



STATE OF OHIO

**OFFICE OF THE INSPECTOR GENERAL**

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FOR IMMEDIATE RELEASE

**OHIO INSPECTOR GENERAL INVESTIGATION FINDS VENDOR VIOLATED MBE PROGRAM REQUIREMENTS ENABLING THE AWARD OF OVER \$15 MILLION IN CONTRACTS TO RELATED COMPANIES**

Columbus, Ohio, September 17, 2019

During a series of investigations involving State of Ohio IT procurement practices, the Office of the Inspector General identified monetary transfers exceeding \$12 million between Minority Business Enterprise (MBE) vendor TSG Partners, LTD (TSG) and related companies Advocate Consulting Group (ACG) and Advocate Solutions (AS).

Investigators determined that ACG and AS used TSG as a pass-thru vendor in order to access MBE set-aside opportunities. Approximately 80% of the \$15 million received by TSG from the State of Ohio was transferred to ACG or AS bank accounts within days. The State of Ohio MBE program requires that an MBE-qualified business owner has day-to-day control over the business and exercises final authority over all aspects of daily operations, including financial and business management, human resources, and policy decisions. The investigation revealed that TSG owner Kyle Schriml had no employees and was unable to provide simple details or answer work status questions pertaining to TSG's contracts with the State of Ohio.

Documents acquired during the investigation confirmed that TSG, ACG, and AS were closely affiliated parties and that TSG was created as an MBE to further the business interests of those related companies.

In 2019, TSG's MBE certification was denied by the Ohio Department of Administrative Services (ODAS), preventing it from participating in the program.

The report of investigation contains six recommendations to ODAS and a referral to the Franklin County Prosecuting Attorney.

Ohio Inspector General Report of Investigation file number 2018-CA00011 is now available at:

<http://watchdog.ohio.gov/investigations/2019investigations.aspx>

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