



Auditor of Public Accounts  
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## **Lack of Oversight and Improper Reimbursements Highlight Special Examination of Kentucky Child Support Enforcement**

*Questions by state auditors as part of review helped lead to indictment of former Boyd County  
Child Support Office Manager*

**FRANKFORT, Ky. (December 17, 2019)** – A special examination released today by Kentucky Auditor Mike Harmon helped lead to the indictment earlier this month of the former Boyd County Child Support Office Manager. That information is included as part of a special examination of the Cabinet for Health and Family Services' (CHFS) Department for Income Support (DIS) Child Support Enforcement (CSE) Program by Auditor Harmon's office.

"Following questions by auditors, the office manager in charge of child support for Boyd County reportedly acknowledged she had been taking money from the child support office. The Boyd County Attorney informed auditors as well as the Kentucky State Police, and the office manager is now facing an indictment for multiple counts, including theft of over \$113,000 from the office's payroll and operating accounts," Auditor Harmon said. "By simply asking questions and shining a bit of sunshine, it appears our auditors aided in the investigation that brought about her indictment."

Auditor Harmon's report, which contains five findings, also notes that CHFS monitoring of the Boyd County Child Support Office failed to identify red flags that might have led to the earlier discovery of this alleged fraud. CHFS monitoring of the Boyd County office failed to confirm whether CSE payments made to the Boyd County Child Support Office were deposited into the office's bank account and failed to discover that reimbursements had been paid to the office based on checks that never cleared the bank. Finding 1 of the report will be referred to the Kentucky State Police.

Additional details relating to issues identified in the Boyd County Child Support Office will be detailed in a future examination report by Auditor Harmon's office, which will focus on the overall operations of several county attorney offices in Kentucky.

The special examination of CSE also identified areas where reimbursements were made to local child support offices that should not have been approved or lacked appropriate documentation of approval. They include:

- Three pre-payments for rent to the Boyd County Child Support Office without documentation of approval, totaling \$41,200 between June 2018 and July 2019. Two pre-payments were made 12 months in advance, and one 24 months in advance. The DIS Commissioner told auditors, they gave verbal authorization for pre-payment of rent for Fiscal Year 2020, but he had no recollection or documentation of approving an entire year's prepayment for Fiscal Year 2019 or 2021.
- CSE reimbursed \$851.28 to a contracting official for a heating bill, which included a \$527.38 balance from the previous month. The documentation submitted to support this expense included all pages of the current month's statement, but provided no detail associated with the previous balance.
- CSE reimbursed a local office \$866 for the purchase of Terrorism Risk Insurance, which should not have been allowed because it is not a required type of insurance coverage.

According to the report, CHFS contracted with 117 officials to conduct child support related services. Of that number, 116 contracts are with local county attorneys with one covering four counties, and one contract is with a friend of the court. The total amount of CSE's annual contract budget totaled more than \$44.1 million dollars in both Fiscal Year 2017 and Fiscal Year 2018, with 66 percent of that budget comprised of federal funds and 34 percent state funds.

"I appreciate DIS Commissioner Bryan Hubbard requesting my office to conduct this examination and recognizing the importance of better oversight of child support enforcement funds and reimbursements," Auditor Harmon said. "The child support enforcement program is critically important for many Kentucky families and children, and I strongly encourage the incoming leadership of CHFS and DIS to ensure the integrity of the program by implementing the recommendations outlined in our report."

The full report can be found on the [auditor's website](#).

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