

IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

In re: TOWER OF REFUGE,) OEIG Case #11-00290
DORIS TURNER

OEIG FINAL REPORT (REDACTED)

Below is a 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 the accused. In order to balance these interests, the Commission may redact certain information contained in this report. 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.

The Commission received a final 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 Governor’s Executive Inspector General and to Tower of Refuge and Doris Turner at its/her last known addresses.

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

FINAL REPORT

EXECUTIVE SUMMARY

The Illinois Department of Public Health (IDPH) is a State agency with the authority to issue grants for HIV/AIDS and prostate cancer awareness. In FY 14, IDPH’s Center for Minority Health Services monitored over \$7 million dollars in grants it awarded. In order to receive IDPH grant funds, a grantee must list expenses on a “Reimbursement Certification Form” (Certification Form), certify it paid for the expenses, and that the expenses were necessary.

The Office of Executive Inspector General for the Agencies of the Illinois Governor (OEIG) investigation revealed that one IDPH grantee named Tower of Refuge (Tower), which was founded by Lorenzo and Bevey Loudon, received IDPH grants totaling \$50,000, \$60,000, and \$100,000. After receiving the grants, and inconsistent with the grant agreements, Tower and its founders submitted false Certification Forms allowing it to unlawfully obtain grants funds:

- for items it did not pay for, including marketing materials, projectors, and computers;
- to buy gift cards intended for persons who underwent prostate cancer screenings but were rather used in Las Vegas, at a nail salon, and at the iTunes store; and
- to pay persons whom it represented performed outreach services but which Tower either did not pay or only partially paid (in most cases, these persons either provided fewer outreach services than certified or provided no outreach services at all).

In short, Tower inappropriately obtained thousands of dollars in grant funds that were meant to help targeted communities.

In light of the misconduct committed by Tower and Bevey Loudon, the OEIG also investigated the manner in which IDPH monitored grants and discovered that IDPH:

- did not adequately review Tower documents or those of other grantees;
- approved certain Tower expenses despite insufficient documentation reflecting that Tower had actually paid the expenses; and
- relied on grantees' honesty rather than its review of grantee documents to approve grant expenditures.

The OEIG finds that Tower's submission of false Certification Forms and false supporting documents allowed it to receive grant funds it was not entitled to receive, thus violating the terms of its grant agreements. The OEIG also finds that IDPH staff ineffectively monitored Tower's \$50,000, \$60,000, and \$100,000 grants.

The OEIG recommends that IDPH take steps to recoup State funds Tower fraudulently obtained and recommends that Tower be prohibited from receiving future State grants. The OEIG makes additional recommendations set forth in the findings and recommendations section at the end of this report.

I. INTRODUCTION AND ALLEGATIONS

In early 2011, the OEIG received a complaint alleging that Tower of Refuge obtained IDPH grant funds for services not provided.¹

After conducting its investigation, the OEIG discovered that Tower did receive three IDPH grants in the amounts of \$50,000, \$60,000, and \$100,000, and did submit false and fraudulent information to IDPH² in order to obtain thousands of dollars in grant funds which it was not entitled to receive.³ Specifically, Tower unlawfully received IDPH grant funds for things or services Tower never purchased or obtained including marketing materials, computers, projectors, and office supplies. In addition, investigators discovered that Tower used grant funds to buy gift cards intended to be distributed as incentives for persons who underwent prostate cancer screenings but were actually used by Tower founders or their family member to make purchases in places like:

- Las Vegas, Nevada
- a nail salon
- the iTunes store

Finally, and perhaps most disturbingly, the investigation revealed that Tower also submitted numerous forms to IDPH claiming Tower paid persons to perform outreach services. However, investigators discovered that, in fact, Tower did not always pay these persons although representing to IDPH it had.

In light of the multiple submissions of false information to IDPH as well as their inappropriate receipt of thousands of dollars of grant funds, the OEIG recommends that Tower and its founders Lorenzo Louden and Bevey Louden be prohibited from receiving future grants from any State agency. The OEIG further recommends that IDPH recover any and all grant funds Tower inappropriately obtained.

II. BACKGROUND

A. IDPH, Grants, and the Center for Minority Health Services

IDPH is a State agency whose mission “is to promote the health of the people of Illinois through the prevention and control of disease and injury.”⁴ As part of its mission, IDPH has the authority to issue grants for HIV/AIDS and prostate cancer awareness.

¹ The OEIG created a Grant Review Initiative Team in order to assemble trained staff to investigate the misuse of grant funds. See OEIG Website, Grant Review Initiative Team, *available at* <http://www2.illinois.gov/oeig/Pages/GRIT.aspx> (last accessed December 2014). Staff from that team worked on this investigation. It was also alleged that Tower did not deduct payroll taxes but the OEIG concludes this allegation is **UNFOUNDED**.

² [Redacted]

³ As of the date of this report, Tower continues to receive State funds, including grants from the Department of Commerce and Economic Opportunity and contracts from the Department of Corrections, in excess of \$90,000.

⁴ See Illinois Department of Public Health, Mission Statement, <http://www.idph.state.il.us/about/newmision.htm> (last visited June 30, 2014).

IDPH's Center for Minority Health Services is the IDPH division responsible for monitoring the HIV/AIDS grants and prostate cancer awareness grants. In FY 14, this division awarded grants totaling \$7.13 million.⁵

B. Grant Recipient Tower of Refuge

Tower of Refuge is a Springfield, IL based non-profit organization that, according to its website, supports, assists, and equips “the incarcerated and the formerly incarcerated in successful reentry into society to become and remain healthy, productive citizens in the community, while reconciling family relationships and protecting the integrity of neighborhoods.”⁶ Tower's Chief Executive Officer and Founder is Lorenzo Louden and his wife, Bevey “Bev” Louden, is the Associate Director/Co-Founder.

In FY 10, Tower received a \$50,000 Prostate Cancer Awareness grant from IDPH. In FYs 10 and 11, it received \$60,000 and \$100,000 HIV/AIDS grants from IDPH.

C. Reimbursement of Grant Expenditures

IDPH's Prostate Cancer Awareness and HIV/AIDS grants are so-called reimbursement grants, which means grantees must first incur expenses and then seek payment from IDPH. After a grantee spends funds related to the grants, it completes a Certification Form requesting reimbursement from IDPH for the expenditures.⁷ Each Certification Form requires a signature from the grantee certifying the following statement:

The undersigned hereby certifies that the goods and/or services claimed above are necessary expenditures for the program, that appropriate purchasing procedures have been followed, *that payment has been made as indicated* and that reimbursement has not previously been requested or received. *All receipts for above expenditures are included as required by grant agreement.*

(emphasis added).⁸ After IDPH receives the Certification Form and supporting documentation, the Center for Minority Health Services reviews the materials submitted to determine if reimbursement should be made. In order for reimbursement to be warranted:

- the expenditure must be an allowable expense,⁹ and

⁵ The Office of Auditor General regularly audits State agencies, including IDPH. As recently as the two-year period ending June 30, 2013, the Auditor General made a finding against IDPH for “[i]nadequate administration and monitoring of awards and grant programs.” For the two-year period ending June 30, 2011, the Auditor General examined grants awarded by several IDPH divisions, including the Center for Minority Health Services, and made a finding against IDPH for “[i]nadequate administration of awards and grant programs.” For the two-year period ending June 30, 2009, the Auditor General made a finding against IDPH for “[w]eaknesses in the documentation noted in the awards and grants programs” and specifically stated that IDPH “did not adequately document its procedures and monitoring of its awards and grants programs.” The Auditor General made a similar finding for the two-year period ending June 30, 2007.

