



OHIO AUDITOR OF STATE
KEITH FABER



RICHLAND COUNTY
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OHIO AUDITOR OF STATE KEITH FABER



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To the Richland County Board of Commissioners, Lori Bedson, County JFS Director, and Patrick Dropsey, County Auditor:

Background

The Auditor of State, Special Investigations Unit (SIU) conducted a criminal investigation and special audit of the Richland County Department of Job and Family Services (the JFS) predicated on information received from the JFS regarding an employee suspected to have used her position to obtain public assistance for her cohabiting boyfriend.

The investigation began in March 2022 after SIU received information from the JFS Administrator alleging former employee, Rebecca Shafer, Eligibility Referral Specialist, was circumventing procedures and falsifying records to approve public assistance benefits (Medicaid, Supplemental Nutrition Assistance Program (SNAP) Food Assistance, and Prevention, Retention and Contingency (PRC) Program) for her boyfriend, Stephen Morgan, with whom she resides. The JFS completed an internal investigation and identified multiple instances where Ms. Shafer logged calls in the call center when no such calls took place, submitted applications, and approved applications the same day for Stephen Morgan, beginning on November 14, 2018 with a Medicaid application.

After the information obtained from interviews and preliminary examination of the JFS internal investigation and Ohio Department of Job and Family Services public assistance benefit records was considered, a special audit was declared by the Auditor of State.

This engagement was conducted in accordance with the [Auditor of State Special Investigations Unit, Quality Standards](#).

Suspect

Rebecca Shafer was hired by the JFS in December 2013 as an Income Maintenance Worker determining applicant eligibility for public assistance programs. During her time with the JFS, her title changed to Eligibility Referral Specialist performing similar duties. Ms. Shafer was terminated from her position at the JFS on April 21, 2021.

Scheme

We defined our audit period (the Period) as covering November 14, 2018 through April 21, 2021, based on the date of the initial Medicaid application Ms. Shafer approved for Mr. Morgan and her termination date. Ms. Shafer was responsible for responding to phone calls in the call center, accepting and processing public assistance applications, and approving eligibility for applicants in accordance with federal, state, and local guidelines and regulations.

On November 14, 2018, Ms. Shafer registered and assigned herself a Medicaid application in the name of Stephen Morgan in the Ohio Benefits Eligibility Determination System and approved the benefits on the same day. She was required to enter the application in the Electronic Document Management System

(EDMS) and verify various eligibility criteria. However, Ms. Shafer did not complete this step. The EDMS system allows applications to be screened and cross checks information against other state and federal sources and allows for verification of identification, residence, and income. Ms. Shafer also falsified a self-employment verification document for Mr. Morgan by significantly understating his income.

Additionally, on September 10, 2019, Ms. Shafer registered, assigned, and approved a SNAP application for Mr. Morgan without following protocol and prior to the time the call center opened, thus depriving the JFS of the ability to properly screen the application and make an accurate determination of eligibility. Ms. Shafer made various journal entries in the system during the Period adding and removing Mr. Morgan's children as well as performing redeterminations of his eligibility. Similar to the Medicaid application, she also falsified a self-employment verification document for Mr. Morgan by significantly understating his income.

An application for the PRC program was processed on October 15, 2019, by a different employee to help with utility bills at Mr. Morgan's residence. Documentation to support the payment of \$866 to Mr. Morgan shows that the JFS used the Medicaid and SNAP information to verify income eligibility for the PRC program. In addition, Rebecca Shafer was not listed on the application but lived in the same residence as Mr. Morgan since August 2019, and shared a joint bank account with him.

Stephen Morgan improperly received \$39,670 in Medicaid, \$8,304 in SNAP, and \$866 in PRC, for a total of \$48,840 in public assistance benefits during the Period as a result of Rebecca Shafer's fraudulent actions. Ms. Shafer also benefited from the public assistance programs because she lived in the same household.

Findings

Based on the special audit procedures and investigation, the Auditor of State confirmed the allegation that Rebecca Shafer misappropriated public assistance benefits over a span of approximately two and a half years.

We issued a \$48,840 finding for recovery for misappropriated public assistance funds during the Period.

