

OFFICE OF THE
OHIO INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

2013

ANNUAL REPORT



INSPECTOR GENERAL RANDALL J. MEYER

Randall J. Meyer is a law enforcement leader with 24 years of experience in public safety management, public corruption, and white collar crime. His diverse background in all aspects of criminal investigations has enabled him to establish valuable working relationships with law enforcement personnel from a wide range of local, state, and national organizations. His knowledge and perspective equip him with the ability to set practical long-term goals, while also recognizing the importance of day-to-day operations and challenges of conducting criminal investigations.

Prior to becoming Inspector General, Randall J. Meyer, a certified fraud examiner, served for three years as chief of Investigations and five years as the senior investigator for the Auditor of State's Special Investigations Unit. The unit's objective was to identify public funds that were misappropriated or illegally expended and to pursue criminal prosecution when warranted. Under Inspector General Meyer's leadership, the Auditor of State's Special Investigations Unit earned the 2008 Agency Award for Excellence presented by the National White Collar Crime Center.

Inspector General Meyer is a commissioned peace officer and served as a detective with the Wilmington Police Department. Additional experience includes having worked as a gang investigator at the Ohio Attorney General's Office, where he successfully implemented and managed a statewide security threat group database. Inspector General Meyer is a Navy veteran and holds a bachelor's degree in Public Safety Management. He is a certified instructor through the Ohio Peace Officer Training Academy and the National White Collar Crime Center.

A MESSAGE FROM THE INSPECTOR GENERAL



RANDALL J. MEYER
INSPECTOR GENERAL

It is my privilege to present the Office of the Inspector General's 2013 Annual Report. This report is submitted to the governor and members of the 130th Ohio General Assembly to meet the requirements set forth in Ohio Revised Code §121.48, and to provide insight into the duties of this office and its critical role in upholding integrity in state government. The following pages outline the mission and responsibilities of the Inspector General's Office; examine the office's complaint process and related statistics; and summarize several investigations released during the period from January 1, 2013, through December 31, 2013.

More than 100 cases were closed and released in 2013. This casework collectively represents the hard work, continued accomplishments, diverse skills and expertise of the professionals of this office. In addition, over 350 complaints were received and assessed. Also in 2013, 93 new cases were opened.

The Inspector General's Office also continued its outreach efforts of professional involvement in the community; both presenting to various groups and meeting directly with individuals regarding the responsibilities of the office. In particular, the working partnership with the International Visitors Council afforded me the opportunity, on different occasions, to meet with 41 delegates from nine countries, to explain the purpose and function of this office, and promote democratic principles.

Additionally, in observance of National Fraud Awareness Week, the office once again collaborated with several organizations to cosponsor the conference Targeting Fraud: Safeguarding Integrity. This two-day interdisciplinary training featured nine speakers from five states, who presented on a wide range of topics relating to fraud and the investigative process.

As an independent state agency, the Inspector General's Office is committed to investigating allegations of wrongful acts or omissions without bias or outside influence. It is important that this office conducts its investigations in a thorough and impartial manner. 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 uphold the public trust.

Respectfully submitted,

A handwritten signature in black ink that reads "Randall J. Meyer". The signature is written in a cursive, flowing style.

Randall J. Meyer

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MISSION

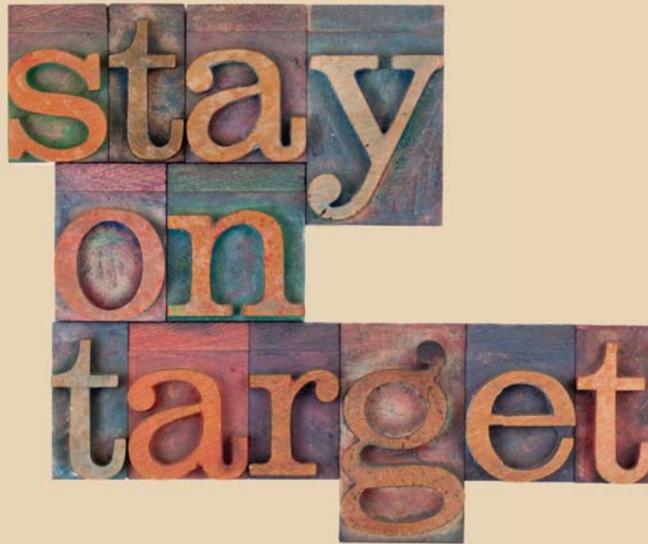
SAFEGUARDING INTEGRITY IN STATE GOVERNMENT

THE OFFICE OF THE INSPECTOR GENERAL ...

was created by an Executive Order of the Governor issued in 1988. At that time, the inspector general was charged with the authority to “examine, investigate, and make recommendations with respect to the prevention and detection of wrongful acts and omissions in the Governor’s Office and the agencies of state government... .” In 1990, the Ohio legislature passed Amended Substitute House Bill 588, which permanently established the Inspector General’s Office as a part of state government.

The mission of the office has remained the same for more than 25 years. The Inspector General’s Office has continually worked toward the goal of improving the processes associated with state government. While the mission of the office remains the same, the operational methods and practices have changed. The qualifications of the professionals are critical to the success of the office. In order to form a diverse team, agency staff have subject matter expertise in grant management, criminal analysis, agency operations, fiscal management and procurement, forensic accounting, information technology systems, law enforcement, and human resource management. This comprehensive approach is necessary to combat the ever-changing landscape of public corruption within the state.

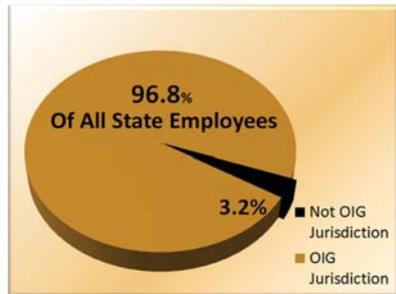
Over the past year – and in the years to come – the policy of the Inspector General’s Office has been and will be to embrace the use of new technology, to fully utilize staff expertise, and to create a collaborative environment that embodies the mission of this office.



RESPONSIBILITIES

The jurisdiction of the Inspector General's Office is limited to the executive branch of state government. The inspector general is authorized by law to investigate alleged wrongful acts or omissions committed by state officers or employees. It extends to the governor, the governor's cabinet and staff, state agencies (as defined in Ohio Revised Code (ORC) §1.60), departments, and boards and commissions. The inspector general's jurisdiction includes state universities and state medical colleges, but does not include community colleges. The courts, the General Assembly, and the offices of the Secretary of State, the Auditor of State, the Treasurer of State, and the Attorney General, and their respective employees and staffs are statutorily excluded from the jurisdiction of the Inspector General's Office. Likewise, the office has no authority to investigate allegations concerning any federal,¹ county, municipal or other local officials, agencies, or governing bodies.

Percentage of State Employees Covered Under the Jurisdiction of the Inspector General's Office



Pursuant to ORC §121.42, the inspector general's authority extends to:

- Receiving complaints alleging wrongful acts and omissions and determining whether there is reasonable cause to believe the alleged wrongful act or omission has been committed or is being committed by a state officer or employee;
- Investigating the management and operation of state agencies on the inspector general's initiative to determine whether wrongful acts and omissions have been committed or are being committed by state officers and employees.

Those individuals who contract with state agencies or who otherwise do business with the state may also fall under the purview of this office. The Inspector General's Office does not become involved in private disputes, labor/management issues, or litigation. The office does not review or override the decisions of a court or the findings of any administrative body. In order to begin an investigation, allegations of wrongdoing must specifically relate to wrongful acts or omissions committed by state officials or state agencies.

Similarly, the Inspector General's Office is not an advocate for either the state agency or the complainant in any particular case. The office's obligation is to ensure that the investigative process is conducted fully, fairly, and impartially. As independent fact finders, wrongdoing may or may not be found as the result of an investigation. Occasionally, matters investigated fall within the jurisdiction of other agencies such as law enforcement, prosecuting authorities, and regulatory bodies. In such instances, the office may refer a case to, or share information with one or more of those entities, to ensure the efficient use of resources, or to assist policymakers in enacting change.

¹ Every federal agency has its own inspector general. For more information, use the "Directory" link at the ignet.gov website.

CONDUCTING AN INVESTIGATION

FILING A COMPLAINT

Anyone may file a complaint with the Inspector General's Office. At times, complaints are forwarded by other agencies or officials. Complaint forms can be downloaded from the inspector general's website at <http://watchdog.ohio.gov/> or are provided upon request. Complaints can be made anonymously; however, it may be difficult to verify the information provided or ask additional questions.

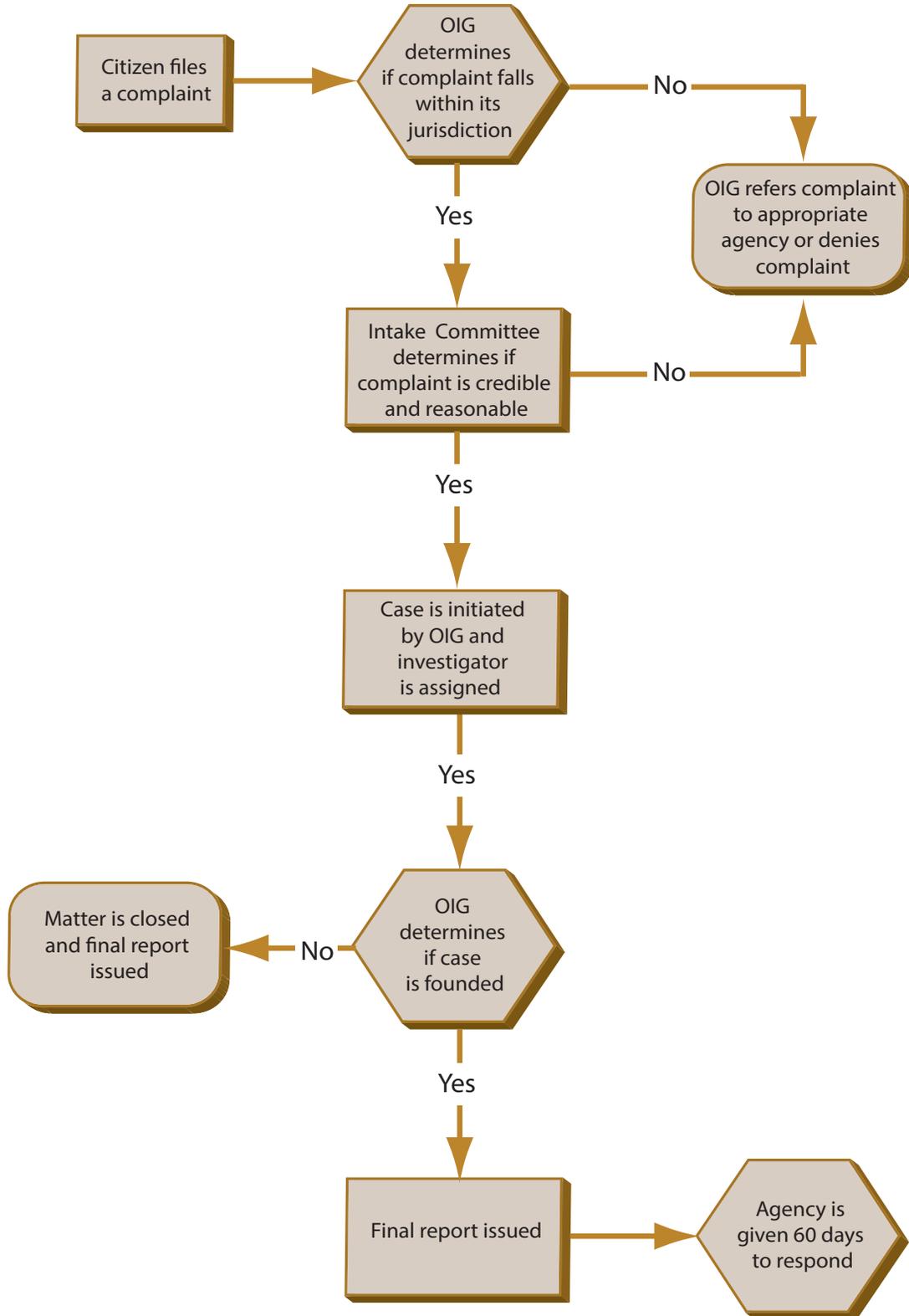
The inspector general may grant complainants or witnesses confidentiality. When appropriate, information received from complainants and witnesses may also be deemed "confidential." Confidentiality is appropriate when it is necessary to protect a witness. It is also appropriate in cases where the information and documentation provided during the course of an investigation would, if disclosed, compromise the integrity of the investigation or when considered confidential by operation of law.