⁶ Tower of Refuge, *About Us*, <http://www.towerofrefugeinc.com/about-us/> (last visited March 3, 2014).

⁷ 77 Ill. Admin Code 950.350(b)(2)(A); 77 Ill. Admin Code 691.700(a)(6-7); FY 10 Grant Agreement Section 3.3; FY 10 Grant Agreement Section 3.3; FY 11 Grant Agreement Section 2.1.7.

⁸ A representative example of a Certification Form is included as Attachment A to this report.

- the supporting documents must reflect that the expenditure was actually made.

If either requirement is unmet, IDPH can reduce or deny expenditure reimbursement requests.¹⁰

D. Records of Expenditures

Pursuant to the terms of its grant agreements, Tower was required to maintain books, records, and supporting documents to verify amounts and use of funds for each of the three grants it received including the FY 10 \$50,000 Prostate Awareness Cancer grant, the FY 10 \$60,000 HIV/AIDS grant, and the FY 11 \$100,000 HIV/AIDS grant.¹¹

Per the grant agreement terms, failure to maintain the above-referenced records establishes a presumption in favor of IDPH for recovery of any funds paid by IDPH for those records that are unavailable to support their purported disbursement.¹²

III. INVESTIGATION – PART I

This investigation is divided into two main parts. In Part I, we discuss Tower's submission of Certification Forms to justify expenditures for Tower's \$50,000, \$60,000, and its \$100,000 grants.¹³ During this review, investigators discovered that Tower submitted Certification Forms relating to:

- A. marketing materials;
- B. projectors;
- C. computers;
- D. office supplies;
- E. gift cards; and
- F. pay for persons performing outreach services.

Below we discuss each of the above (A through F) in series, as well as interview(s) related to each subject. In Part II of this investigation, we discuss IDPH's oversight and monitoring of Tower and other grant recipients.

⁹ Allowable expenses are budget items grantees submit which IDPH approves.

¹⁰ Grantees may receive an initial/upfront payment of grant funds but are still required to document actual expenditures and provide supporting documentation. IDPH reviews expenditures to determine if they are allowable and to confirm payment had been made. If both of these requirements are met, IDPH deducts an amount equal to the claimed expenditures from the grant amount already received. After a grantee spends the entire initial payment, it seeks reimbursement for expenditures as described above. IDPH employees referred to this process as "spending down" the initial payment. IDPH and Illinois Office of the Comptroller records reveal that Tower received an initial payment of \$30,000 for one of the FY 10 grants but did not for its other two grants.

¹¹ FY 10 Grant Agreement, Basic Grant Terms Section 3.2; FY 10 Grant Agreement, Basic Grant Terms Section 3.2; FY 11 Grant Agreement, General Provisions 8.2.

¹² *Id.* For the FY 11 Grant Agreement, the presumption is created in favor of the State.

¹³ The OEIG reviewed 20 Certification Forms Tower submitted to IDPH to justify grant expenditures. The FY 10 \$60,000 grant June 2010 Certification Form was excluded from the analysis because investigators were unable to conclusively determine which expenditures IDPH intended to reimburse.

A. Certification Forms Related to Marketing Materials and Related Interview

On two separate Certification Forms submitted for January 2010, Tower sought reimbursement for alleged payments made for marketing materials, in particular to “[Vendor 1],” in the amounts of \$2,500 and \$4,000.¹⁴ Based on Certification Forms and documents Tower submitted, IDPH paid Tower \$6,500.

Investigators obtained and analyzed Tower’s bank records but found no record of any payment from Tower to [Vendor 1]. On April 21, 2011, investigators interviewed [Vendor 1’s owner] who said he had a conversation with Bevey Louden in which they discussed having him start a business he would call [Vendor 1] in order to do marketing work for Tower. According to [Vendor 1’s owner], he *never* started the business and although he did create marketing material designs for Ms. Louden, he *never* printed the designs because she *never* paid him.

Despite having never paid [Vendor 1] for marketing materials, Tower submitted Certification Forms representing to IDPH that it had paid [Vendor 1] \$6,500, thus allowing it to obtain \$6,500 in grant funds.

B. Certification Forms Related to Projectors and Related Interview

On two separate Certification Forms submitted for January 2010, Tower sought reimbursement for alleged payments made to [Vendor 2], both in the amount of \$500, for “Equipment: Projector.”¹⁵ Based on Certification Forms and documents Tower submitted, IDPH paid Tower \$1,000.

Investigators obtained and analyzed Tower’s bank records but found no record of any payment from Tower to [Vendor 2]. On June 24, 2011 and May 13, 2013, investigators interviewed a [Vendor 2] employee, who said Ms. Louden:

- asked him to provide invoices for the purchase of two projectors for Tower; and
- said once she received payment from the State, she would purchase projectors from him.

The same employee said he did provide Ms. Louden with invoices and then tried to contact her, but she never called back. The employee also said Ms. Louden *never* paid for either projector and thus, [Vendor 2] *never* delivered any projectors to Tower.

Despite having never paid [Vendor 2] for projectors, Tower submitted Certification Forms representing to IDPH that Tower had paid it \$1,000, thus allowing it to obtain \$1,000 in grant funds.

¹⁴ FY 10 \$60,000 grant: Jan. 2010; FY 10 \$50,000 grant: Jan. 2010.

¹⁵ FY 10 \$60,000 grant: Jan. 2010; FY 10 \$50,000 grant: Jan. 2010.

C. Certification Forms Related to Computers

On one Certification Form submitted for January 2011, Tower sought reimbursement for the alleged purchase of two computers from Dell, Inc. (Dell) in the amount of \$2,081.¹⁶ Based on a Certification Form and documents Tower submitted, IDPH paid Tower \$2,000.¹⁷

Investigators obtained and analyzed Tower's bank records but found no record of any payment from Tower to Dell. Subpoenaed Dell documents reflecting any Dell purchases made by Tower, Bevey Louden, or Lorenzo Louden failed to uncover any computer purchase made by Tower, Ms. Louden, or Mr. Louden during the relevant period. In other words, these Dell computers were never purchased.

Despite having never paid Dell for computers, Tower submitted Certification Forms representing to IDPH that it had paid Dell \$2,081, thus allowing it to obtain \$2,000 in grant funds.

