



STATE OF OHIO

OFFICE OF THE INSPECTOR GENERAL

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FOR IMMEDIATE RELEASE

OHIO INSPECTOR GENERAL INVESTIGATION FINDS NO WRONGDOING WITH REFUNDS PAID TO UNIVERSITIES FOR EXCESS BWC CONTRIBUTIONS
Columbus, Ohio, August 10, 2017

The Ohio Inspector General issued a report of investigation today after receiving a complaint alleging that Ohio's public universities should not have been issued refunds for excess contributions paid to the Ohio State Insurance Fund because the Ohio Bureau of Workers' Compensation (OBWC) used a flawed analysis in calculating the program balance. The complainant further alleged that the fund had a \$25 million negative balance at the time the refunds were issued.

The Office of the Ohio Inspector General determined that OBWC did not collect approximately \$46 million in administrative costs and incentive fees from Public Employer State Agency (PES) program participants from March 1997 through June 2007. Information reviewed in the investigation revealed that OBWC made the determination that the monies were not collectible per Ohio law. An Ohio Administrative Code provision effective July 1, 2007, amended the rate for PES program participants to include the previously uncollected costs and fees.

In addition, the investigation questioned the adequacy of OBWC's accounting of PES employer group contributions and payments for benefits and related expenses. Due to the lack of fund balances and allocation of investment income, the Inspector General could not determine if OBWC used allowable funds to pay benefits and costs and is forwarding the report to the Ohio Auditor of State for further consideration.

Ohio Inspector General Report of Investigation file number 2014-CA00015 is now available at:
<http://watchdog.ohio.gov/investigations/2017investigations.aspx>

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