The Inspector General's Office does not offer legal advice or opinions to complainants. In instances where it appears that a complainant is seeking legal assistance, or where it appears that another agency is better suited to address a complainant's issues, the office will make every effort to advise the complainant that he or she may wish to consult with private legal counsel or will direct him or her to a more appropriate agency, organization, or resource.



Complaints received are reviewed by the intake committee. This committee consists of the inspector general, chief legal counsel, first assistant deputy inspector general, and case manager. A complaint offering credible allegations of wrongful acts or omissions that fall within the inspector general's jurisdiction is assigned to a deputy inspector general for investigation. However, if the complaint concerns a matter outside the jurisdiction of the Inspector General's Office, every effort will be made to properly refer the complainant.

FILING A COMPLAINT



TYPES OF ALLEGATIONS

Complaints submitted to the Inspector General's Office may include a wide range of alleged wrongdoing and may include allegations of more than one type of misconduct committed by an entity or individual. As investigations proceed, new allegations of wrongdoing may come to light and other individuals or entities may become part of the investigation. Five types of wrongdoing falling under the inspector general's jurisdiction are:

FRAUD

1

An act, intentional or reckless, designed to mislead or deceive.

Examples:

- Fraudulent travel reimbursement
- Falsifying financial records to cover up a theft
- Intentionally misrepresenting the cost of goods or services
- Falsifying payroll information or other government records

WASTE

2

A reckless or grossly negligent act that causes state funds to be spent in a manner that was not authorized or which represents significant inefficiency and needless expense.

Examples:

- Purchase of unneeded supplies or equipment
- Purchase of goods at inflated prices
- Failure to reuse major resources or reduce waste generation

ABUSE

The intentional, wrongful, or improper use or destruction of state resources, or a seriously improper practice that does not involve prosecutable fraud.

Examples:

- Failure to report damage to state equipment or property
- Improper hiring practices
- Significant unauthorized time away from work
- Misuse of overtime or compensatory time
- Misuse of state money, equipment, or supplies

CORRUPTION

An intentional act of fraud, waste or abuse or the use of public office for personal, pecuniary gain for oneself or another.

Examples:

- Accepting kickbacks or other gifts or gratuities
- Bid rigging
- Contract steering

CONFLICT OF INTEREST

A conflict of interest is a situation in which a person is in a position to exploit his or her professional capacity in some way for personal benefit.

Examples:

- Purchasing state goods from vendors who are controlled by or employ relatives
- Outside employment with vendors
- Using confidential information for personal profit or to assist outside organizations

2013 STATISTICAL SUMMARY

The Inspector General’s Office received a total of 389 complaints in 2013. From 1999 through 2013, nearly 5,500 complaints have been reviewed.

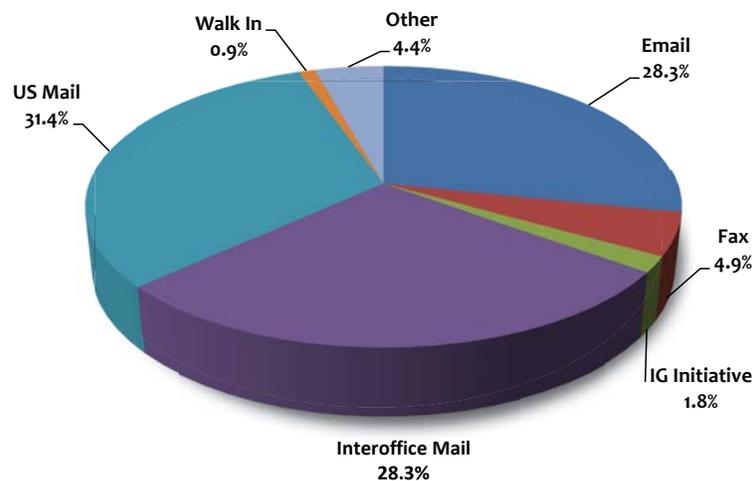
2013 Complaint Status					
	<u>GENERAL</u>	<u>ARRA</u>	<u>ODOT</u>	<u>OBWC/IC</u>	<u>ALL</u>
Cases Opened ¹	61	2	16	21	100
No Jurisdiction	73	1	0	0	74
Insufficient Cause	105	3	12	15	135
Referred	70	0	0	3	73
Pending ²	5	0	0	2	7
Complaint Totals	314	6	28	41	389

¹ “Cases Opened” are the number of complaints that became open cases, including those related complaints that were incorporated into existing open cases.

² “Pending” are those complaints that require additional information before a determination can be made.

The following chart highlights the various methods in which complaints are received by the Inspector General’s Office:

Methods in which Complaints were Received in 2013

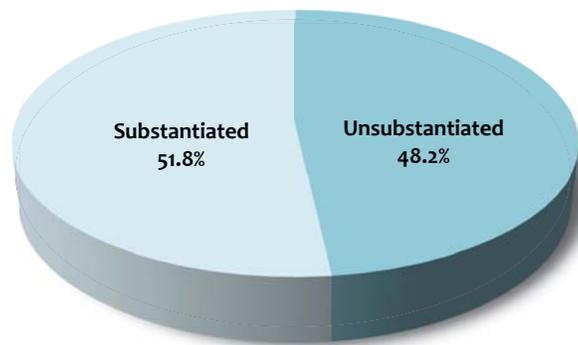


Of the 114 cases closed by the Inspector General’s Office in 2013, a number of those cases were opened in previous years. The following chart summarizes the outcome of the cases closed during the period covered by the 2013 Annual Report:

Results of Cases Closed in 2013	
Total Recommendations Made to Agencies	207 in 50 cases
Total Referrals	110 in 42 cases
Total Charges	19 in 4 cases
Identified \$ Loss	\$34,934,828 in 15 cases

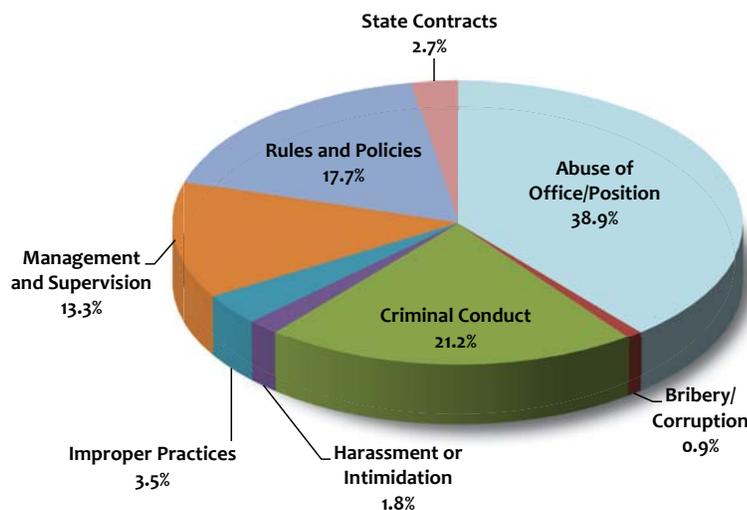
Of the 114 cases closed in 2013, the following chart designates the percentage of allegations in closed cases that were found to be substantiated versus those allegations that were found to be unsubstantiated.

Findings of Cases Closed in 2013



The following chart highlights the types of wrongdoing alleged in cases closed in 2013. Cases investigated for abuse of office or position (38.9 percent) and criminal conduct (21.2 percent) led the categories in the cases closed for 2013.

Substantiated Allegations by Type in 2013

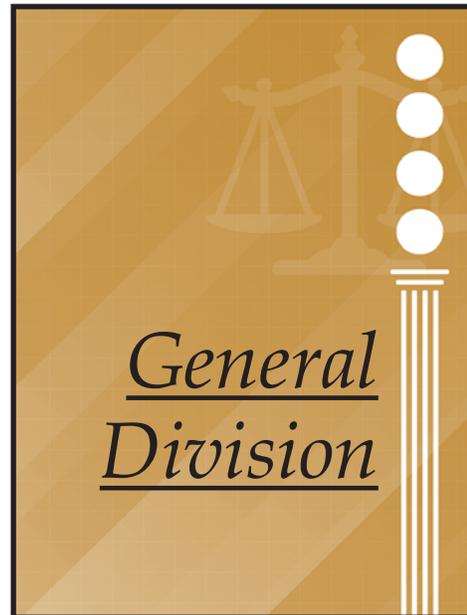


GENERAL DIVISION

2013 REPORT

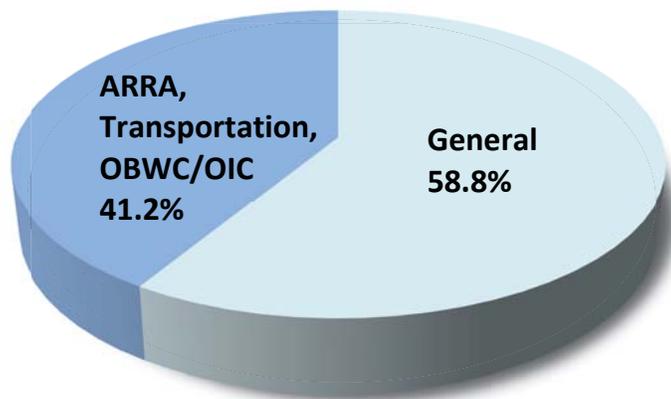
In order to efficiently investigate matters delegated to this office by statute, the Inspector General’s Office divides its investigatory casework between four separate areas. Three of these areas, Ohio Bureau of Workers’ Compensation/Industrial Commission of Ohio, Ohio Department of Transportation, and American Recovery and Reinvestment Act, have assigned deputy inspectors general. These designated positions were created by specific statutes for each of the three corresponding areas.

The fourth area, the General Division, is broad in scope and encompasses all the remaining state of Ohio departments and agencies under the purview of the Inspector General’s Office. Deputy inspectors general who are assigned casework in the General Division are responsible for a wide area of Ohio government including the departments of Natural Resources, Job and Family Services, Public Safety, and Rehabilitation and Correction, to name a few. Because of the extensive nature of the casework performed in the General Division, this division generates and reflects the largest amount of cases completed, or closed, by the office.



In 2013, there were 57 cases opened and 67 cases closed in the General Division of the Inspector General’s Office. As part of the lifespan of a case, the number of cases closed may reflect cases that were opened in previous years.

2013 Cases Closed in the General Division



SUMMARIES OF SELECTED CASES - GENERAL

OHIO DEPARTMENT OF TAXATION FILE NO. 2012-CA00083

An Ohio Department of Taxation (ODT) investigation released on December 21, 2012, found a former employee was stealing money orders and concealing the theft by transferring overpayments from one taxpayer account to another unrelated account. “Overpayment” is a term used by ODT indicating a credit and, from a taxpayers’ point of view, is potentially owed to the taxpayer.

After learning there was a substantial overpayment amount being held in ODT’s computer system, the Inspector General’s Office initiated an investigation at ODT and requested from the agency a list of all overpayments from the corporate franchise, employer and school district withholding, and sales and use tax sections. Initially, ODT informed the Inspector General’s Office that the query was too voluminous to be provided. However, after working with ODT to obtain a comprehensive list, the Inspector General’s Office found there were more than 680,000 “tax periods” containing over \$294 million in overpayments being held by ODT. A “tax period” is any time a tax return or payment is made or due by a taxpayer.



The investigation revealed ODT had a policy of not informing taxpayers of a potential overpayment held in the ODT system, even if a taxpayer requested information on their account. An email identified by investigators that was dated April 5, 2011, stated, “While reviewing a taxpayer’s account and you notice a period is overpaid. [sic] Please do not inform the taxpayer that they are overpaid.” State law allows a taxpayer to request a refund, depending upon tax type, within a three- to four-year time period. After this time period has expired, the funds remain in the state’s general fund and the taxpayer loses their ability to claim the overpayment.

