

STATE OF OHIO  
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF  
INVESTIGATION



AGENCY: OHIO DEPARTMENT OF MEDICAID  
FILE ID NO.: 2017-CA00037  
DATE OF REPORT: MARCH 14, 2019

## 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.

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Randall J. Meyer  
Ohio Inspector General



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**OFFICE OF THE INSPECTOR GENERAL**

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RANDALL J. MEYER, INSPECTOR GENERAL

**REPORT OF INVESTIGATION**

**FILE ID NUMBER:** 2017-CA00037

**SUBJECT NAME:** Brandi Potts

**POSITION:** Financial Analyst

**AGENCY:** Ohio Department of Medicaid

**BASIS FOR INVESTIGATION:** Complaint

**ALLEGATIONS:** Operating a Business or Private Interest on State Time

**INITIATED:** October 10, 2017

**DATE OF REPORT:** March 14, 2019

## **INITIAL ALLEGATION AND COMPLAINT SUMMARY**

On October 10, 2017, the Office of the Ohio Inspector General received a complaint from the Ohio Department of Medicaid (ODM) alleging Financial Analyst Brandi Potts was conducting unreported secondary employment for a private business during days and times she was working for the Ohio Department of Medicaid and misused state-issued equipment and email. ODM further alleged that documents of a personal nature, including state and federal income tax returns, and invoices and bills for the private business were saved on her state-issued computer.

## **BACKGROUND**

### *Ohio Department of Medicaid*

The federal government requires states to name a “single state agency” to administer its Medicaid Program. The Ohio Department of Medicaid is the sole state agency for Ohio to administer Ohio’s Medicaid program. The agency retains oversight and administrative control of the Ohio Medicaid program and assures federally set standards are maintained. ODM provides health care coverage to those with limited income: including pregnant women, families and children, adults, senior citizens, and individuals with disabilities. Many of those served by Medicaid obtain medical care at no cost; however, some recipients must pay copayments for certain services. Once enrolled, Medicaid participants gain coverage for such services as doctor visits, hospital care, well-child visits, home health, and long-term care. The Ohio Department of Medicaid is funded with federal, state, and local revenues.<sup>1</sup>

### *Applicable Rules and Policies*

The following laws, rules, and policies were reviewed as part of the investigation:

Ohio Revised Code (ORC) §102.03(D) states:

No public official or employee shall use or authorize the use of the authority or influence of office or employment to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the official or employee with respect to that person’s duties.

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<sup>1</sup> Biennial budget documents.

The Ohio Ethics Commission (OEC) issues advisory opinions which elaborate on the interpretation of the Ohio Revised Code. OEC Advisory Opinion 96-004, interpreting ORC §102.03(D), prohibits a public official or employee who engages in private outside employment or business activity from:

- (a) using public time, facilities, personnel, or resources in conducting a private business or while engaging in private outside employment including conducting demonstrations for clients using public equipment.

The ODM *Standards of Employee Conduct IPP 0003 Policy* states, in part:

All government property, including but not limited to automobiles, supplies, equipment, telephones, computer hardware, computer software, electronic mail, ODM information systems, internet usage, and facilities are to be used for official purposes only, unless otherwise stated.

This is further referenced in ODM *Information Security IPP 3001 Policy*, which states:

The ODM information computers and communications systems are the property of the Ohio Department of Medicaid and must be used for explicitly authorized purposes ... Users of the Ohio Department of Medicaid computing services must not use these facilities for soliciting business, selling products, or otherwise engaging in commercial activities other than those expressly permitted by ODM management. Electronic mail systems are intended to be used primarily for business purposes. Any personal use must not interfere with normal business activities; must not involve solicitation, must not be associated with any for-profit outside business activity ... .

The ODM *Standards of Employee Conduct IPP 0003 Policy* further states, “Employees are prohibited from sending Federal Tax Information using email. Exceptions to this must be granted by the PDM Chief Information Security Officer.”

