

STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF
INVESTIGATION



AGENCY: OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES
FILE ID NO.: 2018-CA00017
DATE OF REPORT: JULY 10, 2018

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

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Randall J. Meyer
Ohio Inspector General



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REPORT OF INVESTIGATION

FILE ID NUMBER: 2018-CA00017

SUBJECT NAME: Tiffany Diggs

POSITION: Human Capital Management Analyst

AGENCY: Ohio Department of Developmental Disabilities

BASIS FOR INVESTIGATION: Complaint

ALLEGATIONS: Misuse or Abuse of State Funds.

INITIATED: March 7, 2018

DATE OF REPORT: July 10, 2018

INITIAL ALLEGATION AND COMPLAINT SUMMARY

On March 7, 2018, the Office of the Ohio Inspector General received a notification from the Ohio Department of Developmental Disabilities (ODODD) alleging Human Capital Management Analyst Tiffany Diggs was suspected of posting fraudulent hours under the name of another ODODD employee, then diverting those earnings into her personal bank account. It was alleged that Diggs did this by adding her personal bank information to the employee's direct deposit record in the Ohio Administrative Knowledge System (OAKS). The alleged activity reportedly took place from May 2017 through the time the complaint was submitted.

BACKGROUND

Ohio Department of Developmental Disabilities

The mission of the Ohio Department of Developmental Disabilities (ODODD) is to "... promote comprehensive statewide programs and services - including public education, prevention, diagnosis, treatment, training, and care - for individuals with developmental disabilities and their families wherever they reside in the state." ODODD provides funds and oversight to the state's 88 county developmental disability boards. These boards provide community-based support and services for those in need. The director of ODODD is appointed by the governor and confirmed by the Ohio Senate. Funding for the Ohio Department of Developmental Disabilities is provided through general revenue funds, federal funding, and transfers from other state agencies.

INVESTIGATIVE SUMMARY

On March 12, 2018, investigators for the Office of the Ohio Inspector General interviewed ODODD Chief Legal Counsel Brad Singer, Payroll Manager Amy Sherrets, and Deputy Director – Chief of Human Resources Toni Harkness. The ODODD officials told investigators that 17-year employee Tiffany Diggs was employed by the department as a Human Capital Management Analyst (HCMA) and was responsible for payroll and employee benefits for all ODODD employees. Diggs' main payroll-related function was to oversee the payroll administration by ensuring all ODODD employees or their respective timekeepers properly recorded hours worked, leave used and overtime, etc., in Kronos¹ and that all entries are in compliance to agency policies

¹ Kronos is a software tool used for monitoring employee time and attendance.
<https://www.kronos.com/products/time-and-attendance>

or provisions as specified in the collective bargaining agreement or codes. After the Kronos data is submitted to the Ohio Department of Administrative Services (ODAS) via an electronic interface file, OAKS² calculates employees' paychecks. They reported Diggs was also tasked with verifying the accuracy of the interface file; ensuring paychecks were calculated accurately; and that she entered any information directly into OAKS if the timekeepers (employees) missed the interface deadline. Diggs' other duties were to assist employees with updating their addresses, federal, state or local tax withholding information, direct deposit accounts, and employee benefit enrollment as well as to clarify or certify retirement earnings for OPERS³ or other entities who needed to verify employment or earnings.

Diggs also served as a timekeeper for the ODODD Central Office which employs the employee involved in the allegation. Diggs had access to add or delete information from that employee's Kronos timecard, OAKS timesheet, tax information, and direct deposit accounts. ODODD officials told investigators that on March 5, 2018, the employee called Payroll Manager Sherrets after discovering the earnings on his 2017 W-2 were significantly higher than in 2016. Sherrets explained to investigators that the employee is part-time, working 10-15 hours per a two-week pay period. When Sherrets learned of the suspected discrepancy in the employee's W-2, she looked up one of his paychecks in OAKS. Sherrets stated she observed the employee had worked 40 hours that pay period, to which the employee remarked, "I have never worked 40 hours in a pay period (for ODDOD)." Sherrets reviewed another paycheck of the employee and again noted more hours posted than what the employee stated he had worked. Sherrets compared the hours in KRONOS to those reported in OAKS and discovered there was a discrepancy in what was worked and what was posted. Sherrets stated that upon reviewing the deposit information for the employee's check, she also discovered the employee's wages were being deposited into two separate bank accounts located at PNC and American Express Centurion.

² Ohio Administrative Knowledge System (OAKS) is the State's Enterprise Resource Planning (ERP) system which provides central administrative business services such as Financial Management, Human Capital Management, Content Management, Enterprise Learning Management and Customer Relationship Management. <http://das.ohio.gov/Portals/0/DASDivisions/InformationTechnology/IS/Services/OAKS.pdf>

³ Ohio Public Employees Retirement System (OPERS) is the largest state pension fund in Ohio, and the 12th-largest public retirement system and 15th-largest retirement system in the U.S. <https://www.opers.org/about/index.shtml>

Sherrets said she brought this to the employee's attention, who stated he had only one bank account at PNC and did not have an account at American Express Centurion.

