

STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF
INVESTIGATION



AGENCY: OHIO DEPARTMENT OF TRANSPORTATION
FILE ID NO.: 2016-CA00042
DATE OF REPORT: JUNE 20, 2017

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.

The Office of the Inspector General does not serve as an advocate for either the complainant or the agency involved in a particular case. The role of the Office is to ensure that the process of investigating state agencies is conducted completely, fairly, and impartially. The Inspector General’s Office may or may not find wrongdoing associated with a particular investigation. However, the Office always reserves the right to make administrative recommendations for improving the operation of state government or referring a matter to the appropriate agency for review.

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: 2016-CA00042

SUBJECT NAME: Chad Haning

POSITION: Building Construction Superintendent

AGENCY: Ohio Department of Transportation
District 7
1001 St. Mary's Ave.
Sidney, Ohio

BASIS FOR INVESTIGATION: Agency Referral

ALLEGATIONS: Theft of State Property

INITIATED: October 31, 2016

DATE OF REPORT: June 20, 2017

INITIAL ALLEGATION AND COMPLAINT SUMMARY

On October 31, 2016, the Office of the Ohio Inspector General received a memorandum from the Ohio Department of Transportation (ODOT) Office of Investigative Services (OIS), providing notice of suspected illegal or improper behavior on the part of an ODOT employee. ODOT OIS provided information that ODOT Building Construction Superintendent Chad Haning, ODOT District 7, had allegedly used two Menards rebate checks, issued to ODOT for future ODOT purchases, for his personal use.

The Office of the Ohio Inspector General opened a joint investigation with the Ohio State Highway Patrol (OSHP) on October 31, 2016.

BACKGROUND

Ohio Department of Transportation

The Ohio Department of Transportation (ODOT) is responsible for maintaining the state's system of highways, as well as overseeing the state's rail, aviation, and public transportation systems. The department has 12 districts along with a central office located in Columbus, Ohio. The director, who serves as the agency's chief executive officer, is appointed by the governor and confirmed by the Ohio Senate. Most of ODOT's funding is generated from federal and state taxes on motor fuels.¹

The Ohio General Assembly enacted Ohio Revised Code (ORC) §121.51, effective July 3, 2007, which created the deputy inspector general for the Ohio Department of Transportation (ODOT). This statute designated this deputy inspector general "... shall investigate all wrongful acts or omissions that have been committed or are being committed by employees of the department" and provides the deputy inspector general the same powers and duties regarding matters concerning the department as those specified in sections 121.42, 121.43, and 121.45 of the Ohio Revised Code for matters involving ODOT.

¹ Source: Biennial budget documents.

INVESTIGATIVE SUMMARY

The Office of the Ohio Inspector General met with ODOT OIS and obtained copies of documents that were provided by Menards store security. These documents included copies of sales records, signature cards, rebate checks, as well as security video and snapshots of the transactions involving ODOT Building Construction Superintendent Chad Haning.

On November 3, 2016, investigators from the Office of the Ohio Inspector General and Ohio State Highway Patrol interviewed ODOT Program Administrator 2 Joyce Wolfe. Wolfe stated she is responsible for tracking and reconciling the credit card receipts for ODOT District 7. Wolfe noted there were seven District 7 employees in the Facilities Section who had state-issued credit cards. Wolfe noted that Chad Haning did not have a state-issued credit card.

Wolfe stated that Menards stores offer an 11 percent rebate on customer purchases several times during the year. Wolfe said ODOT District 7 management decided to collect the rebate checks from Menards and provide them to Facilities Section employees Dan McDermitt and Eric Prenger to use for ODOT-related purchases in Mercer County. Wolfe stated Menards was the only hardware related store in Mercer County, where both McDermitt and Prenger were assigned.

Wolfe said her procedure for collecting the Menards rebates involved compiling the Menards purchase receipts, making copies of them, and sending the original receipts to the Menards rebate center along with the rebate request. Wolfe said that after she mailed the rebate request, she would place a copy of it in her in-basket and await receipt of the rebate. Wolfe added the rebate center would then send a rebate check to the District 7 office.

Wolfe confirmed that the mailing address on the rebate checks received is always: ODOT District Seven, Facilities, 1001 Saint Marys Ave., Sidney OH 45365-8168. Wolfe stated when she received a rebate check, she would make a copy of it, attach that copy to the copy of the rebate request in her in-basket and have either McDermitt or Prenger sign for the rebate check. She would then file the documents together.

Wolfe said she became aware of a possible problem when she checked her in-basket and noticed that she had not yet received the rebate checks for two Menards rebate submissions she had sent at the end of August or early September 2016. Wolfe stated that she checked the Rebates International website used by Menards and discovered that two rebates, one for \$41.17 and another one for \$36.20, had been issued to ODOT District 7. Wolfe stated that both rebates showed they had been cashed at the Menards store located in Sidney, Ohio; one on September 23, 2016, and the other on October 17, 2016, respectively.