D. Certification Forms Related to Office Supplies and Related Interview

On four Certification Forms submitted for February, April, and May 2010, Tower sought reimbursement for the alleged purchase of office supplies from Quill Corporation (Quill).¹⁸ Based on Certification Forms and documents Tower submitted, IDPH paid Tower \$399.79. To support the \$399.79 claim, Tower submitted email purchase confirmations from Quill. The OEIG obtained copies of original invoices from Quill to compare them to the email purchase confirmations Tower submitted. The comparison revealed that the email purchase confirmations Tower submitted to IDPH had been altered to remove "Illini Waterproofing," another company the Loudens operate, as the company to which the order was billed and shipped, and in its place, Tower was identified as the company to which the order was billed and shipped.

On one Certification Form, Tower sought reimbursement for Quill office supplies.¹⁹ Based on this Certification Form and a document Tower submitted, IDPH paid Tower \$148.81. To support the \$148.81 claim, Tower submitted an email purchase confirmation from Quill, which the OEIG compared to the copy of the original invoice from Quill. The comparison revealed that the quantities of materials ordered and purchase price on the email confirmation had been altered. The original invoice reflected an actual amount of \$88.47 for purchased supplies, yet Tower represented that it had paid \$148.81, or a difference of \$60.34.

On April 14, 2011, the OEIG interviewed a former Tower employee, who told investigators that Ms. Louden learned that email purchase confirmations could be altered and, over the course of months, asked the employee to help falsify grant payment information sent to IDPH. The employee said she did not alter any invoices for Ms. Louden.

¹⁶ FY 11 \$100,000 grant: Jan. 2011.

¹⁷ The amount was reduced based on Tower's allotted budget for equipment purchases according to the grant.

¹⁸ FY 10 \$60,000 grant: Feb., April, and May 2010; FY 10 \$50,000 grant: Feb. 2010.

¹⁹ FY 11 \$100,000 grant: June 2011.

The submission of Certification Forms representing it had paid for office supplies with altered invoices allowed Tower to obtain \$460.13 in grant funds.

E. Certification Forms Related to Visa Gift Cards

On a Certification Form submitted for May 2010, Tower sought reimbursement for 12 Visa gift cards that, according to its Monthly Narrative,²⁰ were to be used as incentives for persons who underwent prostate cancer screening.²¹ Investigators discovered that 8 gift cards were used by Louden family members in April 2010, *or about a month before* Tower stated it had distributed the gift cards. Based on the Certification Form and documents Tower submitted, IDPH paid Tower \$347.40²² for the gift cards.

Using gift card numbers, investigators obtained and analyzed documents from the corporation that issued the gift cards to determine where they had been used. The records revealed that certain Visa gift cards were used to make:

Purchases in Las Vegas, Nevada: Four gift cards were used to make purchases in Las Vegas, Nevada on April 28 and 30, 2010. Travel records reveal that Lorenzo Louden traveled to Las Vegas on April 28, 2010 and returned on May 2, 2010.

Purchases at a nail salon: Two gift cards were used at [Vendor 3] in Springfield, Illinois. [Vendor 3's] records reveal that two gift cards were used on April 23, 2010 and reflect an appointment for "Bev" on the same day.²³

Purchases on iTunes store: Two gift cards were used to make purchases on the iTunes store. The account used to make these purchases belonged to "Lorenzo Louden" and the email address and phone number associated with the account was [redacted]@aol.com and (217) [redacted].

Investigators later discovered that the iTunes account did belong to Mr. Louden's son, Lorenzo Louden, Jr.²⁴ In addition, records revealed that one of the gift cards used in Las Vegas was also used at a Family Video store in Springfield and that Bevey and Lorenzo Louden had a membership there.²⁵

²⁰ A Monthly Narrative is a document grantees use to detail activities and events they have engaged in to achieve the purpose of the grant during the month being reported. The Monthly Narrative is submitted after the month being reported. For example, Tower submitted its May 2010 Monthly Narrative on June 15, 2010.

²¹ FY 10 \$50,000 grant: May 2010.

²² In support of this claim, Tower submitted a Walgreens receipt reflecting the purchase of these gift cards. This receipt also included the purchase of batteries and compact discs for a total, including sales tax, of \$390.57. Investigators were unable to determine whether the batteries and compact discs were appropriate purchases under the grant. Consequently, only \$347.40 is included in the total amount of loss.

²³ "Bev" was scheduled for 11:00 a.m. and two gift card transactions occurred at 11:48 a.m. and 11:49 a.m.

²⁴ Mr. Louden identified the email address and phone number as belonging to his son, Lorenzo Louden, Jr.

²⁵ Investigators were unable to establish whether the remaining four gift cards were used by Bevey or Lorenzo Louden.

Tower submitted Certification Forms and supporting documents representing to IDPH that it purchased 12 Visa gift cards as incentives for persons who underwent prostate cancer screening, and obtained about \$347.40 in grant funds for those Visa gift cards.

F. Certification Forms Related to Persons Performing Outreach Services and Related Interviews

On 13 Certification Forms, Tower sought reimbursement from IDPH in order to pay eight persons whom Tower claimed to have paid to perform outreach services (these persons are listed in the chart below).²⁶ Based on Certification Forms and supporting documents Tower submitted, IDPH paid Tower \$32,261.29 for outreach services persons performed. A comparison of Certification Forms Tower submitted, against Tower bank records, revealed that IDPH paid Tower \$6,109.83 more than it actually paid persons to perform the outreach services.

Specifically, investigators discovered that Tower either never paid or only partially paid the amount it certified to IDPH as having paid the persons. The chart below identifies the names of eight Tower outreach persons, the amount of money Tower said it paid and received from IDPH for each person, the actual amount of money Tower paid each person, and the difference between the two figures or amount Tower fraudulently obtained from IDPH.

<u>Name</u>	<u>Amount submitted & obtained from IDPH</u>	<u>Actual amount Tower paid each person</u>	<u>Difference (fraudulent amount)</u>
[Individual 1]	\$1,240	\$0	\$1,240
[Individual 2]	\$500	\$0	\$500
[Individual 3]	\$3,110	\$1,100	\$2,010
[Individual 4]	\$7,062.50	\$6,772.29	\$290.21
[Individual 5]	\$7,000	\$6,100	\$900
[Individual 6]	\$8,000	\$7,250	\$750
[Individual 7]	\$600	\$200	\$400
[Individual 8]	\$4,748.79	\$4,729.17	\$19.62
Totals:	\$32,261.29	\$26,151.46	\$6,109.83

During their interviews with the OEIG, Outreach Service Providers [Individual 1] and [Individual 7] said they did not provide *any* outreach services for Tower.²⁷ During the interviews of [Individual 3] and [Individual 2], they said that while they did provide some outreach services, they did not provide the extent of services claimed by Tower on the Certification Forms. According to records obtained from Tower, the \$750 discrepancy in [Individual 6's] pay was the result of Bevey Loudon deducting "board dues" from [Individual 6's] pay. Tower did not submit documentation of this deduction to IDPH.

Despite having submitted Certification Forms representing to IDPH that it had paid certain persons specific amounts to perform outreach services, Tower did not in fact pay all the

²⁶ FY 10 \$60,000 grant: Jan., Feb., and May 2010; FY 10 \$50,000 grant: Jan., Feb., March, May, and June 2010; FY 11 \$100,000 grant: Feb., March, April, May, and June 2011.

