

STATE OF OHIO  
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF  
INVESTIGATION



AGENCY: OHIO DEPARTMENT OF ADMINISTRATIVE SERVICES  
FILE ID NO.: 2018-CA00012  
DATE OF REPORT: DECEMBER 19, 2019

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

*“Safeguarding integrity in state government”*

The Office of the Ohio 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



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

---

RANDALL J. MEYER, INSPECTOR GENERAL

**REPORT OF INVESTIGATION**

**FILE ID NUMBER:** 2018-CA00012

**SUBJECT NAME:** Tracy Plouck, Former Director  
(Ohio Department of Mental Health and Addiction Services)

Rex Plouck, Former Consultant  
(Ohio Department of Administrative Services and Office of Health Transformation)

**BASIS FOR INVESTIGATION:** Inspector General Initiative

**ALLEGATIONS:** Misuse or Abuse of State Property or Equipment  
Abuse of Office/Position

**INITIATED:** February 21, 2018

**DATE OF REPORT:** December 19, 2019

## **INITIAL ALLEGATION AND COMPLAINT SUMMARY**

On April 13, 2017, the Office of the Ohio Inspector General initiated an investigation into State of Ohio IT procurement processes; specifically, the hiring of IT consultants/contractors using state term schedule contracts. The investigation was based in part, on complaints received by the Office of the Ohio Inspector General, a letter from State Representative Jack Cera articulating concerns regarding State of Ohio IT procurement practices, as well as numerous news articles published in the Columbus Dispatch.

During the course of other investigations, investigators discovered a questionable investment while reviewing Advocate Solutions (AS) bank account records. Specifically, investigators found that then-Director of the Ohio Department of Mental Health and Addiction Services Tracy Plouck and then-Consultant for the Ohio Department of Administrative Services and Office of Health Transformation Rex Plouck had made a \$20,000 investment in AS on March 24, 2017. Investigators' primary concern was that both Tracy and Rex Plouck were involved with Ohio's Health Transformation initiative and AS was benefitting via contracts supporting the initiative.

Additionally, when the investment was made, Rex was serving as the CEO of Advocate Solutions, and had been a contracted executive consultant with the Office of Health Transformation since 2011. Tracy Plouck, while employed as the director of the Ohio Department of Mental Health and Addiction Services, served as an executive stakeholder supporting Ohio's Health Transformation initiative. [\(Exhibit 1\)](#)

On February 21, 2018, the Office of the Ohio Inspector General initiated an investigation into the questionable investment made by the Ploucks and whether Tracy Plouck reported it on her Financial Disclosure Statement (FDS) with the Ohio Ethics Commission (OEC).

## **BACKGROUND**

The Ohio Department of Administrative Services (ODAS) is responsible for providing state agencies with services pertaining to procurement of goods and services, personnel, equal opportunity, collective bargaining, and information technology. The primary divisions of ODAS

are general services, human resources, equal opportunity, collective bargaining and information technology. General services provides procurement, real estate, printing, mail, fleet management, and records management services throughout state government. Human resources handles matters related to personnel administration, including benefits and payroll, for state agencies. Equal opportunity ensures that underrepresented populations are fairly considered in the economic and employment opportunities of the state. Collective bargaining provides for the central administration and negotiation of labor contracts for all state agencies, and information technology oversees the state's information technology infrastructure.<sup>1</sup>

### *Office of Health Transformation*

The Office of Health Transformation (OHT) was created through an executive order by former Governor John Kasich in the first days of his administration. The purpose of the Office of Health Transformation was to modernize Medicaid, streamline health and human services, and engage private sector partners to establish clear, overall performance expectations for the health care system.

### *Advocate Solutions*

Advocate Solutions was initially incorporated as Government Consulting Resources, LTD. (GCR). GCR filed articles of organization with the Ohio Secretary of State on March 1, 1995, "... to engage in the practice of providing interactive computer consulting services to state and local governments, and other business or activity as may be agreed to by the members." The articles of organization were signed by members Gregory Krause and Dwaine Gould, and designated Lynn Gould as the statutory agent. On November 13, 2013, GCR filed to change the statutory agent from Lynn Gould to Alan Dillman. On February 26, 2014, Dillman filed a "certificate of merger" on behalf of GCR and as a result, the name changed to Advocate Solutions, LLC. On May 17, 2018, Advocate Solutions, LLC filed "consolidation – domestic for-profit LLC" documents with the Ohio Secretary of State. Advocate Consulting Group, LTD (ACG) and Advocate Solutions, LLC were consolidated effective May 10, 2018, and the resulting entity became Advocate Solutions, LLC with their attorney as the statutory agent. This

---

<sup>1</sup> Source: Biennial budget documents

consolidation was signed by both Mark Schriml on behalf of Advocate Consulting Group, LTD and Rex Plouck as CEO on behalf of Advocate Solutions, LLC.

For purposes of this report, GCR/Advocate Solutions will be referred to as Advocate Solutions (AS).

#### *TSG Partners, LTD*

TSG Partners, LTD was originally registered with the Ohio Secretary of State on June 4, 2008, as K&M Ventures, LLC with Mark Schriml as the authorized representative. On November 18, 2013, Mark's son Kyle Schriml, on behalf of K&M Ventures, LLC amended the original filing to change the company's name to Advocate Technical Services, LLC. On March 24, 2017, Kyle Schriml on behalf of Advocate Technical Services filed for another name change to TSG Partners, LTD. On March 31, 2017, Kyle Schriml changed the registered agent from Mark Schriml to Kyle Schriml.

For purposes of this report, Advocate Technical Services, LLC/TSG Partners, LTD will be referred to as TSG.

#### *Menya Communications LTD*

Menya Communications LTD (Menya) filed articles of organization with the Ohio Secretary of State on August 31, 2006. Menya CEO Samuel Wanderi graduated from Cedarville University in 2005 with a Bachelor of Arts degree in Management Information Systems. During this timeframe, Dillman was an associate professor of Management Information Systems and managed the Center for Business Innovation at Cedarville University. According to its website, Menya was established as a product of the Center for Business Innovation entrepreneurship program and operates as an independent technical writing and security consulting firm.<sup>2</sup> Dillman has a history of partnering with Cedarville University students on information technology-related endeavors. According to a Menya operational timeline, AS made a capital investment into Menya on September 14, 2006, and on December 28, 2006, Menya and AS formalized an operating agreement. Additionally, between 2006 and 2015, Menya was associated with

---

<sup>2</sup> Source: menyald.com

multiple addresses related to Dillman and his affiliated businesses, which included Advocate Solutions.

### **INVESTIGATIVE SUMMARY**

During the course of another investigation, the Office of the Ohio Inspector General issued subpoenas for ACG's, AS's and TSG's bank account records. From a review of AS's bank records, investigators discovered a check that was deposited into AS's account from Tracy and Rex Plouck's joint personal bank account. The check, dated March 24, 2017, was written for \$20,000 and was made payable to "Advocate Solutions LLC," and in the memo field was the notation "Advocate Investment." The check was signed by Rex Plouck (Rex).

