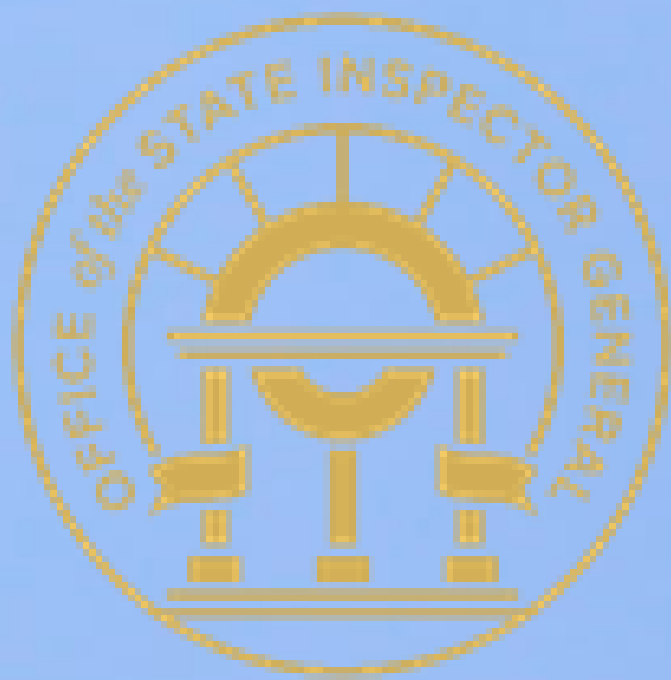


Office of the State Inspector General

Annual Report FY 22

October 3, 2022





Message from the Inspector General

I am pleased to present the Office of the State Inspector General’s fiscal year 2022 annual report. As in the past, this report outlines our mission and responsibilities, reviews our most recent complaint and investigative statistics, and highlights several notable criminal and administrative investigations handled from July 1, 2021, through June 30, 2022.

Reflecting on the past year, I am proud of the efforts we have made. Our focus on improving the efficiency of our investigations is certainly evident when compared to the prior fiscal year, as we doubled our number of closed cases while at the same time receiving a marked increase in complaints. In addition, our investigations have been impactful. Not only did we garner national attention for our work, we concluded an investigation into the largest criminal loss OIG has ever successfully presented for indictment.



