# STATE OF ARIZONA OFFICE OF THE ATTORNEY GENERAL SPECIAL INVESTIGATIONS SECTION REPORT

DATE WRITTEN BY AGENT: February 07, 2023 CASE NUMBER: SIS-2022-

0168

CASE NAME: Michelle L. Dils

REPORT TYPE: Prosecution Report SIS-2022-0168

AGENT: SUPERVISOR: Supervising Special Agent John

Madsen, Annalisa White

# CASE SUMMARY

Between 2017 and 2022, Michelle Dils ("Michelle"), Sarah Ishler ("Sarah"), and Angela Turner ("Angela") conspired and committed fraud from Maricopa County, Arizona, against the State of Arizona. They participated in and facilitated their schemes by funneling state taxpayer monies through Arizona entities and financial accounts for services not rendered.

The trio created educational receipts and caregiving timecards that were submitted as "proof" the services occurred. The receipts and timecards were later found to contain false information used to support fraudulent caregiving services reimbursed through the Arizona Health Care Cost Containment System ("AHCCCS") and used to misappropriate funds issued by the Arizona Department of Education ("AZDE") for private schooling.

The investigation found money misappropriated from AHCCCS totaled at least \$41,774.14, and the AZDE at least \$87,900.24. The combined total is \$129,674.38, as summarized in *Exhibit A - Case Totals* saved under attachment [ATT-2023-255526].

#### ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

AHCCCS is Arizona's Medicaid agency and offers taxpayer-funded health care programs to Arizona residents. AHCCCS contracts with several health plans to provide covered services and care, including medical, dental, vision, hearing, and prescription medications. Those health plans coordinate care with doctors, hospitals, pharmacies, and specialists. Recipients must meet certain income and other requirements to become an AHCCCS member and obtain services.

# ARIZONA DEPARTMENT OF EDUCATION - EMPOWERMENT SCHOLARSHIP AWARD

The AZDE Empowerment Scholarship Award ("ESA") program is a taxpayer-funded educational payment system available to Arizona children. The ESA funds are issued to the parent or guardian to pay for private education. No formal tests are required, as the parent or guardian is only required to believe that the child would benefit from the program. ESA funds are deposited quarterly by the Arizona Treasurer's Office and can be used for tuition, home education, educational therapies, and tutoring.

Parents or guardians fill out a simple application for their child and sign an agreement that is renewed yearly. Funds are deposited to a pre-paid debit card or financial account issued by the State of Arizona. The only prerequisite for the school/vendor is that they can process the payment and provide a receipt. Parents are required to submit receipts to an online state portal to evidence the transaction.

# MICHELLE DILS

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license #RN117465 was issued on January 29, 2002, and expires on April 1, 2026. This office investigated her in 2019 after receiving a complaint from AZDE regarding suspicious spending of Cases ESA funds. During the initial investigation, Michelle sent an email to AZDE on November 17, 2020, that said, "Cases Date: My son has
school settings are impossible for C due to his  It is perfect for his Habilitation provider to also provide his education, as they have the proper training and it is less exposure to different people." The 2019 complaint was closed before charging.
Michelle also gave a brief recorded statement during the 2022 investigation and denied she has ever defrauded the state.
Michelle diagnosed C with He is an AHCCCS member and receives benefits through the State of Arizona Department of Economic Security, Developmentally Disabled Division ("DDD") for 24/7 caregiving services. There is no known formal diagnosis from a healthcare provider for C s medical issues.
can be found on Instagram and YouTube. The Instagram account shows the band plays at concerts for a cover fee in Arizona and California. Two videos on YouTube posted on December 4, 2021, show C as the lead singer and playing an electric guitar during a concert with other band members in front of a crowd. A third video from the same day shows the audience participating in a "mosh pit" dance. The participants' dress is similar to goth-type clothing and makeup, and the music contains a lot of indecipherable yelling.
Caregiving sactual level of disability is unknown. Communications with DDD (who ultimately control the number of caregiving hours paid through AHCCCS) stated that benefits are provided on a "handshake" with the parent(s) and require no medical diagnosis. Michelle reported to DDD that Caregiving and thus requires 24/7 supervision.
Comes DDD caseworkers have discussed with Michelle that if Comes requires this level of caregiving, he should be placed in a mental health facility. When Michelle was pressed, she fired or asked for a new DDD caseworker. This 24/7 home caregiving is the basis of one type of fraud explained later in this report.

# JOSE SIMON CARDENAS

Jose Simon Cardenas ("Simon") is Describe the father per Maricopa County Superior Court child support cases FC2018-002345, and FC208-054957. Simon is Michelle's ex-fiancée.

On December 5, 2018, Michelle filed a complaint with the Phoenix Police Department ("PPD") involving Simon, reporting a civil issue with a joint business entity. She also reported that Simon forged attendance and caregiving timecards to receive money from the State of Arizona. The officer determined the issue to be civil and disregarded the forgeries since Michelle wasn't the victim.