²⁷ [Individual 1] and [Individual 7] are referred to as Outreach Service Providers even though they did not provide outreach services for Tower because each did sign a contract to provide outreach services.

persons it represented it had and thus, obtained about \$6,109.83 in grant funds which it was not entitled to receive.

G. Tower of Refuge — Interview of Lorenzo Louden

During his interview, Lorenzo Louden said that, as CEO of Tower, his duties include dealing with staff and legislative issues, organizing and attending community events, and supervising case managers and persons providing outreach services. Mr. Louden said that Bevey Louden was responsible for ordering supplies, supervising volunteers, and signing payroll for all individuals receiving Tower paychecks. Mr. Louden said that “most of the time” Ms. Louden signs the payroll checks.

After being shown the IDPH grant agreements for the \$50,000, \$60,000, and \$100,000 grants, Mr. Louden said he understood these were reimbursement grants which meant that Tower must first spend money and then ask for reimbursement. Mr. Louden said Ms. Louden is responsible for completing the monthly documents that Tower submits to IDPH. Mr. Louden was then asked about various matters including:

[Vendor 1] payments claimed to have been made: Lorenzo Louden was shown two invoices for marketing materials, and he said Tower never paid [Vendor 1’s owner] for the marketing materials and described the expenditure reimbursement request as a “mistake.” Mr. Louden said he told Ms. Louden that she should have made an adjustment to the amount of reimbursement sought from IDPH and said that as CEO he can take full responsibility for submitting invoices for marketing materials when it should not have. When asked what efforts he has made to reimburse IDPH for the marketing materials, Mr. Louden said he told Ms. Louden on two occasions to refund IDPH.

[Vendor 2’s] Payments claimed to have been made: Investigators showed Lorenzo Louden the two [Vendor 2] invoices for projectors, and he said that he was unaware of “any [Vendor 2],” he does not make purchases, and he does not know where Ms. Louden makes purchases.

Dell payments claimed to have been made: Investigators showed Lorenzo Louden the “Your Dell Quote” document reflecting the price for two computers, and he said he thought Ms. Louden purchased computers from Best Buy, not Dell, and did not know why Tower submitted the quote for reimbursement.

Altered invoices submitted to IDPH: Investigators showed Lorenzo Louden documents related to office supplies purchased from Quill and asked him why documents Tower submitted to IDPH represent purchases made by Tower but Quill invoices reveal Illini Waterproofing as making the purchases. Mr. Louden said that he did not know nor did he know who would have changed the information in the documents. When asked if he was surprised to learn that the documents were altered, Mr. Louden said he “would have never allowed it to happen.”

Visa Gift Card purchases of inappropriate items: Investigators showed Lorenzo Louden documents related to 12 Visa gift cards purchases. Mr. Louden said he thought he purchased the gift cards at Bevey Louden's request and gave them to her. After being informed that records reflect that two gift cards were used at [Vendor 3] on April 23, 2010, Mr. Louden said that he and Ms. Louden frequent [Vendor 3]. After being shown that [Vendor 3] had an appointment for "Bev" on April 23, 2010, Mr. Louden said that the evidence presented to him was a "total surprise." In addition, Mr. Louden was informed that two gift cards were used to make iTunes store purchases using an iTunes account that, according to Apple records, is registered to "Lorenzo Louden," whose email is [redacted]@aol.com, and phone number (217) [redacted]. Mr. Louden said the email and phone number belong to his son. When asked how his son obtained the gift cards, Mr. Louden responded that his son is "not a thief so I assume they were given to him."²⁸ Finally, Mr. Louden was informed that four gift cards were used in Las Vegas during times he traveled to Las Vegas, but he denied using any gift cards purchased by Tower and could not explain their use when he was in Las Vegas.

Persons performing services but not paid or partially paid: Investigators showed Lorenzo Louden documents that reveal that Tower either did not pay or only partially paid six persons who performed outreach services.²⁹ When asked why each individual received less in payments from Tower than Tower received from IDPH, Mr. Louden said he was surprised, he did not know why Tower did not make payments, and he did not know if Tower refunded any money to IDPH. In regards to [Individual 6's] deduction for board dues, Mr. Louden said that all board members are "supposed to" pay annual dues of \$250 but that payment is not enforced. Mr. Louden said that [Individual 6] was on Tower's board for at least three years until the beginning of 2013. Mr. Louden said that he might have told Bevey Louden to deduct [Individual 6's] board dues from his paycheck.

H. Tower of Refuge — Interview of Bevey Louden

During her interview, Bevey Louden said that, as the Associate Director, she oversees Tower's programs and she is familiar with the grant agreements for the \$50,000, \$60,000, and \$100,000 grants. Ms. Louden said that she completed the monthly documents that Tower submitted to IDPH and said that at times during FY 11, she had an assistant who would help pull the information together, but she finalized the information before sending it to IDPH. Ms. Louden confirmed that she signed all 20 Certification Forms Tower submitted to IDPH for the three grants.

[Vendor 1] payments claimed to have been made: Investigators showed Bevey Louden the two invoices for marketing materials reflecting payments allegedly made to [Vendor 1] totaling \$6,500. After being shown the invoices, Ms. Louden said:

²⁸ Mr. Louden confirmed that Lorenzo Louden, Jr. would not qualify to receive a gift card as an incentive for having undergone prostate cancer screening.

²⁹ The six Outreach Service Providers were [Individual 1], [Individual 7], [Individual 2], [Individual 3], [Individual 5], and [Individual 8].

- Tower did not pay [Vendor 1] because, even though he sent her some materials, she had to finish the work herself and she *did not* know she needed to pay for services prior to submitting an expenditure reimbursement request to IDPH,³⁰ and
- she *did not* believe Tower owed IDPH the full \$6,500 for marketing materials because Tower completed the work.³¹

[Vendor 2] Payments claimed to have been made: Investigators showed Bevey Louden the two invoices for projectors reflecting a total purchase of \$1,000 Tower allegedly made. After being shown the invoices, Ms. Louden said:

- Tower *did not* purchase projectors from [Vendor 2], but said “it was our intention to buy it from them”;
- she thought Tower purchased one projector online, but not from [Vendor 2], for “right around \$500”,³²
- her signature on the forms certified that Tower purchased the projectors from [Vendor 2], but she *did not* understand the statement above her signature at the time; and
- at the time of the expenditure, she *did not* know she had to pre-purchase items.

Dell payments claimed to have been made: Investigators showed Bevey Louden the “Your Dell Quote” document reflecting the purchase price for two computers Tower allegedly purchased. After being shown the quote, Ms. Louden stated that Tower submitted the “Your Dell Quote” because it intended to purchase computers from Dell and it was possible Tower used another provider.³³ In addition, when asked whether she read the grant agreements, Ms. Louden said:

- she *did not* know whether she had read the agreements; and
- she *did not* feel she and Mr. Louden were fully informed and she felt people have been misleading.

