



State of Ohio
Office of the Inspector General

THOMAS P. CHARLES, Inspector General

REPORT OF INVESTIGATION

FILE ID NUMBER: 2008262

AGENCY: Industrial Commission of Ohio

BASIS FOR INVESTIGATION: Agency Referral

ALLEGATIONS: Operating a Business or Private Interest on State Time
Lack of Supervision of Staff

INITIATED: September 18, 2008

DATE OF REPORT: January 9, 2009

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I. BASIS FOR INVESTIGATION

On September 18, 2008, the Office of Inspector General initiated this investigation after receiving a referral from Industrial Commission of Ohio (“ICO”) Executive Director Christa Deegan. Deegan forwarded allegations reported by an employee of the ICO’s Bridgeport Local Office that three co-workers were selling merchandise for a personal business while on state time.

During the course of interviews relating to this investigation, we found that employees of the ICO Bridgeport Local Office had time periods throughout the week in which they had no state work to do. Upon learning this, we chose to expand our investigation to determine if there were supervisory issues at the Bridgeport office.

II. ACTION TAKEN IN FURTHERANCE OF INVESTIGATION

Our office received assistance from the ICO in the recovery of electronic records. These records included emails, other electronic files, data related to the volume of hearings held in local offices and the number and classifications of employees at those offices. In furtherance of this investigation, our office conducted a review of these materials and interviewed employees.

III. DISCUSSION

Background Information

The ICO currently has 487 full-time employees and maintains sixteen local offices which are divided into five separate regions throughout the State of Ohio. These local offices are staffed and utilized by the ICO to facilitate administrative hearings regarding disputed workers’ compensation claims issues, violations of specific safety requirements, and injured workers’ eligibility for permanent disability benefits involving Ohio Workers’ Compensation claims.

The ICO Bridgeport Local Office is one of six offices within the Columbus Region. With the exception of the District Hearing Officer (“DHO”), employees at this location are responsible for

scheduling hearings, sending notices of hearings to appropriate parties, preparing records for upcoming hearings, and typing hearing orders. During 2007 and 2008, the following employees worked in the ICO Bridgeport Local Office:

- Cathy Kennedy, Administrative Assistant 2 (Supervisor – Office Manager)¹
- Darrell Conrad, Claims Examiner
- Paula Perdue, Word Processing Specialist 2
- Dan Eichenlaub, Customer Service Specialist
- Michelle Vannest, Clerk (resigned March 2008)²
- Kevin Bench, District Hearing Officer³

Allegation 1: Industrial Commission of Ohio employees at the Bridgeport Local Office were operating a business on state time.

On June 6, 2008, Claims Examiner Darrell Conrad of the Bridgeport Local Office forwarded an email to Mark Collins, the ICO Columbus Regional Office Administrative Assistant. In the email, Conrad reported that on June 2, 2008, he observed Kennedy, Perdue and Vannest in Kennedy's office reviewing order books which he described as "candles, baskets or whatever they are selling now." Conrad also told Collins in the email that on June 6, 2008, he overheard Perdue calling people for almost three hours during the workday to inform them of the cost of their orders. Conrad subsequently emailed Collins again and claimed that someone visited the Bridgeport Local Office to pick up what he suspected was merchandise from Perdue. When interviewed, Perdue denied telephoning customers about catalog sales and denied having customers come to her office to pick up any merchandise.

During our review of documents, emails and interviews of current ICO Bridgeport employees, we found no evidence that any of the named employees were operating a business during their work hours. We did determine that some employees in the office, namely Kennedy, Perdue and

¹ Kennedy, as an Administrative Assistant 2, is responsible for supervising the activities of the other administrative support staff. Kennedy is supervised by Ellen Dickhaut, Manager, Columbus Regional Office; and Mark Collins, the Regional Administrative Assistant.

² The ICO chose to eliminate this position upon Vannest's resignation.

³ District Hearing Officer Kevin Bench is not considered to be a member of the Bridgeport Local Office administration staff.

Vannest, would infrequently host product sales parties⁴ away from work for their friends. Kennedy and Perdue admitted that they would bring catalogs for these products to work occasionally and would offer to let other employees place orders for these products. While Conrad claimed that these activities often occurred until last year when he made a similar complaint to Collins, we found this activity to be very limited. Perdue and Kennedy said that they engaged in catalog sales only once or twice in the last year. Additionally, we found no evidence that the employees were receiving anything of substantial value from their efforts to collect orders for these products.

Accordingly, we do not find reasonable cause to believe that a wrongful act occurred in this instance.

Allegation 2: Industrial Commission of Ohio management failed to properly supervise employees of the Bridgeport Local Office.

