



OFFICE OF THE  
OHIO INSPECTOR GENERAL

RANDALL J. MEYER,  
INSPECTOR GENERAL

2014  
ANNUAL REPORT



## INSPECTOR GENERAL RANDALL J. MEYER

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Randall J. Meyer was appointed by the governor of Ohio, and confirmed by the Ohio Senate, as the 4th Ohio Inspector General in January 2011. While serving as the inspector general, Meyer has issued more than 400 reports of investigation, designed and instituted an advanced electronic case management system, and improved the office's operational methods and practices, minimizing the cost of operation.

Prior to becoming Inspector General, Meyer dedicated his career to public service for 25 years. After completing four years of honorable military service in the United States Navy, Meyer began work as a police officer in 1990, serving as a deputy in the San Francisco Bay area. In 1992, Meyer moved back to Ohio, working first as an officer, and then as a detective for the City of Wilmington Police Department. In 1999, Meyer was recruited to serve as a criminal investigator for the Ohio Attorney General and was eventually promoted to lead the Ohio Attorney General's Anti-Gang Unit. During this time, Meyer developed and established G.U.A.R.D., a statewide security threat group database which singularly integrated the various data collection systems used by different investigative entities. In 2003, Meyer joined the Ohio Auditor of State's Public Corruption Unit as a lead investigator and, in 2007, was promoted to Chief of Special Investigations, managing the unit's responsibility of identifying misappropriated or illegally expended public funds, and instituting a statewide fraud prevention training program.

Meyer holds a bachelor's degree in Public Safety Management from Franklin University, is a certified fraud examiner for the Association of Certified Fraud Examiners (ACFE), and is both a certified instructor for the National White Collar Crime Association (NW3C) and the Ohio Peace Officer Training Academy. Meyer is a commissioned peace officer with the Clinton County Sheriff's Office, has served as a member of the Franklin University Criminal Justice Advisory Board since 2009, and has been on the board of directors of the National White Collar Crime Center (NW3C) since 2008. Inspector General Meyer was recently elected to a three-year term as a member of the board of directors of the Association of Inspectors General.

## MESSAGE FROM THE INSPECTOR GENERAL



RANDALL J. MEYER  
INSPECTOR GENERAL

I am pleased to present the Office of the Inspector General's 2014 Annual Report. This report is submitted to the governor and members of the 131st Ohio General Assembly to meet the requirements set forth in Ohio Revised Code §121.48, and to provide insight into the duties of this office and its role in upholding integrity in state government. The following pages outline the mission and responsibilities of the Inspector General's Office; examine the office's complaint and investigative processes and related statistics; and cite summaries of several investigations issued during 2014. In 2014, this office continued to embrace the use of technology, utilize staff expertise and collaboratively create an environment that embodies the mission of this office. In particular, more than 90 cases were closed and issued in 2014, and more than 350 complaints were received and assessed; of which, 82 new cases were opened.

Though the mission of the Inspector General's Office has remained the same for more than a quarter-century, this office continues to tackle the challenges, increasing duties, and unforeseen hurdles inherent with such a critical responsibility. During the last four years, the Inspector General Office's operational methods and practices have evolved, and subsequently, improved.

In assembling a staff of various professionals who represent diverse educational backgrounds, credentials, and professional expertise, we have continued to effectively promote my goal of instituting a team methodology in the investigative process. This team approach is necessary to combat the ever-changing landscape of public corruption and allows investigators to concentrate on the fundamental elements of the investigation, while working with other members of the investigative staff with differing areas of expertise.

Instituting many procedural changes and incorporating the use of more sophisticated tools to improve the office's overall investigative process has proven to be very valuable. In early 2012, the initiation and establishment of a case management system, IGNITE, enhanced the investigative process by affording investigators the ability to discern patterns by connecting people, organizations, locations, and property from one case to another. The results have had a profound effect on the office's overall investigative process.

As the Inspector General, I am committed to investigating allegations of wrongful acts or omissions without bias or outside influence and in a timely, thorough, and impartial manner. The Inspector General's Office 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 uphold the public trust.

Respectfully submitted,

A handwritten signature in black ink that reads "Randall J. Meyer". The signature is written in a cursive, flowing style.

Randall J. Meyer

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## MISSION AND RESPONSIBILITIES

### THE OFFICE OF THE INSPECTOR GENERAL SAFEGUARDING INTEGRITY IN STATE GOVERNMENT



The Office of the Ohio Inspector General was established in 1988 by an Executive Order of the Governor. Through this executive order, 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 legislature passed Amended Substitute House Bill 588, which permanently established the position and the office of the Ohio Inspector General.

The jurisdiction of the Inspector General’s Office is limited to the executive branch of state government. The inspector general is authorized by law to investigate alleged wrongful acts or omissions committed by state officers or employees. It extends to the governor, the governor’s cabinet and staff, state agencies (as defined in Ohio Revised Code (ORC) §1.60), departments, and boards and commissions. The inspector general’s 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 state officers or employees are statutorily excluded from the jurisdiction of the Inspector General’s Office. Likewise, the office has no authority to investigate allegations concerning any federal, county, municipal or other local officials, agencies, or governing bodies.

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.

Those individuals who contract with state agencies or who otherwise do business with the state may also fall under the purview of this office. 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 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. The office’s 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.

## CONDUCTING AN INVESTIGATION

### COMPLAINT PROCESS AND REPORTS OF INVESTIGATION

Anyone may file a complaint with the Inspector General's Office. At times, complaints are forwarded by other agencies or officials. Complaint forms can be downloaded from the Inspector General's website or are provided upon request. Complaints can be made anonymously; however, it may be difficult to verify the information provided or ask additional questions.

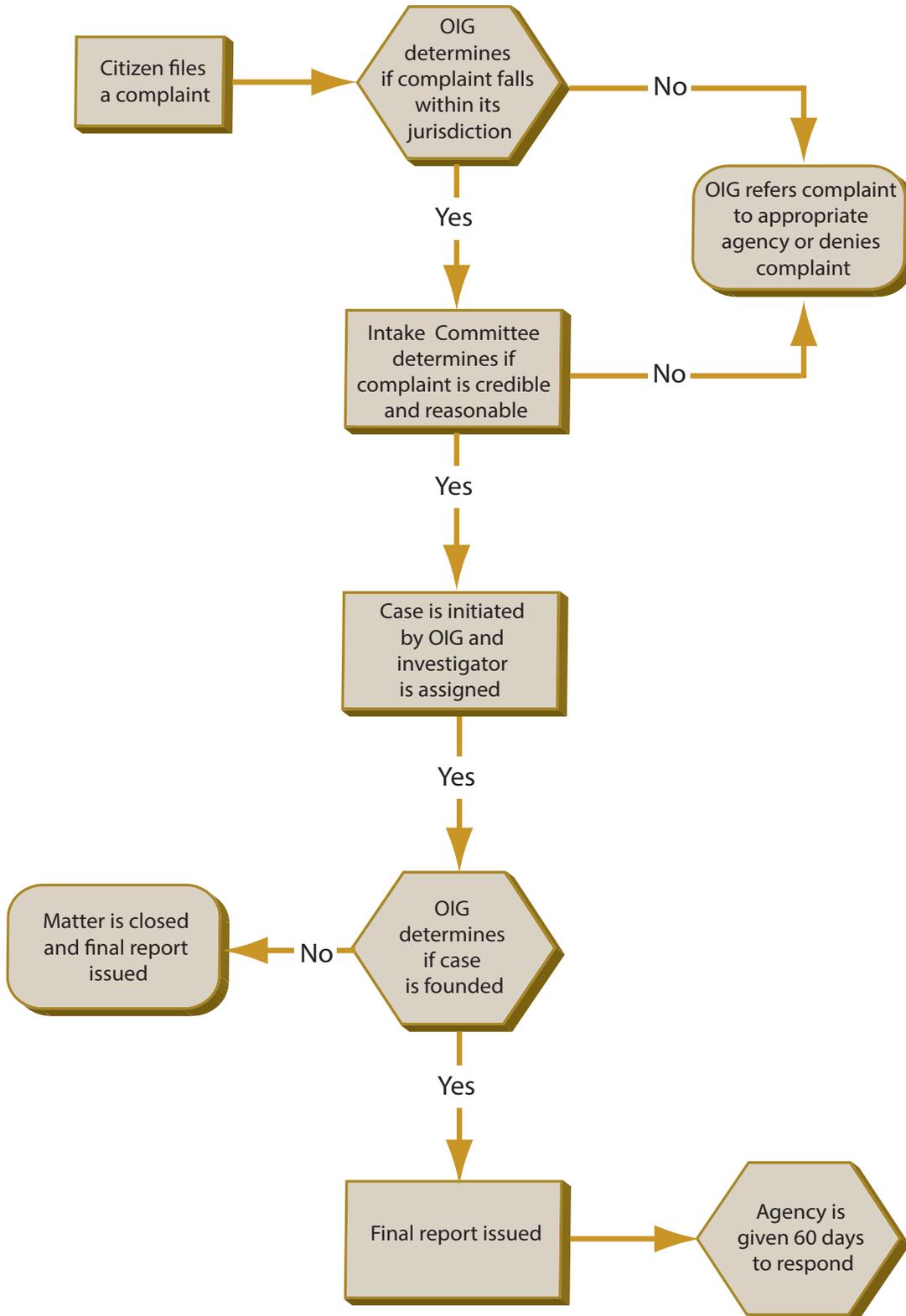
The inspector general may grant complainants or witnesses confidentiality. When appropriate, information received from complainants and witnesses may also be deemed "confidential." Confidentiality is appropriate when it is necessary to protect a witness. It is also appropriate in cases where the information and documentation provided during the course of an investigation would, if disclosed, compromise the integrity of the investigation or when considered confidential by operation of law.

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, the office will make every effort to advise the complainant to consult with private legal counsel or 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 the inspector general's jurisdiction is assigned to a deputy inspector general for investigation. Opened and ongoing investigations are generally not subject to public disclosure in order to safeguard the integrity of the investigative process. In instances where a complaint is unsubstantiated, or another agency is better suited to address a complainant's issues, the office will make every effort to direct him or her to a more appropriate agency, organization, or resource.

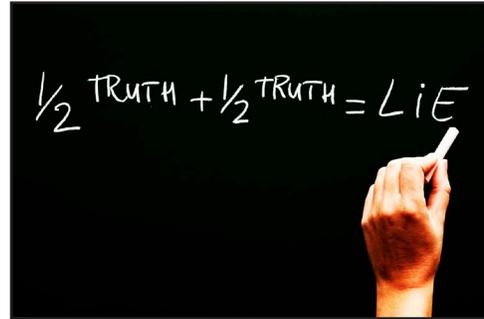
At the conclusion of an investigation by the Inspector General's Office, a report of investigation is completed and provided to the governor and the agency subject to investigation. The report may include recommendations for the agency to consider in addressing and avoiding the recurrence of fraud, waste, abuse, or corruption uncovered by the investigation. For each report where the Inspector General concludes there is reasonable cause to believe wrongful acts or omissions have occurred, the agency subject to the investigation is asked to respond back to the Ohio Inspector General within 60 days of the issuance of the report, detailing how the report's recommendations will be implemented. Although there is no enforcement mechanism to ensure items are addressed, the inspector general exercises his due diligence and follows up with the agency. When appropriate, a report of investigation may also be forwarded to a prosecutor for review to determine whether the underlying facts give rise to a criminal prosecution. Selected issued reports of investigation are posted on the Ohio Inspector General's website and all issued reports of investigation are available to the public upon request.

# 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. Five types of wrongdoing falling under the inspector general's jurisdiction are:



### 1. FRAUD

**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

### 2. WASTE

**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

### 3. 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

### 4. 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

### 5. 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

## 2014 STATISTICAL SUMMARY

The Inspector General’s Office received a total of 363 complaints in 2014. From 1999 through 2014, nearly 5,900 complaints have been reviewed.

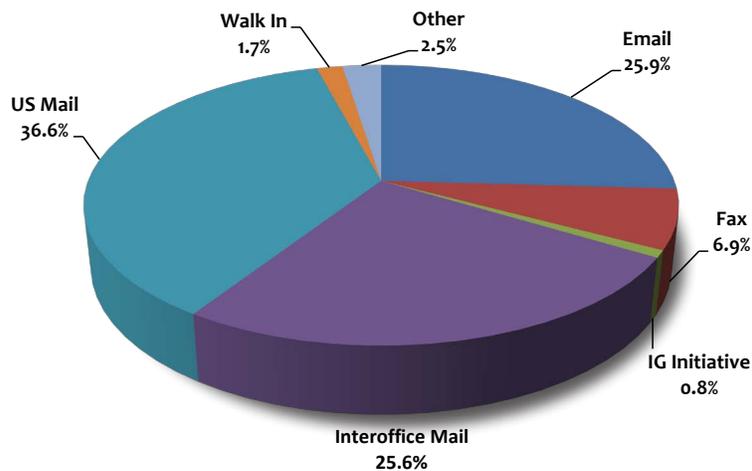
2014 Complaint Status					
	GENERAL	ARRA	ODOT	OBWC/IC	ALL
Cases Opened <sup>1</sup>	58	0	9	15	82
No Jurisdiction	56	1	0	0	57
Insufficient Cause	110	0	2	9	121
Referred	80	0	1	5	86
Pending <sup>2</sup>	16	0	0	1	17
<b>Complaint Totals</b>	<b>320</b>	<b>1</b>	<b>12</b>	<b>30</b>	<b>363</b>

<sup>1</sup> “Cases Opened” are the number of complaints that became open cases, including those related complaints that were incorporated into existing open cases. These statistics do not include complaints filed in 2013 that were opened as cases in 2014.

