tools continue to keep pace with technological advances. The OIG's staff is comprised of professionals with extensive subject matter expertise in the areas of executive agency operations, fiscal management, procurement, information technology systems, grant management, law, and human resource management. This qualified and diverse team is an essential element in combating fraud, waste, and abuse within state government.

### Executive Staff

Under the direction of the Inspector General, the OIG's senior staff during FY 2012-2013 consisted of:

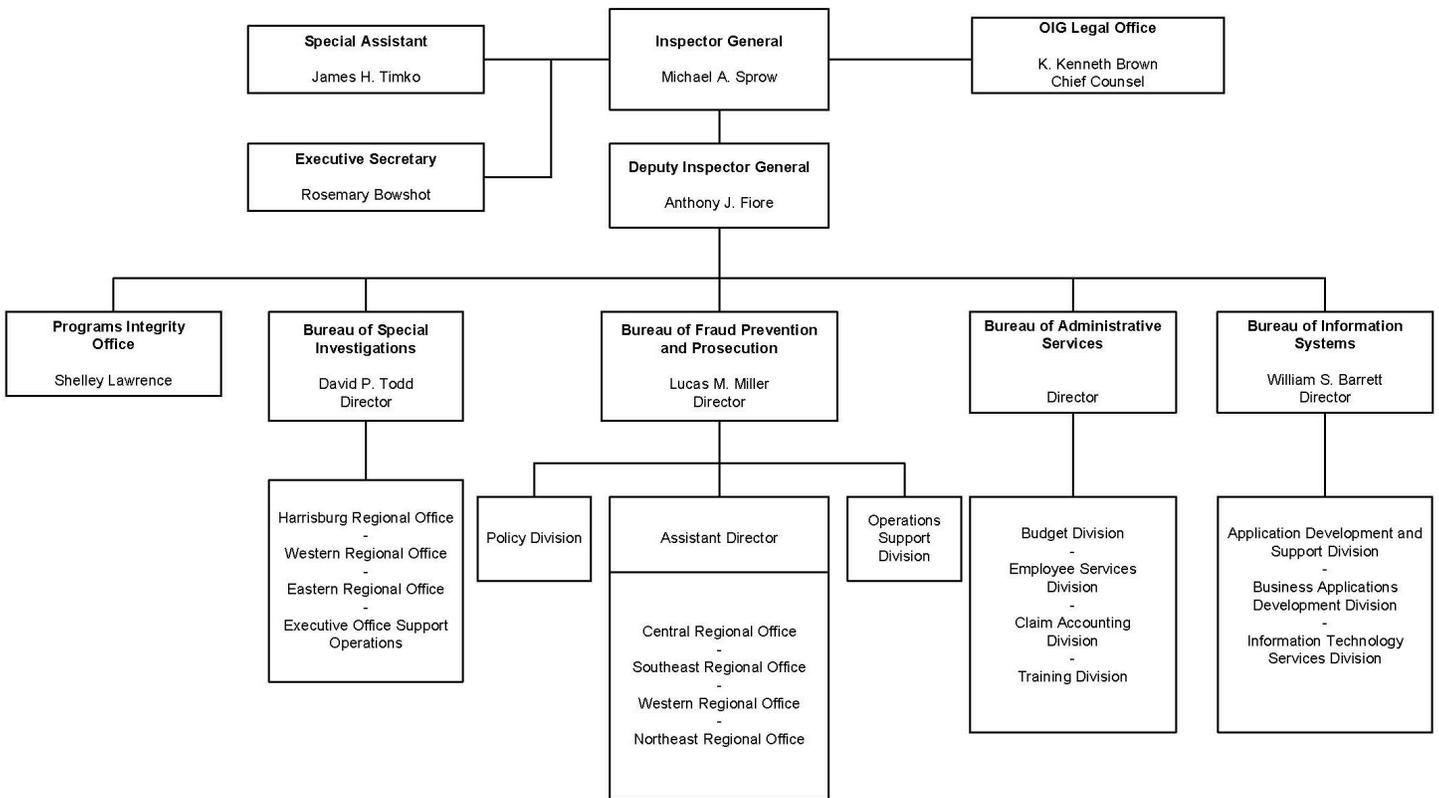
- Anthony J. Fiore, Deputy Inspector General
- K. Kenneth Brown, II, Chief Counsel
- David P. Todd, Director of Special Investigations
- Lucas M. Miller, Director of Fraud Prevention and Prosecution
- Director of Administrative Services
- Shelley Lawrence, Special Assistant for DPW Affairs
- William S. Barrett, Director of Information Systems
- James A. Timko, Special Assistant to the Inspector General



Image courtesy of  
Commonwealth Media Services.

# Organizational Chart

## OFFICE OF INSPECTOR GENERAL



*Chart reflects organizational makeup as of June 30, 2013.*

## Office of Inspector General Staff Complement

### Staff Complement for Fiscal Year 2012-2013

<b>Total</b>	
Office of Inspector General	250

<b>Bureau Staffing</b>	
Executive and Legal	12
Bureau of Special Investigations	28
Bureau of Fraud Prevention and Prosecution	171
Bureau of Administrative Services	24
Bureau of Information Systems	15

<b>Investigative Staffing</b>	
Bureau of Special Investigations	
Management	3
Special Investigators	23
Investigative Support Staff	2
Bureau of Fraud Prevention and Prosecution	
Management	37
Welfare Fraud Investigators	74
Claims Investigations Agents	43
Investigative Support Staff	17

<b>Regional Staffing</b>	
Bureau of Special Investigations	
Harrisburg Headquarters	23
Western Regional Office	2
Southeast Regional Office	3
Bureau of Fraud Prevention and Prosecution	
Southeast Regional Office	44
Western Regional Office	39
Central Regional Office	32
Northeast Regional Office	28

## Fiscal Year Accomplishments

### **During FY 2012-2013, the OIG saved and collected more than:**

- \$93.2 million through its welfare fraud prevention activities by investigating 27,916 applications for benefits;
- \$33 million in reimbursement and collection;
- \$6 million through the disqualification of future benefits for recipients criminally prosecuted for welfare fraud and through administrative disqualification hearings; and
- \$4 million in restitution by filing 1,106 criminal complaints, charging defendants with welfare fraud for unlawfully obtaining benefits.

