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# Auditor blasts HHS program

## Foley alleges criminal activity.

By JoANNE YOUNG

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State Auditor Mike Foley called again Monday for the reform of the Nebraska Department of Health and Human Services after an audit turned up more of what he termed mishandling of economic assistance programs and payments to elderly and disabled clients.

Millions of dollars continue to leak through the HHS system, he said.

"Once again, the citizens of Nebraska have seen their hard-earned tax dollars squandered by the state's largest agency of government," Foley said at a news conference. "Clearly, the people who pay the bills, the taxpayers, have been disserved again."

Foley said the most recent mismanaged programs at issue are known as the Assistance to the Aged, Blind or Disabled, a decades-old service that serves people who are 65 and older, or who are younger and blind or disabled, and the State Disability Program, which provides financial aid and medical assistance to people who are blind or disabled.

HHS has weak program controls in place, and those programs are riddled with problems, he said.

HHS spokeswoman Kathie Osterman said the department disagrees with many of the auditor's findings but acknowledged that in some cases inaccurate payments have been made. Many of those, however, were because of clients' failure to provide required information, she said.

Cases are periodically reviewed by HHS, she said, and if overpayments are found, "we recoup the overpayments from recipients."

About 6,000 vulnerable elderly and disabled people in Nebraska rely on HHS to meet their needs, Foley said, and the department often does not serve them well.

The audit report singled out Judith Widener, 70, of Bayard, president of Safe Haven Inc. in Gering, a nonprofit that handles finances for adult wards of the courts. Widener has been appointed by the courts as a legal guardian for more than 600 people throughout the state, including 112 in Lancaster County. Hundreds of her ward-guardian relationships are still in effect, Foley said.

The auditor's office sampled 91 cases in which it appeared state benefits were going to Safe Haven and Widener. As of Oct. 23, Widener had signing authority to more than 40 bank accounts with balances totaling \$636,000, he said.

The auditor's office alleged Widener took about \$35,000 for her personal use, including checks for \$500 for birthday and Christmas gifts for herself. Foley also cited evidence of Widener's gambling activity in three states.

She was charged Monday in Scotts Bluff County Court with felony theft by unlawful taking over \$1,500. Her bond was set at \$500,000. As of Monday afternoon she was listed in custody at the Scotts Bluff County Sheriff's

Office.

As of Nov. 20, Widener was prevented from conducting any transactions from at least one account at First State Bank in Scottsbluff, according to court documents.

An attempt to reach Widener on Monday at her business, Safe Haven, was unsuccessful.

Foley said HHS employees ignored a number of red flags that should have alerted them that they should not have been sending money to Widener and Safe Haven.

Osterman said HHS acknowledged it made payments in error to Widener for three people for whom she was not the legal guardian. Upon her arrest, assistance payments to her were put on hold until the department is notified by the courts how to direct payments intended for assistance recipients.

HHS files show the department was aware the U.S. Veterans Administration and the U.S. Social Security Administration had expressed concerns about Widener's involvement in guardianship cases, Foley said. And in recent years, Lancaster County Judge Gerald Rouse had forbidden Widener from being named to any further legal guardianships in Lancaster County.

The maintenance portion of the Assistance to Aged, Blind and Disabled program is funded entirely by state money, the medical assistance portion is funded by federal and state money and the State Disability Program is state dollars. The programs provide cash payments to

people with little or no income for basic life needs including food, clothing, shelter and medical expenses.

Osterman said vulnerable adults who have court-appointed guardians are not wards of the state but rather of the courts. Guardians are required by state law to provide an annual accounting to the courts of their activities for each ward. HHS does not receive those reports.

Guardians have the legal right to act on behalf of protected people, including receiving and spending funds.

The auditor's office looked at a sampling of case, and found that in 36 percent HHS was making unreasonable payments or ones that were in violation of state law or regulations.

Foley called the department's control procedures a disgrace and gave these examples:

- People were receiving thousands of dollars for living expenses while living in HHS facilities and having no living expenses.

- A state prison inmate was getting checks for living expenses.

- In some cases, medical reports had been provided to HHS indicating applicants did not meet the disability requirements but were getting payments anyway.

- In some cases, applicants did not disclose assets that would have disqualified them from payment, and in one case, a person got more than \$100,000 in undeserved payments.

- Smaller payments were made to 10 people after



WIDENER

their deaths, and when HHS found out, it did not attempt to recoup the money.

Foley praised audit staff members who found the mismanagement of HHS funds.

"These are extraordinary state employees," he said.

"These are just very, very talented people. And I am very grateful to them for their work."

To those who would question Foley's motives for focusing on a department he has vowed to reform if elected governor, Foley said the audit

findings were "rock solid."

"People can say what they want about politics," he said. "This is just good, solid audit work that needed to be done."

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