

IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

IN RE: CATHERINE HOUGHTBY) OEIG Case #16-00277

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 this 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 Catherine Houghtby at her last known address.

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

FINAL REPORT

I. INTRODUCTION AND ALLEGATIONS

On February 8, 2016, the OEIG received a complaint alleging that in July 2014 former Illinois Department on Aging (IDoA) employee Catherine Houghtby engaged in improper double billing of expenses. In particular, it was alleged that Ms. Houghtby requested and received reimbursement in the amount of \$1,500 from an IDoA fiscal agent, the Illinois Council of Case Coordination Units (ICCCU), even though this expense had been paid for directly by IDoA. During the course of the investigation, it was further alleged that in October 2014, Ms. Houghtby requested and received reimbursement from ICCCU for \$500 for rental of a room that was paid for directly by IDoA. It was also alleged that Ms. Houghtby obtained reimbursement of \$110 in October 2014 from ICCCU and \$150 from IDoA for the same entertainment fee, thus receiving payment twice for the fee.

II. BACKGROUND

Ms. Houghtby retired from IDoA on December 31, 2015, after serving as an Executive I in the Division of Community Outreach and Education for about 16 years. According to the Executive I position description, Ms. Houghtby's duties included planning various senior advocacy programs, coordinating and managing activities and supportive services for the Illinois State Fair Senior Center, and contracting with exhibitors and entertainers.

ICCCU is a private company that acted, at the time of the allegations, as a fiscal agent for IDoA to pay expenses related to trainings and conferences that IDoA managed. On behalf of IDoA, ICCCU controlled an account that received credit card payments for training and conference registration fees as well as money from private sponsors of the conferences.

III. INVESTIGATION

A. OEIG Initial Investigation Into The Allegations

Upon receiving this complaint, the OEIG obtained and analyzed numerous documents from IDoA pertaining to the allegations, including, but not limited to, invoices, vouchers, payment receipts, cancelled checks, and a subcontract with ICCCU. The OEIG also interviewed [IDoA Employee 1] who [identifying information redacted]. The records showed the following transactions.

1. \$1500 Payment for Glass Awards

IDoA received an invoice, dated May 28, 2014, from vendor KnR Awards in the amount of \$1,500 for 20 glass awards with a notation that the awards were sold to IDoA, "ATTN: Cathy Houghtby." On July 17, 2014, KnR Awards was paid by the Comptroller with IDoA funds based on this invoice for the glass awards.

In a letter dated July 17, 2014, Ms. Houghtby wrote [ICCCU Official] asking for reimbursement for items claimed to have been paid for by Ms. Houghtby in the amount of \$1,825. Attached to her letter were the KnR Awards invoice for \$1,500 worth of glass awards, along with two other store receipts for gift cards totaling \$325. ICCCU issued a check payable to Ms. Houghtby in the amount of \$1,825, with "State Fair" on the memo line. The check was endorsed in the name "Cathy Houghtby" and cashed or deposited on July 24, 2014.

2. \$500 Room Rental and \$150 Entertainment Fee for the Senior Hall of Fame Awards

On October 9, 2014, Ms. Houghtby emailed [ICCCU Official], asking for a reimbursement check for expenses Ms. Houghtby had paid. In support of this reimbursement request, Ms. Houghtby provided the following:

- An invoice from the Abraham Lincoln Presidential Library and Museum (ALPLM) for a multipurpose room rental in the amount of \$500 for the IDoA Senior Hall of Fame Awards on October 22, 2014. The invoice listed the client as Ms. Houghtby of IDoA.
- A copy of the front of an October 8, 2014, check from Ms. Houghtby's personal checking account in the amount of \$150 made payable to an individual who provided entertainment at the IDoA Senior Hall of Fame Awards.

Based upon the documents provided by Ms. Houghtby, on October 14, 2014, Ms. Houghtby was reimbursed \$610 by ICCCU, and the check contained on the memo line the notation, "State Fair." The check was endorsed in the name "Cathy Houghtby" and cashed or deposited on October 16, 2014.