Furthermore, investigators found that tax agents were able to move funds within the computerized tax system without supervisor approval or knowledge of the taxpayer. In one instance, a tax agent in the sales and use tax section was able to move a \$2 million overpayment to various tax periods, effectively making the taxpayer’s account show a \$0 balance. When the Inspector General’s Office contacted the taxpayer, the taxpayer was unaware of the overpayment. In fact, documentation provided by a representative of the taxpayer showed they had posted the right amount owed to the correct tax period in the Ohio Business Gateway. However, from documentation provided by ODT, it showed the amount had been posted to a different tax period in the computer system.

In conjunction with the Ohio Office of Internal Audit (OIA), a review was conducted on the process ODT had implemented when reviewing overpayment balances. The Office of Internal Audit concluded that major improvements were needed regarding the controls around the analysis and classification of overpayment balances as determined by ODT.

The investigation also revealed over \$33 million in refunds requested by taxpayers and approved by ODT; however, the ODT computer system halted the payments and the taxpayer did not receive the funds. This issue was first discovered by ODT in December 2009. Emails and interviews with current and former ODT employees found a former deputy tax commissioner ordered only refunds approved during a specific six month time period were to be paid. Additionally, the deputy tax commissioner had directed the statutorily required interest on these refunds to be held and to be paid only if a taxpayer called and requested it.



OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES FILE NO. 2012-CA00025

On March 12, 2012, the Ohio Department of Developmental Disabilities' (ODODD) chief legal counsel notified the Inspector General's Office and the Ohio State Highway Patrol of an alleged theft and forgery. Earlier the same day, the Credit Union of Ohio had contacted Montgomery Developmental Center (MDC) to question the validity of five MDC checks totaling \$25,824, each made payable in the name of Doug Carter and deposited into Carter's personal bank account at the Credit Union of Ohio. Upon review of copies of the checks faxed by the Credit Union of Ohio, MDC Superintendent Nancy Banks and Operations Director Robert Dix recognized the name of the payee on the checks as Douglas Carter, the business administrator of MDC. It was also determined the checks were not authorized, and while both of their names were signed as makers on the front of the checks, their signatures were forged.

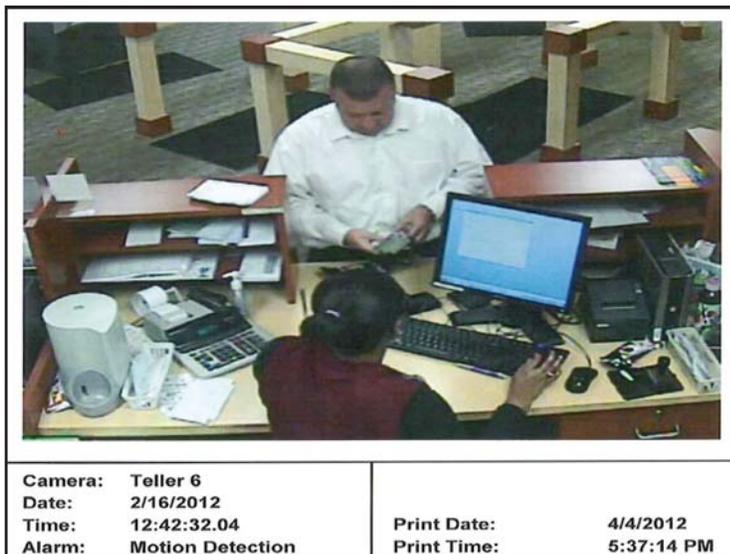
In April 2008, Doug Carter was promoted to a business administrator at the Warrensville Developmental Center located in Warrensville Heights, Ohio. On August 2, 2009, Carter transferred to the Montgomery Developmental Center located in Dayton, Ohio, and he continued to hold the title of business administrator. Carter was responsible for the day-to-day fiscal operations, was an authorized signatory on the bank accounts holding resident funds, donations, and vending commissions deposited into the industrial and entertainment bank accounts for MDC. Carter's responsibilities also included cashing checks at

“ ... the Credit Union of Ohio had contacted Montgomery Developmental Center to question the validity of five MDC checks totaling \$25,824, each made payable to the name of Doug Carter and deposited into Carter's personal bank account ... ”

the bank and reconciling the ledger activity with the bank account statements on a monthly basis and submitting excess resident funds to the ODODD central office.

The investigation reviewed checks issued payable to cash from certain bank accounts from April 1, 2009, through August 31, 2009, at Warrensville Developmental Center, and from August 2, 2009, through March 12, 2012, at the Montgomery Developmental Center. From this investigative review, six checks were identified totaling \$4,516 issued from Warrensville Developmental Center payable to cash where Carter signed as an authorized maker, and also signed the second authorized maker's name, then endorsed and cashed each check for his personal use.

In addition to the five unauthorized checks from the Montgomery Developmental Center totaling \$25,824, Carter also issued 133 checks totaling \$403,305 payable to cash from one bank account and two checks totaling \$6,290, payable to cash from a second bank account. For these 135 checks, Carter signed his name as an authorized maker, signed Operations Director Dix's name as the second maker, then endorsed and cashed the checks at the bank for his personal use.



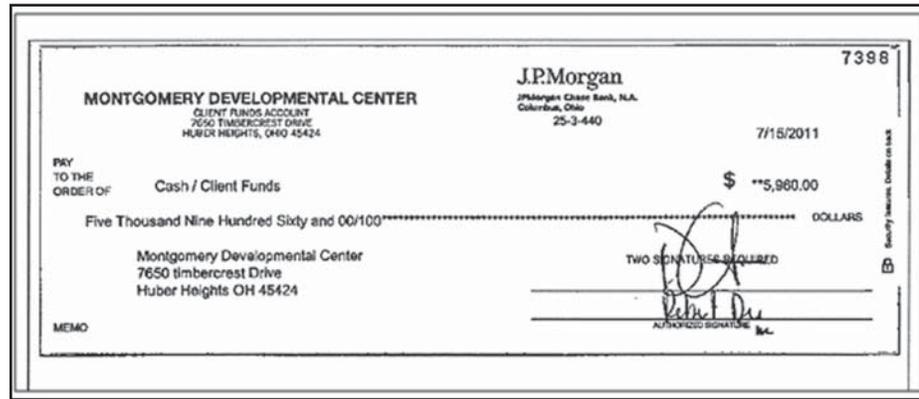
Carter stated he deposited a portion of the cash into his personal bank account and spent the rest. Investigators confirmed Carter deposited some of the cash received into his personal bank account, and used some of the cash to purchase vehicles, jewelry, and cosmetic surgery services.

As Carter's supervisor, Robert Dix was responsible for overseeing Carter's activities, ensuring monthly payments were sent to the Ohio Department of Developmental Disabilities (ODODD), and ensuring

bank account reconciliations were completed. The investigation determined that MDC's policies and procedures were outdated; MDC management did not compare bank account activity to QuickBooks ledgers used to record resident funds received and expended; and that Operations Director Dix reviewed activity recorded in QuickBooks, but failed to review bank statements or canceled checks.

Investigators also found the Ohio Department of Developmental Disabilities permitted each developmental center to write its own policies, did not verify each developmental center was sending a monthly remission of excess client funds as required by ODODD in its January 1, 2011, policy revision, and failed to monitor the developmental centers' compliance with internal policies and procedures as well as applicable state and federal laws.

Had MDC management reviewed bank statements, canceled checks, and compared the bank statement activity, and had ODODD checked to ensure the required funds were submitted on a monthly basis, Carter's illegal practices may have



been discovered as early as October 2009, significantly mitigating the risk of theft from the state of Ohio. To strengthen internal controls and reduce the chance of theft in the future, this report of investigation contained recommendations relating to policies and procedures, safeguarding of developmental center residents' funds, strengthening ODODD and developmental center management oversight, and an increase in employee training.

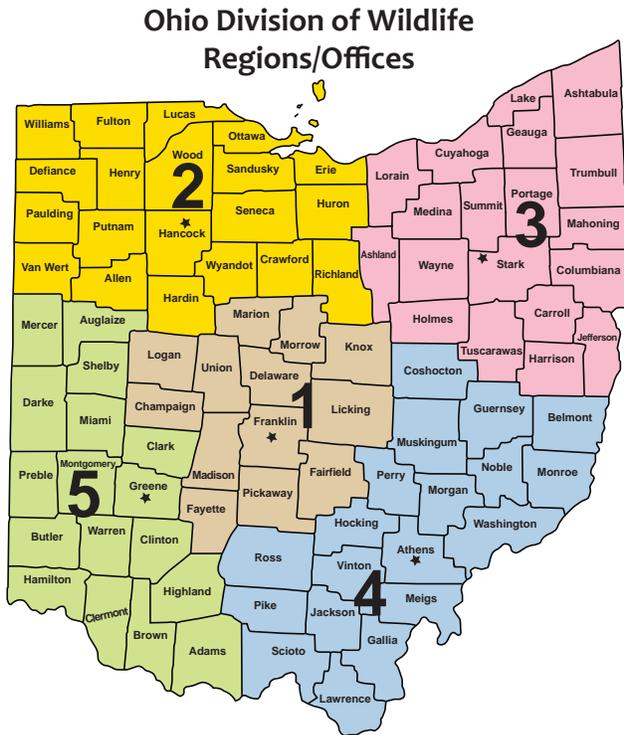
Carter was placed on paid administrative leave March 12, 2012, and was terminated from employment on March 29, 2012. Robert Dix was placed on paid administrative leave March 16, 2012, and was terminated from employment on April 13, 2012. The Inspector General's Office and the Ohio State Highway Patrol worked cooperatively with the Montgomery County Prosecutor's Office during the course of the investigation.

Doug Carter was indicted by a Montgomery County Grand Jury on February 22, 2013, on 15 felony counts. Carter pled guilty to all 15 counts on April 11, 2013, and was sentenced on May 24, 2013, to four years of incarceration and ordered to pay restitution of \$435,919.83 to Ohio Department of Developmental Disabilities.

On June 27, 2013, Doug Carter was indicted by the Cuyahoga County Grand Jury on one felony count for his actions at the Warrensville Developmental Center. Carter pled guilty and was sentenced on August 7, 2013, to one year of incarceration to be served concurrently with his sentence from Montgomery County and ordered to pay restitution of \$4,516.50. At the time of sentencing, Carter had paid the \$4,516.50 restitution.

OHIO DEPARTMENT OF NATURAL RESOURCES DIVISION OF WILDLIFE FILE NO. 2012-CA00061

The Inspector General's Office initiated this investigation to determine if Ohio Division of Wildlife (ODW) officers were hunting while on duty, as had been found in previous investigations conducted by the office. On May 9, 2012, the Inspector General's Office requested Ohio Division of Natural Resources (ODNR) provide all deer harvest records for the 2009 – 2010 deer hunting season. The Inspector General's Office reviewed the harvest records and payroll records of 490 Ohio Division of Wildlife employees.



Source: Information derived from Ohio Department of Natural Resources website.

A list of 26 Ohio Division of Wildlife employees was identified as potentially harvesting and or checking in deer while on duty. The 26 employees were each sent letters requesting they contact the Inspector General’s Office to be interviewed regarding these matters. Only eight employees responded, none of which agreed to be interviewed.

During the course of the investigation, of the 26 ODW employees identified, the Inspector General’s Office determined that 18 employees in 18 different counties had either harvested or checked in deer during on-duty hours. Eight employees were removed for further evaluation because the Ohio Division of Wildlife was unable to locate the original harvest reports that were needed to confirm the identities of the wildlife employees.

The 18 counties that were identified in the investigation were: Adams, Belmont, Butler, Champaign, Columbiana, Defiance, Fayette, Gallia, Franklin, Geauga, Highland, Hocking, Holmes, Mercer, Sandusky, Stark, Vinton, and Wyandot.

As a result of previous Ohio Division of Wildlife investigations, it was determined that numerous wildlife officers did not follow ODNR’s communication policy of marking on duty at the beginning of their shift, off duty at the end of their shift, or provide hourly updates of their status. Also, it was discovered that the Ohio Division of Wildlife does not audit or compare the number of hours claimed against the hours marked as being on duty, as recorded by the communication center. Wildlife officers are home based and do not have a report-in location. This lack of accountability and supervision along with the failure of wildlife officers’ compliance with ODNR’s communication policy is also an officer safety issue.

The Inspector General’s Office forwarded this report of investigation for consideration to each of the 18 prosecuting attorneys for the counties named in the report.



