

OFFICE OF THE
OHIO INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

2012

ANNUAL REPORT





INSPECTOR GENERAL RANDALL J. MEYER

Randall J. Meyer is a law enforcement leader with 20 years of experience in public safety management, public corruption, and white collar crime. His diverse background in all aspects of criminal investigations has enabled him to establish valuable working relationships with law enforcement personnel from a wide range of local, state, and national organizations. His knowledge and perspective equips him with the ability to set practical long-term goals, while also recognizing the importance of day-to-day operations and challenges of conducting criminal investigations.

Prior to becoming Inspector General, Randall J. Meyer, a Certified Fraud Examiner, served for three years as Chief of Investigations and five years as the Senior Investigator for the Auditor of State's Special Investigations Unit. The unit's objective was to identify public funds that were misappropriated or illegally expended and to pursue criminal prosecution when warranted. Under Inspector General Meyer's leadership, the Auditor of State's Special Investigations Unit earned the 2008 Agency Award for Excellence presented by the National White Collar Crime Center.

Inspector General Meyer is a commissioned peace officer and served as a detective with the Wilmington Police Department. Additional relevant experience includes having worked as a Gang Investigator at the Ohio Attorney General's Office where he successfully implemented and managed a statewide security threat group database. Inspector General Meyer is a Navy veteran and holds a bachelor's degree in Public Safety Management. He is a certified instructor through the Ohio Peace Officer Training Academy and the National White Collar Crime Center.



A MESSAGE FROM THE INSPECTOR GENERAL



RANDALL J. MEYER
OHIO INSPECTOR GENERAL

It is my privilege to present the *Office of the Inspector General's 2012 Annual Report*. In meeting the requirements set forth in Ohio Revised Code §121.48, this report is presented to the Governor and members of the 130th Ohio General Assembly to provide insight into the duties of this Office and its critical role in upholding integrity in state government.

As an independent state agency, the Inspector General's Office is committed to investigating allegations of wrongful acts or omissions without bias or outside influence. It is important that the investigative process is conducted in a timely, thorough, and impartial manner.

To that end, 2012 was a year marked with technological change and increased outreach for the Inspector General's Office. The Office improved its investigative process by using new technologies, refining currently employed tools, and enhancing its case management processes.

In my role as Ohio Inspector General, I was asked to speak before various groups and organizations in 2012, where I highlighted the importance of this Office in ensuring that state government and those seeking to do business with the state of Ohio act with the highest of standards. Additionally, the Office collaborated with a group of organizations representing differing fields of expertise to co-sponsor the conference *Targeting Fraud: Safeguarding Integrity*. This two-day interdisciplinary training examined a variety of topics, including the techniques essential to uncovering fraud, keeping up with evolving technologies, and exploring the impact of social media on the investigative process. Also, this Office conducted several trainings on forensic accounting to share information, procedures, and advice with fellow professionals who manage similar types of investigations.

The following pages outline the mission of the Office of the Inspector General and summarize several investigations released during the period from January 1, 2012, through December 31, 2012. The Office of the Inspector General remains dedicated to the principle that no public servant, regardless of rank or position, is above the law, and the strength of our government is built on the solid character of the individuals who hold the public trust.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randall J. Meyer". The signature is written in a cursive, flowing style.

Randall J. Meyer



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MISSION

SAFEGUARDING INTEGRITY IN STATE GOVERNMENT

The Office of the Inspector General...

was created by an Executive Order of the Governor issued in 1988. At that time, the Inspector General was charged with the authority to “examine, investigate, and make recommendations with respect to the prevention and detection of wrongful acts and omissions in the Governor’s Office and the agencies of State government...” In 1990, the Ohio legislature passed Amended Substitute House Bill 588, which permanently established the Inspector General’s Office as a part of state government.

The mission of the Office has remained the same for more than 20 years. The Inspector General’s Office has continually worked toward the goal of improving the processes associated with state government. While the mission of the Office remains the same, the operational methods and practices have changed. The qualifications of the professionals are critical to the success of the Office. Agency staff must have subject matter expertise in grant management, criminal analysis, agency operations, fiscal management and procurement, forensic accounting, information technology systems, law enforcement, and human resource management in order to form a diverse team. This comprehensive approach is necessary to combat the ever-changing landscape of public corruption within our state.

Over the past year
– and in the years

to come – the policy of the Inspector General’s Office has been and will be to embrace the use of new technology, to fully utilize staff expertise, and to create a collaborative environment that embodies the mission of this Office.





RESPONSIBILITIES

The jurisdiction of the Inspector General's Office is limited to the executive branch of state government. It extends to the Governor, the governor's cabinet and staff, state agencies, departments, and boards and commissions. Our jurisdiction includes state universities and state medical colleges, but does not include community colleges. The courts, the General Assembly, and the offices of the Secretary of State, the Auditor of State, the Treasurer of State, and the Attorney General, and their respective employees and staffs are statutorily excluded from the jurisdiction of the Inspector General's Office. Likewise, we have no authority to investigate allegations concerning any federal,¹ county, municipal or other local officials, agencies, or governing bodies.

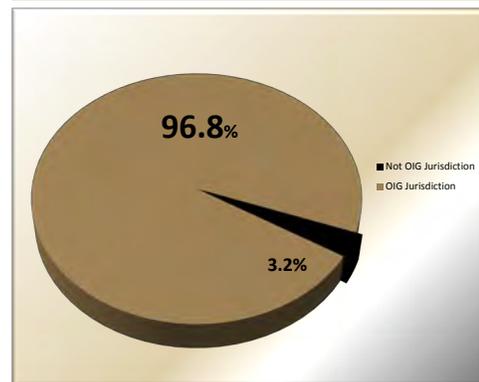
The Inspector General is authorized by law to investigate alleged wrongful acts or omissions committed by state officers or employees. Those individuals who contract with state agencies or who otherwise do business with the state may also fall under the purview of this Office. Investigations may result from complaints received by the Office or through the initiative of the Inspector General.

The Inspector General's Office does not become involved in private disputes, labor/management issues, or litigation. The Office does not review or override the decisions on the merits of a court or the findings of any administrative body. In order to begin an investigation, allegations of wrongdoing must specifically relate to wrongful acts or omissions committed by state officials or state agencies.

Similarly, the Inspector General's Office is not an advocate for either the state agency or the complainant in any particular case. Our obligation is to ensure that the investigative process is conducted fully, fairly, and impartially. As independent fact finders, wrongdoing may or may not be found as the result of an investigation. Nonetheless, we reserve the right to make recommendations for improving the internal controls and operations of an agency and may also refer a matter to other appropriate agencies for additional review.

Occasionally, matters investigated fall within the jurisdiction of other agencies such as law enforcement, prosecuting authorities, and regulatory bodies. In such instances, we may refer a case to, or work with one or more of those entities, in order to conduct a thorough and complete investigation, or to assist policymakers in enacting change.

Percentage of State Employees Covered Under the Jurisdiction of the Inspector General's Office



¹ Every federal agency has its own inspector general. Contact information for those offices can be found by using the "Directory" link at the ignet.gov website.



CONDUCTING AN INVESTIGATION

FILING A COMPLAINT

Any private citizen or public employee may file a complaint with the Office of the Inspector General. At times, complaints are forwarded by other agencies or officials. Complaint forms can be downloaded from the Inspector General's website at <http://watchdog.ohio.gov/> or are provided upon request. Complaints can be made anonymously; however, it may be difficult to verify the information provided or ask additional questions of the complainant.

The Inspector General may grant complainants or witnesses confidentiality.

When appropriate, information received from complainants and witnesses may also be deemed "confidential." Confidentiality is appropriate when it is necessary to protect a witness believed to be in jeopardy. It is also appropriate in cases where the information and documentation provided during the course of an investigation would, if disclosed, compromise the integrity of the investigation.

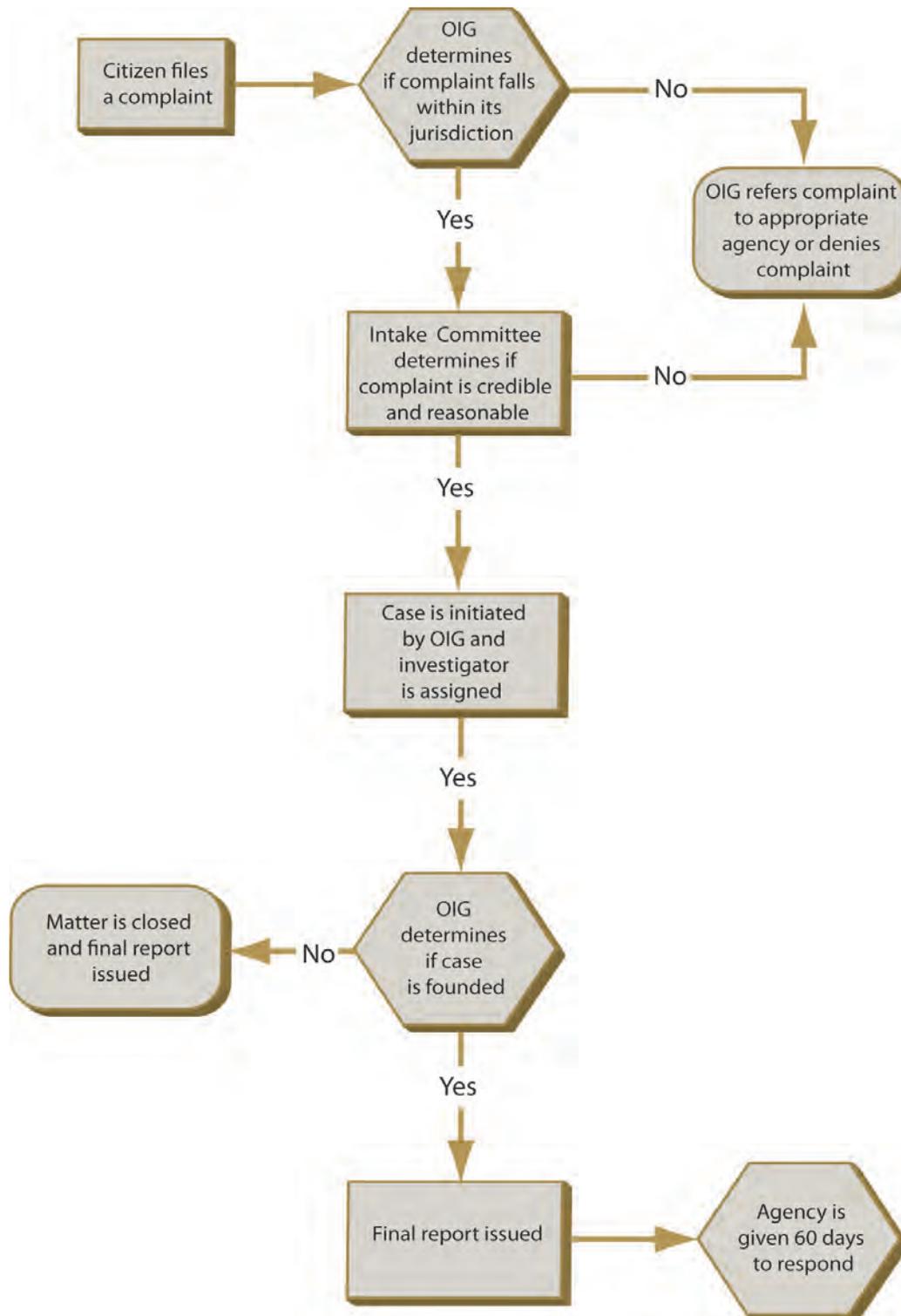


The Inspector General's Office does not offer legal advice or opinions to complainants. In instances where it appears that a complainant is seeking legal assistance, or where it appears that another agency is better suited to address a complainant's issues, we will make every effort to advise the complainant that he or she may wish to consult with private legal counsel or will direct him or her to a more appropriate agency, organization, or resource.

Complaints received are reviewed by the intake committee. This committee consists of the Inspector General, chief legal counsel, first assistant deputy inspector general, and case manager. A complaint offering credible allegations of wrongful acts or omissions that fall within our jurisdiction is assigned to a deputy inspector general for further investigation. However, if the intake committee determines that there is no reasonable cause to believe the alleged wrongful act or omission has been committed or is being committed by a state official or employee, or if the complaint concerns a matter outside the jurisdiction of the Inspector General's Office, effort will be made to properly refer the complainant.



FILING A COMPLAINT





TYPES OF ALLEGATIONS

Complaints submitted to the Inspector General's Office may include a wide range of alleged wrongdoing and may include allegations of more than one type of misconduct committed by an entity or individual. As investigations proceed, new allegations of wrongdoing may come to light and other individuals or entities may become part of the investigation. Examples of five types of wrongdoing that fall under our jurisdiction include the following:

FRAUD

1

An act, intentional or reckless, designed to mislead or deceive.

Examples:

- **Fraudulent travel reimbursement**
- **Falsifying financial records to cover up a theft**
- **Intentionally misrepresenting the cost of goods or services**
- **Falsifying payroll information or other government records**

WASTE

2

A reckless or grossly negligent act that causes state funds to be spent in a manner that was not authorized or which represents significant inefficiency and needless expense.

Examples:

- **Purchase of unneeded supplies or equipment**
- **Purchase of goods at inflated prices**
- **Failure to reuse major resources or reduce waste generation**



ABUSE

The intentional, wrongful, or improper use or destruction of state resources, or a seriously improper practice that does not involve prosecutable fraud.

Examples:

- Failure to report damage to state equipment or property
- Improper hiring practices
- Significant unauthorized time away from work
- Misuse of overtime or compensatory time
- Misuse of state money, equipment, or supplies

CORRUPTION

An intentional act of fraud, waste or abuse or the use of public office for personal, pecuniary gain for oneself or another.

Examples:

- Accepting kickbacks or other gifts or gratuities
- Bid rigging
- Contract steering

CONFLICT OF INTEREST

A conflict of interest is a situation in which a person is in a position to exploit his or her professional capacity in some way for personal benefit.

Examples:

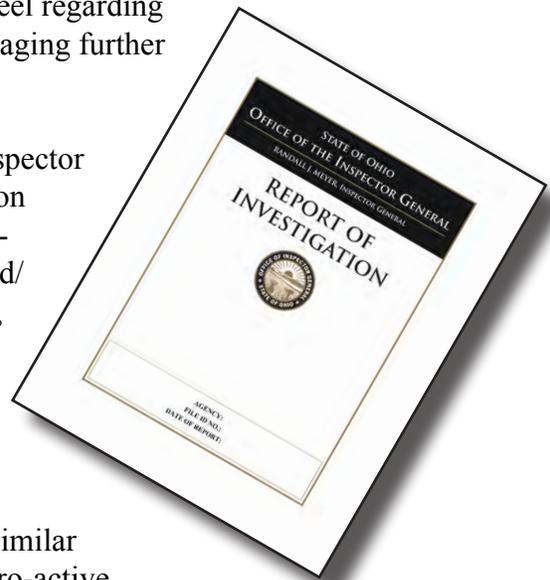
- Purchasing state goods from vendors who are controlled by or employ relatives
- Outside employment with vendors
- Using confidential information for personal profit or to assist outside organizations



2012: AN OVERVIEW

As the Office of the Ohio Inspector General approaches a quarter century of service, its fundamental role has remained unchanged - safeguarding integrity in state government. This office continues to carry out its principal responsibility of investigating allegations of wrongful acts. The practice of conducting investigations when wrongdoing is alleged, reporting the findings of an investigation, and informing the public of the wrongdoing, provides the inspector general with an opportunity to suggest changes in policies and procedures at an agency to prevent the same practice from occurring in the future. However, the investigative process may also act as a deterrent in preventing other state employees from conducting the same behavior in the future. In other words, the inspector general's investigative mandate amplifies the risk one may feel regarding the possibility of getting "caught," thereby discouraging further incidents of wrongdoing.