One of the documents Michelle provided the PPD was a sworn statement signed by Simon on May 4, 2018. It states that although Academic Training AZ, K's Training and Learning Center, and Ace Medical Solutions are in his name, "Michelle may assume full and complete ownership of ATAZ" and "I agree that all business decisions from this date forward will require written approval from Michelle Dils."

On December 10, 2018, Simon was given an Order for Protection against Michelle in Maricopa County Superior Court case FC2018-096745, which expired one year later. It prevented Michelle from coming to Simon's home or workplace.

Simon was interviewed and said Michelle requested to use his personal information to set up businesses because she couldn't have anything in her name due to bankruptcy and tax issues. Simon agreed to her requests, as they were in a committed relationship, and wanted to build a future with her. Simon said she ultimately controlled the businesses even though everything was in his name. The businesses provided training for nursing-type certifications. Michelle provided the instruction, and Simon took care of the bills and day-to-day operations.

Additionally, Simon relayed that he never provided high school or educational courses to C nor did C receive any instruction from their joint businesses, as reported by Michelle. He did, however, provide caregiving services to C when he lived with Michelle. Simon said C had no father figure, and he stepped in to teach C has basic life skills during the caregiving.

# SARAH ISHLER

Sarah is believed to be Michelle's niece, lives a few houses down from Michelle, and they are linked on Facebook. Sarah provided caregiving services and purported to educate C through the ESA program.

In a recorded interview with Special Agent Carrie Stubblefield during the 2019 investigation, Sarah stated she schooled Carrie five days a week from 13:00 to 19:00, and also provided caregiving services. Receipts submitted by Michelle to the ESA program show Sarah tutored Carrie from approximately July 19, 2019, through July 3, 2020.

Sarah declined to give an interview for the 2022 investigation and only communicated via email, which eventually ceased.

#### ANGELA TURNER

Angela is a friend of Michelle. Photos of them together are on Facebook. Angela provided caregiving services and purported to educate C through the ESA program.

Angela stated in an email to this office that she schooled C five days a week from 10:00 to 14:00. Receipts submitted by Michelle to the ESA program claim that she tutored C from approximately February 1, 2022, through at least October 31, 2022.

Angela provided a brief statement via email during the 2022 investigation, confirming she provided educational services to C. She failed to respond when asked for a full interview regarding the 2022 case.

# ARION CARE SOLUTIONS, LLC

Arion Care Solutions, LLC ("Arion") is an Arizona-based entity that has employed staff to provide caregiving services since 2005. Arion's provider type is "habilitation provider" and is licensed with AHCCCS under provider # Their main office is located at 3200 N Dobson Rd, Suite F2, Chandler, AZ 85224.

Employment documents obtained during this investigation show that Michelle, Simon, and Sarah submitted timecards to Arion for caregiving services provided to Care. These services were ultimately reimbursed to Arion through claims Arion submitted to AHCCCS.

# CARING HEARTS HOME CARE SERVICES, LLC

Caring Hearts Home Care Services, LLC ("Caring Hearts") is an Arizona-based entity that has employed staff to provide caregiving services since 2017. Caring Hearts' provider type is "habilitation provider" and is licensed with AHCCCS under provider # Their main office is located at 9931 W Bloch Road, Tolleson, AZ 85353.

Employment documents obtained during this investigation show that Michelle and Angela submitted timecards to Caring Hearts for caregiving services provided to Caring Hearts through claims Caring Hearts submitted to AHCCCS.

#### BACKGROUND

On May 13, 2022, Adam Finn ("Adam") filed an online complaint with the Arizona Attorney General's Office. He claimed that his ex-girlfriend, Michelle, was defrauding the AHCCCS and ESA program by fraudulently collecting benefits for her son, Call.

Adam said he currently works in the HVAC industry but is a former Special Agent with Homeland Security assigned to Immigration Enforcement in Denver, Colorado. He voluntarily left the agency and later moved to Arizona.

He met Michelle in March 2022 and stayed most nights and weekends at her home until April, when they ended their relationship.

During that time, Michelle confided to Adam that she and Angela forged timecards related to caregiving services provided to C Michelle told Adam that Angela does not provide care for C but agreed to forge timecards in exchange for 20% of the pay she received as his caregiver. Once the money was direct-deposited into Angela's bank account, Angela withdrew 80% and gave it to Michelle.

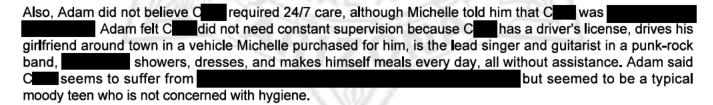
Michelle did not want the income on her bank statements so she could still qualify for AHCCCS medical care, so she funneled the funds through an entity in Angela's name. Michelle told Adam she had been doing this for over a year and asked if she could forge hours under his name and cut Angela out of the fraud.

Michelle also wanted Adam to pretend to provide educational services to C so she could also cut Angela out. Michelle told Adam she was in the process of starting an entity called the Academy of Scholastic Excellence under his name to continue scamming the ESA program.