Relating to Outside Employment, ODM *IPP 0003 Policy* states, “Employees must report outside employment in accordance with IPP 5003 ...”

The ODM *Computer and Information Systems Usage IPP 10002 Policy* states, “ODM computers and information systems are the property of ODM. They may be used only for explicitly authorized purposes ... .” The following is a non-exhaustive list of prohibited uses:

- 5 Using computers or information systems in association with the operation of any for-profit business activities or for personal gain;
- 18 Using the Internet to sell goods or services not related or specifically authorized in writing by an approved authority;
- 24 Storing non-work, personal documents on any drive of a state-owned computer or network ... .

Personnel may access the e-mail and Instant Messenger (IM) system for nonofficial business provided that such communication does not disrupt or interfere with official ODM business, is kept to a minimum duration and frequency, does not violate other provisions of this policy ... .

Documents obtained from ODM show that Potts acknowledged the following policies and training provided through ODM:

- Standards of Employee Conduct, acknowledged on September 14, 2016
- Code of Responsibility, acknowledged on September 17, 2015
- Computer and Information Systems Usage, acknowledged on September 9, 2015
- Ethics training, acknowledged on September 29, 2016, and September 9, 2017

### **INVESTIGATIVE SUMMARY**

On October 4, 2017, ODM Chief Legal Counsel Brianne Brown notified the Office of the Ohio Inspector General of an incident involving Financial Analyst Brandi Potts. Brown stated that on September 28, 2017, the Ohio Department of Medicaid received notification from the Ohio Department of Administrative Services (ODAS) Information Department (IT) that malicious activity had been detected on an ODM device. The device was immediately taken off the network and a concern was expressed that a former disgruntled employee may have been

responsible for a cyberattack.<sup>2</sup> This concern was later determined to be false by the IT department at ODM. However, the IT department located documents of a personal nature on Brandi Potts' state-issued device. These documents included state and federal income tax returns, as well as invoices and bills for a non-state, for-profit business. The business was believed to be owned by Potts' boyfriend. Brown additionally noted there was no Outside Employment form on file for Potts as is required by ODM policy for employees engaging in secondary employment.

Investigators for the Office of the Ohio Inspector General spoke with ODM Chief Information Security Officer Matt Williams. Williams verified the information provided by Brown and stated he had discovered several documents on Potts' ODM-issued computer that indicated Potts was operating or working for a private trucking business. Williams provided to investigators copies of ODM's policies and Potts' acknowledgements of understanding ODM policies and her attendance at trainings. Williams also provided several of the non-work related documents located on Potts' ODM computer. These documents included:

- Certificate of liability insurance for Highway Kraft Trucking LLC;
- Invoice dated September 27, 2017, to Coyote from Highway Kraft Trucking LLC;
- Bill of Lading with receipt in the name of Frederick D. Kraft. The receipt included a Social Security number which was later identified as that of Frederick D. Kraft;
- U.S. Department of Transportation Federal Motor Carrier Safety Administration certificate to Highway Kraft Trucking LLC giving authority to engage in transportation as a common carrier of property;
- Broker-Carrier agreement for Highway Kraft Trucking LLC;
- Carrier Confirmation for Sober Path Enterprises LLC for "Fred." The phone number on the document was later determined to be that of Frederick Kraft;
- Department of Treasury Internal Revenue Service W-9 form for Highway Kraft Trucking LLC;

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<sup>2</sup> A cyberattack is any type of offensive maneuver employed by nation-states, individuals, groups, or organizations that targets computer information systems, infrastructures, computer networks, and/or personal computer devices by various means of malicious acts usually originating from an anonymous source that either steals, alters, or destroys a specified target by hacking into a susceptible system.

