



# NEWS RELEASE

From New York State Inspector General  
**Catherine Leahy Scott**

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## **INVESTIGATION REVEALS SYSTEMIC THEFT AND MISMANAGEMENT OF DEVELOPMENTALLY DISABLED INDIVIDUALS' CASH ACCOUNTS BY STATE EMPLOYEES ENTRUSTED WITH THEIR CARE**

*Personal Funds Of The Developmentally Disabled In State Care Used For A Walmart Shopping Spree for A Staff Member, One Caregiver's Family Outing to Dreamworks' "How to Train Your Dragon Live Spectacular," And An Employee's Personal Recliner*

ALBANY – New York State Inspector General Catherine Leahy Scott today released a [report](#) of an investigation into the systemic mismanagement and thefts of personal cash accounts for the developmentally disabled by State employees entrusted with their care. The report highlighted 10 separate representative investigations – from Buffalo to the Hudson Valley – into the mismanagement of cash accounts maintained by the New York State Office for People with Developmental Disabilities (“OPWDD”) for individuals in State care, including lack of adequate accounting or safeguards, and outright thefts of funds from individual accounts and State funds.

Based on the investigations, Inspector General Leahy Scott found OPWDD failed to adequately safeguard personal accounts of those under its care.

Notably, the mismanagement and thefts were so widespread and prolific that even while routine OPWDD audits were responsible for uncovering many of the individual improprieties, allegations of the mismanagement of and thefts from personal accounts at facilities across the State continued to be reported to the Inspector General throughout this investigation and during the writing of the report.

“With disturbing regularity we have seen the shameless preying on a vulnerable population by those charged with their care,” said Inspector General Leahy Scott. “These heinous crimes not only need to be vigorously investigated and prosecuted, but significant reforms must also be implemented that not only make such crimes less feasible, but protects the integrity of funds in these personal accounts.”

Based on her findings, Inspector General Leahy Scott made several recommendations that OPWDD has since agreed to adopt to strengthen policies and procedures helping to ensure residents' accounts are used for their intended purposes. Recommendations include additional training for the handling and oversight of personal cash accounts and new audits to better track and determine the appropriateness of the deposits and withdrawals from those accounts.

Inspector General Leahy Scott also thanked OPWDD for their extensive assistance and for their audit work at regional offices that first uncovered many of the problems and improprieties reviewed for this investigation.

The Inspector General's report details the findings of 10 separate investigations into mismanagement of and thefts from the personal accounts which were representative of systemic problems statewide. Examples of those investigations include the following:

- Lynn Knightner, a developmental assistant 2 assigned to a suburban Buffalo Town of West Seneca community residence for the developmentally disabled, stole more than \$250 total in September 2012 from six residents and the State under the ruse of taking those residents to a performance of "How to Train Your Dragon Live Spectacular." She additionally attempted to conceal the fact that the residents did not attend the show by buying fiber optic dragon souvenirs from the performance with the residents' own money to make it appear they went to the show. She also played the DVD version of the movie for the residents at the group home so they would be familiar with the story. The residents, however, never went to the show. Rather, Knightner used the tickets purchased with residents' funds and state funds to take her own family to the show. Knightner was ultimately convicted for the thefts.

Separately, Knightner made questionable purchases of restaurant gift cards using residents' accounts. Moreover, she and the secondary cash custodian at the facility failed to submit original receipts from restaurants and may have improperly debited resident accounts. On 42 occasions in a three-month period Knightner and the secondary cash custodian "lost" the original receipts and fabricated self-generated ones. On several of those occasions, other staff members purportedly dining out with them at the restaurants could not remember having been there.

- Cheryl Collins, a developmental assistant 1 assigned to a community residence for the disabled in the southern tier's City of Corning, stole Walmart gift cards valued at \$130 meant as gifts for the residents' families in December 2012. Weeks later, the house manager was advised by the intended recipients of those cards that they were never received. An investigation, including the review of a surveillance videotape showing her using the cards to shop at Walmart, found Collins used the cards for herself and she was ultimately arrested for the thefts. Collins paid restitution and resigned from state service.
- In early 2015 it was found that Christina Ruhmshottel, a direct support assistant at a Milbrook community residence for the disabled in Dutchess County, failed to deposit the funds from a check the regional office issued to her into the residents' personal accounts as intended. A further review found cash from previous checks issued to Ruhmshottel also was never deposited into the residents' individual accounts. Ruhmshottel was arrested for the thefts, pleaded guilty to the crime and was ordered to pay nearly \$1,600 in restitution.
- A 2013 audit of an East Randolph community residence for the developmentally disabled in Cattaraugus County revealed that residents' personal items valued at \$820 were missing from the facility. A subsequent investigation found that a direct support assistant at the residence stole the funds by using the accounts of seven of the residents to purchase items for herself. The employee was charged with the thefts later that year and was terminated by OPWDD.
- A 2015 audit of an OPWDD community residence in the Hudson Valley Village of Briarcliff Manor uncovered a series of suspicious purchases using residents' personal funds, including expensive sneakers, musical equipment, a recliner and home goods. A subsequent investigation found house manager Cleve Blake stole nearly \$7,400 from residents' accounts to purchase items for himself. Blake was ultimately convicted of the thefts, terminated by OPWDD and ordered to pay full restitution.
- In late 2014, Danika Dates, a developmental assistant 1, used the personal bank cards of residents under her care in a community group home in Clifton Park, outside Albany, to make personal purchases for herself. She stole the funds by logging the transactions as Christmas gifts purchased on behalf of the residents. She subsequently pleaded guilty to the theft and was terminated by OPWDD.

Based on the findings from the 10 investigations outlined in the report, the Inspector General found that OPWDD's oversight, policies and training on residents' cash accounts is deficient, there are inadequate internal controls for the replenishment of residents' cash accounts and there are no clear policies regarding supervisory review of cash held at each residence.

Inspector General Leahy Scott made the following recommendations based on the findings in this report, all of which OPWDD has agreed to implement:

- OPWDD should consider the feasibility of using bank of debit cards for residents' personal allowance accounts instead of cash to provide more accurate transaction logs and assist supervisors with their audits and reviews of accounts.
- Statewide policy should be implemented by OPWDD requiring periodic supervisory audits of residents' personal cash allowance accounts including at a minimum how often audits should be conducted, who is responsible for conducting them and the manner they should be conducted.
- OPWDD should provide training to supervisors upon hiring, and periodically thereafter, on the management and review of residents' personal accounts.
- Statewide policy should be implemented for the purchase of gift cards on behalf of the residents in State care. The policy should include a process whereby receipt may be confirmed by the intended recipients.
- OPWDD should implement policy prohibiting the use of self-generated receipts, which are often suggestive of fraud, and accept only original receipts from vendors which accurately document each transaction.
- Employees of group homes should be retrained on the OPWDD policy of inventorying purchases upon their arrival at the residence, and not at some later date. Such inventorying should include initialing each receipt and annotation on the receipt of the date of the inventory review.

An online copy of the report may be obtained by clicking [HERE](#)

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