The full details of the finding for recovery are located in the Appendix.

Prosecution

At the conclusion of the special audit and investigation, a prosecution packet was presented to the Auditor of State Special Prosecutor, serving by appointment of the Richland County Prosecuting Attorney.

On October 20, 2022, Rebecca Shafer was indicted by the Richland County grand jury on seven counts, including one count of Theft in Office, one count of Telecommunications Fraud, two counts of Illegal Use of Food Stamps or WIC Program Benefits, and three counts of Medicaid Eligibility Fraud.

On March 27, 2023, Rebecca Shafer entered a negotiated guilty plea of the following:

- One count of Theft in Office, a felony of the fourth degree, in violation of Ohio Rev. Code § 2921.41(A)(1);
- One count of Medicaid Recipient Fraud, a felony of the fifth degree, in violation of Ohio Rev. Code § 2913.401(B)(1); and
- One count of Food Stamp Fraud, a felony of the fifth degree, in violation of Ohio Rev. Code § 2913.46(B).

On May 8, 2023, the Honorable Judge Phillip Naumoff sentenced Rebecca Shafer to 30 days in jail, five years of community control, and a 42 month suspended prison sentence pending successful completion of probation. In addition, she was ordered to not reside with Mr. Morgan. She was also ordered to pay \$47,974 in restitution, which was made up of \$39,670 to the Ohio Medicaid Program and \$8,304 to the Ohio SNAP Program.

The exit conference was waived by the County; however, the Board of Commissioners and Management were given five days to respond to this special audit report. A response was not received from the County.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

July 5, 2023

APPENDIX
SCHEDULE OF FINDING FOR RECOVERY



APPENDIX

FINDING FOR RECOVERY – PARTIALLY REPAID UNDER AUDIT

Ohio Rev. Code § 2913.401(B)(1) indicates no person shall knowingly do any of the following in an application for enrollment in the Medicaid program or in a document that requires a disclosure of assets for the purpose of determining eligibility for the Medicaid program: make or cause to be made a false or misleading statement. Additionally, **Ohio Department of Job and Family Services Code of Responsibility** requires employees at the JFS to only access information about recipients of ODJFS benefits or services that is collected and maintained on ODJFS or State computer systems for those purposes authorized by ODJFS, and as directly related to their official job duties and work assignments for and on behalf of, ODJFS and/or federal oversight. Employees shall not seek to benefit personally or permit others to benefit personally from the use or release of any confidential information as identified in federal and state laws and regulations. Rebecca Shafer signed this Code of Responsibility.

Our analysis identified public assistance improperly expended from the Medicaid, SNAP and PRC programs for the benefit of Stephen Morgan and Rebecca Shafer as she resided with Mr. Morgan, as a result of Ms. Shafer's fraudulent actions that included circumventing verification controls and falsifying income. The public assistance benefits that were improperly expended are as follows:

| Assistance Program | Amount |
|---------------------------|-----------------|
| Medicaid | \$39,670 |
| SNAP | \$ 8,304 |
| PRC | \$ 866 |
| Total | \$48,840 |

On March 27, 2023, Ms. Shafer was ordered to pay \$47,974 in restitution by the Richland County Common Pleas Court, Case No. 2022CR0719.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public property converted or misappropriated is hereby issued against Rebecca Shafer, in the amount of \$48,840, \$866 in favor of Richland County's Public Assistance Fund, \$8,304 in favor of Ohio's Food Stamps & State Administration Fund (Fund 3840) for the SNAP Program, and \$12,949 and \$26,721 in favor of Ohio's General Revenue Fund and Medicaid Services Fund (Fund 3F00) for the Medicaid Program, respectively.

On June 5, June 26, and August 7, 2023, Ms. Shafer made restitution payments to the County in the amounts of \$350, \$300 and \$200, respectively. Therefore, the remaining finding for recovery balance is \$47,990. The County will distribute the funds to the appropriate State programs.

OHIO AUDITOR OF STATE KEITH FABER



RICHLAND COUNTY SPECIAL AUDIT

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/26/2023

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This report is a matter of public record and is available online at
www.ohioauditor.gov