- Notice of Sale and Assignment of Accounts document showing that Highway Kraft Trucking LLC had retained PDM Financial LLC to manage its credit and collections;
- Certificate of liability insurance for Sober Path Enterprises LLC;
- Invoice dated September 29, 2017, to Lighthouse from Highway Kraft Trucking LLC;
- Transportation Factoring Application for Highway Kraft Trucking LLC. The document included the names, dates of birth, Social Security numbers, driver's license numbers, address and telephone numbers for Frederick Kraft and Jennifer Wheatley;
- Invoice for Sober Path Enterprises LLC dated May 17, 2017;
- Two scanned bill of ladings;
- Sober Path Enterprises LLC spreadsheet.

### *Forensics*

On November 14, 2017, investigators for the Office of the Ohio Inspector General collected Brandi Potts' ODM-issued computer. A forensic analysis of Potts' computer was conducted and investigators identified 198 files relating to Highway Kraft Trucking LLC and Sober Path Enterprises LLC. Investigators determined that 164 of these files were found to have been deleted between March 7, 2017, and September 28, 2017. The deleted files contained information relating to commercial carrier shipments, insurance, taxes, bills of lading, and invoices.

### *Brandi Potts' Interview*

On January 23, 2018, the Office of the Ohio Inspector General interviewed ODM Financial Analyst Brandi Potts. During the interview, Potts stated that her boyfriend, Frederick Kraft, was the owner and operator of Highway Kraft Trucking LLC. Potts explained that Kraft is an owner/operator who subcontracted with Sober Path Enterprises LLC. Investigators questioned Potts about the documents located on her ODM computer. Potts stated she uploaded the documents on the computer and that she did so to assist Kraft with his trucking business. Potts explained that the owner of Sober Path Enterprises LLC virtually abandoned the company and left Kraft responsible for fulfilling trucking contracts. Potts told investigators that Kraft was unfamiliar with computers and she was helping him with invoicing and providing documents for trucking runs. Potts confirmed she had never submitted an ODM Outside Employment form.

Potts added she did not receive compensation from Highway Kraft Trucking LLC so she did not consider herself an employee. However, Potts noted that she had secondary employment with monetary compensation around 2013 when she cleaned offices with her mother.

Investigators showed Potts several documents discovered on her ODM-issued computer that had her listed as the accounts receivable contact for Highway Kraft Trucking LLC, and the billing contact for Sober Path Enterprises LLC. Potts stated that it was necessary for her to put her name on the documents in order to be able to communicate with the companies involved. Potts repeated to investigators that she did not work for Highway Kraft Trucking LLC or Sober Path Enterprises LLC.

Investigators questioned Potts about the W-9 tax records and documents containing personal identifiers such as Social Security numbers located on her ODM computer. Potts stated she did not consider the various issues that might arise when saving unsecured personal information or sending unencrypted personal information using her state-issued computer. Potts added that she believed ODM had a fairly lenient policy of internet usage by employees while on personal breaks and lunch breaks, and it was during those times she would work on documents for Highway Kraft Trucking LLC.

Potts initially denied to investigators that she used her ODM email account for sending and receiving documents related to Highway Kraft Trucking LLC and Sober Path Enterprises LLC. However, after investigators showed Potts approximately 10 emails discovered from her ODM account, Potts stated that her use of the ODM email account rather than her personal email account “wasn’t intentional.” The emails shown to Potts established that she was receiving emails directly to her ODM account from companies such as A&M Global Transportation and Nolan Transportation Group (NGT).

Potts also was shown an email dated March 8, 2017, in which ODM Management Analyst Kristen N. Riley had received an email with an attached invoice for Sober Path Enterprises LLC from Transportation Express American Motorways, Inc. (T.E.A.M, Inc.). The email was sent directly to Riley’s ODM account. The email was then forwarded to Potts at her ODM email

account and then forwarded by Potts to Highway Kraft Trucking LLC. Potts stated Riley was someone she used to work with at ODM, but that Riley had since left state employment. Potts was unable to give an explanation as to why Riley received trucking invoices sent to her OBM email account. Potts stated that Riley had never been employed by Highway Kraft Trucking LLC.