Scott McAfee
Inspector General

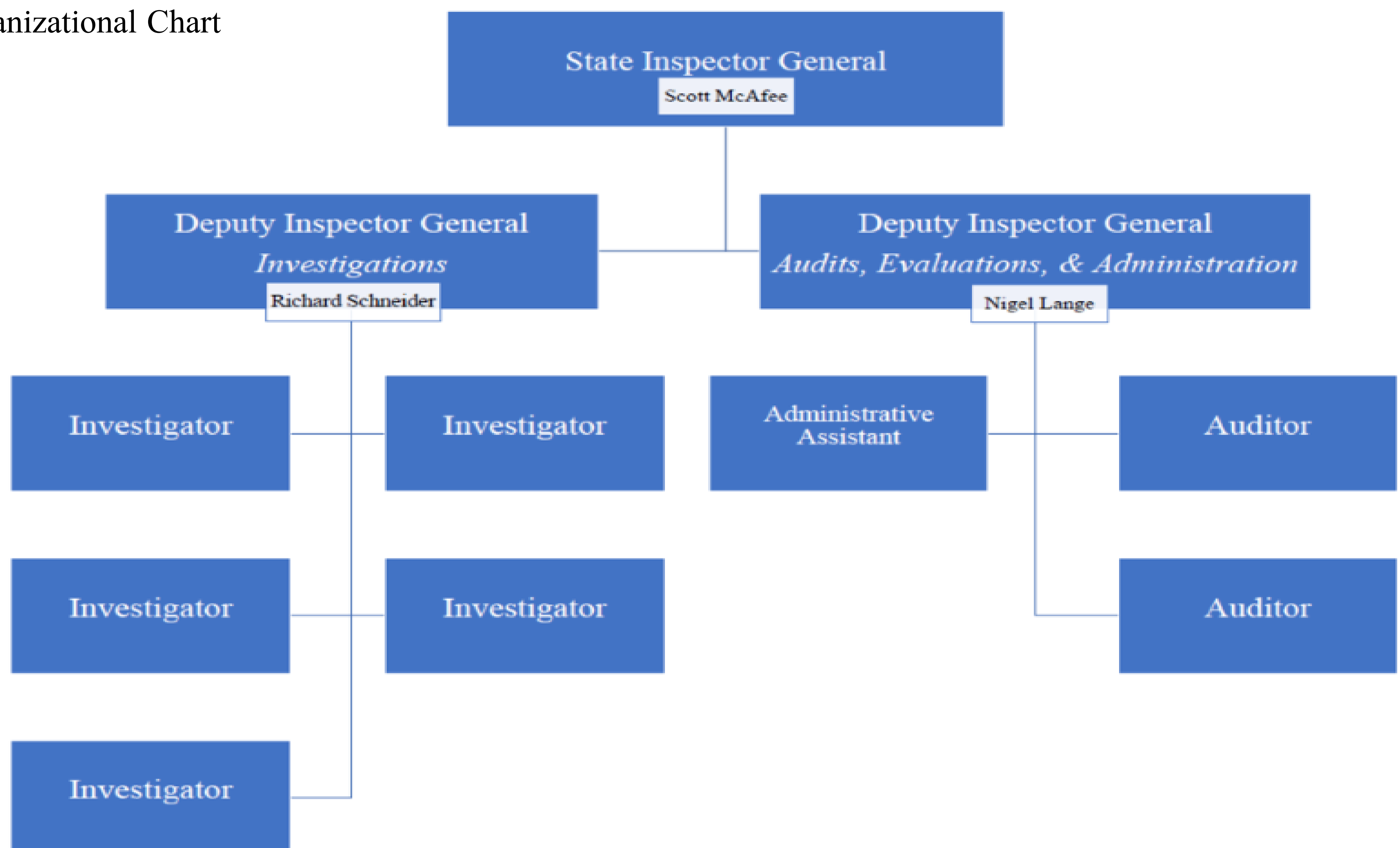
But the year did not come without setbacks. Our legislative push for statutorily recognized law enforcement authority fell short. Despite unanimous (163-0) and bipartisan passage in the Georgia House of Representatives, we were unable to secure a vote in the Senate. After nearly 20 years, it is time to pass this bill and make this office a truly effective crime-fighting and fraud-preventing organization. We intend to make a renewed push in 2023 as this legislation will improve the quality and efficiency of our investigations, promote the safety of our investigators, and simply make our state government more accountable.

At its simplest, our office exists so that the public can trust and have confidence in their government. I look forward to continuing our mission.

Respectfully,

Scott McAfee

Organizational Chart



OIG Mission:

The Office of the State Inspector General promotes transparency and accountability in a sexual harassment free state government.

Fraud, Waste, Abuse, & Corruption

OIG investigates fraud, waste, abuse, and corruption in the executive branch. In addition, OIG conducts administrative reviews to promote effective controls, better agency policies and procedures, and identify opportunities for improved efficiency. OIG is also responsible for investigating violations of the State Code of Ethics, as well as the administration of the State Sexual Harassment Prevention Policy.

**Complaints
Received**


FY 20: 217

FY 21: 179

FY 22: 327

**Investigations
Opened**


FY 20: 35

FY 21: 32

FY 22: 36

**Active
Investigations
at Year End**

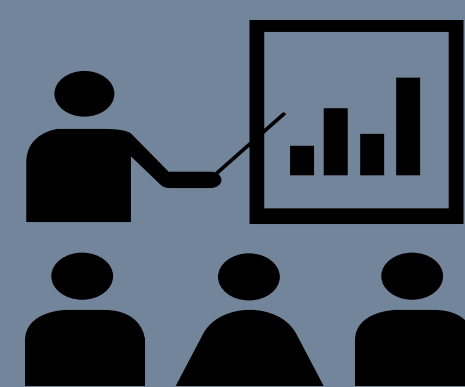

FY 20: 34

FY 21: 42

FY 22: 26

OIG reviews complaints and allegations to determine whether the matter falls under our jurisdiction and if there is sufficient facts to initiate an investigation. If so, we open an investigation. Many allegations we receive fall outside our jurisdiction, including concerns regarding personnel/management issues, county government matters, and private industry concerns. When available, OIG refers these complaints to a more appropriate investigative entity.

