

STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF
INVESTIGATION



AGENCY: OHIO DEPARTMENT OF COMMERCE
FILE ID NO.: 2018-CA00032
DATE OF REPORT: OCTOBER 3, 2018

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

“Safeguarding integrity in state government”

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Randall J. Meyer
Ohio Inspector General



STATE OF OHIO

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RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF INVESTIGATION

FILE ID NUMBER: 2018-CA00032

SUBJECT NAME: Unnamed subject

POSITION: Administrative Professional 2

AGENCY: Ohio Department of Commerce

BASIS FOR INVESTIGATION: Complaint

ALLEGATIONS: Falsification of records

INITIATED: July 6, 2018

DATE OF REPORT: October 3, 2018

INITIAL ALLEGATION AND COMPLAINT SUMMARY

On June 29, 2018, Franklin County Department of Job and Family Services (FCDJFS) sent an email to the assistant deputy director of the Ohio Department of Administrative Services (ODAS) regarding an individual who is identified in this report as an Unnamed subject,¹ who was an employee in the Ohio Department of Commerce (COMMERCE), Division of Real Estate and Professional Licensing (DRE). ODAS forwarded the email to the Ohio Department of Commerce Human Resources on July 2, 2018. FCDJFS had reported that they recently processed a benefits application for the Unnamed subject. Upon review of the income verification, it appeared that the Unnamed subject created alternative pay stubs to submit to the county agency. The year-to-date notation listed on the pay stubs did not coincide with state wage matches that FCDJFS uses to assess correct information on pay stubs.

On July 2, 2018, the Ohio Department of Commerce notified the Office of the Ohio Inspector General that the Unnamed subject had created alternative pay stubs which were submitted as part of a benefit application to the Franklin County Department of Job and Family Services.

BACKGROUND

Ohio Department of Job and Family Services

The Ohio Department of Job and Family Services (ODJFS) is responsible for developing and overseeing programs that provide healthcare, unemployment compensation and economic assistance, and services to families and children through a variety of programs including public assistance programs (cash assistance, non-cash support, and food assistance), child welfare services, child and adult protective services, child support, and workforce development programs. Most of these programs are supervised by ODJFS with county and other local agencies administering the programs. The majority of the programs are federally mandated and funded. The director of ODJFS is appointed by the governor and confirmed by the Ohio Senate. The Ohio Department of Job and

¹ The subject of this investigation is not identified in this report. Ohio Revised Code §121.44 requires the Office of the Ohio Inspector General to keep confidential information it receives that is made confidential by law. Ohio Revised Code §5101.27 makes confidential the identity of any person who applies for government assistance and prohibits “any government entity” from disclosing the identity of a public assistance recipient “for any purpose not directly connected with the administration of a public assistance program.”

Family Services is funded through general revenue funds, federal funds, and fees charged for services performed.²

Franklin County Department of Job and Family Services

The Franklin County Department of Job and Family Services (FCDJFS) is a county, state, and federally supported agency responsible for basic financial, medical, and social services programs. FCDJFS provides workforce development and family support programs through in-house or contracted services to eligible children and adults “ ... to ensure that no one is forced to go without the basic essentials of food, clothing, shelter, medical care and necessary life sustaining services because of a lack of resources.”³

APPLICABLE POLICIES AND STATUTES

Ohio Department of Commerce- Comprehensive Computer Use Policy 501.0 states, in part;

VI. Personal Use of Computing Systems or Devices

The Department’s computers and computer systems must only be used for the purposes for which they are authorized. Department computer systems and access to networks, storage drives, files and servers, including e-mail and internet services, shall not be used for personal or commercial purposes without the authorization of the Director or his/her designee.

XII. Internet Use

Employees, temporary personnel, contractors, or other agents of the state shall be held accountable for his/her use and misuse of government resources, including access to the Internet. Acceptable use of the Internet is defined in Ohio IT Policy ITP-E.8, “Use of Internet, Electronic Mail and Other IT Resources.”

Department employees shall not use Internet access for any activity other than official business. Employees should only visit trusted sites associated with their official activities and in pursuit of information for official business. Access to the internet is granted to the employee by the Department and such access may be removed without notice.

² Source: Biennial budget documents.

³ Source: Franklin County Department of Job and Family Services website

XIV. E-mail use

Department employees shall not use state e-mail accounts for any activity other than official business. Employees should only use e-mail for official communications in conjunction with his/her job duties.