Altered invoices submitted to IDPH: Investigators showed Bevey Louden documents related to Quill office supplies. After being shown the documents, Ms. Louden said it

³⁰ When asked whether Tower reconciled or corrected any information related to the marketing materials with IDPH, Ms. Louden said Tower had not because she did not know about the billing error until 2013 when she met with [redacted]. When asked what steps Tower took to return the money received for marketing materials, she said she and Lorenzo Louden contacted IDPH Center for Minority Health Services Chief Doris Turner about repaying IDPH, but Ms. Turner said that she was unsure how to go about recouping the funds and that she would have to get back to them regarding the issue. Ms. Louden said that Ms. Turner never got back to Tower about repaying the funds and thus Tower did not inquire into repaying IDPH.

³¹ The OEIG subpoenaed Tower for records relating to expenditures made to [Vendor 1]. The OEIG also sent Ms. Louden a request for receipts relating to expenses it incurred while completing the marketing materials. In both instances, Tower did not produce any responsive documents.

³² The OEIG subpoenaed Tower for receipts relating to the purchase of projectors from [Vendor 2]. The OEIG also sent Ms. Louden a request for receipts relating to the 2010 purchase of any projector. In both instances, Tower did not provide any responsive documents.

³³ The OEIG sent Ms. Louden a request for all receipts associated with a 2011 computer purchase. In response, Ms. Louden wrote, “I am unable to find receipts associated with this purchase.”

was “very apparent” they had been changed, but denied doing so. She said supplies could have been ordered from the wrong account and denied that the supplies were for Illini Waterproofing because Illini Waterproofing had no need for office supplies. Ms. Loudon said others at Tower could order supplies. When Ms. Loudon was told each email order confirmation reflects that the document was printed from her email, she said Tower’s Information Technology Administrator (Administrator) had access to her computer and may have accessed her email without her knowledge. After being informed the Administrator was not employed by Tower when Tower submitted an email order confirmation with the total dollar amount and quantity altered, Ms. Loudon denied altering order confirmations and said she *did not* know how it happened.

Visa Gift Card purchases of inappropriate items: Investigators showed Bevey Loudon documents related to the 12 Visa gift cards purchased at Walgreens.³⁴ After being shown the documents, Ms. Loudon said that maybe one week after she purchased the gift cards, she gave them to a Tower employee to give to participants. Investigators informed Ms. Loudon that records reflect two gift cards were used at [Vendor 3] on April 23, 2010 when there was an appointment for “Bev” on the same day. In response, Ms. Loudon:

- denied using the gift cards at [Vendor 3] and added, “I *don’t* know how to explain it. I would not have used those cards for personal use.” (emphasis added).

Ms. Loudon was informed that two gift cards were used to make purchases for an iTunes account registered to “Lorenzo Loudon.” In response, Ms. Loudon said Lorenzo Loudon’s son uses iTunes. When asked how Lorenzo Jr. obtained and used two gift cards, Ms. Loudon said she “honestly [did not] know.” Finally, Ms. Loudon was told four gift cards were used in Las Vegas when Mr. Loudon was there. When asked if Mr. Loudon had used the four gift cards in Las Vegas, Ms. Loudon said, “I don’t know why these cards were used in Vegas.” When asked how Mr. Loudon obtained gift cards, Ms. Loudon said she did not think Mr. Loudon had the gift cards she purchased at any time.³⁵

Persons performing services but not paid or partially paid: Investigators showed Ms. Loudon documents related to various persons either not paid or partially paid for outreach services they allegedly performed. After being shown documents about specific persons and being asked about them, Ms. Loudon said:

- she *was not exactly sure* who decided what payments should be made from any given billing cycle;
- Tower’s failure to pay [Individual 1] \$1,240 was unintentional;
- “I don’t know how he got overlooked. It doesn’t make sense to me;”

³⁴ Ms. Loudon was asked why 11 gift cards used in April 2010 were reported in Tower’s May 2010 Monthly Narrative as having been distributed in May 2010. In response, she said that she completed the May 2010 Monthly Narrative but she did not know where she got the information to include in the narrative. Ms. Loudon said the information would have come from an employee who handed out the cards and whom she put a lot of trust in but who did not oversee things as meticulously as she should have. Ms. Loudon said that she felt as though she was being sabotaged by this employee who started “imitating” her, even going so far as to get her hair cut and colored like hers.

³⁵ Mr. Loudon said he personally purchased the gift cards and gave them to Ms. Loudon.

- she *did not* know why Tower failed to pay [Individual 1], even though Tower received payment for his alleged services;
- when asked why Tower failed to pay [Individual 5] \$900 which Tower received for his services but did not pay him, “I’m really surprised because this is my son” and that it must have been a clerical error; and
- that although Tower received \$750 more in payments from IDPH than it paid [Individual 6], she recalled making a deduction from his pay for board dues.

Ms. Louden was also shown documents related to five additional persons performing outreach services.³⁶ For one person, Ms. Louden said she did not submit false invoices to IDPH to misrepresent Tower’s expenses. For another, she said that Tower deducted taxes from the person’s gross pay; however, the information Ms. Louden provided regarding Tower’s withholding for this person did not eliminate the gap between what Tower received from IDPH and what it paid this person. For the remaining three persons, Ms. Louden said she did not know why Tower failed to pay the person the same amount Tower received from IDPH.

Correspondence OEIG Received after Bevey Louden’s Interview: On July 2, 2014, investigators received an email from Ms. Louden in which she stated, in part:

I would like to add, that since [IDPH Center for Minority Health Services Chief] Mrs. Turner’s return to work from her medical leave, Lorenzo made contact with her (about 2 weeks ago) regarding payment arrangements based on the information given to me by [redacted] from the [redacted’s] office. She informed him that her legal department had no record or notice of Tower owing the \$7,000 and therefore we couldn’t make payment arrangements. We have not received anything official either, although we agree with [redacted’s] findings. We are sort of at a standstill without an official notice. If there is documentation available, please let me know so that we may proceed with payment arrangements with IDPH.

Ms. Louden did not provide any further information.

IV. INVESTIGATION – PART II

Again, in Part II of this report, we discuss IDPH’s oversight and monitoring of Tower and other grant recipients.

A. Oversight of Grants by IDPH Employee [Employee 1]

On June 15, 2011, investigators interviewed then-IDPH [Employee 1].³⁷ [Employee 1] said that she reported to IDPH Center for Minority Health Services Chief Doris Turner, who

³⁶ The five Outreach Service Providers were [Individual 7], [Individual 2], [Individual 3], [Individual 4] and [Individual 8].

³⁷ [Employee 1] is now employed by [redacted].

oversees all IDPH minority health program grants, including the \$50,000, \$60,000, and \$100,000 grants Tower was awarded.

[Employee 1] said that, as part of her job, she collects monthly reports for more than 80 IDPH grants and reviews them for such things as accurate dates, expenses, and contract numbers. According to [Employee 1], she forwards monthly reporting documents to a second reviewer to review the expenditures and supporting documentation. [Employee 1] said the second reviewer was Ms. Turner or another IDPH employee, depending on the nature of the grant.