<sup>2</sup> “Pending” are those complaints that require additional information before a determination can be made.

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

Methods in which Complaints were Received in 2014

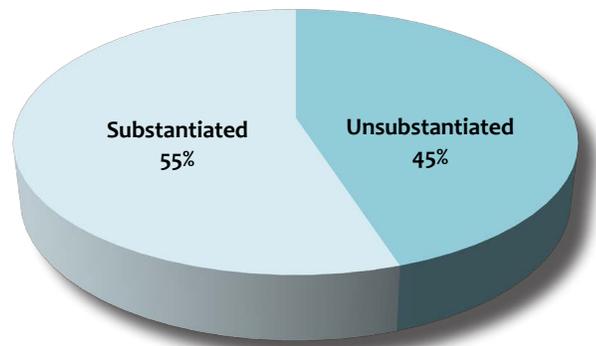


The Inspector General’s Office closed 95 cases in 2014. A number of those cases were opened in previous years. The following chart summarizes the outcome of the cases closed during the period covered by the 2014 Annual Report:

Results of Cases Closed in 2014	
Total Recommendations Made to Agencies	177 in 38 cases
Total Referrals	34 in 19 cases
Total Criminal Charges	4 in 1 case
Identified \$ Loss	\$224,829,570.67 in 8 cases

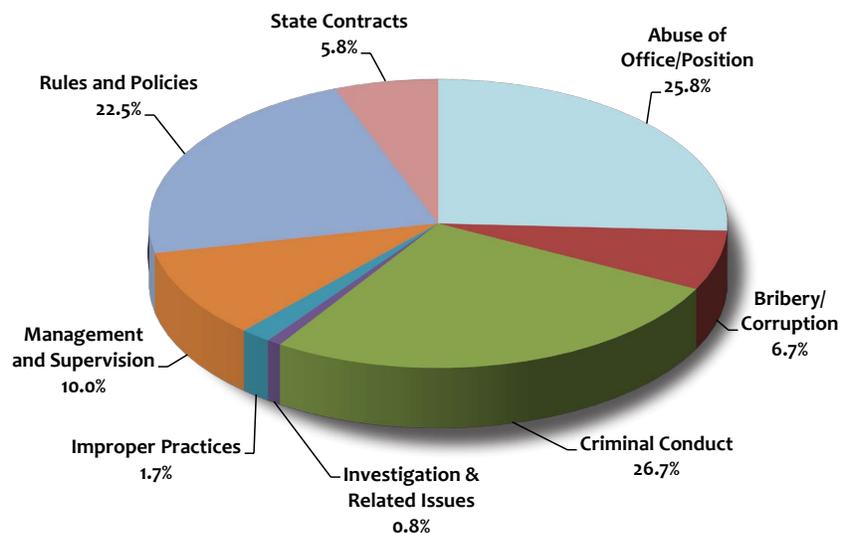
Of the 95 cases closed in 2014, the following chart designates the percentage of allegations in closed cases that were found to be substantiated versus those allegations that were found to be unsubstantiated.

Findings of Allegations for Cases Closed in 2014



The following chart highlights the types of wrongdoing alleged in cases closed in 2014. Cases investigated for criminal conduct (26.7 percent) and abuse of office/position (25.8 percent) led the categories in the cases closed for 2014.

Substantiated Allegations by Type in 2014



## GENERAL AREA

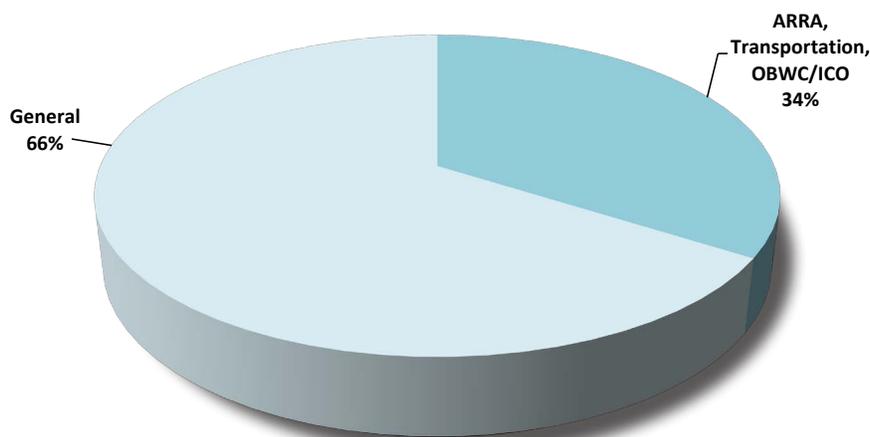
### 2014 REPORT

In order to efficiently investigate matters delegated to this office by statute, the Inspector General’s Office divides its investigatory casework between four separate areas. Three of these areas, Ohio Bureau of Workers’ Compensation/Industrial Commission of Ohio, Ohio Department of Transportation, and American Recovery and Reinvestment Act, have assigned deputy inspectors general. These designated positions were created by specific statutes for each of the three corresponding areas.

The fourth area, the General Area, is broad in scope and encompasses all the remaining state of Ohio departments and agencies under the purview of the Inspector General’s Office. Deputy inspectors general who are assigned casework in the General Area are responsible for a wide area of Ohio government including the departments of Natural Resources, Job and Family Services, Public Safety, and Rehabilitation and Correction, to name a few. Because of the extensive nature of the casework performed in the General Area, this area generates and reflects the largest amount of cases completed, or closed, by the office.

In 2014, there were 56 cases opened and 63 cases closed in the General Area of the Inspector General’s Office. As part of the lifespan of a case, the number of cases closed may reflect cases that were opened in previous years.

**2014 Cases Closed in the General Area**



## SUMMARIES OF SELECTED CASES - GENERAL

### OHIO DEPARTMENT OF ADMINISTRATIVE SERVICES

FILE ID NO.: 2014-CA00039

On May 13, 2014, the Inspector General's Office, in conjunction with the Ohio Ethics Commission, initiated an investigation into a complaint from the Ohio Department of Administrative Services alleging Harry Colson, interim equal opportunity coordinator of the Equal Opportunity Division (EOD), granted an exception to a Minority Business Enterprise (MBE) certification requirement and certified a business owned by his wife.



Colson directed an Equal Employment Opportunity (EEO) program manager to expedite an application for MBE certification submitted for his wife's company. A compliance officer was assigned to review the application, and recommended denying the certification because the company failed to meet the requirement that it be in business for at least one year to be eligible for certification. The EEO program manager agreed with the compliance officer's recommendation for denial, suggesting to Colson on several occasions that he rethink his decision to participate in approving the certification for his wife's company. However, Colson told the program director that he was approving the application and directed that the application review be "fast tracked" and moved forward. The company owned by Colson's wife was MBE certified on May 9, 2014.

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*"... Colson told the program director that he was approving the application and directed that the application review be 'fast tracked' and moved forward."*

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Colson claimed his decision to grant his wife MBE certification was based on opinions provided to him by the Ohio Ethics Commission. The Ohio Ethics Commission pointed out, however, that the opinions clearly state that an individual is prohibited from participating in any process involving a family member who has matters before that individual's agency.

In response to the Inspector General's investigation, the Ohio Department of Administrative Services notified the Inspector General's Office that Harry Colson is no longer employed by the department.

On May 20, 2014, the Equal Opportunity Division sent a letter to Colson's wife's company rescinding its MBE certification effective immediately. The company has appealed the denial of its MBE application.

This report of investigation was provided to the Columbus City Attorney and the Ohio Ethics Commission for consideration.

**OHIO DEPARTMENT OF JOB AND FAMILY SERVICES**

**FILE ID NO.: 2013-CA00092**

The Inspector General's Office found that Carrie Menser, in her capacity as a customer service representative with the Ohio Department of Job and Family Services (ODJFS), accessed her boyfriend's Ohio Job Insurance account on 22 separate occasions using her ODJFS user-based privileges, with no valid business reason.

The Inspector General's Office's review of the claimant's (Menser's boyfriend) "continued claim application history" revealed that the weekly applications on the claimant's unemployment compensation claim were being submitted uninterrupted, even during the period of time when the claimant was incarcerated.

The Inspector General's Office found that several of the weekly continued claim applications submitted on the claimant's unemployment compensation claim were submitted from IP addresses linked to Menser's home address, the Summit County One Stop where Menser was employed, or ODJFS' wireless network system. The claim applications submitted from the IP addresses reserved for the Summit County One Stop and ODJFS wireless were submitted during Menser's assigned work hours.



The Inspector General's Office's review of the U.S. Bank ReliaCard records for the claimant's account revealed Menser's home address was the same address that communications, including statements, were being sent. The review also found that a new ReliaCard was issued and sent to Menser's home address on December 27, 2012, while the claimant was incarcerated. The ReliaCard was issued as a result of a female who identified herself as the claimant's wife calling on December 11, 2012, to report the claimant's card lost or stolen. Menser's personal cellular telephone records from AT&T Mobility reflected that calls from Menser's telephone to U.S. Bank had occurred at the same time on December 11, 2012.

A review of the U.S. Bank ReliaCard account records further revealed several purchases on the card during the time period the claimant was incarcerated. These purchases included one transaction to transfer money into the claimant's commissary account at the Summit County Jail, and another transaction to IC Solutions to transfer money into the claimant's account using the new ReliaCard issued on December 27.

Following a pre-disciplinary hearing, Menser submitted her resignation from the Office of Job and Family Services. On May 29, 2014, Carrie Menser was indicted by the Summit County Grand Jury for one count of Tampering with Records, one count of Unauthorized Use of a Computer, and two counts of Theft in Office. Menser plead guilty to the two counts of Theft in Office, with the remaining charges dismissed. Menser was sentenced to two

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***"Menser was sentenced to two years of community control and ordered to pay \$710 in restitution to the Ohio Department of Job and Family Services."***

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years of community control and ordered to pay \$710 in restitution to the Ohio Department of Job and Family Services.

**OHIO DEPARTMENT OF PUBLIC SAFETY  
FILE ID NO.: 2013-CA00047**

Various Ohio State Highway Patrol (OSHP) post facilities located throughout the state have been experiencing problems with aging security and entry systems. Early in 2012, OSHP began the process to replace the security and entry systems. At that time, Safety Technologies Inc. (STI) was the only vendor on the State Term Schedule who provided these systems.

On June 27, 2013, the Inspector General’s Office received a complaint from Christopher M. Jones alleging STI overbilled OSHP for security devices installed at various OSHP posts. Jones was the STI account manager on the project for security upgrades at OSHP posts in 2012. Jones claimed STI billed OSHP for the number of estimated labor hours expected to install card swipe door access devices instead of the actual hours of labor required to install the devices. To support his allegation, Jones provided a photo of a whiteboard displaying a list of OSHP posts with the number of estimated labor hours and the much lower number of actual labor hours spent to complete the installations for each post listed. Jones reported that this whiteboard was located in the office of STI Vice President Dan Sexton. Jones also claimed that after he confronted STI Owner and President Michael Pope about the overbilling, his employment with STI was terminated.

Whiteboard in Sexton’s Office

Euclid	# 1176	41 hrs.	30 hrs.	Done
Norwalk	# 1295	48 hrs.	2 hrs.	Done
Ashtabula	# 1197	21 hrs.	13 hrs.	Done
West Jefferson	# 1117	18 hrs.	5 hrs.	Done
Granville	# 1039	13 hrs.	5 hrs.	Done
Freemont	# 1198	21 hrs.	12 hrs.	Done
Toledo	# 1219	48.5 hrs.	21 hrs.	Done
Ashland	# 1297	55 hrs.	23.5 hrs.	Done
Steubenville	# 1319	40 hrs.	38.5 hrs.	Done
Circleville	# 1329	24.5 hrs.	20 hrs.	Done
Portsmouth	# 1247	57.5 hrs.	19.75 hrs.	Done
Jackson	# 1183	164 hrs.	15.75 hrs.	Done
Chillicothe	# 1320	45 hrs.	18 hrs.	Done
Canton	# 1291	67 hrs.	38 hrs.	Done
Dayton	# 1271	61.5 hrs.	40.5 hrs.	Done
Wapakoneta	# 1220	65 hrs.		
New Philadelphia	# 1333	37 hrs.		
Bucyrus	# 1332	77 hrs.		
Warren	# 1218	81 hrs.		
Chardon	# 1344	24.5 hrs.	10 hrs.	Done

The Inspector General’s Office and the Ohio State Highway Patrol interviewed STI President Michael Pope. Pope said Jones was terminated because he attempted to conspire with a sub-contractor to overbill STI on the project and to benefit financially.

Pope was asked to explain why STI billed OSHP for the estimated labor hours instead of the actual hours spent on the job. Pope said the “used” hours on the chart in Sexton’s office were just the number of hours the installers claimed, and did not include any administrative time by office personnel related to each job.