OHIO DEPARTMENT OF HEALTH FILE NO. 2012-CA00027

On March 9, 2012, the Ohio Department of Administrative Services (ODAS) received an email from Viacom International, Inc. regarding allegations of the downloading of copyrighted material through an Internet address identified as belonging to the state of Ohio. ODAS and the Ohio Department of Health (ODH) were able to determine the address was that of a computer assigned to Edward Jones Jr. Jones is an infrastructure specialist assigned to the ODH help desk. ODH contacted the Inspector General's Office regarding the allegations, and an investigation was opened on March 16, 2012.



During the course of the investigation, additional allegations were developed after evidence was discovered indicating Jones may have jeopardized ODH computer security when he downloaded unapproved software and, in particular, downloaded computer viruses for analysis.

Citation: comic book covers used in illustration:
[Wagner, Matt (writer), and Snyder III, John K. (artist).] *Zorro Rides Again*. Issue #8 of 12 (February 2012), Dynamite Entertainment: Cover.

[Wells, Zeb (writer); Madureira, Joe (artist), and Daniel, Ferran (colourist).] *Avenging Spider-man*. Volume #1 (January 2012), Marvel Comics: Cover.

[Johns, Geoff (writer); Reis, Ivan (pencils); Prado, Joe (inks) and Ferreira, Eber (inks).] "Buried Alive!" *Aquaman*, the New 52, Issue 5 (March 2012), DC Comics: Cover.

The Inspector General's Office took the hard drives from two computers assigned to Jones and the hard drive from the third unauthorized computer not connected to the ODH network. Also, files were located on a USB flash drive and included anti-virus programs; video and audio copying software; and what appeared to be the software typically installed on the computers assigned to ODH employees.

Investigators further determined Jones, using an online alias, downloaded, uploaded, and shared thousands of movies, TV shows, and comic books using state of Ohio resources, including ODH's Internet connection. Additionally, Jones downloaded entire annual volumes of Marvel Comic Catalogs. Jones also used comic book cataloging software to maintain an inventory of comic book collections which contained more than 30,000 comic book titles.

As a subscribed member of the Internet group Newsguy.com, Jones used aliases to post hundreds of TV and video files onto newsgroup forums. The files that Jones uploaded onto the newsgroups were still active and available at the time of the investigation. The computer analysis identified other aliases used by Jones based on information from his Internet activity.

The analysis of the state computers assigned to Jones found:

- Internet activity to a website identified as created by Jones that was used to host TV show theme songs from the last 50 years.
- Jones uninstalled various computer programs, software, comic books, and videos from his unauthorized device shortly after being interviewed by the OIG. Some of these programs were later determined to have been purchased by ODH for the agency's use.
- BitTorrent, the program Viacom alleged was used to download copyrighted material, was located on Jones' state-issued computer.

Investigators visited Jones' website and found a blog with several postings. These postings listed the dates and times of when the posts were uploaded. A comparison was made between these dates and times, with the hours reported being those in which Jones was supposed to be doing work for the state of Ohio.



Jones initially reported that material was not downloaded, but had “tunneled” through his Internet connection while he was downloading a computer virus for research purposes. This download occurred on an unauthorized computer owned by ODH, which was located in Jones' work space, and was not connected to the ODH network.

Jones claimed he had authority from his supervisors to conduct virus research work and that this function was part of his job responsibilities. Interviews conducted with the supervisors found Jones did not have authorization to download computer viruses for further study. Downloading these viruses presented a security risk to ODH and was done so in violation of ODH directives. The supervisors were also unaware that Jones had access to a third computer which had Internet access and was not connected to the ODH network.

The Inspector General's Office analyzed the ODH computers and the external hard drive associated with Jones. The analysis found Jones attempted to erase various copyrighted files, computer programs, and software shortly after being interviewed by the OIG. Additionally, by not having the unauthorized computer connected to the ODH network, ODH officials were unable to monitor Jones' computer activity in accordance with ODH policies and procedures.

“... Jones attempted to erase various copyrighted files, computer programs, and software shortly after being interviewed by the OIG.”

Jones admitted he downloaded copyrighted files for his personal use. Jones did so using an authorized program operating on an ODH computer used by Jones.

Finally, evidence from Jones' unauthorized state computer shows he downloaded free computer programs and software readily available on the Internet. State of Ohio IT Policy states, "Installing or using software including, but not limited to, instant messaging clients and peer-to-peer file sharing software, or personally-owned software, without proper agency approval is strictly prohibited."

As of November 16, 2013, Edward Jones no longer works for the State of Ohio.

OHIO DEPARTMENT OF JOB & FAMILY SERVICES FILE NO. 2012-CA00053

On April 9, 2012, the Inspector General's Office received a complaint from an individual reporting that her Ohio child support debit card, with a balance of over \$8,700, was diverted to a fraudulent address and the funds were stolen. The complainant alleged the theft was an "internal job" and that neither the Ohio Department of Job and Family Services (ODJFS) nor Xerox® Business Services (Xerox), the contractor overseeing the child support debit card program, assisted her in reaching a resolution in reimbursing her for the stolen funds.

On April 24, 2012, the Inspector General's Office contacted ODJFS to inquire if the department had an open investigation regarding this incident, to which ODJFS responded that the agency was unaware of the matter. When informed the theft occurred at a call center in Tallahassee, Florida, the ODJFS child support program's project manager who oversees the Xerox contract was unaware Xerox had a call center in Tallahassee handling Ohio child support accounts.

The Inspector General's Office opened an investigation to examine the allegations of Xerox's failure to report the incident to ODJFS as required under its contract.



When Xerox Business Services officials became aware of the theft by a customer service representative in their Tallahassee, Florida call center, they conducted an internal investigation. The Inspector General's Office spoke with officials at Xerox, who informed the investigators that the Xerox call center was to immediately notify the individual managing the Ohio child support contract of the suspected activity. However, Xerox officials in Florida and Texas failed to do so. As a result, both the Ohio Xerox office and ODJFS were unaware of the situation until the Inspector General's Office inquired as to whether ODJFS and/or Xerox had an open case regarding this incident. Failure to notify ODJFS of the theft is a direct violation of the contract requiring notification.

On May 15, 2012, the Inspector General's Office received a phone call from the lead coordinator for the Xerox internal investigation who stated that a referral had been made to federal authorities for further investigation. The Inspector General's Office contacted the agent in charge of the federal investigation and found that investigators were informed of the incident on May 2, 2012, almost two months after the occurrence of the theft. The Inspector General's Office was also informed there were two other thefts from victims residing in Ohio. In total, federal investigators were reviewing more than \$45,000 in theft from child support debit cards related to the Ohio victims.

The Inspector General's Office spoke to the three victims about the actions they took after discovering personal confidential information had been used in the thefts. The victims all had similar circumstances where their addresses were changed in the computer system and new debit cards were delivered to addresses not associated with the victims.

Each of the victims was instructed by Xerox to complete a fraud packet, as well as file a police report in the victim's local jurisdiction. A detective with the City of Cincinnati stated she contacted Xerox to obtain documents and recorded phone calls related to the theft. The detective informed the Inspector General's Office that Xerox said the company did not record phone calls and Xerox representatives would not provide information to law enforcement. However, in response to a subpoena from the Inspector General's Office, phone calls and information from the Xerox computer system were provided, documenting events related to the thefts. Failure to cooperate with the request of a law enforcement agency investigating potential fraud is in direct violation of the contract between Xerox and ODJFS.

Based on the investigation, in April 2013, the Ohio Office of Child Support imposed a \$25,000 penalty on Xerox for violating the terms of their contract. Additionally, the victims in Ohio have been reimbursed by Xerox for the amounts alleged to have been stolen.

OHIO STATE BOARD OF COSMETOLOGY FILE NO. 2012-CA00071

The Inspector General's Office received a complaint alleging that Ohio State Board of Cosmetology Executive Director James Trakas was improperly involved in a salon disciplinary action. The complainants specifically alleged that Director Trakas contacted the owners of Aqua Hair Salon and Spa and indicated that it would be in their best interest to retain independent contractor Daveen Zborovsky, who the owners were preparing to dismiss. Director Trakas allegedly threatened the salon owners with legal action unless they retained Zborovsky for an additional 2-3 months. An investigation was opened on December 12, 2012.



The Aqua Hair Salon and Spa owners stated that they experienced problems with Zborovsky from the beginning of her contract. Some of the other independent contractors complained that Zborovsky was taking items from their work station cabinets without permission. They also reported that she made unprofessional comments to clients about the salon, the owners, and other contractors.

On March 21, 2012, an Ohio State Board of Cosmetology (OSBC) inspector came to Aqua Hair Salon and Spa in response to a complaint made to the Cosmetology Board by Zborovsky's mother, concerning fumes in the salon. The inspector gave the salon owners a written warning, but did not issue a fine, for failing to have their air filtration units on to minimize the fumes. During the inspection visit, the cosmetology inspector also noted that Zborovsky did not have the proper license. Zborovsky left the salon and went directly to the OSBC office to acquire her license.

The salon owners said they continued to have problems with Zborovsky about her work station cleanliness, parking in unauthorized areas, and complaints about her language and behavior. On June 2, 2012, the salon owners called Zborovsky, giving her one to two weeks to find another place to work.

Also on June 2, 2012, a certified letter from the Ohio State Board of Cosmetology was delivered to the salon indicating that the business was being fined \$500 for the violation detected on March 21, 2012.

One of the owners said that on June 5, 2012, she received a call from OSBC Executive Director Jim Trakas, who told her that they needed to allow Zborovsky to work for another 2-3 months and, "I will make the fine go away."

The salon owners said that Zborovsky moved out of the salon on June 6, 2012. The owners stated that on July 10, 2012, they attended a meeting of the Ohio State Board of Cosmetology where they were given three minutes to read a short statement concerning their complaint about the actions of Director Trakas.

The Inspector General's Office conducted an interview with Director Trakas on February 19, 2013. Trakas admitted to telling the owners of the Aqua Hair Salon and Spa that he would make the fine go away if they let Zborovsky work at the salon for another two to three months.

“Trakas admitted to telling the owners of the Aqua Hair Salon and Spa that he would make the fine go away if they let Zborovsky work at the salon for another two to three months.”

Trakas expressed his belief that he was operating within the authority provided to the executive director of the Ohio State Board of Cosmetology when engaging the licensees in this matter. However, by negotiating a settlement that included requiring a licensee to retain an

independent contractor in exchange for reducing or eliminating a fine, the executive director's actions in this matter were not in accordance with standards of proper governmental conduct.

The matter with Aqua Hair Salon and Spa was settled in October 2012, when the owners withdrew their request for a hearing and entered into a settlement agreement. The terms of the agreement as approved by the board were: a fine of \$250, with \$250 immediately stayed pending the successful completion of 12 months of probation beginning September 25, 2012, and ending September 25, 2013.

James Trakas resigned from his position as the executive director of the Ohio State Board of Cosmetology on August 13, 2013.

OHIO DEPARTMENT OF NATURAL RESOURCES FILE NO. 2012-CA00107

On September 20, 2012, the Inspector General's Office received an anonymous complaint listing four allegations involving two Ohio Department of Natural Resources (ODNR) employees – State Park Officer Bradford Dobney (formerly employed by ODNR-Division of Parks and Recreation), and his father, State Park Assistant Chief Jonathan Dobney (currently an employee of ODNR-Ohio Division of Parks and Recreation). The complainant alleged:

- 1) Assistant Chief Dobney was involved in the hiring of his son.
- 2) A house owned by the Division of Parks and Recreation located at Quail Hollow State Park and had previously sat empty and fell into disrepair was renovated shortly after the hiring of Bradford Dobney; and that Dobney was permitted to lease the house. It was speculated that Dobney's father was involved in the decision to renovate the house and allow his son to reside in it.
- 3) Bradford Dobney was chosen to participate in a highly sought-after Manager in Training (MIT) program with less than two years experience as a Division of Parks and Recreation employee; and that his father played a part in his selection.
- 4) Bradford Dobney was seen writing a syndicated on-line sports column for Xavier University while on duty for the state, using a state computer. It was alleged that Bradford Dobney and his brother are compensated for the blogs.



An investigation was opened on October 3, 2012. Later that month, the Inspector General's Office received additional complaints alleging Dobney was working on personal business during hours he was working for the state, and was using state resources.

