

STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

**REPORT OF
INVESTIGATION**



**AGENCY: OHIO DEPARTMENT OF JOB AND FAMILY SERVICES
FILE ID NO.: 2012-CA00103
DATE OF REPORT: JULY 18, 2013**

The Office of the Ohio Inspector General ... The State Watchdog

“Safeguarding integrity in state government”

The Ohio Office of the Inspector General is authorized by state law to investigate alleged wrongful acts or omissions committed by state officers or state employees involved in the management and operation of state agencies. We at the Inspector General’s Office recognize that the majority of state employees and public officials are hardworking, honest, and trustworthy individuals. However, we also believe that the responsibilities of this Office are critical in ensuring that state government and those doing or seeking to do business with the State of Ohio act with the highest of standards. It is the commitment of the Inspector General’s Office to fulfill its mission of safeguarding integrity in state government. We strive to restore trust in government by conducting impartial investigations in matters referred for investigation and offering objective conclusions based upon those investigations.

Statutory authority for conducting such investigations is defined in *Ohio Revised Code §121.41* through *121.50*. A *Report of Investigation* is issued based on the findings of the Office, and copies are delivered to the Governor of Ohio and the director of the agency subject to the investigation. At the discretion of the Inspector General, copies of the report may also be forwarded to law enforcement agencies or other state agencies responsible for investigating, auditing, reviewing, or evaluating the management and operation of state agencies. The *Report of Investigation* by the Ohio Inspector General is a public record under *Ohio Revised Code §149.43* and related sections of *Chapter 149*. It is available to the public for a fee that does not exceed the cost of reproducing and delivering the report.

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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 hold the public trust.



Randall J. Meyer
Ohio Inspector General



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REPORT OF INVESTIGATION

FILE ID NUMBER: 2012-CA00103

SUBJECT NAME: Patricia S. Carr

POSITION: Customer Service Representative

AGENCY: Ohio Department of Job and Family Services
(ODJFS)

BASIS FOR INVESTIGATION: Referral by ODJFS Office of Chief Inspector

ALLEGATIONS: Failure to comply with state or department rules,
procedures or policies

INITIATED: August 7, 2012

DATE OF REPORT: July 18, 2013

INITIAL ALLEGATION AND COMPLAINT SUMMARY

On June 12, 2012, the Office of the Ohio Inspector General received a complaint from the Ohio Department of Job and Family Services (ODJFS) Chief Inspector's Office, alleging Patricia S. Carr, customer service representative for ODJFS Employment Services, improperly accessed and distributed the confidential personal information (CPI) of an unemployment compensation beneficiary in violation of Ohio Revised Code §1347.15 and Ohio Admin. Code 5101:9-22-16, *ODJFS Employee Access to Confidential Personal Information*. The ODJFS Chief Inspector's Office alleged Carr accessed the beneficiary's confidential personal information through the ODJFS unemployment beneficiary database, and disclosed the CPI in a fraud complaint submitted on or about April 25, 2012, which Carr filed with the Ohio Auditor of State. In the fraud complaint, Carr reported the unemployment compensation beneficiary was incarcerated at a correctional facility and was, at the same time, fraudulently receiving unemployment benefits.

BACKGROUND

The Ohio Department of Job and Family Services (ODJFS) is responsible for developing and overseeing adoption, child care, child and adult protective services, child support, public assistance, unemployment compensation and workforce development programs. Most of these programs are supervised by ODJFS with county and other local agencies administering the programs. The majority of the programs are federally mandated and funded. The director of ODJFS is appointed by the governor and is confirmed by the Ohio Senate. ODJFS is funded through general revenue funds, federal funds, and fees charged for services performed.¹

The State of Ohio classification specifications state that ODJFS customer service representatives, or "incumbents":²

... register and provide job referrals to employment services applicants, process unemployment compensation claims for benefits and provide specialized services to improve employability of applicants. At the first level, incumbents provide claims intake

¹ Biennial budget documents; http://media.obm.ohio.gov/OBM/Budget/Documents/operating/fy-14-15/bluebook/budget/Section-D_JFS.pdf