This year, as part of ongoing investigations, the inspector general has had the opportunity to focus attention on helping state agencies to identify areas where long-standing institutionalized practices, procedures, and/or cultures have contributed to, or even stimulated, conditions that allow wrongful acts to occur. Identifying the conditions in which wrongdoing may easily arise presents an opportunity for the Inspector General's Office to recommend revisions to policies and procedures and redirect an agency to follow practices which may prevent similar wrongful acts from occurring in the future. This pro-active, positive approach thwarts future occurrences of improper conduct.



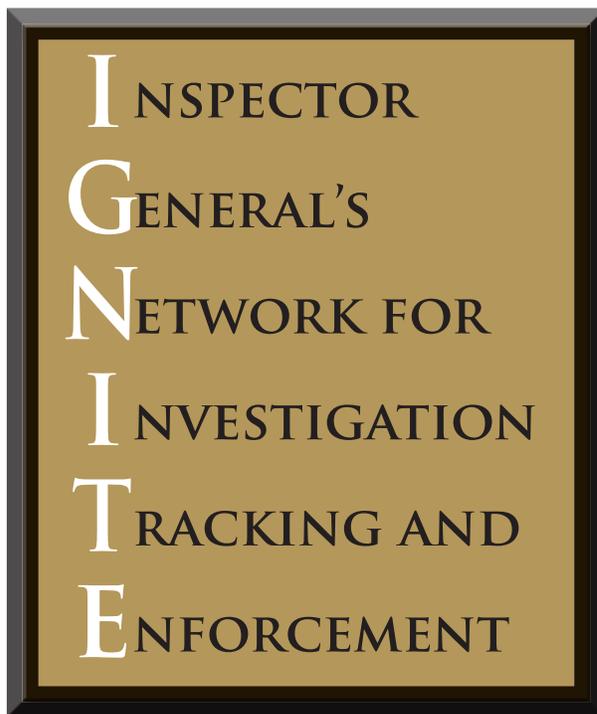
In 2012, prosecuting authorities pursued criminal prosecution in several investigations. Eight inspector general investigations resulted in 29 criminal charges. The Inspector General's Office believes in vertical prosecution due to the complexity of white collar cases. This necessitates communication with our state's prosecuting authorities when evidence of a potential criminal act is discovered during the development of an investigation. The Inspector General's Office conducts investigations which appear to have a criminal element in a method that maximizes the efforts and goals of prosecution.

Since its inception in the 1980s, the Inspector General's Office has undergone many procedural changes. These include the utilization of increasingly sophisticated tools to improve the investigative process. If there has been one constant over the years, it is that the principal field work of every investigation moves forward from beginning to conclusion under the guidance of an investigator.



However, during 2012, the Inspector General's Office challenged this approach and has seen tangible benefits from shifting the overall process by incorporating a team methodology when conducting an investigation. Current staff members possess specialized knowledge or abilities which support the investigative process and encompass a wide variety

of fields including computer forensics, data collection and presentation, graphic production and preparation, legal analysis, accounting and financial processing, interview transcription, and report writing. This team approach has allowed the investigator to concentrate on the fundamental elements of the investigation, and when applicable, collaborate with other members of the investigative staff with differing areas of expertise. Supporting the investigator through collaboration allows the investigator to better execute the key objectives of every investigation.



Finally, 2012 marked the beginning of a substantial return on a two-year commitment of time and effort in the development of a customized electronic case management system. Named the Inspector General's Network for Investigation Tracking and Enforcement (IGNITE), the electronic case management system became fully operational early in the year and has helped to centralize day-to-day operations by serving as a central repository for investigative material and has helped streamline procedures. The result has had a profound effect on the office's overall investigative process and is expected to pay dividends in future management and investigative efficiencies. Though specifically developed for the Ohio Inspector General's Office, IGNITE has

an inherently flexible design that can be adapted for potential future requirements; a design feature often not possible in similar digital solutions. The development and implementation of IGNITE represents a significant step forward and demonstrates the innovative environment evident of the Inspector General's Office.



2012 STATISTICAL SUMMARY

The Inspector General's Office received a total of 493 complaints in 2012. From 1999 through 2012, more than 5,100 complaints have been reviewed.

2009 – 2012 Complaint Activity				
	2009	2010	2011	2012
Total Complaints	431	456	414	493
Cases Opened	83	88	89	126
Percentage Opened	19.3%	19.3%	21.5%	25.6%
Complaints Pending ¹	n/a	n/a	n/a	33
Complaints Declined	348	305	298	258
Complaints Referred	24	63	27	76
Complaints Closed ²	101	78	86	460

¹ Complaints pending include those complaints requiring additional information or research before a determination can be made as how to proceed. It also includes those complaints received prior to the calendar year-end requiring review by the Office of Inspector General (OIG) intake committee.

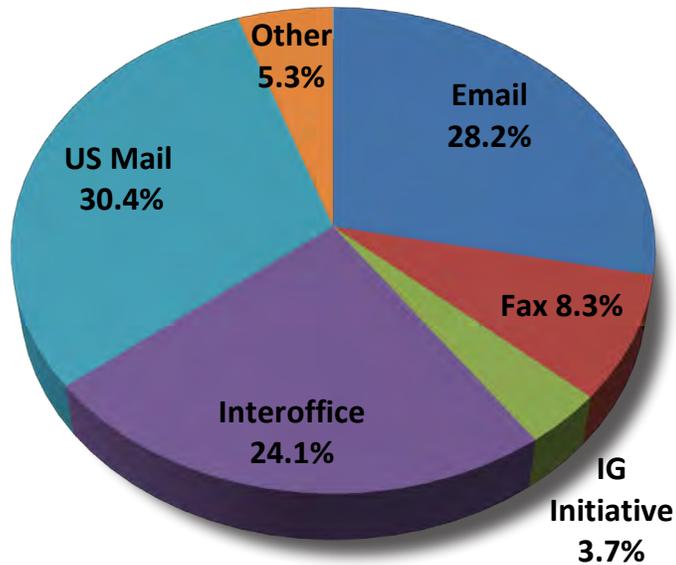
² In previous years, complaints closed reflected the number of cases closed. However, with the implementation of IGNITE, the OIG is able to accurately distinguish between complaints and cases.





The following chart highlights the various methods in which complaints are received by the Inspector General’s Office:

Method Complaints Received 2012¹



¹This chart does not include telephone calls, which are considered part of the normal course of business. Individuals who call with a complaint are requested to submit information using the Office of Inspector General complaint form.

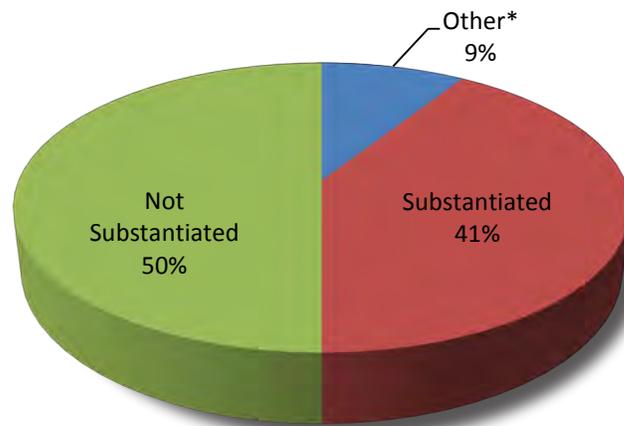
The chart below highlights the results of the cases closed in 2012.

Results of Cases Closed in 2012	
Total Recommendations Made to Agencies	133 in 33 cases
Total Referrals Made to Agencies	42 in 24 cases
Total Charges	29 in 8 cases
Identified \$ Loss	\$741,094 in 11 cases



Of all cases closed in 2012, the following chart designates the percentage of allegations in closed cases that were found to be substantiated versus those allegations that were found not to be substantiated.

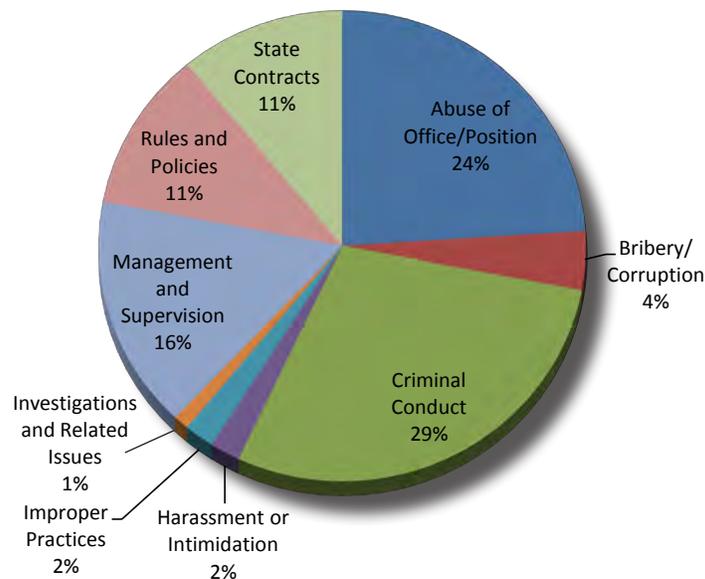
Findings of Cases Closed in 2012



* “Other” includes cases closed for which the allegations were not investigated as a result of jurisdiction, or available information.

The following chart highlights the types of wrongdoing alleged in cases closed in 2012. Cases investigated for criminal conduct (29 percent) and abuse of office or position (24 percent) led the categories in the cases closed for 2012.

Lead Allegations in Cases Closed in 2012





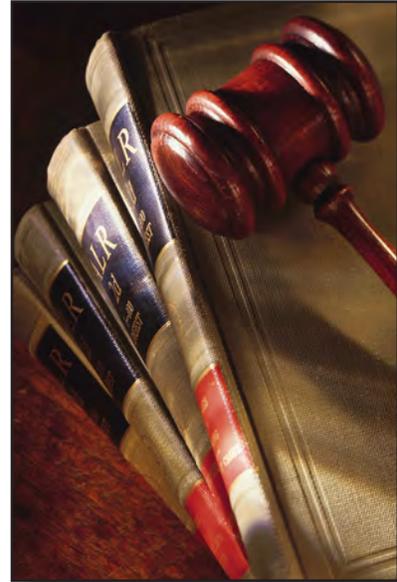
OFFICE OF THE INSPECTOR GENERAL GENERAL DIVISION

2012 REPORT

The Office of the Inspector General has jurisdiction over the Governor and his staff; all state agencies, as defined in ORC §1.60; the various state boards and commissions; and state colleges and universities.

Pursuant to ORC §121.42, the Inspector General’s authority extends to:

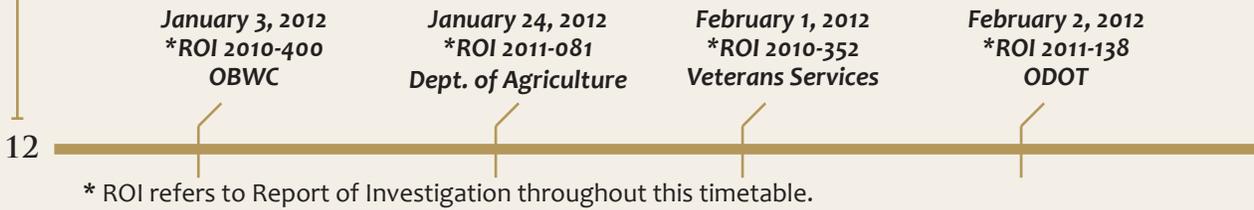
- Receiving complaints alleging wrongful acts and omissions and determining whether there is reasonable cause to believe the alleged wrongful act or omission has been committed or is being committed by a state officer or employee;
- Investigating the management and operation of state agencies on the Inspector General’s initiative to determine whether wrongful acts and omissions have been committed or are being committed by state officers and employees.



This Office works in conjunction with law enforcement agencies, other state agencies, and state and federal prosecuting authorities to share information, to conduct thorough investigations, and to avoid duplication of efforts.

In order to efficiently investigate matters delegated to this Office by statute, the Inspector General’s Office is organized into four separate areas. Three of the divisions, Ohio Bureau of Workers’ Compensation, Ohio Department of Transportation, and American Recovery and Reinvestment Act, have designated deputy inspectors general assigned to fulfill the positions created by statute. The remaining area constitutes the general division which is tasked with investigating all other cases and for handling the daily operations of the Office.

This *Annual Report* contains a sampling of cases handled by the Inspector General’s Office during the course of the year. Additional cases are available for review on the Inspector General’s website or upon request.





2012 Statistics for the General Division

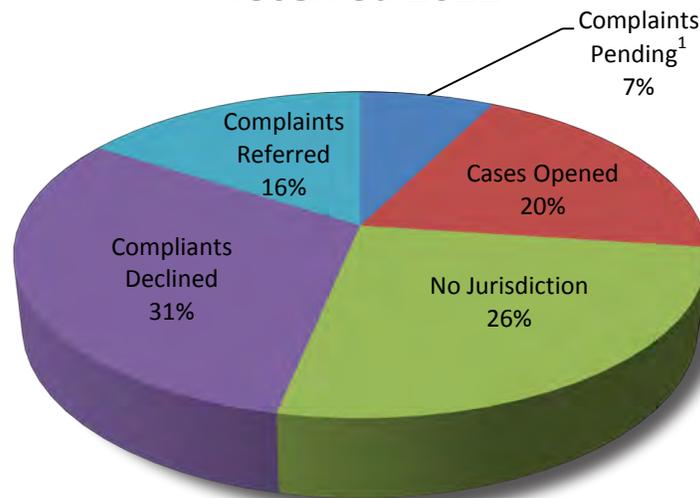
	2011	2012
Total Complaints	352	402
Complaints Pending ¹	n/a	30
Cases Opened	74	79
No Jurisdiction	139	105
Complaints Declined	116	124
Complaints Referred	18	64
Not Applicable ²	5	-
Cases Closed ³	54	67

¹ Complaints pending include those complaints requiring additional information or research before a determination can be made as how to proceed. It also includes those complaints received prior to the calendar year-end requiring review by the intake committee.

² This category does not exist in the new case management solution.

³ As part of the lifespan of a case, the number of cases closed may reflect cases that were opened in multiple years.

General Division Complaints Received 2012



¹ Complaints pending include those complaints requiring additional information or research before a determination can be made as how to proceed. It also includes those complaints received prior to the calendar year-end requiring review by the intake committee.

February 8, 2012
*ROI 2011-087
ODRC

February 8, 2012
*ROI 2011-111
ODRC, ODPS, OSHP

February 13, 2012
*ROI 2011-142
ODJFS



SUMMARIES OF SELECTED CASES - GENERAL

OHIO DEPARTMENT OF NATURAL RESOURCES

FILE NO. 2011-214



Source: www.dnr.state.oh.us/parks/



February 15, 2012
*ROI 2011-230
ODNR

February 16, 2012
*ROI 2012 CA-00001
Dev. Disabilites

February 21, 2012
*ROI 2009-324
ODAS

February 21, 2012
*ROI 2010-330
ODOT



OHIO DEPARTMENT OF EDUCATION
FILE NO. 2011-139

On July 18, 2011, Representative Debbie Phillips of the Ohio House of Representatives filed a complaint with the Inspector General’s Office, alleging that Ohio Department of Education Interim Superintendent for Public Instruction Stan Heffner had violated the conflict of interest provisions of Ohio’s ethics laws.



Representative Phillips alleged Heffner gave testimony before the Ohio Senate Finance Committee in support of legislation designed to increase the amount of competency testing of teachers in Ohio’s educational system, which would potentially result in an increase in revenue for the nation’s largest private, non-profit educational testing and research company, Educational Testing Service (ETS). Representative Phillips believed this testimony was delivered at a time when Educational Testing Service had entered into a contract to hire Heffner as an employee, and that Heffner’s actions presented a conflict of interest.