### **In FY 2012-2013, the OIG also:**

- Aided Pennsylvania executive agencies under the Governor's jurisdiction by making recommendations to address problems and provide solutions to operate government programs more efficiently;
- Began conducting background investigations of commercial real estate landlords that applied to lease commercial real estate to the Department of General Services (DGS) for office space for commonwealth agencies;
- Conducted a combined total of 1,069 general investigations, complaint reviews, and employment background investigations; and
- Worked to ensure that contractor integrity provisions were upheld by those doing business with the state.

## Bureau of Special Investigations

### Overview

The Bureau of Special Investigations (BSI) investigates allegations of fraud, waste, abuse, and misconduct in agencies under the Governor's jurisdiction. BSI's experienced team of investigators and attorneys serves the citizens of Pennsylvania by working to identify and eradicate those problems and deficiencies caused by acts such as mismanagement of funds, employee misconduct, and contract fraud and irregularities. BSI aims to conduct effective, independent, and timely investigations.

BSI receives its complaints from several sources including private citizens, state employees, and commonwealth officials. BSI also initiates its own investigations when appropriate. Citizens can use the OIG's website and telephone hotline to file complaints with BSI, or submit complaints in writing. BSI reviews all complaints. Some complaints lead to extensive complex investigations, while others are closed after preliminary inquiry fails to substantiate the allegations.

BSI also plays a role in increasing the effectiveness with which the commonwealth does business by conducting program reviews when it identifies faults in a work process or program. BSI conducts a complete review of the work procedure or commonwealth program in an effort to improve transparency, effectiveness, and delivery of services including employee accountability and management oversight. These program reviews can occur as a result of a related investigation or can be requested by an agency's executive level management.

BSI also conducts pre-employment background investigations for executive level appointments and other positions of trust within the commonwealth. In FY 2012-2013, the OIG began conducting background investigations of commercial real estate landlords that applied to lease office space to DGS's Bureau of Real Estate for commonwealth agencies. The OIG conducted 11 background investigations of commercial real estate landlords and their key employees during FY 2012-2013. In conducting these backgrounds, the OIG has focused on, among other things, ensuring that the parties and proposed leased premises are compliant with their Pennsylvania and local tax obligations and environmental and municipal code regulations.

Once BSI has completed an investigation, the OIG issues a report, when appropriate, to the Office of General Counsel and specific agency heads detailing BSI's findings. Some investigative findings rise to the level of criminal activity and are referred to the appropriate law enforcement agency for action. Other investigations may result in referrals to the State Ethics Commission or other administrative bodies for appropriate action.

As a result of BSI's investigations and program reviews, wrongdoers have been disciplined, prosecuted, and removed from commonwealth employment. BSI investigations have led to important reforms of commonwealth operations resulting in increased accountability and effectiveness. BSI's investigations have prompted positive changes and served as a deterrent to future misconduct.

## Examples of Investigations by the Bureau of Special Investigations

Case Type
Abuse of Work Hours
Misuse of Equipment/Supplies/Facilities/Vehicles
Conflict of Interest/Adverse Interest Violations
Contract/Grant Administration/Procurement/Performance Irregularities
State Employment Background Investigations
Program Fraud/Mismanagement
Program Reviews
False Statements/Falsification of Records
Misappropriation of Funds
Other Employee Misconduct

## Bureau of Fraud Prevention and Prosecution

### Overview

The OIG's Bureau of Fraud Prevention and Prosecution (BFPP) is responsible for investigating and prosecuting welfare fraud and conducting collection activities for the Department of Public Welfare (DPW). This partnership with DPW helps ensure that public assistance is distributed fairly and equitably and that the integrity of the commonwealth's public assistance programs is maintained. BFPP investigates the following DPW programs:

- Cash Assistance;
- Medical Assistance (MA), including Long Term Care;
- Supplemental Nutrition Assistance Program (SNAP);
- Subsidized Child Care (SCC);
- Medical Assistance Transportation Program (MATP); and
- Low Income Home Energy Assistance Program (LIHEAP).

BFPP staff have a statewide presence with four BFPP regional offices located in Harrisburg, Philadelphia, Pittsburgh, and Wilkes-Barre. BFPP staff are also stationed in or assigned to work with DPW staff in every Pennsylvania county.

The activities performed by BFPP fall into four main categories:

Field Investigation Program – this program works in conjunction with DPW caseworkers to help ensure that only individuals who are truly eligible for assistance receive benefits;

Fraud Investigation Program – this program focuses on individuals who wrongfully obtain benefits through providing false information or failing to report changes in their circumstances;

SNAP Trafficking Program – this program focuses on individuals who illegally sell or exchange their SNAP benefits; and

Collections – this program works to recover overpaid public assistance benefits.

### Field Investigation Program

When individuals apply or re-apply for public assistance through DPW, they are required to submit truthful, complete, and accurate information. When DPW caseworkers suspect that an applicant for benefits or someone currently receiving public assistance benefits has provided inaccurate, inconsistent, or incomplete information to DPW, they will make an investigative referral to the OIG. Welfare Fraud Investigators then conduct an investigation to correctly determine the circumstances of the individual applying for or receiving benefits. Once the investigation is complete, the OIG provides the results to the DPW caseworker, who then uses the information to determine whether the individual is eligible for DPW's benefit programs. The caseworker decides whether to authorize the individual for benefits, reduce the amount of benefits the individual is eligible for, or deny benefits to the individual.

BFPP's Field Investigation Program is a system of checks and balances that helps ensure the integrity of welfare programs in Pennsylvania. Its efforts yield significant cost savings to DPW and the commonwealth.

### **Activities**

In FY 2012-2013, BFPP's Field Investigation Program conducted 27,916 investigations and saved the commonwealth in excess of \$93 million in welfare benefits that otherwise would have been incorrectly paid out to an applicant or recipient.

## **Fraud Investigation Program**

BFPP's Fraud Investigation Program focuses on individuals who fraudulently received public assistance benefits to which they were not entitled. Pennsylvania law prohibits the fraudulent receipt of benefits and individuals who commit welfare fraud face criminal charges, costs and fines, and are disqualified from receiving future benefits.

Welfare fraud occurs when an individual:

- Willfully makes a false statement or misrepresentation about their circumstances or fails to disclose a material fact regarding their eligibility status;
- Secures or attempts to secure public assistance or aids or abets another person receiving public assistance; and
- Has knowledge of the fraudulent act.

