

IN THE EXECUTIVE ETHICS
COMMISSION OF THE STATE OF
ILLINOIS

IN RE: HUMAN RESOURCES) OEIG for the Agencies of the
DEVELOPMENT INSTITUTE INC.,) Illinois Governor
EVELYN WILLIS, SANDY CLARK,) Case #16-00650
TONYIA CALHOUN, and CHUCK)
HOEPE)

PUBLICATION OF REDACTED VERSION OF OEIG FINAL
REPORT

Below is the redacted final summary report from an Executive Inspector General. The General Assembly has directed the Executive Ethics Commission (Commission) to redact information from this report that may reveal the identity of witnesses, complainants or informants and “any other information it believes should not be made public.” 5 ILCS 430/20-52(b).

The Commission exercises this responsibility with great caution and with the goal of balancing the sometimes-competing interests of increasing transparency and operating with fairness to those involved. To balance these interests, the Commission may redact certain information contained in this report including, but not limited to, information that relates to allegations against a person who was found not to have committed a violation. The redactions are made with the understanding that the subject or subjects of the investigation have had no opportunity to rebut the report’s factual allegations or legal conclusions before the Commission. Further, in publishing the below redacted final summary report, the Commission makes no finding of law or fact for or against any individual or entity referenced therein.

The Commission received this report from the Governor’s Office of Executive Inspector General (“OEIG”) and a response from the agency in this matter. The Commission, pursuant to 5 ILCS 430/20-52, redacted the final report and mailed copies of the redacted version and responses to the Attorney General, the Executive Inspector General for the Governor, and Human Resources Development Institute, Inc., Evelyn Willis, Sandy Clark, Tonyia Calhoun and Chuck Hoepe’s last known addresses.

The Commission reviewed all suggestions received and makes this document available pursuant to 5 ILCS 430/20-52.

Office of the Executive Inspector General
for the Agencies of the Illinois Governor
Summary Report

I. INTRODUCTION

On March 30, 2016, the Office of Executive Inspector General (OEIG) received a complaint alleging that Human Resources Development Institute, Inc. (HRDI), a vendor of the Department of Human Services (DHS), stole \$700 from its client, [HRDI Class Member 1]. The OEIG began investigating whether HRDI misappropriated money from [HRDI Class Member 1]. The investigation into HRDI's handling of [HRDI Class Member 1]'s money developed into a broader inquiry into HRDI's handling of funds on behalf of its other mental health clients.

Based on its investigation, the OEIG finds that HRDI, and its employees, Evelyn Willis, Sandy Clark, Tonyia Calhoun, and Chuck Hoepe, failed to manage client funds, including those of [HRDI Class Member 1], in a manner consistent with sound fiscal standards.

II. BACKGROUND

A. DHS And *Williams* Consent Decree Class Members

In 2010, the State of Illinois entered into the *Williams* Consent Decree¹ with a class of plaintiffs who were Illinois residents institutionalized in facilities for people with mental diseases. The *Williams* Consent Decree enables class members to move from institutional settings into communities where they can live independently with professional support.

According to DHS [Identifying Information Redacted] [DHS Employee 1],² under the *Williams* Consent Decree, the State agreed to transition capable patients from approximately 28 mental health facilities into the community. DHS's Division of Mental Health is responsible for transition assistance and assuring the provision of mental health services to class members in the community. [DHS Employee 1] reported that DHS contracts with 18 agencies to provide class members with mental health services and transition assistance. The goal, [DHS Employee 1] indicated, is for class members to become fully independent.

B. HRDI

[DHS Employee 1] stated that HRDI became a provider of services under the *Williams* Consent Decree in 2012. HRDI's Division for Mental Health provides an array of mental health and support services for adults with serious and persistent mental illness or mental illness coupled with medical or substance abuse disorders.

¹ *Williams v. Quinn*, No. 05 C 4673 (N.D. Ill. Sept. 29, 2010).

² [DHS Employee 1] was interviewed in this investigation on April 15, 2016 and August 4, 2016.

To implement the *Williams* Consent Decree, DHS and HRDI entered into several contracts each fiscal year³ for HRDI to provide certain services to class members. For example, pursuant to the agreements, HRDI established and maintains a Williams Quality Administrator staff position to act as a point of contact with DHS regarding assigned class members, and established and maintains recovery drop-in centers to provide a community-based environment where class members participate in activities and learn greater independence. HRDI also provides ongoing community-based support services, helping class members find housing and employment, and apply for benefits; HRDI staff members also accompany class members into the community to do things such as make household purchases. According to [DHS Employee 1], as of August 4, 2016, HRDI served 64 class members. Between fiscal years 2013 and 2016, HRDI received about \$3.4 million from DHS under the contracts.

In addition to the services provided to the class members pursuant to the contracts with DHS, HRDI also acts as a representative payee for many class members, providing financial management of Social Security benefit funds for those who are incapable of managing their own money. The contracts between DHS and HRDI do not address HRDI's function as a representative payee for class members. However, the class members for whom HRDI acts as a representative payee are the same individuals to whom HRDI provides services under the DHS contracts. One such class member was [HRDI Class Member 1].

C. Requirement For Sound Financial Management By DHS Vendors

The administrative rules generally applicable to vendors providing services to DHS and its clients require vendors to “be managed in a manner consistent with sound fiscal standards.”⁴ Vendors are required to “maintain written policies and procedures regarding [their] fiscal activities, including . . . cash management,” and “must demonstrate internal controls that are consistent with any generally accepted accounting principles.”⁵ If the vendor is responsible for the management of client funds, “such funds shall be accounted for on an individual basis in a single separate account,” must be used only for the direct needs and support of the client, and “may not be converted for use by the [vendor].”⁶

III. INVESTIGATION

³ In 2013, 2015, and 2016, DHS and HRDI entered into five contracts during each fiscal year. For fiscal year 2014, DHS and HRDI entered into four contracts. DHS and HRDI entered into additional contracts for fiscal years 2017, 2018, and 2019; in 2019, HRDI will receive over eight million dollars in State funds under the contracts. The OEIG obtained HRDI's financial handling documents for 2013 to 2016 and April 2017 to June 2017, so this investigation focused on that period.

⁴ 89 Ill. Admin. Code § 509.10; 89 Ill. Admin. Code § 509.30(a). In addition, Social Security regulations provide that a representative payee has a responsibility to “use the benefits received on [the recipient's] behalf only for [his/her] use and benefit in a manner and for the purposes [the representative payee] determines . . . to be in [the recipient's] best interests.” 20 C.F.R. §§ 404.2065, 416.635. Social Security regulations require representative payees to account for the use of the recipient's benefits and keep records of how benefits were used, including records of all Social Security payments, bank statements, and receipts or cancelled checks for rent, utilities, and any major purchases made for the beneficiary. 20 C.F.R. §§ 404.2065, 416.665; 2014 Guide for Organizational Representative Payees at 16-17. The contracts between DHS and HRDI relating to the other services HRDI provides also require HRDI to implement and maintain certain financial accounting standards.

⁵ 89 Ill. Admin. Code § 509.30(a).

⁶ 89 Ill. Admin. Code § 509.30(c).

A. Investigation Relating To [HRDI Class Member 1]’s Social Security Funds

1. Interview of [HRDI Class Member 1]

On April 15, 2016 and May 4, 2016, OEIG investigators interviewed [HRDI Class Member 1]. [HRDI Class Member 1] stated that she was a class member under the *Williams* Consent Decree, and she enrolled in a program with HRDI when she was released from a nursing home. As part of this program, HRDI managed her Social Security benefits, provided her with a monthly stipend for necessities, and paid her bills and rent. [HRDI Class Member 1] reported that she could also request access to her funds for expenses outside her regular monthly budget.

[HRDI Class Member 1] stated that in September 2015, she was notified by the Social Security Administration that it deposited approximately \$1,400 in Social Security benefits into her account at HRDI. [HRDI Class Member 1] stated that she requested \$700 from HRDI to fix up her apartment, but her request was denied and HRDI employee Tonyia Calhoun told her that she had a negative balance. [HRDI Class Member 1] stated she went through her past receipts and believed that she had sufficient funds to cover the \$700 request.

[HRDI Class Member 1] stated that having been denied the funds by Ms. Calhoun, she went up the chain of command at HRDI. [HRDI Class Member 1] stated that she also contacted DHS [Identifying Information Redacted] [DHS Employee 1] to assist her in the dispute with HRDI.

2. Documents Reviewed Relating to [HRDI Class Member 1]’s Social Security Funds

Investigators confirmed that a letter from the Social Security Administration dated August 29, 2015 informed [HRDI Class Member 1] that she was owed back Social Security payments totaling \$1,406 and that the funds would be paid to her representative payee by September 12, 2015.

[HRDI Class Member 1] provided documents to the OEIG that were given to her by HRDI as an explanation of her negative balance. Those documents both showed HRDI’s accounting of her Social Security benefits in September 2015; however, while both documents showed a \$700 pocket pull⁷ was made from [HRDI Class Member 1]’s funds, the two documents showed inconsistent totals for the overall monthly deduction from her funds, as set forth below:

⁷ As described in further detail below, “pocket pull” is an HRDI term for a weekly withdrawal made from the class member bank account for the distribution of cash spending money to class members.

September 2015:

HRDI Document	Beginning Monthly Balance	Income received	Deductions	Ending Monthly Balance
1.) “[HRDI Class Member 1] Income Breakdown”	\$-- ⁸	\$2,139 ⁹	\$151 cable bill \$173 Rent \$100 pocket pull \$100 pocket pull \$100 pocket pull \$200 pocket pull \$300 HRDI pull \$300 HRDI pull \$700 HRDI pull (\$2,124 total)	\$-- ¹⁰
2.) “IL Representative Client Payee, December-April FISCAL YEAR 2016”	-\$1,360	\$2,139	\$173 rent \$300 pocket pull \$300 pocket pull \$700 pocket pull (\$1,473 total)	-\$694

Documents obtained in the investigation showed that on March 16, 2016, Ms. Calhoun informed [DHS Employee 1] via email that HRDI intended to pay [HRDI Class Member 1] the disputed \$700, and on March 29, 2016, Ms. Calhoun informed [DHS Employee 1] that HRDI intended to distribute the disputed \$700 to [HRDI Class Member 1] on April 1, 2016. An HRDI document titled “IL Representative Client Payee April Fiscal Year 2016” indicates that [HRDI Class Member 1] received \$800 in pocket pull cash on April 1, 2016.¹¹ The report indicates the \$800 was withdrawn from [HRDI Class Member 1]’s Social Security funds.

Investigators attempted to account for [HRDI Class Member 1]’s disputed \$700 by examining HRDI accounting documents beyond those HRDI provided to [HRDI Class Member 1]. Investigators examined HRDI “Representative Client Payee Reports,” which purportedly track each class member’s ongoing monthly balance, for the entire period for which HRDI acted as [HRDI Class Member 1]’s representative payee (March 2015 to March 2016). However, [HRDI Class Member 1] was omitted from many of the reports for months that HRDI acted as her representative payee, making it impossible to fully account for her Social Security funds during the time HRDI managed her money. Further, investigators found that some of the reports showed inconsistencies in the beginning and ending monthly balances of [HRDI Class Member 1]’s funds. For example, the “IL Representative Client Payee Fiscal Year 2015” reports relating to [HRDI Class Member 1]’s funds showed:

⁸ This document did not list a beginning monthly balance for [HRDI Class Member 1]’s funds.

⁹ This document indicated this income was received in two payments: \$733 and \$1,406.

¹⁰ This document did not list an ending monthly balance for [HRDI Class Member 1]’s funds.

¹¹ As will be discussed later in this report, in an interview, Ms. Calhoun indicated that the \$800 accounted for [HRDI Class Member 1] receiving the missing \$700 and an extra \$100 pocket pull.