Investigators requested and reviewed Tracy Plouck's (Tracy) FDS for years 2014 through 2017 as filed with the Ohio Ethics Commission. From this review of Tracy's FDS, investigators discovered that Tracy did not report on her 2017 FDS form a \$20,000 investment in Advocate Solutions LLC. Investigators discussed this investment with the OEC, who advised that even though the check was drawn on a joint account, it was not signed by Tracy and therefore, she would not be required to list the investment on her FDS form unless it could be determined that she had an interest in AS.

As part of this investigation, investigators reviewed Tracy and Rex Plouck's state email accounts to determine if they had any discussions regarding the investment in AS. Investigators were unable to locate any emails regarding investments. However, investigators reviewed Rex's state email account and found several areas of concern regarding the hiring of IT consultants, using state email for AS business, and other procurement-related issues.

#### *Hiring of IT Consultants*

During the review of Rex's state email account, investigators found several instances where Rex, as a contractor for the State of Ohio, was steering business to his private employer AS. In these instances, records revealed Rex would receive an email at his state email address from former ODAS Deputy Director Deven Mehta<sup>3</sup> with an IT contractor position description attached to the

---

<sup>3</sup> Deven Mehta resigned from his position effective June 4, 2019.

email. Rex would then forward the email with the position description to his AS business partners. Rex or one of his AS business partners would then send a prospective contractor's resume from their AS email account to Mehta. Mehta's assistant would create the Request to Purchase (RTP) and the Release and Permit (R&P)<sup>4</sup> request. The Release and Permit requests were expedited and approved within days of submittal. Investigators found these contractors were either continually renewed year after year or backfilled with other AS employees.

### Hiring of Kyle Schafer

On December 7, 2011, Rex sent the following email to his business partners Frank Carchedi and Alan Dillman from his state email account regarding his (Rex) push for a meeting between then-Chief Information Officer (CIO) Stu Davis, Office of Information Technology (OIT) Chief Administrator Katrina Flory, and future AS contractor and then-West Virginia CIO Kyle Schafer.

**From:** "Plouck, Rex E" <Rex.E.Plouck@governor.ohio.gov>  
**Sent:** 12/7/2011 2:46:21 AM -0500  
**To:** Alan Dillman <adillman@gcrltd.com>; Frank Carchedi <fcarchedi@gcrltd.com>  
**Subject:** Kyle Schaffer

Has Tad contacted Kyle Schaffer re: meeting with Stu & Katrina? I want to keep driving this with Stu.

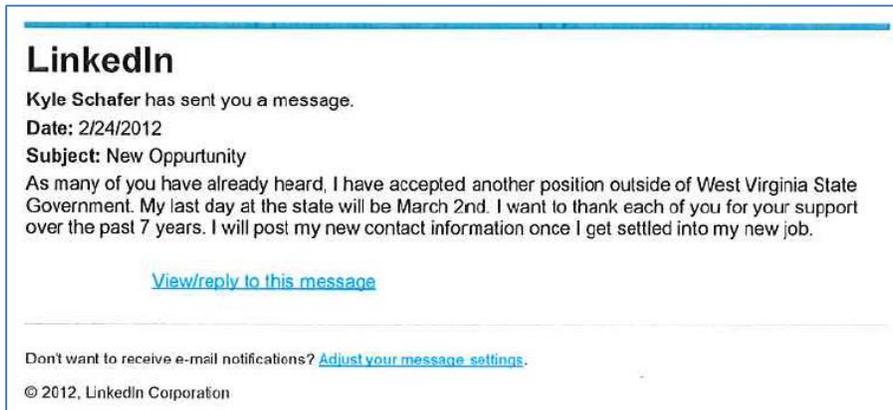
Rex Plouck  
[REDACTED]  
[Rex.E.Plouck@Governor.Ohio.gov](mailto:Rex.E.Plouck@Governor.Ohio.gov)

While reviewing CIO Davis' state email account, investigators located an appointment record titled "Kyle Schaffer." That appointment record was sent on February 17, 2012, and noted a 5.5-hour meeting set for March 12, 2012.

---

<sup>4</sup> Release and Permit system is an acquisition tool used to track agency information technology procurement requests.

On February 24, 2012, CIO Davis received the following LinkedIn message from Schafer:



CIO Davis responded to the Schafer’s LinkedIn message with the following:



Investigators also discovered an additional appointment record regarding Schafer’s upcoming meeting with CIO Davis sent from Davis’ state email account on March 6, 2012, at 2:46:15 p.m. Included in this meeting were AS contractors Peter Quinn and Vicki Craig. When reviewing Schafer’s R&P request, investigators discovered that almost simultaneously to the time the appointment record was being sent, the R&P request for Schafer’s services was created in the state’s R&P system. The R&P request also revealed that the AS statement of work for Schafer was dated February 27, 2012, just three days after Davis stated in his LinkedIn response to Schafer that he was “looking forward to working closely with you in the future.”

In addition, the RTP for Shafer's services requested a modification to a purchase order for an additional \$257,932.50 to cover Schafer's services. The purchase order that was modified was originally approved for the services of AS executive consultants Rex Plouck and Peter Quinn. This modification request contained very little detail and made no mention of Schafer by name. The assigned acquisition analyst reviewing the request stated that "... the request for modification is to extend the resources ... ." It is unclear how Schafer, a new resource to this engagement and not otherwise employed by the State of Ohio, could be considered an extension.

Further, on June 15, 2012, ODAS created an additional RTP for \$1,300,500 to extend the services provided by "Three Executive Consultants" for the following fiscal year<sup>5</sup> (Plouck, Quinn, and Shafer). This RTP had a handwritten note that stated, "Already pre-approved by Stu Davis." This additional engagement was for 6,000 hours for the period from July 1, 2012, through June 30, 2013. In total, payments for Schafer's services spanned four consecutive fiscal years and cost the State of Ohio over \$990,000.

### Hiring of Kristen Gilliam

On March 30, 2012, Mehta emailed Rex a position description for a Health and Human Services (HHS) Business Analyst and within minutes Rex forwarded the email with attachments from his state email account to his AS business partner Alan Dillman.

<b>From:</b>	"Plouck, Rex E" <Rex.E.Plouck@governor.ohio.gov>
<b>Sent:</b>	3/30/2012 8:52:02 AM -0400
<b>To:</b>	Alan Dillman <adillman@gcrltd.com>
<b>Subject:</b>	Fwd: Candidate for the Columbus, OH position
<b>Attachments:</b>	HHS Business Analyst.doc; ATT00001.htm

Sent from my iPhone

Begin forwarded message:

**From:** "Mehta, Deven" <[Deven.Mehta@oaks.state.oh.us](mailto:Deven.Mehta@oaks.state.oh.us)>  
**Date:** March 30, 2012 8:43:50 AM EDT  
**To:** "Plouck, Rex E" <[Rex.E.Plouck@governor.ohio.gov](mailto:Rex.E.Plouck@governor.ohio.gov)>  
**Subject:** **Candidate for the Columbus, OH position**

---

<sup>5</sup> A State fiscal year runs from July 1 to June 30.