Ohio Department of Commerce- Ethics Policy 200 includes outside employment requirements and states, in part;

III. Outside Employment & Self Employment Requests

D. Requests for employment outside the agency or self-employment must be reviewed by the department. The “Registration of Outside Employment” form (“Registration”) is available from the Office of Human Resources and is included in this manual. The Registration, which identifies the nature of duties to be performed and the amount of time to be devoted to such outside activity, shall be submitted through the employee’s chain of command and eventually to the Human Resources Director. This Registration must be submitted and approved annually. Initial registration should be submitted at the time outside employment is obtained. Annual renewal of the Registration is due to the department by January 30th of each calendar year.

The Unnamed subject has been employed at the Ohio Department of Commerce as an administrative professional for approximately five years. Her duties include opening cases, opening mail, replying to emails, and other support functions.

INVESTIGATIVE SUMMARY

On July 2, 2018, the Ohio Department of Commerce (COMMERCE) notified the Office of the Ohio Inspector General that an Ohio Department of Commerce, Division of Real Estate and Professional Licensing (DRE) employee, identified in this report as an Unnamed subject, had created alternative pay stubs which were submitted as part of a benefit application to the Franklin County Department of Job and Family Services (FCDJFS).

On July 5, 2018, FCDJFS informed COMMERCE that the Unnamed subject submitted the pay stub information to the agency on June 4, 2018, at 12:09 p.m. from her state-issued COMMERCE email address.

On July 10, 2018 the Office of the Ohio Inspector General acquired the COMMERCE computer used by the Unnamed subject and her State of Ohio email account. An examination of the Unnamed subject's state computer found evidence that there was an email received on the Unnamed subject's personal email account (Gmail) on June 4, 2018, at 10:47 a.m., from "Online Pay Stub Support" regarding "Your Online Pay stub generator (<https://pay-stubs.com>) Delivery Information." Included in this email was an order identified as ID (UMA180604-7633-73593) and a hyperlink to "download your pay stub(s)." The Online Pay Stub Support email thanked the Unnamed subject for submitting her payment on pay-stubs.com. At 10:49 a.m., the pay stub generator email was forwarded from the Unnamed subject's personal email account to the Unnamed subject's state email account at COMMERCE.

Investigators also discovered a previous email from Online Pay Stub Support dated March 19, 2018, to the Unnamed subject's personal Gmail account which was forwarded to her State of Ohio COMMERCE email account and included a "thank you for your payment on pay-stubs.com." The pay-stubs.com website allows an individual to complete a blank generic pay stub with company and employee information, hours worked, and rate of pay. After then making an online payment of \$4.95, the individual can download the created pay stub. [\(Exhibit 1\)](#)

Additionally, the review of the Unnamed subject's state-issued COMMERCE computer and personal and state email traffic revealed emails and attachments for the Unnamed subject's tax returns, bank statements, Social Security documents, health care financial assistance application, mortgage loan application and credit reports, real estate listings, and child support.

On June 4, 2018, at 12:08 p.m., the Unnamed subject emailed a "Re-Determination Application for Child Care Benefits" to the Franklin County Department of Job and Family Services at FranklinCountyChildCare@fcdjfs.franklincountyohio.gov from her state email account. Attached to the application were two fictitious State of Ohio pay stubs for proof of income. The

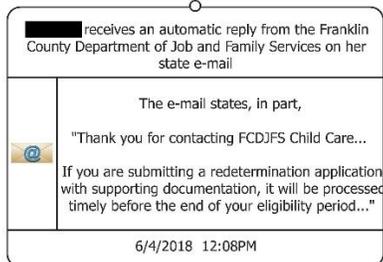
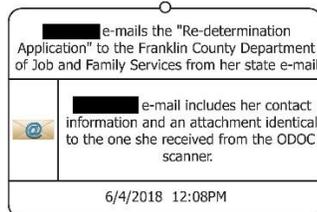
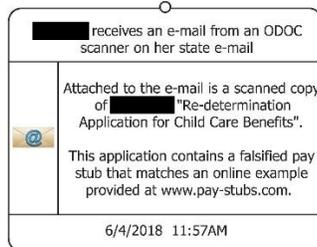
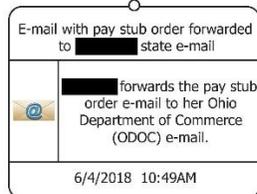
two pay stubs did not match standard-issued State of Ohio pay stubs; however, they did match pay stub examples offered at www.pay-stubs.com. [\(Exhibit 2\)](#) On the FCDJFS Re-Determination application form, the Unnamed subject listed her State of Ohio hourly wage rate of \$20.53; however, the false pay stubs displayed an hourly wage rate of \$10.59.