Through computer and email analysis, documents obtained and interviews conducted with current and former employees at the Ohio Department of Natural Resources, the Inspector General's Office determined the following regarding allegations made against Bradford Dobney and his father, Jonathan Dobney:

- There was insufficient evidence to support Jonathan Dobney played any role in the hiring of his son as a parks officer.
- Though Jonathan Dobney did not play a role in the selection of his son to reside in Levitt House at Quail Hollow State Park, he did direct some of the renovations at Levitt House knowing Bradford would be residing there.
- There was insufficient evidence to support Jonathan Dobney played any role in the selection of his son to the Manager in Training program.
- Bradford Dobney utilized state-owned computers to compose and upload articles to a sports-related website called "Banners on the Parkway" and accessed various other sports and non-work related websites. The investigation was able to determine that four articles posted to the "Banners on the Parkway" website were open on Dobney's state-owned computer for 13 hours and 23 minutes. The investigation was unable to determine the actual amount of time spent visiting the other websites.

Numerous attempts to contact Bradford Dobney were made, and when contact was made on March 1, 2013, he refused a request to be interviewed regarding these allegations.

Bradford Dobney's employment was terminated by ODNR on February 15, 2013, due to unrelated violations.

**OHIO DEPARTMENT OF EDUCATION
FILE NO. 2012-CA00114**

On November 7, 2012, the Ohio Department of Education (ODE) informed the Inspector General's Office of alleged wrongdoing by Educational Consultant Melanie Brown.

ODE alleged Brown failed to perform annual inspections of child care centers assigned to her primarily in northwest Ohio, and allegedly filed documentation indicating she had performed these site visits as assigned. Additionally, Brown allegedly used a state vehicle for personal purposes.



The Inspector General's Office and the Ohio State Highway Patrol (OSHP) conducted a joint investigation, and during the period of November 13, 2012, through May 10, 2013, they

conducted interviews and site visits at four locations within Brown's area of responsibility. Investigators attempted to interview Brown, but she declined.

ODE Early Learning Office provided the Inspector General's Office with a schedule of Brown's assigned schools, and identified the dates she was expected to visit these sites. Brown was assigned a total of 135 schools with preschool programs throughout 15 counties, and a review of Brown's emails and calendar revealed numerous inconsistencies between her schedule and actual site visits.

A review of site visits by the Inspector General's Office and OSHP determined there was no consistent method of conducting these visits. Each school varied in size, and the point of contact at each school was different. The ODE representative was not required to sign the visitor's log at all of the schools. When a visit occurred, there was no standard documentation that would verify a visit occurred on a given date.

The Inspector General's Office reviewed Brown's time reports and state vehicle usage data. A comparison between Brown's schedule provided by ODE and Brown's vehicle dispatches indicated that Brown logged 30,036 state vehicle miles for the period from November 1, 2009, to October 6, 2012. Additionally, Brown's driver's license was suspended for the period November 9 through November 21, 2011, as the result of not responding to a speeding violation while operating a state vehicle. During this period she had a state vehicle dispatched to her. ODE requires employees to have and maintain a valid Ohio Driver's License when utilizing a state vehicle. On a minimum of 16 occasions, Brown used a state vehicle for other than state business.



Due to poor record keeping practices, the Inspector General's Office could not consistently determine Brown's location on a given work day. ODE provided Brown's site visit schedule; however, an analysis of this information found that this schedule was not always accurate. Also, ODE's process for informing schools of inspection results and issuing licenses was inconsistent.

On a minimum of 14 occasions, investigators determined Brown was not at her ODE office nor did she conduct a scheduled site visit; however, Brown reported that she had worked regular hours. On these 14 occasions, the state of Ohio compensated Brown for services she did not perform.

On a minimum of 15 occasions, Brown documented that she had performed site visits resulting in the certification of these preschool programs; however, investigators determined that Brown did not, in fact, conduct these inspections and falsified official records.

Brown resigned from her position as educational consultant for the Ohio Department of Education, effective October 25, 2012.

OHIO DEPARTMENT OF NATURAL RESOURCES
FILE NO. 2012-CA00111

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

2013 REPORT

The Ohio General Assembly enacted ORC §121.53 effective July 1, 2009, creating the deputy inspector general for funds received through the American Recovery and Reinvestment Act of 2009.

The deputy inspector general for ARRA is required to monitor state agencies' distribution of ARRA funds received from the federal government and to investigate all wrongful acts or omissions committed by officers, employees, or contractors with relevant state agencies that have received monies from the federal government under the ARRA of 2009. In addition, the deputy inspector general conducts random reviews of the processing of contracts associated with projects to be paid for with ARRA money.

In 2013, the ARRA team continued to review documents obtained through the on-site visits to each agency receiving funds under the inspector general's jurisdiction. Reviews were also expanded to include colleges and universities that received ARRA funding directly from various federal grantor agencies. A list of grants was obtained from the federal recovery.gov website, and medical research grants were excluded from the list. These medical research grants were excluded due to the oversight by the grantor agencies and the specific knowledge required to understand the complexities of the research involved. From the remaining list, random selections were made and requests for information were sent to 12 colleges and universities throughout the state. Site visits were made to several institutions to inspect construction projects completed using ARRA grant monies.

In 2013, there were 2 cases opened and 11 cases closed in the ARRA Division of the Inspector General's Office. As part of the lifespan of a case, the number of cases closed may reflect cases that were opened in previous years.

The Inspector General's Office Established the ARRA Monitoring Review Program to:

- 1 Meet with each agency under the inspector general's jurisdiction to explain the office's role in the ARRA monitoring process.
- 2 Schedule presentations with agencies to gain a better understanding of each grant, how the ARRA funding was processed, and the internal monitoring in place.
- 3 Schedule separate meetings for those agencies with internal monitoring or auditing departments.
- 4 Obtain copies of audits and other monitoring reports conducted by the Ohio Auditor of State, the Ohio Office of Budget and Management's Internal Audit Section and federal grantor agencies.

SUMMARIES OF SELECTED CASES - ARRA

OHIO DEVELOPMENT SERVICES AGENCY - ARRA FILE NO. 2011-CA00222

In March 2010, the Inspector General's Office initiated an investigation focusing on the monitoring of the Home Weatherization Assistance Program (HWAP) by the Ohio Development Services Agency (ODSA). As part of the American Recovery and Reinvestment Act of 2009 (ARRA), the state of Ohio was awarded a \$266 million grant for HWAP by the U.S. Department of Energy (USDOE). The initial investigation was released on November 29, 2011, and focused on ODSA. A new investigation was opened on December 2, 2011, focusing on local governments, non-profit agencies, and community action agencies responsible for both determining client eligibility and performing the work under grant guidelines.

Housing unit occupants seeking weatherization services could apply either directly to a sub-grantee or complete an application form. The sub-grantees verify eligibility requirements for each applicant before services are provided. To be eligible to receive services under ARRA, an occupant must have a total income during the preceding 12 months equal to or less than 200 percent of the federal poverty guidelines.

Analysis conducted during this investigation found there were issues in data accuracy provided by ODSA listing all housing units that received weatherization services from June 2009 to November 2011. The inaccuracies included zip codes that were either incomplete or inaccurate; individuals listed as "Rehab" or "Vacant;" and inaccurate Social Security numbers. According to ODSA's HWAP Policy and Procedure manual, "duplicate SSN entries will not be accepted by the system." However, these policies were not followed, as duplicate numbers were entered into the system, and agencies entered numbers comprised of all nines, ones, or zeros and not the numbering system required by ODSA.

To determine if the housing units met grant guidelines, client files were requested from 14 local agencies. This detailed analysis focused on eligibility, duplicate listings for weatherization, and leveraged funding. The review also identified additional issues regarding the age of the housing units, information in the client's file that did not match information provided to ODSA, and lack of supporting documentation.



Duplicate lines of data were found in the electronic spreadsheet provided by ODSA. In one instance, an individual was listed as having received weatherization services at two separate locations, a year apart. A review of the county auditor website was conducted to determine if the individual had sold one housing unit and purchased another during this time period. The review found the individual had not sold the first housing unit, and the client files noted that the individual was the owner of both units. The review also further revealed that the individual, who listed zero income received, appeared to have owned three housing units at that time.

In addition, information on the housing units noted cases where the age of the unit was 15 years or less. For some of these housing units, the heating units and/or water heaters were replaced and reimbursed by ODSA.

Information in some of the client files did not match with the information provided by ODSA. In several cases, the hard copy information did not match the electronic records.

ODSA's policies and procedures require documents such as invoices, purchase orders, and bills of sale supporting the charges to be included in each client's file.

Supporting documentation for two agencies also did not support the charges as listed in the client file. In some files, no invoices were located, and in others, different amounts were listed on the invoice than what was listed on the hard copy record.

OHIO REHABILITATION SERVICES COMMISSION - ARRA FILE NO. 2013-CA00012

As part of the Inspector General's Office's monitoring of ARRA grants, in June 2012 a sample of contracts and required documentation was requested from the Ohio Rehabilitation Services Commission (ORSC). Required documentation to be submitted by recipients of grant funds included monthly "deliverable" reports listing the number of consumers who were provided services under the grants. The documents submitted to ORSC appeared to show that the grant recipients were not meeting the required goals as outlined in their contracts, and a full investigation was opened on June 11, 2013.



ORSC provided a template that grant recipients could use when preparing the monthly deliverable report. In a review of the completed reports received by ORSC, the Inspector General's Office noted the following:

- There were no indications on the reports to verify who prepared them and the date they were completed.
- There were no date/time stamps indicating when ORSC received the reports. Some reports did contain fax headers showing the date and time sent.

- Some grant recipient files were missing monthly reports. The tracking report provided by ORSC indicated reports had been received but the ORSC file did not contain the report.

The review also found several grant recipients failed to meet deliverable requirements for the number of consumers to be served and job creation/retention figures as outlined in the contracts. The Inspector General's Office compared the monthly deliverable reports to the deliverable goals as outlined in the contracts for 23 grant programs. The comparison found:

- Three grant recipients met all of the deliverable goals;
- Six grant recipients failed to meet some of the deliverable goals;
- Seven grant recipients failed to meet all of their deliverable goals; and
- For seven grant recipients, investigators could not determine if deliverable goals were met due to missing monthly reports.

Some of the recipients failed to meet their goals by wide margins. For example, the Greater Cincinnati Behavioral Health Center (GCBH) stated it would provide services for 144 consumers, place 53 in competitive employment, with 48 consumers achieving successful rehabilitations. However, the actual number of consumers served was 60, with 5 placed in competitive employment, and 4 achieving successful rehabilitations.

The contracts did not address the exact consequences grant recipients would face if they failed to make progress in meeting their goals. When problems were discovered, ORSC should have taken steps to either work with the grant recipients to ensure objectives were met or cancel the contract and reallocate funding to other grant recipients who were on track to meet the requirements.

In February 2013, the ORSC executive director testified in front of the Ohio House of Representatives Health and Human Services Subcommittee on the ORSC proposed fiscal year 2014-2015 biennial budget. The ORSC revised their contract language and created a new department called the Division of Performance and Innovation to address these issues. This new division is "responsible for performance management, reporting accountability and integrity, and quality assurance of vocational rehabilitation programs through evaluation and monitoring practices."

In addition to the deliverables issue, the Inspector General's Office found five instances where the grant recipients were paid more than

“... ORSC should have taken steps to either work with the grant recipients to ensure objectives were met or cancel the contract and reallocate funding to other grant recipients ...”



what the contract allowed. Some recipients were paid a combination of a pro-rated monthly administrative fee plus case management fees, reimbursed on a consumer-by-consumer basis. The case management fees are tracked by a budgeting process maintained in the electronic case management system but the administrative fees were tracked through the state of Ohio's accounting system. As the two systems are not linked, this could have led to the additional amounts being paid.