Shortly thereafter, Rex replied to Mehta from his AS email account with a resume and stated the following:

**From:** Rex Plouck <rplouck@gcrltd.com>  
**Sent:** 3/30/2012 10:06:57 AM -0400  
**To:** "Mehta, Deven" <Deven.Mehta@oaks.state.oh.us>  
**Subject:** Re: Re: Candidate for the Columbus, OH position  
**Attachments:** Kristen Gilliam GCR Resume.docx

I can Kristen here pretty quickly. I'll facilitate an interview for you.

Rex Plouck  
GCR Ltd.  
██████████  
Rplouck@GCRLtd.com

---

**From:** Deven Mehta <Deven.Mehta@oaks.state.oh.us>  
**Date:** Fri, 30 Mar 2012 08:43:50 -0400  
**To:** Rex Plouck <rex.e.plouck@governor.ohio.gov>  
**Subject:** Candidate for the Columbus, OH position

Several hours later, Rex sent both Mehta and Kristen Gilliam an email from his AS email account and said:

**From:** Rex Plouck <rplouck@gcrltd.com>  
**Sent:** 3/30/2012 3:43:22 PM -0400  
**To:** kgilliam@gcrltd.com; "Mehta, Deven" <Deven.Mehta@das.state.oh.us>  
**Subject:** FW: FW: Candidate for the Columbus, OH position  
**Attachments:** HHS Business Analyst.doc

Kristen,  
Attached is the position that Deven has available. I think you would be a good fit.

Can you reach out to Deven to schedule time for the 2 of you to meet?

Have a great weekend.

Rex Plouck  
GCR Ltd.  
██████████  
Rplouck@GCRLtd.com

---

**From:** Deven Mehta <Deven.Mehta@oaks.state.oh.us>  
**Date:** Fri, 30 Mar 2012 08:43:50 -0400  
**To:** Rex Plouck <rex.e.plouck@governor.ohio.gov>  
**Subject:** Candidate for the Columbus, OH position

Roughly 10 minutes later, Gilliam emailed Mehta and replied:

**From:** Kristen Gilliam <kgilliam@gcrltd.com>  
**Sent:** 3/30/2012 3:53:34 PM -0400  
**To:** "Mehta, Deven" <Deven.Mehta@das.state.oh.us>  
**CC:** Rex Plouck <rplouck@gcrltd.com>  
**Subject:** Interview

Good afternoon Deven,

Rex has ask me to contact you to schedule an interview for the BA position. My schedule is pretty flexible. Please let me know your availability and I will adjust my schedule accordingly.

Regards,  
Kristen Gilliam, MHRM, MPA  
GCR, Ltd.  
[REDACTED]  
[kgilliam@gcrltd.com](mailto:kgilliam@gcrltd.com)

Investigators discovered an appointment record in Mehta’s state email account that was sent the following day (March 31<sup>st</sup>), scheduling a one-hour meeting at 1:00 p.m. for April 3, 2012, between himself and Gilliam. Following Gilliam’s April 3rd interview, Mehta emailed then-CIO Stu Davis a copy of Gilliam’s resume and stated, “HHS BA Candidate – Had good HHS background + County. She worked with you last year on ISD cataloguing. Your thoughts?” Investigators did not locate any responses from Davis. However, later that evening Gilliam emailed Mehta, thanking him “for taking the time to meet with me this afternoon.”

Investigators reviewed an AS “Proposal for Service” for Gilliam dated April 4, 2012. The proposal contained a statement of work, billing rate, a start date of April 18, 2012, with an overall cost of \$49,920. Investigators discovered another appointment record in Mehta’s state email account that was sent on April 5, 2012, scheduling a one-hour call at 3:00 p.m. for April 6, 2012, between himself and Gilliam.

On April 9, 2012, Gilliam emailed Mehta and stated:

**From:** Kristen Gilliam <kgilliam@gcrltd.com>  
**Sent:** 4/9/2012 9:11:00 AM -0400  
**To:** "Mehta, Deven" <Deven.Mehta@das.state.oh.us>  
**Subject:** Touch Base: Schedule & Notice

Good morning Deven,

I just wanted to touch base with you regarding my schedule for this week. I will be able to make it to the meeting on Thursday; however, I will not be able to attend the Wednesday meeting due to prior obligations for my current project.

Also I am planning to give notice this morning since you are just awaiting the CIO's signature to obtain the P.O. I feel that the transition easier on my current client if I don't delay notice any longer. I am assuming that you don't expect there to be any problems with the P.O. however, if any issues arise please let me know.

If you have any questions and/or concerns, please feel free to contact me.

Regards,  
Kristen Gilliam, MHRM, MPA  
GCR, Ltd.  
[REDACTED]  
[KGilliam@gcrltd.com](mailto:KGilliam@gcrltd.com)

According to the “Status History” for Gilliam’s R&P request, the request was created on April 9, 2012, at 2:30 p.m. and approved via “Expedited Process” by April 10, 2012, at 8:15 a.m.

Further, on May 29, 2012, ODAS created an additional RTP for \$240,000 to “Extend Current Resource: Kristen Gilliam” into the next fiscal year. This additional engagement was for 2,000 hours and covered the period of July 1, 2012, through June 30, 2013. In total, payments for Gilliam’s services spanned three consecutive fiscal years and cost the state over \$560,000.

In June 2014, Gilliam’s position was backfilled by Nitin Garg, another AS contractor. Garg has continued as a state contractor since replacing Gilliam; however, Garg’s services from FY15 through FY19 were moved to AS-related MBE’s Menya Communications LTD (FY15) and TSG (FY16 - FY19) before returning to AS in FY20.

A review of R&P records surrounding Garg’s move from AS to Menya highlighted an additional concern for investigators. According to the Menya cover letter for Garg’s FY15 services, “Menya will subcontract the services to Advocate Solutions.” Essentially, Garg was moved from AS to Menya only to have Menya subcontract their services back to AS. Investigators assessed that this move, as well as Garg’s later move to TSG for FY16 through FY19, was a result of both the prior administration’s push to increase MBE participation among all state agencies and subsequently, ODAS’ mandate to meet or exceed its 15-percent MBE set-aside procurement goal. This scheme, however, operated contrary to the MBE program’s intent of encouraging, nurturing, and supporting the growth of minority businesses because AS, a non-MBE-certified business, was the ultimate financial benefactor. This assessment is further supported by the Office of the Ohio Inspector General Report of Investigation 2018-CA00011,<sup>6</sup> which determined that “TSG has a limited, if any, commercial useful function” and that “ACG and AS, in order to gain the benefits provided exclusively to vendors who are certified as MBE, used TSG as a pass-thru vendor to gain MBE set-aside opportunities.”

While investigators did not calculate the exact cost for Garg’s services to the State of Ohio, the projected/approved costs associated with his services over six consecutive fiscal years including

---

<sup>6</sup> As a result of report of investigation 2018-CA00011, TSG and AS are currently subject to debarment proceedings.

FY20 was over \$2,500,000. It should be noted that this projected/approved cost was based on R&P approvals and does not represent the exact amount spent for Garg's services.

During Mehta's May 28, 2019, interview, investigators questioned him about his March 30, 2012, email to Rex and whether it was sent to Rex — as the person overseeing Ohio Health Transformation, or to Rex — as the vendor. Mehta replied, "Could be either ... I don't recall." Mehta admitted that based on the emails, he (Mehta) had conducted the interview with Gilliam, but could not recall if he had interviewed any other candidates or if any additional quotes were received.