OIG regularly conducts training programs for state employees about the detection and prevention of fraud.

**Number of
Employees Trained**

FY20
1,269

FY21
997

FY22
805

Fiscal Value

FY 20

FY 21

FY 22

Financial Impact of Investigations

\$13,056,949

\$11,347,812

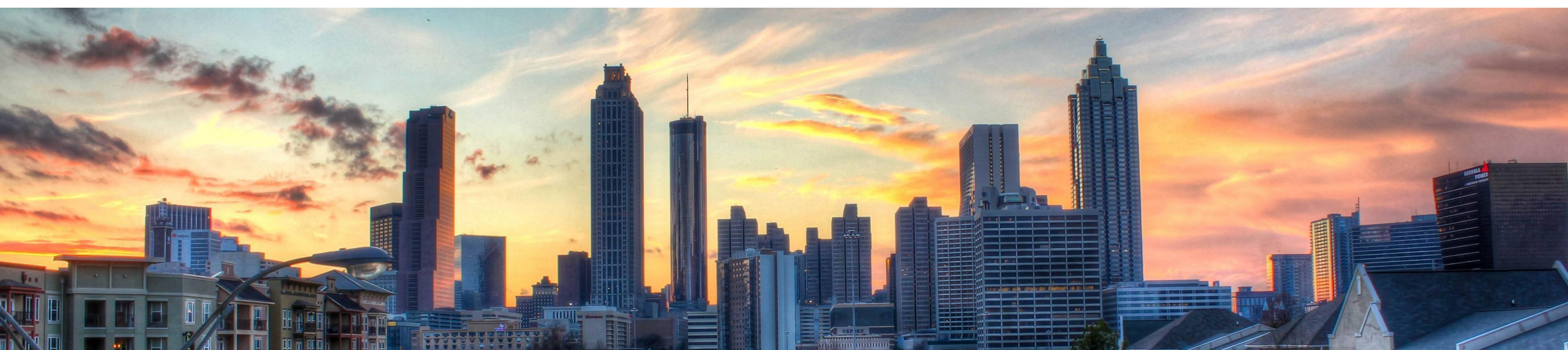
\$9,011,342

OIG Annual Budget

\$1,218,781

\$1,351,189

\$1,390,752





Investigative Highlights

OIG closed 32 cases in FY 22 and worked with approximately 29 different executive branch agencies to address the allegations, which included conflicts of interest, grant fraud, benefit fraud, fuel card theft, billing schemes, payroll schemes, check tampering, and violations of the Sexual Harassment Prevention Policy. OIG's investigations resulted in employee terminations and resignations, policy and procedure changes, reimbursements to the state, and criminal charges.

OIG led and participated in several significant investigations in FY 22. Some of these investigations were coordinated with other investigative agencies such as the Georgia Bureau of Investigation (GBI), the Federal Bureau of Investigation (FBI), and various federal offices of inspectors general. Cases involving criminal activity were referred to the Department of Justice, the Georgia Attorney General's Office, and local District Attorney's Offices. Notable examples include:

Former state employee created phony clients with non-existent disabilities to steal over \$1.3 million

OIG's FY 22 investigative efforts uncovered an elaborate, multi-year scheme that resulted in the federal indictment and guilty plea of former Georgia Vocational Rehabilitation Agency counselor Karen C. Lyke (formerly known as Karen C. Gregory) for forging educational records and creating fake students with non-existent disabilities and illnesses to steal more than \$1.3 million.

CRIME

Inspector gen. reports historic theft of \$1.3M

Worker allegedly faked student forms, collected checks.

By Rosana Hughes
Rosana.Hughes@ajc.com

A former state employee has been accused of forging educational records to create

to the applicant.

By May 2016, nearly a year after Lyke began her job as a counselor, she and a relative allegedly conspired to collect more than 230 checks by creating approximately 13 fake students seeking tuition assistance, prosecutors said. They used the names of actual friends and rela-

ware to alter authentic college transcripts and registrations from actual GVRA clients, as well as financial aid reports, to claim the fake students attended Georgia universities, investigators allege.

The GVRA then mailed checks to post office boxes that Lyke and the family member opened in their own

- AJC August 30, 2022

The Georgia Vocational Rehabilitation Agency ("GVRA") helps people with disabilities (known as "clients") to find and maintain employment, including the provision of funding tuition assistance for college education.