When a DPW caseworker discovers that an overpayment has occurred, the caseworker forwards the information to the OIG for investigation. BFPP staff conducts an investigation to determine if the elements of welfare fraud exist in the individual case. If BFPP staff determines that those elements have been met, BFPP staff files a private criminal complaint with the local district attorney. Once welfare fraud charges are filed, the case will move through the Commonwealth's court system.

The prosecution of welfare fraud serves the taxpayers and the commonwealth by ensuring that people who commit these acts are held accountable and that restitution of fraudulently received benefits is obtained. For FY 2012-2013, the OIG filed 1,106 criminal complaints for a total restitution amount of over \$4 million.

Additionally, cost savings are realized when the OIG successfully prosecutes a defendant for welfare fraud. After a successful prosecution, the defendant is disqualified from receiving future benefits. Defendants can be disqualified from the Cash Assistance Program, Supplemental Nutrition Assistance Program (SNAP) and the Subsidized Child Care (SCC) Program. The duration of each disqualification depends on the program and the number of times the individual commits an offense.

## Activities

For FY 2012-2013, the OIG saved the commonwealth \$1,610,997 from the disqualification of individuals successfully prosecuted for committing welfare fraud.

### **Supplemental Nutrition Assistance Program – Trafficking**

BFPP's Operations Support Division provides investigative services to the Food and Nutrition Services (FNS) and to the U.S. Department of Agriculture's Office of Inspector General (USDA) by conducting SNAP Electronic Benefits Transfer (EBT) card trafficking investigations of stores and SNAP recipients.

SNAP trafficking occurs when SNAP benefits are illegally exchanged for cash, services, or anything other than eligible food items. For example, a store owner may give a SNAP recipient cash at a percentage of their balance in SNAP benefits, or exchange SNAP benefits for drugs or other non-allowable goods such as cigarettes. The store owner will then redeem the benefits at full value from the USDA-FNS. Store owners who are found to have engaged in SNAP trafficking will be disqualified from participating as a SNAP-approved vendor. Recipients who are alleged to have trafficked their SNAP benefits may face criminal prosecution or administrative hearings and if found to have engaged in trafficking must repay those benefits and are disqualified from receiving SNAP benefits for a prescribed period of time.

### **Administrative Disqualification Hearings**

Another adjudication option available to the OIG is the Administrative Disqualification Hearing (ADH) Program. ADH's are used when an individual is found to have committed an Intentional Program Violation (IPV) in the Cash Assistance, SNAP, or SCC programs but criminal prosecution is not an available option.

Individuals who go through the ADH Program may agree to waive their right to a hearing, which means they accept the disqualification penalties and agree to repay improperly received benefits. Individuals who choose not to waive their hearing will face a hearing before an Administrative Law Judge who, after evaluating the evidence, determines if the individual is guilty of committing an IPV. If found guilty, the individual can be ordered to pay restitution and be disqualified from receiving future benefits. The disqualification penalties imposed through the ADH program are the same as those imposed on defendants in criminal proceedings.

## Activities

During FY 2012-2013, the OIG initiated 437 ADH actions that totaled over \$429,000 in restitution for Cash, SNAP and Subsidized Child Care benefits and \$380,000 in restitution for ADH actions on SNAP trafficking. Additionally, the OIG saved the commonwealth \$402,642 by disqualifying individuals who were found to have committed an IPV through the ADH program.

## Long Term Care

Pennsylvania's Long Term Care Program provides nursing home and medical care for financially and medically eligible individuals. Each year, the Program pays out millions of dollars to ensure that elderly and disabled Pennsylvanians receive the care they need.

In some cases, individuals or their personal representatives fail to disclose income or assets to DPW, sometimes for the purpose of making the individual appear eligible to receive long term care benefits. When DPW discovers that an individual or their personal representative failed to report income or assets that affected their eligibility for long term care benefits, the possible overpayment is referred to the OIG for investigation and collection. If the BFPP investigation determines that the elements of welfare fraud exist, the OIG files criminal charges. On overpayments where fraud did not occur, the OIG recovers the long term care benefits that were overpaid, and if necessary, OIG's legal staff initiates civil lawsuits to obtain repayment of these benefits.

### Activities

During FY 2012-2013, the OIG collected and cost avoided in excess of \$9 million in long term care benefits.

## Collections

Individuals who are prosecuted for welfare fraud or who are determined to have committed an IPV through the ADH Program will be ordered to make restitution to the OIG. However, not all overpayments referred to the OIG meet the elements of welfare fraud or can be processed through the ADH Program. Regulations state that all incorrectly paid benefits, regardless of whether or not fraud occurred, must be repaid to the commonwealth. The OIG collects all DPW overpayments. The OIG uses the following methods to collect the overpaid benefits:

Recoupment – this occurs when an individual or their household is currently receiving public assistance. The amount of their monthly benefit is reduced to repay the overpayment;

Repayment – an individual makes a direct payment to the OIG to repay their overpayment; and

Treasury Offset Program (TOP) – this option is available on SNAP overpayment claims. Individuals who have not made a payment for at least 180 days and have a claim balance of \$25 or more can be entered into TOP. Once in this program, the individual's federal income tax refund, as well as other forms of federal income, can be intercepted to repay the balance of the claim.

The OIG also runs the Reimbursement Program. Individuals who are awaiting the receipt of other benefits, such as unemployment compensation or Supplemental Security Income, may be found eligible to receive cash assistance pending approval of these other benefits. Once the individual receives their benefits, they are required to reimburse the commonwealth for the cash assistance they received from DPW.

## Welfare Fraud Tipline

The OIG is strongly committed to identifying and eliminating fraud, waste and abuse in public assistance programs. To assist with that commitment, the OIG operates a toll-free Welfare Fraud Tipline at 1-800-932-0582. Concerned citizens can use the Tipline to call and report suspected welfare fraud. The OIG also receives welfare fraud tips via an online reporting system available at [www.oig.state.pa.us](http://www.oig.state.pa.us), through the U.S. mail, and via fax.

Tips reported to the OIG include information on individuals receiving benefits and not reporting income, resources, or correct household composition. All of these circumstances may affect eligibility for public assistance benefits. Each tip received is carefully reviewed and, if appropriate, investigated by BFPP staff. When the investigation reveals activity which may affect a recipient's eligibility, the OIG sends this information to DPW.