On October 24, 2014, the same ALPLM room rental invoice for \$500 was sent by IDoA to the Comptroller for payment, and on November 21, 2014, ALPLM was paid for the room rental by the Comptroller with IDoA funds.

On October 27, 2014, Ms. Houghtby submitted a memorandum to IDoA stating that she paid a total of \$259 for expenses at the 2014 Senior Hall of Fame Awards reception, including \$150 to an individual who provided entertainment at the event, as well as \$109 in corsages, photos, and a parking fee for the winner. Ms. Houghtby provided receipts with the memorandum including a copy of the front of the same October 8, 2014, check from Ms. Houghtby's personal checking account made payable to the entertainer in the amount of \$150. Based on these expenses, a payment was issued to Ms. Houghtby, on December 29, 2014, in the amount of \$258.¹

B. Interview Of [IDoA Employee 1]

1. Background on ICCCU and Ms. Houghtby

On March 24, 2016, the OEIG interviewed [IDoA Employee 1] [identifying information redacted]. [IDoA Employee 1] explained that the University of Illinois - Springfield (UIS) had an inter-governmental agreement with IDoA to provide training, and ICCCU served as a sub-grantee of UIS. [IDoA Employee 1] said that ICCCU's role was to act as a fiscal agent for IDoA and pay fees on behalf of IDoA for the trainings and conferences.

[IDoA Employee 1] said that during her [identifying information redacted], she saw accounting records with a column labeled, "State Fair". She said that she asked [ICCCU Official] about this, and [ICCCU Official] said that Ms. Houghtby asked her to use the ICCCU account to run the State Fair expenditures and revenues because the State was taking too long to pay its bills and there needed to be a quicker turnaround time on the payments. [IDoA Employee 1] said that [ICCCU Official] said at the time, she did not think this request was unusual, but in hindsight, perhaps she should not have done this for Ms. Houghtby.

¹ According to [IDoA Employee 1], the reimbursement amount was slightly less than the amount requested by Ms. Houghtby because a receipt submitted by Ms. Houghtby included a sales tax charge, and the State does not reimburse for sales tax.

2. Payments for Glass Trophies, Room Rental, and Entertainment Fee

[IDoA Employee 1] said that [identifying information redacted], she found the invoice from KnR Awards for \$1,500 for 20 glass awards and confirmed with the vendor, as well as through State records that the vendor was paid by on this invoice on July 17, 2014, by the Comptroller with IDoA funds. [IDoA Employee 1] also verified with ICCCU that Ms. Houghtby was paid \$1,500 by ICCCU based upon the same invoice and that the check from ICCCU was cashed and/or deposited.

[IDoA Employee 1] said that she found a copy of the October 9, 2014, email from Ms. Houghtby to [ICCCU Official] asking for reimbursement and stating that she would get [ICCCU Official] receipts. She said that she asked [ICCCU Official] for the corresponding receipts from Ms. Houghtby, and [ICCCU Official] provided her with an ALPLM preliminary invoice for \$500 for the multipurpose room for the IDoA Senior Hall of Fame Awards on October 22, 2014, and a copy of the front of Ms. Houghtby's personal check dated October 8, 2014, to the entertainer in the amount of \$150. [IDoA Employee 1] said she asked [ICCCU Official] why ICCCU paid Ms. Houghtby \$610, which is less than the total amount of the room rental invoice and entertainment fee. [ICCCU Official] said that she paid Ms. Houghtby \$610, instead of \$650, because that was all that was remaining in the State Fair account at that time. [IDoA Employee 1] said that she verified that in relation to the Senior Hall of Fame Awards, IDoA paid the ALPLM \$500 for the same multipurpose room rental for which ICCCU reimbursed Ms. Houghtby, and paid Ms. Houghtby \$258, which included reimbursement for the same entertainment fee that ICCCU paid to Ms. Houghtby.