NOTE: This entity was located on the Arizona Corporation Commission's website as pending on April 14, 2022, but no related documents were posted. Additionally, on April 16, 2022, Michelle's Affordable Healthcare Training bank account had a debit post for \$85.00 from the Arizona Corporation Commission that supports this claim.

After Michelle relayed this information, Adam realized at no time did he see Angela provide care or schooling for Care, and she rarely came to the house.

Adam said Michelle did provide care for Care but nothing more than a regular mother would do. Adam told Michelle he did not want to get involved in her fraud schemes. A little while later, they ended their relationship.



The focus of this investigation has been split into two parts: ESA funds and AHCCCS funds. The forensic analysis of the financials involved in this case is saved under Exhibit A.

# PART I AZED ESA EDUCATION FUNDING INVESTIGATION

In 2017, Michelle applied for state benefits for C through the AZDE ESA program for his homeschooled education.

Numerous documents were obtained from the AZDE ESA program, including executed contracts with Michelle on behalf of C seducation and receipts Michelle uploaded to the AZDE ESA's website as proof of spending.

The documents show Michelle was granted an ESA account ending in with debit cards ending in and during the time in question. The transactions related to the ESA account were summarized in *Exhibit B - BOA Transactions* and saved to the case file as evidence under attachment [ATT-2023-255527].

Some of the transactions were from established businesses related to music and tutoring. They are not part of this investigation and appear to be legitimate. Additionally, a few transactions were found within financial accounts that could be related to homeschooling. These amounts were not added to the theft amounts and were identified as such. However, they only account for \$8,257.16 of the total \$106,540.07 (0.8%) issued by the ESA to Michelle from 2017 to 2021.

Each AZDE ESA contract is separated by school year below, followed by an explanation of how and where the money was diverted for Michelle's gain.

# 2017 - 2018 AZDE ESA CONTRACT YEAR

On or about July 25, 2017, Michelle executed an AZDE Empowerment Scholarship Account 2017-2018 Contract.

Section 1 of the contract states, "In exchange for Holder's commitment to those obligations set forth in Section 4, ADE will create for the 2017-2018 school year an Empowerment Scholarship Account to be used for the benefit of Common Common

Section 4 reads: "4. Holder Representations and Obligations. A. Approved Expenditures. Holder represents that the ESA Funds will be used solely to provide an education for Student, which, at a minimum, includes instruction in reading, grammar, mathematics, social studies and science."

The section further states: "ESA Fund expenditures are limited to the following: Tuition, fees, uniforms, and/or required textbooks at a qualified school. A qualified school is defined as a non-governmental private school in Arizona serving kindergarten, grades one through twelve or a preschool for disabled students. The school must not discriminate on the basis of race, color or national origin. 2. Educational therapies and/or services for the Student from a licensed or accredited practitioner or provider, including licensed or accredited paraprofessionals or educational aides. 3. Tutoring services from an individual or provider who is accredited by a state, regional or national accrediting organization. 4. Purchase of curriculum, defined as a complete course of study for a particular content, area or grade level including any supplemental material (manipulatives, kits, workshops, games, puzzles) that are required by the curriculum. Supplemental material may not be substituted as a complete course of study nor will such purchases be approved unless the Holder's quarterly expense report (described below in Paragraph 4(B)) identifies the curriculum that required the purchase of the supplemental material and Holder provides to ADE a copy of the part of the curriculum that requires the purchase."

Section 5 reads: "5. Fraudulent Activity. Holder acknowledges that if ADE obtains evidence of fraudulent use of the ESA Funds, or ADE observes any substantial misuse of the ESA Funds, Holder may be referred to the Arizona Attorney General's Office, which may result in criminal prosecution."

# 2017 - 2018 1Q PAYMENT

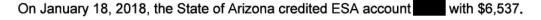
# ACE MEDICAL SOLUTIONS, LLC

On April 11, 2016, Ace Medical Solutions was incorporated with the Arizona Corporation Commission by Simon, who was the sole member/manager and statutory agent.