On July 25, 2011, the Inspector General’s Office opened an investigation into the allegations, beginning with a review of House Bill 153 of the 129th Ohio General Assembly (HB 153) and Heffner’s written testimony before the Senate Finance Committee on May 11, 2011.

House Bill 153 was broad-based legislation which included many subjects in addition to education. Heffner testified in support of the educational components of the bill which would result in an increase of testing for Ohio’s school teachers. The Ohio Board of Education uses examinations for initial licensure provided by Educational Testing Service (ETS).

At the time of Heffner’s testimony before the Ohio Senate Finance Committee, he had already interviewed and secured a position at Educational Testing Service (ETS). Heffner negotiated the conditions of his employment with ETS, signed an offer, and began the process of

February 24, 2012
**ROI 2011-224*
ODJFS

February 24, 2012
**ROI 2011-227*
OBWC

February 29, 2012
**ROI 2009-396*
OBM, ODOT, DOD, ODPS

March 6, 2012
**ROI 2010-296*
OBWC





transitioning from Ohio to San Antonio, Texas. He had met with ETS officials out of state and allowed them to pay for his travel, and he took time from attending an out-of-state conference on behalf of ODE to meet with ETS officials.

Heffner signed and faxed a letter of employment to ETS on April 15, 2011. In an email, Heffner notified ETS that his ODE executive secretary would be the contact point for ETS in working out the logistics of his employment transition from Ohio to Texas. Heffner’s former executive secretary stated that these arrangements were made during her established working hours while employed by the state, and by utilizing state office equipment.

Subsequently, when Heffner assumed the position of interim state superintendent, a new ODE executive assistant was assigned. When questioned about any involvement with ETS, the new executive assistant stated she did maintain contact with ETS during her state work hours to assist in Heffner’s transition to his future employer. She was instructed to coordinate and schedule a flight for Heffner to go to San Antonio to meet with ETS officials. The new assistant was instructed to handle matters involving the local real estate agent for the sale of Heffner’s residence in Westerville, and the purchase of a new home in San Antonio. She stated phone calls from the real estate agents were fairly frequent and Heffner made it very clear they were a priority. As mortgage companies would contact her, she would provide whatever documentation they were seeking and would utilize whatever state equipment was necessary to send or transmit them. She stated the private and personal work she was instructed to do by Heffner was substantial and had nothing to do with her employment at ODE.

The Inspector General’s Office found numerous occasions in which Heffner directed his private business associates to communicate with him via his state-of-Ohio issued cell phone and his state-of-Ohio email account. Heffner directed state of Ohio employees to work, while being paid by the state of Ohio, on business matters that were outside the interest of the ODE and purely for the private business interests of Heffner.

By providing testimony to the legislature as the state’s principal employee for leadership in education in support of a bill that could – and did – benefit a corporation with which he had entered into an agreement of employment, Heffner failed to meet the standards of proper governmental conduct as are commonly accepted in the community and subverts the process of government.

Stan Heffner terminated his employment with the Ohio Department of Education on August 10, 2012.

March 16, 2012
**ROI 2011-047*
Dev. Disabilities

March 19, 2012
**ROI 2010-404*
ODOT

March 29, 2012
**ROI 2011-175*
Lottery Commission



OHIO DEPARTMENT OF NATURAL RESOURCES,
DIVISION OF WILDLIFE
FILE NO. 2012 CA-00009

On February 1, 2012, the Inspector General’s Office received a copy of a complaint sent to the Ohio Department of Natural Resources (ODNR) Division of Wildlife. The complaint was submitted in the form of an email and attached was a photograph showing seven individuals posing with seven harvested deer. Two of the individuals in the picture were identified as Wildlife Officer Allan Wright and Wildlife Supervisor David Warner. In referring to the photograph, it appeared both Wright and Warner were wearing ODNR Division of Wildlife uniforms under their camouflage jackets. The photograph was posted on the Trophy Rock



Source: TROPHYROCK.com

website on December 16, 2008, and was titled “Trophy Rock hosted Deer Camp 2.” The photo was later confirmed to have been taken at Wright’s residence in Brown County.

ODNR Division of Wildlife payroll records, communication and radio logs, and the 2008 deer harvest reports were reviewed for Wright, Warner, and others. The Inspector General’s Office determined that, during the 2008 deer gun season, Wright and Warner were hunting while on duty.

Due to the wrongdoing by Wright and Warner in 2008, the investigation was expanded to obtain additional information for 2009 and 2010 involving Wright and Warner. From this review, it was determined that, during the 2009 and 2010 deer gun seasons, Wright and Warner were hunting while on duty. The investigation also revealed that Wildlife Officer Matthew Roberts also hunted while on duty during the 2010 deer gun season.

Additionally, during deer gun hunting season, which is the busiest time of the year for wildlife officers, the communication records for December 4, 2008, show neither Wright nor Warner reported to the ODNR communications center during the course of their scheduled work day. Though the communications directive requires wildlife officers to report their status hourly to the communications center, there is no policy to address a situation where there is

April 2, 2012
**ROI 2011-059*
Liquor Control Commission

April 4, 2012
**ROI 2011-073*
Ohio Dept. of Health

April 4, 2012
**ROI 2010-255*
Dept. of Development



no communication for long periods of time from wildlife officers on duty. In this case, Wright and Warner only reported on duty early in the morning and off duty in the evening with no communication traffic throughout the day.

On May 14, 2012, Allan Wright was interviewed regarding his participation in hunting while on duty during the 2008, 2009, and 2010 deer gun seasons. Wright was shown the harvest reports, communications records and payroll records related to his hunting on duty. Wright admitted he hunted while on duty (reflected on his payroll records) numerous times and added he did so not just during deer season, but also hunted turkey and squirrel during his on-duty work hours. Wright said Warner hunted with him while on duty many times.

Wright was asked why he did not follow the division’s communications policy by signing on and off duty using the mobile data computer or updating his status hourly. Wright said he was unaware of that policy requirement. Wright was then asked why he and the other officers were not worried about being questioned about hunting on duty. Wright commented “there was no oversight.” In October 2011, Wright’s employment agreement was terminated by the ODNR Division of Wildlife for other criminal violations.

Wildlife Officer Matt Roberts, and Wildlife Officer Supervisor David Warner declined to be interviewed for this investigation. Warner was found to be hunting while on duty in 2008, 2009, and 2010, while Roberts was hunting while on duty in 2010.

Ohio Division of Wildlife
Regions/Offices



Source: Ohio Division of Wildlife Publications

ODNR failed to enforce the ODNR Radio and Mobile Data Communications Directive, which resulted in the ODNR Division of Wildlife officers to be unaccountable, with little or no supervision or oversight. This lack of accountability enabled the wildlife officers to be hunting rather than attending to their enforcement duties.

Administrative action was taken by the Ohio Department of Natural Resources against Officer Matthew Roberts and Supervisor David Warner. The Inspector General’s Office also worked with the Brown County Prosecutor to bring about two indictments on the case, with two counts against Supervisor Warner, and one count against Officer Roberts.

April 11, 2012
*ROI 2012 CA-00029
ODOT

April 12, 2012
*ROI 2010-264
ODAS

April 24, 2012
*ROI 2011-078
ODJFS

April 26, 2012
*ROI 2011-214
ODNR



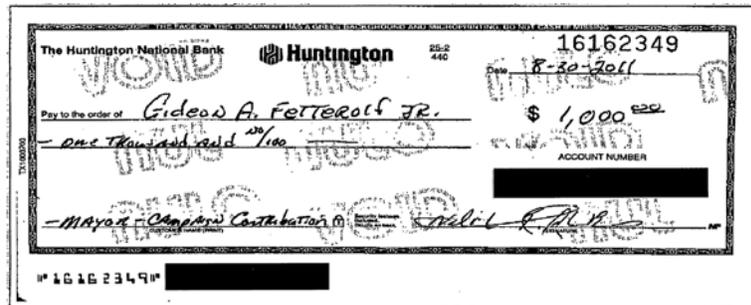
**OHIO DEPARTMENT OF COMMERCE,
DIVISION OF LIQUOR CONTROL
FILE NO. 2011-187**

Gideon Fetterolf Jr., a resident of Newton Falls, Ohio, was a state employee with the Ohio Department of Commerce (ODC) Division of Liquor Control. While employed in his classified position as a liquor control compliance officer, Fetterolf became interested in holding an elected office in Newton Falls. Though the elected position Fetterolf wanted to hold would have been permissible under Ohio law because it was non-partisan, the Ohio Department of Commerce told Fetterolf the position would have been inherently incompatible with his duties as a liquor control compliance officer. In August 2011, Fetterolf was certified as a write-in candidate for mayor of Newton Falls in the non-partisan general election held on November 8, 2011. Fetterolf informed the Ohio Department of Commerce Division of Liquor Control he would be retiring from state employment on November 1, 2011, which would eliminate the incompatibility issue.

During the last two months of Fetterolf’s state employment, while on state time and representing the state of Ohio, he met with convenience store owner and liquor permit holder Mark Shafar. Fetterolf discussed with Shafar his political campaign for mayor, and accepted from Shafar a \$1,000 campaign contribution check.

OIG Report Exhibit 1
Page 1 of 1

Fetterolf did not document his meeting with Shafar on his ODC Division of Liquor Control activity report. Fetterolf also falsely reported on his campaign contribution record submitted to the Trumbull County Board of Elections that the check he received from Mark Shafar, came from Yasser Alsadi at a false address.



Fetterolf, while on state time and while using a state-issued vehicle, conducted a liquor permit renewal inspection at a BP store in Lordstown, Ohio, owned by Yasser Alsadi. During this inspection Fetterolf accepted a \$500 cash campaign contribution from Alsadi. Fetterolf falsely reported this contribution as coming from himself on his campaign contribution record submitted to the Trumbull County Board of Elections. Ohio Revised Code §3517.13(F), prohibits cash contributions of more than \$100 from any person.

Fetterolf, while on state time and while using a state-issued vehicle, went to the Newton Falls Police Department, filed a report that his campaign sign was stolen, and complained to the Newton Falls zoning inspector about the seizure of his campaign sign. Fetterolf falsified

May 2, 2012
*ROI 2012 CA-00004
Adjutant General

May 10, 2012
*ROI 2010-323
ODJFS

May 15, 2012
*ROI 2010-447,453
Dept. of Commerce

May 16, 2012
*ROI 2011-037
Rehab. Services Comm.



his ODC Division of Liquor Control activity report by stating he was traveling to Campbell, Ohio, when he was actually at the Newton Falls Police Department.

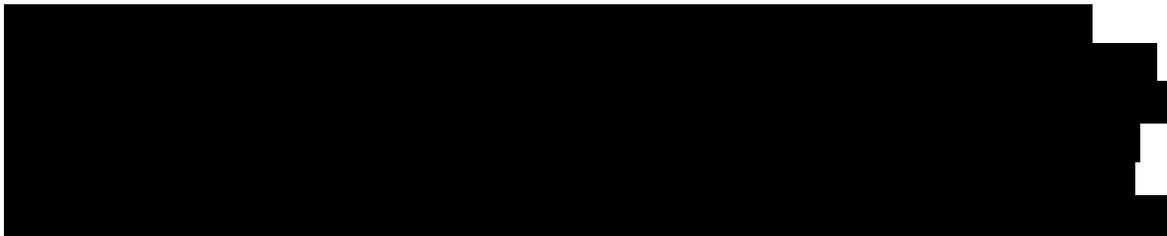
The following allegations are substantiated. Gideon A. Fetterolf Jr. falsified Ohio Department of Commerce Division of Liquor Control activity reports, used a state-issued vehicle to conduct political business, accepted political campaign contributions while on state time, and falsified campaign contribution records.

There is no allegation or evidence that Fetterolf solicited or accepted campaign contributions in return for liquor permit approval. However, Fetterolf's acceptance of campaign contributions from vendors he inspected, even if done on his own personal time, creates an appearance of impropriety. Furthermore, Fetterolf's falsification of records for campaign contributions from liquor permit holders indicates he recognized there was an appearance of impropriety.

The Inspector General's Office made a recommendation to the Ohio Department of Commerce and referred this investigation to the Trumbull County Prosecutor's Office, the Ohio Elections Commission, and the Ethics Commission for consideration.

OHIO LOTTERY COMMISSION

FILE NO. 2011-175



May 18, 2012
*ROI 2010-043
School Facilities Comm.

May 25, 2012
*ROI 2012 CA-00014
OEPA

June 1, 2012
*ROI 2012 CA-00011
OBWC

June 5, 2012
*ROI 2011-167
OSU



[Redacted]

[Redacted]

[Redacted]

[Redacted]



[Redacted]

[Redacted]

June 6, 2012
*ROI 2010-122
Dev. Disabilities

June 7, 2012
*ROI 2011-187
Commerce, Liquor Control

June 11-15, 2012
Inspector General Meyer
Sponsor for Fast Track Program
National White Collar Crime Center



[REDACTED]

[REDACTED]

OHIO DEPARTMENT OF TAXATION

2012 CA-00017

The Inspector General’s Office received notification from the Ohio Department of Taxation (ODT) that in February 2012, an employee of a market located in Northeast Ohio, called to confirm that ODT had received his money order and applied a recent tax payment of \$424.08 on a tax liability. The ODT employee who took the call was able to confirm that this account was up to date, but noticed that the taxes had not been paid from the money order indicated by the market employee, but was paid from an overpayment/credit on an unrelated taxpayer’s account, a grocer located in Western Ohio. The money order prepared for the tax payment from the market was unaccounted for. The Integrated Tax Administration System (ITAS) reflected that Kathleen S. Hyre transferred monies on an account from the grocer to meet the tax liability of the market. When questioned as to why she transferred the money from one taxpayer to pay the obligations of another taxpayer, Hyre responded that she didn’t recall.

On February 22, 2012, the Inspector General’s Office, in conjunction with the Ohio State Highway Patrol (OSHP), initiated an investigation into this matter. Hyre provided the original Western Union money order in the amount of \$424.08 that the market sent to the ODT, which read “State of Ohio Dept of Tax” and appeared to have been altered. The ODT requested and received from the market a photocopy of the Western Union money order as it appeared when the market sent it to the ODT. This photocopy revealed that the market made the Western Union money order payable to “State of Ohio”, not “State of Ohio Dept of Tax.” ODT identified four other occasions where Hyre transferred overpayments/credits from one taxpayer’s account to pay the obligations of an unrelated taxpayer, without any corresponding record of payment.

The investigation reviewed bank records, ODT taxpayer files, and ITAS records. From this review, the Inspector General’s Office determined Hyre had taken nine money orders totaling \$3,310.80 that taxpayers submitted to ODT for tax liabilities, altered them to make them payable to her, and deposited them into her personal account. Hyre used her position to access other unrelated taxpayer accounts and transferred overpayments/credits from

June 12, 2012
*ROI 2010-039
ODOT

June 13, 2012
*ROI 2012 CA-00065
ODRC

June 13, 2012
Assisted at State Government Day
Buckeye Boys State -
Bowling Green State Uni.



those accounts to the accounts of the taxpayers whose money orders she took to conceal her theft. The absence of any restrictions on changes that a tax commissioner agent can make to taxpayer accounts in ITAS, along with the fact that the tax commissioner agents receive and process payments from taxpayers, presents an opportunity for theft to occur.

After reviewing taxpayer files, ITAS, Hyre’s bank account records, and interviews, the Office of the Ohio Inspector General found that:

- On one occasion, Hyre altered a payment in the amount of \$424.08 ODT received from a taxpayer that was meant for that taxpayer’s liability. Hyre turned this money order over to her supervisor after being questioned.
- On three occasions, Hyre took a total of nine money orders totaling \$3,310.80 that taxpayers submitted to ODT to pay their tax liabilities, altered them to be payable to her, and deposited the money orders into her own personal bank account.
- On eight occasions, Hyre accessed confidential personal information on taxpayers’ accounts without a valid purpose to do so.