The Inspector General’s Office subpoenaed information from STI that was used to create a spreadsheet which revealed STI billed OSHP for 565 labor hours more than was actually

worked, totaling \$36,137. Additionally, STI improperly billed OSHP 114.5 hours for travel time, which totaled \$7,156. Though STI billed OSHP for 365.5 hours for programming, the company's records only showed two hours of programming being completed. STI charged a rate of \$75 per hour for programming and a rate of \$62.50 per hour for installation work.

The State Term Schedule contract requires vendors to submit invoices that include, "... unit price, quantity and total price of the products and services." The STI invoices either did not specify the quantity or number of labor hours worked, or had listed labor as a single billing line item. Additionally, the Ohio Department of Public Safety accepted and paid these improper invoices.

STI failed to submit a list identifying its subcontractors or joint venture partners performing portions of the work under the contract.

The Inspector General's Office recommended that the Ohio Department of Public Safety ensure vendor invoices comply with the terms and conditions of the contract, and review additional job sites completed by STI for overbilling.

The Inspector General's Office also recommended the Ohio Department of Administrative Services review the actions of STI to determine if sanctions are appropriate and pursue recovery of all overpayments; and clarify to all vendors that only labor hours actually worked may be billed to the State of Ohio.

#### **OHIO STATE DENTAL BOARD FILE ID NO.: 2013-CA00056**

On July 29, 2013, the Inspector General's Office received an anonymous complaint alleging Ohio State Dental Board Executive Director Lili Reitz falsified her time sheets, allowed a Dental Board employee to attend classes at Columbus State Community College during days and times when she was paid to be at work for the state of Ohio, and allowed the employee to travel to these classes in a vehicle owned or leased by the state of Ohio. The complainant further alleged that Reitz authorized and improperly paid a consultant for the Dental Board, and had violated sunshine laws by holding meetings with board members outside of the normally scheduled public meetings. Finally, the complainant stated Reitz had, at times, utilized office staff to perform tasks not related to the work of the Dental Board.



During the course of the investigation conducted by the Inspector General's Office, the evidence reviewed did not support the allegations of the original complaint. While Reitz's time sheets initially did not reflect her actual start and end times for the workday, the Inspector General's Office obtained and reviewed Reported Time Audits for Reitz through the Ohio Administrative Knowledge System (OAKS) for the period from September 1, 2011,

through August 9, 2013. From this review and in examining calendars, time sheets, and emails, investigators found that Reitz was working a minimum of eight hours per day. On those occasions where Reitz did not work a full eight-hour day, there was an appropriate amount of permissive leave-time used. Upon the suggestion of the Ohio Department of Administrative Services, Reitz now notes her start and end times on her time sheets, which are to be approved by the Ohio Dental Board President.

There was no evidence found to support the second allegation that a former Dental Board employee attended courses at Columbus State Community College on state time. Nor was there any evidence found to show that the employee traveled to these classes in a state vehicle.

The complainant's third allegation was that Executive Director Reitz authorized and improperly paid a consultant for services to the board. Kevin Coughlin is a principal at a consulting firm which specializes in public policy and strategic communication. Executive Director Reitz explained that with board approval, Coughlin's firm was retained to assist and advise the board on legislative matters. Coughlin is registered through the Joint Legislative Ethics Committee, Ohio Lobbying Activity Center as a lobbyist for the Dental Board.

Dental Board President Lawrence Kaye confirmed the relationship between Coughlin and the board, stating that Coughlin attended board meetings and that payments made to him were fully disclosed to the board. Additionally, the evidence reviewed did not support the allegation that meetings were being held by the board to discuss matters that should have been part of the public meetings.

The investigation also determined that Executive Director Reitz was involved with other organizations and groups. Dental Board employees are occasionally tasked to work for other agencies, task forces, or work groups that are related to board business and to state government programs, initiatives, and goals. Because of Reitz's position with the board and the work she conducted with these entities, investigators determined her involvement with them was both work-related and appropriate.

However, during the course of the investigation, a large number of personal emails were discovered in Reitz's mailbox. In the "Sent Items" folder alone, investigators found a minimum of 1,690 emails (17 percent) of the 9,841 emails present did not document a function of the board and were personal in nature. Some were quite lengthy and would have required a significant amount of time to compose. The personal email messages did not document the function of the board and were also contrary to the memorandum she sent to board employees in 2005. The Inspector General's Office believed her personal use of the state-provided email was excessive and in violation of board and state policies, finding that a wrongful act or omission occurred in this instance. Reitz acknowledged the personal emails and agreed that the emails violated board policies.

Executive Director Reitz was issued a verbal warning by the Dental Board president regarding her personal use of the state email system, and Reitz made assurances that the behavior would not occur in the future.

**OHIO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF ENGINEERING**  
**FILE ID NO.: 2013-CA00051**

In July of 2013, ODOT reported to the Inspector General's Office that on April 2, 2013, ODOT District 8 had received a request from ODNR roadway manager Paul Smithhisler for the cooperative use of ODOT contracts to complete a road project at Caesar Creek State Park. Smithhisler submitted an initial plan to ODOT for the project, but failed to notify ODOT when that plan changed. Smithhisler did notify his superiors at ODNR of the changes; however, it was ODOT monies and contracts that were being utilized on the Caesar Creek project and not ODNR's, so ODOT processes should have been followed.



Source: caesarcreekstatepark.com

The investigation also examined the improper billing by a vendor, Strawser Construction, who was associated with the project. Strawser Construction submitted invoices to ODNR and ODOT for materials that led ODOT to believe that the project was completed utilizing a specific roadway resurfacing method. This did not occur. Strawser was informed by ODOT that the company would need to bill ODNR for the work completed on the portion of the project not authorized by ODOT as specified on the original project proposal. Strawser submitted an amended invoice to ODOT for only the materials and labor completed on the project the department originally authorized.

**OHIO DEPARTMENT OF REHABILITATION AND CORRECTION**  
**FILE ID NO.: 2013-CA00011**

In February of 2013, the Ohio Department of Rehabilitation and Correction (ODRC) reported that John F. Gardner, a regional nurse practitioner for the ODRC Bureau of Medical Services, used the Franklin Medical Center's (FMC) laboratory for personal use; specifically, that Gardner used the laboratory to have services provided for his personally owned medical clinic. The Franklin Medical Center is an ODRC-operated facility. According to ODRC, an invoice was printed by FMC on February 6, 2013, in the amount of \$39.26 for Gardner's personally owned medical clinic.

When Gardener started his "neighborhood clinic," he sought a company to perform lab work for the clinic. At first, Gardener was given permission by the lab director to submit the lab work to the FMC lab, and was charged the same pricing as the lab's other customers.



However, as knowledge became more widespread that the practice was occurring, an email was sent to Gardner directing him to discontinue use of the FMC lab.

Gardner had followed proper policies and procedures by requesting permission from ODRC to open his own clinic and when filing a secondary employment form.

However, a forensic analysis of Gardner's ODRC email account identified several instances when Gardner used his ODRC email account for his private business.

The Inspector General's Office issued a subpoena to Gardner and his medical clinic for the billing records related to the lab work that Gardner submitted to the FMC lab. Gardner's records on one specific patient account indicated Gardner charged the patient \$21.49 for the lab work. A comparison of the amount Gardner was charged by the FMC lab for that specific lab specimen and the amount Gardner billed the patient revealed that Gardner charged the patient \$10.75 more than the amount Gardner was billed by the FMC lab.

Also during the forensic analysis of Gardner's email account, it was discovered Gardner used his ODRC email account to attach a file containing a former inmate's private medical records to an email message, and then sent the attached confidential information to his (Gardner's) personal email address.

The Inspector General's Office recommended that ODRC review the conduct of Gardner and determine whether administrative action and remedial training were warranted for Gardner concerning the proper handling of confidential personal information.

## **OHIO DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES**

**FILE ID NO.: 2013-CA00093**

The Ohio Department of Mental Health and Addiction Services (MHAS) reported to the Inspector General's Office possible misconduct or illegal activity by MHAS employee Deavonte Williams, who is both a therapeutic program worker at the Northwest Ohio Psychiatric Hospital (NOPH) and an owner of a group home in Toledo. Williams had received a referral from NOPH staff members for a NOPH forensic patient to be allowed day visits and overnight visits at his group home. For these visits, Williams was paid a total of \$1,550 by checks authorized and signed by hospital administrators.



The original complaint identified a potential conflict of interest and ethics violation by Deavonte Williams. During the investigation, the Inspector General's Office learned a conflict of interest was evident in Williams' actions, and also in the actions of other NOPH employees. Williams' group home was on the approved list of homes, and although several

NOPH employees had concerns regarding the apparent conflict of interest, these employees took no action and failed to report the potential violation to their superiors. Other employees simply failed to identify the situation as a potential conflict of interest. NOPH employees indicated that Williams' group home was approved for the visits mostly because of its close proximity to the hospital. Emails copied to supervisors and senior members of NOPH's administration should have raised concerns about a potential conflict of interest violation, but were overlooked by the recipients.

The decision by the hospital for the NOPH forensic patient to be allowed to visit Williams' group home as a referral was made by several staff members other than Williams. Had staff members recognized the potential conflict of interest, these visits would probably not have occurred.

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*“Emails copied to supervisors and senior members of NOPH’s administration should have raised concerns about a potential conflict of interest violation, but were overlooked by the recipients.”*

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During this investigation, the Inspector General's Office was made aware of a potential violation of an Erie County Court of Common Pleas order involving the same NOPH patient at the center of the conflict of interest allegation. The NOPH patient was sent out to visit Williams' group home on 19 occasions, which was in violation of a February 10, 2012, court order. The court order made it irrelevant which group home the patient visited since the order stated that the patient was prohibited from visiting group homes.

When the court order violation was identified, NOPH administration advised the court and instituted several safeguards to prevent future occurrences. In particular, NOPH instituted the policies of requiring either a member from administration or the legal assurance administrator to attend treatment team meetings, and having all off-grounds visits by forensic patients reviewed and authorized by the legal assurance administrator.

**MIAMI VALLEY JUVENILE REHABILITATION CENTER**  
**FILE ID NO.: 2013-CA00065**

At the request of the Ohio Department of Youth Services (ODYS), the Inspector General's Office reviewed the payroll records of the Miami Valley Juvenile Rehabilitation Center (MVJRC) to determine if possible violations of the Ohio Administrative Code occurred. In particular, ODYS was concerned that “incentive pay,” which is prohibited by the Ohio Administrative Code, was being granted, permitting employees to leave work early without having to use leave time and, subsequently, compensating employees for time not worked.



Miami Valley Juvenile Rehabilitation Center

MVJRC officials and employees stated the former superintendent granted the “incentive pay” to employees based on merit. The employees stated that leave time was given once a quarter to those

who met certain performance goals. However, one employee stated he or she believed the incentive pay was based on a “discriminatory process” and not necessarily based on merit.

Analysis indicated that incentive pay was given more than once a quarter and certain employees appeared to have received more leave time than others.

Records were not maintained to document when employees were allowed to leave work early without having to utilize leave. As a result, it was difficult to determine if the hours noted were a result of the “incentive pay” program or poor record keeping. Therefore, the total amount of possible incentive pay paid to employees ranged between \$4,630.34 and \$69,640.88.

In addition, the review of the payroll documentation noted 24 instances where leave time was taken by 15 employees, but the hours used did not appear to have been deducted from their leave balances.

Greene County also grants employees one day of leave each year for employees’ birthdays. This leave is expected to be used either on the employee’s birthdate or as close as possible to that date within the applicable pay-period. Analysis of the payroll records showed instances where birthday leave was taken months after the employee’s birthdate, or was taken twice in a year.

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*“In addition, the review of the payroll documentation noted 24 instances where leave time was taken by 15 employees, but the hours used did not appear to have been deducted from their leave balances.”*

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**THE OHIO STATE UNIVERSITY WEXNER MEDICAL CENTER**  
**FILE ID NO.: 2012-CA00085**

The Inspector General’s Office received a complaint alleging improper hiring practices by the Ohio State University Wexner Medical Center (OSUWMC) and that an Accu-Tech employee provided kickbacks to an employee of OSUWMC. The medical center entered into a contract with Accu-Tech to provide telecommunications materials to the facility. The complaint alleged that OSUWMC employee Shawn Brown was influential in the hiring of Matt Daugherty by OSUWMC because of Daugherty’s relationship with Brown, and that the hiring occurred shortly before Daugherty lost his job at Accu-Tech.



**THE OHIO STATE UNIVERSITY**  
**WEXNER MEDICAL CENTER**

The Inspector General’s Office determined the allegation that Brown influenced the hiring of Daugherty by OSUWMC was unsubstantiated.

However, the complaint alleged that while employed by Accu-Tech, Daugherty entertained Shawn Brown with lunches, dinners, a bachelor party, and tickets to Ohio State University football games. The complainant also alleged that after providing this entertainment, OSUWMC contracted with Accu-Tech to provide information technology materials to the OSUWMC Information Technology Services and Support Department.

The Inspector General's Office determined that Daugherty provided gifts of meals and entertainment to OSUWMC employees, specifically Shawn Brown, while Accu-Tech had an ongoing contract with OSUWMC. The meals and entertainment totaled \$7,612 from January 23, 2009, through February 12, 2012. Although Daugherty listed additional OSUWMC employees as recipients of meals and entertainment on his expense reports, the interviews conducted with those employees and Daugherty determined that he inaccurately listed those additional employees as recipients of the meals and entertainment. However, Daugherty provided Shawn Brown, and Brown accepted, \$4,900 in meals and entertainment from January 23, 2009, to February 12, 2012.