² State of Ohio (DAS) Classification Specification; ODJFS Customer Service; Series Number 6428; Effective 02/26/2012; <http://www.das.ohio.gov/LinkClick.aspx?fileticket=4GjFFdS4mm4%3d&tabid=144>

services, process new monetary, additional and non-monetary (i.e., non-separation and separation) claims, process job orders, register/update customer information in Ohio Jobnet, perform related employment services duties (e.g., profiling, testing, verification of TRA/NAFTA eligibility and operating personal computer to enter/update/retrieve customer information), and perform daily clerical tasks. The first full performance level class works under general supervision and requires working knowledge of customer service/public relations, office practices and procedures, state and federal laws and departmental policies and procedures governing eligibility for and processing of monetary and non-monetary claims for unemployment insurance and for employment services ...

The Ohio Auditor of State (AOS), an elected official, is responsible for auditing all public offices in Ohio including cities, villages, townships, school districts, universities, state agencies, boards, and commissions. The office's primary responsibility is to ensure that public funds are spent legally and appropriately by Ohio governments and affiliated entities, through financial audits conducted on an entity's accounts and financial statements. In addition to financial audits, the AOS conducts performance audits, which are reviews of governmental entities to identify ways to maximize programs or services by reducing waste and duplication of services. Other types of audits conducted by the AOS include Medicaid provider audits, and special audits when there is suspected fraud, waste, and abuse of public funds. The AOS is also responsible for financial supervision of schools and local governments placed in fiscal emergency.³

ORC §1347.01, *Personal information systems definitions*; paragraph (E) states:

Personal information means any information that describes anything about a person or that indicates actions done by or to a person, or that indicates that a person possesses certain personal characteristics, and that contains, and can be retrieved from a system by a name, identifying number, symbol, or other identifier assigned to a person.

³ Biennial budget documents; http://media.obm.ohio.gov/OBM/Budget/Documents/operating/fy-14-15/bluebook/budget/Section-D_AUD.pdf

ORC §1347.15 *Access rules for confidential personal information*; paragraph (A) (1) states:

“Confidential personal information” means personal information that is not a public record for purposes of section 149.43 of the Revised Code. (B) Each state agency shall adopt rules under Chapter 119 of the Revised Code regulating access to the confidential personal information the agency keeps, whether electronically or on paper. The rules shall include the following: (1) Criteria for determining which employees of the state agency may access, and which supervisory employees of the state agency may authorize employees to access, confidential personal information; (2) A list of the valid reasons, directly related to the state agency’s exercise of its powers or duties, for which only employees of the state agency may access confidential personal information.

Adapting the language in the Ohio Admin. Code 5101-22-15, *Release of personal information held by the Ohio Department of Job and Family Services (ODJFS)*, *ODJFS’s internal guidance IPP.3925. Data Access Policy (ODJFS)*; paragraph B states, in part:

Valid Reasons for Accessing CPI. Some examples of when accessing CPI is prohibited include, but are not limited to, access that results in personal or political gain, and commercial use unrelated to official departmental business. Below is a list of valid reasons for accessing CPI (regardless of whether the CPI is maintained electronically or on paper) that are common across all lines of business.

f. Complying with an agency policy or a state administrative policy issued by the Department of Administrative Services, the Office of Budget and Management or any other similar state agency.⁴

ORC §117.103 *Auditor of state’s system for reporting fraud*; paragraph (A) states:

The auditor of state shall establish and maintain a system for the reporting of fraud, including misuse and misappropriations of public money, by any public office or public official. The system shall allow Ohio residents and the employees of any public office to make anonymous complaints through a toll-free telephone number, the auditor of state’s

⁴ As used in this passage, the acronym “CPI” is an abbreviation for confidential personal information: IPP.3925. Data Access Policy - <http://emanuals.odjfs.state.oh.us/emanuals/>

website, or the United States mail to the auditor of state's office. The auditor of state shall review all complaints in a timely manner.

Paragraph (B)(1) states: "A public office shall provide information about the Ohio fraud reporting system and the means of reporting fraud to each new employee upon employment with the public office."