From approximately May 2016 to November 2020, Lyke and a close relative conspired to steal money from the GVRA by claiming educational expenses for approximately 13 fake students. Lyke and the Family member used the names of actual friends and relatives as the names of the fake disabled students seeking tuition assistance from the GVRA.

As proof of identification, Lyke and the Family Member provided the GVRA with manufactured images of fake driver's licenses that listed the names of their friends and relatives. In one instance, the Family Member created a fake driver's license in his cousin's name, by using a mug shot image of an unknown individual from the internet as the driver's license photograph. Lyke and the Family Member then used photo-editing software to alter authentic college transcripts, financial aid reports, and proofs of registration from actual GVRA clients to support claims that the fake students attended schools like the Georgia Institute of Technology, Georgia State University, or the University of Georgia.

Based on false documentation, Lyke caused more than 230 checks to be mailed to approximately 13 friends and relatives for claimed educational expenses. In fact, none of the 13 fake students attended any colleges or universities.



Former Agency External Communications Director Sentenced for Faking Multiple Pregnancies

As Director of External Affairs, Folsom supervised GVRA's marketing and media communications. In October 2020, Folsom informed the human resources division that she was pregnant, and eventually announced that she had given birth in May 2021. GVRA leadership later received an email from an individual claiming to be the father of the child and stating that Folsom had been mandated several weeks of rest following the delivery. As a result, GVRA approved approximately seven weeks of paid FMLA leave that it otherwise would not have approved.

OIG's investigation revealed that in March 2021, a co-worker observed the lower portion of Folsom's stomach "come away" from her body and believed Folsom wore a fake pregnant stomach. In addition, Folsom allegedly sent pictures of her new baby to various GVRA employees, however, the pictures appeared to be inconsistent and depicted children with varying skin tones.

Folsom had previously reported the birth of a child in July 2020, and claimed she was again pregnant in August 2021. OIG learned that the State Office of Vital Records did not possess any birth certificate listing Folsom as a mother, and a review of medical and insurance records found no indication that Folsom had ever delivered a child. Folsom resigned in October 2021 shortly after an interview with OIG investigators.

On April 4, 2022, a judge sentenced Folsom to a total of five years to be served on probation, with a behavioral incentive date of three years under the First Offender Act. The judge also ordered Folsom to pay \$12,307 in restitution to the State of Georgia and to complete 40 hours of community service, among other terms.

ATLANTA

State worker accused of faking births

Grand jury indicts
her on charges of
lying, identity fraud.

This was not the
first pregnancy that
Folsom had faked,
the office said.

By Caroline Silva
caroline.silva@ajc.com

- AJC February 15, 2022

STATE GOVERNMENT

Ex-state employee convicted of faking two pregnancies gets five years probation

- AJC April 5, 2022



Former Crisis Center Assistant Director Sentenced for Stealing over \$58,000 Meant for Victims of Domestic Violence

The Northwest Georgia Family Crisis Center provides shelter, advocacy, and support to victims of domestic violence in the Dalton area, and receives funding from the Criminal Justice Coordinating Council (CJCC), a state agency. An initial investigation by the Dalton Police Department determined that Cunningham used a credit card belonging to the Center to purchase debit cards from Kroger and Office Depot. The debit cards were ostensibly obtained to provide financial assistance to victims assisted by the Center.

Auditors with the Office of the State Inspector General (OIG) eventually verified that between October 1, 2020, and April 30, 2021, debit card purchases totaling \$58,408 did not benefit victims, but instead went directly to Cunningham. Further analysis of the purchases revealed that Cunningham used her work email address to open a PayPal account, which she then used to funnel funds to her personal bank account.

On June 24, 2022, Amanda Cunningham entered a guilty plea to felony theft by taking. She was sentenced to 20 years of probation, with 180 days to serve in local confinement, a \$1,000 fine, 100 hours of community service work, and \$83,408 in restitution to the Northwest Georgia Family Crisis Center and the victim's insurance carrier.