In response to the Inspector General's report, Ohio State University took administrative action, and Daugherty and Brown are no longer employed by the university. OSUWMC conducted additional training of its employees on vendor interaction policies and ethics law. In addition, OSU sent letters to 4,000 active vendors, citing the Ohio law and detailing the OSUWMC Vendor Interaction Policy.

## **OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES**

### **FILE ID NO.: 2013-CA00069**

The Inspector General's Office investigated allegations of misconduct involving Mount Vernon Developmental Center (MVDC) Supervisor Sue Lindsey utilizing her position to gain something of value. Mount Vernon Developmental Center (MVDC) is part of the Ohio Department of Developmental Disabilities. Lindsey acted in several capacities as a state employee including overseeing Willow Works where she determined pricing for items intended to be sold. Willow Works is a retail workshop outlet, located on the property of MVDC and administered by a not-for-profit corporation set up to provide a working environment for the developmentally disabled residents housed at MVDC. Products of Willow Works are also marketed at local fairs.

The investigation found that Lindsey was purchasing items from Willow Works, marking-up the prices, and then reselling the items for a profit.

In response to the Inspector General's investigation, the Ohio Department of Developmental Disabilities notified all employees that they are prohibited from conducting private business while on state time, and instructed those employees responsible for pricing items at Willow Works that they are prohibited from purchasing items from any facility, function, or event where Willow Works is a vendor.

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***“The investigation found that Lindsey was purchasing items from Willow Works, marking-up the prices, and then reselling the items for a profit.”***

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## DAYTON CORRECTIONAL INSTITUTION

FILE ID NO.: 2013-CA00004

On December 4, 2012, the Ohio Department of Rehabilitation and Correction (ODRC) submitted a memo to the Ohio State Highway Patrol (OSHP) and the Inspector General's Office alleging a Dayton Correctional Institution (DCI) business administrator, during the period from July 1, 2011, through November 9, 2012, had paid \$77,030 from an Industry and Entertainment fund to individuals without entering into personal service contracts.



A joint investigation was opened to determine whether the Industry and Entertainment funds had been properly expended at the institution. State law requires these funds to be spent only for the entertainment and welfare of the inmates at each institution and requires the institution director to establish rules and regulations for properly using the money. This investigation identified a lack of oversight by DCI wardens and the ODRC Division of Business Administration. The wardens at DCI failed to review monthly bank account reconciliations, failed to review ledgers, or did not sign the approval forms sent to the Division of Business Administration for expenditures exceeding \$500. Nor did the wardens sign or negotiate contracts for art classes, music workshops, or for other services provided by independent contractors.



Dayton Correctional Institution Business Administrator David Ragland was responsible for overseeing the institution's financial activities, including purchasing supplies; entering into contracts for goods and services; and supervising the cashier's office, which was responsible for managing the Industry and Entertainment fund.

This investigation reviewed payments issued from the Industry and Entertainment fund for the period of January 1, 2011, through January 11, 2013, and determined Ragland controlled the entire purchasing process for the music and art programs paid from the fund, including making decisions on purchases, establishing instructor rates for the art class and music workshop instructors, and preparing the supporting paperwork and issuing checks to many of the vendors providing the goods or services. Additionally, this investigation determined that Ragland failed to adequately supervise Account Clerk Supervisor David Gedeon and identified instances in which Gedeon failed to comply with applicable rules and regulations.

Ragland was placed on administrative leave on January 22, 2013, and retired from ODRC on October 31, 2013. ODRC's Office of the Chief Inspector opened an investigation targeting the 10 determinations identified from the report and will present a final detailed report to the director of ODRC. Additionally, the Ohio Department of Rehabilitation and Correction is working to revise existing policies and manuals to address recommendations brought forth in this report.

**OHIO DEPARTMENT OF NATURAL RESOURCES**

**FILE ID NO.: 2012-CA00124**

The Inspector General's Office initiated an investigation after receiving information alleging that Ben Harpster, an ODNR mineral resources inspector, may have a possible conflict of interest because he is working in northwest Ohio where his father has an oil well business. It was also alleged that Ben Harpster may be providing inside information to his father related to potential work projects.

The original complaint concerned well repair work completed in northwest Ohio, where the Inspector General's Office found that Ben Harpster emailed four photos of the site to his father, and while Harpster said he provided hard copies of these photos to other contractors, investigators found no evidence to indicate that he did so. The senior Harpster did not go to the site or bid on the project, and another contractor completed the work. Regardless, Ben Harpster should not have made any statement or provided any information to any landowner or contractor that could be construed as a conflict of interest. The Inspector General's Office found that an appearance of impropriety occurred in this instance.

During the investigation, concerns arose as to whether or not Ben Harpster had any influence over the bidding process for a Hancock County landfill project. The Inspector General's Office found no evidence to support this allegation.

In an additional matter, investigators learned that from March 2011 through July 2013, Ben Harpster was assigned by his ODNR supervisors to inspect work performed by his father's oil well business on two separate projects. The Inspector General's Office found no evidence of any preferential treatment given to his father's business, and no evidence that these inspections were not conducted according to ODNR specifications. Every person interviewed who witnessed the work performed on both projects stated that Harpster was professional and knowledgeable as an inspector. Nevertheless, in order to avoid any conflict or appearance of conflict of interest, ODNR management should have assigned another inspector to both projects. The Inspector General's Office found that an appearance of impropriety on the part of ODNR occurred in this instance.



The Inspector General's Office recommended that the Ohio Department of Natural Resources should assign an inspector other than Ben Harpster to conduct all inspections of work performed by his father's oil well business; and ODNR personnel should only provide a written list of local contractors to landowners who need work performed, while refraining from any discussion or recommendations.

**OHIO DEPARTMENT OF NATURAL RESOURCES**

**FILE ID NO.: 2013-CA00059**

The Inspector General's Office received a complaint regarding the transfer of state property to a private citizen, livestock care, electrical issues, and concerns of possible water contamination at the springhouse located at Malabar Farm State Park. After reviewing the areas of concern at Malabar, investigators contacted the Ohio Department of Commerce Chief of Building Code Compliance and the Ohio Department of Agriculture (ODA) Division of Animal Health to request further inspections regarding the alleged issues at the state park. Investigators also contacted the Ohio Department of Health, the Ohio Environmental Protection Agency, and the Richland County Health Department regarding the quality of the water from the springhouse.



Source: [www.malabarfarm.org/](http://www.malabarfarm.org/)

After completing an inspection, the electrical safety inspector reported finding no serious electrical issues. However, repairs were recommended for a broken conduit with exposed wires and deteriorated insulation of a cable, and Malabar corrected the issues. Additionally, the veterinarian from ODA reported no concerns regarding the health of all animals, but noted one issue involving an unsanitary water source for the cattle located inside one of the barns. The unsanitary water source was corrected and inspected by ODA. Finally, the springhouse was examined by OEPA and the water quality concerns were resolved.

In regard to the transfer of state property to a private citizen, the Inspector General's Office found the park manager did not follow the proper procedures when transferring bricks and a train bell to a private citizen. Ohio Revised Code §125.13, "Disposing of excess and surplus supplies," states agencies are required to notify ODAS' State Surplus Services office when they determine that either supplies or equipment are of no utility or use. The park manager stated he was unaware of this requirement and believed there was a prior written agreement regarding the transfer of the items. However, ODNR was still required to seek approval from the state's surplus office prior to finalizing the transfer of the property.

In response to the Inspector General's investigation, ODNR reviewed its inventory policy with all park managers, directed employees to attend a seminar on state and federal surplus management, and worked with the EPA to resolve issues with the Malabar spring.

## AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

### 2014 REPORT

On February 17, 2009, Congress passed the American Recovery and Reinvestment Act of 2009. The objective of ARRA was "... to create new jobs and save existing ones, spur economic activity and invest in long-term growth, and foster accountability and transparency in government spending." ARRA provided \$288 billion nationally in tax cuts and benefits for individuals and businesses; \$224 billion in increased federal funds for entitlement programs, such as extending unemployment benefits; and \$275 billion directed for federal contracts, grants, and loans. The Act also required recipients of ARRA funds to report quarterly on how the funds were used.



Source: [www.recovery.gov](http://www.recovery.gov)

In response to this requirement, the 128th Ohio General Assembly enacted Ohio Revised Code §121.53 effective July 1, 2009, which designated the Ohio Inspector General to provide oversight to monitor state of Ohio agencies' receipt and distribution of ARRA funds and investigate any wrongful acts or omissions committed by officers, employees, or contractors of agencies related to the use of ARRA funds. In addition, ORC §121.53 directed the Ohio Inspector General to conduct random reviews of contracts associated with ARRA-funded projects and established a designated deputy inspector general to review ARRA funds received by the state of Ohio. Ohio Revised Code §121.53 was repealed on June 30, 2014.

In 2010, the Ohio Inspector General's Office (OIG) worked in collaboration with the Office of Budget and Management's Office of Internal Audit to identify and review internal controls for ARRA-funded programs in more than 20 state agencies. The OIG obtained documentation from agencies slated to receive ARRA funding to monitor and mitigate agency program-specific risks. Also, the OIG served on the ARRA Task Force, comprised of various state agencies including the Ohio Auditor of State's Office, the Ohio Attorney General's Office, the Ohio Ethics Commission, and the Ohio Department of Public Safety, as well as federal agencies including the FBI, the U.S. Attorney's Office for the Southern District of Ohio, and federal inspectors general from various departments.

In 2011, under the appointment of Inspector General Randall J. Meyer, the OIG conducted on-site visits to each agency that had received ARRA funds. These on-site visits were an opportunity to introduce Inspector General Meyer's newly designated ARRA team and reiterate the OIG's responsibility and monitoring authority of ARRA spending to prevent fraud, waste, and abuse. At the request of the OIG, each agency that received ARRA funds

provided information detailing agency programs, how the funding was processed, and internal monitoring that was instituted. The OIG ARRA team thoroughly evaluated these agency programs, identifying weaknesses, deficiencies, or program-specific risks under which ARRA funds were authorized. The OIG ARRA team also obtained and reviewed audits and other monitoring reports issued by the Ohio Auditor of State, the Ohio Office of Budget and Management's Internal Audit Section, and federal grantor agencies. This review process provided the OIG with the ability to determine which programs were receiving or had received appropriate review with respect to identifying, measuring, reporting, and if applicable, recovering improper payments made with ARRA monies. Fundamentally, the OIG endeavored to avoid any duplication of effort with agency programs that had proper oversight procedures in place.

In 2012, the Ohio Inspector General expanded its ARRA monitoring program to include all colleges and universities under the jurisdiction of the OIG. A list of program grants and contracts was obtained from the federal "recovery.gov" website. From this list, the OIG ARRA team conducted a random review focused on the fiscal management of grants and contracts associated with ARRA monies. Requests for information were sent to 12 colleges and universities throughout the state. The OIG ARRA team conducted site visits to review ARRA fund purchases and construction projects either completed or underway. Overall, the Ohio Inspector General made 20 recommendations for improvement to nine colleges and universities.

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### **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 the office's role in the ARRA monitoring process.
  - 2** Schedule presentations with 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.
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Since the inception of the Ohio Inspector General's authority to monitor activities and investigate wrongful acts or omissions committed by officers, employees, or contractors related to ARRA, the OIG investigated a total of 36 ARRA-related cases. Of these 36 cases, 22 cases, or 61 percent, were self-initiated by the Ohio Inspector General and the remaining 14 cases, or 39 percent, were received through the OIG's complaint process.

## ARRA STATISTICS: 2009-2014

The table below summarizes the work completed by the Office of the Ohio Inspector General for all ARRA cases investigated:

Summary of ARRA Cases (2009 - 2014)	
Number of Recommendations Issued	90
Number of Referrals	58
Overpayments to be Recovered by Agencies	\$55,148
Questioned Costs	\$696,495
Misuse of Public Funds	\$2,000,000

The investigative work related to ARRA funds that was completed by the Office of the Ohio Inspector General meaningfully contributed to the deterrence of waste, inefficiency, abuse, and unnecessary spending of tax dollars. The Ohio Inspector General’s oversight and monitoring responsibilities fostered state agencies to be more efficient, accountable, and transparent when utilizing ARRA funding.

The following are some of the more notable ARRA cases issued from 2009-2014, which can be found on the Ohio Inspector General’s website at <http://watchdog.ohio.gov/>

- **File No: 2010-108** Ohio Development Services Agency, Home Weatherization Assistance Program
- **File No: 2011-CA00222** Ohio Development Services Agency, Home Weatherization Assistance Program – Part 2
- **File No: 2010-323** Ohio Department of Job and Family Services – Constructing Futures
- **File No: 2011-247** Ohio Department of Job and Family Services – Constructing Futures
- **File No: 2011-248** Ohio Department of Job and Family Services – Constructing Futures
- **File No: 2013-CA00012** Opportunities for Ohioans with Disabilities
- **File No: 2012-CA00039** Kent State University

## SUMMARY OF SELECTED CASES<sup>1</sup> - ARRA

### UNIVERSITY OF CINCINNATI

FILE NO: 2012-CA00045

On February 27, 2014, the Inspector General's Office issued a report of investigation conducted on ARRA funds received by the University of Cincinnati (UC). As part of the monitoring program created in 2012 focusing on colleges and universities, the Federal Work-Study program and five grants awarded to UC were randomly selected for review. These grants included three construction projects, one purchase of equipment, and one research grant. Based on documentation provided by UC during the monitoring process, a full investigation was opened due to a lack of documentation and a failure to follow certain grant requirements. As part of the construction projects, the university was required to submit quarterly reports to include, at a minimum, schedules, construction progress, project expenditures, and job creation figures. UC submitted quarterly reports as required. However, the university did not provide the construction progress and status of activities as required by the grant.



