

UNITED STATE DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

UNITED STATES OF AMERICA)	
)	CAUSE NO:
v.)	
)	18 U.S.C. § 666
THOMAS R. PHILPOT)	18 U.S.C. § 1341

INDICTMENT

THE GRAND JURY CHARGES:

COUNT 1-3

(MAIL FRAUD)

1. In 1975, Congress amended Title IV of the Social Security Act by adding a new section “D,” designed to direct federal funds to state agencies to aid in the collection of child support payments. This is commonly known as the “IV-D” program. The federal office that administers this program is the Office of Child Support Enforcement (OCSE), an agency of the U.S. Department of Health and Human Services, Administration for Family and Children. In Indiana, the office that administers the program is the State of Indiana Department of Child Services (DCS).

2. A component of the IV-D program is the provision of funds to supplement the salaries of employees of the County Clerk’s Office and Prosecuting Attorney’s office who work on IV-D matters (incentive payments).

3. The County Clerk’s office obtains payment for the claimed IV-D expenses by

submitting a request for payment with the appropriate County office. After this request for payment is processed through all of the appropriate County offices, the funds are transferred to the Clerk's account. If the transfer is for IV-D incentive payments supplementing an employee's pay, the funds are directly added to the employee's regular paycheck thereby increasing their bi-weekly pay.

4. The Clerks' office expends funds for child support services and submits claims for reimbursement to the Indiana DCS. The Indiana DCS reviews and approves the claim, and then issues payment for the claim to the respective County. The Indiana DCS in turn obtains reimbursement from the federal OCSE, IV-D fund.

5. At all times relevant to this indictment, THOMAS R. PHILPOT was an elected official in Lake County, Indiana, serving as Lake County Clerk. Prior to serving for eight years as the Lake County Clerk, THOMAS R. PHILPOT served for eight years as the elected Lake County Coroner. While serving as Lake County Clerk, THOMAS R. PHILPOT was a licensed lawyer practicing law in the state of Indiana.

6. At all times relevant to this indictment, the State of Indiana had in full force and effect, a statute entitled "Incentive Payments for Enforcing and Collecting Assigned Support Rights; Amount and Terms." In relevant part this statute states:

"The amount that a county receives and the terms under which the incentive payment is paid must be in accordance with relevant federal statutes and the federal regulations promulgated under the statutes. However, amounts received as incentive payments may not, without the approval of the county fiscal body, be used to increase or supplement the salary of an elected official. The amounts received as incentive payments must be used to supplement, rather than take the place of, other funds used for the Title IV-D program activities."

7. The Lake County Council is the "county fiscal body" authorized to approve the

use of incentive payments to increase or supplement the salary of an elected official under this statute.

SCHEME TO DEFRAUD

8. From on or about December of 2004, and continuing through November of 2009, the defendant, THOMAS R. PHILPOT, while serving as an elected official (Lake County Clerk), devised a scheme and artifice to defraud Lake County, Indiana, the State of Indiana operating through its DCS, and the United States of America operating through its OCSE, of funds in the form of incentive payments to himself to which he was not legally entitled.

9. In furtherance of this scheme, THOMAS R. PHILPOT caused requests for payment of IV-D incentive payments for himself to be submitted to Lake County for payment by Lake County.

10. When THOMAS R. PHILPOT submitted to Lake County requests for payment of IV-D incentive payments to himself, he knew these requests were false, in that he was not entitled to receive incentive payments because such payments had not been approved by the Lake County Council as required by law.

11. In furtherance of this scheme, THOMAS R. PHILPOT caused claim forms for IV-D expenses to be mailed from Lake County, Indiana to the State of Indiana DCS offices located in Indianapolis, Indiana.

12. When THOMAS R. PHILPOT caused the claim forms to be mailed to the State of Indiana DCS offices, he knew the claim forms were false, in that he was not entitled to receive

incentive payments because such payments had not been approved by the Lake County Council as required by law.

13. As a result of his scheme to defraud, THOMAS R. PHILPOT received the following supplemental incentive payments to which he was not entitled, in the approximate dollar amount listed below and on or about the dates listed below :

December 13, 2004	-	\$3,101
December 12, 2005	-	\$3,146
December 11, 2006	-	\$4,249
January 5, 2009	-	\$9,101
October 9, 2009	-	\$5,105

THE MAILING

14. On or about the following dates, in the Northern District of Indiana and elsewhere,

THOMAS R. PHILPOT,

defendant herein, for the purposes of executing the above described scheme and artifice, did cause to be placed in the United States mail a claim for reimbursement for Title IV-D expenditures which was mailed from Lake County, Indiana, to Indianapolis, Indiana:

<u>Count</u>	<u>Date</u>
1	January 2007
2	April 9, 2009
3	November 13, 2009

All in violation of Title 18, United States Code, Section 1341 and Section 2.

COUNT 4

(THEFT FROM FEDERALLY FUNDED PROGRAM)

1. The allegations of paragraphs 1 through 13 of Count 1 are hereby re-alleged and incorporated by reference as if fully set forth herein.

2. Between December 12, 2005, through December 11, 2006, in the Northern District of Indiana and elsewhere,

THOMAS R. PHILPOT,

defendant herein, being an agent and employee of Lake County, Indiana, a local government which received federal benefits in excess of \$10,000 in the one year period beginning December 12, 2005, and ending December 11, 2006, did knowingly and intentionally steal, obtain by fraud, and otherwise without authority convert to his own use, property worth at least \$5,000 owned by, and under the care, custody, and control of Lake County, Indiana.

All in violation of Title 18, United States Code, Section 666(a)(1)(A) and Section 2.

COUNT 5

(THEFT FROM FEDERALLY FUNDED PROGRAM)

1. The allegations of paragraphs 1 through 10 of Count 1 are hereby re-alleged and incorporated by reference as if fully set forth herein.

2. Between December 1, 2008, through November 30, 2009, in the Northern District of Indiana and elsewhere,

THOMAS R. PHILPOT,

defendant herein, being an agent and employee of Lake County, Indiana, a local government which received federal benefits in excess of \$10,000 in the one year period beginning December 1, 2008, and ending November 30, 2009, did knowingly and intentionally steal, obtain by fraud, and otherwise without authority convert to his own use, property worth at least \$5,000 owned by, and under the care, custody, and control of Lake County, Indiana.

All in violation of Title 18, United States Code, Section 666(a)(1)(A) and Section 2.

A TRUE BILL:

FOREPERSON

DAVID CAPP
UNITED STATES ATTORNEY

By: _____
Philip C. Benson
Assistant United States Attorney