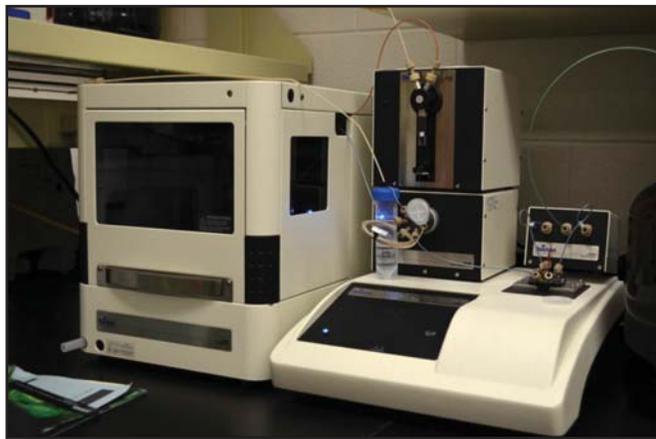
KENT STATE UNIVERSITY – ARRA FILE NO. 2012-CA00039

The Inspector General's Office began conducting monitoring reviews for a sample of ARRA-funded grants awarded to colleges and universities in February 2012. The following Kent State University (KSU) projects were identified during the random selection process:

- Major Research Instrumentation (MRI): Acquisition of a Surface Plasmon Resonance (SPR) Instrument;
- Maternal Behavior among Puerto Rican Adolescent Mothers;
- Collaborative Research: Spatial and Temporal Patterns of Drought in Western North America during the Holocene; and
- Federal Work-Study.

Based on information obtained as a result of a site visit to the university, the monitoring review conducted by the Inspector General's Office became an investigation due to concerns about whether KSU followed applicable policies and procedures related to the purchase of equipment. The investigation was opened on October 24, 2012.

On February 22, 2012, the Inspector General's Office initiated a review of ARRA expenditures related to the four grants awarded to Kent State University. Investigators found no issues with the two research grants and payments made under the Federal Work-Study. However, issues were noted in the purchasing and processing of equipment under the National Science Foundation's "MRI: Acquisition of a Surface Plasmon Resonance Instrument" grant project. This project was originally approved for the purchase of a single surface plasmon resonance instrument. However, upon the request of the KSU principal investigator on the project, the grant was amended to purchase a suite of surface plasmon resonance instruments and a dynamic light scattering (DLS) instrument.



Initial documents indicated the principal investigator on the grant project had reviewed equipment sold by other vendors but preferred to purchase the equipment from a particular vendor. By stating the specific equipment could be purchased from only one vendor, the department would not need to competitively bid the equipment as required under KSU policy.

However, documents provided by KSU to the Inspector General's Office were contradictory and failed to establish that the equipment being purchased was from a sole-source provider.

Kent State University should have sought competitive bids, evaluated and retained the bid submissions, and then determined what equipment best met the principal investigator's needs prior to selecting a company as the sole-source vendor. Adherence to this procedure would have both guaranteed that the university followed its policies and substantiated that the lowest, most responsive bidder who met the department's needs was selected. The Inspector General's Office recommended that KSU consider revising their purchasing policies and procedures to further define when a sole-source provider designation is allowed.



Source: www.recovery.gov

Kent State University also purchased a dynamic light scattering instrument using ARRA funds. According to the director of KSU's Internal Audit, the dynamic light scattering instrument was purchased as a used piece of equipment, and no additional quotes were obtained from other vendors. Although the quote from the vendor did not indicate that the equipment was used, a discount was provided. An internal note on the requisition form stated the bidding requirement was waived "... because this is a demonstration unit." However, the university's purchasing policy does not exclude discounted goods from competitive bidding procedures.

When the Inspector General's Office conducted a site-visit to inspect the equipment purchased, it was noted there was not an inventory tag affixed to the surface plasmon resonance instrument. According to KSU's policy regarding purchasing, sales, inventory control, and disposal of property, items with an acquisition cost of \$2,500 or more are required to have an inventory control tag affixed to the asset. KSU officials stated there was confusion between two departments on the number of items being purchased with the grant. The Inspector General's Office recommended that KSU ensure that equipment purchased has the appropriate inventory tags and the items be included in the inventory system.

The Inspector General's Office forwarded a copy of its monitoring report to the National Science Foundation, the U.S. Department of Health and Human Services, and the U.S. Department of Education. A copy was also provided to the Ohio Auditor of State as the agency responsible for the annual audit of the university.

OHIO DEPARTMENT OF TRANSPORTATION

2013 REPORT

The responsibilities of the deputy inspector general for the Ohio Department of Transportation (ODOT) were created in 2007 with the enactment of ORC §121.51. The mandates set forth in this ORC section authorize the deputy inspector general to investigate “all wrongful acts and omissions that have been committed or are being committed by employees of the department.” In addition, the deputy inspector general was charged with conducting “a program of random review of the processing of contracts associated with the building and maintaining the state’s infrastructure.”



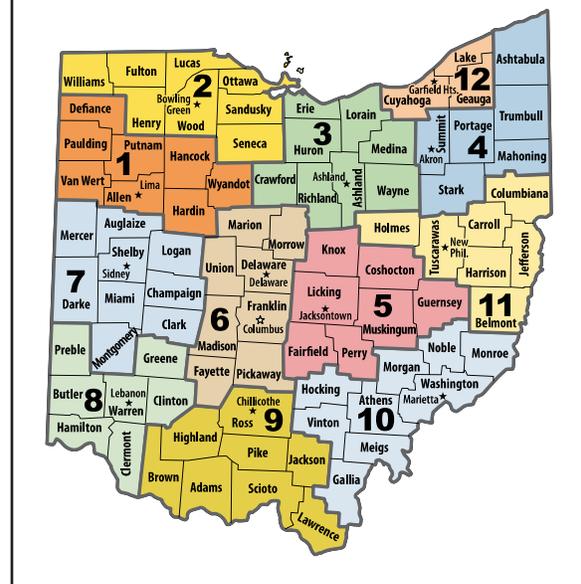
According to the ODOT Fiscal Year 2013 Annual Report, the agency has an annual budget of approximately \$3 billion in operating and capital disbursements. With a staff of 5,588 employees, ODOT maintains approximately 49,250 miles of roads, 500,000 signs, 50,000 lights, and 105,125,000 square feet of bridge deck. Oversight is necessary to ensure that operations are conducted efficiently and effectively.

Since the role of the deputy inspector general for the Ohio Department of Transportation was created in August 2007, there has been a continued focus on all aspects of contract processes and procedures, including the bidding process, purchasing of services, and cost overruns. The impact of tight budgets and the need for improved road infrastructure is an area of scrutiny. Ensuring that increased investments are well spent, and that policies are in place to safeguard long-term and sustainable transportation systems will continue to be a top priority.

Our continued cooperation with the ODOT leadership team and the ODOT chief investigator’s office will ensure the department manages the public’s money responsibly.

In 2013, there were 15 cases opened and 13 cases closed in the Transportation Division of the Inspector General’s Office. As part of the lifespan of a case, the number of cases closed may reflect cases that were opened in previous years.

The 12 Geographic Districts of The Ohio Department of Transportation



Source: ODOT Fiscal Year 2013 Annual Report.

SUMMARIES OF SELECTED CASES-TRANSPORTATION

OHIO DEPARTMENT OF TRANSPORTATION FILE NO. 2013-CA00020

On April 10, 2013, the Inspector General's Office received a referral from the Ohio Department of Transportation (ODOT) Office of Investigative Services alleging that Administrative Professional Debra Speakman was conducting a private business on state time and misusing state equipment. The ODOT Office of Investigative Services had received an anonymous letter alleging that Speakman was performing a notary business, for profit, on state time, and using state equipment.

On April 16, 2013, the Inspector General's Office opened an investigation. The Inspector General's Office viewed two Internet sites that were referenced in the initial anonymous complaint and were found to be primarily for use by notaries to obtain notary signing jobs.

A forensic analysis of Speakman's computer hard drive was conducted by the Inspector General's Office. The analysis supported the allegation that Debra Speakman was operating her private notary business during times she was working for the state and using her state-assigned desktop computer. The analysis also showed that Speakman logged into notary websites related to her notary business from her state computer on 48 different occasions between March 1, 2013, and April 15, 2013. Additionally, Speakman used her state device to view and manage upcoming notary signings through her personal yahoo.mail account on 28 different occasions between March 1, 2013, and April 15, 2013.

The Inspector General's Office interviewed Debra Speakman on April 16, 2013. Speakman was asked if she was aware of any policy requiring ODOT employees to report secondary employment. Speakman replied that she was not aware of any such policy and had never completed any form notifying her employer. An Inspector General's Office review of ODOT work rules/policies found that, although ODOT formally prohibits employees from conducting personal, for-profit business during work hours, ODOT does not require employees to notify the employer about secondary employment.

Speakman admitted to accessing her personal accounts while at work, but claimed some of it was done on her break time. She admitted to downloading and printing client closing documents



while at work using the ODOT printer. In addition, Speakman admitted that she used the copier to duplicate documents.

Speakman stated she did not recall using the ODOT fax or scanner to transmit documents related to her business, but speculated she may have used the devices once or twice. However, Speakman said she had downloaded closing document orders and printed maps from MapQuest of the signing locations. Speakman stated that she was paid for all her notary services.

Debra Speakman was terminated from her employment with ODOT, effective July 12, 2013.

OHIO DEPARTMENT OF TRANSPORTATION – ARRA FILE NO. 2012-CA00067

In May 2012, the Inspector General’s Office began a review of the bid and award process for infrastructure projects completed by the Ohio Department of Transportation (ODOT), and financed from funds received under the American Recovery and Reinvestment Act of 2009 (ARRA). The purpose of the review was to assess whether a sampling of the ODOT infrastructure projects met the benchmark, or quick start language, set by ARRA of “using at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of the enactment of the Act.”

Projects were “shovel-ready” once they were considered obligated when approved by the Federal Highway Administration. The Inspector General’s Office performed an analysis to determine the number of days between the “proceed date” and “work start date” on selected ODOT projects. The “proceed date” is the date authorization was given by ODOT for a project to start, and the inspector general’s analysis showed ODOT averaged 48 days between the date a contractor could begin work on a project and the date the work actually began. This analysis also showed only 29 projects out of 424 were started over six months after the notice to proceed was issued.



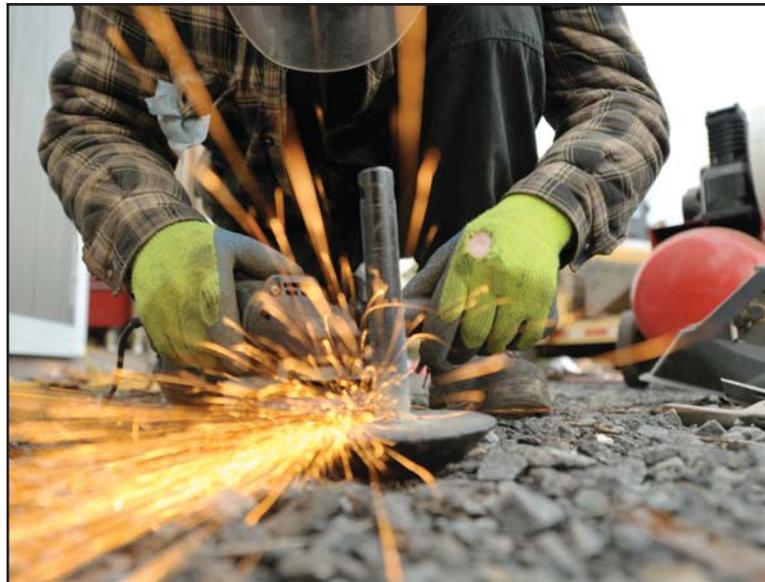
Another matter under review during the investigation involved the amount of time between when ODOT bids were received and awarded. According to ODOT policy and Ohio Revised Code (ORC) §5525.01 requirements, the award for all projects and contracts competitively bid are to be awarded within 10 days after the date of the bid opening. In reviewing 47 projects where this information was available, ODOT averaged 23.6 days between the date when a bid was opened and the date when the contract was awarded. In general, ODOT failed to meet the requirements in 39 percent of the projects reviewed by the Inspector General’s Office. There is no statutory penalty for failing to award the bids within the required time.

BUREAU OF WORKERS' COMPENSATION AND INDUSTRIAL COMMISSION

2013 REPORT

In July 2007, the Ohio General Assembly passed legislation that created the position of deputy inspector general for the Ohio Bureau of Workers' Compensation (OBWC) and the Ohio Industrial Commission (OIC) within the Inspector General's Office. This legislation stated that the inspector general shall appoint a deputy inspector general, and the deputy inspector general shall serve at the pleasure of the inspector general.