Former State Employee Indicted for Allegedly Embezzling Over \$33,000 Meant to Help the Elderly

According to the charges contained in the indictment and other public records: Georgia's Money Follows the Person (MFP) Program is a joint initiative between the Georgia Department of Community Health (DCH) and the Georgia Department of Human Services' (DHS) Division of Aging Services (DAS). As a Senior Coordinator employed by the Middle Georgia Regional Commission (MGRC), Selentria Kendrick was responsible for helping older nursing home clients transition into an independent home. Transition assistance includes the transportation of furniture, groceries, and other daily household items.

After a referral from the Department of Audits and Accounts, the Office of the State Inspector General (OIG) determined that from January 11, 2016, to October 7, 2019, Kendrick charged 72 transactions totaling \$33,691.80 for moving expenses allegedly performed by Two Men Moving Company. Kendrick regularly claimed the moving company transported items that had already been delivered. In addition, the moving company was solely owned by Kendrick's boyfriend, who from approximately May 3, 2016, until his release on June 12, 2017, was confined continuously at the Clayton Transitional Center approximately 75 miles from Macon.

A financial analysis determined that the submitted invoices were paid by MGRC directly into accounts controlled by Kendrick, and that Kendrick accessed the accounts and initiated fund transfers while located in her Macon governmental office.

On July 26, 2022, Selentria Mignon Kendrick, 42, of Macon, Georgia, was indicted by a Macon-Bibb County grand jury of one count of Theft by Taking, an offense punishable by two to twenty-five years imprisonment.

Members of the public are reminded that the indictment only contains charges. The defendant is presumed innocent of the charges, and it will be the state's burden to prove the defendant's guilt beyond a reasonable doubt at trial.



FY22 was the third full fiscal year of the Sexual Harassment Prevention Program.

Complaints Reported

106
Complaints
reported to OIG

27
Agencies
reported a
complaint

Sexual harassment complaints are reported to OIG via an online webform either by executive branch agency personnel who have received a report of sexual harassment or by an employee who has been subjected to sexual harassment but does not feel comfortable reporting to their agency.



OIG conducted 3 impartial investigations



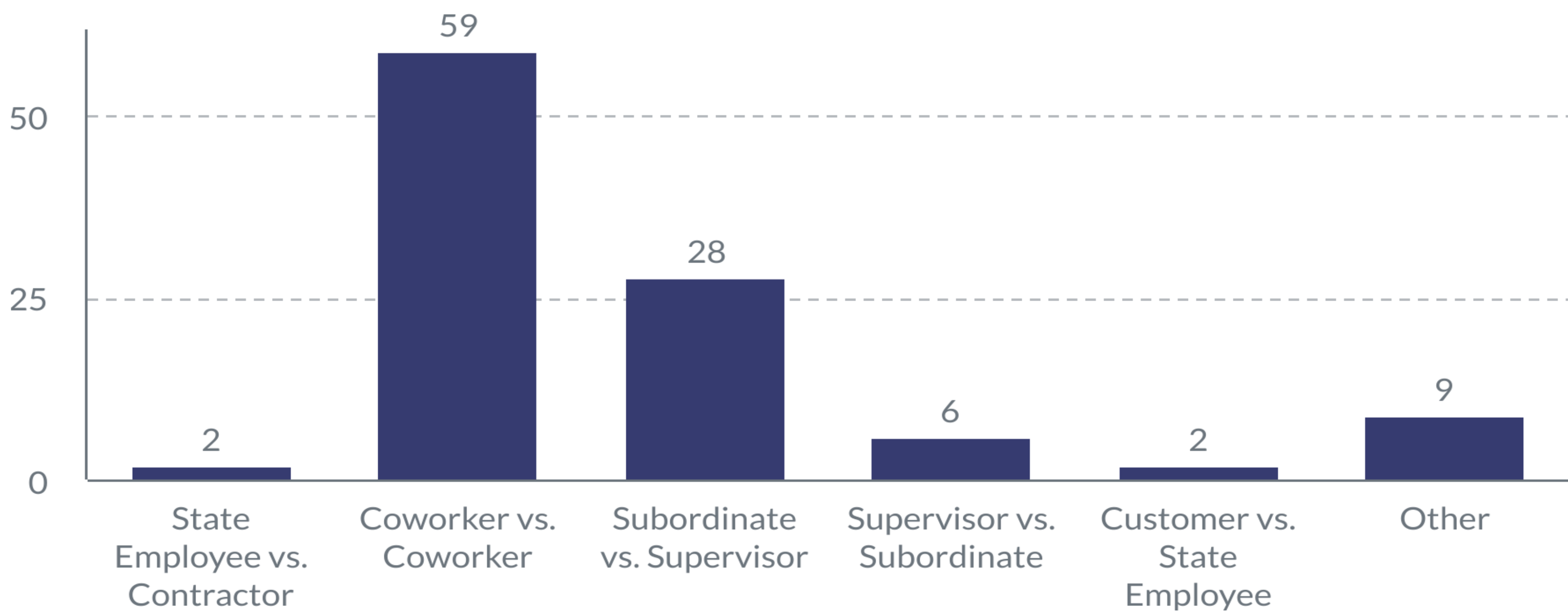
OIG enrolled 70 new designees in training