According to [Employee 1], the only issue she had with Tower was that it did not report its monthly activity by the 15th of each month as required.³⁸ [Employee 1] said that, at times, Tower would seek reimbursement above allowable expenses per its grant agreements, or would add staff IDPH did not approve in advance. According to [Employee 1], those expenses were not reimbursable and, in those circumstances, she would edit the monthly expense report.

B. Oversight of Grants by IDPH Employee Doris Turner

Investigators interviewed Center for Minority Health Services Chief Doris Turner on multiple occasions. Ms. Turner said her responsibilities include overseeing all grants within her division and supervising one administrative assistant and three public service administrators. Ms. Turner's position description requires her to evaluate "all operations, both programmatic and fiscal, of the division and its programs," and develop, implement, review, and evaluate the Center for Health Minority Services' "grant program dissemination and evaluation process."³⁹

1. Review of grantee expenditure reimbursement requests

In her first interview on September 12, 2011,⁴⁰ Ms. Turner said that after a grantee provides monthly reporting documents, including requests for reimbursements, [Employee 1] completes a cursory review and ensures all required documents were submitted. [Employee 1] then provides her the documents to review. She said she often signs requests for reimbursements without reviewing the documents received from [Employee 1]. Ms. Turner also said that the Center for Minority Health Services does not have any standards for what documents it will accept as supporting documents for requests for reimbursement. She said that much of the grant monitoring relies on grant recipients being honest about expenses and that she does not closely review monthly reporting documents, if at all.

In a subsequent interview on May 21, 2014, Ms. Turner said her Administrative Assistant⁴¹ is the "de facto grant manager" and is responsible for reviewing monthly reporting documents, including Certification Forms, and supporting documents grantees submit. She said that after the review by the Administrative Assistant, the monthly reporting documents and supporting documents are provided to her (Ms. Turner) for signature. She said she does not

³⁸ FY 10 Grant Agreement Section 1.1.F ("within 15 days of the end of each month"); FY 10 Grant Agreement Section 1.1.D.

³⁹ Illinois Department of Public Health, Position Description, Public Service Administrator (Sept. 14, 2010).

⁴⁰ Scheduling conflicts required the OEIG to end the interview and resume it the next day.

⁴¹ During the time relevant to this investigation, Ms. Turner's Administrative Assistant was [Employee 1].

review the documents, unless there is a problem or question. Ms. Turner also said there is no policy or procedure for reviewing the monthly reports from grantees and that the review of supporting documents for expenses is based on the reviewing employee's discretion.

2. Complaint regarding Tower

Ms. Turner said she received a complaint about Tower from a person who formerly provided outreach services and that Bevey Loudon denied the allegations. She said that she asked Ms. Loudon to provide documents for all payments to persons performing outreach services, all services provided by those persons, signed contracts between Tower and each person performing outreach services, and an explanation of all training provided to staff regarding the completion of surveys.

According to Ms. Turner, Ms. Loudon provided all requested documents and thus she considered the matter closed. When asked if she requested Ms. Loudon to provide proof of payments, such as cancelled checks or bank statements, she said that she did not. Ms. Turner said that, in her opinion, the payroll invoices provided by Ms. Loudon were sufficient.

3. Collection of Tower's overpayments from IDPH

Ms. Turner said she received a phone call from Lorenzo Loudon in March 2013 informing her that the [redacted] had conducted an investigation and it was determined that Tower would need to reimburse approximately \$7,000 for expenses claimed for [Vendor 1] and [Vendor 2].

When asked if she followed up on this reimbursement that needed to be made to IDPH, Ms. Turner said she asked the IDPH Deputy Director of the Office of Finance and Administration whether Tower had reimbursed IDPH, but was told it had not. She said she did not otherwise follow up because Mr. Loudon did not indicate that reimbursement needed to be made to IDPH and that Tower had other State grants so she did not know to which grant the reimbursement was related. Ms. Turner said she did not ask about the expenses for [Vendor 1] and [Vendor 2] or look into whether those expenditures were billed to Tower's IDPH grants and assumed that if there were problems with Tower's IDPH grants, someone would let her know but that no one from the [redacted] contacted her.

V. ANALYSIS

Tower was awarded thousands of dollars in IDPH grant funds to be used for the benefit of persons in the community. When it obtained the State funds, Tower agreed to submit Certification Forms only after it certified "that payment has been made as indicated." However, this investigation has revealed that on multiple Certification Forms Tower submitted, it falsely represented that it had incurred expenses for materials or supplies, including marketing materials, projectors, and computers, when it in fact had not.⁴² This investigation also revealed that on multiple Certification Forms and on fraudulently altered supporting documents, Tower

⁴² FY 10 \$60,000 grant: Jan. 2010; FY 10 \$50,000 grant: Jan. 2010; FY 11 \$100,000 grant: Jan. 2011.

represented it had incurred expenses for office supplies, when in fact it had not.⁴³ Tower, and in particular Bevey Louden, inappropriately obtained grant funds which they were not entitled to obtain and also inappropriately used grant funds to purchase gift cards which they then used for themselves but falsely represented to IDPH that they were used as incentives for persons who underwent prostate cancer screening.

The multiple false and fraudulent Certification Forms Tower submitted to IDPH allowed Tower and its founders to also pocket money intended to be used to pay persons who performed outreach services.⁴⁴ The investigation revealed that Tower violated the terms of its \$50,000, \$60,000 and \$100,000 grant agreements on multiple occasions and in multiple manners. In short, Tower committed outright fraud and IDPH should recover any and all grants funds for which Tower is unable to produce supporting documents including those set forth in this report. The Office of the Governor should also prohibit Tower from obtaining any other State grants. State money intended for the benefit of those in need of services should not end up lining the pockets of Bevey Louden or organizations like Tower.

A. Tower Falsified Certification Forms by Seeking Payment from IDPH for Materials and Supplies that Were Never Purchased

The OEIG investigation revealed that Tower submitted Certification Forms alleging it paid \$6,500 for marketing materials. However, Tower's bank records reflect otherwise and Ms. Louden herself confirmed Tower made no such payments. Rather, Ms. Louden told investigators she finished the marketing work herself and argues Tower is therefore entitled to keep the \$6,500. The OEIG disagrees. The OEIG does not find Bevey Louden credible and also finds that Tower fraudulently sought reimbursement from IDPH for the alleged purchase of marketing materials and did receive \$6,500 which it was not entitled to receive, thus violating the terms of its grant agreements, and finds this allegation is **FOUNDED**.

The OEIG investigation revealed that Tower submitted Certification Forms alleging it paid \$1,000 for projectors and \$2,081 for Dell computers. However, Tower's bank records reflect otherwise. In addition, a [Vendor 2] employee said that although Ms. Louden asked for invoices for two projectors and said she would buy them after she received payment from the State, Tower never did. Moreover, Dell records obtained by investigators reflected that Dell had no record of Tower, Lorenzo Louden or Bevey Louden ever buying computers in the amounts Tower claimed to IDPH. When asked about these purchases, Ms. Louden said that she *intended* to buy projectors from [Vendor 2] and computers from Dell, but she may have used a different provider to purchase those items. In any event, the OEIG does not believe Ms. Louden's statements that she intended to buy these items were truthful. Nevertheless, when asked for any records reflecting such purchases were made, unsurprisingly, Bevey Louden was unable to produce any such records. In other words, even though Ms. Louden signed a Certification Form stating, "that payment has been made as indicated," the evidence reveals no such purchases were ever made.