During the August 19, 2019, interview, Rex stated that if he sent the March 30, 2012, email to Mehta from his AS email account, then he assumed he was acting on behalf of AS. Investigators also questioned Rex as to whether his sending an email from his state email account meant he was acting on behalf of the state, to which Rex replied, "... that should be the case ... ."

Rex continued, stating that at the time, individuals could be hired off state term schedule directly and specific individuals could be requested. Rex said, "I don't know if there was a 3-quote requirement for state term schedule at that time." Investigators asked Rex if he, as a CEO of AS, would be concerned to know that one of his competitors was having conversations regarding filling IT positions with the head of an agency – conversations which subsequently resulted in his competitor filling the positions. Rex replied, "Yeah."

## Hiring of Soli Ogra

Investigators discovered that on May 17, 2012, Mehta emailed Rex a position description and stated that, "If you [Rex] are ok, I would like to proceed to lock the candidate" for an open IT position.

**From:** "Plouck, Rex E" <Rex.E.Plouck@governor.ohio.gov>  
**Sent:** 6/11/2012 2:57:23 PM -0400  
**To:** "Mehta, Deven" <Deven.Mehta@das.ohio.gov>  
**Subject:** Re: Re: Enterprise Applications Architect - Need as part of core HHS IT team to start June 11th

I will be out of the office until June 25 and will have little access to email. If you need assistance prior to June 25, please email Rick Tully at Rick.Tully@governor.ohio.gov.

On May 17, 2012, at 3:17 PM, "Mehta, Deven" <Deven.Mehta@das.ohio.gov> wrote:

Rex – Attached is the PD for the Enterprise Applications Architect for IE/SDS project. This is part of the core team positions Stu, you and I discussed earlier. If you are ok, I would like to proceed to lock the candidate. Thank you.

On May 22, 2012, Rex scheduled a one-hour appointment titled “Soli” on his calendar. The following day, Rex sent Mehta the following email from his AS email account:

<b>From:</b>	Rex Plouck <rplouck@gcrltd.com>
<b>Sent:</b>	5/23/2012 3:08:40 PM -0400
<b>To:</b>	"Mehta, Deven" <Deven.Mehta@das.ohio.gov>
<b>Subject:</b>	Enterprise Architect Proposal
<b>Attachments:</b>	OHT Enterprise Applications Architect GCR 05232012.pdf

See attached. -

--  
Rex Plouck  
[REDACTED]  
RPlouck@GCRLtd.com

Attached to the email was a quote for Ogra’s services. On May 23, 2012, ODAS created an RTP for Ogra’s services totaling \$25,200. This engagement was for 168 hours and covered the period from June 1, 2012, through June 30, 2012, with a “... possible extension based on mutual discussion between OIT and GCR.” According to the “Status History” on Ogra’s R&P request, the request was created on May 30, 2012, at 2:54 p.m. and approved via “Expedited Process” on May 31, 2012, at 8:15 a.m.

On May 30, 2012, ODAS created another RTP for \$300,000 to, “Extend Current Resource: Soli Ogra” into the next fiscal year. This engagement was for 2,000 hours from July 1, 2012, through June 30, 2013. In total, payments for Ogra’s services spanned nine consecutive fiscal years through FY20 and cost the State of Ohio over \$2,200,000.<sup>7</sup>

While Ogra’s FY20 services were competitively selected, it is unclear whether Ogra’s initial selection in 2012 or any subsequent renewal thereafter met any such standards. For example, in mid-June 2017 following an ODAS release of updated procurement guidance and a fiscal year-end push for contractor renewals, Mehta forwarded documents to OIT’s business office regarding Ogra’s initial 2012 selection as support that a competitive process was utilized in the past. A review by investigators uncovered the following irregularities:

---

<sup>7</sup> This amount only includes FY20 payments as of November 21, 2019.

1. There was no Request for Quote (RFQ) packet or instructions/guidelines (see Chitale hiring section below).
2. The resumes provided as support were also used as support for another AS contractor even though their job titles and descriptions were different (see Chitale hiring section below).
3. Email correspondence from 2012 questioned the selection of AS for the contract and the only justification provided was generic language that the project was “urgent” and the resource had “expertise.”
4. Mehta’s email also noted that two companies responded with quotes; however, besides the AS quote, no other vendor quotes were provided as support.

During a May 28, 2019, interview, Mehta was asked why he sent the position description email to Rex, and he (Mehta) stated that, “It’s too far back.” Investigators asked Mehta why he would be asking Rex for permission to “lock in” the candidate. Mehta replied, “what candidate is this ... I don’t recall the context.” Investigators asked Mehta if he was asking Rex’s permission as a state consultant or as a vendor. Mehta stated, “I don’t recall. I don’t know if this was to ask Ohio Health Transformation ... I don’t know this is too far back.” Investigators also asked Mehta if he had discussions with Rex and then-CIO Stu Davis about which candidates were going to be hired. After a lengthy pause, Mehta replied, “I don’t recall. I know I had discussions with Stu about positions. I don’t know what this is about.”

During an August 19, 2019, interview, Rex was asked if he was representing the State of Ohio or AS when he sent Ogra’s resume to Mehta on May 23, 2012. Rex replied, “I’m assuming I was representing AS if I sent it from that account.”

## Hiring of Vikrant Chitale

On May 29, 2012, a meeting between Mehta, Rex, and Rick Tully (a former state employee and then-independent contractor) was scheduled for 2:00 p.m. to discuss DAS-JFS FY13 Information Exchange (IE) for “Gartner, Kristen, Soli, and Vik [TBD].”

<b>Appointment Title:</b>	DAS-JFS FY13 - IE for Gartner, Kristen, Soli, Vik[TBD]
<b>Organizer:</b>	Mehta, Deven
<b>Attendees:</b>	Plouck, Rex E; Rick Tully (rick.tully@governor.ohio.gov)
<b>Location:</b>	Rex's office - Lazarus
<b>Start Time:</b>	5/29/2012 2:00:00 PM -0400
<b>End Time:</b>	5/29/2012 2:30:00 PM -0400
<b>Reminder Time:</b>	5/29/2012 1:45:00 PM -0400
<b>Reminder Set:</b>	false
<b>Duration:</b>	30 minutes
<b>Is Recurring:</b>	false
<b>Reccurance Pattern:</b>	
<b>Response Status:</b>	3
<b>Busy Status:</b>	Busy

Investigators discovered that later that evening, Rex forwarded an email from his state email account to his AS business partners Frank Carchedi and Alan Dillman regarding Vikrant Chitale and an “OIT opportunity.”

<b>From:</b>	"Plouck, Rex E" <Rex.E.Plouck@governor.ohio.gov>
<b>Sent:</b>	5/29/2012 9:04:38 PM -0400
<b>To:</b>	Frank Carchedi <fcarchedi@gcritd.com>
<b>CC:</b>	Alan Dillman <adillman@gcritd.com>
<b>Subject:</b>	OIT opportunity
<b>Attachments:</b>	VikrantChitale.pdf; HHS Eligibility Modernization Technical Lead.docx

Here's the new opportunity.