On July 12, 2016, a Square account ending in was created in Michelle's name. All of the identifying information, such as her address, phone number, date of birth, and Social Security number, match her personal identifying information. The business name was Affordable Healthcare Training, LLC, and then Ace Medical Solutions, LLC. The UDID number of the device that created the account listed was was the linked depository account to this Square account.
NOTE: A unique device identifier (UDID) is a 40-character string assigned to Apple devices, including the iPhone, iPad, and iPod Touch. Each UDID character is a numeral or a letter of the alphabet and is unique to the device, like a fingerprint.
On July 26, 2017, the State of Arizona credited ESA account with \$6,537 for Combis education.
On September 10, 2017, ESA debit card 6589 was used to pay \$6,500 to Ace Medical Solutions via Square account After fees, \$6,321.25 was deposited into
was forensically analyzed after this deposit to follow the money. It was summarized under <i>EXHIBIT C</i> - and saved to the case file as evidence under attachment [ATT-2023-255528]. The money was used for \$581.90 in possible educational expenses and the rest on day-to-day spending using Michelle's debit card, such as restaurants, retail stores, and cash withdrawals until it was depleted.
Michelle uploaded a receipt to the ESA's online portal for the payment to Ace Medical Solutions, falsely suggesting the money was used for C seducation.
2017 – 2018 2Q PAYMENT
K'S TRAINING & LEARNING CENTER LLC d/b/a ACADEMIC TRAINING AZ
In 2010, an unrelated third party incorporated K's Training & Learning Center with the Arizona Corporation Commission. It was amended on August 8, 2016, when Simon took over and became the sole member/manager and statutory agent.
On September 13, 2016, Academic Training AZ was registered with the Arizona Secretary of State as a tradename by K's Training & Learning Center as a post-secondary school.
On September 28, 2016, JPMorgan Chase account was opened in the name of K's Training & Learning Center LLC d/b/a/ Academic Training AZ. Simon was the sole owner and signer of the account.
On February 16, 2017, a Square account ending in was created in Simon's name. All the identifying information, such as his address, phone number, date of birth, and Social Security number, match his personal identifying information. The UDID number of the device that created the account was
On October 20, 2017, the State of Arizona credited ESA account with \$6,537 for Cases education.
On November 7, 2017, ESA debit card was used to pay \$6,000 to Academic Training AZ via Square account After fees, \$5,835 was deposited into The money was used for business-related expenses and day-to-day living. The only exception was a \$45 purchase from Covenant Homeschool on December 4, 2018, which could be related to Companies.
On December 19, 2017, ESA debit card was used to pay \$500 to Academic Training AZ via Square account After fees, \$482.35 was deposited into Expenses and day-to-day living.

Michelle uploaded receipts to the ESA's online portal for the payments to Academic Training AZ, falsely suggesting the money was used for Call seducation.

#### 2017 - 2018 3Q PAYMENT



On January 27, 2018, ESA debit card was used to pay \$6,500 to Academic Training AZ via After fees, \$6,321.25 was deposited into The money was used for business-related expenses and day-to-day living. Additionally, \$1,000 was transferred to (Ace Medical Solutions) on January 31, 2018.

The \$1,000 transfer to was forensically analyzed after this deposit to follow the money. It was summarized under *Exhibit D* - and saved to the case file as evidence under attachment [ATT-2023-255529]. The money was used for \$517,30 in possible educational expenses and the rest on day-to-day spending until it was depleted.

Michelle uploaded a receipt to the ESA's online portal for the payment to Academic Training AZ, falsely suggesting the money was used for Case's education.

# 2017 - 2018 4Q PAYMENT

On April 18, 2018, the State of Arizona credited ESA account with \$6,537.

On May 17, 2018, debit card was used to pay \$6,500 to Academic Training AZ via \$6,321.25 was deposited into the money was used for business-related expenses and day-to-day living.

Michelle uploaded a receipt to the ESA's online portal for the payment to Academic Training AZ, falsely suggesting the money was used for Case's education.

# 2018 - 2019 AZDE ESA CONTRACT YEAR

On June 1, 2018, Michelle executed an AZDE Empowerment Scholarship Account 2018-2019 Contract.

Section 1 stated: "Empowerment Scholarship Account. In exchange for Holder's commitment to those obligations set forth in Section 4, ADE will create for the 2018-2019 school year an Empowerment Scholarship Account to be used for the benefit of Carrot (Student). ADE will transfer the ESA Funds to the Arizona State Treasurer (Treasurer) on a quarterly basis in the amount of \$7,000.98, each quarter, to begin the quarter after the contract is fully executed by both the Holder and ADE. The Treasurer will deposit the ESA Funds each quarter into the ESA administered by the Bank of America (Bank)."

Sections four and five are similar to the previous year. Section 15 was a new acknowledgment that the parent or quardian read the entire ESA Handbook before signing the contract.

# 2018 - 2019 1Q PAYMENT

On July 18, 2018, the State of Arizona credited ESA account with \$7,000.98.

On July 24, 2018, ESA debit card was used to pay \$7,083.55 to Academic Training AZ via After fees, \$6,889.72 was deposited into The money was used for business-related expenses and day-to-day living.

Michelle uploaded a receipt to the ESA's online portal for the payment to Academic Training AZ, falsely suggesting the money was used for Cases education.