On June 26, 2018, at 9:13 a.m., Franklin County Childcare Case Manager Lisette Merced emailed a letter to the Unnamed subject's personal Gmail account requesting additional information regarding "Childcare Redetermination." At 12:08 p.m., the letter was forwarded from the Unnamed subject's Gmail account to her state email at [Unnamed subject]@com.state.oh.us. The letter stated, in part;

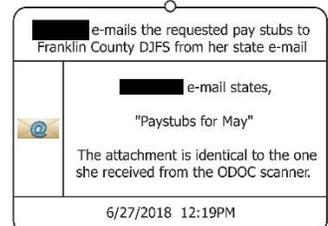
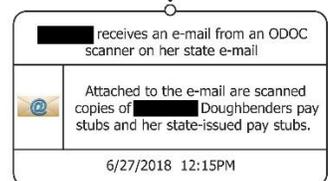
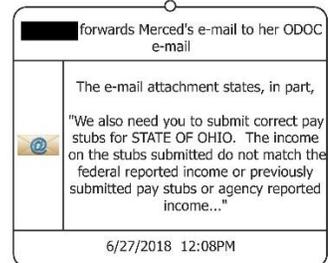
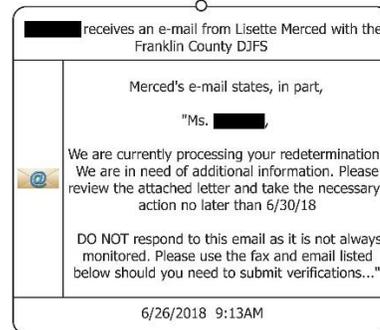
We have located an employment match for you with DOUGHBENDERS with a hire date of 3/15/18. Please submit all May pay stubs or a letter from employer, stating last date worked. We also need you to submit correct pay stubs for STATE OF OHIO. The income on the stubs submitted do not match the federal reported income or previously submitted pay stubs or agency reported income.

The following day at 12:19 p.m., the Unnamed subject emailed the requested information from her state email to the Franklin County Department of Job and Family Services at FranklinCountyChildCare@fcdjfs.franklincountyohio.gov. Attached to this email was a correct State of Ohio pay stub that did match standard-issued state of Ohio pay stubs and pay stubs from Doughbenders. [\(Exhibit 3\)](#) The Unnamed subject also sent a copy of this email to her Gmail account.

June 4, 2018



June 26-27, 2018



On June 29, 2018, Franklin County Childcare Case Manager Lisette Merced notified Ohio Department of Administrative Services Assistant Deputy Director Kevin Milstead by email of the fictitious pay stubs submitted by the Unnamed subject. Merced explained in the email that, “the year-to-date did not coincide with State Wage matches that we use to assess correct information on pay stubs. Attached are the questionable stubs and the stub most recently submitted by [Unnamed subject].”

On July 2, 2018, ODAS Deputy Director Kevin Milstead notified the Ohio Department of Commerce of the fictitious pay stubs submitted to FCDJFS by the Unnamed subject. Milstead verified that the two pay stubs from [State of Ohio 77 South High St.] originally submitted were not issued by State of Ohio Payroll and confirmed that the pay stub later submitted on June 27 by the Unnamed subject was accurate.

Investigators reviewed the Ohio Department of Job and Family Services’ Child Care Income Eligibility Standards in an effort to find a possible benefit for the Unnamed subject to under-report her income. FCDJFS provides financial assistance for child care to eligible applicants based on income and family size. The child care income eligibility standards are updated annually after the release of the Federal poverty guidelines by the U.S. Department of Health and Human Services. County agencies must use the new monthly income eligibility standards for all child care applications, redeterminations and case updates processed on or after October 1, 2017. The copayment chart included in the Child Care Manual indicates that a family of five for initial eligibility with a maximum monthly income limit of \$3,118 would qualify for benefits. For ongoing eligibility, the maximum monthly income limit of \$7,195 would qualify. The Unnamed subject was applying for ongoing assistance and her monthly income was well below the \$7,195 limit. However, the amount of assistance decreases as the income increases, resulting in a copayment for the applicant. Based on the false income that the Unnamed subject reported, she would have a \$0 copay, but at her actual income amount she would have had to pay a \$71.32/month copay. Any additional income from a secondary employment would further increase the copay.