ODJFS established a web page, <https://unemployment.ohio.gov/fraud>, on October 31, 2011, for Ohioans to report fraud. Individuals can also report possible unemployment fraud by submitting a complaint by mail, email, fax, or by calling the ODJFS fraud hotline.

INVESTIGATIVE SUMMARY

On April 25, 2012, ODJFS Customer Service Representative Patricia S. Carr filed a fraud complaint with the Ohio Auditor of State's Office (AOS). On May 14, 2012, the AOS referred this complaint to the director of ODJFS, indicating that Carr's complaint was not an audit issue and not a matter for the AOS Special Audit Task Force. The ODJFS chief inspector conducted an internal review of the matter and subsequently referred the case to the Office of the Ohio Inspector General on June 12, 2012.

The Office of the Ohio Inspector General interviewed Carr on September 27, 2012. Carr has been employed by the state of Ohio for 20 years, and has been an ODJFS Employment Services customer service representative in Ashtabula, Ohio, for the past eight years. Carr serves as a case worker facilitating employment opportunities for unemployed residents of Ashtabula County. Carr stated that on or about March 2, 2012, she read an item in the Ashtabula Star Beacon newspaper that an individual was sentenced to 48 months in prison on an aggravated vehicular assault charge. Around the same time, Carr was informed by an ODJFS co-worker, Charlene Champlin, that the daughter of one of Carr's clients contacted her (Champlin) requesting to reschedule a training session, because the client was "out of town." Carr verified that the incarcerated person she had read about in the newspaper and the individual whose daughter contacted her at the office was the same person, and was also one of Carr's clients. After verifying in the ODJFS database that this incarcerated individual was receiving

unemployment benefits, Carr reported this matter to the Auditor of State's office. Carr said she felt duty-bound to verify that the person in question was receiving unemployment benefits before forwarding her fraud allegation. Carr stated that she informed her supervisor, Teresa Nicholson, of the matter, and thinking she was following appropriate protocols, reported the alleged fraud to the AOS office. Carr stated that she is authorized to access the ODJFS database, as she routinely must verify and refer to a client's unemployment compensation status to ensure coordination between employment training programs, and to request appropriate waivers regarding a client's continued eligibility for unemployment compensation or training participation. Carr stated this was the first time she encountered a situation of this nature, has not experienced similar instances since, nor is aware of any comparable occurrences within her office. Carr acknowledged that her supervisor has clarified the proper reporting process for future allegations of this nature, which is to report unemployment fraud allegations to ODJFS Benefit Payment Control and Compliance (BPCC) office.

The Office of the Ohio Inspector General's investigation revealed that Carr did not access her client's CPI for personal or political gain or for commercial use unrelated to official departmental business. Carr suspected fraud because she knew her client was receiving unemployment benefits, the local newspaper reported he/she was sentenced to jail time, and her client's daughter called the office requesting to reschedule her parent's appointment because he/she was "out of town." Carr proceeded to obtain background information on her client from an ODJFS database, which she was authorized to access, and reported this information to a State of Ohio investigatory agency. She informed her supervisor of this action.

On September 27, 2012, the Office of the Ohio Inspector General interviewed ODJFS Program Delivery Supervisor Teresa R. Nicholson, who is Carr's immediate supervisor. Nicholson's primary office is in Youngstown, OH. She supervises a total of eight full-time employees in the northeast region of Ohio, three of which are located in an Ashtabula office. Nicholson did not recall specifically when she was informed by Carr of the alleged fraud regarding the unemployment compensation beneficiary, but based on internal ODJFS emails, Nicholson believed Carr was following appropriate procedures when reporting the alleged fraud. Nicholson acknowledged that all of her employees received CPI training approximately one year prior to

this investigation, and that internal controls were in place and followed by employees accessing information in the ODJFS database. Nicholson stated the guidance provided by the AOS training for reporting fraud caused Carr to be confused about the best way to proceed. As a result of this conflicting guidance, Nicholson said that Marge Benton, ODJFS assistant deputy director of local operations, sent out an email on May 16, 2012, to all district offices and supervisors explaining the proper fraud reporting standard. Nicholson reiterated this information to her employees in order to clarify the fraud reporting process; informing them that unemployment fraud should be reported to the ODJFS Benefit Payment Control and Compliance (BPCC) office, which was the appropriate internal division for investigating unemployment fraud allegations. ([Exhibit 1](#)) Allegations could be reported by calling a fraud hotline, submitting complaints online, or by sending them through the U.S. mail.