Rex Plouck

Governor's Office of Health Transformation

  
[Rex.E.Plouck@Governor.Ohio.gov](mailto:Rex.E.Plouck@Governor.Ohio.gov)

The following day, on May 30, 2012, AS formally submitted a quote for Chitale’s services. In addition, that same day an RTP for \$12,000 was created for Chitale’s services. This engagement was for 80 hours and covered the period from June 18, 2012, through June 30, 2012, the final 12 days of the state fiscal year.

Further, on May 30, 2012, ODAS created an additional RTP for \$300,000 to “Extend Current Resource: Vikrant Chitale” into the next fiscal year. This additional engagement was for 2,000

hours and covered the period from July 1, 2012, through June 30, 2013. In total, payment for Chitale's services spanned eight fiscal years and cost the State of Ohio over \$2.1 million.<sup>8</sup>

While Chitale's FY20 services were competitively selected, it is unclear whether Chitale's initial selection in 2012 or any subsequent renewal thereafter met any such standards. For example, in mid-June 2017, following an ODAS release of updated procurement guidance and a fiscal year-end push for contractor renewals, Mehta forwarded documents to OIT's business office regarding Chitale's initial 2012 selection as support that a competitive process was utilized in the past. A review by investigators uncovered the following irregularities:

1. The RFQ (OITRFQ0XX) appeared to be in draft format with a "Schedule of Events" that included due dates that were from the previous year.
2. The RFQ noted an incorrect number of work hours, which would have been needed for calculating a correct quote.
3. Procedures specified in the "Guidelines for Quotation Preparation" were not adhered to as evident by documents supplied.
4. The RFQ "Scope of Activities" and "Key Role Responsibilities" did not match the "Scope of Activities" provided in AS's quote for Chitale's services.
5. The RFQ was for an "Enterprise Information Architect," which matched the two non-AS resumes; however, Chitale was hired as an "HHS Eligibility Modernization Technical Lead." (See also Ogra's hiring above)
6. Though Mehta's email noted that two companies responded with quotes, the AS quote was the only quote provided.

---

<sup>8</sup> This amount only includes FY20 payments as of November 21, 2019.

During an interview conducted on May 28, 2019, Mehta stated he provided the position descriptions to all the vendors. Mehta explained it was his understanding the statement of work must match the position description.

During an interview conducted on August 19, 2019, investigators asked Rex if he was acting on behalf of the state or AS when he sent the May 29, 2012, email from his state email account to his business partners with the position descriptions and Chitale's resume. Rex replied, "I'm not sure how to answer that." Rex added that he was unsure whether all vendors are provided the position descriptions prior to submitting a candidate for consideration.

### Hiring of Ryan Holstine

On September 4, 2012, Rex received an email from Mehta regarding the hiring of a quality assurance lead. Attached to the email was a detailed position description. The following day, Rex forwarded the following email from his state email account to his AS business partner Frank Carchedi:

<b>From</b>	"Plouck, Rex E" <Rex E Plouck@governor.ohio.gov>
<b>Sent</b>	9/5/2012 3:07:25 PM -0400
<b>To</b>	Frank Carchedi <fcarchedi@gcrltd.com>
<b>Subject</b>	Fwd: Fwd: Quality Assurance QA Lead - PD
<b>Attachments</b>	Integrated Eligibility HHS BI_QA Lead docx, ATT00001.htm

Sent from my iPhone

Begin forwarded message

**From:** "Mehta, Deven" <Deven.Mehta@das.ohio.gov>  
**Date:** September 4, 2012 10:33:34 AM EDT  
**To:** "Plouck, Rex E" <Rex E Plouck@governor.ohio.gov>  
**Subject:** Quality Assurance QA Lead - PD

Attached To represent State in the QA/Testing domain and ensure that framework, strategy is established and implemented. Would be good to have this person on ground to assist us with evaluating that domain in the proposal.

On September 19, 2012, Rex emailed Mehta Ryan Holstine's resume from his (Rex's) AS email account:

<b>From</b>	Rex Plouck <rplouck@gcrltd.com>
<b>Sent</b>	9/19/2012 8:54:57 PM -0400
<b>To</b>	Mehta, Deven <Deven.Mehta@das.ohio.gov>
<b>Subject</b>	tester
<b>Attachments</b>	Ryan Holstine Resume.pdf

Rex Plouck  
[REDACTED]  
[RPlouck@GCRltd.com](mailto:RPlouck@GCRltd.com)

The initial review of the R&P request for Holstine appeared to confirm that a competitive selection process had occurred and that Holstine scored the highest among three other candidates. However, a closer examination of voucher payments for Holstine's first week of billable work raised questions for investigators.

According to an invoice AS submitted to the state, Holstine began working for the state on December 31, 2012, yet the R&P for Holstine's services was not created until January 2, 2013, and it was not approved until February 15, 2013; a full 47 days after Holstine had started working for the state. Additionally, the AS proposal for Holstine was dated December 12, 2012. By contrast, the proposals for the other three candidates were all dated February 5, 2013, which again was well after Holstine's start date with the state.

During the May 28, 2019, interview with Mehta, he could not recall why he sent the position description to Rex. Mehta said in the past, the ODAS business office would have his department reach out to vendors to ask for resources. Since Mehta sent the email to Rex's state email account, investigators asked Mehta if he was reaching out to Rex as a vendor or as a state consultant. Mehta replied, "I don't recall." When asked if he (Mehta) sent the position description to other vendors, Mehta said, "I'm sure I did." Investigators were unable to determine if Mehta or one of his assistants sent the position descriptions to additional vendors.

During an interview conducted on August 19, 2019, Rex could neither explain why Mehta would have sent him the email with the position description, nor could he recall why he forwarded the email to his AS business partner Frank Carchedi. Rex stated that he did not know if he was acting on behalf of the state or his business when he forwarded the email to his business partner. Rex stated that when he sent Holstine's resume to Mehta, he must have been acting on behalf of his business because he sent it using his AS email account. Rex noted that he did not select the employees for the positions nor create the positions, so he believed it was not a problem. Rex stated Mehta would not approach him regarding a hiring unless it was for a very specific position.

In total, Holstine's services only spanned eight months and cost the State of Ohio over \$190,000. Holstine left the quality assurance role in late August 2013 and it was backfilled by at least four different AS employees. While investigators did not calculate the exact cost to the state for each of these backfills, they did note that the longest serving backfill, Charles Rutherford, has continued for AS from FY16 through FY19. The projected/approved costs associated with those four fiscal years was \$1,040,000. It should be noted that these projected/approved costs were based on R&P approvals and does not represent the total exact amount spent for Rutherford's services.

#### *Improper Use of State Email Account*

A review of Rex's state email account revealed he also used his state email account for AS-related business. On numerous occasions Rex was forwarding emails from his state email account to his business partners at AS regarding state procurement opportunities. Additionally, investigators found numerous emails, both sent and received by Rex, in which he was conducting and/or discussing AS-related business that was unrelated to the State of Ohio; specifically, AS business in Michigan, Indiana, Florida and Massachusetts. Investigators found that Rex, on occasion, would reply to an email he received regarding non-state business by asking the sender not to use his state email account. However, he did not do this consistently.

