

Investigative Report

# Austin Public Health Employee Committed Fraud and Provided False Statements to City Investigators

December 2019



Johnetta Lindsay, a Patient Representative in Austin Public Health, misused her City computer and other City resources for her personal benefit. Lindsay created fake job offer letters from Austin Public Health and other companies, and she sent at least one of these letters as her proof of income to an apartment complex where she was attempting to rent an apartment. She also created a fake patient in the department's patient records system that she used to scan and attempt to fax personal documents. Additionally, when interviewed by our office, Lindsay lied about her fraudulent activities.

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Cover: Aerial view of downtown Austin, iStock.com/RoschetzkyStockPhoto

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## Allegation

In March 2019, Austin Public Health (APH) management discovered that Johnetta Lindsay, a Patient Representative in one of their clinics, had misused City resources for her personal benefit. In line with the department's practice, APH management began an investigation of the issue and put Lindsay on administrative leave. In April 2019, after APH's initial investigation found that Johnetta Lindsay may have misused City resources, including her City computer and internet, a fax machine, and APH's patient records system to commit fraud, they contacted the Office of the City Auditor to conduct a full investigation.

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## Background

Austin Public Health (APH) aims "to prevent disease, promote health, and protect the well-being of [the] community." Johnetta Lindsay was a Patient Representative in APH's Tuberculosis Clinic. As a patient representative, Lindsay answered the clinic's phone, scheduled appointments, registered patients, recorded patient information in the department's patient records system, and performed other similar tasks.

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## Investigation Results Summary

Johnetta Lindsay, a Patient Representative in Austin Public Health, misused her City computer and other City resources for her personal benefit. Lindsay created fake job offer letters from Austin Public Health and other companies, and she sent at least one of these letters as her proof of income to an apartment complex where she was attempting to rent an apartment. She also created a fake patient in the department's patient records system that she used to scan and attempt to fax personal documents. Additionally, when interviewed by our office, Lindsay lied about her fraudulent activities.

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## Finding 1

### Misuse City Resources to Create Fake Job Offer Letters

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#### Investigation Criteria:

“Fraud includes, but is not limited to the unauthorized use of a City resource for personal gain by deception, including by forgery or by altering a document.”

*City Code §2-3-5(A)(2)(a)*

See *Investigation Criteria* for details

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Johnetta Lindsay used City resources to create a fake job offer letter (Exhibit 1) that she intended to use to qualify for an apartment. The letter was addressed to one of her relatives. The relative is not a City employee, and according to Lindsay, the relative has never applied for a City job. Lindsay’s letter includes APH’s logo, and states, in part, “Austin Public Health Department is pleased to offer you the position of Nurse Auditing Coder Lead... the position is a full time/exempt position with a salary of \$65,208.00 annually.” The City does not have a “Nurse Auditing Coder Lead” position.

When we spoke with Lindsay, she said she created the letter with the intention of sending it to an apartment complex where she wanted to rent an apartment for herself, but under her relative’s name. According to Lindsay, she planned to submit the fake letter as proof of income. Lindsay chose to use \$65,208.00 as the salary, because it was three times the annual rent of the apartment, an amount she believed would meet the complex’s income requirement.

In addition, the letter suggests it was written and signed by a “Program Supervisor” in APH’s Communicable Disease and Mobile Units division. However, the APH employee named as the “Program Supervisor” does not hold this title at APH. The employee’s name was also misspelled. When we spoke with Lindsay, she admitted to forging the other employee’s signature on the letter, and stated the named employee never saw the letter. Throughout our interview with Lindsay, she maintained that the employee was aware Lindsay was drafting this letter and using their name. However, when we spoke with the employee in question, they said Lindsay had only asked them to be a “reference.” The employee said they were unaware that Lindsay intended to use their name on a fake letter and said, “I would never, ever, falsify something like that.”


In addition to the fake APH job offer letter, we found four other unique job offer letters from two different companies that were all addressed to the same relative. Lindsay admitted to making them on her City computer, but said she thought she deleted them. When we reviewed Lindsay’s web browser history on her City computer, we found Lindsay had used an image search to look for the logo of one of the companies. It appears that Lindsay used this logo on three of the fake job offer letters she created. Lindsay further admitted to using her City computer to search online for vacant warehouses so that she could use their addresses as the company’s address on her fake letters.

Lindsay denied using the fake APH job offer letter. However, she admitted to submitting one of the other fake job offer letters she created to a local apartment complex where she was applying for an apartment for herself, but in her relative’s name.

Exhibit 1: Fake Job Offer Letter Created by Johnetta Lindsay

Name and address of Lindsay's relative who has never applied for or been offered a job with the City.