### Activities

During FY 2012-2013, the Welfare Fraud Tipline received 11,257 calls reporting suspected welfare fraud. BFPP also processed 6,885 welfare fraud tips via the OIG's website and 770 tips via U.S. Mail.

## The Welfare Programs Integrity Office

### Overview

To aid and support the continued development and success of DPW's integrity initiatives, as well as the OIG's own internal processes, the OIG operates a Welfare Programs Integrity Office. This office is overseen by the Special Assistant for DPW Affairs, who acts as the liaison for DPW issues and works collaboratively with DPW's Program Integrity Office. The OIG's Welfare Programs Integrity Office also offers a unique perspective on measures which DPW can employ to reduce future abuses within assistance programs and operations.

The Special Assistant for DPW Affairs and other OIG staff have participated in DPW work groups and projects related to several important program integrity initiatives. As a result, DPW has strengthened its partnership with the OIG, with the two agencies collaborating in their efforts to eradicate fraud, waste and abuse within DPW and its programs by: looking at innovative ways to improve recipient program efficiencies; identifying areas where fraud, waste, and abuse are prevalent; developing higher performance and program standards; and eliminating employee fraud.

### Activities

In FY 2012-2013, the OIG and DPW have been working together on the following new program integrity initiatives:

Electronic Benefit Transaction and Risk Management – risk-management reviews and data mining of recipient EBT data potentially shows trends and schemes in benefit transactions which may be an indicator of fraud. The

OIG and DPW's Office of Income Maintenance (OIM) staff are reviewing, developing, and sharing current reports on recipient benefit transactions that reveal clients with risk markers for fraud or trafficking. Clients may be contacted regarding the data mining findings. Many of the clients who are contacted voluntarily discontinue the questionable behavior identified in the reports, resulting in cost savings for the commonwealth. The OIG has, and will continue to, investigate cases which appear to show a pattern for fraud. The OIG will also refer stores with suspicious data to the USDA-FNS for a trafficking review.

The OIG and DPW have worked together on many new program integrity initiatives within the past year, which are currently in various stages of implementation.

Overpayments/Recoveries and Program Standards Workgroups – these workgroups provide a forum for the presentation, consideration, and resolution of joint issues between the OIG and DPW and focus on achieving consistency within the welfare programs and policies, performance measures, collection efforts, and Information Technology related functions as follows:

- The Overpayments and Recoveries workgroup is standardizing the process for referring Medical Assistance recipient overpayments to the OIG for investigation, prosecution, and recovery. The initial phase of the project is complete, and a full automation of the process is in development;
- The Overpayments and Recoveries workgroup also identified the need for specialized Overpayment Units within OIM's County Assistance Offices (CAO) to standardize the process for completing and referring overpayments to the OIG. DPW and the OIG have implemented specialized units to efficiently and accurately complete recipient overpayments, with specially trained employees doing the work. This frees the other workers to focus more on eligibility issues; and
- The Program Standards workgroup has developed process flows for non-compliance, penalties, good cause, and exemptions for each benefit program. As a result, DPW and the OIG have expanded and clarified client rights and responsibilities on applications and added additional warnings regarding penalties for fraud and misrepresentation.

The improved collaborative partnership between the OIG and DPW has increased the level of cooperation and teamwork between the agencies and improved focus on efficiency and effectiveness in DPW's anti-fraud activities relating to the collection of benefit overpayments, and the prevention, detection, and investigation of fraud.

## Office of Chief Counsel

### Overview

The OIG's Office of Chief Counsel, headed by K. Kenneth Brown, II, provides legal advice for all of the OIG's Bureaus. The professional credentials of the current OIG attorneys include former criminal prosecutors, private practice attorneys, and counsel at other state agencies. OIG attorneys routinely teach Continuing Legal Education classes for other commonwealth attorneys and attorneys in private practice.

### Activities

The attorneys of the Office of Chief Counsel litigate cases in Pennsylvania state courts, including but not limited to Magisterial District Courts, Courts of Common Pleas, and appeals before the Commonwealth Court. OIG attorneys also litigate in various federal courts, as well as before administrative tribunals including the Pennsylvania Human Relations Commission, the Office of Open Records, the Unemployment Compensation Board of Review, Department of Public Welfare's Bureau of Hearings and Appeals, and the federal Equal Employment Opportunity Commission.

OIG attorneys oversee the focus, tempo, and direction of the investigations conducted by BSI; work closely with the investigators to analyze the evidence, identifying criminal, civil, or administrative violations; and draft the OIG's investigative reports and guidance letters. The attorneys also play an important role in the investigation and drafting of pre-employment background investigation reports conducted by BSI.

OIG attorneys represent BFPP in actions to recover fraudulently-obtained public assistance benefits, including in the long-term care program.

OIG attorneys also work in conjunction with the Bureau of Administrative Services and the Bureau of Information Services to assist with a variety of issues, including procurement and contracting responsibilities, employee human resources issues, requests for public information under the Right-to-Know law, and training classes for OIG personnel.

In FY 2012-2013, the Office of Chief Counsel's attorneys collected more than \$442,937 in long-term care Medical Assistance overpayments.

## Bureau of Information Systems

### Overview

The Bureau of Information Systems (BIS) is a support bureau whose main responsibility is to provide for the Information Technology (IT) needs of the OIG. These needs include providing and maintaining personal computer hardware including desktop and laptop computers, providing support for server hardware and software, configuration and support, and developing

and managing network infrastructure.

BIS is organized into three main divisions, which provide the following functions:

Information Technology – provides all IT hardware and commercial software installation for agency staff, system servers, and network infrastructures. IT is also responsible for maintaining and controlling helpdesk functions supporting agency users throughout the commonwealth;

Applications Development and Support – responsible for the full range of agency web based applications; and

Business Applications Development Division – responsible for systems with business impact, along with those applications that interface with other state or federal entities.

### **Activities**

During FY 2012-2013, BIS has dedicated resources to upgrade and modernize the Office of Inspector General Avoidance and Recovery System (OARS). This modernization effort is necessary for the system to be prepared for the addition of Medical Assistance Claims under the Affordable Care Act, and to ensure future viability by adding storage, upgrading the hardware and software platforms, and completing 138 user requested enhancements.

## **Bureau of Administrative Services**

### **Overview**

The Bureau of Administrative Services (BAS) operates as a support bureau to OIG employees by providing supplies and equipment, negotiating contracts and services, administering all fiscal budgetary matters, overseeing personnel actions, employee relations, and providing training to new and existing staff.