On October 17, 2011, Rex forwarded an email from his state email account to his business partner Alan Dillman stating, “most recent Steve Z SOCC RFP”:

**From** "Plouck Rex E" <Rex E Plouck@oit.ohio.gov>  
**Sent** 10/17/2011 10:23:28 AM -0400  
**To** Alan Dillman <adillman@gcrltd.com>  
**Subject** Fwd: Fwd: version 2 of the RFP  
**Attachments** SOCC RFP Draft V2.0 (Vendor Financing).docx

most recent Steve Z SOCC RFP

Rex Plouck  
[REDACTED]  
[rex.e.plouck@oit.ohio.gov](mailto:rex.e.plouck@oit.ohio.gov)

Begin forwarded message:

**From** Steve Zielenski <[steve.zielenski@top5inc.com](mailto:steve.zielenski@top5inc.com)>  
**Subject** version 2 of the RFP  
**Date** October 4, 2011 4:44:07 PM EDT  
**To** "Davis, Stu" ([stu.davis@ohio.gov](mailto:stu.davis@ohio.gov)) <[stu.davis@ohio.gov](mailto:stu.davis@ohio.gov)>, "Flory, Katrina" ([katrina.flory@ohio.gov](mailto:katrina.flory@ohio.gov)) <[katrina.flory@ohio.gov](mailto:katrina.flory@ohio.gov)>, "Dan Orr" ([dan.orr@oit.ohio.gov](mailto:dan.orr@oit.ohio.gov)) <[dan.orr@oit.ohio.gov](mailto:dan.orr@oit.ohio.gov)>  
**Cc** Rusty Cline <[rusty.cline@top5inc.com](mailto:rusty.cline@top5inc.com)>, "Rex E Plouck" ([Rex.E.Plouck@oit.ohio.gov](mailto:Rex.E.Plouck@oit.ohio.gov)) <[Rex.E.Plouck@oit.ohio.gov](mailto:Rex.E.Plouck@oit.ohio.gov)>, "peter quinn" ([peter.quinn@oit.ohio.gov](mailto:peter.quinn@oit.ohio.gov)) <[peter.quinn@oit.ohio.gov](mailto:peter.quinn@oit.ohio.gov)>

Attached is version 2 of the RFP that comports with a lease/leaseback and managed services payback scenario. Changes are numerous, but as highlights:

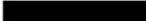
- Sections 1.0 – 3.3 No Significant Changes
- Section 3.3 - Scope of Potential Managed Service
- Section 4.0 – Lease/Leaseback w/r/t State/Private Partnership (as distributed 2 weeks ago)
- Section 5.0 – 8.0 No Significant Changes
- Section 8.2-8.5 Use of State Employees to Deliver Managed Service
- Sections 8.6-9.0 No Significant Changes other than changing language to make the Contractor responsible for ongoing services to the State (version 1.x had OIT responsible)
- Section 9.0 is the CBRE Scope of Work which follows/supports section 8, language not changed, section just moved from prior version for continuity purposes
- Section 11 – New in its entirety, Service Levels (binding)
- Section 12 – New in its entirety, Contract Governance

Steve

On November 3, 2011, Rex forwarded an email from his state email account to his AS business partner Alan Dillman with an attachment titled, “RFP – Mandatory Qualifications.docx:”

**From** "Plouck, Rex E" <Rex E Plouck@oit.ohio.gov>  
**Sent** 11/3/2011 12:05:09 PM -0400  
**To** Alan Dillman <adillman@gcritd.com>  
**Subject** Fwd: Fwd: steps to release SOCC RFX/OQ

fyi only

Rex Plouck  
  
[rex.e.plouck@oit.ohio.gov](mailto:rex.e.plouck@oit.ohio.gov)

Begin forwarded message:

**From** Rex Plouck <[rex.e.plouck@oit.ohio.gov](mailto:rex.e.plouck@oit.ohio.gov)>  
**Subject** Re: steps to release SOCC RFX/OQ  
**Date** November 3, 2011 11:40:06 AM EDT  
**To** Steve Zielenski <[steve.zielenski@top5inc.com](mailto:steve.zielenski@top5inc.com)>, Stu Davis <[Stu.Davis@oit.ohio.gov](mailto:Stu.Davis@oit.ohio.gov)>, Katrina Flory <[Katrina.Flory@oit.ohio.gov](mailto:Katrina.Flory@oit.ohio.gov)>  
**Cc** Peter Quinn <[peter.quinn@oit.ohio.gov](mailto:peter.quinn@oit.ohio.gov)>

Also, any thoughts on having an independent, 3rd party participate? Also, would it make sense for Stu to not officially participate in the qualification process so he can function as arbitrator and escalator of issues and concerns? What was the criteria for selecting those people to participate in the qualification review? Does that review team have the time and bandwidth to participate fully and in a timely fashion?

Rex Plouck  
  
[rex.e.plouck@oit.ohio.gov](mailto:rex.e.plouck@oit.ohio.gov)

On Nov 3, 2011, at 11:34 AM, Rex Plouck wrote:

Stu,  
I'm not sure how the details have been shared, but a communication plan for the Governor's office ought to be included. Included in that or separately, a touch point to Mark Kvamme as well. I didn't know if this was all included in number 8, the external communication plan.

Rex Plouck  
  
[rex.e.plouck@oit.ohio.gov](mailto:rex.e.plouck@oit.ohio.gov)

On July 9, 2012, AS employee Kyle Schafer sent an email to Rex's state email account with the "Michigan Strategic and Architectural Technology Services" document attached. Rex replied from his state email account on July 9, 2012, with the following email:

**From** "Plouck, Rex E" <Rex E Plouck@governor.ohio.gov>  
**Sent** 7/9/2012 8:38:07 PM -0400  
**To** Kyle Schafer <[kschafer@gcritd.com](mailto:kschafer@gcritd.com)>  
**Subject** Re: Re: my cut  
**Attachments** arch section for MI (2).docx

looks good. I made a few changes. Can you look at the first item under question 2 for additional scope and specificity?

Rex Plouck  
Governor's Office of Health Transformation  
  
[Rex.E.Plouck@Governor.Ohio.gov](mailto:Rex.E.Plouck@Governor.Ohio.gov)

On Jul 9, 2012, at 8:30 PM, Kyle Schafer wrote:

<arch section for MI (2).docx>

On July 11, 2012, Kyle Schafer sent an email to Rex's state email account that stated, "... attached is the current state of the Business Requirements and Quality Assurance section of the Michigan RFP response. I broke the document up into four sections just like it is laid out in the RFP." On July 12, 2012, Rex replied from his state email account with the following email:

**From** "Plouck, Rex E" <Rex.E.Plouck@governor.ohio.gov>  
**Sent** 7/12/2012 8:33:04 AM -0400  
**To** Kyle Schafer <kschafer@gcrltd.com>  
**Subject** Re: Re: Task 3 of Section III  
**Attachments** Task 3 of Section III vrep07122012.docx

Kyle,  
Attached are some minor changes to the first section

Rex Plouck  
Governor's Office of Health Transformation  
██████████  
[Rex.E.Plouck@Governor.Ohio.gov](mailto:Rex.E.Plouck@Governor.Ohio.gov)