Once an investigation has concluded, each agency reports their findings to OIG. A sustained finding means that the investigation revealed sufficient evidence to support the conclusion that the act(s) complained of occurred, that it was committed by the respondent, and that it constitutes a violation(s) of the Statewide Sexual Harassment Prevention Policy

53%

% of Closed Complaints with a Sustained Allegation
+8% from FY21

Relationship of Parties: Complainant vs. Respondent





Proactive Reviews

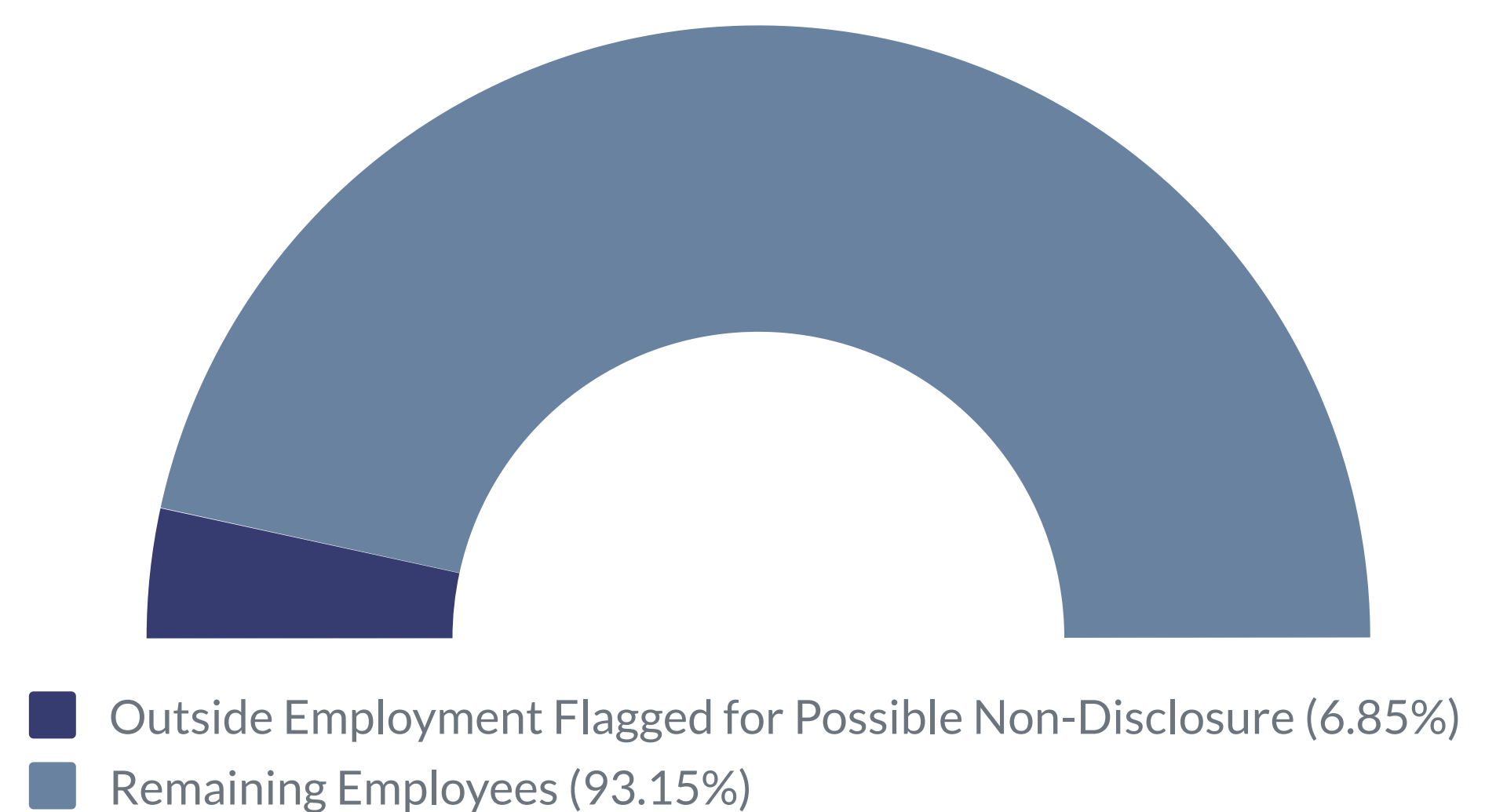
Secondary Employment

During FY22, OIG initiated proactive reviews of state employees engaged in secondary employment. The purpose of the reviews were to identify employees with outside employment that had not been disclosed to agency management.

OIG obtained the most current outside employment disclosures from two different agencies and compared that information with official state records for the most recent calendar year. OIG's review identified approximately 271 of 3,688 employees between the two agencies that potentially obtained outside employment that was not disclosed to management. OIG provided the findings to agency management and encouraged them to review the results with the employees.

A lack of disclosure of outside employment can create conflicts of interest and allow fraud, waste, and abuse to occur within state government. With the cooperation of other state agencies, OIG will continue these proactive reviews in FY 23.

Outside Employment Flagged for Possible Non-Disclosure



Evaluation of GVRA's Vocational Rehabilitation Program

The duties of OIG include reviewing and evaluating state agency policies and procedures to form recommendations to better manage governmental resources.

In FY 22, OIG conducted an evaluation of tuition assistance paid to Vocational Rehabilitation (VR) clients. By reviewing this aspect of GVRA's services, OIG sought to determine whether additional fraud occurred within the tuition assistance program, and to identify improvements to strengthen GVRA's internal controls and management of tuition assistance disbursements.