Month	Beginning Monthly Balance	Income received	Deductions	Ending Monthly Balance
May	\$-- ¹²	\$733	\$1,000 ¹³	-\$267
June	-\$440	\$733	\$873 ¹⁴	-\$580

Others HRDI documents contained inconsistent amounts of pocket pull withdrawals from [HRDI Class Member 1]’s funds:

July 2016:

Document	Pocket Pull Monthly Total
“IL Representative Client Payee July Fiscal Year 2016”	\$1,100 ¹⁵
“Williams ACT Pocket Pull Sheets”	\$1,100 ¹⁶
“Pocket Pull Distribution Signature Sheets”	\$400 ¹⁷

3. Interviews of DHS Staff Who Investigated [HRDI Class Member 1]’s Missing Funds

OEIG investigators interviewed DHS [Identifying Information Redacted] [DHS Employee 1] and DHS [Identifying Information Redacted] [DHS Employee 2] about the steps they took to investigate the issue regarding [HRDI Class Member 1]’s funds. [DHS Employee 1] stated she has worked as a [Identifying Information Redacted] since [Identifying Information Redacted]. [DHS Employee 1] was assigned to HRDI in [Identifying Information Redacted], but was reassigned to another agency prior to her second OEIG interview in August 2016. As a [Identifying Information Redacted], her duties consist of meeting in regular intervals with class members who move out of mental health facilities to ensure they are adjusting to community living and receiving adequate services. [DHS Employee 2] is responsible for direct implementation of

¹² This document did not list a beginning monthly balance for [HRDI Class Member 1]’s funds.

¹³ This document showed these as itemized deductions.

¹⁴ This document showed these as itemized deductions.

¹⁵ This document showed these as itemized deductions; \$300 on July 1, \$400 on July 16, \$400 on July 23.

¹⁶ This document showed these as itemized deductions; \$300 on July 1, \$400 on July 19, \$400 on July 24.

¹⁷ This document showed these as weekly deductions; \$100 on July 10, \$100 on July 17, \$100 on July 24, and \$100 on July 31.

the *Williams* Consent Decree, which includes providing oversight of the provider agencies regarding the State's implementation plan.

[DHS Employee 1] stated that when she met with [HRDI Class Member 1] on March 4, 2016, [HRDI Class Member 1] complained about the \$700 dispute with HRDI. [DHS Employee 1] said she looked into the matter: she reviewed documents, called and emailed several HRDI employees, and participated in conference calls with HRDI personnel regarding the dispute. [DHS Employee 1] reported she learned that HRDI does not have a separate account for each class member, but rather deposits all class member Social Security funds into one account. [DHS Employee 1] opined that HRDI does not have a good system for documenting class member finances; she explained that HRDI's accounting system was handwritten, failed to adequately justify or explain itemized deductions from [HRDI Class Member 1]'s funds, and did not show a negative balance for [HRDI Class Member 1].

After [DHS Employee 1] informed [DHS Employee 2] about [HRDI Class Member 1]'s allegation that HRDI stole money from her, [DHS Employee 2] said that she had several telephone calls with HRDI to resolve the issue. [DHS Employee 2] said she advised HRDI that as representative payee they needed to act as a bank, meaning their accounting records should include a deposit slip for Social Security deposits, a withdrawal slip for any money given to a class member, and a running balance for each class members' finances. [DHS Employee 2] reported that HRDI told her they were modifying their accounting system and would implement new changes. [DHS Employee 2] indicated that she was told by HRDI that they had resolved the problem with [HRDI Class Member 1].

[DHS Employee 1] stated that several other class members receiving services from HRDI had complained to her about HRDI's handling of their finances. Those individuals complained about HRDI's failure to provide them with a breakdown of their finances and HRDI's nonpayment of their rent and utilities. [DHS Employee 1] stated that she wrote reports regarding these issues and provided them to DHS Division of Mental Health [Identifying Information Redacted] [DHS Employee 3], who forwarded them to HRDI.

B. Examination Of HRDI's Handling Of Other Class Members' Funds

The HRDI accounting documents related to [HRDI Class Member 1]'s Social Security funds revealed inconsistencies, and [DHS Employee 1] indicated that several other class members receiving services from HRDI had complained to her about HRDI's handling of their finances. In addition, the OEIG determined that DHS's audits of HRDI's handling of DHS funds and federal grant funds did not cover HRDI's function as representative payee or its handling of class member Social Security funds. Thus, the OEIG examined how HRDI handled the Social Security funds of other class members. Investigators learned that HRDI distributed spending money to class members in cash until approximately 2015 or 2016, and then subsequently electronically loaded most spending money onto cash cards. As discussed below, investigators examined both systems.

1. HRDI's Written Procedures for Distributing Spending Money to Class Members

HRDI provided the OEIG with written policies that detailed its procedures for distributing spending money to class members under the cash system. The policies indicated that class member Social Security funds were received via check at HRDI’s office located at 33 E. 114th Street in Chicago. Two copies were made of each check; one was filed, and the second copy was sent to HRDI’s Finance Department at the corporate office. Each week, case managers contacted their assigned class members to determine the amount of money needed by each class member to cover anticipated weekly expenditures; case managers then documented the amounts requested by the class members on a “pocket pull sheet.” The pocket pull sheet compiled by all case managers was tabulated and a check was written for the aggregate amount against the bank account holding the class members’ Social Security funds. Case managers signed a receipt signifying their receipt of class member funds for distribution and both the class members and case managers signed the pocket pull sheet signifying the class members’ receipt of the cash. Pocket pull sheets were copied and sent to the HRDI Finance Department along with the copies of the checks. From those documents, the Finance Department was responsible for preparing monthly “Representative Client Payee Account Activity Reports,” which detailed by class member the income received, pocket pull money disbursed, and bills paid. The report was then supposed to be reconciled to the deposits and withdrawals on the bank statement.

HRDI policies dated 2016 and 2017 made minor changes to the procedures stated above to adapt to the transition to the cash card system. For pocket pull disbursements, the policies indicate that cash pocket pulls are utilized “on a need basis.” For the cash card pocket pulls, the pocket pull sheets from all case managers are tabulated and the Office Manager uploads the information to the [Company 1] website before funds are transferred from the class member bank account to the [Company 1] account where funds are distributed to the individual cash cards.

2. HRDI Accounting Documents: Cash System

As noted above, until 2015 or 2016, HRDI distributed spending money to class members in cash. The OEIG asked HRDI to produce financial records for each class member, including any ledgers, supporting documentation, and monthly reconciliation reports. HRDI produced records for the period of 2013 to July 2016, and generally provided six types of documents:

1. Bank Statements	For the bank account from which class member funds were comingled and managed, and two other bank accounts
2. Check Copies	Evidencing both Social Security checks deposited into the class member account and checks written against the account
3. Pocket Pull Sheets	Listing class members and amounts, corresponding to the checks written against the account for pocket pull withdrawals ¹⁸ or indicating weekly pocket pull distributions ¹⁹
4. Client Financial Logs²⁰	Tracking by class member monthly or bi-monthly deposits, withdrawals, and pocket pull amounts

¹⁸ See Appendix 1.

¹⁹ See Appendix 2.

²⁰ See Appendix 3.

5. Signature Sheets²¹	Receipts signed by a class member and case manager, evidencing cash withdrawals from the class members' funds
6. Monthly Representative Client Payee Reports²²	Monthly spreadsheets depicting the accounting of each class member's monthly income and deductions

Numerous documents were missing from the records HRDI produced in response to the OEIG's request. Every month of records was missing at least one check copy, pocket pull sheet, client financial log, signature sheet, or monthly representative client payee report. Thus, to examine HRDI's system for documenting class member finances, OEIG investigators focused on March 2015 to February 2016, a period for which HRDI produced the most complete set of records.

For this period, investigators first examined HRDI's accounting of "pocket pull" withdrawals. Investigators compared: (1) withdrawals²³ made by HRDI 114th Street Office Manager Sandy Clark from the bank account for weekly pocket pulls, as reflected on the check copies and the bank statements, with (2) the corresponding pocket pull withdrawal sheets intended to justify the amount of the pocket pull withdrawals, and (3) the monthly representative client payee reports listing the total monthly pocket pull withdrawals. For eight (shown in italics) of the twelve months examined, the total monthly cash "pocket pull" withdrawals listed on the three different HRDI documents failed to match. Below is a summary:

Total Monthly Amounts of Documented Cash "Pocket Pull" Withdrawals

Month	Total Amount as Shown in Check Copies and Bank Account Statement	Total Amount as Shown in Pocket Pull Withdrawal Sheets	Total Amount as Shown in Monthly Representative Client Payee Reports
March 2015	\$37,464	\$37,464	\$37,464
April 2015	\$35,180.45	\$35,180.45	\$35,380.45
May 2015	\$53,064.70	\$53,064.70	\$53,064.70
June 2015	\$27,298.23	\$27,298.23	\$27,298.23
<i>July 2015</i>	\$55,933.69	\$55,933.69	\$40,774.69
<i>August 2015</i>	\$39,050.59	\$32,820.59	\$25,787.59
<i>September 2015</i>	\$44,808	\$43,778	\$40,828
<i>October 2015</i>	\$41,022	\$38,184	\$44,969

²¹ See Appendix 4.

²² See Appendix 5.

²³ Withdrawals were made via check and wire transfer.

<i>November 2015</i>	\$41,854	\$36,709	\$49,722
<i>December 2015</i>	\$31,238.27	\$30,143.27	\$31,238.27
<i>January 2016</i>	\$29,212.40	\$29,157.40	\$29,212.40
<i>February 2016</i>	\$34,604	\$34,564	\$34,604

Next, investigators examined HRDI's accounting of the disbursement of pocket pull funds in cash to class members. Again, numerous documents were missing from HRDI's records. Every month of records was missing at least one pocket pull sheet, client financial log, signature sheet, or monthly representative client payee report. Thus, OEIG investigators focused on July 2015, a month for which HRDI produced the most complete set of records.

Investigators discovered that numerous checks written against the class member bank account were made payable to Sandy Clark. Each check corresponded to an attached pocket pull withdrawal sheet, which listed class members and amounts, and the total amount listed on the pocket pull withdrawal sheet matched the amount on the corresponding check. However, investigators discovered that the amount withdrawn by Ms. Clark via check from the class member bank account often failed to match the amount of cash actually disbursed to class members, as reflected on HRDI's monthly representative client payee reports. For example, in July 2015, seven checks were made payable to Ms. Clark from the class member bank account, but HRDI's monthly representative client payee report failed to account for a large portion of that cash. Below is a summary of the contents of the documents for July 2015:

Bank Account: Total of Checks Written to Sandy Clark for Disbursement	Monthly Representative Client Payee Reports: Cash Disbursement Total	Difference
\$55,933.69	\$40,774.69	\$15,059

Next, investigators chose a sampling of class members for whom every type of document was present for July 2015, and examined HRDI's accounting of the disbursement of pocket pull funds in cash to each individual class member. Investigators compared: (1) the monthly representative client payee reports, (2) pocket pull sheets, (3) client financial logs, (4) and signature sheets. For 42 of the 43 class members examined, the total amount of pocket pull funds disbursed in cash failed to match on at least some of the documents. For six of those 42 class members with discrepancies, none of the totals in the HRDI accounting documents matched. For example, below is a summary of the four different documents listing the pocket pull amount for the month of July for two class members.²⁴ For both class members the documents show significant discrepancies in the amount of cash dispersed for that month, and one is an example where none of the totals matched:

²⁴ See Appendix 6 for a chart containing a summary of the documents' contents for each of the 43 class members examined, with the months with discrepancies indicated in italics and the class members for whom no document matched indicated in bold.

Total Dispersed Cash “Pocket Pull” Funds For July 2015

Class Member Name	Monthly Representative Client Payee Reports	Pocket Pull Distribution Sheets	Client Financial Logs	Signature Sheets
[HRDI Class Member 2]	\$1,300	\$1,300	\$480	\$570
[HRDI Class Member 3]	\$700	\$900	\$330	\$270

3. HRDI Accounting Documents: Cash Card System

As noted above, beginning in 2015, HRDI transitioned from the cash-based system for class member withdrawals to an electronic system in which funds were transferred onto cash cards for class members’ use. Therefore, the OEIG also examined how HRDI handles class member funds under that cash card system.

According to the documents obtained in the investigation, on June 1, 2015, HRDI signed a contract with [Company 1] ([COMPANY 1]), a business that provides an electronic fund transfer service to facilitate the transfer of funds between a company and any person who receives a [Company 1]. Pursuant to the contract with HRDI, [COMPANY 1] set up individual accounts for each class member for whom HRDI acted as representative payee. The accounts function like a bank account; HRDI has access to each account and can electronically load funds onto a card associated with each account. To load funds onto a card, HRDI wires money from the class member bank account. According to [COMPANY 1] [Identifying Information Redacted] [Company 1 Employee 1],²⁵ HRDI first loaded a class member card with funds on July 6, 2015.