BAS is comprised of four divisions:

Employee Services Division – The Employee Services Division is responsible for the coordination of all personnel management activities, which include, but are not limited to, recruitment, hiring, workplace injuries, human resource policy development, labor relations, employee discipline, timekeeping, and leave management;

Budget Division – The Budget Division manages the OIG's budget and procurement and is responsible for processing orders and purchases with contracted vendors; serving as liaison to vendors on payments and purchases, budget preparation, personnel and operating projections; and approving all personnel actions and purchases in accordance with the budget. In addition, the Division oversees facilities and vehicle management and provides support in mail and courier services, agency vehicles, building issues and leases, space allocation, equipment, supplies, and access badges;

Claim Accounting Division – The Claim Accounting Division provides accounting support for the processing of monies recovered from public assistance recipients who obtained benefits to which they were not entitled; and

Training Division - The Training Division offers training to all new OIG employees and an extensive program for all new investigators. In addition, the Division provides existing staff with ongoing training as a refresher or when a new policy is implemented. The Division also trains other state agencies and community partners to identify and refer potential fraud, waste, and abuse to the OIG and promotes the agency to potential future employees.

The OIG is expected to save \$54,061 annually as a result of its relocation to the CAO.

### Activities

During FY 2012-2013, BAS facilitated the move of the OIG's Northeast Regional Office from a privately leased building into a CAO, coordinated 31 hire transactions, and posted more than 42,700 payments.

Training activity for the fiscal year included:

- Held four Standard Training Programs for 17 new Claims Investigation Agents and Welfare Fraud Investigators;
- Conducted 2,622 hours of in-house training on various skills and job related topics, ranging from Effective Communication to Reports of Investigation;
- Attended five college job fairs to speak to students about prospective job openings and opportunities;
- Worked with the BIS Business Applications and Development Division (BADD) and BAS staff to develop resources for the new Customer Relationship Management (CRM) System;
- Coordinated with BFPP and BADD to develop resources and conduct training for the redesigned OARS; and
- Facilitated OIG web-based training courses on subjects required by commonwealth policy.

## Special Events and Initiatives

### The Governor's Innovation Office

On March 22, 2012, Governor Tom Corbett signed Executive Order 2012-04, establishing the Governor's Innovation Office. The Governor's Innovation Office is dedicated to improving efficiency and productivity in state government operations. The office reviews, approves, and tracks initiatives by state agencies to save money, increase efficiency, and improve customer service.

The Governor's Innovation Office receives guidance from a steering committee with representation from the Governor's Policy Office, Governor's Office of Administration, Governor's Office of the Budget, and Department of General Services.

Initiatives undertaken by the office are largely accomplished using project teams comprised of existing employees from across state agencies. These agency Innovation Teams (I-Teams) also recommend new initiatives for consideration by the office.

During FY 2012-2013, the OIG, under the guidance of the agency's I-Team, has completed four major innovation cost savings measures including ensuring all OIG vehicles have been equipped with a single and cost-efficient safety kit; identifying and using existing OIG databases to obtain numerous records needed for confidential OIG investigations; reducing the number of forms used by OIG investigators during the course of their investigations; and relocating the OIG's Northeast Regional Office to a modern, appropriately sized, and less expensive facility.

The OIG looks to continue its efforts in seeking cost savings and increasing efficiency in future fiscal years.

### **Certified Fraud Examiner Credential for Office of Inspector General Investigators**

In FY 2012-2013, eleven OIG investigators within the Bureau of Special Investigations obtained their Certified Fraud Examiner (CFE) credential through the Association of Certified Fraud Examiners (ACFE). The CFE credential is the professional standard which demonstrates competency and commitment in the anti-fraud field.

In order to obtain a CFE credential, the OIG investigators must meet minimum academic and professional requirements, successfully complete the CFE Examination, and agree to abide by the ACFE's Bylaws and Code of Professional Ethics. The CFE credential denotes proven expertise in fraud prevention, detection, and deterrence. CFEs are trained to uncover fraud and implement processes to prevent fraud from occurring in the first place.

The ACFE is the world's largest anti-fraud organization and premier provider of anti-fraud training and education. The CFE credential is a globally-recognized certification in the anti-fraud community. Individuals possessing their CFE credential specialize in the prevention and deterrence of fraud. CFEs represent the highest standards held by the ACFE and possess expertise in all aspects of the anti-fraud profession.

## Significant Cases in Fiscal Year 2012-2013

### Bureau of Special Investigations

The following cases represent a sample of the many types of cases BSI investigated during FY 2012-2013:

Tests showed that much of the installed material did not meet the commonwealth agency's specifications.

#### **A Commonwealth Contractor Used Substandard Materials and Submitted Falsified Documents**

The OIG investigated a complaint that an out-of-state contractor was providing a commonwealth agency with substandard material as part of an installation sub-contract. The OIG investigated whether the contractor installed proper materials and purchased the materials from appropriate suppliers. The OIG, in coordination with the commonwealth agency, tested the material in a laboratory for strength and chemical characteristics.

The OIG found that, in some cases, the contractor ordered inferior materials from appropriate suppliers. In other cases, the contractor ordered inferior products from suppliers that were not previously approved by the commonwealth agency. In certain instances, the contractor fabricated components that should have been purchased from an approved supplier.

The OIG recommended that the commonwealth agency suspend or debar the contractor from doing any further business with the commonwealth.

As a result of its investigation, the OIG received a second complaint that the same contractor provided falsified invoices to the commonwealth agency for materials the contractor purchased. The OIG found that the contractor altered documents purporting to be from suppliers and submitted them to the commonwealth agency as a justification for inflated prices. Ultimately, the commonwealth agency cancelled many of the projects related to the altered documents due to the projected high material costs. The OIG renewed its recommendation that the commonwealth agency suspend or debar the contractor due to its dishonest business practices with the commonwealth.

#### **A Commonwealth Annuitant and His<sup>1</sup> Supervisor Falsified the Annuitant's Work Hours to Increase His Pay**

The OIG received an anonymous complaint that the Chief Operating Officer (COO) of a facility run by a commonwealth agency was paying an annuitant for hours he did not work.