On October 18, 2018, the State of Arizona credited ESA account with \$7,000.98.
On October 27, 2018, ESA debit card was used to pay \$7,059.89 to Academic Training AZ via After transaction fees were deducted, \$6,865.74 was deposited into business-related expenses and day-to-day living.
Michelle uploaded a receipt to the ESA's online portal for the payment to Academic Training AZ, falsely suggesting the money was used for C seducation.
On November 2, 2018, Simon purchased cashier's check # payable to Michelle, for \$5,355.29, from The memo stated "ESA \$6,533.74 – 18% (\$1,178.42) = \$5,355.29."
On November 10, 2018, Michelle deposited this check with a child support check from Simon into where it was used for day-to-day living.
The AZDE provided a letter from Michelle dated October 18, 2020, when she was initially questioned in 2019 about the legitimacy of the ESA expenses. The letter stated, "My son was enrolled in K's Training and Learning Center LLC (doing business as Academic Training LLC) in Glendale. This school has been out of business for a very long time. It isn't possible to request adjusted invoices or records. I witnessed my son being educated by the owner of this school in the basic subjects of Reading, Granner, Math, Science, Social Studies, and science. My son attended this school 6 days per week while the school was opened (sic)."
As previously stated, Simon relayed that he never provided educational services to C
2018 – 2019 3Q PAYMENT
On January 17, 2019, the State of Arizona credited ESA account with \$7,000.98.
ALL FAMILY SOLUTIONS, LLC
On January 18, 2019, All Family Solutions was incorporated by the Arizona Corporation Commission. The two members/managers were Michelle and Sandra Feno ("Feno"), who was also the statutory agent.
NOTE: Feno was found on payroll checks from Michelle and Simon's nursing school businesses.
On February 2, 2019, a Wells Fargo Bank account ending in process of the name of All Family Solutions. The two signers on the account were Michelle and Sandra. All of the identifying information, such as full name, birth date, driver's license, and Social Security number, matched their known information. The mailing address was Sandra's home address.
On February 3, 2019, a Square account ending in the identifying information, such as her address, phone number, date of birth, and Social Security number, match her personal identifying information. The UDID number of the device that created the account was the associated business name was All Family Solutions, LLC, with the correct EIN and email address.
On February 9, 2019, ESA debit card was used to pay \$7,000 to All Family Solutions, LLC via
On February 11, 2019, after transaction fees were deducted, \$6,807.50 was deposited into
That same day, Michelle completed and signed a cash withdrawal slip for \$6,800. The withdrawal was used to purchase Wells Fargo Cashier's Check # made payable to Michelle, that was deposited into Michelle's Desert Financial Credit Union account ending in

signer of The money was used for day-to-day living until it was depleted. Michelle later closed
Michelle uploaded a receipt to the ESA's online portal for the payment to All Family Solutions, falsely suggesting the money was used for Call seducation.
2018 – 2019 4Q PAYMENT
On April 25, 2019, the State of Arizona credited ESA account with \$7,000.98.
AFFORDABLE HEALTHCARE TRAINING, LLC
In 2010, Affordable Healthcare Training, LLC was formed and incorporated through the Arizona Corporation Commission. Michelle was listed as the sole member/manager and statutory agent.
On May 6, 2019, a Square account ending in Affordable Healthcare Training LLC. All of the identifying information, such as her address, phone number, date of birth, and Social Security number, match her personal identifying information. The same UDID that created Michelle's Square account also created this account. Michelle's personal checking was the linked depository account to this Square account.
That same day, ESA debit card was used to pay \$7,000 to Affordable Healthcare via Square, which was credited to Square account
On May 7, 2019, Square reversed the payment stating, "Under our Terms of Service, you cannot process prepaid cards, gift cards, or your own credit card using your Square account. You must provide a legitimate good or service in exchange for every payment processed with Square."
LOVE LEARNING, LLC
That same day, on May 7, 2019, Love Learning was incorporated with the Arizona Corporation Commission. Sarah was listed as the sole member/manager and statutory agent; however, the address used to register the entity was Michelle's home address.
On May 25, 2019, a Wells Fargo Bank account ending in Learning. Sarah was listed as the sole signer. All of Sarah's identifying information, such as her full name, birth date, driver's license, and Social Security number, matched her known information. However, the listed address was Michelle's home address. Additionally, the email address used was Michelle was born in 1979, and Sarah was born in 2000.
On July 3, 2019, a Square account ending in was created in Sarah's name. All of the identifying information, such as her address, phone number, date of birth, and Social Security number, matched her personal identifying information. The associated business name was Love Learning, LLC, with the correct EIN and new email address was linked depository account to this Square account. The same UDID that created Michelle's Square account also created this account.
That same day, on July 3, 2019, ESA debit card 7242 was used to pay \$500 to Love Learning via Square, which was credited to
On July 5, 2019, after transaction fees were deducted, \$487.22 was deposited into The money trail is addressed further below.
Michelle uploaded a receipt to the ESA's online portal for the payment to Love Learning, falsely suggesting the money was used for Call seducation.

On July 1, 2019, Michelle executed an AZDE Empowerment Scholarship Account 2019-2020 Contract.

Section one stated: "Empowerment Scholarship Account. In exchange for Holder's commitment to those obligations set forth in Section 4, ADE will create for the 2019-2020 school year an Empowerment Scholarship Account to be used for the benefit of Carron (Student). ADE will transfer the ESA Funds to the Arizona State Treasurer (Treasurer) on a quarterly basis in the amount of \$7,564.69, each quarter, to begin the quarter after the contract is fully executed by both the Holder and ADE. The Treasurer will deposit the ESA Funds each quarter into the ESA administered by the Bank of America (Bank)."

Sections four and five are similar to the previous year. Section 15 was added that the applicant acknowledged they read the entire ESA Handbook prior to signing the contract.