Investigators examined bank statements for the class member bank account and found that HRDI began to utilize [COMPANY 1]’s service more frequently in September 2015, when there was a series of monthly electronic withdrawals from the class member bank account to [COMPANY 1] totaling \$1,970. The amount of money sent by HRDI to [COMPANY 1] slowly increased over the next few months as HRDI transitioned away from its cash pocket pull system; approximately \$23,000 was transferred to [COMPANY 1] in December 2015, \$30,000 was transferred to [COMPANY 1] in February 2016, and \$49,000 was transferred to [COMPANY 1] in August 2016.

The OEIG requested from HRDI, for the period of April 2017 to June 2017, all financial records depicting its accounting of funds for each class member, including any ledgers, supporting documentation, and monthly reconciliation reports. In addition to the bank statements, check copies, pocket pull sheets, signature sheets, and monthly representative client payee reports described above, HRDI generally provided for that period six additional types of documents depicting its monthly accounting of class member Social Security funds:

²⁵ [Company 1 Employee 1] was interviewed in this investigation on May 12, 2017.

1. Check Requests²⁶	Listing the reason, amount, and payee for the funds requested from the class member bank account
2. Client Account Balance & Activity Sheets²⁷	Seemingly replacing the client financial logs, tracking by class member monthly deposits, withdrawals, and pocket pull amounts
3. Bank Reconciliation Reports²⁸	Tracking the balance of the class member bank account
4. Check Registers²⁹	Listing by month each check written against the class member bank account, the payee, and amount
5. Cash Card Lists³⁰	Listing class members and amounts showing funds loaded onto class member cash cards for pocket pull withdrawals
6. Cash Card Transaction History³¹	Listing by class member each electronic transfer onto their cash cards

Investigators found that after HRDI had transitioned to the cash card system, Ms. Clark continued to write checks against the class member bank account. Most of the checks written from the class member bank account were written directly to utility companies or other businesses to pay class member bills, and those checks were attached to supporting receipts. Other checks were written to Ms. Clark. Investigators examined records for May 2017, the month with the largest amount of check withdrawals, when eight checks totaling approximately \$3,513 were written to Ms. Clark. HRDI produced pocket pull withdrawal sheets for each check written to Ms. Clark, which matched the amount on the associated check and matched the pocket pull amount listed for each class member on the monthly representative client payee report and client account balance sheet.

However, HRDI's accounting documents related to wire transfers to [COMPANY 1] for pocket pulls failed to match. Investigators compared: (1) wire transfers to [COMPANY 1] made from the class member bank account for weekly pocket pulls, with (2) the corresponding cash card lists that purported to justify the amount of the cash card pocket pull withdrawals, and (3) the monthly representative client payee reports listing the total monthly pocket pull withdrawals. For each of the three months examined, the total monthly pocket pull withdrawal amounts listed on the HRDI documents failed to match:

²⁶ See Appendix 7.

²⁷ See Appendix 8.

²⁸ See Appendix 9.

²⁹ See Appendix 10.

³⁰ See Appendix 11.

³¹ See Appendix 12.

Month	Bank Statements	Cash Card Lists	Monthly Representative Client Payee Reports
April 2017	\$41,043	\$30,299	\$30,879.51
May 2017	\$34,791	\$37,386	\$38,111.37
June 2017	\$32,538	\$40,862	\$39,665

4. Interviews of HRDI Case Managers

HRDI case managers are responsible for paying class member utility bills and helping class members create a monthly budget. Each HRDI case manager is assigned to approximately ten class members and there are generally four or five HRDI case managers. Investigators separately interviewed one current and two former HRDI case managers who worked with *Williams* Consent Decree class members.

Former HRDI Case Manager [HRDI Employee 1] stated that she worked at HRDI from [Identifying Information Redacted], and began working as a case manager for *Williams* Consent Decree class members in [Identifying Information Redacted]. Former HRDI Case Manager [HRDI Employee 2] stated that she worked for HRDI from [Identifying Information Redacted]. [HRDI Employee 2] initially worked as [Identifying Information Redacted], but became a case manager in [Identifying Information Redacted]. HRDI Case Manager [HRDI Employee 3] stated that he has worked as an HRDI case manager since [Identifying Information Redacted], working exclusively for the *Williams* Consent Decree program.

[HRDI Employee 1], [HRDI Employee 2], and [HRDI Employee 3] agreed that “pocket pulls” were HRDI’s system for distributing Social Security funds to class members. [HRDI Employee 3] and [HRDI Employee 2] explained that some class members receive a set weekly pocket pull amount recorded on a weekly list provided to the case managers. Before every Friday, case managers contacted their assigned class members to determine if the class member needed more cash than their set weekly pocket pull amount. Case managers met every week prior to Friday to update the pocket pull list with any additional requests made by their class members. The list containing the aggregate dollar amount for every class member would be reported to HRDI employee Tonyia Calhoun before going to the supervisor at the 114th Street HRDI office.

According to [HRDI Employee 1] and [HRDI Employee 2], during the time that the cash system was in place, an HRDI employee picked up the requested amount of cash from HRDI employee Sandy Clark at the HRDI 114th Street office and brought it to the HRDI 79th Street office. On a few occasions, both [HRDI Employee 1] and [HRDI Employee 2] were asked by Ms. Calhoun to collect the pocket pull cash from the 114th Street office. To collect the cash, each met with HRDI employee Sandy Clark, who counted the cash before turning it over in a zippered bank pouch. [HRDI Employee 1] and [HRDI Employee 2] then brought the pocket pull cash back to HRDI’s 79th Street office. [HRDI Employee 1] and [HRDI Employee 2] reported the cash was carried without security, which made them both nervous.

[HRDI Employee 1] and [HRDI Employee 2] explained that once the cash arrived at the 79th Street office, it was given to Ms. Calhoun. Ms. Calhoun would separate the cash into envelopes addressed to class members and the envelopes were put in an office safe, for which Ms. Calhoun knew the combination. [HRDI Employee 2] indicated that Ms. Calhoun “knew” which class members were responsible enough to manage their own money. For the class members Ms. Calhoun did not believe were capable of responsibly managing their money, some of their cash was held in an office safe at HRDI for split distributions.

The case managers said that until HRDI transitioned to the cash card system, on Fridays they distributed the cash envelopes to their assigned class members at the HRDI office. [HRDI Employee 3] reported that when case managers distributed the cash envelopes to their assigned class members, class members signed a receipt indicating they received the cash. For any amount above their set weekly pocket pull, class members were supposed to provide their case manager with a receipt evidencing their use of the additional funds. However, [HRDI Employee 3] noted that case managers had a lot of discretion regarding whether to demand receipts; if a class member with disabilities was high functioning, a case manager might not require a receipt. [HRDI Employee 3] stated that case managers would sometimes receive class member pocket pull cash to pay the class members’ bills, but were required to provide a receipt evidencing the bill was paid. [HRDI Employee 3] explained this could occur if the class member needed “extra assisting” or had a functioning level such that the class member could not pay their own bills.

[HRDI Employee 1], [HRDI Employee 2], and [HRDI Employee 3] described inconsistent procedures regarding tracking class member balances. [HRDI Employee 1] stated that she never knew the balance of a class member’s Social Security funds and case managers did not track how class members spent their weekly pocket pull cash. [HRDI Employee 3] stated that he kept balanced budget sheets for each of his assigned class members, but stated that if a class member did not have the necessary amount of cash to cover their request, HRDI would inform the case manager. However, [HRDI Employee 3] could not recall a class member that had a zero balance. [HRDI Employee 2] indicated that a ledger was kept for each class member listing their monthly balance, where Ms. Calhoun instructed [HRDI Employee 2] to record the class members’ monthly Social Security deposit. Even if a class member’s Social Security payment was not deposited to HRDI on time, Ms. Calhoun instructed [HRDI Employee 2] to record the deposit in the ledger. [HRDI Employee 2] said she kept a running balance for each class member in the ledger, subtracting pocket pull withdrawals and other deductions, much like balancing a checkbook.

Investigators showed [HRDI Employee 1] and [HRDI Employee 3] several HRDI accounting documents related to specific class members. [HRDI Employee 1] identified a client financial log, explaining that the logs were intended to track how much cash each class member had available to them and that Ms. Calhoun kept them in a binder for each class member. [HRDI Employee 1] also identified several receipts: one that was signed by case managers to indicate they received the specific quantity of cash from Ms. Calhoun for their class member, and one that was signed by case managers and class members when the class member received their pocket pull cash. [HRDI Employee 1] stated she turned in those receipts to Ms. Calhoun, who also signed them. While he said he was familiar with the pocket pull distribution sheets, [HRDI Employee 3] denied ever seeing a client financial log and denied knowing who maintained the logs.

Investigators showed [HRDI Employee 1], [HRDI Employee 2], and [HRDI Employee 3] HRDI's written financial handling procedures. Neither [HRDI Employee 2] or [HRDI Employee 1] had seen any HRDI policies, even during their new employee orientation or when they began work as a case manager. [HRDI Employee 1] indicated that she was instructed on the handling of pocket pull cash verbally by Ms. Calhoun. While [HRDI Employee 3] said he had seen a 2014 policy during his new employee intake, he said he had never seen the other written HRDI policies.

[HRDI Employee 2] and [HRDI Employee 3] explained that in approximately 2016 HRDI introduced [COMPANY 1] cash cards to eliminate the distribution of cash for pocket pulls. [HRDI Employee 2] explained that for the new system, Ms. Clark provided the HRDI 79th Street employees with cash cards to distribute to the class members. According to [HRDI Employee 3], since the transition to cash cards, pocket pulls occur through the electronic loading of funds into the class members' cash cards. He said that case managers still meet with their assigned class members on a weekly basis and there are still weekly case manager meetings where the pocket pull list is discussed and tabulated. [HRDI Employee 3] stated that with the cash card system, there is virtually no handling of cash unless a class member has an emergency. According to [HRDI Employee 3], the only difference between the old cash system and the cash card program is that no cash comes to the case managers for distribution to the class members. Although there were problems reported by class members using the cards at ATMs and online, [HRDI Employee 3] said he had not heard of any class member not receiving their funds on the cash cards.

[HRDI Employee 1] stated that at least two HRDI class members, including [HRDI Class Member 1], occasionally complained to her that HRDI was taking their Social Security funds. However, [HRDI Employee 1] indicated that neither class member offered her specific complaints. [HRDI Employee 1], [HRDI Employee 2], and [HRDI Employee 3] all denied stealing any pocket pull cash and denied seeing anyone at HRDI steal pocket pull cash.

5. Interview of Tonyia Calhoun, HRDI Williams Quality Administrator

On February 8, 2018, the OEIG interviewed HRDI Williams Quality Administrator Tonyia Calhoun. Ms. Calhoun explained that the Williams Quality Administrator position was created as a result of the *Williams* Consent Decree and she has worked in the position since its creation in September 2012.

Ms. Calhoun said that as Williams Quality Administrator, she is responsible for overseeing the quality of life for HRDI class members. She said that until HRDI underwent a reorganization in late 2015, she also managed the financial affairs of class members for whom HRDI acted as a representative payee. When she was responsible for class member finances, Ms. Calhoun said she was entrusted to pay class members' monthly rent and weekly bills, and to provide them with a weekly cash allowance, which HRDI referred to as "pocket pulls." Ms. Calhoun stated that in early 2016, HRDI transitioned from the cash system to debit cards.

Ms. Calhoun reported that class member funding was generated by individual monthly Social Security payments to HRDI. The Social Security payments for each class member were comingled in one bank account. Ms. Calhoun stated she did not have access to the class member

bank account, but HRDI employee Sandy Clark did. Ms. Calhoun stated she knew of no internal audits conducted of class member accounts.

Ms. Calhoun explained that Ms. Clark withdrew rent payments from the class members' bank account on behalf of each class member, and class member utility bills were commonly paid in cash.³² To pay class members' utility bills, either case managers or the class member would provide the utility bill to Ms. Calhoun, who would ensure Ms. Clark withdrew enough cash from the class member bank account to cover the expense.

In addition to having their bills paid, Ms. Calhoun stated that each class member received a weekly pocket pull. To determine how much each class member should receive, Ms. Calhoun said she worked with the case managers to draw up a budget for each class member. Ms. Calhoun stated that she, along with the Clinical Supervisor, made the ultimate decision regarding the amount of each class member's weekly pocket pulls. Ms. Calhoun stated she kept track of class member balances on her own paperwork, which she identified as the pocket pull withdrawal sheets.