When the annuitant and former facility employee retired from commonwealth employment, the facility was unable to locate another properly credentialed operator to take over his duties. The COO convinced the commonwealth agency's Human Resources Department to bring the

<sup>1</sup> To respect the anonymity of those involved, the OIG will use masculine pronouns throughout its case summaries, regardless of the actual gender of the individuals involved.

former employee back as an annuitant in order to keep the facility in compliance with applicable regulations.

After the annuitant began working again at the facility, the compensation structure within the commonwealth changed such that he would receive only half his previous salary for his work as an annuitant. When the COO realized the annuitant was unwilling to continue to provide the same work for half his previous salary, the COO and the annuitant struck a “gentleman’s agreement” where the COO agreed to pay the annuitant for hours that he did not work in order to increase his overall salary and compensate for the decrease in hourly wage.

The COO also changed the facility’s organizational structure so that the annuitant reported to the COO in order that the COO could change the annuitant’s work hours and “swipe-in” and “swipe-out” dates and times so that it appeared the annuitant was working more hours, thereby increasing his overall wages.

The OIG recommended that the commonwealth agency take appropriate disciplinary action against the COO for altering the annuitant’s work hours, and seek recoupment of the payments to the annuitant for the hours he did not work. The OIG further recommended that the commonwealth agency adopt and implement written policies and procedures regarding facility time-keeping methods and records.

### **A Commonwealth Agency Inspector Engaged in a Conflict of Interest by Inspecting His Own Business**

A commonwealth agency responsible for regulating and inspecting a particular type of business asked the OIG to investigate whether one of the agency’s Inspectors had acquired an ownership interest in such a business, and whether the Inspector had conducted official inspections of that business. Despite the Inspector’s previous statements to the commonwealth agency denying ownership of the business, the OIG confirmed that in 2010 the Inspector had purchased a 33% ownership interest in the business (later increased to a 50% interest in 2011) and that the Inspector held a corporate officer position. The OIG also confirmed that the Inspector had:

- conducted an official commonwealth agency inspection of his own business;
- made false statements and provided falsified documentation to the commonwealth agency when it had previously questioned him about the matter; and
- failed to report the business ownership on his 2011 and 2012 Ethics Commission Statements of Financial Interest documents.

The commonwealth agency permitted the Inspector to resign and the OIG referred the matter to the Pennsylvania State Ethics Commission.

### **A Commonwealth Contractor Supplied a Misbranded Food Product as a Contract-Specified Brand**

The OIG received a complaint that one of two vendors who were awarded a commonwealth agency contract to supply non-perishable foods attempted to represent a non-specified brand of food product as a contract-specified brand.

The contract between the commonwealth agency and the vendors specified that the vendors would supply only specified brand name non-perishable foods to the commonwealth agency's facilities statewide. The vendor delivered 66 cases of a misbranded food product in boxes with fake labels to two facilities. When the food product was cooked at one of the facilities, it turned to "mush."

The OIG contacted the facility, a commodities warehouse, a trucking company, a box distributor, and a federal corrections institution to track the origin of the misbranded food product. The investigation revealed that the vendor made several failed attempts to obtain the brands of food specified in the contract. The Purchasing Manager for the vendor claimed he provided the misbranded food product to the facilities because he was under pressure from the commonwealth agency for poor performance issues, such as short shipments and damaged packages. The Purchasing Manager admitted to the OIG that he repackaged and relabeled another brand of food product so that it would appear to be a contract-specified brand.

The OIG recommended the commonwealth agency take action to debar the vendor.

### **Grant Recipients Failed To Provide a Final Report Documenting the Use of Grant Funds**

A commonwealth agency requested that the OIG assist in reviewing whether grant funds awarded in 2008 to a quasi-governmental agency to assist a local school close its programs, were used for their intended purpose. The grant funds were to be used to ensure that students still enrolled in the local school's programs could complete the programs before the school closed, and to help pay for the cost of maintaining student records.

Although the grant agreement required the quasi-governmental agency to provide a final report regarding the use of the grant funds, the commonwealth agency never received such a report. The commonwealth agency was therefore unsure as to whether the program had in fact been closed as required by the grant agreement.

The OIG determined that the local school provided a summary of its use of the grant fund expenditures to the grant recipient, who in turn failed to provide the summary to the commonwealth agency. The summary provided by the local school did not include all of the information required by the grant agreement.

Based upon available documents and interviews, the OIG did not uncover any fraudulent expenditures or activities relating to the grant. The OIG determined that the local school closed shortly after receiving the grant funds, and remained in a closed status for a period of approximately 11 months. The student records have been, and continue to be, maintained by another school, free of charge.

The OIG recommended that the commonwealth agency include more detailed grant reporting requirements in future grant agreements and that they follow up on grant reporting requirements in a timely fashion.

### **A Commonwealth Employee Used His Former Spouse's Electronic Benefits Card**

The OIG received a complaint from a commonwealth agency that an employee of the commonwealth agency used his former spouse's EBT card on several occasions. The commonwealth employee worked at the same office that awarded the benefits to the employee's former spouse.

The OIG reviewed surveillance photos and video documentation, which showed the employee using the recipient's EBT Card for food purchases. The employee admitted to the OIG that he used the recipient's EBT Card on three occasions and attempted to use it on a fourth occasion.

The OIG recommended the commonwealth agency take appropriate disciplinary action against the employee and seek restitution for the public welfare benefits that were improperly obtained. The commonwealth agency ultimately terminated the employee. The OIG also recommended that the matter be referred to a law enforcement agency for criminal investigation and prosecution.

### **A Commonwealth Employee Sought Kickbacks From a Recipient of Commonwealth Benefits**

The OIG investigated a complaint that an employee of a commonwealth agency sought kickbacks from a recipient of public assistance benefits.

The benefit recipient claimed that when he met with the commonwealth employee, the recipient asked whether he qualified for anything besides food stamps. According to the recipient, the employee explained that in order to be eligible for cash assistance for one year, the recipient would have to be deemed disabled. The employee instructed the recipient to go see a local doctor and inform the doctor that the employee sent the



DPW Electronic Benefits Card

recipient.

According to the recipient, after about six months of receiving both cash assistance and food stamps, another commonwealth employee from the same office came to the recipient's place of employment at a local bar and told the recipient that if the recipient gave the commonwealth employee \$50 a month, the recipient would continue to receive cash assistance and food stamps without having to prove eligibility.

The OIG referred the case to an appropriate law enforcement agency for criminal investigation and prosecution.