# 2019 - 2020 1Q PAYMENT

On July 19, 2019, the State of Arizona credited ESA account with \$7,564.69.

That same day, debit card was used to pay \$7,500 to Love Learning via Square, which was credited to

On July 22, 2019, after transaction fees were deducted, \$7,293,75 was deposited to trail is addressed further below.

Michelle uploaded a receipt to the ESA's online portal for the payment to Love Learning, falsely suggesting the money was used for Call as education.

# 2019 - 2020 2Q PAYMENT

On October 24, 2019, the State of Arizona credited ESA account with \$7,564.69.

On October 26, 2019, debit card was used to pay \$7,500 to Love Learning via Square, which was credited to

On October 28, 2019, after transaction fees were deducted, \$7,293.75 was deposited to money trail is addressed further below.

Michelle uploaded a receipt to the ESA's online portal for the payment to Love Learning, falsely suggesting the money was used for Call seducation.

# 2019 - 2020 3Q PAYMENT

On January 7, 2020, the State of Arizona credited ESA account with \$7,564.69.

On January 20, 2020, debit card was used to pay \$8,900 to Love Learning via Square, which was credited to

On January 22, 2020, after transaction fees were deducted, \$8,668.50 was deposited to money trail is addressed further below.

Michelle uploaded a receipt to the ESA's online portal for the payment to Love Learning, falsely suggesting the money was used for Call seducation.

#### 2019 - 2020 4Q PAYMENT

On July 13, 2020, the State of Arizona credited ESA account with \$7,564.69.

On July 22, 2020, debit card was used to pay \$8,600 to Love Learning via Square, which was credited to

On July 23, 2020, after transaction fees were deducted, \$8,376.30 was deposited to trail is addressed below.
Michelle uploaded a receipt to the ESA's online portal for the payment to Love Learning, falsely suggesting the money was used for C seducation.
WELLS FARGO BANK ACCOUNT
All of the ESA funds were forensically analyzed. They were used for day-to-day living at retail stores and restaurants until the money was depleted. Based on the belief that Michelle was actually the one behind the entity and bank account, the purchases were researched deeper.
The account had 266 debits from Amazon, totaling \$12,009.72.
The account had 15 debits from Uber, totaling \$396.57.
The account had four debits from Airbnb, totaling \$708.95.
The account had one debit from T-Mobile, totaling \$91.78.
Additionally, the account had 11 deposits (eight checks and three direct deposits) from Roll On Rehab totaling \$17,169.50.
Michelle filled out a form for Roll On Rehab directing her direct deposits to be deposited into "Love Learning LLC" and provided the correct bank name, account type, routing number, and account number. Roll On Rehab issued Michelle a 1099-NEC in Love Learning's name for 2020 that also had the correct tax ID number for the entity.
The account also received \$3,112.63 in deposits transferred from Sarah's personal account, where she received payroll deposits for providing caregiving services to C
2020 – 2021 AZDE ESA CONTRACT YEAR
On May 15, 2020, Michelle executed an AZDE Empowerment Scholarship Account 2020-2021 Contract.

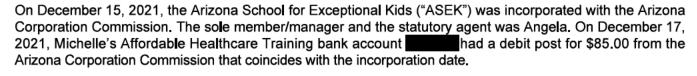
Section one reads: "1. Empowerment Scholarship Account. In exchange for Holder's commitment to those obligations set forth in Section 4, ADE will create for the 2020-2021 school year an Empowerment Scholarship Account to be used for the benefit of Common Common (Student). ADE will transfer the ESA Funds to the Arizona State Treasurer (Treasurer) on a quarterly basis in the amount of \$7,564.69, to begin after the contract is fully executed by all parties. The Treasurer will deposit the ESA Funds each quarter into the ESA administered by the Bank of America (Bank) and/or Class Wallet.

Sections four and 12 are similar to the previous year. Section 24 was added with a hyperlink to the 2020-2021 Parent Handbook.

On November 17, 2020, this office notified Michelle that the payments to Love Learning were under investigation because the mailing address for this entity was her residential address. Her account was suspended but later reinstated as no charges were filed.

NOTE: At some point, the AZDE switched from issuing funds to ESA debit cards and utilized a third-party vendor called ClassWallet. The platform is similar to PayPal.

# ARIZONA SCHOOL FOR EXCEPTIONAL KIDS, LLC



Account was forensically analyzed. Between December 30, 2021, and April 18, 2022, received \$31,492.70 in ESA deposits from ClassWallet. The majority of the funds were transferred to Angela's (\$9,540) or withdrawn in cash (\$19,075), which coincides with the money split and cash information from Adam.

# PART II. AHCCCS OVERLAPS BILLING FRAUD

The above investigation found that Michelle, Sarah, and Angela all claimed that C was enrolled in educational services four to six hours a day, five days a week.

All three were also employed as caregivers through entities that billed AHCCCS for providing caregiving services to Care sometimes 24 hours a day. Their caregiving timesheets were compared to the dates and times Care was supposedly being homeschooled outside his home, and numerous overlaps were identified.