Ms. Calhoun said that to obtain cash for the pocket pulls from the class member bank account, she filled out a form listing, by class member, the dollar amount requested. The cash request forms were provided to Ms. Clark, who withdrew the cash from the class member bank account. Ms. Calhoun reported that she retrieved cash from Ms. Clark at HRDI's 114th Street office once or twice each week. Ms. Calhoun said that she, or whatever HRDI employee retrieved the cash, would bring it to HRDI's 79th Street office, where it would be separated by class member according to the request form.

Ms. Calhoun explained that the cash generated from the pocket pulls was kept in a safe at HRDI's 79th Street office until it was distributed. According to Ms. Calhoun, she had access to the safe along with two HRDI clinical supervisors, and two administrative assistants. Ms. Calhoun stated that any cash withdrawn for the pocket pull that was not distributed to class members was kept inside the safe. Ms. Calhoun reported that there was approximately \$13,000 of class member cash in the HRDI safe when she stepped down from handling class member finances.

Ms. Calhoun stated that she kept a running dollar balance by class member of how much cash each class member had in the safe, and that she kept documentation of the balances in a binder. Ms. Calhoun stated that she relied on receipts from case managers to track what cash went into and out of the safe, and that there were penalties for case managers who did not have receipts. Ms. Calhoun stated the people who had access to the safe audited it but, to her knowledge, no one outside of the people with access ever audited the contents of the safe.

Ms. Calhoun reported that case managers initially distributed pocket pull cash to class members by taking it to them. Then, once the class members learned how to use the public transportation system, every Friday they came to HRDI's 79th Street office to collect pocket pull cash from their case manager.

³² Ms. Calhoun explained that when a class member's utility services had been cut off for lack of payment, the fastest way to restore them is to pay the vendor with cash.

Investigators showed Ms. Calhoun three HRDI bank statements from July 2015. Ms. Calhoun stated she had never seen the statements and was not familiar with the accounts. Investigators showed Ms. Calhoun a series of reports spanning May 2015 through July 2017, titled “IL Representative Client Payee.” Ms. Calhoun stated that neither she nor the other 79th Street HRDI staff were responsible for creating the reports. However, Ms. Calhoun indicated the amounts listed in the “rent” column came from her team. Ms. Calhoun reported that she generally received these reports from Sandy Clark. Ms. Calhoun said that at one point, Ms. Clark stopped sending the reports to her, but HRDI’s Chief Financial Officer learned of the omission and ensured Ms. Calhoun received the reports.

Investigators asked Ms. Calhoun if any HRDI *Williams* Consent Decree class member had complained about not receiving their Social Security funds. Ms. Calhoun stated that one class member, [HRDI Class Member 1], called Ms. Calhoun to report that she had requested \$700 for shopping, but had been informed by HRDI that she did not have the necessary funds. Ms. Calhoun said she informed [HRDI Class Member 1] that HRDI would investigate the matter and gave [HRDI Class Member 1] \$200 in the meantime.

According to Ms. Calhoun, she began to investigate the matter, and learned that prior to becoming a *Williams* Consent Decree class member served by HRDI, [HRDI Class Member 1] was a *Williams* Consent Decree class member served by [Company 2].³³ Ms. Calhoun opined that the funds [HRDI Class Member 1] perceived as missing were involved in a temporary “holding pattern” relating to [HRDI Class Member 1]’s prior relationship with [Company 2]. Ms. Calhoun reported that the funds were eventually deposited into [HRDI Class Member 1]’s HRDI account and she believed [HRDI Class Member 1] received the disputed \$700. However, Ms. Calhoun could provide no further information regarding the funds and stated that she was told to stop investigating the matter when the OIG began the instant investigation.

Investigators showed Ms. Calhoun a copy of a document titled “[HRDI Class Member 1] Income Breakdown,” and “IL Representative Client Payee” reports for December to April 2016. Ms. Calhoun stated she prepared the income breakdown document and Ms. Clark prepared part of the Representative Client Payee report. Investigators directed Ms. Calhoun’s attention to the April 2016 IL Representative Client Payee report reflecting [HRDI Class Member 1] received \$800 in pocket pull cash on April 1, 2016. Ms. Calhoun indicated that the \$800 accounted for [HRDI Class Member 1] receiving the missing \$700 and an extra \$100 pocket pull. Ms. Calhoun could not explain why \$700 had been deducted from [HRDI Class Member 1]’s Social Security balance if the \$700 was intended to repay [HRDI Class Member 1] for missing funds.

Investigators showed Ms. Calhoun “IL Representative Client Payee” reports for May 2015 and June 2015. Investigators asked Ms. Calhoun why the May 2015 report showed [HRDI Class Member 1] had a negative ending monthly balance. Ms. Calhoun stated that she did not know, but the only reason a class member should have a negative balance is if their Social Security benefits had been cut off. When investigators showed Ms. Calhoun that [HRDI Class Member 1]’s May 2015 ending balance of negative \$267 did not match the beginning balance of negative \$440 listed

³³ [Company 2] is a nursing home facility in Chicago that is designated as an “[Identifying Information Redacted].” See [Company 2 Website] (last visited November 16, 2018).

on the June 2015 report, Ms. Calhoun stated that she could not explain the discrepancy as she did not prepare these reports.

Investigators showed Ms. Calhoun the following HRDI accounting documents for July 2016, with entries corresponding to disbursements purportedly made to class member [HRDI Class Member 1]:

Pocket Pull Distribution Sheets	IL Representative Client Payee
\$400	\$1,100

Ms. Calhoun stated that she did not prepare the IL representative payee report, but acknowledged that it showed [HRDI Class Member 1] received \$1,100 in pocket pull cash in July 2016. Ms. Calhoun noted that the pocket pull distribution sheets indicated [HRDI Class Member 1] received \$400 in pocket pull cash in July 2016. Ms. Calhoun explained that the remaining cash from the \$1,100 would have been placed in the HRDI safe under [HRDI Class Member 1]’s name and tracked on the client financial log.

Investigators showed Ms. Calhoun the following HRDI accounting documents for July 2015, with entries corresponding to class member [HRDI Class Member 4]:

Pocket Pull Withdrawal Sheet – July 31, 2015	Pocket Pull Distribution Sheets	IL Representative Client Payee – “30-JUL”
\$400	\$-- ³⁴	\$--

Ms. Calhoun reported that she did not prepare the IL Representative Client Payee report, but the pocket pull withdrawal sheets were completed at her direction by her administrative assistant. Once finalized by Ms. Calhoun, the sheets were sent to Ms. Clark once a week to justify the pocket pull withdrawal amount. Ms. Calhoun stated she filled out the “pocket pull distribution sheets,” and that the purpose of these documents was to inform the administrative assistant that the cash had been distributed. Ms. Calhoun stated that she had never seen an HRDI check made payable to Ms. Clark and never requested or received more than approximately \$6,000 in cash from Ms. Clark in any given week.³⁵

Investigators showed Ms. Calhoun a client financial log corresponding to class member [HRDI Class Member 4]. Ms. Calhoun stated that her handwriting appeared on the document. Ms. Calhoun explained that the “safe box” section on the log indicates the quantity of cash the class member had stored in the HRDI safe.³⁶ Ms. Calhoun stated that the direct deposit entries listed in the “HRDI Account” section of the log are Social Security deposits that Ms. Calhoun assumed occurred. Ms. Calhoun stated she did not know for certain if these deposits were made.

³⁴ [HRDI Class Member 4] was not listed on any of the pocket pull distribution sheets.

³⁵ The check from which [HRDI Class Member 4] was paid her pocket pull cash during the week of July 31, 2015, was made payable to Sandy Clark for \$15,084.26

³⁶ The Client Financial Log indicated that [HRDI Class Member 4] already had \$100 stored in the safe at the time the \$400 was withdrawn from the bank account.

Ms. Calhoun explained that although she did not handle the Social Security deposits, she included this column because she wanted to have an idea of the class member's overall financial health. Ms. Calhoun explained that after the pocket pull cash was distributed to the class member, the class member would sign a receipt and the case worker would give Ms. Calhoun the signed receipt.

Ms. Calhoun stated she knew nothing about anyone improperly taking *Williams* Consent Decree class member cash.

6. Interview of Sandy Clark, HRDI Office Manager

On April 26, 2018, the OEIG interviewed HRDI 114th Street Office Manager Sandy Clark. Ms. Clark stated that she has worked for HRDI for 20 years and has held her current position for approximately 10 years. According to Ms. Clark, her duties include overseeing office supplies and ensuring that the front desk is covered. While Ms. Clark stated she has no direct contact with class members, she indicated that her job duties include providing access to class member funds.

Ms. Clark reported that class member needs are funded through Social Security benefit payments deposited into an HRDI-controlled [Bank 1] account.³⁷ Ms. Clark stated the class member bills are paid from that account. Ms. Clark reported she keeps a physical checkbook to the accounts in her office and that only her signature is required on checks written from the accounts. Ms. Clark stated that for every check she writes from the main account, she sends copies of the check stub to HRDI Senior Accountant Chuck Hoepe.

Ms. Clark explained that she does not keep track of any individual class member's balance. Rather, she said she relies on HRDI case managers to do that. Ms. Clark said that when she receives a request to withdraw funds from the class member bank account to pay a class member's bill, Ms. Clark assumes the class member has enough funds to cover the cost and that their balance is being tracked by a case manager.

Investigators showed Ms. Clark a packet containing copies of approximately 24 checks written from the [Bank 1] account. Ms. Clark confirmed that most of the checks were made payable to her, and confirmed they contained her signature. Ms. Clark stated the checks represent pocket pull cash distributed to class members. Ms. Clark explained that if she was unable to make it to the bank, checks were made payable to another HRDI employee.

Ms. Clark explained that she made the checks payable to herself and cashed the checks at the bank before bringing the funds to her office and placing the cash in an office safe. She said that when someone came to pick up the cash for distribution, she and the other person would count the cash together, and the person would sign a receipt. Ms. Clark indicated that Ms. Calhoun was the head of the HRDI *Williams* Consent Decree team and the person who came most consistently to pick up the cash for that team. Ms. Clark stated she had no idea what happened to the cash once Ms. Calhoun took it. Ms. Clark indicated that she trusts the cash gets to the class members.

³⁷ Ms. Clark stated she also opened two other bank accounts at [Bank 1]. She explained that one account is dormant, and the other holds class member interest money.

When asked, Ms. Clark stated that she was familiar with class member [HRDI Class Member 1] and indicated she had given [HRDI Class Member 1], or someone else, money to resolve her complaint. Investigators showed Ms. Clark a copy of the document titled “[HRDI Class Member 1] Income Breakdown.”³⁸ Ms. Clark indicated that she had never seen the first page of the report, but may have seen the second. Investigators showed Ms. Clark a copy of an IL Representative Client Payee report for [HRDI Class Member 1] for July 2015.³⁹ Ms. Clark stated she normally receives this type of report from Mr. Hoepe or another individual, and that she makes sure the supervisors for the *Williams* Consent Decree team receive copies. Ms. Clark stated that although she does not create the report, she provides some of the information used to create it.

Investigators showed Ms. Clark the following HRDI accounting documents for July 2015, with entries corresponding to class member [HRDI Class Member 5]:

Pocket Pull Withdrawal Sheets	IL Representative Client Payee
\$399	\$399
\$455	--

Investigators asked Ms. Clark to explain why the pocket pull withdrawal sheets indicate that class member [HRDI Class Member 5] received a total of \$854 in pocket pull cash in July 2015, but the IL Representative Client Payee report shows she received \$399 in pocket pull cash in July 2015. Ms. Clark stated that because the pocket pull occurred so late in July, the \$455 might be captured on the August report. Investigators showed Ms. Clark the August report, noting no pocket pull was reflected for [HRDI Class Member 5] in the first pocket pull column. When asked if she could explain this discrepancy, Ms. Clark stated, “I have no idea.” Ms. Clark denied taking the missing \$455.

Investigators showed Ms. Clark the following HRDI accounting documents for July 2015, with entries corresponding to class members [HRDI Class Member 6], [HRDI Class Member 7], and [HRDI Class Member 8]:

Class Member	Pocket Pull Withdrawal Sheets	IL Representative Client Payee
[HRDI Class Member 6]	\$300	\$300
	\$300	\$300
	\$300	--
[HRDI Class Member 7]	\$620	\$620

³⁸ As noted above, this accounting document showed that \$2,139 had been received as income for [HRDI Class Member 1] in September 2015, and \$2,124 had been deducted from [HRDI Class Member 1]’s funds.

