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Nebraska State Auditor Exposes More Serious Abuses in DHHS Personal Assistance Programs

State Auditor Mike Foley announced today the release of a second letter to the Nebraska Department of Health and Human Services (DHHS), revealing not only more examples of flagrant abuses in that agency's personal assistance services (PAS) program but also newly discovered misdoings for personal care services (PCS) – both of which provide help to low-income persons via the State's participation in the Medicaid program.

Issued on February 28, 2024, Auditor Foley's prior letter to DHHS documented horrific examples of PAS program abuse by certain contractual service providers. The audit team found instances, for example, of DHHS paying apparently fraudulent invoices for services never provided, billings for more than 24 hours of services in a single day, and invoices for local services supposedly performed while the provider was out of state. That letter is available on the State Auditor's web page (<https://auditors.nebraska.gov/>).

Auditor Foley's most recent letter to DHHS picks up where its precursor left off, both detailing ongoing PAS program abuse and bringing to light perhaps even more shocking examples of wrongdoing in PCS, including the following:

- Authorized to provide PAS and PCS, an Omaha-based agency known as Murray's Blessings received over \$1 million in DHHS reimbursements – many of which the auditors suspect were for fraudulent billings. To illustrate, one caregiver employed by Murray's Blessings was arrested on April 29, 2024, for possession of a firearm by a prohibited person, terroristic threats, and use of a firearm to commit a felony. As a result, that caregiver was actually in custody when the services for which Murray's Blessings billed DHHS were supposedly provided.

More disturbing yet, Auditor Foley's team found that the same caregiver had already served time in a Nebraska prison for drug offenses and earlier in a Federal prison for a racketeering conspiracy, which involved attempted murder and assaults, witness tampering, and illegal drug distribution.

Murray's Blessings also employed another caregiver who, claimed the service agency, provided services while sitting in jail on drug charges.

Murray's Blessings was founded by Antoinette Murray, who had been authorized earlier to provide child care services in a separate DHHS program. In 2017, however, DHHS terminated its service agreement with her due to improper billing procedures and double billings resulting in overpayments.

Per records reviewed by Auditor Foley's staff, Ms. Murray owed DHHS \$4,851 because of the billing irregularities noted. She paid only \$100 of that amount, though, before DHHS wrote off the rest and allowed her to become an approved Medicaid provider through Murray's Blessings.

- Another PAS caregiver appears, according to Auditor Foley, to have "rivalled certain canonized saints in her ability to bilocate," being successful in billing DHHS for continuous 24-hour periods while also working full time with a financial technology company. The audit team identified 55 days when DHHS services were supposedly provided while the caregiver was known to be working at her other employment.

This particular service provider was also deceitful in applying for public assistance benefits for herself, failing to disclose the income earned as a DHHS caregiver and reporting only the compensation from her other employment.

- An apparently similarly gifted practitioner of bilocation was authorized by DHHS to provide 85.5 hours per week of PAS (but billed up to 95 hours), which is the equivalent of two full-time jobs, while also working a full-time job with a rental management company. The audit team verified 29 days when she claimed to be providing DHHS services while working at her other employment. This particular caregiver was also successful in billing DHHS on a number of occasions for providing services and working more than 24 hours in a single day, ostensibly defying the laws of time.
- One caregiver whom the audit team had identified previously to DHHS as a potential fraudster was found to have been billing DHHS for times when working as a student bus driver and while making a court appearance. Law enforcement officers conducted a raid on this caregiver's residence and removed her child after discovering Fentanyl and firearms in the home.

The same caregiver was then charged with six felonies, including four counts of possession with intent to distribute an exceptionally hazardous controlled substance, one count of manufacturing, distributing, or possession with intent to distribute a controlled substance with a firearm, and one count of failure to affix a tax stamp. Nevertheless, she continued to work as a student bus driver and to bill DHHS for services.

- DHHS authorized another caregiver to work 88 hours per week (equal to more than two full-time jobs) while simultaneously holding full-time employment in county government.

Auditor Foley's prior letter in February, which addressed numerous shortcomings in the management of the PAS program, spurred DHHS officials to grapple with questions about the use of electronic verification techniques to monitor the activities of caregivers. By addressing the persistent concerns with the PAS program, as well as uncovering serious issues with the provision of PCS, this new letter should serve as impetus to continue that inquiry.

Auditor Foley noted that his confidence in the leadership of Steve Corsi as CEO of DHHS remains as high as ever. Foley remarked, "Steve is a very serious minded and highly competent director who takes these matters seriously, and I am happy to collaborate with him toward solutions that respect the taxpayers of our State."

Because of my high esteem for him, I invited him to provide a DHHS response to be included in this release:

DHHS Response:

“After receiving State Auditor Foley’s letter issued on February 28, 2024, DHHS agreed with the findings and immediately began implementing recommended changes. Some changes were significant, such as, critical updates to IT systems, and extensive provider engagement and education. Since these changes were made, non-compliant visits have reduced from 23% to 9%. We also added two full-time internal auditors, bringing the internal audit team up to six auditors. The Department is dedicated to combating fraud and waste in any form and will continue to aggressively pursue and explore additional means to do so” said DHHS CEO Steve Corsi. The CEO further expressed his appreciation for the State Auditor’s Office, “I appreciate Auditor Foley’s efforts to safeguard taxpayer dollars and his recommendations. As the Department continues to strengthen internal controls and stewardship of taxpayer funds, we look forward to ongoing collaboration with the State Auditor’s office.”

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