On Jul 11, 2012, at 4:35 PM, Kyle Schafer wrote

Rex, attached is the current state of the Business Requirements and Quality Assurance section of the Michigan RFP response. I broke the document up into four sections just like it is laid out in the RFP

Section one - Perform Lead Business Analyst Services - Rex, I took a stab at this section but I didn't have time to incorporate your graph. Take a look at it and modify as you see fit  
Section two - Needs assessment - Rex, I think I covered most of this topic in section 1, but take a look and if I need to expand, let me know  
Section three - Quality Assurance and Testing - I just copied into this section what Rex sent me from Marlo and Jim. From my perspective, this seems to be heavy on the testing side and light on the Quality Assurance side. Marlo, Frank asked that you take a look at this section and beef up the QA component  
Section Four - I am just now starting on it. Hopefully, I'll have this section ready for review by noon tomorrow  
<Task 3 of Section III docx>

On October 30, 2012, Kyle Schafer sent an email to Rex's state email account. In the email Schafer stated, "Looks like we may have two different contacts in Florida, one for the HR side and one for the financial." The email was also sent to AS business partners Alan Dillman and Frank Carchedi. On the same day, Rex forwarded the email from his state email account to Dillman and Carchedi and stated:

**From** "Plouck, Rex E" <Rex.E.Plouck@governor.ohio.gov>  
**Sent** 10/30/2012 12:39:11 PM -0400  
**To** Alan Dillman <adillman@gcrltd.com>, Frank Carchedi <fcarchedi@gcrltd.com>  
**Subject** Fwd: Fwd: ERP

We should queue this up for our wed night meeting

Rex Plouck  
Governor's Office of Health Transformation  
[Rex.E.Plouck@governor.ohio.gov](mailto:Rex.E.Plouck@governor.ohio.gov)  
██████████

Begin forwarded message

**From:** Kyle Schafer ██████████  
**Date:** October 30, 2012, 12:05:31 PM EDT  
**To:** Alan Dillman <adillman@gcrltd.com>, Frank Carchedi <fcarchedi@gcrltd.com>, "Plouck, Rex E" <Rex.E.Plouck@governor.ohio.gov>  
**Subject:** Fwd: ERP

Looks like we may have two different contacts in Florida, one for the HR side and one for the Financial

On June 19, 2013, Rex sent an email from his state email account to his AS business partners. In the email, Rex said:

**From** "Plouck, Rex E" <Rex.E.Plouck@governor.ohio.gov>  
**Sent** 6/19/2013 9:46:41 PM -0400  
**To** Tom Sweetman <tsweetman@gcrtid.com>, Alan Dillman <adillman@gcrtid.com>, Frank Carchedi <fcarchedi@gcrtid.com>  
**Subject** interviews

Tom,  
I've blocked my schedule for Friday from 3 on to do interviews. Feel free to schedule whomever is available for that time frame. You can do them in 30 minutes increments. I don't need to talk to Mike Ryal. Just get me a schedule and electronic copies of their resumes ahead of time.

Rex Plouck  
[REDACTED]  
[rex.e.plouck@governor.ohio.gov](mailto:rex.e.plouck@governor.ohio.gov)

On April 29, 2015, Mark Schriml, former owner of Advocate Consulting Group, sent an email to Rex's state email account regarding business in Indiana. On April 30, 2012, Rex replied from his state email account and stated:

**From** "Plouck, Rex E" <Rex.E.Plouck@governor.ohio.gov>  
**Sent** 4/30/2015 8:19:22 AM -0400  
**To** Mark Schriml <Schriml@acgltd.com>  
**CC** adillman@teamadvocate.com, Frank Carchedi <fcarchedi@teamadvocate.com>  
**Subject** Re: Re: Indiana Follow Up

I'm interested

Rex Plouck -  
[REDACTED]  
[rex.e.plouck@governor.ohio.gov](mailto:rex.e.plouck@governor.ohio.gov)

On Apr 29, 2015, at 11:25 AM, Mark Schriml <Schriml@acgltd.com> wrote

I might have a reason to travel to Indiana for a meeting in June. I should be able to meet with the Deputy CIO regarding the VoIP project. We've had a few conversations regarding their RFP and rollout plans and in general he seems interested in some support. Are you gentlemen interested in a follow up trip? We have also submitted our vehicle (Knowledge Services) request for all three Advocate firms - so maybe we could ask the contracts/purchasing dept to approve us.

Thoughts?

On November 3, 2016, Rex sent an email from his state email account to Mark Schriml with an attachment titled, "Growth Targets.docx:"

<b>From</b>	"Plouck, Rex E" <Rex.E.Plouck@governor.ohio.gov>
<b>Sent</b>	11/3/2016 8:21:05 AM -0400
<b>To</b>	Mark Schriml <schrml@acglt.com>
<b>Subject</b>	growth document template
<b>Attachments</b>	Growth Targets.docx

Per our conversation

Rex Plouck

Governor's Office of Health Transformation  
██████████

Rex.E.Plouck@governor.ohio.gov

On May 8, 2017, Rex sent an email from his state email account to his AS business partners and several people at TZP Group<sup>9</sup> with a subject title, "Advocate Update:"

<b>From:</b>	"Plouck, Rex E" <Rex.E.Plouck@governor.ohio.gov>
<b>Sent:</b>	5/8/2017 8:15:17 PM -0400
<b>To:</b>	Alan Dillman <adillman@teamadvocate.com>; Frank Carchedi <fcarchedi@teamadvocate.com>; Nicholas Vega <nvega@tzpgroup.com>; William Hunscher <bhunscher@tzpgroup.com>; Manvir Heir <mheir@tzpgroup.com>; Rodney Eshelman <reshelman@tzpgroup.com>; Rick Marcotte <rmarcotte@tzpadvisors.com>; Daniel Balzora <dbalzora@tzpgroup.com>
<b>Subject:</b>	Advocate Update

All,

I'm following up on today's call and looking for availability from everybody for Friday afternoon. Please respond with a time that works for you.

Thanks.

**Advocate Update**  
Scheduled: May 8, 2017, 12:30 PM to 1:15 PM  
Location: (888) 407-5039, 86115182#  
Invitees: Alan Dillman ([adillman@teamadvocate.com](mailto:adillman@teamadvocate.com)), Frank Carchedi ([fcarchedi@teamadvocate.com](mailto:fcarchedi@teamadvocate.com)), Nick Vega, Bill Hunscher, [rplouck@teamadvocate.com](mailto:rplouck@teamadvocate.com), Manvir Heir, Rodney Eshelman, Rick Marcotte, Conference Call

Rex Plouck

Governor's Office of Health Transformation  
██████████  
[rex.e.plouck@governor.ohio.gov](mailto:rex.e.plouck@governor.ohio.gov)

<sup>9</sup> TZP Group is a private equity firm that is focused on investments in business and consumer service companies. TZP Group invests primarily in closely held, private companies where the owners desire to retain a significant stake and partner with an investor with complementary operating and financial skills to accelerate company growth. TZP Group invested in Advocate in March 2017.