³⁹ As noted above, this accounting document showed that \$2,139 had been received as income for [HRDI Class Member 1] in September 2015, and \$1,473 had been deducted from [HRDI Class Member 1]’s funds.

	\$620	--
[HRDI Class Member 8]	\$742	\$742
	\$742	--

Investigators asked Ms. Clark to explain why the pocket pull withdrawal sheets indicate the class members received more pocket pull cash in July 2015 than the IL Representative Client Payee report shows. Ms. Clark stated that she did not know why the additional pocket pull amount for each class member is shown in the pocket pull withdrawal sheets but not reflected in the report generated by Mr. Hoepe’s department. Ms. Clark stated that she gave all the cash from the checks to someone in Ms. Calhoun’s team, as is reflected in her paperwork.

Ms. Clark stated that she had no explanation for any other instance in which HRDI checks and pocket pull sheets indicate that a class member received a specific amount of pocket pull cash, but the corresponding “IL Representative Client Payee” report did not indicate the same amount was distributed to the class member. Ms. Clark stated that she reported all cash withdrawn for pocket pulls to Mr. Hoepe and she did not know why it was not recorded on the reports prepared by his department. Ms. Clark stated that she gave all the cash she withdrew from the bank to the appropriate program representative to distribute to class members. Ms. Clark stated she did not take any class member’s Social Security funds and did not know of anyone else who took class members’ Social Security funds.

Ms. Clark reported that the number of cash pocket pulls had decreased substantially since HRDI transitioned to the cash card system. Ms. Clark reported that since the transition the heads of various programs still inform her the amount of weekly funds needed for each class member. Ms. Clark said she then loads that amount on the [COMPANY 1] website onto the class members’ cards. Ms. Clark stated there is still the need for occasional cash pocket pulls in an emergency, but there is now “a lot less cash.”

7. Interview of Chuck Hoepe, HRDI Senior Accountant

On December 7, 2017, investigators interviewed HRDI Senior Accountant Chuck Hoepe. Mr. Hoepe stated that he has worked at HRDI for 20 years and currently supervises the Accounts Payable Department. Mr. Hoepe reported that he reports to HRDI’s Chief Financial Officer, Evelyn Willis. Mr. Hoepe stated that he never interacts with HRDI clients and seldom had direct contact with HRDI’s *Williams* Consent Decree program employees.

Mr. Hoepe reported that HRDI’s *Williams* Consent Decree program has its own checking accounts at [Bank 1], which keeps those funds separate from HRDI’s main bank accounts located at [Bank 2]. According to Mr. Hoepe, the [Bank 1] statements are addressed to the HRDI office located on 114th Street because that is where many of the *Williams* Consent Decree employees and HRDI’s mental health center are located. Mr. Hoepe stated that he has no signatory control or influence over any of the [Bank 1] accounts; HRDI employee Sandy Clark and the other 114th Street staff handle the day-to-day activity out of the [Bank 1] accounts, including writing all checks out of the main account and doing the local banking. Mr. Hoepe stated that his department used

to rely on those HRDI personnel to send him a copy of the monthly [Bank 1] account statements, but during the last three months he had been able to access the statements directly through [Bank 1].

Mr. Hoepe reported that his department records and classifies the expenditures out of the main [Bank 1] account, maintains a dollar balance for the individual class members, and balances the monthly bank statement. Mr. Hoepe reported that the class members' expenditures are broken down by class member and are conveyed to his department by Ms. Clark on a weekly basis. Mr. Hoepe said that based on the information provided by Ms. Clark, his department is responsible for preparing the monthly "IL Representative Client Payee" report, which details by class member the beginning balances, income received, expenditures, withdrawals made, pocket pull amounts, and an ending monthly balance. Mr. Hoepe reported that he is not responsible for creating the reports, but is responsible for reviewing them.

Mr. Hoepe stated that Ms. Clark is responsible for ensuring class members have the necessary funds to cover pocket pulls. Mr. Hoepe stated that his department does not concern itself with how class members spend the pocket pull money.

Investigators showed Mr. Hoepe the May 2015 and June 2015 IL Representative Client Payee reports for class member [HRDI Class Member 1], in which the May 2015 report listed a different ending monthly balance than the beginning balance listed on the June 2015 report. Investigators asked Mr. Hoepe why the balances did not match. Mr. Hoepe stated he "generally" reviewed beginning and ending monthly balances and, although he did not know why, there might have been a reason for this discrepancy.

Investigators showed Mr. Hoepe the following HRDI accounting documents for July 2015, with entries corresponding to class member [HRDI Class Member 1]:

Pocket Pull Withdrawal Sheets	Pocket Pull Distribution Sheets	IL Representative Client Payee
\$1,100	\$400	\$1,100

Investigators asked Mr. Hoepe to explain why the pocket pull withdrawal sheets and IL Representative Client Payee report show class member [HRDI Class Member 1] received a different amount of pocket pull cash in July 2015 than the pocket pull distribution sheets indicate. Mr. Hoepe stated he was not familiar with the pocket pull distribution sheets and could not explain the discrepancy.

Investigators showed Mr. Hoepe the following HRDI accounting documents for July 2015, with entries corresponding to class member [HRDI Class Member 4]:

Pocket Pull Withdrawal Sheet – July 31, 2015	IL Representative Client Payee – "30-JUL"
\$400	\$--

Mr. Hoepe reported that he had seen the pocket pull sheet and the attached check written to Sandy Clark. Mr. Hoepe stated that his department did not write the check to Ms. Clark; she wrote the check to herself at the 114th Street HRDI office. Investigators asked Mr. Hoepe to explain why the pocket pull withdrawal sheet indicates that class member [HRDI Class Member 4] received \$400 in pocket pull cash on July 31, 2015, but the IL Representative Client Payee report shows she did not receive pocket pull cash that week. Mr. Hoepe stated that because the pocket pull occurred so late in July, this dollar amount might be captured on the August report. Investigators showed Mr. Hoepe the August 2015 IL Representative Client Payee report, noting no pocket pull was reflected for [HRDI Class Member 4] under the first pocket pull column. When asked if he could explain this discrepancy, Mr. Hoepe stated he could not. Mr. Hoepe stated that he was supposed to review the reports, but did not know if he did. Mr. Hoepe reported that he had never seen the pocket pull distribution sheets, client financial log, or signature sheets associated with [HRDI Class Member 4].

Investigators showed Mr. Hoepe the following HRDI accounting documents for July 2015, with entries corresponding to class member [HRDI Class Member 6]:

Pocket Pull Withdrawal Sheets	IL Representative Client Payee
\$900	\$600

Investigators asked Mr. Hoepe to explain why the pocket pull withdrawal sheets indicate that class member [HRDI Class Member 6] received \$900 in pocket pull cash in July 2015, but the IL Representative Client Payee report shows he received \$600 in pocket pull cash in July 2015. Mr. Hoepe stated that because one of the pocket pulls occurred so late in July, that dollar amount might be captured on the August report. Investigators showed Mr. Hoepe the August 2015 IL Representative Client Payee report, noting no pocket pull was reflected for [HRDI Class Member 6] under the first pocket pull column. When asked if he could explain this discrepancy, Mr. Hoepe stated “I don’t know.” Mr. Hoepe stated that he was supposed to review the reports, but he did not know if he did.

Investigators showed Mr. Hoepe the following HRDI accounting documents for July 2015, with entries corresponding to class members [HRDI Class Member 9], [HRDI Class Member 10], and [HRDI Class Member 11]:

Class Member	Pocket Pull Withdrawal Sheets	IL Representative Client Payee
[HRDI Class Member 9]	\$1,000	\$700
[HRDI Class Member 10]	\$700	\$500
[HRDI Class Member 11]	\$1,000	\$700

Investigators asked Mr. Hoepe to explain why the pocket pull withdrawal sheets indicate the class members received more pocket pull cash in July 2015 than the IL Representative Client Payee

report shows. Mr. Hoepe initially stated he could not explain the discrepancies. Mr. Hoepe stated he did not know if he reviewed the reports and indicated it is possible the reports were later revised to show the correct information.⁴⁰

According to Mr. Hoepe, HRDI pocket pulls were disbursed in cash until approximately one and one-half years before his interview, when HRDI transitioned to a debit card system. Mr. Hoepe reported that since the transition, Ms. Clark disburses pocket pull funds by loading funds electronically onto a debit card for each class member. Mr. Hoepe stated that his department does not handle the debit cards, but still tracks the big picture of the accounts, to ensure that everything balances.

8. Interview of Evelyn Willis, HRDI Chief Financial Officer

On January 24, 2017, the OEIG interviewed HRDI's Chief Financial Officer, Evelyn Willis. Ms. Willis stated that she has been the Chief Financial Officer of HRDI for 15 to 20 years and is responsible for all its accounting functions.

According to Ms. Willis, HRDI operates as the representative payee for many class members. As such, HRDI is responsible for keeping a financial record of income, expenses, and a running balance for each individual class members' Social Security funds. Ms. Willis stated that HRDI does not keep individual bank accounts for each class member, but maintains all Social Security funds in a single bank account with [Bank 1]. According to Ms. Willis, class member Social Security benefits are direct deposited into the [Bank 1] account by the Social Security Administration. Ms. Willis stated that the [Bank 1] account is solely for class members' funds; HRDI's corporate funds are maintained at another bank. Ms. Willis acknowledged that there were two other [Bank 1] accounts associated with the HRDI *Williams* Consent Decree program, but stated she did not know why the two other accounts were opened. Ms. Willis stated that the [Bank 1] accounts are managed by HRDI employee Sandy Clark.

Ms. Willis reported that Ms. Clark forwards a list of class members and the amount of funds they request to the Chief Financial Officer's office, which is responsible for ensuring that each individual class member has sufficient funds to meet the request. Ms. Willis stated that the requested amount is then disbursed to the class member's cash card; she said that prior to HRDI's use of cash cards, case managers gave the class members the amount in cash. Ms. Willis stated that her office is responsible for maintaining financial ledgers for each class member, and that withdrawals from class member funds are recorded based on information submitted by Ms. Clark. Ms. Willis stated that her office does not keep records regarding how funds are actually spent; that responsibility rests with the HRDI *Williams* Consent Decree program staff.

Investigators showed Ms. Willis 23 [Bank 1] checks drawn on the main class member [Bank 1] account, made payable to Ms. Clark. Ms. Willis explained that the money from these checks would have been disbursed to class members, to provide them with spending money. Ms. Willis indicated that she would not review these checks, but one of her staff would. Ms. Willis said she did not know if class members were required to provide receipts for how they spent their pocket pull money. Ms. Willis said she was not familiar with the signature sheets intended to

⁴⁰ No such revised reports were included in the documents produced to the OEIG by HRDI.

document when case managers completed shopping for class members, made rental payments for class members, or paid bills for class members, and did not know whether class members or case managers used them to document requests and expenditures of class members' Social Security funds. Ms. Willis stated that she would not know if class members ever received the cash they requested. Ms. Willis said she did not know what procedures were in place in the program area relating to cash requests and disbursements; she said her office was responsible only for the accounting of funds coming in and going out.

Ms. Willis stated that the monthly representative client payee reports were used to track class members balances. Investigators showed Ms. Willis the May and June 2015 monthly representative client payee reports, which listed class member [HRDI Class Member 1]. Ms. Willis stated she was not familiar with [HRDI Class Member 1], and that she did not know why the May 2015 monthly representative client payee report listed [HRDI Class Member 1]'s ending monthly balance as negative \$267, while the June 2015 monthly representative client payee report listed [HRDI Class Member 1]'s beginning monthly budget as negative \$440. Ms. Willis stated the difference in [HRDI Class Member 1]'s ending and beginning balances was \$173, and said it appeared that [HRDI Class Member 1]'s rent of \$173 was paid in May 2015, but not recorded on the May 2015 report.

Ms. Willis reported that HRDI transitioned from the cash system several years ago and now disburses class member funds via debit card. Ms. Willis stated that since the transition, Ms. Clark still has the authority to write checks against the [Bank 1] account for additional cash, but the need for cash is rare.

IV. ANALYSIS

As a vendor that provides services to DHS and its clients, HRDI is required to “be managed in a manner consistent with sound fiscal standards,” to “demonstrate internal controls that are consistent with any generally accepted accounting principles,” and to use client funds only for the direct needs and support of the client.⁴¹ Although the extremely vulnerable population of *Williams* Consent Decree class members relies heavily on HRDI to manage their Social Security funds, the accounting procedures HRDI utilized during its cash system failed to demonstrate adequate internal controls, as HRDI commingled class member funds in a single account without accurately tracking member balances, reconciling accounting documents, or providing necessary oversight of the accounting process. As a result, it is impossible to tell whether each class member's funds were used only for the support of that class member, or whether HRDI staff misappropriated class members' funds, including [HRDI Class Member 1]'s.