Investigators showed Wolfe a copy of the Menards rebate check for \$36.20 that was used at the Sidney, Ohio Menards store on October 17, 2016. Wolfe identified the signature on the rebate check as that of ODOT employee Chad Haning. Investigators then showed Wolfe a Menards security photo taken at Menards checkout register number 6 at 3:40 p.m. during the October 17, 2016, transaction. Wolfe identified the male in the photo making the purchase as Chad Haning. Wolfe was also shown the signature captured for the Visa card used to pay for the remaining \$14.77 balance of the purchase, at the same time the rebate card was used on October 17, 2016. Wolfe also identified this signature as belonging to Chad Haning. ([Exhibit 1](#))

Investigators showed Wolfe a Menards security photo taken at the Menards checkout register 6 at 1:28 p.m. on September 23, 2016. Wolfe identified the male customer in the photo as Chad Haning. After the Menards rebate check credit was applied, the remaining balance of \$4.56 on this purchase was paid with a debit card, so no signature was available. ([Exhibit 2](#)) Menards was unable to provide a copy of the rebate check with a signature, because the company only maintains copies of the documents for 30 days. Wolfe stated when she made her initial inquiry to the Menards manager about the rebate matter, he confirmed that the rebate check issued to ODOT District 7 for \$41.17 was used during this transaction.

On November 3, 2016, investigators interviewed ODOT Building Construction Superintendent Chad Haning. Haning described the process for the use of state-issued credit cards and stated that there were eight employees with credit cards in the District 7 Facilities Section that were under his supervision. Haning said he did not have a state-issued credit card, "... since I am the approver for the credit card bills."

Investigators showed Haning a Menards security photo taken at the Menards checkout register 6 at 1:28 p.m. on September 23, 2016. Haning identified the male customer in the photo as himself. Haning admitted that he used the rebate check issued to ODOT District 7 for \$41.17 to purchase a ceiling fan for his personal use on September 23, 2016. After being shown the Menard purchase record, Haning also admitted using his debit card to pay the remaining balance of \$4.56 on this purchase. [\(Exhibit 2\)](#) Haning stated the ceiling fan was currently installed in his residence located in Piqua, Ohio.

Investigators then showed Haning a copy of the Menards rebate check for \$36.20 used at the Sidney, Ohio Menards store on October 17, 2016. Haning identified the signature on the rebate check as his signature. Investigators then showed Haning a Menards security photo taken during the transaction at Menards checkout register 6 at 3:40 p.m. on October 17, 2016. Haning admitted he was the person in the photo making the purchase of an enhanced television antenna for his personal use. Haning was also shown the signature captured for the Visa card used to pay for the remaining \$14.77 balance of the purchase, which was used at the same time as the rebate card on October 17, 2016. Haning identified this signature as his. [\(Exhibit 1\)](#) Haning stated that the television antenna was currently installed in his residence located in Piqua, Ohio.

When investigators asked how he obtained the Menards rebate checks sent to ODOT, Haning said that he took them out of the mail at the District 7 office. Haning said he made both purchases at the Sidney, Ohio Menards store and both times he signed the rebate checks and gave them to the cashier to buy personal items for his home, paying the remaining balance with his debit card.

When asked why he took the rebate checks and used them to buy items for his personal use, Haning stated, "It was stupid, it was a mistake." Haning said that he completed the required ODOT Fraud and Ethics Training session "... less than a year ago."

CONCLUSION

On October 31, 2016, the Office of the Ohio Inspector General received a memorandum from the Ohio Department of Transportation Office of Investigative Services, alleging that ODOT

employee Chad Haning, building construction superintendent for ODOT District 7, used for his personal use, two Menards rebate checks that had been issued to ODOT.

The Office of the Ohio Inspector General determined that Chad Haning illicitly obtained two Menards rebate checks issued to ODOT District 7, totaling \$77.37, and used them to purchase items for his personal residence. Haning was identified by his administrative assistant as the person making the purchases at the Sidney, Ohio Menards store on September 23, 2016, and October 17, 2016. The assistant also identified the signatures on the rebate checks used as those of Chad Haning, and identified Haning as the person pictured in the Menards security photos taken at the checkout register during each transaction.

During his interview, Haning admitted to investigators to taking the two Menards rebate checks from the mail at the ODOT District 7 office and using them to make purchases for his personal use. Haning identified himself to investigators as the person pictured in the Menards security photos. Haning also confirmed to investigators that the signatures were his on both the rebate checks and Visa debit card transactions conducted on September 23, 2016, and October 17, 2016, respectively.

Haning admitted that the items purchased, a ceiling fan and an enhanced television antenna, were both currently installed at his residence located in Piqua, Ohio. As an explanation for his actions, Haning said, “honestly, it was just a weak moment for me.”

Accordingly, the Office of the Ohio Inspector General finds reasonable cause to believe a wrongful act or omission occurred in this instance.

The Ohio Department of Transportation initiated disciplinary action against Haning after the investigative interviews were conducted on November 3, 2016. Haning resigned his position on December 2, 2016, prior to his termination hearing.

The Ohio State Highway Patrol referred the matter to the Shelby County Prosecutor’s Office for review. On December 16, 2016, the Shelby County Grand Jury returned an indictment charging

Chad Haning with one count of theft in office, ORC §2921.41(A)(2), a felony of the fifth degree. On April 3, 2017, Haning entered a plea of guilty to one count of theft, ORC §2913.02, a misdemeanor of the first degree.

RECOMMENDATION(S)

The Office of the Ohio Inspector General has determined that no recommendations are warranted for this report of investigation.

REFERRAL(S)

The Office of the Ohio Inspector General has determined that no referrals are warranted for this report of investigation.



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NAME OF REPORT: Ohio Department of Transportation

FILE ID #: 2016-CA00042

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
June 20, 2017

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