

# AG finds no misuse of HopeWorks funds

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HopeWorks, a nonprofit that provides services to local homeless and near homeless people, has been cleared by the Attorney General's Office of allegations that it attempted to defraud the city of Albuquerque.

The nonprofit was accused of applying for reimbursements of \$155,586.25 in excess of actual costs, and that it billed or double-billed Medicaid for \$15,653.58 for services that were never provided.

The allegations against HopeWorks were outlined in a Dec. 23, 2021, report from the city's Office of Inspector General. The following April, state Sen. Linda Lopez, a HopeWorks board adviser, asked the Attorney General's Office to conduct a Medicaid fraud review of that report. A similar request was made in March 2021 by the Office of the State Auditor.

The AG's Medicaid Fraud Control Unit conducted a "comprehensive forensic review of the OIG report," concluding that HopeWorks had filed "accurate and proper claims data for services provided," that duplicate Medicaid billing could not be substantiated and that "overlapping dates or claims for services were not found in the Medicaid claims data," according to a letter dated Dec. 29 and signed by Deputy Attorney General for Criminal Affairs M. Anne Kelly.

The Medicaid fraud unit did find that HopeWorks submitted some "corrected" claims that may have been misconstrued as "duplicate billings."

The city of Albuquerque and the Office of the Inspector General "did not have the appropriate data to substantiate its allegations of Medicaid fraud, and should not have referred this matter as a fraud risk, because this may have caused a disruption in services and unnecessary harm to the facility's reputation," said the AG's letter.

That harm to reputation is exactly what occurred, HopeWorks chief executive officer Annam Manthiram said Wednesday, adding that the city owes HopeWorks "a public apology and acceptance of some sort of responsibility."

The city Department of Family and Community Services, which oversees contracts with HopeWorks, issued a statement Wednesday lacking any sort of apology, but saying it was "encouraged by the letter from the Attorney General's Office finding no Medicaid fraud."

"The fallout from these accusations absolutely created harm to our organization, and ultimately those who suffered were our clients," Manthiram said in an interview. HopeWorks lost about \$2 million in funding from the city, and its contracts were given to other providers, she said, causing "the quality of care and the consistency that we provide to be broken."

Because HopeWorks didn't want to jeopardize losing \$1.7 million in fiscal year 2024 – money administered by the city as part of a community development block grant from the federal department of Housing and Urban Development – the nonprofit began making payments of \$10,000 a month to the city.

"The city said it could not award us those funds if we had an outstanding debt, so it was important for us that we at least make payments towards it, whether we admitted to wrongdoing or not. Thus far we paid \$60,000, to the city, which we would like returned to us," Manthiram said.

The city, however, in its Wednesday response, said "the repayment of funds to Family and Community Services is based on non-compliance with City of Albuquerque and federal grant policies and regulations and is unrelated to the findings of the Medicaid Fraud Control Unit."

The OIG report took the city and HopeWorks to task for failing to have "adequate practices of monitoring" and internal controls in place.

From the beginning, HopeWorks maintained the city initiated the audit and investigation as retaliation for an opinion column Manthiram wrote for the Journal, criticizing the city's purchase of the old Lovelace Hospital building for housing the unsheltered and providing wraparound services.

The op-ed called the purchase an "egregious use of public funds" and an acquisition that "reeks of a hasty, politically motivated money pit."

Both the city and HopeWorks said that an ongoing working relationship with one another is important to those who need housing and other essential services.