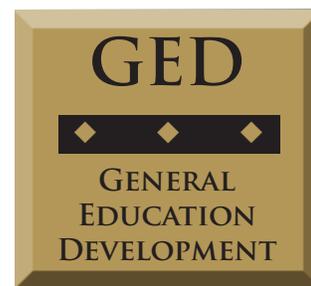
Hyre resigned her position as Tax Commissioner Agent 4, effective July 31, 2012, in lieu of termination.

The Inspector General’s Office made four recommendations to the Ohio Department of Taxation and forwarded an investigative referral packet to the Franklin County Prosecutor’s Office for consideration on October 2, 2012. On December 20, 2012, Kathleen Hyre was indicted by the Franklin County Grand Jury for theft in office, tampering with records, and nine counts of forgery.

OHIO DEPARTMENT OF EDUCATION

2012 CA-00050

The Inspector General’s Office received a complaint from the Ohio Department of Education (ODE) regarding an employee, Kathleen Garner, who was suspected of issuing GED (The General Education Development) diplomas without the necessary backup documentation. ODE alleged Garner provided a questionable GED to her husband within days of being transferred to the division overseeing the program. A further review of records created by Garner indicated an additional six individuals who may have received questionable GEDs. The Inspector General’s Office and the Ohio State Highway Patrol opened an investigation immediately upon receipt of the complaint.



The Inspector General’s Office asked ODE to describe the step-by-step process for obtaining a GED, in particular, how a GED is recorded in the department’s software system. At this meeting,

June 25, 2012
**ROI 2012 CA-00022*
Wright State Uni.

June 26, 2012
**ROI 2011-102*
OBWC

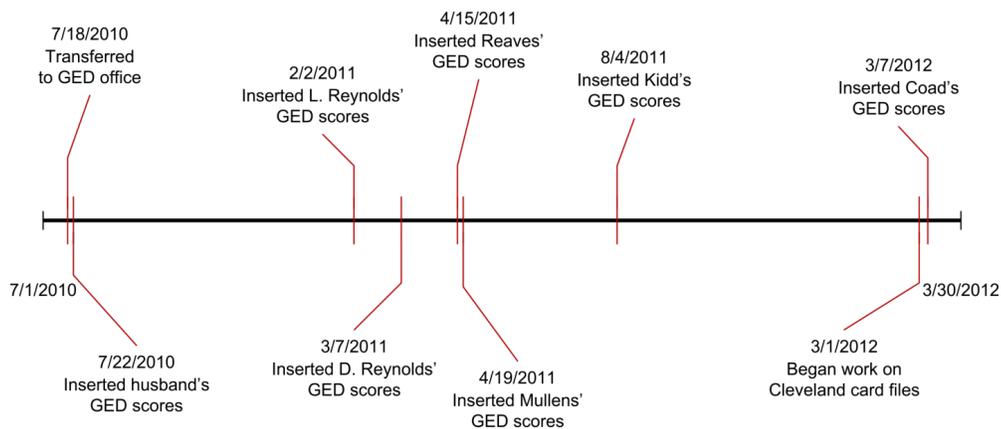
June 27, 2012
**ROI 2012 CA-00013*
ODAS



an ODE official was able, within five minutes, to create a SAFE account in an Inspector General’s Office employee’s name, enter scores, and “obtain” a GED. The system was not designed to incorporate a separation of responsibilities, specifically, allowing one person to enter information and a different person to verify and approve the information entered is correct and proper. Also, the written state GED office’s policies and procedures did not prohibit employees from entering information into the system for family and friends. Without these checks and balances, Garner was able to easily create questionable GED records and did so within days of transferring into the section.

The SAFE accounts for the individuals who received the GEDs in question do not indicate in which state the test may have been taken. Also, because transcripts are retained by ODE for only six months, it could not be determined if the individuals who received their GEDs actually mailed their transcripts to ODE. It should be noted, based on the dates the tests were taken according to their SAFE accounts, four of the six individuals waited more than 20 years before submitting scores to ODE to obtain a GED transcript. In each case, Garner was the individual who entered the information into the system for her relatives or friends.

The following timeline shows when Garner created the passing GED test records:



Garner herself admitted to creating false GED records for two individuals – Charles Mullens and Leeoandra Reaves – and to falsifying the signatures on Ohio GED Transcript Request forms for Charles Mullens and Patrick Kidd. Garner also admitting to altering transcripts received from other individuals to make it appear as if they were legitimate for Reaves and David Reynolds.

Garner resigned her position with ODE effective August 31, 2012. On December 13, 2012, Garner was indicted by a Franklin County grand jury on two felony counts of tampering with records and one felony count of forgery.

July 2, 2012
OIG Launches
Twitter

July 2, 2012
*ROI 2010-034
ODJFS

July 10, 2012
*ROI 2012 CA-00021
Dept. of Commerce



AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

2012 REPORT

The Ohio General Assembly enacted ORC §121.53 effective July 1, 2009, creating the deputy inspector general for funds received through the American Recovery and Reinvestment Act of 2009.

The deputy inspector general for ARRA is required to monitor state agencies' distribution of ARRA funds received from the federal government and to investigate all wrongful acts or omissions committed by officers, employees, or contractors with relevant state agencies that have received monies from the federal government under the ARRA of 2009. In addition, the deputy inspector general conducts random reviews of the processing of contracts associated with projects to be paid for with ARRA money.

In 2012, the ARRA team continued their review of documents obtained through the on-site visits to each agency receiving funds under the Inspector General's jurisdiction. Reviews were also expanded to include colleges and universities that received ARRA funding directly from various federal grantor agencies. A list of grants was obtained from the federal recovery.gov website and any medical research grants were excluded from the list. These grants were excluded due to the oversight by the grantor agencies and the specific knowledge required to understand the complexities of the research involved. From the remaining list, random selections were made and requests for information were sent to 12 colleges and universities throughout the state. Site visits were made to several institutions to inspect and take pictures of various equipment purchases made with ARRA grant monies. Further site visits are planned in the future to those institutions who received funds for construction projects.



Source: www.recovery.gov

Monitoring of several agencies, boards or commissions were completed with no recommendations at this time to expand the monitoring review or opening investigations. These completed reviews include, but are not limited to, the following:

July 13, 2012
*ROI 2012 CA-00028
ODOT

July 19, 2012
*ROI 2012 CA-00009
ODNR-Wildlife

July 20, 2012
*ROI 2012 CA-00030,31
Rehab. Services Comm.



Adjutant General

The Adjutant General was awarded \$6,042,280 to improve, repair, and modernize Ohio Army National Guard facilities throughout the state. Meetings were held with various members of the Adjutant General's office to review the grant and the monitoring that is in place. Someone is on-site weekly, if not daily, to monitor the progress and ensure the grant requirements are being met. This includes the Buy America requirements. A situation was described where a contractor had installed American Standard toilets under the assumption they were made in America. It was noted soon after installation the manufacturer was based in Europe. The items had to be removed and replaced at the contractor's expense due to the Buy America provisions of ARRA.



This agency is considered low-risk and as someone is on-site practically at all times monitoring is taking place in a timely manner. In addition, the federal grantor agency is also conducting site visits to all locations.

Alcohol and Drug Addiction Services (ODADAS)

Funding was awarded through the Edward Byrne Memorial Competitive Grant Program to improve the treatment and criminal justice outcomes for offenders participating in drug courts. ODADAS allocated \$3,165,011 among three programs:

- 1) Restoration funding for currently funded programs – current programs could apply for up to 25 percent of the reduction made in their fiscal year 2010 and 2011 budgets;
- 2) Expansion funding for currently funded programs – current programs could apply up to \$61,332 of funding for certified treatment programs servicing adult drug court clients and up to \$77,332 for agencies servicing adult and juvenile drug court clients for the period July 1, 2010 to June 30, 2011; and
- 3) Expansion funding for programs not currently funded – provide \$1,063,000 in funding to drug courts not currently receiving funding through ODADAS.

During meetings with staff at ODADAS, the Inspector General's Office reviewed grant agreements, contracts, and monitoring documents prepared during on-site reviews. As grantees were only required to provide a certification statement verifying expenditures made for the period in order to receive reimbursement, the Inspector General's Office selected seven recipients and requested supporting documentation to verify payroll and other charges against the grant. Two of the recipients did not respond to our request.

July 23, 2012
*ROI 2010-221
ODADAS

July 27, 2012
*ROI 2011-068
ODOT

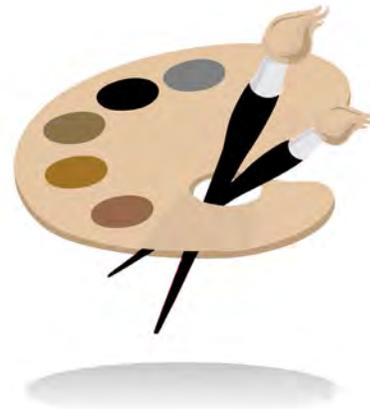
August 2, 2012
*ROI 2011-139
Ohio Dept. of Education



A review of the documentation provided found hours were allocated based on a percentage instead of actual hours worked per pay-period. In addition, one recipient allocated all expenditures to various programs on a pro-rated basis. This included unallowable expenditures per the grant agreement. However, the total amount of these charges totaled less than \$20. Due to the minimal amount of questioned funds, an expansion of the sample was not recommended and the monitoring review was concluded.

Ohio Arts Council

The Ohio Arts Council received \$353,400 to support art projects and activities which preserve jobs in the non-profit arts sector. The Council limited funding to recipients currently listed in the “sustainability” grant category. Funding was provided at 75 percent at the beginning of the grant period and the remaining 25 percent provided when a final report was received and approved. The grant application review process was held in an open public meeting with 18 organizations receiving funding. Two organizations from three different budget categories were selected for a “mini-audit” by Council staff. Documents, including payroll information, were organized in several binders and reviewed by our staff. No findings were noted during the review and the monitoring review of the Council was concluded.



Office of Criminal Justice Services

Staff met with OCJS in April 2011 to review the two grants awarded to OCJS. A list of grantees for each grant was provided with a brief description of how the funds were being utilized. In addition, copies of the policies and procedures regarding fiscal and program monitoring were provided. After reviewing the documentation, a letter was sent to OCJS in May 2012 requesting copies of all fiscal and monitoring reports for entities that received multiple awards and any local governments identified as having findings for recovery on the Auditor of State’s website. A total of 22 awards were selected.

The reports were reviewed and it was noted that if OCJS found issues with the grant a follow-up review was to be conducted 30 days after the report was issued. Copies of these follow-up reports were also provided by OCJS. For minor issues, OCJS staff was permitted to follow-up via phone calls instead of another on-site visit. Based on the annual monitoring and prompt follow-up when issues are identified, the monitoring review was concluded with no recommendations for further action at this time.

August 3, 2012
*ROI 2012 CA-00068
Ohio Dept. of Insurance

August 3, 2012
*ROI 2012 CA-00073
ODRC

August 10, 2012
*ROI 2012 CA-00019
OEPA



The Inspector General’s Office Established the ARRA Monitoring Review Program to:

- 1 Meet with each agency under the Inspector General’s jurisdiction to explain our role in the ARRA monitoring process.
- 2 Schedule presentations by the agencies to gain a better understanding of each grant, how the ARRA funding was processed and the internal monitoring in place.
- 3 Schedule separate meetings for those agencies with internal monitoring or auditing departments.
- 4 Obtain copies of audits and other monitoring reports conducted by the Ohio Auditor of State, the Ohio Office of Budget and Management’s Internal Audit Section and federal grantor agencies.

2012 Statistics for the ARRA Division

	<u>2011</u>	<u>2012</u>
Total Complaints	6	22
Complaints Pending ¹	n/a	1
Cases Opened	4	13
No Jurisdiction	1	3
Complaints Declined	0	4
Complaints Referred	1	1
Cases Closed ²	2	4

¹ Complaints pending include those complaints requiring additional information or research before a determination can be made as how to proceed. It also includes those complaints received prior to the calendar year-end requiring review by the Office of Inspector General intake committee.

² As part of the lifespan of a case, the number of cases closed may reflect cases that were opened in multiple years.

August 22, 2012
*ROI 2012 CA-00010
OBWC

August 22, 2012
*ROI 2012 CA-00063
ODJFS

August 23, 2012
*ROI 2012 CA-00070
Dev. Disabilities

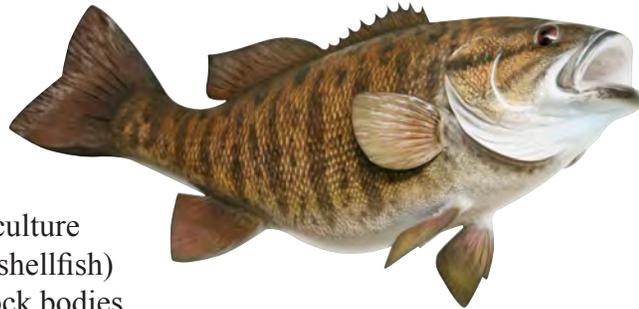


SUMMARIES OF SELECTED CASES - ARRA

OHIO DEPARTMENT OF AGRICULTURE

2011-081

In April 2011, the Inspector General’s Office met with employees of the Ohio Department of Agriculture (ODA) to review the Aquaculture Assistance grant the department received from the U.S.



Department of Agriculture (USDA). Aquaculture is the farming of aquatic life (e.g., fish and shellfish) for the purpose of commercial sale or to stock bodies of water for fishing. Several items of concern were identified, including corrections made to original documents and possible overpayments to applicants.

Fifteen applications received by the Ohio Department of Agriculture for Aquaculture grant monies were reviewed, and the Inspector General’s Office found three errors on applications, two ineligible reimbursements, lack of instructions on the application forms, and two instances of insufficient supporting documentation.

ODA lacked sufficient oversight of the application process, which resulted in potentially incorrect payments to the applicants. ODA officials acknowledged they should have made the application instructions clearer on what was allowable.

While the Inspector General’s Office calculated potential overpayments of \$3,590 and underpayments of \$1,065, the findings were referred to the U.S. Department of Agriculture for final determination.

The Inspector General’s Office forwarded a copy of this report to The U.S. Department of Agriculture and the Ohio Auditor of State for further consideration.

OHIO DEPARTMENT OF JOB AND FAMILY SERVICES

CONSTRUCTING FUTURES

2010-323, 2011-247, 2011-248

The Workforce Investment Act (WIA) is a federal job training program created in an attempt to induce businesses to participate in the delivery of workforce development services. In

August 30, 2012
OIG hosted delegates
from Kharkiv, Ukraine

August 30, 2012
*ROI 2012 CA-00080
Ohio Dept. of Taxation

September 5, 2012
*ROI 2009-225
ODOT



April 2009, the Ohio Department of Job and Family Services announced the department would allocate \$4 million of the ARRA WIA funding to the Constructing Futures initiative, a new program for Ohio. The intent of the initiative was to create pre-apprenticeship programs, which included remedial education, supportive services, and training, that could lead to the acceptance into full apprenticeship programs in such fields as electrical, plumbing, and construction. The Constructing Futures initiative placed emphasis on minority and female participation, as they were typically underrepresented in trade programs.



In 2010, The Inspector General’s Office began a review of the Constructing Futures initiative as part of its responsibilities established under Ohio Revised Code (ORC) §121.53.

Each geographic region in Ohio where the program was being delivered was under examination – Northwest, Central, and Southwest Ohio.

The Inspector General’s Office obtained copies of the invoices and supporting documentation relating to Constructing Futures grants, in addition to guidance that had been given to the partnerships by the Ohio Department of Job and Family Services providing details of the various charges allowable under the terms of the grants.

All of the partnerships in Central and Southwest Ohio for the Constructing Futures grants received training and information from the Ohio Department of Job and Family Services in December 2009 on the requirements to properly expend the money provided under the terms of the grant. During the course of the grant, there were numerous changes in personnel at ODJFS and conflicting information was provided to the partnerships. This led to confusion and conflicting guidance on what was allowable and what information was to be provided to ODJFS each month.