The deputy inspector general is responsible for investigating wrongful acts or omissions that have been committed or are being committed by officers or employees of the Bureau of Workers' Compensation and the Industrial Commission. The deputy inspector general has the same powers and duties regarding matters concerning the bureau and the commission as those specified in Ohio Revised Code §121.42, §121.43, and §121.45.



In 1912, Ohio law created an exclusive state fund to provide workers' compensation benefits to workers who were unable to work due to a work-related injury. In Ohio, all companies or employers must have coverage from either state funds or be self-insured. The bureau manages 12 service offices, 14 facilities, and more than 1,900 employees. Currently, the Ohio Bureau of Workers' Compensation system is the largest state-funded insurance system in the nation. According to the bureau's FY 2013 Annual Report, OBWC served 254,388 active employers, managed nearly 1 million injured workers' claims, and paid \$1.78 billion in benefits to injured workers.

Created in 1925, the Ohio Industrial Commission is a separate adjudicatory agency whose mission is to serve injured workers and Ohio employers through prompt and impartial resolution of issues arising from workers' compensation claims and through the establishment of an adjudication policy. Hearings on disputed claims are conducted at three levels within the commission: the district level, staff level, and commission level. The governor appoints the three-member commission and the Ohio Senate confirms these appointments. By previous vocation, employment, or affiliation, one member must represent employees, one must represent employers,

and one must represent the public. The Industrial Commission has nearly 400 employees and operates five regional offices and seven district offices throughout the state of Ohio. According to the commission's FY 2013 Annual Report, the three commissioners and 95 hearing officers collectively conducted more than 150,000 hearings within that fiscal year.

The Ohio Inspector General's Office meets semi-annually with OBWC's board of directors' audit committee to inform the bureau on current inspector general activities and convey overviews of noteworthy investigations. In an effort to educate OBWC and OIC employees, the Inspector General's Office conducts outreach efforts to discuss OIG responsibilities, the office's complaint and investigative processes, and relevant investigations. In 2013, the office visited 12 OBWC service offices and five OIC regional district offices; contacted seven OIC district offices by phone or videoconferencing; and met with 16 OBWC division chiefs and 14 OIC departmental heads. Additionally, the office presented at both the OIC chairman's managers meeting, and the annual OIC statewide hearing officer meeting.



Source: www.ic.ohio.gov

Endeavoring to identify areas of wrongdoing or appearances of impropriety, the Inspector General's Office continues to work jointly with various departments within OBWC, including Special Investigations, Digital Forensics Unit, Human Resources, Labor Relations, and Legal. Additionally, the Inspector General's Office works closely with various departments within the Industrial Commission, including the Executive Director's Office, Human Resources, Legal, and Information Technology.

In 2013, there were 19 cases opened and 23 cases closed in the OBWC/OIC Division of the Inspector General's Office. As part of the lifespan of a case, the number of cases closed may reflect cases that were opened in previous years.

SUMMARIES OF SELECTED CASES - OBWC/OIC

OHIO BUREAU OF WORKERS' COMPENSATION

FILE NO. 2012-CA00090

On June 28, 2012, the Ohio Bureau of Workers' Compensation (OBWC) Special Investigations Department referred several allegations to the Inspector General's Office regarding Kim Rogers, an employer service specialist assigned to the Dayton Service Office. OBWC alleged Rogers had secondary employment in the sales industry; solicited OBWC employer customers and co-workers related to her secondary sales job during hours she was working for the state; and used state resources, including the Internet and her work email account, to benefit her secondary employment.

On November 8, 2012, OBWC notified the Inspector General's Office of additional allegations regarding Rogers' activities, including Rogers' use of her OBWC email account to correspond with an independent consultant about a job opportunity; accessed her personal email account to send her resume to the human resources director of the company; and misused sick leave on the day she was scheduled to interview for the job.

Rogers' personnel file did not include the required form of notification of secondary employment or supervisor approval.

During an interview conducted on April 19, 2013, Rogers' supervisor stated Rogers' productivity had been low and it was noted on her evaluations. The supervisor also stated Rogers' had issues with tracking her OBWC employer customer activities, which was also noted on her evaluations, and that she had been disciplined on various other issues in the past.

The Inspector General's Office subpoenaed Rogers' personal bank records. Investigators discovered three deposited checks that support the allegation that Rogers received sales commissions, and therefore, personal benefit from her secondary business.

During the course of investigation, the Inspector General's Office determined that while Rogers was soliciting co-workers and employer customers relating to her secondary employment, Rogers utilized state resources including her state email account, accessed her personal email account to send and receive items related to her secondary employment, and saved personal documents to the OBWC network. A review of Rogers' Internet history, printer logs, and



screen shots taken by the OBWC Digital Forensic Unit determined Rogers also used these state resources to:

- Access and print flyers, company promotions, and locate additional opportunities for her secondary employment.
- Research job opportunities on Craigslist from January 1, 2012, through October 31, 2012.
- Create resumes on August 29, 2012, and September 6, 2012.
- Print three eBooks on “10 Tips to Have Him Eating Out of Your Hands.”, “A Happy Married Life. A Buddhist Perspective.” and “101 Powerful Affirmations.”
- Print 37 pages related to her secondary business or job search activities.

Rogers admitted to accessing “her personal emails at work” and saving her resume on her OBWC network drive. When Rogers was asked why she would use her work computer to send emails using her personal account, which benefited her personally and was not for a business purpose, Rogers again replied that she believed OBWC employees were permitted to “personally use the computer” and were “allowed personal time to use the computer.” Rogers added that if someone had told her to stop, she would have stopped.

Rogers was counseled by her supervisor twice in 2012 regarding her personal cell phone, Internet, and computer usage. However, documents provided to the Inspector General’s Office showed the activity continued to occur. Additionally, OBWC’s Special Investigations Department informed the Inspector General’s Office that during their monitoring of Rogers’ computer activity, it was noted she began deleting personal emails from her work email account, and personal documents from the OBWC network. This activity occurred shortly after her first interview with the Inspector General’s Office on September 5, 2012.

“Rogers was counseled by her supervisor twice in 2012 regarding her personal cell phone, Internet, and computer usage.”

The Inspector General’s Office provided a copy of this investigation to the Ohio Ethics Commission.

OHIO WORKERS’ COMPENSATION OMBUDSPERSON SYSTEM FILE NO. 2012-CA00079

The Inspector General’s Office received information alleging Michael Travis, chief ombudsperson of the Ohio Bureau of Workers’ Compensation Ombudsperson System, was teaching college courses at Columbus State Community College (CSCC) on Mondays and Wednesdays during the course of his normal work days for OBWC. The investigation found Travis was teaching Business Organization on Mondays and Wednesdays from 10:00 a.m. to 11:50 a.m. at CSCC Columbus campus for the 2012 summer quarter. The investigation

determined Travis was using unpaid time to teach the course at CSCC as evidenced through his time sheets showing Travis listed his lunch break during the time he would be teaching the class. Travis indicated that he had filed a secondary employment form with the OBWC, but the completed form could not be located in Travis' personnel file. Although the chair of the Industrial Commission Nominating Council was unaware that Travis was teaching during normal workday hours, Travis stated the council was aware of his employment with CSCC dating back to his initial hire.

The Industrial Commission Nominating Council had not received any complaints about Travis, in his capacity as chief ombudsperson, regarding his availability on the job or failure to perform his duties. However, the investigation conducted by the Inspector General's Office determined Travis used state resources to perform duties associated with his secondary employment as an adjunct professor at CSCC while receiving compensation from the State of Ohio. Travis' participation in this activity was in direct violation of several OBWC policies.

The investigation also found that on numerous occasions, Travis used the state-issued parking access card that was provided to him as chief ombudsperson to allow his daughter to use the access card to park her vehicle as well, resulting in double parking. Security camera videos were provided by OBWC of the bureau's surface parking lot, which established that in most instances, Travis would arrive early and park his car in the surface lot, then when his daughter arrived, Travis would meet her in front of the OBWC building and give her the parking access card. Travis' daughter would then use the access card to park at the surface lot as well. The practice of double parking by Travis and his daughter provided her with free parking and circumvented the \$50 monthly fee associated with a parking access card. Both Travis and his daughter admitted to sharing Travis' parking access card on numerous occasions, in violation of OBWC's parking policy.

The investigation further determined Travis was transferring his parking access card to his daughter for use on days when Travis was out of the office. In the interview conducted with Travis' daughter on April 18, 2013, she admitted using her father's parking access card on days Travis did not report to the office. A review of Travis' swipe card record compared to his time sheets identified 10 instances between March 9, 2012, and June 1, 2012, in which Travis' parking access card was used on days in which Travis claimed compensatory or vacation time. Travis could not remember if his daughter used his parking access card on days when Travis was out of the office. The transfer of the



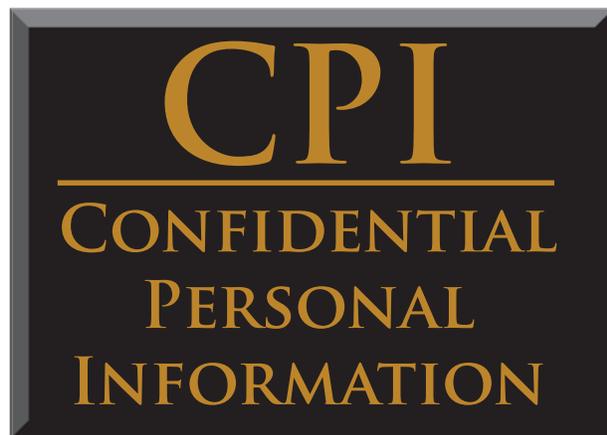
parking access card by Travis to his daughter was in direct violation of the parking agreement Travis signed, as well as in violation of OBWC's parking policy.

During the course of the investigation, the Inspector General's Office found Travis' daughter was hired as a public information officer with the Ohio Industrial Commission (OIC) and Travis' son was hired as a summer intern by the OIC. The Inspector General's Office did not find evidence that Travis used his position to gain employment for his children at the Ohio Industrial Commission.

Michael Travis resigned from his position as chief ombudsperson of the Ohio Workers' Compensation Ombudsperson System on July 23, 2013.

OHIO BUREAU OF WORKERS' COMPENSATION FILE NO. 2013-CA00048

On June 28, 2013, the Inspector General's Office was contacted by the Ohio Bureau of Workers' Compensation (OBWC) Labor Relations Director who stated that on June 27, 2013, he had received allegations involving Governor's Hill Service Office Claims Service Specialist (CSS) Cheryl Lawarre. The director stated that as a result of concern over the accuracy of timekeeping on the part of several employees, a supervisor reviewed the employees' time sheets, key cards, surveillance logs, and confidential personal information (CPI) logs to determine if an inappropriate action had occurred. CSS Lawarre was one of the employees reviewed, and a potential CPI violation was identified, as Lawarre was believed to have accessed her brother-in-law's claim file. During an interview conducted on August 8, 2013, Lawarre admitted the individual in question was not her brother-in-law, but was her husband's second cousin, and that she had accessed the cousin's claim file to answer general questions and respond to questions about OBWC's process. Lawarre stated the cousin was confused about the system and wanted to avoid hiring an attorney.



Throughout the interview, Lawarre repeated several times that she had no influence over the cousin's claim, did nothing to alter or change the claim, gave the cousin only basic information, and did not talk to the assigned CSS about the cousin's claim. Lawarre defended her actions by stating she did not provide him with any information that she would not normally provide to anyone else.

Lawarre also admitted that she did not notify her supervisor that she had accessed the claim of her husband's second cousin. The results of the investigation showed Cheryl Lawarre accessed the claim file of her husband's second cousin a total of 10 times between January 24, 2013, and June 26, 2013.

PROFESSIONAL INVOLVEMENT IN THE COMMUNITY

Inspector General Meyer was honored to host a visit from Dr. Vernon Sykes, director of the Kent State University Columbus Program in Intergovernmental Issues (CPII), together with students enrolled in the program.

CPII helps tomorrow's leaders understand public policy development at the state level. A select group of student leaders from a variety of academic disciplines are given the opportunity to serve as interns at the state capitol in Columbus. Program participants study practical aspects of public policymaking firsthand, have the opportunity to establish career-long professional contacts, and gain valuable pre-career knowledge and skills.



When Inspector General Meyer assumed office in 2011, he determined that a customized case management solution was needed, and developed and implemented the IGNITE software system in partnership with Column Technologies.