Fraudulent use of Austin Public Health's logo.



[Redacted]

Austin, TX 78717

Lindsay's relative's name.

September 17, 2018

Dear [Redacted]

Austin Public Health Department is pleased to offer you the position of Nurse Auditing Coder Lead. This position is part of the Disease Prevention/Health Promotion Division- Communicable Disease Unit.

The position is a full time/exempt position with a salary rate of \$65,208.00 annually. Please understand that you employment with the City of Austin is subject to provisions outlined in City of Austin Personnel Policies and applicable Municipal Civil Service Rules. New Employees must complete a (6) month probationary period. I will work with you during your initial employment to establish performance targets and expectations.

The effective date of your employment will be September 17, 2018. Your first paycheck will be available October 5, 2018. The work hours for this position is Monday-Friday, 8:00 am – 5:00 pm with a 1 hour lunch. The work location is at the RBJ Clinic and mobile- Austin Texas.

On your first day and half of employment, you will attend City of Austin-New Employee Orientation. The orientation begins at 8:30 a.m. During Orientation, the Human Resources Unit will schedule time to complete your new hire paperwork prior to your first day of employment.

If you have any questions, regarding your employment, please contact me at [Redacted].

Congratulations on your new position! I look forward to having you as a member of our team.

Sincerely,

[Redacted]

Program Supervisor, Communicable Disease and Mobile Units

By signing below, you are accepting the offer of employment and agreeing to the City of Austin terms and conditions of employment.

[Redacted]

[Redacted]

9/17/2018

Date

Lindsay's relative's name and signature, forged by Lindsay.

Non-City phone number.

Coworker's name, misspelled, and signature, forged by Lindsay.

Incorrect title for Lindsay's coworker.

Lindsay made up a salary that was three times the annual rent of the apartment for which she was applying.

Position does not exist in the City.

SOURCE: Forensic Image of Johnetta Lindsay's City Computer

## Misuse City Resources for Other Private Purposes

As a Patient Representative in APH's Tuberculosis Clinic, Lindsay was responsible for entering patient data into APH's patient records system. Each patient representative has a scanner attached to their City computer that allows them to scan confidential patient information directly into a patient's profile. In March 2019, Lindsay created a fake patient profile in the patient records system and used the scanner to scan two documents belonging to her fiancé into the fake profile. System records show that while the clinic was open to the public, Lindsay tried 10 times to fax these documents to a third party for private purposes. After the system failed to send her faxes, witnesses stated that Lindsay attempted to use one of APH's stand-alone fax machines.

Although Austin's City Code and personnel policies allow for the limited use of City equipment or supplies for "small, minor or insignificant" tasks, APH management said that the creation of a fake patient would be a violation of department policy. They made clear the importance of maintaining the integrity of their patient records system. One manager acknowledged that Lindsay had misused City resources, but said, "to me it was more of a concern that she's comfortable enough to be doing it within, inside the [patient records] system... there shouldn't be anything in there but medical record information..."

In addition to the misuse previously noted, we found evidence that Lindsay further misused her City internet, email, and computer for other non-City purposes. From June 2018, when Lindsay was hired by the City, to March 2019, when Lindsay was put on Administrative Leave, Lindsay's misuse included:

- Over 7,200 web browser hits related to apartment searches.
- Over 3,900 web browser hits to Lindsay's personal email account.
- At least 44 documents stored on Lindsay's City computer that did not appear related to her City job. Documents included the fake job offer letters described above, as well as personal financial documents, and files related to her apartment.
- At least 20 emails that were either received by or sent from Lindsay's City email account that did not appear related to her City job. Included in this count are 5 emails containing personal documents that were emailed to her from a City scanner. One of these scanned documents was the fake APH job offer letter in Exhibit 1.

Lindsay's fraudulent use of City resources appears to constitute violations of the following criteria:

- City Code § 2-7-62(O): Standards of Conduct – Fraud or Abuse
- City Code § 2-3-5(A)(2)(a) & (b): Powers and Duties – Fraud
- City Code § 2-7-62(J): Standards of Conduct – Misuse of City Resources
- City Personnel Policies – I.G: Use of City Resources

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### Investigation Criteria:

"No City official or employee shall use City facilities, personnel, equipment or supplies for private purposes, except to the extent such are lawfully available to the public."

*City Code §2-7-62(J)*

See *Investigation Criteria* for Details

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## Finding 2

### Provide False Statements to City Investigators

City employees are required by City Code to cooperate with investigations conducted by the Office of the City Auditor. During our interview with Lindsay, she made false statements about issues material to our investigation.