The following are summaries of each case in the three geographical regions.

Constructing Futures in Northwest Ohio

2010-323

The Northwest Ohio program was composed of the seven organizations and was awarded \$550,000 in grant monies related to the Constructing Futures initiative. Of the \$550,000, the Inspector General’s Office questioned \$159,361.19 in grant monies.

September 12, 2012
*ROI 2011-134
ODPS

September 12, 2012
*ROI 2011-215
PUCO, OCC

September 12, 2012
*ROI 2011-247
ODJFS



The following questioned costs related to this investigation were not allowable under the terms of the grant:

Category	Amount
Staff Wages and Benefits	\$121,713.63
Administrative Wages and Benefits	\$30,329.27
Facility Costs	\$5,287.00
Phone Charges	\$1,756.29
Consultant	\$275.00
TOTAL	\$159,361.19

The Inspector General’s Office made six recommendations to the Ohio Department of Job and Family Services, and forwarded referrals to the United States Department of Labor as the grantor agency of the WIA-ARRA grant, and the Ohio Auditor of State as the agency responsible for audits of the Ohio Department of Job and Family Services.

Constructing Futures in Central Ohio

2011-247

The Central Ohio program was composed of two organizations, Associated Builders and Contractors, Inc. (ABC) and the Construction Trades Network (CTN). ABC was awarded \$399,988 and CTN was awarded \$799,611.

The following questioned costs and reimbursable amounts related to this investigation were not allowable under the terms of the grant:

Category	Amount
Phone Charges – Questioned Costs	\$2,174.23
Trainee Wages – Reimburse to ODJFS	\$49,526.64
TOTAL	\$51,700.87

The Inspector General’s Office made three recommendations to the Ohio Department of Job and Family Services, and forwarded referrals to the United States Department of Labor as the grantor agency of the WIA-ARRA grant, and the Ohio Auditor of State as the agency responsible for audits of the Ohio Department of Job and Family Services.

Constructing Futures in Southwest Ohio

2011-248

The Southwest Ohio program was composed of eight organizations and awarded \$998,976 in grant monies related to the Constructing Futures initiative.

September 13, 2012
*ROI 2012 CA-00082
ODOT

September 18, 2012
*ROI 2012 CA-00002
OBWC

September 18, 2012
*ROI 2012 CA-00016
OBWC



The Inspector General’s Office found that the monitoring visits by ODJFS were not conducted until after the grant period expired, even though the partnerships were told the visits would occur as grant activities were underway. The monitoring group also failed to expand the number of invoices under review when problems were noted, as was the case with the phone charges.

The following questioned costs identified in this investigation were not allowable under the terms of the grant:

Category	Amount
Invoice Totals	\$7,170.91
Supportive Services	\$1,925.45
Stipends	\$83,157.00
Training	\$4,149.05
Other Program Costs:	
Phone Charges	\$5,767.61
Gift Cards	\$500.00
Food	\$4,266.49
Bookkeeping Services	\$750.00
Facility Charges	\$9,725.00
Staff Wages and Benefits	\$138,318.97
TOTAL	\$255,730.48

The Inspector General’s Office made four recommendations to the Ohio Department of Job and Family Services, and forwarded referrals to the United States Department of Labor as the grantor agency of the WIA-ARRA grant, the Ohio Auditor of State as the agency responsible for the audit of the Ohio Department of Job and Family Services, the Ohio Bureau of Workers’ Compensation, and the Ohio Department of Taxation.

YOUNGSTOWN STATE UNIVERSITY

2012 CA-00048

The Inspector General’s Office randomly reviewed Youngstown State University’s Federal Work-Study Program among the projects paid for with monies received under the American Reinvestment and Recovery Act of 2009 (ARRA). In fiscal year (FY) 2009-2010, Youngstown State University’s Federal Work-Study Program received a total of \$770,010 in federal funding, which included \$134,477 in ARRA funds. Therefore, all Federal Work-

September 18, 2012
*ROI 2012 CA-00075
Dept. of Commerce

September 19, 2012
OIG hosted visitors from
Kyrgyzstan Parliament

September 27, 2012
*ROI 2010-341
ODAS, Real Estate



Study Program expenditures for FY 2009-2010 that were paid, in part, with ARRA funds were subject to review.

The Federal Work-Study Program provides funds for part-time employment to help needy students finance the costs of post-secondary education. A participating institution applies to the U.S. Department of Education each year for Federal Work-Study Program funding. In most cases, the school or the employer must pay up to a 50 percent share of a student's wages under the Federal Work-Study Program.

Students must file a Free Application for Federal Student Aid as part of the application process for Federal Work-Study Program assistance. Eligible students may be employed by: an institution; a federal, state, or local public agency; a private nonprofit organization; or a private for-profit organization in order to receive Federal Work-Study Program funds.

On February 22, 2012, the Inspector General's Office initiated a review of ARRA expenditures related to the Youngstown State University (YSU) Federal Work-Study Program by requesting all payments that included ARRA funds between payroll periods 15 and 19 in FY 2009-2010. Random payments for 20 students were reviewed for compliance with Youngstown State University's student employment policies, and overall accuracy of the payments was verified.

A student's eligibility to participate in the Federal Work-Study Program is determined by the Youngstown State University Office of Financial Aid and Scholarships based on individual student need. Since funds are limited, Federal Work-Study Program positions are awarded on a first-come, first-served basis. Therefore, not all eligible students are selected to participate in the program. Once a student has been notified of his or her award, the student must complete the appropriate student employment forms.

A review of the required employment forms found that 6 out of the 20 students did not meet the required minimum credit hours to complete the exemption form. Additionally, 3 out of 20 students did not complete the required forms in their entirety.

There were no instances of inaccuracy or discrepancies, and all time sheets provided evidence of supervisor approval. Furthermore, each class schedule was reviewed and confirmed all students were in compliance with the enrollment requirement. Therefore, the Inspector General's Office did not believe a full investigation of the Federal Work-Study Program at Youngstown State University was warranted.

October 2, 2012
*ROI 2012 CA-00032
ODAS, ODRC

October 10, 2012
*ROI 2011-178
ODNR

October 10-12, 2012
OIG presented at the 2012 Fall
Conference of the National Assn.
of Inspectors General



OHIO DEPARTMENT OF TRANSPORTATION

2012 REPORT

The responsibilities of the deputy inspector general for the Ohio Department of Transportation (ODOT) were created in 2007 with the enactment of ORC §121.51. The mandates set forth in this ORC section authorize the deputy inspector general to investigate “all wrongful acts and omissions that have been committed or are being committed by employees of the department.” In addition, the deputy inspector general was charged with conducting “a program of random review of the processing of contracts associated with the building and maintaining the state’s infrastructure.”

According to the 2012 ODOT Annual Report, the agency spent \$2.98 billion in operating and capital disbursements. With a staff of nearly 5,624 employees, ODOT maintains approximately 40,000 miles of roads to maintain, 500,000 signs, 50,000 lights, and 5,600 miles of barriers. Oversight is necessary to ensure that operations are conducted efficiently and effectively.

Since the role of the deputy inspector general for the Ohio Department of Transportation was created in August 2007, there has been a continued focus on all aspects of contract processes and procedures, including the bidding process, purchasing of services, and cost overruns. The impact of tight budgets and the need for improved road infrastructure is an area of scrutiny. Ensuring that increased investments are well spent, and that policies are in place to safeguard long-term and sustainable transportation systems will continue to be a top priority.

Our continued cooperation with the ODOT leadership team and the ODOT Chief Investigator’s Office will ensure the department manages the public’s money responsibly.

2012 Statistics for the ODOT Division		
	2011	2012
Total Complaints	21	31
Complaints Pending¹	n/a	1
Cases Opened	12	12
No Jurisdiction	3	1
Complaints Declined	8	11
Complaints Referred	1	6
Cases Closed²	24	14

¹ Complaints pending includes those complaints requiring additional information or research before a determination can be made as how to proceed. It also includes those complaints received prior to the calendar year-end requiring review by the Office of Inspector General intake committee.

² As part of the lifespan of a case, the number of cases closed may reflect cases that were opened in multiple years.

October 19, 2012
*ROI 2012 CA-00072
ODOT

October 19, 2012
*ROI 2012 CA-00084
ODOT



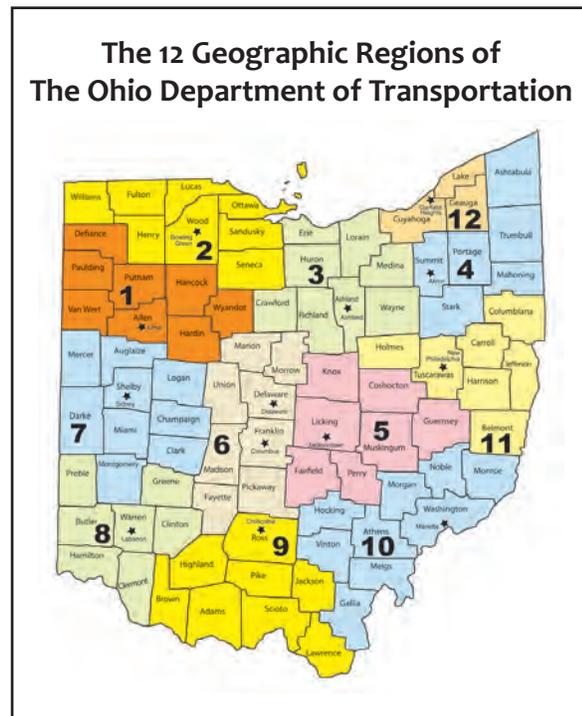
SUMMARIES OF SELECTED CASES-TRANSPORTATION

OHIO DEPARTMENT OF TRANSPORTATION

2008- 332

On November 24, 2008, the Inspector General’s Office initiated an investigation of Ohio Department of Transportation competitive bidding practices using direct purchasing authority to determine whether such violations occurred in a number of ODOT districts. From 2009 through 2011 the United States Department of Justice reviewed the case. Beginning January 2011, the Inspector General’s Office resumed this investigation with the Ohio State Highway Patrol and the Ohio Attorney General’s Office Antitrust Section.

This investigation reviewed actions taken by ODOT employees and vendors to determine whether actions taken were in compliance with ODOT policies and procedures adopted per the Ohio Revised Code. The vendors and affiliated companies reviewed included the following: Ace Truck Equipment, A&A Safety, Southeastern Equipment, Rath Builders Supply, and Pengwyn. As part of this investigation, transactions involving Bain Industries, Bain Enterprises, Horner Construction, and Ebony Construction were also reviewed.



Source: <http://www.dot.state.oh.us>

This investigation revealed numerous instances in which ODOT employees failed to follow policies and procedures established by ODOT and the Ohio Revised Code related to:

- Soliciting, accepting, and awarding of quotes;
- Maintaining hard copy and electronic transaction records;
- Exceeding the \$50,000 annual purchasing limit per fiscal year for vendors not under contract to provide goods or services;
- Failing to disseminate violations of ODOT districts policy and procedures identified during Quality Assurance Reviews and internal investigations;

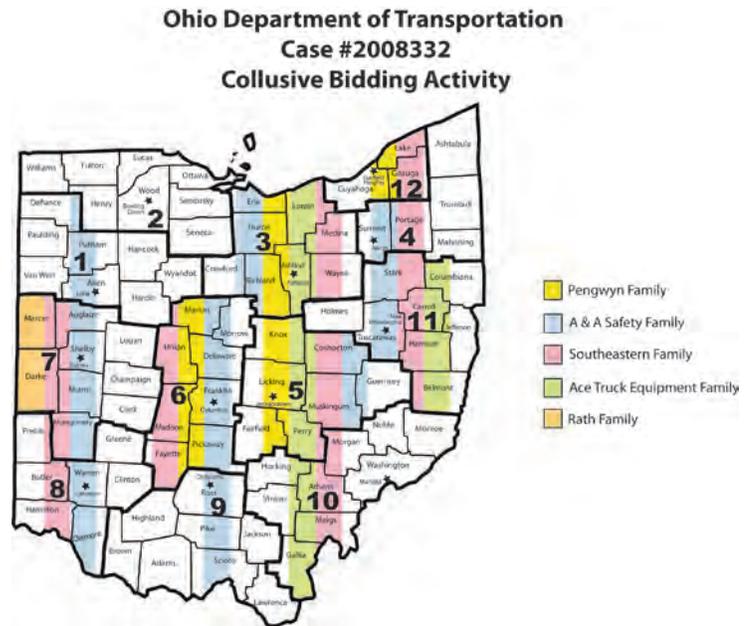
October 23, 2012
OIG met with students from Kent State University Columbus Program in Intergovernmental Issues

October 26, 2012
Legislative Fellows Program for South & Central Asia - OIG visited by representatives from India, Kyrgyzstan, Nepal, and Sri Lanka



- Permitting certain vendors to provide input on specifications prior to submitting a quote; and
- Accepting meals and other gratuities from vendors.

This investigation determined ODOT employees had knowledge of the department’s policies and procedures based on a review of documentation for selected transactions, training activities, and interviews conducted with certain purchasers in ODOT districts 3, 5, 7, 10, and 11. However, the purchasers chose to ignore ODOT’s policies and procedures regarding the correct bid process for soliciting vendors out of convenience and to make their job easier. As such, purchasers chose to accept vendors’ offers and also requested vendors provide multiple quotes to address district needs.



As a result of the actions of ODOT purchasers, vendors’ sales representatives submitted multiple quotes for the vendors they represented and their affiliated companies, ensuring the sales representative’s targeted company would be awarded business. These vendors also engaged in one or more of the following activities to ensure they or their affiliated companies were awarded business:

- Submitting fabricated vendor quotes to ODOT purchasers to provide ODOT the appearance that competition was occurring, when in reality it was not.
- Directing competing vendors to submit quotes and, in some instances, specifying to competing vendors the quote amount to be submitted to ODOT.
- Entering into arrangements between vendor sales representatives agreeing to either not submit a quote in the opposing vendor’s geographic sales territory or submitting a complementary quote ensuring the opposing vendor would be awarded the ODOT contract.
- Submitting quotes on behalf of an affiliated vendor to give the appearance of competition.
- Requesting manufacturers and competing out-of-state dealers submit quotes to ODOT to provide the appearance that competition was occurring.

November 7-8, 2012
OIG co-hosts Targeting Fraud -
Safeguarding Integrity Conference

November 13, 2012
*ROI 2011-146
ODNR



As a result of the vendors' actions, coupled with the failure of ODOT employees to follow the department's policies and procedures, these vendors were awarded the majority of quotes they submitted to ODOT.

It is important to note ODOT expanded its Quality Assurance Review process to determine if employees were complying with ODOT policies and procedures during fiscal years 2005 and 2006. In fiscal year 2008, ODOT expanded this process to also require correction of non-compliance issues identified. As a result of this increased monitoring, this investigation noted a significant decrease in non-compliance.

This investigation found the following types of conspiracy between A & A Safety, Quattro Inc., and Bain Industries/Bain Enterprises determined the amount of the quotes awarded by ODOT or the City of Hudson and the winner:

OIG Report Exhibit 16
Page 2 of 2

- A & A Safety and Quattro Inc., its affiliated company, conspired to submit competing quotes to ODOT. Since no unaffiliated companies were involved in the bidding process, A & A Safety and Quattro Inc. controlled the outcome of the bid ODOT awarded. This conduct occurred 14 times totaling \$38,487.55 between August 30, 2002, and September 3, 2008.
- A & A Safety faxed, emailed, or contacted Bain Industries/Bain Enterprises instructing them to submit a quote to ODOT or the City of Hudson for equipment. These instructions included quote amounts, mark-up amounts, or Bain's cost to purchase the equipment from A & A Safety. Both companies financially benefitted from these agreements to the detriment of other vendors not afforded the opportunity to compete in the bidding process. This conduct occurred 19 times totaling \$98,743.21 between March 24, 2004, and January 10, 2007.
- A & A Safety and Quattro Inc. conspired for the awarding of ODOT bids to Quattro, Inc. in 12 instances and with Bain Industries, a company established by a former A &



November 13, 2012
*ROI 2011-172
Ohio Dept. of Taxation

November 13, 2012
*ROI 2012 CA-00023
OBWC



A Safety employee, in two additional instances. This conduct occurred 14 times totaling \$81,409.33 between February 26, 2003, and July 30, 2008.