Sherrets then spoke to Diggs since she was the payroll staff member assigned to the employee's division. Sherrets asked Diggs if she knew who the American Express Centurion bank account belonged to, and Diggs stated, "No." Sherrets then contacted Ohio Department of Administrative Services (ODAS) State Payroll Manager Jackie Masters. Masters was able to cross reference the American Express Centurion bank account number in OAKS and noticed it was the same bank account used by Tiffany Diggs. Sherrets told investigators that by the following morning, a footprint⁴ in OAKS was discovered indicating Diggs was the person changing the employee's timesheets and adding the hours. Upon this discovery, Sherrets informed Diggs that her access to the payroll system was cut off and she was immediately placed on administrative leave.

At the time Diggs was placed on leave, Sherrets asked Diggs if she had changed any of the employee's time sheets. Diggs denied making the changes. Diggs was asked if she gave anyone her OAKS identification number or password login information, to which Diggs replied, "No." Deputy Director Harkness noted to investigators that since being placed on leave, Diggs never inquired or made any statements as to why she was placed on administrative leave.

On March 14, 2018, the Office of the Ohio Inspector General interviewed ODAS Office of Human Resources Operations - Deputy Director Aaron White and Deputy Director Tom Cruse. White reviewed and compared the ODODD employee's payroll records and Tiffany Diggs' payroll access records. White stated that on or about April 29, 2017, Diggs made a change to the employee's direct deposit. After the bi-weekly ODODD audits were run, Diggs reportedly accessed the employee's payroll account and added hours (or a dollar amount) to his time sheet. The ODAS officials stated the system is set up to notify the account holder when any changes are made to the account through email notification. However, White stated that the ODODD

⁴ A digital footprint, sometimes called a digital dossier, is the body of data that exists as a result of actions and communications online that can in some way be traced back to an individual.
<https://whatis.techtarget.com/definition/digital-footprint>

employee did not have his email account connected with his payroll account and, therefore, did not receive any notifications of changes made to his payroll account. White stated that Diggs made changes to the employee's account during 17 pay periods, depositing \$26,904.73 (\$38,515.44 before taxes) into Diggs' American Express Centurion bank account. Diggs' actions were indicated in OAKS which tracks all changes to employee accounts. White noted that ODAS conducted an audit of the ODODD employee's account and observed that changes were made to the employee's account 84 times using Diggs' employer identification number, whereby 521.9 hours were added to his payroll and \$38,515.44 was fraudulently posted to his payroll account.

Investigators conducted a review of the ODODD employee's paychecks. The paychecks showed the additional hours and corresponding money added by Diggs was directly deposited into a bank account ending in 9805. Investigators conducted a review of Diggs' payroll information and found that Diggs' bi-weekly paychecks were also being deposited into a bank account ending in 9805. Upon the request of the Office of the Ohio Inspector General, ODAS was able to provide investigators with the full bank account number for Diggs' direct deposit.

On March 15, 2018, investigators issued a subpoena to American Express Centurion Bank and on April 20, 2018, American Express Centurion Bank complied with the subpoena. A review of the bank records ending in 9805 confirmed the account holder was in the name of Tiffany Diggs. It was further noted the account was opened September 30, 2015, from an IP⁵ address assigned to ODAS. Further review showed the date of birth, Social Security number, address and phone number on the American Express Centurion account matched that of Tiffany Diggs.

Investigators reviewed Diggs' American Express Centurion account and found 17 direct deposits into Diggs' account from "State of Ohio - Direct Deposit" with the name of the ODODD employee. The amount of each direct deposit matched the 17 checks in which the account ending in 9805 was added to the employee's payroll.

⁵ An IP (abbreviation of Internet Protocol) address is a unique string of numbers separated by periods that identifies each computer using the Internet Protocol to communicate over a network. <http://www.dictionary.com/browse/ip-address?s=t>

On April 13, 2018, investigators met with Ohio Department of Taxation (ODT) Agent Matthew Shell and Senior Agent Brian Costa to notify them of Diggs' activities. Shell and Costa reviewed Diggs 2017 Ohio tax return and noted Diggs did not claim the additional \$26,904.73 (\$38,515.44 before taxes) she added from the employee's direct deposit. Agents Shell and Costa stated they would be opening a case with the Ohio Department of Taxation for possible criminal charges against Tiffany Diggs.

On April 13, 2018, the Office of the Ohio Inspector General was notified Tiffany Diggs resigned her position at ODODD.

On April 30, 2018, investigators interviewed the ODODD employee in the investigation. The employee stated he did not know Tiffany Diggs and noted he did not review his W-2 form before sending it to his accountant for his annual tax preparation. The employee's accountant made the observation that, "You made a lot more money this year so your taxes are going to go up." The employee questioned his accountant's statement and noted that he had worked about the same number of hours as he had in the prior year. The employee told investigators he was adamant there was an error on his W-2, so he called Amy Sherrets and told her that if he was overpaid in any way, he wanted to repay the money. Initially, the employee informed investigators that he did not have an email address attached to his direct deposit, but later told investigators he was unsure and noted that if he did, he did not check it. The employee stated he did not contact Diggs at any time during the period the incidents had occurred.

