Department of Justice

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Former State Employee Charged With Mail Fraud, Identity Theft and Theft of Funds

LEXINGTON, Ky. – A Federal grand jury sitting in Lexington has indicted a former employee of the Kentucky Commission (now Office) for Children With Special Health Care Needs, on charges arising from allegations of theft from that agency. Diana Baker, 53, of Louisville, was charged with one count of mail fraud, one count of aggravated identity theft, and four counts of theft from the state agency.

Baker was a 28-year employee of the Commission, which is an agency within the Kentucky Cabinet for Health and Family Services that assists families with children with special health care needs in obtaining funding and care.   The indictment alleges that between 2007 and 2018, Baker, who was an Administrative Branch Manager in the Louisville office, manipulated software programs, to generate fraudulent payment vouchers, which purported to reimburse the families of special needs children for out of pocket expenses or pay third party vendors for services to children. These vouchers were sent in the regular course of business to the Kentucky State Treasurer's Office, which issued checks that were actually used to make payments on Baker's credit card accounts, to pay doctors and dentists for services to Baker's family, and, in one instance, to pay a carpenter for work on a dock for lakefront property owned by Baker.   The amount of the alleged theft is approximately $45,000.

The investigation leading to the indictment was conducted by the Kentucky Cabinet for Health and Family Services, Office of the Inspector General and the FBI.

Any indictment is an accusation only. A defendant is presumed innocent and is entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.

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