Additionally, on two occasions, Michelle and Angela submitted caregiving timecards when C was admitted overnight to medical facilities. These are outlined further below.

# II.A - EDUCATIONAL OVERLAP BILLING

Caregiving timecards from Sarah, Angela, and Michelle were compared to the dates and times C was reportedly receiving education and tutoring services from Sarah and Angela under the ESA program. The information was summarized in *Exhibit E - ESA Overlap* and saved to the case file as evidence under attachment [ATT-2023-255530].

The information showed that from October 4, 2019, through August 12, 2022, there were 626 instances where caregiving services overlapped when C was supposedly homeschooled. AHCCCS was billed and paid \$41,258.97 for these overlaps. Specifically, Sarah had 492 occasions that totaled \$30,260.25, Michelle had 110 occurrences that totaled \$9,028.80, and Angela had 24 occurrences that totaled \$1,969.92.

# **II.B - MEDICAL OVERLAP BILLING**

Caregiving timecards from Michelle and Angela were compared to the dates and times C was admitted to and under the care of medical facilities. Two overlapping instances were identified and summarized in *Exhibit F* - *Medical Overlap* and *Exhibit G* - *Medical Overlap*, saved to the case file as evidence under [ATT-2023-255531] and [ATT-2023-255525], respectively.

Documents from medical facilities showed the first overlap occurred on July 22, 2021, when C was admitted to at 23:27. He was discharged from this facility on July 30, 2021, at 12:00.

Michelle submitted timecards stating another caregiver provided caregiving services to C on July 23, 2021,

from 08:00 to 12:00, and she provided services from 12:00 to 00:00. AHCCCS was billed and paid \$326.80 for caregiving services not rendered.

Michelle submitted timecards stating Angela provided caregiving services to C on July 30, 2021, from 00:00 to 08:00, and she provided services from 08:00 to 12:00. AHCCCS was billed and paid \$241.92 for caregiving services not rendered.

The second overlap occurred on December 26, 2021, when Colin was admitted to at 00:25 and discharged at 05:15.

Michelle submitted timecards stating Angela provided caregiving services to C from 00:00 to 03:00, and she provided services from 03:00 to 5:15. AHCCCS was billed and paid \$107.73 for caregiving services that were not rendered.

Additionally, the financial accounts where the caregiving payroll was deposited for Sarah and Angela were examined. The accounts showed that after several deposits, large cash withdrawals were taken, which would support Adam's story that Sarah and Angela were splitting the money with Michelle.

#### SUMMARY

Between July 26, 2017, and August 12, 2022, Michelle Dils, Sarah Ishler, and Angela Turner conspired and committed fraud against the State of Arizona by funneling state tax-payer monies through Arizona entities and financial accounts for bogus services reimbursed through the Arizona Health Care Cost Containment System and educational funds issued by the Arizona Department of Education for homeschooling.

The investigation found money misappropriated from AHCCCS totaled roughly \$41,774.14 and the AZDE roughly \$87,900.24; however, the totals are most likely higher. Michelle took control of \$9,321.13 from AHCCCS and \$87,900.24 from AZDE. Sarah took control of \$30,260.25, and Angela took control of \$2,192.76 from AHCCCS. The total fraud is approximately \$129,674.38.

# POSSIBLE CHARGES

ARS §13-1003(A) Conspiracy A. A person commits conspiracy if, with the intent to promote or aid the commission of an offense, such person agrees with one or more persons that at least one of them or another person will engage in conduct constituting the offense and one of the parties commits an overt act in furtherance of the offense, except that an overt act shall not be required if the object of the conspiracy was to commit any felony upon the person of another, or to commit an offense under section 13-1508 or 13-1704. (C2F)

ARS §13-1802(A)(3) Theft A. A person commits theft if, without lawful authority, the person knowingly: 3. Obtains services or property of another by means of any material misrepresentation with intent to deprive the other person of such property or services. G. Theft of property or services with a value of twenty-five thousand dollars or more is a class 2 felony. (C2F)

ARS §13-2002(A)(3) - Forgery; A. A person commits forgery if, with intent to defraud, the person: 3. Offers or presents, whether accepted or not, a forged instrument or one that contains false information. B. The possession of five or more forged instruments may give rise to an inference that the instruments are possessed with the intent to defraud. C. Forgery is a class 4 felony. (C4F)

ARS §13-2310(A) Fraudulent schemes and artifices A. Any person who, pursuant to a scheme or artifice to defraud, knowingly obtains any benefit by means of false or fraudulent pretenses, representations, promises, or material omissions is guilty of a class 2 felony. (C2F)

ARS §13-2311(A) Fraudulent schemes and practices A. Notwithstanding any provision of the law to the contrary, in any matter related to the business conducted by any department or agency of this state or any political subdivision thereof, any person who, pursuant to a scheme or artifice to defraud or deceive, knowingly falsifies, conceals or covers up a material fact by any trick, scheme or device or makes or uses any false

writing or document knowing such writing or document contains any false, fictitious or fraudulent statement or entry is guilty of a class 5 felony. (C5F)