Additionally, the ODJFS Chief Inspector's Office acknowledged that,

Local Ops is comprised of Call Centers (CC), Processing Centers (PC) and One Stops. CC's and PC's deal directly with Unemployment Insurance (UI) claim issues and all staff are trained extensively regarding UI issues, including suspected fraud. One Stops on the other hand deal primarily with re-employment issues. Again, our Training Coordinator verified One Stop employees⁵ do not receive UI-specific training and therefore do not receive specific training regarding how to necessarily address suspected claimant fraud issues. Because One Stop employees are rarely exposed to actual UI claims issues, their training has understandably been focused on the area of re-employment, for which they are responsible. ([Exhibit 2](#))

CONCLUSION

ODJFS Customer Service Representative Patricia S. Carr read in a local newspaper that an employment services client was incarcerated for vehicular assault. Viewing this as a potentially fraudulent unemployment compensation violation, Carr accessed the unemployment compensation benefit database to verify the incarcerated individual was receiving these benefits and then, on April 25, 2012, reported the alleged fraud to the Ohio Auditor of State. Carr's supervisor, Teresa Nicholson, acknowledged Carr also informed her of this alleged

⁵ Carr's position.

unemployment fraud. Nicholson recalled being aware of the ODJFS internal process for properly reporting suspected fraud and that the ODJFS Benefit Payment Control and Compliance Office was the appropriate internal division of ODJFS for investigating unemployment compensation fraud allegations. However, Nicholson believed the Ohio Auditor of State guidance for reporting fraud caused Carr to be confused about the correct course of action. Nicholson stated that, after this incident occurred, she reiterated the proper process to the ODJFS employees she supervises. Furthermore, ODJFS stated that email correspondence was sent to all personnel after this incident outlining proper fraud-reporting procedures. These multiple emails and communications from several sources outlining the procedures for reporting fraud caused confusion among staff and suggest agency-wide misunderstanding of appropriate reporting procedures. This confusion coupled with failing to have One Stop Center customer service personnel participate at the formal ODJFS unemployment compensation fraud training led to this fraud allegation being reported to the Ohio Auditor of State instead of ODJFS Benefit Payment Control and Compliance. In this case, Carr attempted to follow the appropriate guidance and, in doing so, was referred by her agency to the Ohio Auditor of State's Office. The Ohio Auditor of State's Office referred this matter to ODJFS for any action it deemed warranted. ([Exhibit 3](#))

Accordingly, the Office of the Ohio Inspector General finds no reasonable cause to believe wrongful acts or omissions occurred in these instances.

RECOMMENDATION(S)

The Office of the Ohio Inspector General makes the following recommendations and asks the Ohio Department of Job and Family Services to respond within 60 days with a plan detailing how the recommendations will be implemented. The Ohio Department of Job and Family Services should:

1. Review management controls to ensure all supervisors and departmental personnel are trained on the internal protocols for reporting fraud related to unemployment benefits.
2. Review agency processes by which supervisors and departmental personnel are trained on the requirements of internal and external reporting procedures.

3. Consider developing or revising policies addressing the degree of detail which is required and permissible when reporting suspected fraud.

4. Review methods by which important departmental information is communicated and consider alternative feedback methods to ensure receipt and understanding of guidance. Email correspondence should not be the sole method of communicating department policy to all employees.

[\(Click here for Exhibits 1-3 combined\)](#)



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NAME OF REPORT: Ohio Department of Job and Family Services FILE

ID #: 2012-CA00103

KEEPER OF RECORDS CERTIFICATION

This is a true and correct copy of the report which is required to be prepared by the Office of the Ohio Inspector General pursuant to Section 121.42 of the Ohio Revised Code.

Jill Jones
KEEPER OF RECORDS

CERTIFIED
July 18, 2013

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