Each of the employees we interviewed at Bridgeport described their working environment in the office as being stressful. Each described some type of conflict he or she had with a co-worker. Most alarming were the revelations that during days when hearings were not scheduled in their office, each of the employees we interviewed reported, to varying degrees, periods of time during their workdays with no official work to do. Further, the employees said that their supervisor, Kennedy, and Kennedy's supervisors were aware of the diminished workload and encouraged employees to keep busy reading or engaging in activities that would not be disruptive to other employees. When interviewed, Kennedy's supervisors admitted that they provided this direction.

Support staff employees explained that with the increased use of technology, their workloads have decreased. While each claimed they stayed busy with official work on days the office had

⁴ PartyLite (candles) and Pampered Chef (kitchen products) catalogs were brought into the Bridgeport Local Office by employees.

hearings, each said that on days they did not have hearings - at least two days a week - they have varying amounts of extra free time.

Kennedy, the office manager, admitted that she, Perdue and Vannest spent hours crafting jewelry and making greeting cards in Kennedy's office during their state workdays. They also accessed the Internet⁵ with their personal laptop computers during work hours.

When we questioned Kennedy about making jewelry on state time, she said she didn't see any difference between her conduct and the conduct of two of her employees: Claims Examiner Darrell Conrad, who spent up to seven hours a day at his desk reading comic books, or Customer Service Specialist Dan Eichenlaub, who was reading magazines at his desk.

Kennedy also admitted she was aware Vannest played Texas Hold'Em online on her personal laptop computer and that Perdue accessed Internet dating sites and chatrooms via her personal laptop computer. Perdue admitted that until she started typing orders for other ICO offices, she averaged one to two hours per workday making jewelry or surfing the Internet. Kennedy and two other employees admitted they visited the local bookmobile when it made its scheduled stops (usually twice per month) in their parking lot and signed out books to read on state time.

A review of hearing volume and staffing data supplied by the ICO reveals that the Bridgeport Local Office has the lowest volume of hearings of all sixteen offices. During our interviews with Columbus Region supervisors, they acknowledged that the ICO has automated many of the processes involved with facilitating hearings. To prepare for hearings prior to automation, support staff members at the hearing site had to assemble paper records for hearing officers. Since the agency started electronically scanning all records related to claims, support staff at other hearing sites have the ability to organize the necessary records for hearing officers at the home site.

⁵ Bridgeport Service Office employees do not have agency provided Internet access. The employees admitted to accessing the Internet via local, unknown wireless sources.

We met with senior management of the ICO, including Executive Director Christa Deegan, and asked them how they are addressing workload issues in the agency. The managers reported that they are taking the following steps:

- Word Processing Specialists regionally are transcribing hearing officer orders for not only their home offices, but for other offices as well.
- Support staff members are assembling records to prepare for upcoming hearings for other offices in their region – we were informed that planned technological improvements will allow support staff to assemble records at any office for any of the other 15 offices with a goal of more efficiently balancing workload.
- The ICO has not replaced ten support staff members who left state service during calendar year 2008.
- While budgeted for 520 employees, the ICO currently has 487 full-time employees. Management reported that they have increased the number of hearing officers due to workload, but reduced the number of support staff members.
- The ICO senior management is in the process of visiting each local office, analyzing the workload and staffing, and determining if offices should be combined or closed.

While acknowledging the ICO's recent efforts to address the reduced workload of their support staff at the Bridgeport Local Office, agency supervisors should not have permitted employees to make jewelry, read books, work on crossword puzzles, or surf the Internet on state time.

Accordingly, we do find reasonable cause to believe that a wrongful act occurred.

IV. CONCLUSION

This investigation did not find that the minimal catalog sales activity by Bridgeport ICO employees rose to the level of wrongdoing. However, we found that employees in the Bridgeport Local Office were not being adequately supervised and that adjustments in workload are needed. While we acknowledge the recent efforts of the ICO to address workload issues at not only Bridgeport, but statewide as well, we find state employees engaging in such non-work activities on state time to be inexcusable. If there is insufficient workload for the Bridgeport staff, the ICO should consider closing the office, reducing the staffing level, or directing work to Bridgeport from other offices.

V. RECOMMENDATIONS

Based on the results of this investigation, the Office of Inspector General is making the following recommendations and requesting that the ICO respond to this office within 60 days with a plan on how these recommendations will be implemented:

1. The ICO should continue to analyze the workload of their support staff at each local office to determine if reductions in staffing are appropriate, or if consolidation or closing of local offices would improve efficiency, without adversely affecting customer service.
2. The ICO should continue to employ technological improvements which permit support staff members at satellite locations to perform administrative tasks for other satellite offices and their Columbus operations.