⁴³ FY 10 \$60,000 grant: Feb., April, and May 2010; FY 10 \$50,000 grant: Feb. 2010; FY 11 \$100,000 grant: June 2011.

⁴⁴ FY 10 \$60,000 grant: Jan., Feb., and May 2010; FY 10 \$50,000 grant: Jan., Feb., March, May, and June 2010; FY 11 \$100,000 grant: Feb., March, April, May, and June 2011.

The OEIG finds that Tower fraudulently sought reimbursement from IDPH for alleged purchases of two \$500 projectors and did receive \$1,000 which it was not entitled to receive, thus violating the terms of its grant agreements, and this allegation is **FOUNDED**.

The OEIG also finds that Tower fraudulently sought reimbursement from IDPH for alleged Dell computer purchases of \$2,081 and did receive \$2,000 which it was not entitled to receive, thus violating the terms of its grant agreement, and this allegation is **FOUNDED**.

B. Tower Submitted Falsified Certification Forms with Fraudulently Altered Supporting Documents to IDPH

The OEIG investigation revealed that Tower submitted Certification Forms alleging it paid for office supplies. However, Tower's supporting documents submitted to IDPH, when compared to Quill records, reflect otherwise. The OEIG obtained records directly from Quill reflecting that the purchases were actually made by Illini Waterproofing.⁴⁵ Additionally, the records revealed that one of the claimed purchases had a total amount of \$88.47, rather than the \$148.81 represented on the document submitted by Tower to IDPH.

Lorenzo Louden said that he did not know why the Quill email order confirmations were altered. Bevey Louden denied altering the records even though the supporting documents submitted to IDPH were printed from her email. The OEIG finds that Bevey Louden, whom it concludes lacks credibility, created the altered documents based on the statements of a former employee who said that Ms. Louden asked her to alter invoices.

Therefore, the OEIG finds that Tower submitted false Certification Forms and altered Quill email order confirmations, and as a result received \$460.13 from IDPH which it was not entitled to receive, thus violating the terms of its grant agreements, and this allegation is **FOUNDED**.

C. Tower Submitted Falsified Certification Forms by Claiming Visa Gift Cards Were Used as Incentives on a Grant When They Were Personally Used by the Louden Family

The OEIG investigation revealed that Tower submitted a Certification Form and supporting documents representing that it purchased 12 Visa gift cards and that they were used as incentives for the grant program. However, documents obtained from the corporation that issued the gift cards reflect the gift cards were used personally by the founders of Tower and their family.

Although Ms. Louden said in her interview that her family did not personally use the gift cards, the evidence revealed otherwise and in particular that:

- gift cards were used in Las Vegas, NV when Mr. Louden was in Las Vegas;
- gift cards were used at [Vendor 3] in Springfield when "Bev" had an appointment; and

⁴⁵ Illini Waterproofing is the Loudens' private business.

- gift cards were used to make iTunes store purchases on Mr. Louden's son's account.

Ms. Louden said that, after *she* purchased the gift cards, she gave them to an employee to hand out. However, Lorenzo Louden said that *he* purchased the gift cards and then gave them to *Ms. Louden*. In any event, the OEIG concludes that Ms. Louden lacks credibility and that her family members inappropriately used multiple gift cards for themselves on matters not approved by IDPH and which should have been distributed to persons who underwent prostate cancer screening.

Therefore, the OEIG finds that multiple gift cards were used personally by the Louden family and that Tower did receive an overpayment of \$347.40 from IDPH which it was not entitled to receive based upon a false Certification Form, thus Tower violated the terms of its grant agreement, and this allegation is **FOUNDED**.

D. Tower Submitted Falsified Certifications by Claiming It Paid Outreach Services Providers When It Had Not Paid Them or Only Partially Paid Them

The OEIG investigation revealed that Tower submitted Certification Forms representing that it made payments to persons performing outreach services. However, Tower's bank records reflect that Tower made no payment to two of the persons providing outreach services and had only partially paid the other six persons providing outreach services.

Lorenzo and Bevey Louden said that they did not know why Tower did not make payments to persons performing outreach services, which the OEIG finds are not credible statements. In regards to Outreach Service Provider [Individual 6], Mr. Louden said he might have told Ms. Louden to deduct three years of Board dues, which amounted to \$750, from [Individual 6's] paycheck. Ms. Louden said she recalled making a deduction for Board dues from [Individual 6's] pay. However, Tower never submitted documentation to IDPH reflecting that \$750 was withheld from [Individual 6's] pay.

Ms. Louden certified on the Certification Forms "that payment has been made as indicated" and Tower received a total of \$32,261.29 from IDPH for payments to persons for providing outreach services as a result. Bank records revealed Tower paid a total of \$26,151.46 to persons for providing outreach services.

Therefore, the OEIG finds that Tower fraudulently sought reimbursement from IDPH for alleged payments to persons performing outreach services and did receive \$6,109.83 which it was not entitled to receive from IDPH based on falsified Certification Forms, thus Tower violated the terms of its grant agreement, and this allegation is **FOUNDED**.

E. Center for Minority Health Services Chief Doris Turner Failed to Adequately Monitor Tower's Grants

The OEIG investigation revealed that Center for Minority Health Services Chief Doris Turner failed to adequately monitor Tower's \$50,000, \$60,000, and \$100,000 grants, violating her duty to IDPH.

Ms. Turner told investigators that she does not review the monthly reporting documents and supporting documentation unless there is a problem or question, that IDPH does not have any standards for the kinds of documentation it accepts as supporting documents for Certification Forms, and that the review of supporting documents for proof that expenses were incurred is based on each employee's discretion.

Ms. Turner also failed to follow up when she learned that Tower needed to reimburse the State \$7,000. Ms. Turner, after being told by the IDPH Deputy Director of the Office of Finance and Administration that Tower had not reimbursed IDPH, made no more effort to follow up. Ms. Turner said she did not follow up because she did not know to which grant the reimbursement was related which is inconsistent with her duty to oversee grants in her division.

The Center for Minority Health Services approved Tower's requests for reimbursement without proof the expenditures had already been paid, and failed to seek recovery of grant funds from Tower when it had knowledge that Tower had improperly received those funds. Therefore, the OEIG finds that Center for Minority Health Services Chief Doris Turner ineffectively monitored Tower's \$50,000, \$60,000, and \$100,000 grants as described in her position description and violated her duty to IDPH, and this allegation is **FOUNDED**.