The Inspector General's Office also reviewed Davis-Bacon documents submitted as part of the construction projects. Davis-Bacon requires the payment of federal prevailing wage rates on certain contracts receiving federal funding. Under the Davis-Bacon Act record keeping requirement, contractors must maintain payroll and basic records for all laborers and mechanics during the course of work and for a period of three years thereafter.

Furthermore, each contractor and subcontractor must, on a weekly basis, provide the federal agency with a copy of all payrolls providing the information listed under the record keeping requirement. From the analysis of documents provided by the university, investigators found that three out of the 10 employee payrolls that were randomly selected had included a wage rate below what was specified in the wage determination spreadsheets issued by the U.S. Department of Labor (USDOL). Additionally, investigators determined that one out of the 10 employee payrolls did not include a work classification. Thus, the employees' required prevailing wage rate could not be determined and reviewed. On a second construction project, investigators noted that one out of the 10 employee payrolls randomly selected had included a work classification wage rate below what was specified in the USDOL wage determination spreadsheets. Also, one out of the 10 employee payrolls included a work classification that did not exist in the wage determination documentation provided by the university.

The Inspector General's Office issued three recommendations to the university, including considering amending their monitoring controls to ensure information presented in quarterly reports and Davis-Bacon payroll documents complies with federal requirements.

<sup>1</sup> Two ARRA Reports of Investigation were issued in calendar year 2014: reports 2012-CA00045 and 2012-CA00046. Only one report, 2012-CA00045, contained recommendations.

# OHIO DEPARTMENT OF TRANSPORTATION

## 2014 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 ODOT Fiscal Year 2014 Annual Report, the agency has an annual budget of approximately \$3 billion in operating and capital disbursements. ODOT maintains 21 interstates, 500,000 signs, 50,000 lights, and 105,125,000 square feet of bridge deck. 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.

In 2014, there were 10<sup>2</sup> cases opened and 15 cases closed in the Transportation Area of the Inspector General’s Office. As part of the lifespan of a case, the number of cases closed may reflect cases that were opened in previous years.

<sup>2</sup> Includes complaints filed in 2013 that were opened as cases in 2014.



## SUMMARIES OF SELECTED CASES-TRANSPORTATION

### OHIO DEPARTMENT OF TRANSPORTATION

FILE ID NO.: 2012-CA00112

The Inspector General’s Office opened an investigation to evaluate Ohio Department of Transportation (ODOT) District 3 engineering staff concerns regarding asphalt work being performed by a contractor on a project in Morrow County.

ODOT employees questioned the core (cylinders of asphalt cut from pavement) sampling process being conducted, and suspected that a Kokosing Materials Inc. employee, Steve McKenzie, had switched asphalt core samples extracted from the project. This suspicion was of particular concern to ODOT, as testing of the samples is used to determine if a payment penalty will be applied to a vendor when the density does not fall within an acceptable range, as outlined in the vendor contract. Earlier in the same project, core samples tested by ODOT found Kokosing did not meet the density requirements and Kokosing forfeited \$15,780 of the contract amount.

According to an ODOT inspector, she had identified 10 locations where core samples were to be taken, which were marked with silver paint. The inspector told investigators she was also monitoring ongoing paving work and had left the area after marking the 10 core locations. When she returned, four cores had already been extracted by Kokosing Materials Inc. employee Steve McKenzie and had been placed into the core box. The ODOT inspector then observed McKenzie extract cores 5 and 6. McKenzie then left the site to drive to a restroom with the core box in the bed of his truck. Upon McKenzie’s return, the ODOT

inspector noticed differences in the markings on cores 5 and 6, which had the ODOT paint markings concealed.

When asked to explain the use of a marker to cover the original paint markings, McKenzie replied he needed to mark out the paint to write a better number on the cores. The ODOT inspector also observed



*This picture shows core sample 5 that did not match the markings or size of its extraction site.*

that core paint markings did not appear to correspond to the markings remaining on the pavement. The ODOT inspector observed the extraction of cores 7 thru 10 and then called the ODOT project engineer to relay her concerns.

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*“The ODOT inspector also observed that core paint markings did not appear to correspond to the markings remaining on the pavement ... .”*

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McKenzie and Steve Thompson, McKenzie’s supervisor, were interviewed by the Inspector General’s Office on November 27, 2012. Also present during the interview was the general counsel for Kokosing Construction Company. During the interview, the general counsel voiced some concerns and the Kokosing employees left the room. The general counsel returned and stated McKenzie and Thompson would be obtaining their own legal counsel and the Inspector General’s Office terminated the interviews.

The Inspector General’s Office made numerous attempts to arrange interviews with McKenzie and Thompson through their legal counsel. On June 28, 2013, investigators were informed the two employees would not be made available for interviews.

At the time of the investigation, ODOT’s practice was for inspectors or engineers to observe the extracting of the core samples, but ODOT did not require the employees to observe the placement of the samples into the core sample box. Additionally, the box itself was not secured. There were no tamper-resistant measures in place to ensure that when all the core samples were placed into the boxes, they could not be substituted prior to testing.

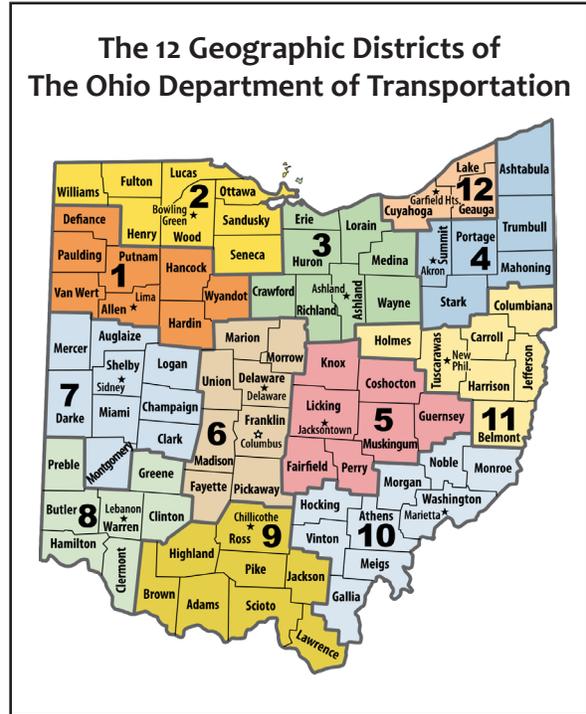


*This picture shows core sample 6 that did not match the markings or size of its extraction site.*

In response to recommendations made by the Inspector General’s Office, the Ohio Department of Transportation assessed Kokosing’s administration fees where there was evidence of core mishandling; revised ODOT procedures so that ODOT project personnel witness all coring operations and take immediate possession and custody of all lot core samples; and revised procedures for the extraction of additional core samples by the contractor on a project.

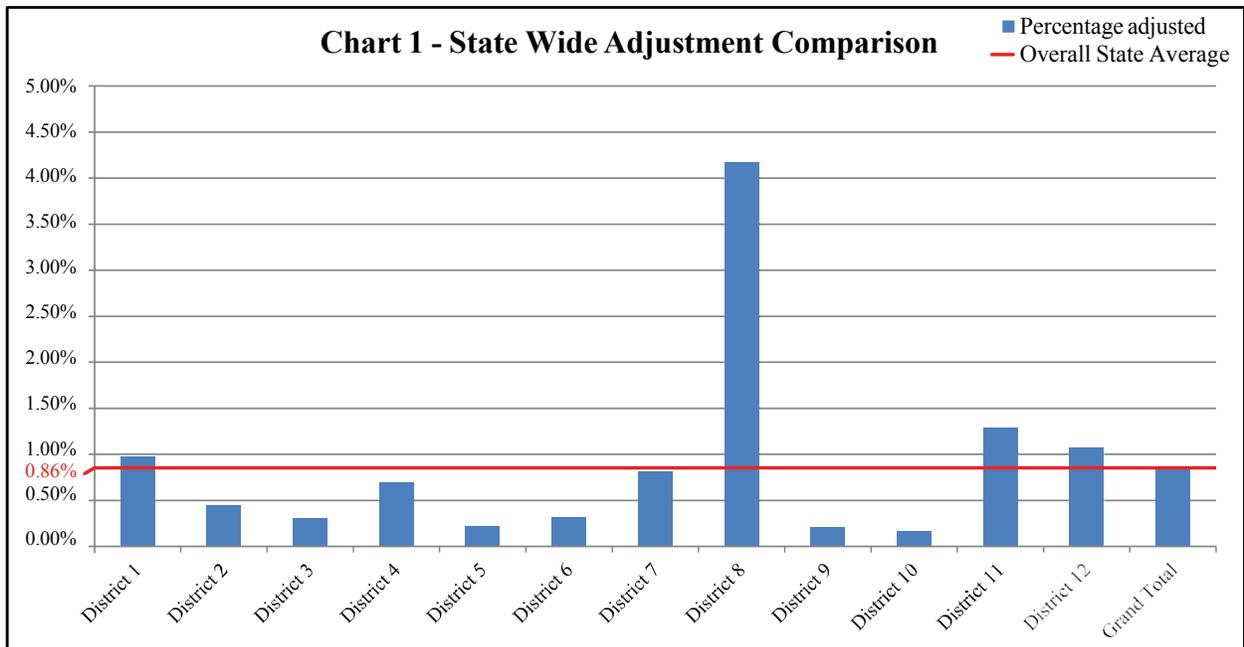
**OHIO DEPARTMENT OF TRANSPORTATION  
FILE ID NO.: 2013-CA00077**

In October of 2013, the Inspector General’s Office initiated an investigation into fuel management and inventory practices at the Ohio Department of Transportation (ODOT) for fiscal year 2013. Fuel supplies are received by ODOT from vendors and are entered into large-capacity fuel storage tanks. The quantities of fuel are recorded in inventory, and periodic verification is required and conducted to determine if these recorded fuel amounts equal the actual quantities of fuel measured in the tanks. When the quantity of fuel recorded in inventory is not the same as the actual quantity of fuel measured in the storage tanks, a bulk fuel adjustment is required in order to adjust the quantity of fuel within the inventory system to reflect the actual amount of fuel in the tanks.



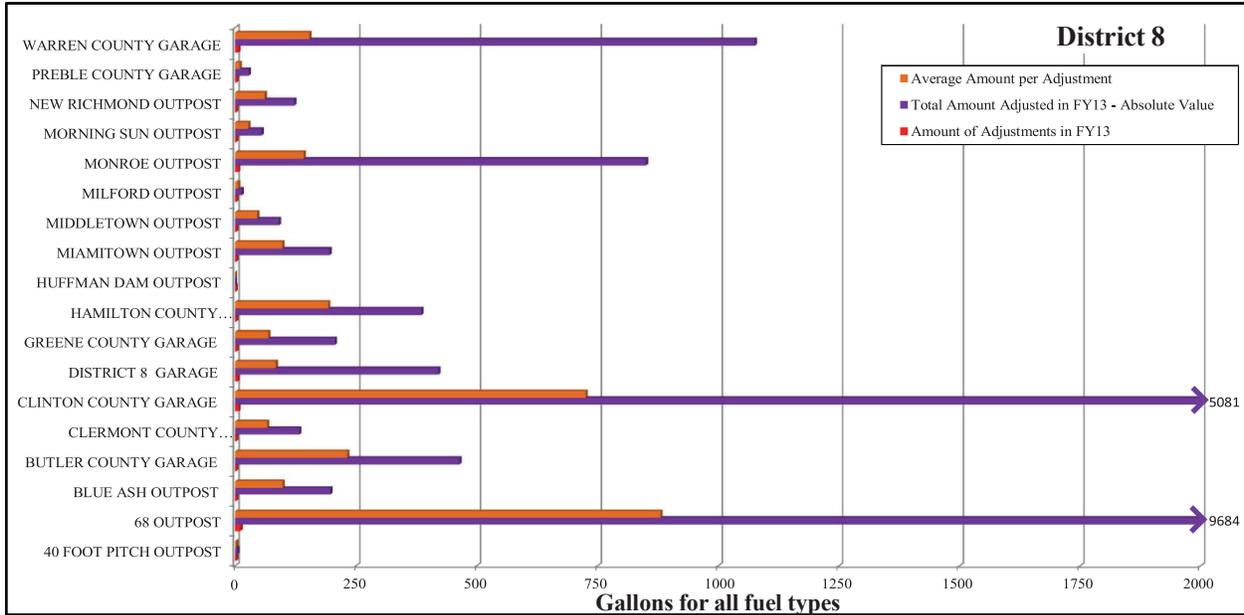
Source: ODOT Fiscal Year 2014 Annual Report.

An analysis conducted by investigators of the Inspector General’s Office found that, based on quantity, ODOT District 8 accounted for the majority of fuel adjustments in the state (See Chart 1). Further analysis found that within District 8, two locations were responsible for the



majority of the adjustments – the Clinton County garage and 68 Outpost (See Chart 2), both managed by the Clinton County Manager, Michael Lovelace.