On July 31, 2018, investigators interviewed the Unnamed subject regarding these allegations. The Unnamed subject stated that she had been employed by COMMERCE as an administrative professional 2 for five years. She said her duties included opening cases, opening mail, and replying to emails in the COMMERCE Division of Real Estate. The Unnamed subject confirmed her personal Gmail account which she used to access the pay-stubs.com website where she created and paid for the false State of Ohio pay stubs. She admitted that those false pay stubs were then sent to her personal email account, which she then forwarded to her COMMERCE email account. She did not recall exactly how much she paid for the false pay stubs but believed the \$4.95 amount seemed correct. She also admitted that on June 4, 2018, after scanning the Re-Determination Application for Child Care form to her state-issued computer, she then emailed this application with the false State of Ohio pay stubs attached to the FCDJFS from her COMMERCE email account. She admitted receiving the notice from FCDJFS advising her that they found pay records from Doughbenders that she had not reported and that the state pay stubs she sent in earlier did not match previous state pay stubs. She said she then sent the correct state pay stubs and Doughbenders pay stubs to FCDJFS. The Unnamed subject explained that she sent the false pay stubs because she was concerned that because of her income, she may not qualify for childcare benefits. The Unnamed subject also admitted that she was aware that the amount of her income effects the amount of her copay for childcare. The Unnamed subject said she currently paid \$25 per child per week and with four children she paid \$100 a week. The Unnamed subject admitted that she knew the COMMERCE policy prohibits the use of the state computer, email, and time for personal business. She stated that she did not have a personal computer at home, and that was the reason she used the state computer and email system. The Unnamed subject could not recall for what she had used the previous pay stubs she purchased on March 19, 2018. She also admitted that she did not report her outside employment with Doughbenders to COMMERCE as secondary employment, which began on March 15, 2018, and continued until July 2, 2018, when she was placed on leave.

CONCLUSION

The Ohio Department of Commerce notified the Office of the Ohio Inspector General of suspected illegal activity involving an administrative professional 2 of the Ohio Department of Commerce, Division of Real Estate and Professional Licensing.

The Franklin County Department of Job and Family Services (FCDJFS) provides financial assistance for childcare based on family size and income. The Unnamed subject in this report, in an effort to requalify to receive childcare benefits through FCDJFS, was required to complete the application form and submit pay stubs to verify her income. In order to reduce her monthly copay amount, the Unnamed subject created false State of Ohio pay stub records to indicate a lower salary or income. The reduced amount of income that she reported to FCDJFS would have qualified her for a \$0 copay. The Unnamed subject used her assigned State of Ohio computer and email system to submit the forged State of Ohio pay stubs to FCDJFS. The Unnamed subject's use of her state-issued computer, internet, and email systems for personal business while on state time violated the *Ohio Department of Commerce- Comprehensive Computer Use Policy 501.0*.

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

The Unnamed subject admitted not reporting and receiving approval for her outside employment at Doughbenders to the Ohio Department of Commerce, in violation of *Ohio Department of Commerce- Ethics Policy 200*.

Accordingly, the Office of the Inspector General finds reasonable cause to believe 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 Commerce to respond within 60 days with a plan detailing how the recommendations will be implemented. The Ohio Department of Commerce should:

1. Review the actions of the Unnamed subject and determine whether administrative action is warranted.
2. Review the Comprehensive Computer Use policy for consistency; particularly, section

XIV. E-mail Use. This policy prohibits the use of state email accounts for any activity other than official business but allows employees to forward emails from a state account to a personal account or from a personal email account to a state email account.

REFERRALS

The Office of the Ohio Inspector General is forwarding this report of investigation to the Franklin County Prosecuting Attorney and Columbus City Attorney for consideration.



STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

NAME OF REPORT: Ohio Department of Commerce

FILE ID #: 2018-CA00032

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
October 3, 2018

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