



Ohio Department of Natural Resources

JOHN R. KASICH, GOVERNOR

JAMES ZEHRINGER, DIRECTOR

November 29, 2012

Randall J. Meyer, Inspector General
30 East Broad Street, Suite 2940
Columbus, Ohio 43215-3414

Ref: Response to recommendations

Dear Inspector General Meyer:

This letter is in response to the recommendations made by your office to the Ohio Department of Natural Resources (ODNR) report of investigation 2011-178.

Recommendation #1: Review the actions of David Insley and determine if repayment of the propane purchased on the payment card is warranted.

The ODNR has submitted information to the Office of the Attorney General to consider legal action to recover \$5,163.75 in propane costs used at the hatchery residence during David Insley's occupancy.

Recommendation #2: Review what transactions are permissible in regard to all of the hatchery's transactions with the employees who process the payment card logs.

We have undertaken steps to ensure the hatchery manager purchases are of emergency items only followed by review and approval by a higher level manager. In the future the hatchery manager will approve all purchases of items bought on payment cards at the local level. The manager will be responsible for ensuring the items are necessary for and received by the hatchery. Those purchases will then be reviewed again by a manager at central office to improve accountability.

We expect this will become the standard across division lines to ensure local approval of purchases by a local manager.

Recommendation #3: Review the payment card policy with all employees in regard to the purchase of services and other unallowable transactions.

The ODNR will re-emphasize the State of Ohio Payment Card Policies and Procedures Manual.

Recommendation #4: Include in the purchasing policy the steps to be followed when processing the payment card log, including when the supervisor should review the transactions.

This recommendation will be adopted.

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Recommendation #5: Review the individuals who are currently assigned payment cards to ensure if it is appropriate for them to be assigned a card.

We have undertaken a program to closely scrutinize the operational rationale for issuing payment cards to individual employees. Included in that review will be the number of annual purchases, likelihood that more than one employee at a worksite will be present to make both routine and emergency purchases, the loss of flexibility in the event an employee's card is cancelled and generally existence of persuasive operational reasons for issuance of payment cards.

Recommendation #6: Consider revising the current rental agreement to include specific terms on acceptable purchases to be paid for with state funds.

The ODNR has historically maintained a number of residences rented to employees with the aim of providing convenient twenty-four (24) hour response to emergencies and to maintain security of assets. Many of these residences are in rural and isolated locations and/or as in the case of fish hatcheries where if not discovered a loss of power or malfunction of equipment could result in considerable monetary loss.

Over time and with improved security techniques and equipment the need for maintaining a residential presence has diminished. We are undertaking a complete review of our program to include cost, operational need, lease requirements, short-term lease renewals, clear and consistent lease terms across division lines and a future plan to phase out those residences that are no longer cost effective.

Recommendation #7: Consider having employees renew the rental agreement every two to four years and providing copies to the employees who process payments for hatcheries to ensure they are aware of the allowable purchases.

All central office staff employees responsible for approving purchases for leased facilities will have access to specific lease agreements to ensure they are aware of allowable purchases.

Our legal section along with the Division of Real Estate is reviewing the lease agreements and will establish a renewal process of no more than two (2) years.

Thank you for your staff's time and effort.

Sincerely,



Richard Corbin
Deputy Director

Cc: File