Chart 2 – Fuel Adjustments by District 8 Location



In 2013, another ODOT employee conducted the fuel inventory, instead of Lovelace, and the discrepancies were finally noted and adjusted in ODOT’s inventory system. A bulk fuel adjustment had been recorded for the removal of 14,765 gallons of fuel, worth \$52,637, from the inventory system for the Clinton County Garage and 68 Outpost without District Coordinator Mike Brown accounting for where the fuel had gone, and with no follow-up to determine the reasoning for the adjustment. According to Clinton County Manager Lovelace, the adjustments were related to the replacement of two older underground tanks with newer above-ground tanks.

It was later determined by the Inspector General’s Office that the date the new tanks were installed and the quantities of fuel transferred to the new tanks could not have accounted for the missing fuel. Lovelace then admitted that he falsified the inventory during the annual district inventory, led by District Coordinator Brown.

***“A bulk fuel adjustment had been recorded for the removal of 14,765 gallons of fuel, worth \$52,637, from the inventory system for the Clinton County Garage and 68 Outpost without District Coordinator Mike Brown accounting for where the fuel had gone, and with no follow-up to determine the reasoning for the adjustment.”***

Lovelace was asked if anyone from the Clinton County garage followed the required technique of “sticking” the tank by dropping a measured stick into a fuel tank and reading the depth of fluid inside the tank. This technique is considered a best practice for obtaining a true reading of volume from within a high-capacity tank, and ODOT’s policy requires an ODOT employee to observe the entire delivery of fuel from a supplier and to conduct a stick

reading before and after delivery. Lovelace stated he had never seen the procedure.

The Inspector General's Office recommended to ODOT that the actions of Lovelace and Brown be reviewed to determine if administrative action was appropriate.

Additionally, the Inspector General's Office recommended ODOT provide additional training to employees pertaining to inventory and fuel management. Investigators reviewed 18 ODOT training modules and found that the training curriculum for county managers did not contain any instruction on how to maintain proper inventory or manage bulk fuel storage.

The Inspector General's Office recommended that spot checks be conducted more frequently than every 24 months, after a review of the applicable ODOT policies and procedures from 2010-2013 found ODOT drastically reduced the frequency of inventory spot checks from once every three months to once every 24 months. By reducing the amount of time between unannounced spot checks, the chance for fraud or theft would be reduced.



**OHIO DEPARTMENT OF TRANSPORTATION  
FILE ID NO.: 2013-CA00003**

In January of 2013, the Inspector General's Office received information concerning timekeeping irregularities on the part of individuals contracted through Sogeti USA, LLC working at ODOT's Office of Aviation. In early 2012, ODOT's Office of Aviation sought a vendor to assist with an aviation registration project, which involved creating an online aviation registration application enabling aircraft owners to register and make electronic payments. Sogeti USA, LLC was awarded the contract from ODOT.

According to ODOT investigators, the contractors were submitting time sheets that did not match swipe card data, sign-in logs, and security videos. Subsequently, the



Source: [www.dot.state.oh.us](http://www.dot.state.oh.us)

contractors were inflating the number of hours worked, thus inflating the cost of the billings to ODOT.

Although several individuals from Sogeti worked on the aviation project during the eight-month period under review, the Inspector General’s Office focused specifically on the six employees who spent the most time working on the project at ODOT and who were identified by ODOT employees as having questionable timekeeping records – Matt Casey, Gregg Dearth, Brandon Every, Greg Finzer, Andres Lopez, and Mike Young.

**Variance in Time Claimed and Actual Hours Worked**

<b>Contractor</b>	<b>Variance (hh:mm)</b>
Casey	45:06
Dearth	10:17
Every	21:43
Finzer	4:50
Lopez	2:00
Young	23:21
<b>Total</b>	<b>107:17</b>

The chart shows a variance of more than 100 hours that were not substantiated based on swipe records, surveillance footage, and handwritten logs documenting sign-in times.

In a letter dated January 18, 2013, Sogeti responded to ODOT’s concern about time-reporting discrepancies. According to the letter, Sogeti removed four consultants who were assigned to the project and began an internal investigation into the allegations. Sogeti also contacted its employees who currently work on other state contracts to reinforce policies on timekeeping and correct time reporting.

The letter from Sogeti acknowledged “sloppy time-reporting” and a “lack of attention to accurate time reporting as the project progressed,” and further surmised the discrepancies in time were largely related to periodic breaks and lunches. Additionally, Sogeti suggested the video logs did not capture hours worked on the project outside of the facility (including parking lot discussions and work at home, on the weekends, and while on leave). To remedy the discrepancies, Sogeti representatives said they would ensure invoices reflected accurate billing time and offered to provide ODOT an immediate credit in the amount of \$15,000. Moreover, Sogeti would determine appropriate disciplinary action to be taken for its employees.

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***“Sogeti also contacted its employees who currently work on other state contracts to reinforce policies on timekeeping and correct time reporting.”***

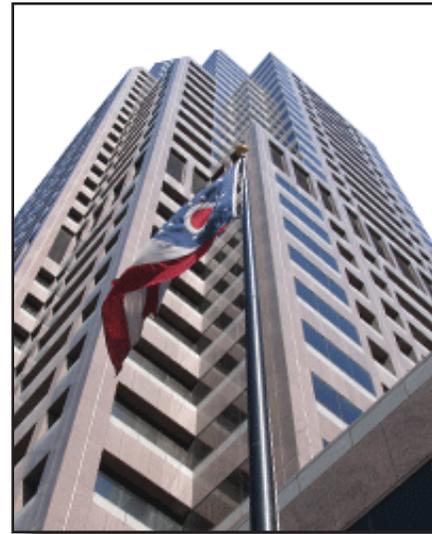
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# BUREAU OF WORKERS' COMPENSATION AND INDUSTRIAL COMMISSION OF OHIO

## 2014 REPORT

In July 2007, the Ohio General Assembly passed legislation that created the position of deputy inspector general for the Ohio Bureau of Workers' Compensation (OBWC) and the Industrial Commission of Ohio (ICO) within the Inspector General's Office (OIG). This legislation stated that the inspector general shall appoint a 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 Ohio Revised Code §121.42, §121.43, and §121.45.



*William Green Building  
Ohio Bureau of Workers' Compensation and  
Industrial Commission of Ohio  
Source: <https://www.ic.ohio.gov/>*

In 1912, Ohio law created an exclusive state fund to provide workers' compensation benefits to workers who were unable to work due to a work-related injury. In Ohio, all companies or employers must have coverage from either state funds or be self-insured. The bureau manages 12 service offices, 14 facilities, and more than 1,900 employees. Currently, the Ohio Bureau of Workers' Compensation system is the largest state-funded insurance system in the nation. According to the bureau's FY 2014 Annual Report, OBWC served 254,917 active employers, managed nearly 900,000 injured workers' claims, and paid \$1.72 billion in benefits to injured workers.



Created in 1925, the Industrial Commission of Ohio is a separate adjudicatory agency whose mission is to serve injured workers and Ohio employers through prompt 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, staff level, and commission level. The governor appoints the three-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 has nearly 400 employees and operates five regional offices and seven district offices throughout the state of Ohio. According to the commission's FY 2014 Annual Report, the three commissioners and 89 hearing officers collectively conducted more than 136,000 hearings within the fiscal year.

The Ohio Inspector General's Office meets semi-annually with OBWC's board of directors' audit committee to inform the bureau on current inspector general activities and convey overviews of noteworthy investigations. In an effort to educate OBWC and ICO employees, the Inspector General's Office conducts outreach efforts to discuss OIG responsibilities, the office's complaint and investigative processes, and relevant investigations. In 2014, the Inspector General's staff visited and held office hours at two OBWC service offices and two ICO regional district offices to be available should employees want to discuss issues within those offices.

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***“Currently, the Ohio Bureau of Workers’ Compensation system is the largest state-funded insurance system in the nation.”***

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Endeavoring to identify areas of wrongdoing or appearances of impropriety, the Inspector General's Office continues to work jointly with various departments within OBWC, including Special Investigations, Digital Forensics Unit, Human Resources, Labor Relations, and Legal. The Inspector General's Office has begun meeting monthly with OBWC's Internal Audit Division to obtain an understanding of its internal controls, identify areas where internal controls are not working, and considers information obtained during these meetings when recommending whether an investigation should be initiated. Additionally, the Inspector General's Office works closely with various departments within the Industrial Commission, including the Executive Director's Office, Hearing Services, Human Resources, Legal, and Information Technology.

In 2014, there were 13<sup>3</sup> cases opened and 15 cases closed in the OBWC/ICO Area of the Inspector General's Office. As part of the lifespan of a case, the number of cases closed may reflect cases that were opened in previous years.



Source: [www.ic.ohio.gov](http://www.ic.ohio.gov)

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<sup>3</sup> Multiple related complaints were combined into an existing open case.

## SUMMARIES OF SELECTED CASES - OBWC/ICO

### OHIO BUREAU OF WORKERS' COMPENSATION FILE NO.: 2005-091

On April 3, 2005, an Ohio newspaper published an article outlining how the Ohio Bureau of Workers' Compensation had made two multi-million dollar investments in two rare coin funds which were managed by Thomas Noe. After reading this news article, several state senators joined together to call for an investigation, sending a letter to the Inspector General's Office on April 5, 2005. After obtaining preliminary information from OBWC, the Inspector General's Office opened an investigation into OBWC investment practices on April 7, 2005.

OBWC is responsible for providing workers' compensation insurance to all public and private employees, except those who qualify for self-insurance. State laws at the time of the investigation allowed the administrator for OBWC to invest any surplus or reserves from the workers' compensation insurance fund, as long as those investments were in accordance with certain investment objectives, policies, and criteria established by the Workers' Compensation Oversight Commission.

The Oversight Commission was responsible for creating the investment objectives, policies and criteria, and prohibited investments which did not meet those established requirements.

As the investigation unfolded, more evidence arose which pointed to the complex and interlocking nature of potential state and federal violations. In order to more fully encompass the growing investigation, a task force was convened, with members from many different state and federal authorities.



At the request of the Inspector General's Office, the Ohio Auditor of State began a special audit of OBWC investigatory practices on May 16, 2005. Through the task force, the Inspector General's Office worked with the Ohio State Highway Patrol in securing a search warrant for Tom Noe's business in Maumee, Ohio, which was executed on May 26, 2005. Complete inventories were taken of the coins, collectables, and records housed there.



Source: OIG FILE 2005-091, Exhibit 50  
Pre-Long Beach  
Elite Coin Auction Program  
Superior Galleries  
Beverly Hills

Records show that OBWC created an “emerging managers fund” with a goal to invest \$500 million with small firms. On December 30, 1997, Tom Noe submitted a response to the OBWC Request for Proposal under the new investment strategy.



## REQUEST FOR PROPOSAL

A total of 106 bids were submitted, which were narrowed down to 28 by OBWC Chief Investment Officer Robert Cowman and OBWC Chief Financial Officer (CFO) Terrence Gasper. Noe’s bid was included in the 28 bids offered for approval. The method of evaluation used by Cowman and Gasper was in violation of the Oversight Commission’s investment policies previously put in place.

On March 31, 1998, Tom Noe received a \$25 million dollar investment payment from OBWC. Shortly after July 13, 2001, Noe received another \$25 million investment payment, without submitting a further bid. The second investment payment was approved on the recommendation of Chief Financial Officer Gasper, after Gasper received a \$25,000 bribe from Noe.

The audit revealed that from this \$50 million OBWC investment, Noe stole \$11,605,682 for his personal use. The investigation also revealed that OBWC CFO Gasper was involved in a bribery scheme, whereby he would approve OBWC investments in exchange for payments or favors.

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***“The audit revealed that from this \$50 million OBWC investment, Noe stole \$11,605,682 for his personal use.”***

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Tom Noe was also engaged in a fraudulent campaign finance scheme, giving money to

third parties to donate to political candidates in an effort to circumvent the personal donation caps. These so called “conduit payments” involved other local and state elected officials, who were also convicted of ethics or campaign finance violations.

A review of Tom Noe’s financial records revealed that Noe was generous with his stolen funds, providing money or other things of value to various state employees. Many of these state employees, including the former Governor of Ohio Bob Taft, were mandatory reporters who failed to report these gifts to the Ohio Ethics Commission, resulting in ethics crimes and convictions.

The review of OBWC investments also uncovered one of the largest financial crimes in Ohio history. Mark Lay was able to procure a large investment from OBWC, and was able to conceal the nature and extent of those investments through fraud, hiding the poor performance of the fund from OBWC.