On December 18, 2012, Quattro Inc. entered a guilty plea to:

- One felony count of Prohibition Against Entering Into an Unlawful Combination, Contract, or Agreement in violation of ORC §1331.02; and
- One felony count of an attempt to Engage in a Pattern of Corrupt Activity in violation of ORC §2923.02/2923.32 based on incidents of Telecommunications Fraud in violation of ORC §2913.05(A).

As part of its plea, Quattro Inc., agreed to pay restitution of \$32,796 to the state of Ohio and to pay a forfeiture of \$10,000 for costs pursuant to Ohio Rev. Code §1331.03 payable to the general revenue fund for the state of Ohio.

On the same date, A&A Safety sales manager Timothy O’Brien entered a guilty plea to three misdemeanor counts of Conspiracy Against Trade in violation of Ohio Revised Code §1331.04. O’Brien agreed as part of his plea agreement to pay \$4,372 in restitution to the state of Ohio and to pay a forfeiture of \$1,500 for costs pursuant to Ohio Rev. Code §1331.03 payable to the general revenue fund for the state of Ohio.

OHIO DEPARTMENT OF TRANSPORTATION

FILE NO. 2010-404

The Ohio Department of Transportation (ODOT) Office of Investigative Services received a complaint alleging Cheryl Heintz, a Highway Technician 3 at ODOT’s District 3 testing laboratory and county garage in Ashland, Ohio, was spending a significant amount of time at work on her personal cell phone conducting personal business for a real estate agency. ODOT Office of Investigative Services requested the Inspector General’s Office subpoena Heintz’s cell phone



Source: [ODOT](#) website.

records. In a cooperative effort between the Inspector General’s Office and ODOT Office of Investigative Services, the investigation was expanded to explore the possibility that Heintz was also conducting personal business related to the management of her own rental real estate properties during times when she was being paid by the state of Ohio to be at work for ODOT.

<p>November 15, 2012 *ROI 2012 CA-00048 ARRA-Youngstown State University</p>	<p>November 16, 2012 Inspector General Meyer featured speaker at 8th Annual Shore Conference - Franklin P. Perdue School of Business</p>	<p>November 16, 2012 *ROI 2012 CA-00026 ODJFS</p>
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From July 2009 until December 2011, Heintz was involved as an agent in eight real estate transactions from which she was paid a commission; listed eight properties for sale, including five properties that she owned; and was involved as an agent in two contracts to purchase real estate which were not completed and did not culminate in a closing transaction.



The Inspector General’s Office’s investigation found that Heintz listed her personal cell phone as the contact number when advertising rental properties for lease and real estate listings for sale. Between July 1, 2009, and February 13, 2011, an analysis of Heintz’s cell phone records showed 4,169 phone calls were either incoming or outgoing during the time Heintz was on duty and at work for ODOT, totaling 232 hours. The Inspector General’s Office determined that Heintz used her cell phone for personal real estate and rental property use while on duty at work for ODOT for approximately 80 hours. Of the 80 hours, 62 hours of Heintz’s cell phone calls were associated with her real estate agency or rental real estate investment matters, and an additional 18 hours of phone calls were conversations with her husband, whose full-time employment was related to the rental properties business. ODOT paid Heintz more than \$1,220 in wages for the 62 hours of time she spent engaged in personal cell phone calls relating to her real estate agency and rental properties businesses

In interviews conducted by the Inspector General’s Office, Heintz’s ODOT co-workers stated that she spent much of her time at work on her personal cell phone, discussing real estate and her rental property business. Heintz’s co-workers also noted that while Heintz was at work she was observed handling real estate and rental property paperwork.

When interviewed, Heintz admitted to initiating or receiving cell phone calls during the time when she was on duty and working for ODOT, but only during lunch or while on breaks. Heintz denied utilizing property owned or leased by the state of Ohio, including any state vehicle, for any purpose relating to her real estate agency business or real estate rental investments. In reference to her cell phone usage during the times when she was on duty for ODOT, Heintz stated some of the phone calls were related to real estate and rental property matters, as she was a licensed real estate agent, and she and her husband owned rental properties, and bought, fixed up, and resold houses. Heintz acknowledged that ODOT employees are not supposed to drive state vehicles while on the phone.

On November 28, 2011, Heintz submitted her resignation letter to ODOT, effective December 2, 2011.

The Inspector General’s Office provided an investigation referral package to the Ashland County prosecutor for consideration.

November 19, 2012
*ROI 2011-208
OBWC

November 20, 2012
*ROI 2012 CA-00003
ODRC

November 20, 2012
*ROI 2011-241
Governor’s Office



BUREAU OF WORKERS' COMPENSATION AND INDUSTRIAL COMMISSION

2012 REPORT

In July 2007, the Ohio General Assembly passed legislation that created the position of deputy inspector general for the Bureau of Workers' Compensation and the Industrial Commission within the Inspector General's Office. This legislation stated that the Inspector General shall appoint the deputy inspector general, and the deputy inspector general shall serve at the pleasure of the Inspector General.

The deputy inspector general is responsible for investigating wrongful acts or omissions that have been committed or are being committed by officers or employees of the Bureau of Workers' Compensation and the Industrial Commission. The deputy inspector general has the same powers and duties regarding matters concerning the Bureau and the Commission as those specified in ORC §121.42, §121.43, and §121.45.

In 1913, Ohio law created an exclusive state fund to provide workers' compensation benefits so workers were protected if unable to work due to work-related injury. In Ohio, all companies or employers must have coverage either by state funds or be self-insured. The Bureau of Workers' Compensation operates 14 service offices, a total of 16 facilities across the state of Ohio, and has nearly 1,914 employees. Currently, Ohio's Workers' Compensation system is the largest state-funded insurance system in the nation. According to their FY 2012 Annual Report, BWC currently serves 254,954 active employers and in 2012, managed nearly 1.1 million injured workers' claims, including 112,613 new claims. The bureau paid \$1.8 billion in benefits to injured workers.



The Ohio Industrial Commission is a separate adjudicatory agency whose mission is to serve injured workers and Ohio employers through expeditious and impartial resolution of issues arising from Workers' Compensation claims and through the establishment of an adjudication policy. Hearings on disputed claims are conducted at three levels within the Commission: the district level, the staff level, and the commission level. The Governor appoints the three-

November 21, 2012
*ROI 2012 CA-00049
ODNR

November 27, 2012
*ROI 2011-248
ODJFS

November 29, 2012
*ROI 2012 CA-00062
Youth Services



member commission and the Ohio Senate confirms these appointments. By previous vocation, employment, or affiliation, one member must represent employees, one must represent employers, and one must represent the public. The Industrial Commission employs 409 employees and according to its annual report conducted more than 150,000 hearings in 2012.

Our continued cooperation with the with the OBWC Special Investigations Department and the Cyber Crime Team will ensure OBWC manages the public’s money responsibly. The Inspector General’s Office works jointly with OBWC’s Special Investigations Department to take a proactive approach in identifying areas of wrongdoing or appearances of impropriety.

“The Ohio Industrial Commission is a separate agency from OBWC whose mission is to serve injured workers and Ohio employers by resolution of issues through the establishment of an adjudication policy.”

2012 Statistics for the BWC/IC		
	<u>2011</u>	<u>2012</u>
Total Complaints	33	38
Complaints Pending¹	n/a	1
Cases Opened	13	22
No Jurisdiction	2	0
Complaints Declined	15	10
Complaints Referred	3	5
Cases Closed²	14	15

¹ Complaints pending includes those complaints requiring additional information or research before a determination can be made as how to proceed. It also includes those complaints received prior to the calendar year-end requiring review by the Office of Inspector General intake committee.

² As part of the lifespan of a case, the number of cases closed may reflect cases that were opened in multiple years.

November 29, 2012
*ROI 2011-185
ODADAS

December 3, 2012
*ROI 2012 CA-00007
Industrial Commission

December 3, 2012
*ROI 2012 CA-00012
OBWC



SUMMARIES OF SELECTED CASES - BWC/IC

OHIO BUREAU OF WORKERS' COMPENSATION

OIG Report Exhibit 1
Page 2 of 10

FILE NO. 2010-296

On August 6, 2010, the Inspector General's Office received a complaint that alleged Fredrick (Rick) Brown, an Ohio Bureau of Workers' Compensation (OBWC) employee, was utilizing state equipment for personal use. Brown allegedly listed his OBWC email address and telephone number on both the Ohio High School Athletic Association roster to promote his involvement as a girls volleyball referee, and his affiliation with the Central Ohio Boys Volleyball Officials Association. This activity supposedly took place during Brown's scheduled work hours and Brown benefited financially from using state resources for non-work related activities.

Brown's state-issued computer was collected and records were analyzed. A review of the documents Brown saved to the OBWC network drive for the time period from September 22, 2010, to May 31, 2011, revealed a total of 1,024 non-work related documents. These documents included officiating records, scheduling records, officiating earnings records, and investment records.

Brown's print log reflected that he sent 244 non-work related documents to the OBWC printer during the time frame indicated above, and a review of his OBWC email account identified 1,164 non-work related emails. The majority of these non-work related emails pertained to Brown's involvement in officiating volleyball matches.

Internet records indicated Brown conducted no less than 254 hours of personal business while on state time, and the majority of this time centered on his work with volleyball. Brown was paid \$10,505 in wages by OBWC during this time period for conducting non-OBWC work.

A review of Brown's bank records for the period of time from December 9, 2009, to March 7, 2011, identified that Brown was compensated approximately \$17,100 for his work related to

2011: Planning for Officiating Volleyball

Day	Date	Level	Venue
Saturday	1/15	OSU Men's	vs. St. Francis at St. John Arena
Sunday	1/16	Adults	Buckeye Volleyball Center (BVC) – how many teams will sign up?1
Saturday	1/22	14R/15R	BVC2
Sunday	1/23	16R/18R	BVC3
Saturday	1/29	14N	Ultimate Sports Center4
Sunday	1/30	15R/17R	BVC5
Saturday	2/05	12U/13R	BVC – didn't take it
Sunday	2/06	16R/18R	BVC6
Thursday	2/10	OSU Men's	vs. Quincy at St. John Arena
Saturday	2/12	12U/14R	BVC – didn't take it
Sunday	2/13	16R/17R	BVC7
Saturday	2/19		
Sunday	2/20	Requested	President's Cup at GCCC8
Saturday	2/26	13R	BVC – didn't take it
Sunday	2/27	15R	BVC9
Saturday	3/05		Took/take nothing
Sunday	3/06	17R	BVC10
Saturday	3/12	16A Bid Play In	Columbus-area school/unspecified11
Sunday	3/13	18R Bid Play In	Columbus-area school/unspecified12
Saturday	3/19	12U/13R	BVC – didn't take it/take nothing
Sunday	3/20	16R/17R	BVC13
Saturday	3/26		St. Charles' Classic/OHSBVA
Sunday	3/27	13A, 17R	PN14
Saturday	4/02	15R/18R	BVC15
Sunday	4/03		
Saturday	4/09		
Sunday	4/10	OVR Bid/GCCC	GCCC16
Saturday	4/16		
Sunday	4/17	16R/17R	BVC17
Saturday	4/23	14R	Batter's Box18
Sunday	4/24	Take nothing	Easter this year
Saturday	4/30		Save for D2 OHSBVA?
Sunday	5/01	16A/17A	BVC19
Saturday	5/07	OHSBVA?	GCCC or OHSBVA
Sunday	5/08	OVR/GCCC	Requested/20
Saturday	5/14		OHSBVA - request
Sunday	5/15	16N/16A/16R/17N	GCCC21
Saturday	5/21	OHSBVA Regionals	I'm sure I'll be offered this
Sunday	5/22	Take nothing	Anniversary
Saturday	5/28	OHSBVA State	OHSBVA
Sunday	5/29	OHSBVA State	OHSBVA
June			Nothing
July			CVC Tournament Semis and Finals/Otterbein Summer Tournament
NCAA		NCAA LJ	LJ only – pick and choose for Diane from open dates

December 5, 2012
*ROI 2012 CA-00041
Northeast Ohio Medical University

December 5, 2012
*ROI 2011-104
Ohio Veterans Services

December 5, 2012
*ROI 2011-223
OBWC



officiating volleyball games. Although Brown did not officiate volleyball games on state time, he utilized state resources to schedule and perform non-work related tasks with regard to his personal officiating duties.

During an interview with the Inspector General’s Office, Brown admitted using his state computer for personal use pertaining to his involvement in officiating. After the interview, Brown resigned from his employment with OBWC.

The Inspector General’s Office referred this investigation to the Franklin County Prosecutor’s office for consideration.

OHIO BUREAU OF WORKERS’ COMPENSATION

FILE NO. 2012 CA-00002

The Inspector General’s Office received a complaint alleging OBWC employee Kim Pandilidis fueled her state-issued vehicle on her way to or from work and recorded the mileage on her state-issued vehicle travel logs as travel for business purposes. The complaint identified 54 instances from February 9, 2007, through October 28, 2010, in which the complainant believed Pandilidis reported driving for business purposes, but provided no records substantiating any business activity.

The Inspector General’s Office requested Pandilidis’ cost commute records from OBWC dated January 1, 2008, through October 28, 2010. Of the 42 reports reviewed, 38 instances were identified when fuel was purchased either at a time significantly after Pandilidis had left work or during work hours as reported by Pandilidis in OBWC’s electronic timekeeping system.

Issues were identified involving Pandilidis’ travel which largely fell within the following categories: time and fuel purchases, mileage, discrepancies in reports, and questionable use. Moreover, of the 137 days in question, more than one possible issue was identified related to Pandilidis’ travel on 43 days.

“Pandilidis admitted there were times when she stopped to fuel her state-issued vehicle while commuting to and from work, and then counted the duration of the commute as time at work even after a memo was sent out by OBWC management stating this was improper.”

December 10, 2012
**ROI 2011-225*
Ohio Dept. of Health

December 11, 2012
**ROI 2012 CA-00057*
ODRC

December 11, 2012
**ROI 2012 CA-00102*
ODNR

December 11, 2012
**ROI 2012 CA-00076*
ODRC



A review of travel records by the Inspector General's Office identified instances where entries Pandilidis reported on vehicle expense reports did not match cost commute summary records. In 32 instances, Pandilidis classified all miles recorded on her vehicle expense report as travel for state business purposes, and claimed neither a morning nor afternoon commute on her cost commute summary record.

Pandilidis admitted there were times when she stopped to fuel her state-issued vehicle while commuting to and from work, and then counted the duration of the commute as time at work even after a memo was sent out by OBWC management stating this was improper.

The Inspector General's Office made four recommendations to the Ohio Bureau of Workers' Compensation.

PROFESSIONAL INVOLVEMENT IN THE COMMUNITY

In February, the Inspector General's Office offered a three-day training course on financial crimes. The class was geared toward local law enforcement, and more than 20 individuals attended the seminar. The course provided foundational information on financial crimes, discussed techniques for conveying information using analytics, and provided ideas for presenting information to a prosecutor. The course coupled theoretical discussions and scenarios from past investigations with hands-on exercises for participants to complete in class.



OIG Criminal Analyst Andrea Fausnaugh

The Inspector General's Office was the host agency for the National White Collar Crime Center's Fast Track Training Program at the Columbus Police Academy in June. The Fast Track Program consists of three classes, and provides students with the knowledge and skills to correctly identify digital evidence at a crime scene, collect and preserve the digital media, create duplicate images of the digital media, examine the digital media for evidence, and document their findings in a report.