The HRDI financial accounting process utilized during its cash system contained several significant failings. First, HRDI failed to maintain a complete set of accounting documents as numerous documents were missing from the records HRDI produced in response to the OEIG's requests; every month of records was missing at least one pocket pull sheet, client financial log, receipt, signature sheet, or monthly representative client payee report. Further, the existing accounting documents often contained inconsistent class member balances. Several documents created and maintained by HRDI were intended to track class member balances, including the

⁴¹ 89 Ill. Admin. Code § 509.10; 89 Ill. Admin. Code § 509.30(a) & (c).

client financial logs, pocket pull sheets, and the representative payee monthly reports. However, not only did the separate types of accounting documents often fail to match, but even the same accounting documents regularly failed to accurately track class member balances from month to month.

In addition, there was no agreement about whose responsibility it was to check class members' balances prior to withdrawing funds. Ms. Willis said her staff was responsible for doing so; Mr. Hoepe said it was Ms. Clark's responsibility; Ms. Clark said that although she had complete control over the class member bank account, she relies on HRDI case managers to do it; Ms. Calhoun stated she kept track of class member balances on her own paperwork (which was not reconciled against other accounting documents); and one of the three case managers interviewed did not keep track of the class members' balances, while the other two used different practices for tracking balances. Because all class member funds were comingled in a single bank account, HRDI's failure to accurately track class members' individual balances made it impossible to determine whether a class member's funds were used only for the direct needs and support of that class member.

Most troubling, was the fact that existing accounting documents frequently contained inconsistent cash disbursement amounts and thus, it is unclear whether all these cash disbursements took place. For eight months of the twelve reviewed, the total amount of cash disbursements shown in bank records did not match HRDI's internal documents listing the amount cash disbursed. For example, in July 2015, checks totaling \$55,933.69 were written to Sandy Clark for the purpose of cash disbursements to class members. HRDI documents, however, only show a total of \$40,774.69 in cash disbursements for that month, leaving over \$15,000 in class member funds unaccounted for. Similarly, HRDI could not account for \$700 that appeared to be withdrawn from [HRDI Class Member 1]'s funds but according to [HRDI Class Member 1] never received. HRDI omitted [HRDI Class Member 1] from many of the reports intended to track member balances during the period for which HRDI acted as [HRDI Class Member 1]'s representative payee. Many of the other HRDI accounting documents contained inconsistent amounts of pocket pull withdrawals from [HRDI Class Member 1]'s funds and showed inconsistencies in the beginning and ending monthly balances of [HRDI Class Member 1]'s funds. These accounting and documentation failures made it impossible to determine what happened to the \$15,000 in unaccounted for class member funds in July 2015, [HRDI Class Member 1]'s \$700, or to determine whether HRDI staff misappropriated the funds of other class members. At the very least, it shows a failure to properly document and maintain accounts, and at the very worst, it is evidence of fraud.

The HRDI employees interviewed were unable to explain why the documentation showed that the amounts of cash disbursed to class members were not the same as the amounts withdrawn from the class member bank account. Mr. Hoepe said he did not know the reason for the discrepancies. Ms. Clark also said that she did not know why the pocket pull amounts shown on the pocket pull withdrawal sheets did not match the amounts reflected in the report generated by Mr. Hoepe's department. Ms. Calhoun said that sometimes she withheld portions of the cash withdrawn for the pocket pulls in a safe, rather than distributing the entire amount to the class members, and that she kept a running dollar balance of how much cash each class member had in the safe; however, the client financial logs upon which Ms. Calhoun said she documented the

balance that each class member had in the safe were missing for a number of class members, and those that existed did not explain the discrepancies.

Finally, the investigation showed that HRDI's corporate office provided inadequate oversight of the accounting of class member funds. The OEIG's interviews with the HRDI employees responsible for handling class member funds revealed that various staff used various documents to record actions taken with respect to class member funds, and no one reconciled these documents. Mr. Hoepe admitted that although he was supposed to review reports relating to class member funds, he did not know if he did so. Chief Financial Officer Evelyn Willis was unable to answer basic questions about what procedures were in place relating to cash requests and disbursements to class members.

Class members who, due to mental illness, are incapable of managing their own money, rely on HRDI to provide financial management of their Social Security benefit funds. The OEIG's investigation revealed that HRDI failed to use adequate financial accounting procedures and internal controls to ensure class member funds were properly managed, and as a result, it is impossible to tell whether each class member's funds were used for the support of that class member or whether HRDI staff may have misappropriated class member funds. For these reasons, the allegation that HRDI failed to manage itself in a manner consistent with sound fiscal standards, and failed to maintain internal controls that are consistent with any generally accepted accounting principles, in violation of the Illinois Administrative Code, is **FOUNDED**.⁴²

Several HRDI employees are responsible for the various failings of HRDI's financial accounting and documentation procedures utilized during its cash system:

- As the CFO of HRDI, Evelyn Willis was responsible for all of HRDI's accounting functions, but failed to establish adequate financial accounting procedures and internal controls to ensure class member funds were properly managed, failed to ensure the monthly representative reports created by the accounting department were properly completed, and was largely unaware of many aspects of the HRDI accounting process for *Williams* Consent Decree class members, including the purpose of two [Bank 1] accounts opened in HRDI's name.
- As Senior Accountant, Chuck Hoepe supervises the department responsible for creating the monthly representative client payee reports intended to track class member expenditures and balances, but the monthly representative client payee reports often listed different withdrawal amounts than the corresponding pocket pull sheets and it appears that Mr. Hoepe often did not review the reports as was his responsibility.
- Sandy Clark was responsible for managing the class member bank account and withdrawing class member funds for distribution, but the quantity of cash withdrawn by Ms. Clark from the class member bank account often differed from how much cash was actually distributed to class members, leaving large quantities of class member funds

⁴² The OEIG concludes that an allegation is "founded" when it has determined that there is reasonable cause to believe that a violation of law or policy has occurred, or that there has been fraud, waste, mismanagement, misconduct, nonfeasance, misfeasance, or malfeasance.

unaccounted for. Ms. Clark also kept large quantities of cash in a safe in HRDI's 114th Street office, which further increased the risk of loss and confused the procedures HRDI did have in place to ensure that class member funds were sufficiently accounted for.

- As Williams Quality Administrator, Tonyia Calhoun was responsible for overseeing the financial affairs of class members for whom HRDI acted as a representative payee, but failed to maintain a complete and accurate set of accounting records and kept large quantities of cash in a safe in HRDI's 79th Street office, which further increased the risk of loss and confused the procedures HRDI did have in place to ensure that class member funds were sufficiently accounted for.

For these reasons, the allegation that HRDI's CFO Evelyn Willis failed to maintain internal controls that are consistent with generally accepted accounting principles, in violation of the Illinois Administrative Code, is **FOUNDED**. Additionally, the allegation that HRDI employees Sandy Clark, Tonyia Calhoun, and Chuck Hoepe failed to manage *Williams* Consent Decree class member funds, including those of [HRDI Class Member 1], in a manner consistent with sound fiscal standards, is **FOUNDED**.

Since its transition to the cash card system, HRDI has made strides in addressing some of its accounting and documentation errors. The cash card system largely eliminated the daily handling of cash by HRDI employees, creating fewer inconsistencies in HRDI's accounting documents. However, even the small sampling of accounting documents kept under the cash card system reviewed by the OEIG contain inconsistencies in the amount of electronic pocket pull withdrawals from the class member bank account. Further, HRDI's transition away from the cash pocket pull system did not address the fundamental flaws in HRDI's accounting procedures, but merely changed the vehicle by which HRDI distributes funds to class members. After the cash card transition, the accounting procedures by which HRDI accounts for class member funds remains largely unchanged; Ms. Clark withdraws funds from the class member bank account with no oversight and no information provided to the OEIG indicates HRDI's accounting records are appropriately reconciled or audited by HRDI financial staff. Based on the failings identified in HRDI's accounting during its use of the cash system, and the apparent continued lack of oversight of HRDI's accounting process, concerns remain regarding the accuracy and reliability of HRDI's accounting and documentation practices.

V. FINDINGS AND RECOMMENDATIONS

As a result of its investigation, the OEIG finds that **THERE IS REASONABLE CAUSE TO ISSUE THE FOLLOWING FINDINGS:**

- **FOUNDED** – HRDI failed to manage itself in a manner consistent with sound fiscal standards, and failed to maintain internal controls that are consistent with any generally accepted accounting principles, in violation of the Illinois Administrative Code.
- **FOUNDED** – HRDI Chief Financial Officer Evelyn Willis failed to ensure HRDI's *Williams* Consent Decree program was managed in a manner consistent with sound fiscal standards, and failed to maintain internal controls that are consistent with

generally accepted accounting principles, in violation of the Illinois Administrative Code.

- **FOUNDED** – HRDI employees Sandy Clark, Tonyia Calhoun, and Chuck Hoepe failed to manage *Williams* Consent Decree class member funds in a manner consistent with sound fiscal standards, in violation of the Illinois Administrative Code.

Based on these findings, the OEIG recommends that DHS consider ceasing doing business with HRDI. In the alternative, if DHS elects to continue using HRDI as a vendor, because HRDI receives millions of dollars in State funds under contracts with DHS, the OEIG recommends that DHS:

- audit HRDI’s accounting of State funds;
- ensure that monitoring of HRDI’s accounting practices is taking place in order to determine whether State funds are managed in a manner consistent with sound fiscal standards;
- include provisions in its contracts with HRDI requiring that HRDI follow procedures that adhere to sound fiscal standards in the management of State funds; and
- require as a condition of continuing to do business with HRDI, that HRDI terminate Evelyn Willis, Sandy Clark, Tonyia Calhoun, and Chuck Hoepe, or at minimum, prohibit those employees from handling or managing State funds.

In addition, the OEIG will refer this matter to the Social Security Administration to take whatever action it deems appropriate.

No further investigative action is needed and this case is considered closed.

Date: January 18, 2019

Office of Executive Inspector General
for the Agencies of the Illinois Governor
69 W. Washington Street, Ste. 3400
Chicago, IL 60602

By: **Kelly Fasbinder, #146**
Assistant Inspector General

John Legan, #140
Investigator

APPENDIX 1

Williams ACT POCKET PULL SHEET

DATE: July 31, 2015

CLIENT NAME	AMT	100	50	20	10	5	1	TOT	CM
[REDACTED]	\$200						200		
[REDACTED]	\$300			10	10				
[REDACTED]	\$300			10	10				
[REDACTED]	\$400		2	10	10				
[REDACTED]	\$400		2	10	10				
[REDACTED]	\$300			10	10				
[REDACTED]	\$200						200		
[REDACTED]	\$300			10	10				
[REDACTED]	\$200			5	10				
[REDACTED]	\$300			10	10				
[REDACTED]	\$400		2	10	10				
[REDACTED]	\$200					40			
[REDACTED]	\$500		4	10	10				
[REDACTED]	\$200			5	10				
[REDACTED]	\$200			5	10				
[REDACTED]	\$300			10	10				
[REDACTED]	\$300			10	10				
[REDACTED]	\$200			5	10				
[REDACTED]	\$300			10	10				
[REDACTED]	\$300			10	10				
[REDACTED]	\$200					40			
[REDACTED]	\$200					40			
[REDACTED]	\$200					40			
[REDACTED]	\$300			10	10				
AMOUNT VALUE	\$6.700		10	160	180	160	400		
TOTAL AMOUNT	\$6.700		\$500	\$3.200	\$1.800	\$800	\$400		

DENOMINATIONS	NUMBER	AMOUNT	TOTAL DOLLAR AMOUNT
100's			
50's	10		\$500.00
20's	160		\$3.200
10's	180		\$1.800
05's	160		\$800.00
01's	400		\$400.00
OVERALL TOTAL	910		\$6.700



July 31 ~~st~~
**Pocket Pull Distribution
 Signature Sheet**

APPENDIX 2
 006761

Visits	Zone 1A	Amount	Staff Signature	Note
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		