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***“The review of OBWC investments also uncovered one of the largest financial crimes in Ohio history.”***

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**OFFICE OF THE INSPECTOR GENERAL / 2014 ANNUAL REPORT**

As a result of this investigation, the following people were found to have committed criminal acts:

Name	Position	Charges
Tom Noe	Investment Manager	Conspiracy to Commit Election Fraud (x3); Engaging in a Pattern of Corrupt Activities; Aggravated Theft (x2); Money Laundering (x4); Tampering with Records (x4); Forgery (x17)
Bob Taft	Governor of Ohio	Ethics Violations (x4)
Brian Hicks	Governor's Chief of Staff	Ethics Violation
Doug Moormann	Governor's Staff	Ethics Violation
Doug Talbott	Governor's Staff	Ethics Violations (x2); Elections Violation
Donna Owens	Industrial Commission Member	Ethics Violation
Sally Perz	Former State Representative	Ethics Violation
Maggie Thurber	Municipal Court Clerk-Toledo	Ethics Violation
Betty Shultz	Toledo City Council Member	Ethics Violation
Susan Metzger	Tom Noe Employee	Elections Violation
Terrence Gasper	OBWC CFO	Racketeering; Bribery
Peter Hoffmanbeck	OBWC Investment Specialist	Ethics Violations (x3)
Frederick Zigler	OBWC Investment Specialist	Ethics Violations (x3)
George Forbes	Oversight Commission Member	Ethics Violations (x2); Making False Statements (x4)
Patrick White	Investment Advisor	Bribery
Clarke Blizzard	Investment Advisor	Conspiracy to Commit Bribery; Money Laundering
Mark Lay	Investment Advisor	Investment Advisor Fraud; Mail Fraud; Conspiracy to Commit Fraud; Aiding & Abetting

In conjunction with their criminal cases, Tom Noe and Mark Lay were ordered to pay restitution back to the state of Ohio for the loss of state money due to fraud. Noe was ordered to make restitution in the amount of \$13,747,000, pay a fine of \$99,000, and reimburse the state the cost of prosecution in the amount of \$2,979,402. Mark Lay was ordered to pay restitution in the amount of \$212,967,084.76.

The Noe scandal resulted in significant reform at the Ohio Bureau of Workers' Compensation, both to the organization and in the manner in which the bureau operates. In addition, the scandal brought about legislative changes, and the creation of a designated Bureau of Workers' Compensation position in the Office of the Ohio Inspector General to detect and prevent similar conduct in the future.

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***“The Noe scandal resulted in significant reform at the Ohio Bureau of Workers' Compensation, both to the organization and in the manner in which the bureau operates.”***

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## **INDUSTRIAL COMMISSION OF OHIO**

**FILE ID NO.: 2013-CA00070**

The Inspector General's Office received an anonymous complaint regarding alleged improper conduct by commission hearing officers while attending an Industrial Commission of Ohio (ICO) sponsored meeting held at Maumee State Park. The complaint alleged that hearing officers Gary Bash, Mike Brown, Michael Dobronos, and Milutin Zlojutro were present at a party on the night of September 8, 2013, held in a cabin rented by attorneys who practice before the ICO. The complaint alleged that “female escorts” were in attendance and were purported to have been “naked” in a hot tub with the hearing officers, and that the hearing officers were provided food, alcohol, and sexual favors at the party.



Source: [www.maumeebaystateparklodge.com/](http://www.maumeebaystateparklodge.com/)

During the course of the investigation, numerous interviews were conducted with ICO employees who were registered for overnight accommodations on the night the party was to have occurred. The majority of those interviewed said they did not attend and had no knowledge of a “party” or “open cabin” being hosted by either a law firm or attorneys practicing in the Cleveland area. There were no statements made to substantiate the allegations that sexually suggestive activity or nudity in the presence of the hearing officers and/or ICO staff had occurred at the “open cabin.”

The four hearing officers in question admitted to attending the “open cabin” and stated food and drinks were provided but they did not eat anything, and at least one of them brought their own drinks. All four hearing officers stated they did not see any nudity and

that both male attorneys who hosted the gathering were in a hot tub with at least one of the three females present. Also, all four hearing officers stated that at least one of the attorneys present at the “open cabin” represented clients at hearings where any one of the four ICO hearing officers had presided.

Investigators interviewed each of the attorneys in question. In response to an issued Inspector General’s subpoena, the attorneys stated that they did not purchase food or drinks for a party and insisted nothing had been planned in advance. However, this was contradicted by at least three individuals who stated they had been informed of the event prior to the beginning of the ICO agency meeting.

While it is not prohibited for hearing officers and attorneys to both gather at a social setting associated with an agency-sponsored meeting, the Inspector General’s Office found the nature of the gathering to be questionable, and there was cause to believe an appearance of impropriety occurred in this instance.

In response to this report of investigation, the Industrial Commission of Ohio conducted an administrative investigation of hearing officers Gary Bash, Mike Brown, Michael Dobronos, and Milutin Zlojutro and imposed a five-day suspension in accordance with the Industrial Commission’s disciplinary policy. The individuals are also required to attend two days of ethics training.

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*“ ... the Inspector General’s Office found the nature of the gathering to be questionable, and there was cause to believe an appearance of impropriety occurred in this instance.”*

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## SUMMARY OF CASES INVOLVING CONFIDENTIAL PERSONAL INFORMATION - OBWC AND ICO

On April 7, 2009, the Ohio General Assembly enacted Ohio Revised Code (ORC) §1347.15 (B) which requires each state agency to adopt rules in accordance with Chapter 119 of the ORC which regulates “access to the confidential personal information (CPI) the agency keeps, whether electronically or on paper.” This section requires the agency to maintain a CPI access log for instances related to official agency purposes and to define the criteria when an employee may access CPI. During 2014, the Office of Ohio Inspector General issued six investigations relating to improper access to CPI involving both the Ohio Bureau of Workers’ Compensation (OBWC) and the Industrial Commission of Ohio (ICO). Several of these investigations issued during 2014 were of particular note:



**OHIO BUREAU OF WORKERS' COMPENSATION**

**FILE ID NO.: 2014-CA00025**

OBWC Toledo Service Office Claims Service Specialist (CSS) Robin Hymore accessed her goddaughter's claim a total of four times on two distinct dates, with no business reason to do so. Hymore admitted the injured worker was a childhood friend's daughter, and noted that she had not seen the injured worker in approximately 20 years. Hymore recalled that she had discovered her goddaughter had been injured because the goddaughter's employer had called her. Hymore stated that she entered a note into the claim and referred it to OBWC Employer Services.

The Inspector General's Office reviewed the claim notes contained in the OBWC internal claim management system and verified Hymore accessed the injured worker's claim file on March 13, 2014, and March 14, 2014. In both instances, Hymore said she was performing actions in the claim because the assigned CSS was not available. However, the Inspector General's Office determined that on both dates in question, the assigned CSS had in fact entered notes into the claim file. The investigation also determined Hymore had additional contacts with her goddaughter and failed to enter notes into her goddaughter's claim for calls received on March 13 and 14, 2014.

In addition, the Inspector General's Office requested OBWC management review 1,063 instances where Hymore accessed additional claim files, in order to determine if she had a business reason to access the claims. This investigation determined Hymore accessed claim files in 10 instances from January 1, 2014, through March 14, 2014, in which the OBWC management team could not identify a business reason for Hymore's accesses.

The Inspector General's Office recommended that OBWC review the actions of Robin Hymore to determine if administrative action is warranted, and evaluate whether additional training is needed for Hymore and all OBWC employees regarding the proper treatment and handling of confidential personal information and OBWC claims. In response to the Inspector General's investigation, corrective action was imposed on Hymore in accordance with the OBWC disciplinary policy and collective bargaining agreement.

**OHIO BUREAU OF WORKERS' COMPENSATION**

**FILE ID NO.: 2013-CA00067**

On August 20, 2013, OBWC contacted the Inspector General's Office with allegations involving OBWC Garfield Heights Service Office (GHSO) Claims Service Specialist (CSS) Demetrius Finney, who was also an Ohio Civil Service Employees Association (OCSEA) union steward. OBWC stated that Finney filed a union grievance form in June 2013, alleging that supervisors, who are non-bargaining unit employees, were continuing to perform duties



reserved for bargaining unit employees as stipulated under the bargaining unit labor agreement. During the grievance process hearing in July 2013, Finney provided the GHSO manager with a one-page list of claims, claims documents, and computer screenshots to support his grievance.

OBWC alleged that Finney accessed injured workers' claim files using the OBWC internal claim system to obtain support for his union grievance. In August 2013, OBWC provided to the Inspector General's Office a CPI Access log showing Finney accessed claim files that he was not assigned for a total of 41 instances during the period of June 14, 2013, through July 8, 2013.

Further investigation determined Finney failed to comply with OBWC Memo 4.42 *Confidential Personal Information Access and Logging policy*. GHSO management determined Finney did not have a business reason to access injured worker claim files in 33 instances prior to filing his grievance; accessed claim files in 68 instances prior to the union grievance hearing held on July 23, 2013; and accessed claim files in 55 instances prior to the union grievance hearing held on September 5, 2013.

Additionally, in 156 instances, Finney failed to follow the process as defined in Article 25.09 of the OCSEA contract when he was obtaining information from claim files when conducting research for his grievances. Finney also failed to notify his supervisors when he was working on union grievances during assigned work hours as required by the OCSEA contract.



The Inspector General's Office compared, for the period from May 1, 2013, through June 30, 2013, the claim files accessed per the CPI Access log to the claims assignment history for five other claims service specialists and identified instances where the CSSs had accessed claim files they were not assigned. GHSO management identified 252 instances total where the five claims service specialists collectively had accessed an injured worker's claim file once or multiple times for no business purpose, contrary to OBWC policy.

The Inspector General found reasonable cause to believe wrongful acts or omissions occurred in these instances.

## **INDUSTRIAL COMMISSION OF OHIO**

**FILE ID NO.: 2013-CA00076**

On October 1, 2013, the Industrial Commission of Ohio (ICO) contacted the Inspector General's Office alleging ICO Claims Examiner Rebecca Kincaid accessed her personal OBWC claim file using three different ICO computer programs. Each of these programs contains

confidential information that is not available to the injured worker until the hearing officer's order is formally published by the Industrial Commission. The ICO provided evidence that Kincaid had accessed her OBWC claim file in 22 instances using ICO internal computer programs.

Interestingly, the 22 instances were identified by the ICO while gathering records in response to a public records request made by Kincaid herself. Kincaid had inquired about what records were given in response to a public records request made by Kincaid's landlord on an earlier date. When an ICO director obtained the records Kincaid had requested, he discovered that the records indicated Kincaid had accessed her own OBWC claim file using an ICO computer system. The Inspector General's investigation determined that Kincaid had accessed her claim file 132 times using her personal user ID to log into the OBWC website during the workday from November 7, 2011, through October 2, 2013. Kincaid also used her ICO user ID, which was to be used for ICO business, to access her claim through the OBWC website during the workday between May 6, 2011, and February 14, 2012.

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*“Interestingly, the 22 instances [of Kincaid’s CPI accesses] were identified by the ICO while gathering records in response to a public records request made by Kincaid herself.”*

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In response to the Inspector General's investigation, the Industrial Commission of Ohio imposed a suspension of Kincaid in accordance with its disciplinary policy and collective bargaining agreement.

#### **OHIO BUREAU OF WORKERS' COMPENSATION FILE ID NO.: 2013-CA00079**

On October 17, 2013, OBWC provided the Inspector General's Office with a confidential personal information log identifying two instances when Lima Service Office Claims Representative Lou Ann Lauck accessed her son-in-law's claim file. These accesses were not permissible under OBWC's confidential personal information policies.

The investigation determined Lauck accessed her son-in-law's claim file on August 29, 2013, and October 4, 2013, using OBWC's internal claims management system and her state-issued computer. Lauck admitted to investigators that she accessed her son-in-law's claim file using the OBWC internal claims management system on August 29, 2013, to determine whether the claim had been filed; accessing the claim file on October 4, 2013, to determine whether the physician review had been received; and printing off the physician review. Additionally, Lauck acknowledged accessing her son-in-law's claim file was not permissible under OBWC Memo 4.21 COEMP and Special Handling Claims Policy and Memo 4.42 Confidential Personal Information (CPI) Access and Logging.

In response to the Inspector General's investigation, corrective action was imposed on Lauck in accordance with the OBWC disciplinary policy and collective bargaining agreement.

## PROFESSIONAL INVOLVEMENT IN THE COMMUNITY

### Kent State University Columbus Program in Intergovernmental Issues Meets with Inspector General



Dear Inspector General Meyer,  
We appreciate the time you took to meet with our group. Your insight and experience have enriched our understanding of Ohio public policy. The knowledge we take from this experience will be beneficial to our future careers.

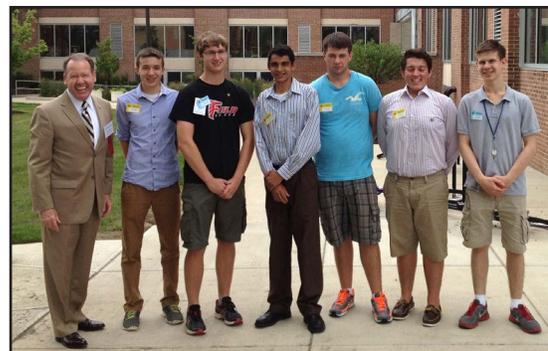
Many Thanks.

The Kent State Columbus Program 2014 Caucus

In 2014, Inspector General Meyer met with Dr. Vernon Sykes and 26 students of the Kent State University Columbus Program in Intergovernmental Issues (CPII). CPII offers a select group of student leaders from a variety of academic disciplines the opportunity to serve as interns in Columbus, Ohio. CPII provides students interested in public service practical lessons and a better understanding of policy development at the state government level. Additionally, program participants are given the opportunity to establish professional contacts and attain valuable pre-career knowledge and skill sets. The Inspector General's Office has hosted several meetings with CPII, having provided specific information about the office's mission and duties to more than 60 Kent State University students.