3. Communication with Ms. Houghtby about Payments

[IDoA Employee 1] provided an email chain between herself and Ms. Houghtby dated December 22, 2015, through December 29, 2015, [identifying information redacted]. In the emails, pertaining to Ms. Houghtby's reimbursement by ICCCU in the amount of \$1,825, [IDoA Employee 1] asked Ms. Houghtby to send her a copy of the cancelled check from Ms. Houghtby's personal account for the glass awards and to provide the names of individuals who received the gift cards. Ms. Houghtby replied on December 29, 2015, stating, "I have been instructed not to talk with management but I really want to get this cleared up. Can we meet or talk?" [IDoA Employee 1] said that she heard nothing more from Ms. Houghtby until January 4, 2016, when she received an email and letter from an attorney stating that he represented Ms. Houghtby. In the letter, the attorney stated that Ms. Houghtby retained no records or documents responsive to [IDoA Employee 1's] request for the cancelled check and names of the gift card recipients and that [IDoA Employee 1] could contact [ICCCU Official] from ICCCU for additional information. The letter stated that any further inquiries for Ms. Houghtby should be sent to the attorney.

C. Criminal Referral By The OEIG To The Illinois Attorney General's Office

Based upon information obtained in the initial stages of the OEIG investigation, on May 10, 2016, the OEIG referred this matter to the Illinois Office of the Attorney General for criminal

investigation.² The Office of the Attorney General accepted the OEIG's referral and conducted a criminal investigation into these matters.³

On June 5, 2017, the Office of the Attorney General filed a criminal complaint against Ms. Houghtby in the Circuit Court for the Seventh Judicial Circuit of Illinois, charging Ms. Houghtby with the misdemeanor offense of Theft. On August 21, 2017, Ms. Houghtby pled guilty to the misdemeanor theft count, and was sentenced to a term of one year conditional discharge and ordered to pay restitution to ICCCU.

IV. ANALYSIS

The IDoA Employee Handbook states that an employee holds a position of trust and is expected to conduct herself in a responsible, professional manner, refraining from conduct which could adversely affect the confidence of the public.⁴ These rules of personal conduct include that an employee shall not participate in or condone fraud, dishonesty, or misrepresentation in the performance of duties.⁵

The documentation obtained from IDoA and the interview of [IDoA Employee 1] show that Ms. Houghtby received the following payments:

- \$1,500 from ICCCU as reimbursement for 20 glass awards when IDoA directly paid the vendor for those awards;
- \$500 from ICCCU for the ALPLM room rental when IDoA paid ALPLM directly for the room rental; and
- \$150 from IDoA and \$110⁶ from ICCCU for the same entertainment expense.

Ms. Houghtby pled guilty to the misdemeanor theft charge. Based upon the foregoing, there is reasonable cause to believe that Ms. Houghtby sought and accepted payments from ICCCU in 2014 for the glass awards, room rental, and entertainment fee when IDoA paid for those same expenses. Ms. Houghtby's actions in seeking and accepting these payments from ICCCU could adversely affect the confidence of the public, and she participated in fraud, dishonesty, or misrepresentation in the performance of her duties, and this allegation is **FOUNDED**.⁷

V. FINDINGS AND RECOMMENDATIONS

² See 5 ILCS 430/20-80.

³ While the criminal investigation and subsequent prosecution of Ms. Houghtby were pending, the OEIG did not actively continue an administrative investigation into these allegations and chose not to attempt to interview Ms. Houghtby regarding these allegations.

⁴ IDoA Employee Handbook, Section V – Employee Personal Conduct (November 2012).

⁵ *Id.*

⁶ According to [ICCCU Official] because there was only \$610 left in the State Fair account, Ms. Houghtby was paid \$610 for the \$500 room rental invoice and the \$150 entertainment fee. The OEIG assumes that \$500 of the \$610 was paid for the room rental and the remaining \$110 was paid toward the \$150 entertainment fee.