During the interview with investigators on August 19, 2019, Rex stated,

One thing I tried to do if people sent me an email inappropriately, I would generally send an email from my state account saying please don't use this account for AS. So that there was kind of a record of you sent it to the wrong email don't do it again. So, I tried to so that whenever I saw those things again it was very hard to manage different email accounts so I think if you go back you might see a number of those instances where I would have just replied. I don't think I did wholesale consistently, but I tried to do that with folks to say "hey you sent this to the wrong email please don't send business to this email account." It's inconsistent, I tried to do it when you think about it ...

Investigators asked Rex if he ever conducted other business during state billable hours, Rex replied, "... not to my knowledge." Rex further stated that he had never been assigned state equipment and used his own computer. Investigators clarified that while Rex denied using state equipment, he confirmed using his state email account.

#### *Other Procurement Issues*

While reviewing Rex's email account, investigators found several emails to Rex from ODAS acquisition analysts where the analysts were asking for Rex's permission to continue processing R&P requests, some of which involved the hiring of AS employees as contractors for the state.

One example of this occurred on February 7, 2012, when an ODAS acquisition analyst sent an email to Rex asking permission to continue processing the request. In the email, the analyst states,

I'm currently working DODD Request 19756 which is associated with Medicaid ... The ITPS Review/Approval states, "The Mental Retardation and Developmental Disabilities Department is requesting an increase of \$53,480 (800 hours at an hourly rate of \$66.85) to an approved R&P for the continuation of consulting services being provided by GCR, Ltd. Via STS contract 533897-0 for a new total of \$205,616.00. Price concessions off of STS pricing have been provided."

... May I continue processing this request?

A review of the R&P request #19756 revealed that under the “Reviews” section, the acquisition analyst stated, “Requested a review from the Health and Human Services Transformation Team (Rex P.)”

On February 7, 2012, the acquisition analyst sent an email to Rex asking his permission to proceed with the request, stating the following:

... I have a release and permit for Department of Mental Retardation and Developmental Disabilities for Medicaid Services System (MSS).

This request is the 3<sup>rd</sup> modification for an increase ...

This request has been reviewed by ITPS with approval and the vendor provided pricing below its approved STS pricing.

Please let me know if I can proceed with this request ...

On February 7, 2012, an acquisition analyst sent the following email to Rex asking him to confirm the request so she could proceed:

The Department of Development has requested an extension for some work related to a data warehouse. This is to continue work so you are probably aware of it but I am forwarding you the information.

I don't know if you have access to our Release and Permit system. If you do, the request number is 19757. If not below is the information provided in the request ...

If you could confirm that this request is ok, I will proceed with the request ...

Further review of the R&P requests found that request #20132 for DODD, in the amount of \$12,312, was for AS. This request was for 160 hours of work to be performed during the period from June 1, 2012, to June 30, 2012. In the decision comments for this request, the acquisition analyst wrote, “All reviews are complete, including a review by Ohio Health Transformation (Rex Plouck). I recommend approval of this request.”

During an interview conducted on August 19, 2019, Rex could not recall why the acquisition analysts would have been asking his permission to move forward with a R&P request for AS.

Rex stated that he did not know why the analysts would have been asking for his permission and noted that it was not a common occurrence.

## **CONCLUSION**

The Office of the Ohio Inspector General discovered, through a review of AS's bank account records, that on March 24, 2017, Rex wrote a check to Advocate Solutions in the amount of \$20,000. In the memo field of the check Rex wrote, "Advocate Investment." The investment was made while Tracy was serving as the director of the Ohio Department of Mental Health and Addiction Services and Rex was employed by AS and contracted to work for ODAS and OHT.

A review of Tracy's FDS filings submitted to the Ohio Ethics Commission (OEC) from 2014 to 2017 found that Tracy had not listed this \$20,000 investment on her FDS filings for 2017. This matter was discussed with the OEC, who advised that even though the check was drawn on a joint account, it was not signed by Tracy and therefore, she would not be required to list the investment on her FDS form unless it could be determined that she had an interest in AS.

**Accordingly, the Office of the Ohio Inspector General finds no reasonable cause to believe that a wrongful act or omission occurred in this instance.**

As part of a series of investigations by the Office of the Ohio Inspector General pertaining to information technology procurement-related issues, many of the wrongdoings and recommendations that would have accompanied this report have been conveyed to and are being addressed by the Ohio Department of Administrative Services. Refer to the following Office of the Ohio Inspector General reports of investigation for additional detail: 2017-CA00014A, 2017-CA00014B, 2017-CA00014C, 2017-CA00012, 2018-CA00011, 2018-CA00013, and 2018-CA00018.

The Ohio Department of Administrative Services has taken an active role in addressing, strengthening, and enforcing their new procurement guidance and upgrades. For example, the Ohio Department of Administrative Services has implemented the following:

1. ODAS response to 2017-CA00014A dated February 5, 2018; [\(Exhibit 2\)](#)

2. ODAS response to 2017-CA00014B dated February 16, 2018; [\(Exhibit 3\)](#)
3. ODAS response to 2017-CA00014C dated December 28, 2018; [\(Exhibit 4\)](#)
4. ODAS response to 2018-CA00013 dated February 11, 2019; [\(Exhibit 5\)](#)
5. ODAS response to 2018-CA00011 dated November 15, 2019. [\(Exhibit 6\)](#)

As of the date of this report, the Office of the Ohio Inspector General has not received a response to Report of Investigations 2017-CA00012 and 2018-CA00018.

Additionally, given the activities outlined in the Investigative Summary, the Office of the Ohio Inspector General finds that Rex Plouck's improper use of state email for steering procurement opportunities to his AS business partners and engaging in AS business unrelated to the State of Ohio constitutes wrongdoing. These actions were not in the best interests of the State of Ohio, compromised open and fair competition, and ultimately benefited Rex and his AS business partners. As contrasted with a state contractor, if these same actions were committed by a state employee, the state employee would have been subject to potential ethics violations.

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

### **RECOMMENDATION(S)**

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

1. Review the conduct of Rex Plouck and any other named individuals in this report to determine if debarment is warranted pursuant to Ohio Revised Code §125.25.<sup>10</sup>

---

<sup>10</sup> As a result of the Office of Ohio Inspector General Report of Investigation 2018-CA00011, TSG and AS are currently subject to debarment proceedings.

2. Consider developing vendor ethics policies and incorporate those provisions into the standard terms and conditions for state purchases.
3. Consider implementing policies regarding the sharing of draft RFP's and RFQ's with vendors not currently working on the document to ensure fair and transparent competition, and to avoid the ability of those vendors to provide specifics in an effort to tailor the RFP towards their company.

### **REFERRALS**

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



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

---

RANDALL J. MEYER, INSPECTOR GENERAL

**NAME OF REPORT: Ohio Department of Administrative Services**

**FILE ID #: 2018-CA00012**

**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**  
**December 19, 2019**

*MAILING ADDRESS*

OFFICE OF THE INSPECTOR GENERAL  
JAMES A. RHODES STATE OFFICE TOWER  
30 EAST BROAD STREET – SUITE 2940  
COLUMBUS, OH 43215-3414

*TELEPHONE*

(614) 644-9110

*IN STATE TOLL- FREE*

(800) 686-1525

*FAX*

(614) 644-9504

*EMAIL*

OIG\_WATCHDOG@OIG.OHIO.GOV

*INTERNET*

WATCHDOG.OHIO.GOV