### **A Commonwealth Vendor Submitted a Falsified Document**

At the request of a commonwealth agency, the OIG investigated the circumstances through which an out-of-state vendor submitted a falsified document to the commonwealth in response to a Request for Proposal (RFP).

The OIG determined that the vendor who submitted the RFP did not create the falsified document and was unaware of its existence. The OIG also determined that the falsified document was submitted as part of the RFP by another, nationally known, out-of-state vendor that assisted with the original RFP. During the OIG's investigation, an employee of the vendor who submitted the falsified document deliberately misled and provided false information to the OIG. That individual ultimately admitted to falsifying the document and attempting to mislead the OIG in its investigation.

The OIG recommended that the commonwealth consider entering the vendor that submitted the falsified document into the contractor responsibility file. The OIG recommended the commonwealth agency consider potential suspension or debarment of the vendor from contracting with commonwealth agencies. The OIG also recommended that the Commonwealth agency consider referring the matter to a law enforcement agency for possible criminal investigation and prosecution.

### **A County Transportation Authority Inflated its Senior Ridership Numbers to Receive Additional Funding**

At the request of a commonwealth agency, the OIG investigated the alleged inflation of reported senior citizen ridership by a County Transportation Authority.

The commonwealth agency provides funding to local area transportation authorities based upon a formula, which includes senior citizen ridership. By inflating the numbers of senior citizen ridership, the Authority received additional funding.

The OIG interviewed Authority drivers and management employees, and

discovered that the Authority had been inflating senior citizen ridership data since at least 2007. The OIG's investigation also showed that Authority management encouraged the practice of inflating senior citizen ridership data on its routes.

Just one day after the allegations of inflated senior citizen ridership numbers were made public, senior citizen ridership figures dropped by almost 50% and remained low. The OIG found that the Authority's total reported senior citizen ridership figures for FY 2011-2012 were inflated and not supported by Authority records. The OIG found that the Authority reported its senior citizen ridership figure for FY 2011-2012 as 740,657 when the actual senior citizen ridership for that fiscal year was 209,858. According to the formula used to calculate funding, the Authority would have improperly received \$358,123 from the Commonwealth of Pennsylvania as a result of its over-reporting of senior ridership figures; however, the commonwealth agency had not yet paid any money to the Authority for FY 2011-2012.

The OIG recommended the commonwealth agency conduct an audit of the Authority. The OIG also recommended that the matter be referred to a law enforcement agency for possible criminal investigation and prosecution.

### **A Commonwealth Vendor Forged Client Names and Times of Service to Obtain Payment for Services He Did Not Provide**

The OIG investigated allegations that a commonwealth vendor forged client names and submitted the forms to obtain payment for services he did not provide. During its investigation, the OIG determined that the vendor sought reimbursement for providing services to multiple clients in separate locations on the same date and time. The OIG also found that the vendor falsified time sheets to inflate the amount of time he provided services to clients.

The OIG recommended the matter be referred to a law enforcement agency for possible criminal investigation and prosecution. The OIG also recommended the commonwealth agency discontinue using the vendor, and seek reimbursement from the vendor for payments he received for dates and times when he did not provide services.

### **A Commonwealth Employee Solicited Personal Loans From Subordinate Employees**

The OIG conducted an investigation into an anonymous complaint that a commonwealth employee solicited personal loans from subordinate employees. According to a co-worker of the commonwealth employee, the commonwealth employee and his co-worker exchanged text messages in which they discussed the commonwealth employee's financial position, loan agreements, and loan amounts. The co-worker provided the OIG with copies of six cashed checks the co-worker paid to the commonwealth

The commonwealth employee has since separated from his commonwealth employment.

employee. Five of the six checks were signed and cashed by the commonwealth employee. One of the checks was endorsed by a learning facility for the commonwealth employee's child.

The OIG determined that the commonwealth employee solicited and accepted personal loans from his subordinate employees.

The OIG also determined that the commonwealth employee failed to report any of the loans on his State Ethics Commission *Statement of Financial Interest* documents or his Governor's Code of Conduct *Statements of Financial Interest* documents.

### **A Commonwealth Employee Used Sick Leave While Working At a Second, Non-Commonwealth Job**

The OIG investigated a complaint that a commonwealth employee used an excessive amount of sick leave to work at a second, non-commonwealth job. The complainant also alleged that the employee's supervisor allowed the employee to misuse sick leave so that the employee would not retire.

The OIG found that the commonwealth employee improperly used sick leave in order to work at a second non-commonwealth job, to take off in conjunction with a weekend or other leave, to leave work early, and to take a vacation. The OIG also found that the employee's supervisor approved the employee's improper use of sick leave, which occurred on 49 days and 67 separate instances, totaling approximately \$10,960.

The OIG received significant resistance and lack of cooperation from employees of the commonwealth agency during its investigation. For example, the employee's supervisor provided false information to the OIG and attempted to start a separate investigation to determine what information other employees of the commonwealth agency provided to the OIG.

The OIG recommended that the employee and his supervisor be required to reimburse the commonwealth the value of the improperly used sick leave. The OIG also recommended the matter be referred to a law enforcement agency for criminal investigation and prosecution.

### **A Commonwealth Employee Stole \$15,500 From a Commonwealth Agency**

At the request of a commonwealth agency, the OIG investigated allegations that an employee of the commonwealth agency stole approximately \$13,000 in cash that should have been deposited into a commonwealth agency bank account. The OIG also investigated the commonwealth employee's unauthorized credit card purchases using a commonwealth credit card totaling approximately \$2,500.

Due to the nature of the allegations and the information obtained from three employees of the commonwealth agency, the case was referred to a law enforcement agency for criminal investigation and prosecution.

## **Bureau of Fraud Prevention and Prosecution**

DPW regulations require that individuals who apply for public assistance benefits truthfully disclose all circumstances of their current situation, as well as any material changes to their situation. This includes changes in household composition, the amount of income being received by those in the household, employment status, and ownership of resources or property. The following OIG investigations are a sample of cases where individuals did not report true and correct information to DPW:

### **Mercer County Resident Failed to Disclose True Household Composition**

An investigation by the OIG determined that a Mercer County resident willfully misrepresented/failed to disclose to the Mercer CAO that his spouse began residing with him again and that the spouse was gainfully employed. As a result, the defendant and his household received more than \$24,261 in SNAP benefits to which they were not entitled during the period of July 2007 through March 2011. The OIG's investigation led to the filing of criminal charges against the defendant on Oct. 28, 2011, for welfare fraud. The defendant pleaded guilty to the welfare fraud charges in August 2012. The court ordered the defendant to pay full restitution of the SNAP benefits he and his household unlawfully received. In addition, he was sentenced to 3-24 months incarceration and one year probation. Upon pleading guilty, the defendant was also disqualified from receiving SNAP benefits for a period of 12 months.