Visits	Zone 1B	Amount	Staff Signature	Note
2	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
2	[Redacted]	100.00		
3	[Redacted]	80.00		
3	[Redacted]	100.00		
X 3	[Redacted]	60.00		
3	[Redacted]	80.00		
3	[Redacted]	100.00		
3	[Redacted]	80.00		
3	[Redacted]	80.00		
3	[Redacted]	80.00		
3	[Redacted]	80.00		
3	[Redacted]	100.00		
3	[Redacted]	80.00		
3	[Redacted]	100.00		
3	[Redacted]	80.00		

Visits	Zone 2	Amount	Staff Signature	Note
1	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
1	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	80.00		
3	[Redacted]	80.00		
5	[Redacted]	100.00		
3	[Redacted]	100.00		

Visits	Zone 3	Amount	Staff Signature	Note
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	80.00		
3	[Redacted]	100.00		
3	[Redacted]	80.00		
3	[Redacted]	80.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
3	[Redacted]	100.00		
5	[Redacted]	80.00		



HRDI

Client Financial Log

Client Name: [Redacted] Month: July & August 2015
 HRDI Account Balance Forward: \$ [Redacted] 005991
 Cash On Hand Balance Forward: \$0 400.00

Date	Cash On Hand	Withdrawal	Description	Staff	Balance
7/7/15	400.00		Safe Amount	Tonyla	400.00
7/7/15		120.00	CH pull	[Redacted]	280.00
7/18/15		100.00	CH pull	[Redacted]	180.00
7/18/15	300.00		R pull	[Redacted]	480.00
7/26/15		70.00	metra pass	[Redacted]	410.00
7/20/15		40.00	Phone Bill	[Redacted]	370.00
7/20/15		20.00	Household supply	[Redacted]	350.00
7/24/15		180.00	CH pull	[Redacted]	200.00
7/24/15		100.00	CH pull	[Redacted]	100.00
7/27/15	400.00		R pull	[Redacted]	500.00
7/20/15		60.00	CH pull	[Redacted]	440.00
8/1/15		220.85	ComEd # 220.85	[Redacted]	215.00
8/7/15		100.00	CH pull	[Redacted]	115.00
8/14/15	400.00		CH pull	[Redacted]	15.00
8/20/15		180.00	CH pull	[Redacted]	415.00
8/24/15		93.00	ComEd # 89.25	[Redacted]	315.00
8/24/15		125.00	fire Ticket	[Redacted]	222.00
8/24/15		25.00	Credit Bill	[Redacted]	97.00
8/24/15	400.00		Requested Pull	[Redacted]	72.00
8/27/15		72.00	CH pull	[Redacted]	400.00

SAFE BOX

Date	Direct Deposit Amount	Check Number	Withdrawal	Balance	Staff	Staff
7/1/2015	733.00		rent \$ 164.00	\$ 1,194	Tonyla	
7/8/2015	\$		30.00	894.00		
7/28/15			400.00	494.00		
8/1/15	733.00		164.00	1063.00		
8/14/15			400.00	663.00		
9/26/15			400.00	263.00		

HRDI ACCOUNT

HUMAN RESOURCES
DEVELOPMENT INSTITUTE, INC.

222 SOUTH JEFFERSON STREET
CHICAGO, ILLINOIS 60661

312/441/9009 OFFICE
312/441/9019 FAX

www.hrdr.org WEB
info@hrdr.org EMAIL

006006

Date: 7/31/15

Client Name: [REDACTED]

Staff Name: [REDACTED]

I [REDACTED] received \$ 160.00 in
cash from [REDACTED]. The remaining balance is held by the
Quality Administrator, Tonyia Calhoun, to be kept until further funds are needed.

[REDACTED]

Client [REDACTED]

7/31/15
Date

[REDACTED]
Staff [REDACTED]

7/31/15
Date

Williams Quality Administrator

7/31/15
Date



- [REDACTED]
- HRDI BOARD OF DIRECTORS
- [REDACTED] Chairman
- [REDACTED] Vice Chairman
- [REDACTED] Secretary
- [REDACTED] Treasurer
- [REDACTED] J.D.
- [REDACTED] Ph.D.
- [REDACTED] Ed.D.
- [REDACTED] JR.
- [REDACTED]
- [REDACTED] Ed.D.
- [REDACTED]
- [REDACTED] Ph.D.
- [REDACTED]
- [REDACTED]



APPENDIX 5

JULY FISCAL YEAR 2016

Client Name DATES	Begin. Bal.	Cash	Rent	POCKET MONEY					Other	Ending	Interest	Ending
	8/30/2015	Received		1-Jul	8-Jul	16-Jul	23-Jul	30-Jul		Balance	Earned	Balance
	1,395.20	1,466.00	164.00			300.00				2,397.20	0.10	2,397.30
	565.04	1,466.00	167.00		200.00	300.00				1,364.04	0.06	1,364.09
	277.44					277.43				0.01	0.00	0.01
	604.93									604.93	0.03	604.96
	5,808.58	1,216.00	429.00	400.00		500.00				5,495.58	0.23	5,495.81
	560.03	1,466.00		300.00	200.00		200.00			1,326.03	0.05	1,326.08
	200.30									200.30	0.01	200.31
	245.55	923.00	167.00	656.00						345.55	0.01	345.57
	128.00	1,466.00	305.00	75.00	75.00	75.00	50.00	50.00		964.00	0.04	964.04
	983.04	1,466.00	178.00			300.00				1,971.04	0.08	1,971.12
	305.02		305.02							(0.00)		(0.00)
	348.12			122.00						226.12	0.01	226.13
	306.03		306.02							0.01	0.00	0.01
	341.09									341.09	0.01	341.11
	180.31									180.31	0.01	180.32
	620.16									520.16	0.02	520.19
	0.74	340.00								340.74	0.01	340.76
	0.71	805.00	300.00							305.71	0.01	305.72
	976.14									976.14	0.04	976.18
	455.84									455.84	0.02	455.86
	492.94									492.94	0.02	492.96
	678.19									678.19	0.03	678.21
	974.20									974.20	0.04	974.24
	577.18									577.18	0.02	577.20
	0.00	320.00	320.00							-	0.00	-
	2,911.29	1,102.00	175.00			400.00				3,438.29	0.14	3,438.43
	1,133.51									1,133.51	0.05	1,133.56
	1,878.97	225.00								2,103.97	0.09	2,104.06
	341.53		341.53							(0.00)		(0.00)
	42.02	656.00	182.00							716.02	0.03	716.05
	326.74									326.74	0.01	326.76
	85.00	903.00	218.00	300.00			300.00			170.00	0.01	170.01
	150.56									150.56	0.01	150.57
	500.35									500.35	0.02	500.37
	497.58	742.00	116.00			400.00				723.58	0.03	723.61
	168.20	1,466.00								1,634.20	0.07	1,634.27
	0.36	1,466.00	450.00	283.00						733.36	0.03	733.39
	733.04	1,466.00		300.00		200.00				1,899.04	0.07	1,899.11
	613.94									613.94	0.03	613.96
	7,727.19	1,635.00	275.00	300.00		400.00				8,387.19	0.35	8,387.53

010828

CH-3

APPENDIX 6

Total Monthly Dispersed Cash “Pocket Pull” Funds for July 2015:

Client Name	Monthly Summary Reports	Pocket Pull Distribution Sheets	Client Financial Logs	Signature Sheets
[REDACTED]	\$300	\$300	\$300	\$300
[REDACTED]	\$300	\$600	\$400	\$400
[REDACTED]	\$500	\$500	\$390	\$190
[REDACTED]	\$300	\$700	\$400	\$400
[REDACTED]	\$600	\$600	\$450	\$450
[REDACTED]	\$600	\$600	\$405	\$405
[REDACTED]	Not listed on Report	\$0	\$360	\$360
[REDACTED]	\$300	\$600	\$340	\$340
[REDACTED]	\$600	\$800	\$320	\$240
[REDACTED]	\$300	\$600	\$430	\$430
[REDACTED]	\$800	\$800	\$440	\$440
[REDACTED]	\$400	\$400	\$320	\$320
[REDACTED]	\$500	\$700	\$320	\$320
[REDACTED]	\$300	\$600	\$235	\$235
[REDACTED]	\$500	\$500	\$490	\$450
[REDACTED]	\$500	\$500	\$405	\$380
[REDACTED]	\$400	\$400	\$425	\$420
[REDACTED]	\$700	\$700	\$380	\$380

[REDACTED]	\$500	\$500	\$620	\$620
[REDACTED]	\$300	\$300	\$400	\$400
[REDACTED]	\$300	\$700	\$530	\$380
[REDACTED]	\$500	\$700	\$470	\$470
[REDACTED]	\$900	\$1,400	\$610	\$610
[REDACTED]	\$300	\$500	\$380	\$380
[REDACTED]	\$700	\$900	\$330	\$270
[REDACTED]	\$400	\$400	\$300	\$400
[REDACTED]	\$600	\$900	\$345	\$345
[REDACTED]	\$400	\$700	\$380	\$230
[REDACTED]	\$500	\$700	\$400	\$400
[REDACTED]	\$700	\$1,000	\$440	\$440
[REDACTED]	\$600	\$600	\$450	\$450
[REDACTED]	\$700	\$1,000	\$360	\$360
[REDACTED]	\$600	\$600	\$420	\$420
[REDACTED]	\$600	\$600	\$450	\$450
[REDACTED]	\$600	\$600	\$265	\$195
[REDACTED]	\$600	\$600	\$340	\$340
[REDACTED]	\$700	\$700	\$445	\$445
[REDACTED]	\$700	\$700	\$150	\$130
[REDACTED]	\$700	\$1,000	\$360	\$360

██████████	\$600	\$800	\$355	\$355
██████████	\$300	\$500	\$300	\$300
██████████	\$1,300	\$1,300	\$480	\$570
██████████	\$600	\$800	\$390	\$390



HUMAN RESOURCES DEVELOPMENT INSTITUTE, INC.
OFFICE OF FINANCE



CHECK REQUEST

Payable to:	[Redacted]		
Address:	[Redacted]		
City:	Chicago	State:	IL
Amount:	\$ 159.00	Receipts:	<input checked="" type="checkbox"/> Attached <input type="checkbox"/> Due
Charge to (program / office name):	Client Account		
For:	Client Rent for April 2017 [Redacted]		
Date Needed:	4/1/17	Urgent:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Explain Below
30 Days Acceptable Timeframe: <input type="radio"/> Yes <input checked="" type="radio"/> No			
<input type="radio"/> Hold for Pickup <input checked="" type="checkbox"/> Mail <input type="radio"/> Send to Program			

Request By / Date	Approved By / Date
[Redacted] 3-8-17	[Redacted] 3/7/17

All check requests
!!!!!! be approved
and dated by a
supervisor

OFFICE USE ONLY

Coding

Date Received: _____

Date Check Issued: _____

Check Number: _____

Date Received Receipt: _____

APPENDIX 8

Human Resources Development Institute, Inc.
Client account balance & activity for the month

013389

Month	APRIL 2017
Client Name	[REDACTED]
Beginning Balance	\$ 1,385.49
Deposits	-
Disbursements	449.78
Rent	176.00
Cash Card Pocket Pull -Week 1	147.00
Cash Pocket Pull -Week 1	0.00
Cash Card Pocket Pull -Week 2	80.00
Cash Pull -Week 2	0.00
Cash Card Pocket Pull -Week 3	80.00
Cash Pull -Week 3	0.00
Cash Card Pocket Pull -Week 4	80.00
Cash Pull -Week 4	0.00
Cash Card Pocket Pull -Week 5	0.00
Cash Pull -Week 5	0.00
Total Cash Card/Cash Pocket Pulls	387.00
Utilities	0.00
Medical Co-Payments	0.00
Advances	0.00
Funds Given/Returned	0.00
* Other	(113.22)
Total Disbursements	449.78
Interest Earned	0.02
Ending Balance	\$ 709.29

HUMAN RESOURCES DEVELOPMENT INSTITUTE, INC.
BANK RECONCILIATION - ██████████ CLIENT REPRESENTATIVE PAYEE
APRIL 30, 2017

BALANCE PER BANK 04/30/17	Checking Accounts	91,600.71
	Money Market Account	89,634.11
LESS: OUTSTANDING CHECKS		13,815.02
ADJUSTED BANK BALANCE @ 04-30-17		167,419.80