⁷ The OEIG concludes that an allegation is “founded” when it has determined that there is reasonable cause to believe that a violation of law or policy has occurred, or that there has been fraud, waste, mismanagement, misconduct, nonfeasance, misfeasance, or malfeasance.

As a result of its investigation, the OEIG concludes that there is **REASONABLE CAUSE TO ISSUE THE FOLLOWING FINDINGS:**

- **FOUNDED** – Catherine Houghtby’s actions in obtaining reimbursements from ICCCU for services that were also paid by IDoA adversely affected the confidence of the public and she participated in fraud, dishonesty, or misrepresentation in the performance of her duties.

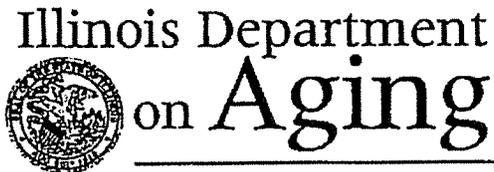
Because Ms. Houghtby retired from the State, the OEIG recommends that IDoA place a copy of this report in Ms. Houghtby’s personnel file, and that Ms. Houghtby not be rehired for State employment.

Date: September 12, 2017

Office of Executive Inspector General
for the Agencies of the Illinois Governor

Melissa Rollins
Assistant Inspector General

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Illinois Department on Aging

Bruce Rauner, Governor
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November 7, 2017

Margaret A. Hickey
Executive Inspector General
Office of the Executive Inspector General for the Agencies of the Illinois Governor
69 West Washington Street, Suite 3400
Chicago, Illinois 60602

RE: Response to the Final Report for OEIG Case No. 16-00277

Dear Executive Inspector General Hickey:

The Illinois Department on Aging (Department) is in receipt of your OEIG Case No. 16-00277 Final Report. You have asked the Department to respond to the Final Report within 20 calendar days after receipt of the Final Report, by listing all actions it has taken to address the recommendations made relative to your investigation, including any disciplinary action imposed by the Department. This letter is in reply to the Final Report.

The Office of the Executive Inspector General (OEIG) issued three findings.

Finding 1: Cathy Houghtby submitted falsified invoice for Glass Awards.

The Department accepts and agrees with this finding.

Finding 2: Cathy Houghtby submitted falsified invoice for Room Rental.

The Department accepts and agrees with this finding.

Finding 3: Cathy Houghtby submitted falsified invoice for Entertainment Fees.

The Department accepts and agrees with this finding.

The OEIG made two recommendation directed at the Department:

- (1) "The OEIG recommends the IDoA place a copy of the report in Ms. Houghtby's personnel file, and that Ms. Houghtby not be rehired for State employment."

Respect for yesterday. Support for today. Hope for tomorrow.

The Illinois Department on Aging does not discriminate in admission to programs or treatment of employment in programs or activities in compliance with appropriate State and Federal statutes. If you feel you have been discriminated against, call the Senior HelpLine at 1-800-252-8966; 1-888-206-1327 (TTY).

DEPARTMENT RESPONSE TO THE OEIG'S RECOMMENDATION

The Department agrees with the OEIG's recommendation that it place a copy of the OEIG report 16-00277 in Ms. Houghtby's personnel file, and that Ms. Houghtby not be rehired for State employment.

The Department has notified the Personnel Division and requested the OEIG report be placed in Ms. Houghtby's personnel file and not to be removed. In addition, the Department has red flagged Ms. Houghtby's name and that she will never be able to be rehired in any capacity for the Department.

The Department will remain vigilant in reporting any violations of fraud, dishonesty, and/or misrepresentation in the performance of duties if these violations are ever discovered in the future.

Please let me know if you have other recommendations for action.

Sincerely,


Jean Bohnhoff
Director

JB/RA:td

cc: Rhonda Armstead – General Counsel, Illinois Department on Aging
Lise Spacapan - General Counsel, Office of the Governor
Christina McClernon - Associate General Counsel, Office of the Governor