### **Cumberland County Resident Willfully Misrepresented That a Parent of the Resident's Children Was Residing With the Family**

An investigation by the OIG determined that a Cumberland County resident willfully misrepresented/failed to disclose to the Cumberland County Childcare Information Services Office that the parent of the resident's children was residing with the family. Because the children's other parent was residing in the household and was able to watch the children, the household was ineligible for Subsidized Child Care (SCC) benefits. As a result, the defendant received \$25,207 in SCC benefits to which he and his household were not entitled during the period of October 2007 through July 2010. The OIG's investigation led to the filing of criminal charges against the defendant on July 20, 2011 for welfare fraud. The defendant pleaded guilty to the welfare fraud charges in September 2012. The court ordered him to pay full restitution of the SCC benefits he and his household unlawfully received. In addition, he was sentenced to 50 months probation. Upon pleading guilty, the defendant was also disqualified from receiving SCC benefits for a period of six months.

### **Crawford County Resident Failed to Report That his Spouse Was Residing in the Household and Was Employed**

An investigation by the OIG determined that a Crawford County resident willfully misrepresented/failed to disclose to the Crawford CAO that his spouse began residing in the household and was employed. As a result, the defendant received \$18,736 in SNAP benefits and \$3,222 in LIHEAP benefits to which he and his household were not entitled during the period of January 2008 through February 2012. The OIG's investigation led to the filing of criminal charges against the defendant on May 24, 2012 for welfare fraud. The defendant pleaded guilty to the welfare fraud charges in November 2012. The court ordered him to pay full restitution of SNAP and LIHEAP benefits he and his household unlawfully received. In addition, he was sentenced to 24 days incarceration, two months house arrest and five years probation. Upon pleading guilty, the defendant was also disqualified from receiving SNAP benefits for a period of 12 months.



*Image courtesy of  
Commonwealth Media Services.*

### **Lebanon County Resident Failed to Report His Employment and Wages**

An investigation by the OIG determined that a Lebanon County resident willfully misrepresented/failed to report his employment and wages to the Lebanon CAO. As a result, the defendant received \$3,340 in SNAP benefits to which he was not entitled during the period of August 2010 through February 2011. The OIG's investigation led to the filing of criminal charges against the defendant on March 29, 2012 for welfare fraud. The defendant pleaded guilty to the welfare fraud charges in December 2012. The court ordered him to pay full restitution of the SNAP benefits he unlawfully received. In addition, he was sentenced to 18 months probation. Upon pleading guilty, the defendant was also disqualified from receiving SNAP benefits for a period of 12 months.

### **Crawford County Couple Willfully Misrepresented the Husband's Employment and Wages**

An investigation by the OIG determined that a couple in Crawford County willfully misrepresented/failed to disclose to the Crawford CAO the husband's employment and wages. As a result, the defendants received \$1,491 in cash assistance, \$8,897 in SNAP benefits, and \$2,351 in MA to which they were not entitled during the period of January 2011 through April 2012. The OIG's investigation led to the filing of criminal charges against the defendants on July 20, 2012. The defendants pleaded guilty to the welfare fraud charges in March 2013. The court ordered them to pay full restitution of the cash assistance, SNAP benefits, and MA they unlawfully received. In addition, both defendants were sentenced to five years probation and three months house arrest. Upon pleading guilty, both defendants were also disqualified from receiving cash assistance for a period of six months and from receiving SNAP benefits for a period of 12 months.

## **Lancaster County Store Owner Trafficked Supplemental Nutrition Assistance Program Benefits**



The OIG and Lancaster police conducted a joint investigation on individuals who were suspected of trafficking SNAP benefits in Lancaster County. The OIG's investigation resulted from a referral from the U.S. Department of Agriculture Office of Inspector General (USDA-OIG). The USDA-OIG, working with the Lancaster Police Department, charged a Lancaster County store owner with trafficking SNAP benefits at his store. The OIG's investigation revealed that the SNAP transactions of three individuals at the store established clear and repetitive patterns of unusual, irregular, rapid, and inexplicable activity, which was indicative of SNAP trafficking. The OIG filed criminal charges against three defendants for SNAP trafficking in January and February 2013, totaling over \$6,675. Two of the defendants pleaded guilty and were sentenced in the fall of 2013: one was sentenced to five years probation and ordered to pay full restitution of the SNAP benefits that were trafficked; the other entered the Accelerated Rehabilitative Disposition (ARD) program, and was ordered to pay full restitution of the SNAP benefits that were trafficked. Both defendants were permanently disqualified from the SNAP program. The remaining defendant pleaded guilty and is awaiting sentencing.

### **Office of Inspector General Outreach**

As part of its mission to insure integrity, accountability, and public confidence in Pennsylvania Government, the OIG conducts an ongoing and multi-faceted Outreach Program.

The program consists of two components: educational presentations to commonwealth employees in agencies within the OIG's jurisdiction, and presentations to community and service organizations and the general public.

These educational presentations are designed to inform commonwealth employees and the general public how to recognize and report fraud, waste, and abuse in state government. In addition, the OIG seeks to provide commonwealth employees with strategies for adhering to ethical standards in their own conduct.

In support of these presentations, and as a means of reaching a wider audience of state employees and members of the public, the OIG distributes a variety of informational materials that explain the OIG's role and how to file a complaint of wrongdoing.

Report fraud, waste, misconduct or abuse in commonwealth programs, operations, or contracts by calling toll-free:

1-855-FRAUDPA  
(1-855-372-8372)

Report welfare fraud against an individual or business by calling toll-free:

1-800-932-0582

Send written information to the following address:

Office of Inspector General  
555 Walnut Street, 7th Floor  
Harrisburg, PA 17101

Internet: <http://www.oig.state.pa.us>

All calls and correspondence are confidential





**Office of Inspector General  
Fiscal Year 2012-2013 Annual Report**