Also in June, the Inspector General's Office participated in the 40th annual "State Government Day" sponsored by the Ohio chapter of the American Legion Buckeye Boys State and hosted by Bowling Green State University.

December 12, 2012
*ROI 2011-093
Ohio Rail Devel. Corp.

December 13, 2012
*ROI 2011-067
ODJFS

December 14, 2012
Open World Leadership Program -
OIG visited by members of Russian
Federation



Recognized nationally as subject matter experts on process modeling for electronic case management systems, the Inspector General’s Office was invited to present last October, at the 2012 Fall Conference of the National Association of Inspectors General. During the first presentation, the team provided a comprehensive overview of IGNITE (Inspector General’s Network for Investigation, Tracking, and Enforcement), the proprietary case management solution developed by the Inspector General’s Office. In a second course, the team presented a hands-on process modeling exercise.



Deputy Inspector General David Shuster

In October, Dr. Vernon Sykes, a member of the Ohio House of Representatives, together with students involved in the Kent State University Columbus Program in Intergovernmental Issues (CPII), met with the inspector general. As the director of the Department of Political Science, Dr. Sykes provides guidance to a select group of student leaders, from a variety of academic disciplines who are given the opportunity to serve as interns in government in Columbus. Interns study practical aspects of public policy-making firsthand, and are given the opportunity to establish career-long professional contacts and gain valuable pre-career knowledge and skills.



In observance of National Fraud Awareness Week in November, the Inspector General’s Office partnered with Franklin University, National White Collar Crime Center, Ohio Ethics Commission, and Ohio Investigators Association to present a two-day

training conference entitled Targeting Fraud – Safeguarding Integrity. The conference examined the investigative process of uncovering fraud and explored a wide spectrum of topics, including current laws and changing technologies, enhanced methodology of compiling and presenting case summaries, exploring the use of new social media, and the advantage of private/public sector partnerships. Several notable speakers presented, including Assistant U.S. Attorney Ann Rowland and FBI agents R. Michael Massie & Christine C. Oliver who reviewed the investigative strategy leading to the prosecution of more than 60 public officials including former Cuyahoga County Auditor Frank Russo and Commissioner Jimmy Dimora. The conference is slated to be held again in 2013.

December 17, 2012
*ROI 2012 CA-00035
Industrial Comm.

December 17, 2012
*ROI 2012 CA-00100
PUCO

December 18, 2012
*ROI 2008-332
ODOT

December 19, 2012
*ROI 2012 CA-00020
Ohio Turnpike Comm.



Also in November, Inspector General Meyer was the featured speaker presenting on Perspectives on Fraud in the Public Sector held at the 8th Annual Shore Conference on Fraud at the Franklin P. Perdue School of Business at Salisbury University.

A point of achievement and pride was felt by all members of the Inspector General’s Office in December. At the annual holiday dinner held in Columbus, the Ohio Investigators Association presented to Deputy Inspector General Ron Nichols the “2012 Investigator of the Year” award.



Deputy Inspector General Ron Nichols (left) accepts his award from OIA President Ed Waters.

2012 also brought to the Inspector General’s Office

a number of special guests from outside of the United States, coordinated by the International Visitors Council of Columbus (IVC), who is the affiliate of the U.S. State Department, regarding official international visitors coming to Columbus and Central Ohio. One of IVC’s programs, the Community Connections Program, has an objective, “To contribute to the economic and governmental reform in Eurasia; advancing free-market and democratic principles. World representatives are given the opportunity to meet with their professional counterparts, providing visitors with a broad exposure to United States society; promoting mutual understanding and personal connections with Americans.”



With this goal in mind, several visits were organized through the International Visitors Council to afford an opportunity for delegates from various countries including Ukraine, Russia, India, Kyrgyzstan, Kazakhstan, Bangladesh, Turkmenistan, Tajikistan, Uzbekistan, Bhutan and Sri Lanka, to personally speak with Inspector General Meyer, in order to learn more about the inspector general’s role in state government and the office’s important mission in safeguarding integrity.

December 19, 2012
*ROI 2012 CA-00110
OBWC

December 20, 2012
*ROI 2012 CA-00050
Ohio Dept. of Education

December 21, 2012
*ROI 2012 CA-00017
Ohio Dept. of Taxation



APPENDICES

APPENDIX 1: STATUTORY REFERENCES

OHIO REVISED CODE

The following are Ohio Revised Code sections relating to the powers and duties of the Ohio Inspector General:

- 121.41 Definitions
- 121.42 Powers and Duties of the Inspector General
- 121.43 Subpoena power – contempt
- 121.44 Reports of investigation
- 121.45 Cooperating in investigations
- 121.46 Filing of complaint
- 121.47 Confidential information
- 121.48 Appointment of Inspector General
- 121.481 Special investigations fund
- 121.482 Disposition of money received
- 121.49 Qualifications
- 121.50 Administrative rules
- 121.51 Deputy inspector general for transportation department
- 121.52 Deputy inspector general for workers' compensation
- 121.53 Deputy inspector general for funds received through ARRA

121.41 Definitions

As used in sections 121.41 to 121.50 of the Revised Code:

- (A) "Appropriate ethics commission" has the same meaning as in section 102.01 of the Revised Code.
- (B) "Appropriate licensing agency" means a public or private entity that is responsible for licensing, certifying, or registering persons who are engaged in a particular vocation.
- (C) "Person" has the same meaning as in section 1.59 of the Revised Code and also includes any officer or employee of the state or any political subdivision of the state.
- (D) "State agency" has the same meaning as in section 1.60 of the Revised Code and includes the Ohio casino control commission, but does not include any of the following:
 - (1) The general assembly;
 - (2) Any court;
 - (3) The secretary of state, auditor of state, treasurer of state, or attorney general



and their respective offices.

(E) "State employee" means any person who is an employee of a state agency or any person who does business with the state.

(F) "State officer" means any person who is elected or appointed to a public office in a state agency.

(G) "Wrongful act or omission" means an act or omission, committed in the course of office holding or employment, that is not in accordance with the requirements of law or such standards of proper governmental conduct as are commonly accepted in the community and thereby subverts, or tends to subvert, the process of government.

121.42 Powers and Duties of the Inspector General

The inspector general shall do all of the following:

(A) Investigate the management and operation of state agencies on his own initiative in order to determine whether wrongful acts and omissions have been committed or are being committed by state officers or state employees;

(B) Receive complaints under section 121.46 of the Revised Code alleging wrongful acts and omissions, determine whether the information contained in those complaints allege facts that give reasonable cause to investigate, and, if so, investigate to determine if there is reasonable cause to believe that the alleged wrongful act or omission has been committed or is being committed by a state officer or state employee;

(C) Except as otherwise provided in this division, contemporaneously report suspected crimes and wrongful acts or omissions that were or are being committed by state officers or state employees to the governor and to the appropriate state or federal prosecuting authority with jurisdiction over the matter if there is reasonable cause to believe that a crime has occurred or is occurring. In addition, the inspector general shall report the wrongful acts or omissions, as appropriate under the circumstances, to the appropriate ethics commission in accordance with section 102.06 of the Revised Code, the appropriate licensing agency for possible disciplinary action, or the state officer's or state employee's appointing authority for possible disciplinary action. The inspector general shall not report a wrongful act or omission to a person as required by this division if that person allegedly committed or is committing the wrongful act or omission.

(D) Except as otherwise provided in this division, contemporaneously report suspected crimes and wrongful acts or omissions that the inspector general becomes aware of in connection with an investigation of a state agency, state officer, or state employee, and that were or are being committed by persons who are not state officers or state employees to the governor and to the appropriate state or federal prosecuting authority with jurisdiction over the matter if there is reasonable cause to believe that a crime has occurred or is occurring. In addition, the inspector general shall report the wrongful acts or omissions, as appropriate under the circumstances, to the appropriate ethics commission in accordance with section 102.06 of the Revised Code, the appropriate licensing agency for possible disciplinary action, or the person's public or private employer for possible disciplinary action. The inspector general shall not report



a wrongful act or omission to a person as required by this division if that person allegedly committed or is committing the wrongful act or omission.

(E) Prepare a detailed report of each investigation that states the basis for the investigation, the action taken in furtherance of the investigation, and whether the investigation revealed that there was reasonable cause to believe that a wrongful act or omission had occurred. If a wrongful act or omission was identified during the investigation, the report shall identify the person who committed the wrongful act or omission, describe the wrongful act or omission, explain how it was detected, indicate to whom it was reported, and describe what the state agency in which the wrongful act or omission was being committed is doing to change its policies or procedures to prevent recurrences of similar wrongful acts or omissions.

(F) Identify other state agencies that also are responsible for investigating, auditing, reviewing, or evaluating the management and operation of state agencies, and negotiate and enter into agreements with these agencies to share information and avoid duplication of effort;

(G) For his own guidance and the guidance of deputy inspectors general, develop and update in the light of experience, both of the following:

(1) Within the scope of the definition in division (G) of section 121.41 of the Revised Code, a working definition of “wrongful act or omission”;

(2) A manual of investigative techniques.

(H) Conduct studies of techniques of investigating and detecting, and of preventing or reducing the risk of, wrongful acts and omissions by state officers and state employees;

(I) Consult with state agencies and advise them in developing, implementing, and enforcing policies and procedures that will prevent or reduce the risk of wrongful acts and omissions by their state officers or state employees;

(J) After detecting a wrongful act or omission, review and evaluate the relevant policies and procedures of the state agency in which the wrongful act or omission occurred, and advise the state agency as to any changes that should be made in its policies and procedures so as to prevent recurrences of similar wrongful acts or omissions.

§ 121.421 Inspection of employees of the office of attorney general contractually vested with duties to enforce Ohio casino control commission

(A) Notwithstanding division (D)(3) of section 121.41 of the Revised Code, in order to determine whether wrongful acts or omissions have been committed or are being committed by present or former employees, the inspector general shall investigate employees of the office of the attorney general who are contractually vested with duties to enforce Chapter 3772. of the Revised Code, including any designated bureau of criminal identification and investigation support staff that are necessary to fulfill the investigatory and law enforcement functions of the Ohio casino control commission. The inspector general and any deputy inspector general may administer oaths, examine witnesses under oath, and issue subpoenas and subpoenas duces tecum to employees of the office of the attorney general to compel the attendance of witnesses



and the production of all kinds of books, records, papers, and tangible things deemed necessary in the course of any such investigation.

(B) The inspector general may enter into any contracts that are necessary to complete an investigation. The contracts may include contracts for the services of persons who are experts in a particular field and whose expertise is necessary for successful completion of the investigation.

(C) If the authority of the attorney general terminates or expires, the authority vested in the inspector general by this section terminates upon the conclusion of ongoing investigations or upon issuance of the final report of the investigations.

Eff. June 11, 2012.

121.43 Subpoena power - contempt

In performing any investigation, the inspector general and any deputy inspector general may administer oaths, examine witnesses under oath, and issue subpoenas and subpoenas duces tecum to compel the attendance of witnesses and the production of all kinds of books, records, papers, and tangible things. Upon the refusal of a witness to be sworn or to answer any question put to him, or if a person disobeys a subpoena, the inspector general shall apply to the court of common pleas for a contempt order, as in the case of disobedience to the requirements of a subpoena issued from the court of common pleas, or a refusal to testify in the court.

121.44 Reports of investigations

(A) Except as otherwise provided in this section, the report of any investigation conducted by the inspector general or any deputy inspector general is a public record, open to public inspection. The inspector general, or a deputy inspector general, with the written approval of the inspector general, may designate all or part of a report as confidential if doing so preserves the confidentiality of matters made confidential by law or appears reasonably necessary to protect the safety of a witness or to avoid disclosure of investigative techniques that, if disclosed, would enable persons who have been or are committing wrongful acts or omissions to avoid detection. Confidential material shall be marked clearly as being confidential.

(B) The inspector general, free of charge, shall provide a copy of each report of an investigation, including wholly and partially confidential reports, to the governor. In addition, the inspector general, free of charge, shall provide a copy of the report of any investigation, including wholly and partially confidential reports, to a prosecuting authority who may undertake criminal prosecution of a wrongful act or omission described in the report, an ethics commission to which a wrongful act or omission described in the report was reported in accordance with section 102.06 of the Revised Code, and a licensing agency, appointing authority, or public or private employer that may take disciplinary action with regard to a wrongful act or omission described in the report. The inspector general shall not provide a copy of any confidential part of the report of an investigation to a person as required by this division if that



person allegedly committed the wrongful act or omission described in the report. The governor, a prosecuting authority, ethics commission, licensing agency, appointing authority, or public or private employer that receives a report, all or part of which is designated as confidential, shall take all appropriate measures necessary to preserve the confidentiality of the report.

(C) The inspector general shall provide a copy of any nonconfidential report, or the nonconfidential parts of any report, to any other person who requests the copy and pays a fee prescribed by the inspector general. The fee shall not exceed the cost of reproducing and delivering the report.

121.45 Cooperating in investigations

Each state agency, and every state officer and state employee, shall cooperate with, and provide assistance to, the inspector general and any deputy inspector general in the performance of any investigation. In particular, each state agency shall make its premises, equipment, personnel, books, records, and papers readily available to the inspector general or a deputy inspector general.

The inspector general and any deputy inspector general may enter upon the premises of any state agency at any time, without prior announcement, if necessary to the successful completion of an investigation. In the course of an investigation, the inspector general and any deputy inspector general may question any state officer or state employee serving in, and any other person transacting business with, the state agency, and may inspect and copy any books, records, or papers in the possession of the state agency, taking care to preserve the confidentiality of information contained in responses to questions or the books, records, or papers that is made confidential by law.

In performing any investigation, the inspector general and any deputy inspector general shall avoid interfering with the ongoing operations of the state agency being investigated, except insofar as is reasonably necessary to the successful completion of the investigation.

Each state agency shall develop, implement, and enforce policies and procedures that prevent or reduce the risk of wrongful acts and omissions by its state officers or state employees.

Other state agencies that also are responsible for investigating, auditing, reviewing, or evaluating the management and operation of state agencies shall negotiate and enter into agreements with the office of the inspector general for the purpose of sharing information and avoiding duplication of effort.

121.46 Filing of complaint

Any person who knows or has reasonable cause to believe that a state officer or state employee has committed, or is in the process of committing, a wrongful act or omission may prepare and file with the inspector general, a complaint that identifies the person making the report and the state officer or state employee who allegedly committed or is committing



the wrongful act or omission, describes the wrongful act or omission, and explains how the person reporting knew or came to his reasonable cause to believe that the state officer or state employee committed or is in the process of committing the wrongful act or omission. The preparation and filing of the complaint described in this section is in addition to any other report of the wrongful act or omission the person is required by law to make.

The inspector general shall prescribe a form for complaints under this section. The inspector general shall provide a blank copy of the form to any person, free of charge. No complaint is defective, however, because it is not made on the form prescribed by the inspector general.

121.47 Confidential information

No person shall disclose to any person who is not legally entitled to disclosure of the information, any information that is designated as confidential under section 121.44 of the Revised Code, or any confidential information that is acquired in the course of an investigation under section 121.45 of the Revised Code.

121.48 Appointment of Inspector General

There is hereby created the office of the inspector general, to be headed by the inspector general.

The governor shall appoint the inspector general, subject to section 121.49 of the Revised Code and the advice and consent of the senate. The inspector general shall hold office for a term coinciding with the term of the appointing governor. The governor may remove the inspector general from office only after delivering written notice to the inspector general of the reasons for which the governor intends to remove the inspector general from office and providing the inspector general with an opportunity to appear and show cause why the inspector general should not be removed.

In addition to the duties imposed by section 121.42 of the Revised Code, the inspector general shall manage the office of the inspector general. The inspector general shall establish and maintain offices in Columbus.

