

# An example of fraud, cover-up and misuse of taxpayer money by child protection workers

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## FBI targets child care agency

**Broward's child-welfare board has fired the president, and the FBI served search warrants at the agency's offices.**

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**Broward County, Florida** - Broward foster children often rode in potentially unsafe cars and vans because an auto repair shop paid kickbacks to an employee of the county's child welfare agency to avoid making repairs.

And dozens of the foster care agency's employees stole donated toys intended for foster kids last Christmas.

These are among the allegations in a March 30 report by two private investigators hired to look into irregularities at ChildNet, one of 20 privately run child welfare agencies across Florida. The state Department of Children and Families will pay ChildNet \$65 million this budget year to supervise 1,043 children in state care in Broward.

Troubles at ChildNet mounted Friday as federal agents swarmed the agency's Fort Lauderdale offices, state administrators threatened to cancel the agency's current contract, and board members voted to fire the group's founding president.

Ousted Friday afternoon was Peter Balitsaris, a

longtime South Florida child advocate who helped create ChildNet about five years ago. The lone board member who fought Balitsaris' firing, Virginia Miller, resigned.

The other board members issued a statement vowing to continue the agency's work.

"The most important thing we want people to know is that foster children will be well cared for, and there will be absolutely no disruptions in any of the services we provide," Board Secretary Howard Bakalar said in the statement.

ChildNet, based at 1400 W. Commercial Blvd., employs 430 people.

The board decided to fire Balitsaris after DCF's top administrator in Broward, Jack Moss, gave them a letter terminating ChildNet's contract with the state. The contract was reinstated later in the day.

An emergency meeting of the board had been called after Balitsaris fired two ChildNet employees -- both with extensive criminal records -- who were under suspicion in the theft

of \$8,000 in Wal-Mart gift cards intended for use by foster kids and the theft of a Dell laptop computer that had contained confidential information on foster and adoptive parents.

### **STARTLING FINDINGS**

But a five-page summary of ChildNet's own investigation -- performed partly by a former Drug Enforcement Administration agent turned private eye -- included a host of startling allegations and findings. Among them:

- Two men in charge of facilities management and security at ChildNet, Steven Williams, 47, of Fort Lauderdale and Brady Grant, 35, of Coral Springs, were convicted felons with lengthy criminal histories. Williams' convictions included burglary in 1988 and battery in 1992, both in Tampa, according to the Florida Department of Law Enforcement.

Grant was sentenced to prison in 1995 for manslaughter and again in 2001 on a cocaine conviction, according to the Florida Department of Corrections.

- "Vehicles used to transport children are possibly unsafe," the report said, because the auto repair shop hired to fix them instead paid kickbacks to Williams to ignore the needed repairs.

- Cars and vans used to cart children "may not be repaired properly, or at all." Moss, DCF's top administrator in South Florida, said the vehicles since have been inspected to ensure they're safe.

- ChildNet had no inventory system for "high-value items" like computers and furniture.

- ChildNet's chief financial officer, Peter Greenhough, "routinely" asked Williams to submit doctored invoices to make it easier for ChildNet to seek reimbursement from the state for spending. In one case, Greenhough had a vendor call a wall a "partition" because the state

would not pay for the building of a wall.

Moss commended ChildNet's board for acting quickly upon receipt of the allegations and affirmed his support for caseworkers and supervisors during an unsettling period.

"Our No. 1 concern is children being safe," said DCF Secretary Bob Butterworth, who was in Fort Lauderdale on Friday. "We don't have any reason to believe any of this has adversely affected the safety of any children."

FBI agents served a search warrant at ChildNet's main office Friday morning. As of late Friday, the bureau had declined to specify what it was searching for.

And Butterworth, a former Broward sheriff, said he didn't know what agents were seeking.

"We are not sure if the investigation is related to ChildNet's operations or if it targets a specific employee suspected of a crime unrelated to the agency," he said.

### **\$30 MILLION CHUNK**

There are clues as to the FBI's involvement: The federal government, through the state, provides about \$30 million of ChildNet's budget, Butterworth said.

Also, the investigative report included allegations of "mail fraud, wire fraud [and an] organized scheme to defraud the state" -- crimes that would fall under federal jurisdiction and typically be investigated by the FBI.