Of note, Lindsay told our office she had permission to use the name and corporate logo of one of the companies whose fake job offer letters we found on Lindsay's City computer. According to Lindsay, the permission came from her friend, who Lindsay claimed was the CEO and founder of the company. However, the company's website did not identify the person as its CEO or as one of its founders, and their telephone directory did not list this person as an employee. We spoke with the person in question, and they were not familiar with the company and denied being its CEO or founder. The person admitted to knowing Lindsay and to giving her permission to use them as a "personal reference." However, the person denied knowing Lindsay's relative for whom the fake job offer letter was written. Additionally, they said they had never given Lindsay permission to use their name on fake job offer letters.

By providing false statements to our office, Lindsay appears to have violated the following criteria:

- City Code § 2-3-5(P): Powers and Duties – Cooperation

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## Appendix A - Subject Response

The subject did not provide a response.

# Appendix B - Management Response



OFFICE OF THE DIRECTOR  
P.O. Box 1088  
Austin, Texas 78767  
(512) 972-5010 Fax (512) 972-5016

## MEMORANDUM

**TO:** Brian Malloy, Chief of Investigations, Office of the City Auditor  
**FROM:** Stephanie Hayden, Director  
**DATE:** November 26, 2019  
**SUBJECT:** **Investigation Report IN19013, Austin Public Health Employee Committed Fraud and Provided False Statements to City Investigators**

In April 2019, Austin Public Health (APH) referred an allegation of misuse of City resources by an APH clinic employee for full investigation by your office. APH is in receipt of your investigation report substantiating this allegation.

The employee was placed on Administrative Leave by APH in March 2019. Prior to APH's allegation referral to the CAIU, APH Human Resources Unit performed an internal inquiry of the employee / respondent's computer documentation, web browser and email history. Policy violations were substantiated, and detailed findings were summarized in an Executive Summary to APH management. Prior to initiation of disciplinary action, the employee resigned.

APH would like to thank you and your staff for dedicating the resources to assist the department in fully investigating this matter.





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# Investigation Criteria

## Finding 1

### City Code §2-7-62(O) – STANDARDS OF CONDUCT

A City official or employee may not engage in fraud or abuse, as defined in City Code Chapter 2-3 (City Auditor) [below].

### City Code §2-3-5 – POWERS AND DUTIES

(A)(2) FRAUD includes, but is not limited to...

(a) the unauthorized use of a City resource for personal gain by deception, including by forgery or by altering a document;

(b) the misappropriation of funds, supplies, or other City resources, through methods including, but not limited to theft, embezzlement, or misrepresentation...

### City Code §2-7-62(J) – STANDARDS OF CONDUCT

No City official or employee shall use City facilities, personnel, equipment or supplies for private purposes, except to the extent such are lawfully available to the public, or to the extent that facilities, equipment or supplies are allowed to be used in a limited or de minimis manner in accordance with City policy.

### City Personnel Policies (I)(G) – USE OF CITY RESOURCES

Employees are prohibited from using City facilities, equipment, supplies, employee time, or any other City resource for personal use, except to the extent that such resources are available to the public...

## Finding 2

### City Code §2-3-5 – POWERS AND DUTIES

(P) City employees and officials shall cooperate with city auditor investigations.

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## Methodology

We took the following steps during this investigation:

- reviewed applicable City Code and policy;
- conducted background research;
- analyzed the subject's computer forensic data;
- analyzed data on APH's patient record system related to the subject's alleged misuse;
- referred potentially criminal aspects of the allegation to the Austin Police Department for their consideration;
- interviewed City staff;
- interviewed external parties; and
- interviewed the subject.

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## CAIU Investigative Standards

Investigations by the Office of the City Auditor are considered non-audit projects under the Government Auditing Standards and are conducted in accordance with the ethics and general standards (Chapters 1-3), procedures recommended by the Association of Certified Fraud Examiners (ACFE), and the ACFE Fraud Examiner's Manual. Investigations conducted also adhere to quality standards for investigations established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and City Code.

The Office of the City Auditor, per City Code, may conduct investigations into fraud, abuse, or illegality that may be occurring. If the City Auditor, through the Integrity Unit, finds that there is sufficient evidence to indicate that a material violation of a matter within the office's jurisdiction may have occurred, the City Auditor will issue an investigative report and provide a copy to the appropriate authority.

In order to ensure our report is fair, complete, and objective, we requested responses from the subjects and the Department Director on the results of this investigation. Please find attached these responses in Appendices A and B.

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The Office of the City Auditor was created by the Austin City Charter as an independent office reporting to City Council to help establish accountability and improve city services. We conduct investigations of allegations of fraud, waste, or abuse by City employees or contractors.

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