The inspector general may employ and fix the compensation of one or more deputy inspectors general. Each deputy inspector general shall serve for a term coinciding with the term of the appointing inspector general, and shall perform the duties, including the performance of investigations, that are assigned by the inspector general. All deputy inspectors general are in the unclassified service and serve at the pleasure of the inspector general.

In addition to deputy inspectors general, the inspector general may employ and fix the compensation of professional, technical, and clerical employees that are necessary for the effective and efficient operation of the office of the inspector general. All professional, technical, and clerical employees of the office of the inspector general are in the unclassified



service and serve at the pleasure of the appointing inspector general.

The inspector general may enter into any contracts that are necessary to the operation of the office of the inspector general. The contracts may include, but are not limited to, contracts for the services of persons who are experts in a particular field and whose expertise is necessary to the successful completion of an investigation.

Not later than the first day of March in each year, the inspector general shall publish an annual report summarizing the activities of the inspector general's office during the previous calendar year. The annual report shall not disclose the results of any investigation insofar as the results are designated as confidential under section 121.44 of the Revised Code.

The inspector general shall provide copies of the inspector general's annual report to the governor and the general assembly. The inspector general also shall provide a copy of the annual report to any other person who requests the copy and pays a fee prescribed by the inspector general. The fee shall not exceed the cost of reproducing and delivering the annual report.

121.481 Special investigations fund

The special investigations fund is hereby created in the state treasury for the purpose of paying costs of investigations conducted by the inspector general. In response to requests from the inspector general, the controlling board may make transfers to the fund from the emergency purposes appropriation of the board, subject to the following conditions:

- (A) The inspector general shall not request a transfer that would cause the unobligated, unencumbered balance in the fund to exceed one hundred thousand dollars at any one time;
- (B) In requesting a transfer, the inspector general shall not disclose any information that would risk impairing the investigation if it became public, provided that after any investigation using money transferred to the fund from an emergency purposes appropriation has been completed, the inspector general shall report to the board the object and cost of the investigation, but not any information designated as confidential under section 121.44 of the Revised Code.

121.482 Disposition of money received

Money the inspector general receives pursuant to court orders or settlements shall be deposited into the state treasury to the credit of the general revenue fund.

121.49 Qualifications

- (A) Subject to division (B) of this section, only an individual who meets one or more of the following qualifications is eligible to be appointed inspector general:
 - (1) At least five years experience as a law enforcement officer in this or any other state;



- (2) Admission to the bar of this or any other state;
 - (3) Certification as a certified public accountant in this or any other state;
 - (4) At least five years service as the comptroller or similar officer of a public or private entity in this or any other state.
- (B) No individual who has been convicted, in this or any other state, of a felony or of any crime involving fraud, dishonesty, or moral turpitude shall be appointed inspector general.

121.50 Administrative rules

The inspector general, in accordance with Chapter 119 of the Revised Code, shall adopt, and may amend and rescind, those rules he finds necessary for the successful implementation and efficient operation of sections 121.41 to 121.48 of the Revised Code.

121.51 Deputy inspector general for transportation department

There is hereby created in the office of the inspector general the position of deputy inspector general for the department of transportation. The inspector general shall appoint the deputy inspector general, and the deputy inspector general shall serve at the pleasure of the inspector general. A person employed as the deputy inspector general shall have the same qualifications as those specified in section 121.49 of the Revised Code for the inspector general. The inspector general shall provide technical, professional, and clerical assistance to the deputy inspector general.

There is hereby created in the state treasury the deputy inspector general for ODOT fund. The fund shall consist of money credited to the fund for the payment of costs incurred by the deputy inspector general in performing the duties of the deputy inspector general as specified in this section. The inspector general shall use the fund to pay costs incurred by the deputy inspector general in performing the duties of the deputy inspector general as required under this section.

The deputy inspector general shall investigate all wrongful acts or omissions that have been committed or are being committed by employees of the department. In addition, the deputy inspector general shall conduct a program of random review of the processing of contracts associated with building and maintaining the state's infrastructure. The random review program shall be designed by the inspector general. The program shall be confidential and may be altered by the inspector general at any time. The deputy inspector general has the same powers and duties regarding matters concerning the department as those specified in sections 121.42, 121.43, and 121.45 of the Revised Code for the inspector general. Complaints may be filed with the deputy inspector general in the same manner as prescribed for complaints filed with the inspector general under section 121.46 of the Revised Code. All investigations conducted and reports issued by the deputy inspector general are subject to section 121.44 of the Revised Code.

All officers and employees of the department shall cooperate with and provide assistance to the deputy inspector general in the performance of any investigation conducted by the



deputy inspector general. In particular, those persons shall make their premises, equipment, personnel, books, records, and papers readily available to the deputy inspector general. In the course of an investigation, the deputy inspector general may question any officers or employees of the department and any person transacting business with the department and may inspect and copy any books, records, or papers in the possession of the department, taking care to preserve the confidentiality of information contained in responses to questions or the books, records, or papers that are made confidential by law. In performing any investigation, the deputy inspector general shall avoid interfering with the ongoing operations of the department, except insofar as is reasonably necessary to complete the investigation successfully.

At the conclusion of an investigation by the deputy inspector general, the deputy inspector general shall deliver to the director of transportation and the governor any case for which remedial action is necessary. The deputy inspector general shall maintain a public record of the activities of the deputy inspector general to the extent permitted under this section, ensuring that the rights of the parties involved in each case are protected. The inspector general shall include in the annual report required by section 121.48 of the Revised Code a summary of the deputy inspector general's activities during the previous year.

No person shall disclose any information that is designated as confidential in accordance with section 121.44 of the Revised Code or any confidential information that is acquired in the course of an investigation conducted under this section to any person who is not legally entitled to disclosure of that information.

121.52 Deputy inspector general for workers' compensation

There is hereby created in the office of the inspector general the office of deputy inspector general for the bureau of workers' compensation and industrial commission. The inspector general shall appoint the deputy inspector general, and the deputy inspector general shall serve at the pleasure of the inspector general. A person employed as the deputy inspector general shall have the same qualifications as those specified in section 121.49 of the Revised Code for the inspector general. The inspector general shall provide professional and clerical assistance to the deputy inspector general.

The deputy inspector general for the bureau of workers' compensation and the industrial commission shall investigate wrongful acts or omissions that have been committed by or are being committed by officers or employees of the bureau of workers' compensation and the industrial commission. The deputy inspector general has the same powers and duties regarding matters concerning the bureau and the commission as those specified in sections 121.42, 121.43, and 121.45 of the Revised Code for the inspector general. Complaints may be filed with the deputy inspector general in the same manner as prescribed for complaints filed with the inspector general under section 121.46 of the Revised Code. All investigations conducted and reports issued by the deputy inspector general are subject to section 121.44 of the Revised Code.



There is hereby created in the state treasury the deputy inspector general for the bureau of workers' compensation and industrial commission fund, which shall consist of moneys deposited into it that the inspector general receives from the administrator of workers' compensation and receives from the industrial commission in accordance with this section. The inspector general shall use the fund to pay the costs incurred by the deputy inspector general in performing the duties of the deputy inspector general as required under this section.

The members of the industrial commission, bureau of workers' compensation board of directors, workers' compensation audit committee, workers' compensation actuarial committee, and workers' compensation investment committee, and the administrator, and employees of the industrial commission and the bureau shall cooperate with and provide assistance to the deputy inspector general in the performance of any investigation conducted by the deputy inspector general. In particular, those persons shall make their premises, equipment, personnel, books, records, and papers readily available to the deputy inspector general. In the course of an investigation, the deputy inspector general may question any person employed by the industrial commission or the administrator and any person transacting business with the industrial commission, the board, the audit committee, the actuarial committee, the investment committee, the administrator, or the bureau and may inspect and copy any books, records, or papers in the possession of those persons or entities, taking care to preserve the confidentiality of information contained in responses to questions or the books, records, or papers that are made confidential by law.

In performing any investigation, the deputy inspector general shall avoid interfering with the ongoing operations of the entities being investigated, except insofar as is reasonably necessary to successfully complete the investigation.

At the conclusion of an investigation conducted by the deputy inspector general for the bureau of workers' compensation and industrial commission, the deputy inspector general shall deliver to the board, the administrator, the industrial commission, and the governor any case for which remedial action is necessary. The deputy inspector general shall maintain a public record of the activities of the office of the deputy inspector general to the extent permitted under this section, ensuring that the rights of the parties involved in each case are protected. The inspector general shall include in the annual report required under section 121.48 of the Revised Code a summary of the activities of the deputy inspector general during the previous year.

No person shall disclose any information that is designated as confidential in accordance with section 121.44 of the Revised Code or any confidential information that is acquired in the course of an investigation conducted under this section to any person who is not legally entitled to disclosure of that information.

121.53 [Repealed Effective 9/30/2013] Deputy inspector general for funds received through the American Recovery and Reinvestment Act of 2009

There is hereby created in the office of the inspector general the position of deputy inspector general for funds received through the American Recovery and Reinvestment Act of 2009.



The inspector general shall appoint the deputy inspector general, and the deputy inspector general shall serve at the pleasure of the inspector general. A person employed as the deputy inspector general shall have the same qualifications as those specified in section 121.49 of the Revised Code for the inspector general. The inspector general shall provide technical, professional, and clerical assistance to the deputy inspector general.

There is hereby created in the state treasury the deputy inspector general for funds received through the American recovery and reinvestment act of 2009 fund. The fund shall consist of money credited to the fund for the payment of costs incurred by the deputy inspector general for performing the duties of the deputy inspector general as specified in this section. The inspector general shall use the fund to pay costs incurred by the deputy inspector general in performing the duties of the deputy inspector general as required under this section.

The deputy inspector general shall monitor relevant state agencies' distribution of funds received from the federal government under the "American Recovery and Reinvestment Act of 2009," Pub. Law 111-5, 123 Stat. 115 and shall investigate all wrongful acts or omissions that have been committed or are being committed by officers or employees of, or contractors with, relevant state agencies with respect to money received from the federal government under the American Recovery and Reinvestment Act of 2009. In addition, the deputy inspector general shall conduct a program of random review of the processing of contracts associated with projects to be paid for with such money. The random review program shall be designed by the inspector general. The program shall be confidential and may be altered by the inspector general at any time. The deputy inspector general has the same powers and duties regarding matters concerning such money as those specified in sections 121.42, 121.43, and 121.45 of the Revised Code for the inspector general. Complaints may be filed with the deputy inspector general in the same manner as prescribed for complaints filed with the inspector general under section 121.46 of the Revised Code. All investigations conducted and reports issued by the deputy inspector general are subject to section 121.44 of the Revised Code.

All relevant state agencies shall cooperate with and provide assistance to the deputy inspector general in the performance of any investigation conducted by the deputy inspector general. In particular, those persons shall make their premises, equipment, personnel, books, records, and papers readily available to the deputy inspector general. In the course of an investigation, the deputy inspector general may question any officers or employees of the relevant agency and any person transacting business with the agency and may inspect and copy any books, records, or papers in the possession of the agency, taking care to preserve the confidentiality of information contained in responses to questions or the books, records, or papers that are made confidential by law. In performing any investigation, the deputy inspector general shall avoid interfering with the ongoing operations of the agency, except as is reasonably necessary to complete the investigation successfully.

At the conclusion of an investigation by the deputy inspector, the deputy inspector general shall deliver to the speaker and minority leader of the house of representatives, president and



minority leader of the senate, governor, and relevant agency any case for which remedial action is necessary. The deputy inspector general shall maintain a public record of the activities of the deputy inspector general to the extent permitted under this section, ensuring that the rights of the parties involved in each case are protected. The inspector general shall include in the annual report required by section 121.48 of the Revised Code a summary of the deputy inspector general's activities during the previous year.

No person shall disclose any information that is designated as confidential in accordance with section 121.44 of the Revised Code or any confidential information that is acquired in the course of an investigation conducted under this section to any person who is not legally entitled to disclosure of that information.

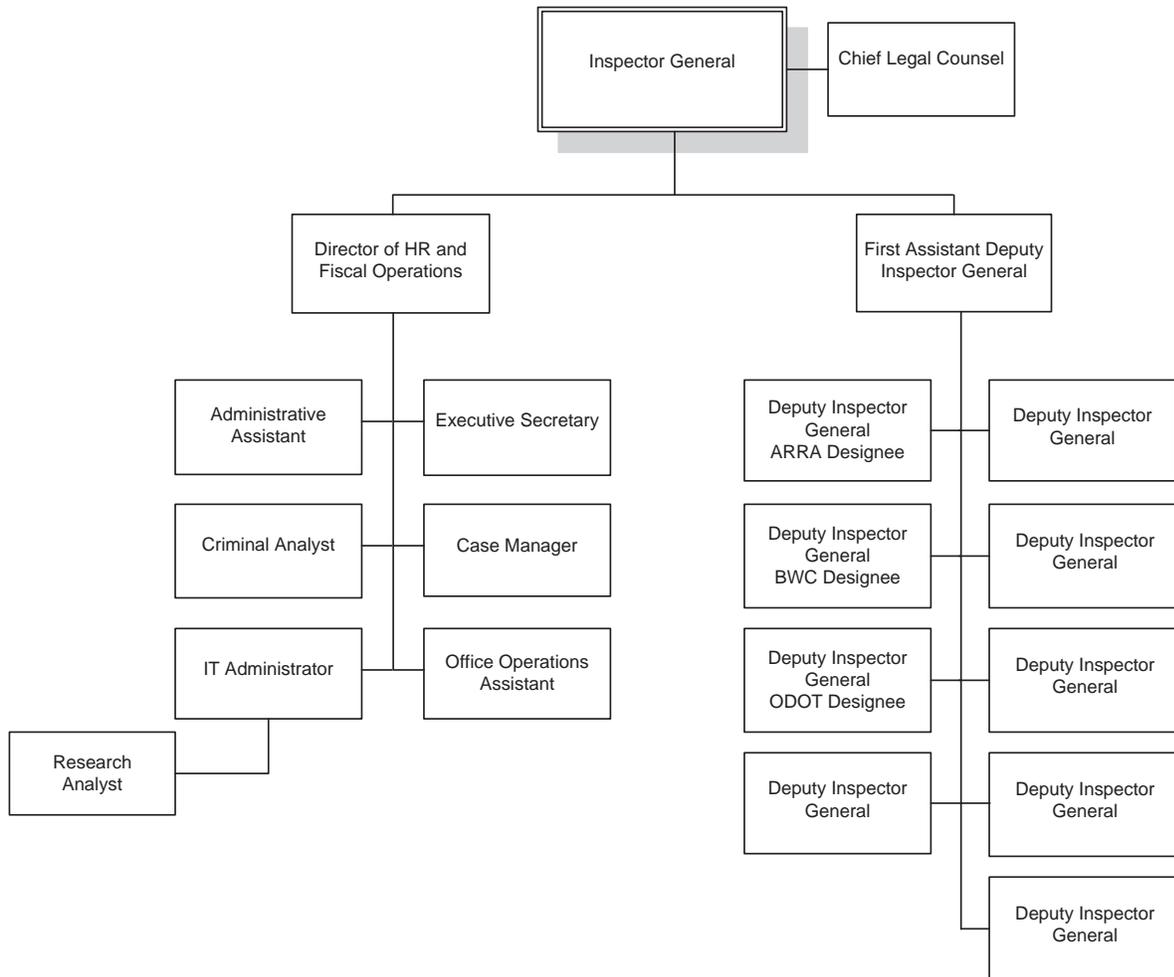
As used in this section, "relevant state agencies" has the same meaning as "state agency" in section 121.41 of the Revised Code insofar as those agencies are the recipients or distributors of funds apportioned under the "American Recovery and Reinvestment Act of 2009," Pub. Law 111-5, 123 Stat. 115.

In this section, "American Recovery and Reinvestment Act of 2009" means the "American Recovery and Reinvestment Act of 2009," Pub. L. No. 111-5, 123 Stat. 115.



TABLE OF ORGANIZATION

APPENDIX 2: TABLE OF ORGANIZATION





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