In FY 22 in summary, OIG examined 1,475 tuition assistance payments made to 705 VR Program clients. Through collaborations with the University System of Georgia (USG) and the Technical College System of Georgia (TCSG), OIG reviewed and identified 21 payments made to 15 VR clients that were not enrolled in a college or university program, and one additional payment made to an enrolled VR client who only paid the educational institution a portion of the tuition assistance. These 22 payments resulted in a total loss to GVRA of approximately \$200,935. Of these 22 payments, 10 were related to five fraudulent VR clients previously identified by OIG which prompted this evaluation. The remaining 12 payments, associated with 10 VR clients, totaled \$25,984. OIG found no indication of internal fraudulent activity associated with the newly identified erroneous payments, and will pursue efforts to recoup these funds from the former VR clients.

Scott McAfee, State Inspector General

August 25, 2022

Office of the State Inspector General Evaluation of Tuition Assistance Provided by GVRA's Vocational Rehabilitation Program

Why We Did This Review

Under Executive Order 0113.03.02, after detecting acts of fraud, waste, abuse or corruption, the duties of the Office of the State Inspector General (OIG) include reviewing and evaluating state agency policies and procedures to form recommendations to prevent similar conduct. In August 2021, an OIG investigation revealed that the tuition assistance program provided by the Georgia Vocational Rehabilitation Agency (GVRA) had been significantly compromised, resulting in an estimated financial loss

What We Found

During fiscal years (FY) 2019 and 2021, the Georgia Vocational Rehabilitation Agency (GVRA) made 1,475 tuition assistance payments to 705 Vocational Rehabilitation (VR) Program clients. Through collaborations with the University System of Georgia (USG) and the Technical College System of Georgia (TCSG), OIG reviewed and identified 21 payments made to 15 VR clients that were not enrolled in a college or university program, and one additional payment made to an enrolled VR client who only paid the educational institution a portion of the tuition assistance. These 22 payments resulted in a total loss to GVRA of approximately \$200,935. Of these 22 payments, 10 were related to five fraudulent VR clients previously identified by OIG which prompted this evaluation. The remaining 12 payments, associated with 10 VR clients, totaled \$25,984.

Report Fraud, Waste, or Abuse



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