ARS §13-2312(A) Illegal control of an enterprise illegally conducting an enterprise A. A person commits illegal control of an enterprise if such person, through racketeering or its proceeds, acquires or maintains, by investment or otherwise, control of any enterprise. (C3F)

ARS §13-2312(B) Illegal control of an enterprise illegally conducting an enterprise B. A person commits illegally conducting an enterprise if such person is employed by or associated with any enterprise and conducts such enterprise's affairs through racketeering or participates directly or indirectly in the conduct of any enterprise that the person knows is being conducted through racketeering. (C3F)

ARS §13-2316(A)(1) Computer tampering A. A person who acts without authority or who exceeds authorization of use commits computer tampering by: 1. Accessing, altering, damaging or destroying any computer, computer system or network, or any part of a computer, computer system or network, with the intent to devise or execute any scheme or artifice to defraud or deceive, or to control property or services by means of false or fraudulent pretenses, representations or promises. (C3F)

# **END OF REPORT**



<sup>r</sup> <i>ype:</i> Complainant	First Name: Adam	Middle: Joseph	Last: Finn		AKA:	
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Gender:	DOB:	SSN:	Hair:	Eyes:	Height:	Weight:
Race:	Home:	Cell:	Work:	2 125	Fax:	
Address:	602-542-5393	City:	State:	Zip:	Email:	
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Туре:	Business Name:	DBA:					
Other		Roll On Rehab, LLC					
Gender:	DOB:	SSN:	Hair:	Eyes:	Height:	Weight:	
Race:	Home:	Cell: Work: Fax: 407-272-0592		Fax:			
Address: 2412 W Green	way Road, Suite B-2	City: Phoenix	State:	<i>Zip:</i> 85023	Email: nata <b>l</b> ie*	****	
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Туре:	Business Name:			DBA:			
Other	Arizona Department o Developmental Disabil	of Economic Secu lities (DDD)	rity - Division of	DBA.			
Gender:	DOB:	SSN:	Hair:	Eyes:	Height:	Weight:	
Race:	Home:	Cell:	Work: 602-542-6095	'	Fax:		
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<i>Type:</i> Other	Business Name: Arion Care Solution	Business Name: Arion Care Solutions			DBA:		
Gender:	DOB:	SSN:	Hair:	Eyes:	Height:	Weight:	
Race:	Home:	Cell:	Work: 928-722-13	00	Fax: 480-42	 2-3824	
Address: 3200 N. Dobson Ln Suite F2		City: Chandler	State:	Zip: 85224	Email:		

Type: Other	Business Name: Caring Hearts Home Care Services, LLC			DBA:		
Gender:	DOB:	SSN:	Hair:	Eyes:	Height:	Weight:
Race:	Home:	Cell:	Work: 623-440-404	7	Fax:	
Address: 9931 W Bloch Roa	ad	City: Tolleson	State: AZ	Zip: 85353	Email:	

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Gender:	DOB:	SSN:	Hair:	Eyes:	Height:	Weight:		
Race:	Home:	Cell:	Work: 877-969-553	36	Fax:		Fax:	
Address: Custodian Of Suite 409	Records 6100 Hollywood Blvd.,	City: Hollywood	State: FL	<i>Zip:</i> 33024	Email: help***	***		

/pe:	First Name:	Middle:	Last:	AKA:
ype: Suspect	Michelle	Leiah	Dils	

Type:	First Name:	Middle:	Last:	AKA:
Suspect	Ange <b>l</b> a	Lee	Turner	

Type:	First Name:	Middle:	Last:	AKA:
Type: Suspect	Sarah	Gretchen	Ishler	
	118376		-2453	

Type: Victim	Business Name: AHCCCS	The same	TOWN SA	DBA:		
Gender:	DOB:	SSN:	Hair:	Eyes:	Height:	Weight:
Race:	Home:	Cell:	Work:		Fax:	
Address:	TESTE V	City:	State:	Zip:	Email:	

Туре:	First Name:	Middle:	Last:	AKA:
Witness	Jose	Simon	Cardenas	250
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Type: Witness	First Name: Charles	Middle:	Last: Kim	123	AKA:	
Gender:	DOB:	SSN:	Hair:	Eyes:	Height:	Weight:
Race:	Home:	Cell:	Work: 602-262-79	52	Fax: 602-534-594	
Address: Phoenix Police Department, Financial Crimes Detail 620 W Washington St.		City: Phoenix	State: AZ	<i>Zip:</i> 85003	Email: charles	.kim*****

# **RELATED ATTACHMENTS**

- 1. [ATT-2023-255525] Exhibit G Medical Overlap.pdf
- 2. [ATT-2023-255526] Exhibit A Case Totals.pdf
- ransactions.pdf 3. [ATT-2023-255527] Exhibit B -
- 4. [ATT-2023-255528] Exhibit C pdf
- 5. [ATT-2023-255529] Exhibit D -
- 6. [ATT-2023-255530] Exhibit E ESA Overlap.pdf
- 7. [ATT-2023-255531] Exhibit F Medical Overlap.pdf