On May 2, 2018, the Office of the Ohio Inspector General attempted to contact Tiffany Diggs to conduct an interview. Diggs did not return the investigator's phone calls.

On May 11, 2018, the Office of the Ohio Inspector General and the Ohio Department of Taxation met with Franklin County Prosecuting Attorney's Office to discuss the matter for consideration of possible criminal charges against Tiffany Diggs.

On July 10, 2018, Tiffany Diggs was indicted by the Franklin County Grand Jury for theft in office, tampering with records, and filing a false or fraudulent tax return.

CONCLUSION

On March 7, 2018, the Office of the Ohio Inspector General received a notification from the Ohio Department of Developmental Disabilities (ODODD) stating that from the time period of May 2017 to the date of the complaint, Human Capital Management Analyst Tiffany Diggs was suspected of posting fraudulent hours under another employee's payroll account, then diverting those earnings into her own personal bank account through direct deposit.

In her position at ODODD, Diggs was responsible for payroll and employee benefits for all ODODD employees. Diggs main payroll-related function was to oversee the payroll administration by ensuring all employees or their respective timekeepers properly recorded hours worked, leave used and overtime, etc., in Kronos.

An ODODD employee, for whom Diggs was responsible for processing his payroll, received and delivered his 2017 W-2 statement to his accountant for his annual tax preparation. After reviewing the document, the accountant advised the employee that his taxes were going to increase, as he had earned a substantially higher income in 2017 than he did in 2016. The employee reported that he believed this was an error because he had worked about the same number of hours in 2017 as he did in 2016. Believing there was an error on his W-2, the employee contacted ODODD Payroll Manager Amy Sherrets.

Sherrets told the Office of the Ohio Inspector General that the employee is an ODODD part-time employee who works 10-15 hours per two-week pay period, and that upon receiving the call from the employee, Sherrets reviewed one of his paychecks in OAKS. Sherrets discovered in OAKS that the employee had reportedly worked 40 hours that pay period, which the employee disputed and told Sherrets he had, "... never worked 40 hours in a pay period ..." for ODODD. Sherrets reviewed another one of the employee's paychecks and again discovered more hours posted than what he stated working. Sherrets compared the hours worked reflected in KRONOS against those reported in OAKS for the employee and found there was a discrepancy in what was worked and what was posted.

Sherrets discovered a second bank account connected to the employee's direct deposit, and she stated the employee said he was unaware of the second account. Upon determining the second account was with American Express Centurion, Sherrets contacted Tiffany Diggs and asked if she had any knowledge of the account and Diggs responded that she was not aware of the account. The following day, Sherrets was told by ODAS State Payroll Manager Jackie Masters that the American Express Centurion account was associated with payroll direct deposits for Tiffany Diggs. Sherrets further reviewed OAKS payroll system's records and discovered evidence that someone had used Tiffany Diggs' OAKS identification number to make changes to the ODODD employee's OAKS account. Specifically, Sherrets discovered hours and money had been added and reported on the ODODD employee's payroll records, but the actual money was direct deposited into Diggs' American Express Centurion bank account. Because the ODODD employee did not have an email account associated with his OAKS account and never viewed his online paycheck, the employee did not discover the discrepancy until his tax accountant noticed a substantial increase in his pay for the year.

The Office of the Ohio Inspector General issued a subpoena for the American Express Centurion account and verified it was assigned to Tiffany Diggs. Investigators reviewed the bank records and determined 17 instances where money was diverted from the employee's OAKS payroll account into Diggs' American Express Centurion account. The dates and dollar amounts of the 17 instances provided by ODAS matched exactly with the American Express Centurion records for a total of \$26,904.73 (\$38,515.44 before taxes).

Investigators interviewed the ODODD employee and confirmed he had no knowledge of Diggs' actions. The Office of the Ohio Inspector General attempted to interview Diggs; however, she refused to return investigator's phone calls.

The Office of the Ohio Inspector General discussed the case with the Ohio Department of Taxation. ODT agents reviewed Diggs' 2017 tax return and reported Diggs did not claim the additional \$26,904.73 (\$38,515.44 before taxes) she diverted from the employee's direct deposit. The agents informed investigators they would be opening a case with the Ohio Department of Taxation for possible criminal charges against Tiffany Diggs.

On April 13, 2018, investigators were notified Tiffany Diggs resigned her position at ODODD.

On July 10, 2018, Tiffany Diggs was indicted by the Franklin County Grand Jury for theft in office, tampering with records, and filing a false or fraudulent tax return.

RECOMMENDATION(S)

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

- 1) Ensure all Ohio Department of Developmental Disabilities employees have an email account assigned to their payroll whereby they may receive notifications when changes are made to their account.

REFERRAL(S)

This report of investigation has been provided to the Franklin County Prosecuting Attorney's Office and the Internal Revenue Service for consideration.



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RANDALL J. MEYER, INSPECTOR GENERAL

NAME OF REPORT: Ohio Department of Developmental Disabilities

FILE ID #: 2018-CA00017

KEEPER OF RECORDS CERTIFICATION

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

Jill Jones
KEEPER OF RECORDS

CERTIFIED
July 10, 2018

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