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Nonprofit at day care center got state cash to help ex-inmates: Nonprofit at day care center got anti-violence money to help ex-inmates; critic claims 'fraud'

By Dave McKinney

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SPRINGFIELD - Thousands of state anti-violence grant dollars from Gov. Pat Quinn's scandal-tainted Neighborhood Recovery Initiative went to a south suburban nonprofit to help re-integrate freed teen and young adult prison inmates back into society.

It was a noble idea except the nonprofit that the state paid with anti-violence grant money to handle re-entry services in Thornton Township actually was operating out of a day care center in south suburban Dixmoor.

On top of that, it was later learned, there was really no re-entry program at all - nor any proof that the organization, Project Hope, Inc., did anything for the $15,770 it received from Quinn's administration to perform re-entry services, state records show.

It took three months for the Healthcare Consortium of Illinois, the larger nonprofit that the Quinn administration put in charge of NRI spending in Thornton Township, to figure out the scheme and to begin the process of turning off the spigot of taxpayer dollars, state records show.

"It's more evidence that suggests the oversight and controls necessary for programs like this were severely lacking," said state Sen. Jason Barickman, R-Bloomington, co-chair of the Legislative Audit Commission, which is leading a legislative probe into the Neighborhood Recovery Initiative.

Calls and emails about the matter to officials with the Healthcare Consortium of Illinois and Project Hope went unanswered this week.

State records show the Healthcare Consortium of Illinois entered into a subcontract with Project Hope in April 2011 to perform re-entry services for juveniles returning from Department of Juvenile Justice youth centers and for adults between 17 and 24 who had been released from state prisons.

It's unclear on what merits Project Hope was recommended for the task in the first place by the Healthcare Consortium of Illinois.

But the Illinois Violence Prevention Authority, the agency Quinn put in charge of the Neighborhood Recovery Initiative, and the governor's office itself appeared to have played an active role in signing off on subcontracting choices such as Project Hope that were made by the larger nonprofits chosen to oversee anti-violence programming in 23 city neighborhoods and suburban townships, state records show.

"Hi, Toni, Malcolm and Billy," Barbara Shaw, the Violence Prevention Authority's executive director wrote in a December 13, 2010, email to then-Quinn deputy chief of staff Toni Irving, Central Management Services director Malcolm Weems and Quinn senior adviser Billy Ocasio.

"I'm getting ready to come upstairs and hand deliver packets of materials for you to review prior to our meeting on Thursday when we will review and approve (or not) the lead agencies' provider partner recommendations," Shaw wrote.

It's unclear what exactly were in the packets of materials Shaw was writing about. But a Dec. 16, 2010, email from Shaw to Irving, Weems and Ocasio had a large spreadsheet of potential Neighborhood Recovery Initiative vendors listed. Project Hope was one of several subcontractors identified on the list and awaiting approval.

It didn't take long for problems to surface after the group signed its subcontract with Healthcare Consortium of Illinois in April 2011.

By June 2011, the Healthcare Consortium of Illinois determined that Project Hope was not meeting the terms of its contract. Later that month, the Healthcare Consortium of Illinois suspended its deal with Project Hope, and in August 2011, terminated the deal entirely, citing "poor performance and budgeting concerns," state records show.

Project Hope was "not meeting the deliverables of their contract, no re-entry program existed and their location was not conducive for the population that the re-entry component must assist," according to an April 2012 timeline emailed to Shaw and a colleague by Jaclin Davis, the administrator Healthcare Consortium of Illinois chose to oversee $1.2 million in anti-violence programming in the township.

Davis, the wife of state Rep. Will Davis, D-Homewood, appeared to be among those most actively raising the red flag over Project Hope.

In a January 2012 email, Davis was sharply critical of Project Hope's unwillingness to provide "supporting documentation" for an audit sought by the Violence Prevention Authority after an earlier audit attempt failed.

"My position still stands that Project Hope Early Learning Center intentionally deceived HCI and the displacement of responsibility is malicious," she said. "None of the monies provided to enhance their re-entry program occurred due to the re-entry program not existing at their Dixmoor location as stated in their application, which in itself is fraud in the execution."

Healthcare Consortium of Illinois argued that Project Hope owed it - and taxpayers - $15,770 for re-entry work it never appeared to perform. A February audit of the Neighborhood Recovery Initiative by Auditor General William Holland indicated then that the money was still outstanding.

Cristin Monti Evans, a spokeswoman for the Illinois Criminal Justice Information Authority, said Tuesday that the state holds the Healthcare Consortium of Illinois responsible for the apparent misspent funds.

Evans said the Healthcare Consortium of Illinois informed the state in March 2014 - a month after the release of Holland's audit and more than two years after Davis described Project Hope's dealings as a "fraud" - that it intended to sue Project Hope to recoup the missing money.

The governor's office offered a similar view.

"If any grantee or sub-grantee is found to have acted improperly, they should be held accountable. We have zero tolerance for mismanagement, fraud or abuse," Quinn spokesman Grant Klinzman said.