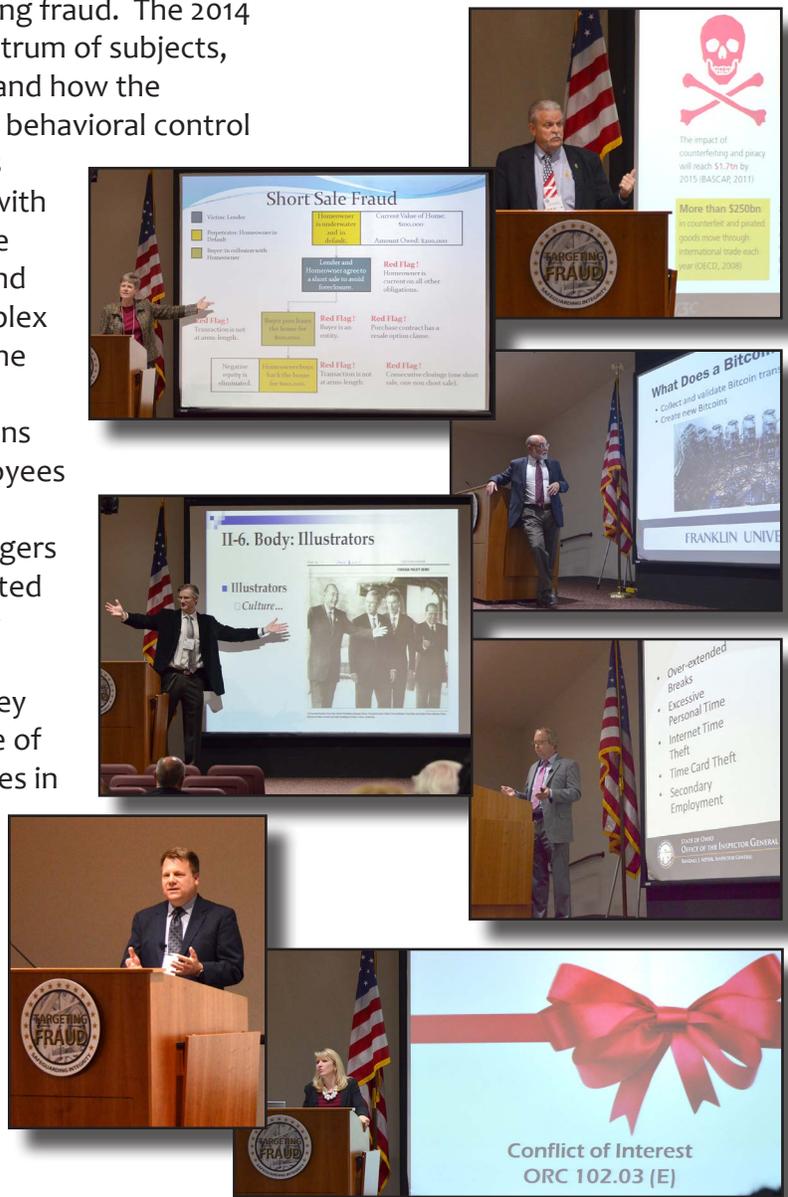
### A Day at Buckeye Boys State

In 2014, the office once again continued the proud tradition of participating in the American Legion Buckeye Boys State. Buckeye Boys State is a "hands-on experience" aimed at understanding the democratic process and its relationship to political parties, and how these institutions impact Ohio government. Under the sponsorship of the Ohio Chapter of the American Legion, Bowling Green State University hosted several thousand high school juniors in June for an eight-day educational event on citizenship. During this event, on *State Government Day*, various sessions were presented providing relevant information on how the different sections of state government function. Representing the Inspector General's Office on *State Government Day*, Deputy Inspector General Carl Enslin provided insight and knowledge to a group of six young men on the specifics of setting-up a working inspector general's office and executing its duties.



**2014 Conference on Targeting Fraud - Safeguarding Integrity**

Since 2012, in observance of National Fraud Awareness Week, the Inspector General’s Office, in partnership with Franklin University, National White Collar Crime Center, Ohio Ethics Commission, and Ohio Investigators Association have presented a two-day training conference entitled *Targeting Fraud – Safeguarding Integrity*. For its third year, which was held on November 5 and 6, the conference featured 10 speakers, traveling from four different states, who collectively examined a broad range of topics encompassing the investigative process of uncovering fraud. The 2014 conference explored a wide spectrum of subjects, including the topic of deception and how the human emotional, cognitive, and behavioral control systems work to produce various expressions that are associated with the act of deceit; how to evaluate large document financial cases and the methods for organizing complex cases into electronic case files; the investigator’s understanding of Ohio Ethics law and the restrictions that regulate public sector employees and private sector parties; an examination of the potential dangers and economic repercussions related to counterfeit products and their connection to organized crime, gangs, and terrorism; and a survey on the increasingly pervasive use of Bitcoin and other virtual currencies in illegal and fraudulent activities. *Targeting Fraud – Safeguarding Integrity* is slated to be held again next year on November 4 and 5, continuing the Inspector General Office’s efforts to foster ties with law enforcement and allied support from organizations and institutions.



### Sharing the Democratic Process with the International Visitors Council of Columbus

In 2014, continuing its working partnership with the International Visitors Council of Columbus (IVC), a number of gatherings were arranged to afford the opportunity for 33 delegates representing India, Kazakhstan, Kyrgyzstan, Russia, Serbia, and Sri Lanka to meet with Inspector General Meyer. The International Visitors Council of Columbus is affiliated with the U.S. Department of State and coordinates international government representatives to meet with state government officials. One of IVC's programs, the Community Connections Program, strives, "... to contribute to the economic and governmental reform in Eurasia; advancing free-market and democratic principles." These meetings are designed to familiarize delegates with state government in the United States and how it is differentiated from the federal level of government. For instance, Eastern Europe republics which were once allied with the former Soviet Union have particularly centralized government structures. To gain a better understanding of how "local control of local government" is not only beneficial but also representative, the program is designed to acquaint delegates with the goals, objectives, purpose, and function of the executive and legislative branches of state government.

During the last four years, the Inspector General's Office has hosted more than 100 representatives from 11 countries. Each of these special guests learned about the role of the Inspector General and the office's mission of upholding integrity in state government.



## Professional Development

The Office of the Inspector General recognizes the benefits obtained through professional organizations. It is professional development and continuing educational opportunities that bring a wide variety of values, knowledge and skills to the workplace. With this in mind, four OIG employees successfully completed trainings and earned certifications from two distinguished organizations: The Association of Inspectors General (AIG), and the International Association of Computer Investigative Specialists (IACIS).

The Association of Inspectors General was established in 1996 to define standards and best practices for inspectors general offices, sponsoring professional development and certifying individuals in IG-specific disciplines. The AIG sponsors the Inspector General Institute® Certification Program which is directed towards individuals who meet the eligibility educational and professional requirements, and who successfully complete its certification programs. Chief Legal Counsel James Manken and deputy inspectors' general David Shuster and Jessica Harper each attended and completed the Inspector General Institute® Certification Program. Manken and Shuster earned certification as *Inspector General Investigator*, attaining proficiency in seven distinct subject matter areas for inspectors general investigators. Harper earned certification as *Inspector General Auditor*, mastering several essential aspects of the investigative audit process; specifically in the areas of forensic, Information Technology, and contract auditing.

In addition, Computer Analyst Neal Gallucci earned certification as a *Certified Forensic Computer Examiner (CFCE)* from the International Association of Computer Investigative Specialists (IACIS). IACIS is dedicated to the education and certification of law enforcement professionals in the field of computer forensic science. IACIS offers professional training in the seizure and processing of computer systems that

incorporates forensic methods for searching seized computers in accordance with the rules of evidence and laws of search and seizure. Through the IACIS certification program, Gallucci attended a series of rigorous trainings, completed numerous practical lab exercises, and passed several exams in the field of computer/digital forensics. The successful completion of this certification program represents his proficiency in digital forensics.



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James Manken  
Chief Legal Counsel



David Shuster  
Deputy  
Inspector General



Jessica Harper  
Deputy  
Inspector General



Neal Gallucci  
Computer Analyst

# 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
- 121.421 Inspection of employees of the office of attorney general contractually vested with duties to enforce Ohio casino control commission
- 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
- 121.483 Deputy inspector general as peace officer
- 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.

#### **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.

### **121.483 Deputy inspector general as peace officer**

A deputy inspector general appointed under section 121.48 of the Revised Code, who has been awarded a certificate by the executive director of the Ohio peace officer training commission attesting to the person's satisfactory completion of an approved state, county, or municipal peace officer basic training program, shall, during the term of the deputy inspector general's appointment, be considered a peace officer for the purpose of maintaining a current and valid basic training certificate pursuant to rules adopted under section 109.74 of the Revised Code.

### **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 Deputy inspector general for funds received through the American Recovery and Reinvestment Act of 2009 [Repealed by 153 v H2, § 620.10, as amended by 2013 HB 59, effective June 30, 2014]**

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.

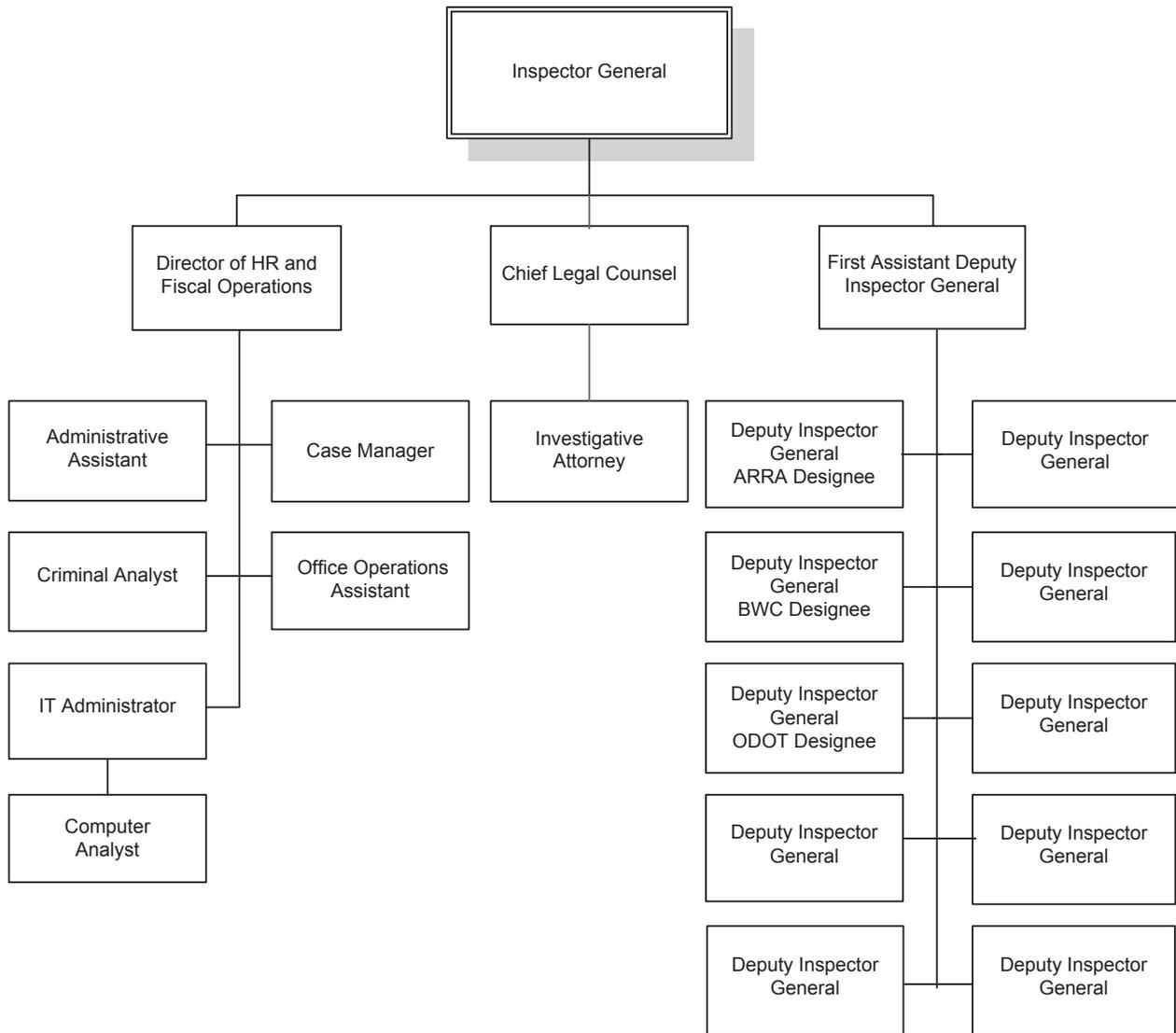
As used in this section, "relevant state agencies" has the same meaning as "state agency" in section 121.41 of the Revised Code insofar as those agencies are the recipients or distributors of funds apportioned under the "American Recovery and Reinvestment Act of 2009," Pub. Law 111-5, 123 Stat. 115.

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

### Office of Inspector General Organizational Chart



## CONTACT INFORMATION

### *Mailing Address:*

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Office of the Inspector General  
James A. Rhodes State Office Tower  
30 East Broad Street, Suite 2940  
Columbus, Ohio 43215-3414

### *Phone:*

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