



## INSPECTOR GENERAL REPORT

2008-11-0301

July 21, 2009

### FSSA CCDF FUNDS

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

On November 14, 2008, the Office of the Inspector General (OIG) offered its search warrant assistance in an investigation that had been commenced by the Family and Social Services Administration, Compliance Division of the Office of General Counsel (FSSA). At the time the OIG joined the investigation, FSSA had uncovered fraudulent activity by a child care provider (Provider) in Indianapolis involving the federal Child Care Development Fund (CCDF) program. CCDF provides child care funds to underprivileged families. Childcare payments through the program are made through a swipe card which the parent must possess and present at the time of the childcare. Here, the Provider had convinced parents to leave the swipe card at its facilities in violation of the program. The Provider would then use the swipe cards at off-hours to defraud the CCDF program.

After lending its search warrant assistance to FSSA, the OIG went on

standby, pending further direction from FSSA on the investigation. On July 20, 2009, FSSA advised it had also discovered in its investigation that the Provider had been defrauding another federal program. As a result, a Special Agent with the United States Department of Agriculture took on the case and a federal grand jury indicted the suspect individuals associated with the Provider on federal charges under the food stamps program and internal revenue service violations.

Due to the action taken by the federal investigators which has led to the arrest and criminal charging of the suspects, this case will be closed in order to pursue other pending investigations. Should the investigation be resumed by FSSA on matters outside those in the federal indictments, the OIG remains ready to assist and provide further action. At this time and for these reasons, this case is closed.

Dated this 21st day of July, 2009.

APPROVED BY:



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David O. Thomas, Inspector General