At the conclusion of her interview with investigators, Potts stated that she understood how the situation looked as if she was engaged in outside employment, and admitted that she should not have sent or stored these documents on her ODM computer.

Potts was shown ODM policies for *Standards of Employee Conduct*, *Computer and Information Systems Usage*, and *Information Security*. Potts acknowledged to investigators that she used her ODM computer and email account outside of the parameters permitted by the policies established by ODM.

Investigators reviewed the Ohio Ethics Commission Advisory Opinion Number 96-004 regarding using public time, facilities, personnel, or resources in conducting a private business or while engaging in private outside employment. Advisory Opinion Number 96-004 suggests these actions are prohibited for public officials or employees who engage in private outside employment or business activity.

The Ohio Ethics Commission (OEC) issues advisory opinions which elaborate on the interpretation of the Ohio Revised Code. OEC Advisory Opinion 96, interpreting ORC §102.03(D), prohibits a public official or employee who engages in private outside employment or business activity from:

- (a) using public time, facilities, personnel, or resources in conducting a private business or while engaging in private outside employment including conducting demonstrations for clients using public equipment.

## CONCLUSION

On October 10, 2017, the Office of the Ohio Inspector General received a complaint from the Ohio Department of Medicaid (ODM) alleging Financial Analyst Brandi Potts was conducting unreported secondary employment for a private business during days and times she was working for the Ohio Department of Medicaid. ODM alleged Potts misused state-issued equipment and email and that she stored documents of a personal nature on her state-issued computer.

The Office of the Ohio Inspector General reviewed ODM's policies and Potts' acknowledgements of understanding of ODM policies, as well as her attendance at trainings. A forensic analysis of Potts' state-issued computer was conducted and investigators discovered various files related to Highway Kraft Trucking LLC and Sober Path Enterprises LLC. Potts admitted to investigators that she uploaded the files on her ODM computer while assisting her boyfriend with his trucking company. Although investigators discovered several documents listing Potts as "Billing Contact," "Account Contact," "Claims Contact," and "Owner" of Highway Kraft Trucking LLC, Potts denied receiving any form of compensation for this work and stated she therefore never considered her activities as secondary employment. Potts admitted to investigators that in 2013, she maintained secondary employment cleaning offices without submitting a request for secondary employment form to ODM. Investigators also determined Potts inappropriately used her ODM email account to send and receive email and files related to Highway Kraft Trucking LLC and Sober Path Enterprises LLC from an IP address associated with the Ohio Department of Administrative Services. Finally, investigators located W-9 tax records associated with Highway Kraft Trucking LLC and other documents containing personal identifiers such as Social Security numbers on Potts' ODM-issued computer.

Therefore, the Office of the Ohio Inspector General determined that Ohio Department of Medicaid Financial Analyst Brandi Potts violated the ODM *Standards of Employee Conduct* and *Computer and Information Systems Usage* policies.

The Office of the Ohio Inspector General was unable to determine if work performed by Potts for Highway Kraft Trucking LLC and Sober Path Enterprises LLC occurred during Potts' Ohio Department of Medicaid working hours or during break times.

**Accordingly, the Office of the Ohio Inspector General finds 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 that the director of the Ohio Department of Medicaid respond within 60 days with a plan detailing how these recommendations will be implemented.

1. Review the conduct of Ohio Department of Medicaid employee Brandi Potts to determine if administrative action is warranted.
2. Review with all employees the Ohio Department of Medicaid computer and information systems usage policy, information security policy, and secondary employment policies and restrictions.

**REFERRAL(S)**

The Office of the Ohio Inspector General has referred this report of investigation to the Columbus City Attorney and the Ohio Ethics Commission for consideration.



STATE OF OHIO  
**OFFICE OF THE INSPECTOR GENERAL**

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RANDALL J. MEYER, INSPECTOR GENERAL

**NAME OF REPORT: Ohio Department of Medicaid**

**FILE ID #: 2017-CA00037**

**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**  
**March 14, 2019**

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