VI. FINDINGS AND RECOMMENDATIONS

Following due investigation, the OEIG makes the following findings and recommendations:

- **FOUNDED** – Tower violated the terms of its FY 10 Prostate \$50,000 Cancer Awareness Grant Agreement and its FY 10 \$60,000 HIV/AIDS Grant Agreement by fraudulently certifying to IDPH that it had made expenditures on marketing materials from [Vendor 1].
- **FOUNDED** – Tower violated the terms of its FY 10 Prostate \$50,000 Cancer Awareness Grant Agreement and its FY 10 \$60,000 HIV/ Grant Agreement by fraudulently certifying to IDPH that it had made expenditures on projectors from [Vendor 2].
- **FOUNDED** – Tower violated the terms of its FY 11 \$100,000 HIV/AIDS Grant Agreement by fraudulently certifying to IDPH that it had made an expenditure on Dell computers.
- **FOUNDED** – Tower violated the terms of its FY 10 Prostate \$50,000 Cancer Awareness Grant Agreement, its FY 10 \$60,000 HIV/AIDS Grant Agreement, and its FY 11 \$100,000 HIV/AIDS Grant Agreement by fraudulently certifying to IDPH that it had made expenditures Quill on office supplies.
- **FOUNDED** – Tower violated the terms of its FY 10 Prostate \$50,000 Cancer Awareness Grant Agreement by fraudulently certifying to IDPH that Visa gift

cards were necessary for the grant program when they were actually used personally by the Loudon family.

- **FOUNDED** – Tower violated the terms of its FY 10 Prostate \$50,000 Cancer Awareness Grant Agreement, its FY 10 \$60,000 HIV/AIDS grant agreement, and its FY 11 \$100,000 HIV/AIDS grant agreement by fraudulently certifying to IDPH that it had made expenditures on pay for persons performing outreach services.
- **FOUNDED** – Doris Turner, Chief of IDPH’s Center for Minority Health Services, violated her duty to IDPH by failing to adequately monitor the FY 10 \$50,000 Prostate Cancer Awareness grant, the FY 10 \$60,000 HIV/AIDS grant, and the FY 11 \$100,000 HIV/AIDS grant.

The OEIG recommends that IDPH take whatever steps are necessary to recoup any and all State funds, including those identified in this report, which Tower fraudulently obtained but was not entitled to receive and that IDPH prohibit Tower from receiving grants for whatever period it deems appropriate.

The OEIG recommends that IDPH take appropriate action with regard to Center for Minority Health Services Chief Doris Turner’s failure to adequately monitor any of the grants issued by her section.

The OEIG also recommends that the Office of the Governor, as the ultimate jurisdictional authority over IDPH, the Department of Commerce and Economic Opportunity, and the Department of Corrections, review expenditure records of the grants and contracts each Department awarded to Tower for the purpose of determining whether Tower has appropriately used State funds it has been awarded by one or more of these agencies.

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

Date: **December 11, 2014**

Office of Executive Inspector General
for the Agencies of the Illinois Governor
607 East Adams, 14th Floor
Springfield, IL 62701

Grant Anderson
Assistant Inspector General

Tiffany Pryor-Wallace, #157
Investigator

Attachment

A

ILLINOIS DEPARTMENT OF PUBLIC HEALTH
 CENTER FOR MINORITY HEALTH SERVICES
 REIMBURSEMENT CERTIFICATION FORM

AGENCY NAME: TOWER OF REFUGE, INC.

FEIN: 20-3797656

DATE SUBMITTED TO IDPH: May 14, 2010

PROGRAM: Illinois HIV/AIDS
 Communities of Color Initiative
 BILLING PERIOD: April 1-30, 2010
 GRANT NUMBER: 00180104

155

NAME/VENDOR	TITLE/PURPOSE	DATE INCURRED	AMOUNT CLAIMED FROM IDPH
Lorenzo Louden	Executive Director	4/1-30/2010	\$1,200.00
Lorenzo Louden	Program Director	4/1-30/2010	\$1,300.00
Beverly Louden	Outreach Supervisor	4/1-30/2010	\$900.00
	Outreach Coordinator	4/1-30/2010	\$160.00
	Outreach Coordinator	4/1-30/2010	\$680.00
	Outreach Coordinator	4/1-30/2010	\$160.00
	Outreach Coordinator	4/1-30/2010	\$160.00
	Office Supplies	4/19/2010	\$67.08
CDS Office Technologies	Office Supplies	4/21/2010	\$95.60
Staples	Office Supplies	4/26/2010	\$76.51
Quill	Office Supplies	4/20/2010	\$64.77
Farmer's Market	Incentives: Door Prize	4/8/2010	\$92.62
Office Max	Office Supplies	4/10/2010	\$21.47
Walmart	Office Supplies	4/17/2010	\$390.57
Walgreens	Incentives: Gift Cards		
Grand Total:			\$5,368.62

The undersigned hereby certifies that the goods and/or services claimed above are necessary expenditures for the program, that appropriate purchasing procedures have been followed, that payment has been made as indicated and that reimbursement has not previously been requested or received. All receipts for above expenditures are included as required by grant agreement.

Authorized Agency Official Signature:
 Date Signed: 5/14/10

Authorized IDPH Official Signature:
 Date Signed: 5/14/10

[Handwritten signature]
 R. J. [unclear]



Office of Executive Inspector General
for the Agencies of the Illinois Governor
 www.inspectorgeneral.illinois.gov

**AGENCY OR ULTIMATE JURISDICTIONAL AUTHORITY
 RESPONSE FORM**

Case Number: 11-00290

Return 20 Days After Receipt

Please check the box that applies. (Please attach additional materials, as necessary.)

We have implemented all of the OEIG recommendations. Please provide details as to actions taken:

Please see attached.

We will implement some or all of the OEIG recommendations but will require additional time to do so.
 We will report to OEIG within _____ days from the original return date.

We do not wish to implement some or all of the OEIG recommendations. Please provide details as to what actions were taken, if any, in response to OEIG recommendations:

La Mar Hasbrouck, M.D., MPH
Public Health Director

Signature

Print Agency and Job Title

La Mar Hasbrouck, M.D., MPH
 Print Name

Date

1/5/15

Attachment to OEIG Response Form (Illinois Department of Public Health)

Case No. 11-00290

Date: January 5, 2015

On December 23, 2014, the Illinois Department of Public Health initiated an action under the Illinois Grant Fund Recovery Act (30 ILCS 705) to recover funds from Tower of Refuge relating to the grants discussed in the Final Summary Report. Should it be necessary, the Department will also work with the Attorney General's Office to enforce any judgment and take appropriate collection action to recover funds. Since the time period of the grants identified in the report (FY 10 and FY 11), the Department has implemented several changes and improvements to how grants are awarded and monitored. Among other things, the Department has created a Grants Review Committee with independent reviewers to add a review mechanism separate and apart from the administering office. In addition, the Department procured and implemented an agency-wide electronic Grants Administration and Management system (eGrAMS) in FY 13 to manage, monitor, and evaluate the entire life cycle of the grants administration process. These changes were implemented as part of the Department's continuing efforts to improve and strengthen its grant programs.

With respect to Center for Minority Health Services Chief, Doris Turner, Ms. Turner retired and formally separated from the State on December 31, 2014, with her last working day at the Department being December 12, 2014.