OUTSTANDING CHECKS

<u>DATE</u>	<u>CHECK #</u>	<u>PAYEE</u>	<u>AMOUNT</u>
11/28/2016			105.43
1/23/2017			74.10
3/8/2017			178.80
4/5/2017			180.01
4/5/2017			1,703.01
4/5/2017			912.23
4/5/2017			3,735.17
4/5/2017			3,601.40
4/6/2017			51.36
4/19/2017			164.23
4/22/2017			51.74
4/26/2017			397.14
4/26/2017			20.63
4/26/2017			229.84
4/26/2017			36.10
4/26/2017			242.20
4/26/2017			30.11
4/26/2017			186.21
4/26/2017			51.17
4/26/2017			26.02
4/26/2017			148.41
4/26/2017			27.41
4/26/2017			328.22
4/27/2017			124.11
4/27/2017			165.37
4/27/2017			23.28
4/27/2017			39.55
4/28/2017			325.00
4/28/2017			26.33
4/28/2017			169.90

013644

4/28/2017
4/28/2017



422.15
38.39

13,815.02

013645

APPENDIX 10

HUMAN RESOURCES DIVISION - WASHINGTON INSTITUTE, INC.
 CHECK REGISTER - CLIENT REPRESENTATIVE PAYEE
 APRIL 2017

DATE	CHECK #	PAYEE	AMOUNT	SSS	RENT/POCKET MONEY	MISC	FOR
4/1/2017			0.00				
4/4/2017			325.00		325.00		
4/5/2017			735.00	735.00			
1/01/800							
4/5/2017			180.01	180.01			
4/5/2017			1,703.01	1,703.01			
4/5/2017			912.23	912.23			
4/5/2017			3,735.17	3,735.17			
4/5/2017			3,601.40	3,601.40			
4/5/2017			7,072.01	7,072.01			
4/5/2017			4,950.02			4,950.02	
1/01/800			0.00				
4/5/2017			903.50		903.50		
4/6/2017			49.80			49.80	
4/6/2017			62.47			62.47	
4/6/2017			22.44			22.44	
4/6/2017			30.79			30.79	
4/6/2017			79.00			79.00	
4/6/2017			56.00			56.00	
4/6/2017			51.36			51.36	
4/6/2017			86.94			86.94	
4/6/2017			34.92			34.92	
4/10/2017			113.22			113.22	
4/10/2017			33.41			33.41	
4/10/2017			62.50			62.50	
4/11/2017							
4/13/2017			133.94			133.94	
4/13/2017			58.03			58.03	
4/13/2017			64.04			64.04	
4/18/2017			520.51		520.51		
4/19/2017			164.23			164.23	
4/22/2017			57.98			57.98	
4/22/2017			3.76			3.76	
4/22/2017			30.80			30.80	
4/22/2017			51.74			51.74	
4/22/2017			52.40			52.40	
4/22/2017			51.37			51.37	
4/28/2017			397.14			397.14	
4/28/2017			20.63			20.63	
4/28/2017			229.84			229.84	
4/28/2017			36.10			36.10	
4/28/2017			242.20			242.20	
4/28/2017			30.11			30.11	
4/28/2017			186.21			186.21	
4/28/2017			51.17			51.17	
4/28/2017			26.02			26.02	
4/28/2017			146.41			146.41	
4/28/2017			27.41			27.41	
4/28/2017			328.22			328.22	

013646

4/27/2017
4/27/2017
4/27/2017
4/27/2017
4/28/2017
4/28/2017
4/28/2017
4/28/2017
4/28/2017
4/8/2017
4/10/2017
4/10/2017
4/18/2017
4/25/2017
4/28/2017

124.11
185.37
23.28
39.55
325.00
275.00
28.33
188.90
422.15
38.38
7,113.00
3,489.00
3,607.00
7,288.00
7,285.00
12,301.00

124.11
185.37
23.28
39.55

275.00
28.33
188.90
422.15
38.38
7,113.00
3,489.00
3,607.00
7,288.00
7,285.00
12,301.00



70,394.54 17,938.83 1,553.50 41,838.51 8,053.70

013647

APPENDIX 11

name	keyfield	description	net
		Pocket Pull date April 7 2017	50✓
		Pocket Pull date April 7 2017	60✓
		Pocket Pull date April 7 2017	160✓
		Pocket Pull date April 7 2017	80✓
		Pocket Pull date April 7 2017	80✓
		Pocket Pull date April 7 2017	50✓
		Pocket Pull date April 7 2017	80✓
		Pocket Pull date April 7 2017	75✓
		Pocket Pull date April 7 2017	50
		Pocket Pull date April 7 2017	100
		Pocket Pull date April 7 2017	80
		Pocket Pull date April 7 2017	50
		Pocket Pull date April 7 2017	250
		Pocket Pull date April 7 2017	150
		Pocket Pull date April 7 2017	30
		Pocket Pull date April 7 2017	150✓
		Pocket Pull date April 7 2017	75✓
		Pocket Pull date April 7 2017	100✓
		Pocket Pull date April 7 2017	150
		Pocket Pull date April 7 2017	100
		Pocket Pull date April 7 2017	60
		Pocket Pull date April 7 2017	100
		Pocket Pull date April 7 2017	170
		Pocket Pull date April 7 2017	100
		Pocket Pull date April 7 2017	50
		Pocket Pull date April 7 2017	100✓
			2500

[Redacted]

= \$60.

0-3
 7 113 00 ✓
 1 000 00 ✓
 6 113 00 ✓
 0-3
 0-3

013649

Wk 1

0-3
 2 500 00 ✓
 6 113 00 ✓
 7 113 00 ✓
 + 60 00 ✓

 \$ 7 113 00 ✓
 0-3

APPENDIX 12



Contact Us Sign Out
 ? Have a question on this page? Get Help.

Filter Criteria

Start Date: 04/01/2017 00:00:00
 Detail Level: Full Detail
 End Date: 08/30/2017 23:59:59
 Card Number:
 Location: -- Select Location --
 Account Number:

Report(s)

- *Transactions
- Card Debits
- Card Loads

014081

Search

Card Debits

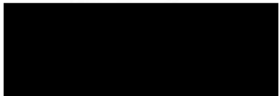
Date	First Name	Last Name	Location	Description	Payroll ID	Customer	Amount
							0.00

Card Loads

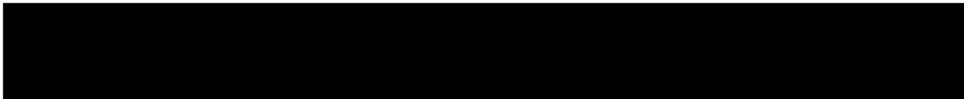
Date	First Name	Last Name	Location	Description	Payroll ID	Customer	Amount
06/30/2017 10:33:28 AM			WACT	Pocket Pull date June 30 2017		Human Resources Development Institute	120.00
06/23/2017 10:06:07 AM			WACT	Pocket Pull date June 23 2017		Human Resources Development Institute	80.00
06/16/2017 10:22:05 AM			WACT	Pocket Pull date June 16 2017		Human Resources Development Institute	80.00
06/09/2017 10:05:42 AM			WACT	Pocket Pull date June 6 2017		Human Resources Development Institute	80.00
06/02/2017 10:03:24 AM			WACT	Pocket Pull date June 2 2017		Human Resources Development Institute	80.00
05/26/2017 10:00:41 AM			WACT	Pocket Pull date May 26 2017		Human Resources Development Institute	180.00
05/19/2017 10:03:24 AM			WACT	Pocket Pull date May 19 2017		Human Resources Development Institute	80.00
05/12/2017 10:00:41 AM			WACT	Pocket Pull date May 12 2017		Human Resources Development Institute	80.00
05/05/2017 10:03:24 AM			WACT	Pocket Pull date May 5 2017		Human Resources Development Institute	40.00
05/02/2017 10:00:54 AM			WACT	Pocket Pull date May 2 2017		Human Resources Development Institute	80.00
04/28/2017 10:03:24 AM			WACT	Pocket Pull date April 28 2017		Human Resources Development Institute	40.00
04/25/2017 10:03:22 AM			WACT	Pocket Pull date April 25 2017		Human Resources Development Institute	40.00
04/21/2017 10:00:40 AM			WACT	Pocket Pull date April 21 2017		Human Resources Development Institute	40.00
04/18/2017 10:00:38 AM			WACT	Pocket Pull date April 18 2017		Human Resources Development Institute	40.00
04/14/2017 10:03:23 AM			WACT	Pocket Pull date April 14 2017		Human Resources Development Institute	40.00



04/11/2017 10:00:37 AM	[REDACTED]	WACT	Pocket Pull date April 11 2017	[REDACTED]	Human Resources Development Institute	40.00
04/07/2017 11:41:49 AM	[REDACTED]	WACT	Pocket Pull date April 7 2017	[REDACTED]	Human Resources Development Institute	80.00
						1,220.00
<						>



014082





JB Pritzker, Governor

Illinois Department of Human Services

James T. Dimas, Secretary

100 W. Randolph • Chicago, Illinois 60601

February 11, 2019

Via e-mail to Fallon Opperman, Deputy Inspector General and Chief of Chicago Division, on behalf of:

Susan M. Haling

Acting Executive Inspector General

Office of the Executive Inspector General for the Agencies of the Illinois Governor

69 West Washington Street, Suite 3400

Chicago, Illinois 60602

RE: Response to the Final Report for Complaint 16-00650

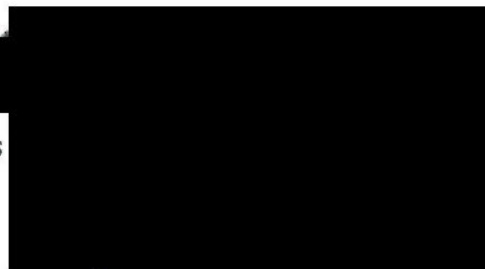
Dear Acting Executive Inspector General Haling:

This letter responds to the Final Report for Complaint Number 16-00650, attached. The Report details several founded allegations regarding a Department of Human Services (DHS) vendor, Human Resources Development Institute, Inc. (HRDI). These allegations surround its handling of Social Security benefit funds. The Report makes several recommendations. At this time, only one recommendation is being followed.

Specifically, before taking any action, DHS is conducting a fiscal audit of HRDI. In addition, three other DHS divisions have agreements with HRDI. Those divisions are reviewing HRDI billings and reports for any anomalies. As this matter is ongoing, DHS will provide your office updates as this investigatory process moves along. If you have any questions, please feel free to contact Robert J. Grindle, DHS' Ethics Officer.

Regards,

James T. Dimas
Secretary





Illinois Department of Human Services

JB Pritzker, Governor

Grace B. Hou, Secretary

Office of the General Counsel

69 West Washington • 9th Floor • Chicago, Illinois 60602

January 7, 2022

Via e-mail to Fallon Opperman, Deputy Inspector General and Chief of Chicago Division, on behalf of:

Susan M. Haling

Executive Inspector General

Office of the Executive Inspector General for the Agencies of the Illinois Governor

69 West Washington Street, Suite 3400

Chicago, Illinois 60602

RE: Response to the Final Report for Complaint 16-00650

Dear Executive Inspector General Haling:

This letter updates a previous response for the Final Report for Complaint Number 16-00650. This update is quite delayed and that delay was caused by several factors, including staffing and Administration changes, the nature of the complaint, the pandemic, and more. The Final Report contained several founded allegations against Human Resources Development Institute, Inc. (HRDI), a Department of Human Services (DHS) grantee, and several of its staff members. It also made four recommendations. The recommendations have been followed.

Specifically, as previously communicated to your office, four Divisions within DHS have agreements with HRDI. Billings and reports related to those agreements were reviewed for anomalies, and none were discovered. In addition, several fiscal reviews have been conducted. They resulted in funds to be recovered in the amount of \$15,055.76, which has been repaid. In addition, the most recent fiscal review was extensive and the Corrective Action Plan (CAP) submitted by HRDI will be monitored until April 30, 2022. Further, another review will occur in two years and again in four years. Regarding the second recommendation, DHS has created monitoring procedures specific to Representative Payee monitoring, which will be used by DHS staff, in addition to the fiscal review monitoring mentioned above and other usual monitoring. Third, DHS agreements do contain relevant language. Finally, the four HRDI staff members named in the Report no longer work for HRDI, either by termination or voluntarily.

With the grant funds recovered and the personnel activity complete, DHS considers this matter closed with respect to your office, as the current CAP will stop in the normal course and the other activities have been planned. If you have any questions, please feel free to contact Robert J. Grindle, DHS' Ethics Officer.

Regards,

/s/ Grace B. Hou by /s/ Robert J. Grindle

Grace B. Hou
Secretary