

# Office of the Illinois Attorney General

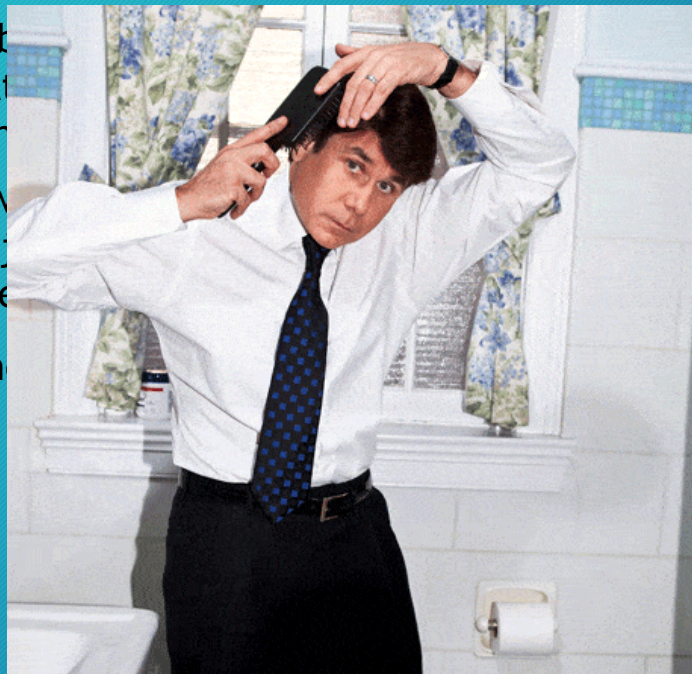


Public Integrity Bureau

# Public Integrity Bureau's History



- Began under former Attorney General Lisa Madigan's Administration in 2006 as a result of disgraced Governor Blagojevich's crimes;
- When it was first created, the bureau was composed of investigators from the Cook County State's Attorney's Office, the Internal Revenue Service and other agencies.
- The bureau's first assignment was to investigate a contract from the Blagojevich Administration which received a State of Illinois contract from the Blagojevich Administration at the time of the contract, it was one of the largest contracts ever awarded; it was one of the largest contracts ever awarded; it was one of the largest contracts ever awarded;
- The Office of the Illinois Attorney General was created by the U.S. Attorney's Office.







## Public Integrity Bureau's History (cont.)

- Before the OAG's Public Integrity Bureau was created, Illinoisans relied on the U.S. Attorney's Office and local State's Attorneys to investigate and prosecute allegations of public corruption (both State and Federal);
- State's Attorney's Offices have primary/ original jurisdiction over local crimes; or over crimes at the municipal, county and State level;
- The Public Integrity Bureau prosecutes crimes committed by State Officials and Employees, and those alleged to have committed fraud involving money appropriated to public institutions. (15 ILCS 205/4);
- The OAG may also prosecute County Officials and Employees, but only after a State's Attorney requests the appointment of the Attorney General as a Special Prosecutor.



## Public Integrity Bureau's History (cont.)

The OAG does more than put out an annual list of unsafe toys and student loan companies







# What We Need to Successfully Prosecute a Case

- Bank records (*e.g.* checks, monthly statement, signature cards ...);
- Loan documents (*e.g.* attestations, claims, statements by the accused ...);
- Grant applications (wherein the accused lays out the purpose of receiving funds);
- Quick Books data (or data from other accounting software used by entities);
- IRS and Illinois Form 990 (wherein it reflects what the accused is supposed to be doing with funds); and
- Conclusions (i.e. whether fact patterns agree; and “where does the money go?”).

Theme: an independent set of facts that the Trier-of-Fact will accept as true and which can be used to establish guilt or innocence.



# Previous PIB Cases

- The Anna Bixby Women's Center (People v. Barbara Wingo and Terrie Wingo-Eichorn)

1. Despite receiving it provided more obtain grant fund
2. "I didn't want to
3. They were charged Theft, ...), but on
  - A Class 2 Felon over the course violation of the



vince its auditors  
owed the center to  
;  
them;"  
ont. Crim. Financial Crimes Enterprise,  
Charitable Assets (225 ILCS 460/19);  
se in an amount over \$1,000  
a fine of \$50,000 for each intentional





## Previous PIB Cases (cont.)

People v. Vanessa Smith (18-CR-15273)

1. A Former Program Integrity Auditor for the Illinois Dept. of Healthcare and Family Services;
2. She forged payroll stubs to qualify for SNAP benefits;
3. In 9 months, she obtained \$2,260 in SNAP benefits before being caught;
4. Charged with Theft and Continuing Financial Crimes Enterprise.

# Previous PIB Cases (cont.)



People v. Joseph Kryzstopik (18-CR-8260)

1. He was the Treasurer for a Park District Advisory Council;
2. He had sole check writing & signing authority and was the only named Council Member on 3 bank accounts. All of the bank statements were mailed to his home; there was no accounting software, no oversight, and no follow-up when he failed to submit documents for audit;
3. In just under 2 years, he took approximately \$63,000 of the money raised by the Council for park maintenance and improvements with unsophisticated reimbursement scheme;
4. Admitted he had been “playing with” the money, effectively giving himself interest-free loans;
5. He repaid most of the money when payment for a project was due & kept just over \$10,000;
6. He was charged with Theft and Continuing Financial Crimes Enterprise.



## Previous PIB Cases (cont.)



### Illinois Department on Aging: People v. Catherine Houghthby

1. She was an employee at the Illinois Department on Aging and worked in its Division of Community Outreach and Development. In that role she worked to help organize events for senior citizens in coordination with the Illinois Council of Case Coordinating Units;
2. This required her to, at times, pay for expenses with her own funds. She then submitted reimbursement requests to both the IDOA and ICCCU resulting in her receiving double the reimbursement she was entitled to receive. She also submitted reimbursements for payments she did not personally make (e.g. ICCCU made a payment, Houghthby submitted a personal reimbursement request to IDOA). She submitted falsified checks (or receipts paid by a 3<sup>rd</sup> party) to “prove” she made the payments.



# Why Does PIB Need Audits?



- Audits help uncover criminal activity and ensure efficiency;
- In addition to detecting fraud, audits allow leaders to evaluate risks and protect assets;
- Audits help to ensure compliance with Laws and Regulations;
- Auditors provide expert testimony at trial which strengthens the evidence/case;
- To help set the cultural tone at an organization (disgruntled employees at an organization where they feel there are not many safeguards against fraud will likely steal); and
- To understand the full scope of the fraud (it may be difficult to get law enforcement interested in a case of simple theft; however, a full audit trail can show the simple theft was actually one piece of a larger theft scheme).



# When Audits Are Helpful



- Cases involving State Employees and Administrative Officials; and
- Whenever grant and public money is involved.

# How to Get a Case to the OAG



- Notify your chain of command; and
- Contact your Inspector General.



# Proper Audits Help Deter Crime and Result in Convictions



- Personal Use of Charitable Assets;
  - Theft;
  - Wire Fraud;
  - Forgery;
  - Continuing Financial Crimes Enterprise ... etc.
1. Defendants lose their jobs and their retirement benefits are at risk of being lost;
  2. Defendants receive criminal convictions (usually felonies) which alert other potential employers; and
  3. Defendants can be barred from State employment or from receiving State and Federal grant money.

# Questions?



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