IGNITE (Inspector General's Network for Investigation Tracking and Enforcement) became operational in early 2012, and gave OIG investigators a single, comprehensive case management system with the capability to build and utilize secure, searchable casework information. IGNITE produces investigative efficiencies, affording investigators the ability to discern patterns by connecting people, organizations, locations, and property from one case to another. Because the system garnered such high marks among its users, Inspector General Meyer was contacted by the Ohio Auditor of State's Office requesting a demonstration of the IGNITE case management system. IGNITE has an inherently flexible design that can be adapted for potential future requirements; a design feature often not possible in similar digital solutions. In 2013, the Ohio Auditor of State's Office decided to implement, for its use, a modified version of IGNITE. Though IGNITE was initially developed for OIG investigators, its adapted use by another State of Ohio agency is a source of pride for the Inspector General's Office.





Becky Wolcott
Deputy Inspector General

On December 6, 2013, the Ohio Investigators Association named Deputy Inspector General Becky Wolcott the “2013 Investigator of the Year” at its annual awards dinner. Wolcott was recognized for her notable and extensive investigative career dedicated to identifying fraud, waste, and abuse of public funds. Wolcott was specifically acknowledged for an investigation she had conducted that identified over \$440,000 in funds stolen from the Ohio Department of Developmental Disabilities (ODODD). Due to the hard work, diligence, and expertise of Wolcott, who worked jointly with the Ohio State Highway Patrol, it was discovered that a business manager employed at a regional ODODD facility had cashed 146 fraudulent checks worth \$440,000.

In addition to carrying a full investigative case load, Wolcott visited 12 Ohio Bureau of Workers’ Compensation (OBWC) service offices and five Ohio Industrial Commission (OIC) regional offices; contacted seven OIC district offices by phone or videoconference; and met with 16 OBWC division chiefs, and 14 OIC department heads. She recently received praise for her efforts informing fellow state of Ohio employees about issues that can impact their positions and associated responsibilities. For example, an acting OBWC Canton service manager wrote to co-workers, “I wanted to let you know how valuable the presentation was that Ms. Wolcott gave to the office (and statewide) regarding CPI [confidential personal information] and related issues. Bringing firsthand information to the office and sharing examples was well worth the effort. As much as we communicate to our staff about this very important issue, having Ms. Wolcott visit the service offices seemed to have a huge impact.” The Columbus regional manager of the Industrial Commission in Columbus wrote, “... Thanks for reaching out and putting together this program. I heard a lot of positive feedback from our staff about the info you shared.” In addition, Becky presented at the OIC chairman’s managers meeting in August, the annual OIC statewide hearing officer meeting in September, and the Ohio Auditor of State fall accounting and auditing meeting in November 2013.

Deputy Inspector General Wolcott is representative of the hard work and continuing accomplishments achieved every year by the staff of the Inspector General’s Office.

In 2013, the inspector general once again continued a proud tradition of participating in Buckeye Boys State. Citizenship education was provided on State Government Day to help instill knowledge of the offices and processes in place at the state level of government.

Under the sponsorship of the Ohio Chapter of the American Legion, Bowling Green State University hosts several thousand high school juniors in June of each year for the week-long event.



To represent the Inspector General’s Office on State Government Day, Deputy Inspector General Carl Enslin (photo at right, far left) spent the day advising a Boys State contingent of young men on how to set up a working inspector general’s office.

Conference on Targeting Fraud – Safeguarding Integrity

On November 6th and 7th, in observance of National Fraud Awareness Week, the Inspector General’s Office, in partnership with Franklin University, National White Collar Crime Center, Ohio Ethics Commission, and Ohio Investigators Association presented a two-day training conference entitled *Targeting Fraud – Safeguarding Integrity*. For its second



year, the conference featured nine speakers, traveling from five different states, who collectively examined a broad range of topics that comprise the investigative process of uncovering fraud.



OIG Chief Counsel
Jim Manken

The 2013 conference explored a wide spectrum of subjects, including a survey of the skills investigators need to competently and persuasively testify in a fraud case in a court of law; an examination of a new generation of cyber security risks generated from the widespread use of 802.11 wireless connections that are impacting government and corporate networks; the development of the Ohio Casino Control Commission and its role in regulating, licensing, and

enforcing casino operations; an overview of the social media monitoring tools in current use by law enforcement to collect and analyze social media intelligence; and an examination of the Financial Industry Regulatory Authority (FINRA) as the private, independent regulator of all U.S. brokerage firms. The conference’s attendance rate markedly increased from last year, attracting over 140 attendees. *Targeting Fraud – Safeguarding Integrity* is slated to be held again on November 5th thru 6th, continuing the Inspector General Office’s efforts to foster ties with law enforcement and allied support among organizations and institutions.



Continuing its working partnership with the International Visitors Council of Columbus (IVC), the Inspector General Office’s hosted several special guests from various nations. The International Visitors Council of Columbus, who is affiliated with United States State Department, organizes and coordinates the chance for international government officials to visit the Central Ohio area and to meet with local and state government officials. One of IVC’s programs, the Community Connections Program, strives, “... to contribute to the economic and governmental reform in Eurasia; advancing free-market and democratic principles. World representatives are given the opportunity to meet with their professional counterparts, providing visitors with a broad exposure to United States society; promoting mutual understanding and personal connections with Americans.”

With this goal in mind, a number of meetings to the Inspector General’s Office in 2013 were arranged through IVC. These meetings afforded the opportunity for 41 delegates representing Bangladesh, Bhutan, India, Kyrgyzstan, Maldives, Serbia, Sri Lanka, Tajikistan, and the Ukraine, to personally speak with Inspector General Meyer, in order to learn more about the inspector general’s role in state government and the office’s important mission in safeguarding integrity.



APPENDICES

APPENDIX 1: STATUTORY REFERENCES

OHIO REVISED CODE

The following are Ohio Revised Code sections relating to the powers and duties of the Ohio Inspector General:

- 121.41 Definitions
- 121.42 Powers and Duties of the Inspector General
- 121.421 Inspection of employees of the office of attorney general contractually vested with duties to enforce Ohio casino control commission
- 121.43 Subpoena power – contempt
- 121.44 Reports of investigation
- 121.45 Cooperating in investigations
- 121.46 Filing of complaint
- 121.47 Confidential information
- 121.48 Appointment of Inspector General
- 121.481 Special investigations fund
- 121.482 Disposition of money received
- 121.483 Deputy inspector general as peace officer
- 121.49 Qualifications
- 121.50 Administrative rules
- 121.51 Deputy inspector general for transportation department
- 121.52 Deputy inspector general for workers' compensation
- 121.53 Deputy inspector general for funds received through ARRA

121.41 Definitions

As used in sections 121.41 to 121.50 of the Revised Code:

- (A) “Appropriate ethics commission” has the same meaning as in section 102.01 of the Revised Code.
- (B) “Appropriate licensing agency” means a public or private entity that is responsible for licensing, certifying, or registering persons who are engaged in a particular vocation.
- (C) “Person” has the same meaning as in section 1.59 of the Revised Code and also includes any officer or employee of the state or any political subdivision of the state.
- (D) “State agency” has the same meaning as in section 1.60 of the Revised Code and includes the Ohio casino control commission, but does not include any of the following:
 - (1) The general assembly;
 - (2) Any court;
 - (3) The secretary of state, auditor of state, treasurer of state, or attorney general and their respective offices.

(E) “State employee” means any person who is an employee of a state agency or any person who does business with the state.

(F) “State officer” means any person who is elected or appointed to a public office in a state agency.

(G) “Wrongful act or omission” means an act or omission, committed in the course of office holding or employment, that is not in accordance with the requirements of law or such standards of proper governmental conduct as are commonly accepted in the community and thereby subverts, or tends to subvert, the process of government.

121.42 Powers and Duties of the Inspector General

The inspector general shall do all of the following:

(A) Investigate the management and operation of state agencies on his own initiative in order to determine whether wrongful acts and omissions have been committed or are being committed by state officers or state employees;

(B) Receive complaints under section 121.46 of the Revised Code alleging wrongful acts and omissions, determine whether the information contained in those complaints allege facts that give reasonable cause to investigate, and, if so, investigate to determine if there is reasonable cause to believe that the alleged wrongful act or omission has been committed or is being committed by a state officer or state employee;

(C) Except as otherwise provided in this division, contemporaneously report suspected crimes and wrongful acts or omissions that were or are being committed by state officers or state employees to the governor and to the appropriate state or federal prosecuting authority with jurisdiction over the matter if there is reasonable cause to believe that a crime has occurred or is occurring. In addition, the inspector general shall report the wrongful acts or omissions, as appropriate under the circumstances, to the appropriate ethics commission in accordance with section 102.06 of the Revised Code, the appropriate licensing agency for possible disciplinary action, or the state officer’s or state employee’s appointing authority for possible disciplinary action. The inspector general shall not report a wrongful act or omission to a person as required by this division if that person allegedly committed or is committing the wrongful act or omission.

(D) Except as otherwise provided in this division, contemporaneously report suspected crimes and wrongful acts or omissions that the inspector general becomes aware of in connection with an investigation of a state agency, state officer, or state employee, and that were or are being committed by persons who are not state officers or state employees to the governor and to the appropriate state or federal prosecuting authority with jurisdiction over the matter if there is reasonable cause to believe that a crime has occurred or is occurring. In addition, the inspector general shall report the wrongful acts or omissions, as appropriate under the circumstances, to the appropriate ethics commission in accordance with section 102.06 of the Revised Code, the appropriate licensing agency for possible disciplinary action, or the person’s public or private employer for possible disciplinary action. The inspector general shall not report a wrongful act or omission to a person as required by this division if that person allegedly committed or is committing the wrongful act or omission.

- (E) Prepare a detailed report of each investigation that states the basis for the investigation, the action taken in furtherance of the investigation, and whether the investigation revealed that there was reasonable cause to believe that a wrongful act or omission had occurred. If a wrongful act or omission was identified during the investigation, the report shall identify the person who committed the wrongful act or omission, describe the wrongful act or omission, explain how it was detected, indicate to whom it was reported, and describe what the state agency in which the wrongful act or omission was being committed is doing to change its policies or procedures to prevent recurrences of similar wrongful acts or omissions.
- (F) Identify other state agencies that also are responsible for investigating, auditing, reviewing, or evaluating the management and operation of state agencies, and negotiate and enter into agreements with these agencies to share information and avoid duplication of effort;
- (G) For his own guidance and the guidance of deputy inspectors general, develop and update in the light of experience, both of the following:
- (1) Within the scope of the definition in division (G) of section 121.41 of the Revised Code, a working definition of “wrongful act or omission”;
 - (2) A manual of investigative techniques.
- (H) Conduct studies of techniques of investigating and detecting, and of preventing or reducing the risk of, wrongful acts and omissions by state officers and state employees;
- (I) Consult with state agencies and advise them in developing, implementing, and enforcing policies and procedures that will prevent or reduce the risk of wrongful acts and omissions by their state officers or state employees;
- (J) After detecting a wrongful act or omission, review and evaluate the relevant policies and procedures of the state agency in which the wrongful act or omission occurred, and advise the state agency as to any changes that should be made in its policies and procedures so as to prevent recurrences of similar wrongful acts or omissions.

121.421 Inspection of employees of the office of attorney general contractually vested with duties to enforce Ohio casino control commission

- (A) Notwithstanding division (D)(3) of section 121.41 of the Revised Code, in order to determine whether wrongful acts or omissions have been committed or are being committed by present or former employees, the inspector general shall investigate employees of the office of the attorney general who are contractually vested with duties to enforce Chapter 3772. of the Revised Code, including any designated bureau of criminal identification and investigation support staff that are necessary to fulfill the investigatory and law enforcement functions of the Ohio casino control commission. The inspector general and any deputy inspector general may administer oaths, examine witnesses under oath, and issue subpoenas and subpoenas duces tecum to employees of the office of the attorney general to compel the attendance of witnesses and the production of all kinds of books, records, papers, and tangible things deemed necessary in the course of any such investigation.
- (B) The inspector general may enter into any contracts that are necessary to complete an investigation. The contracts may include contracts for the services of persons who are

experts in a particular field and whose expertise is necessary for successful completion of the investigation.

(C) If the authority of the attorney general terminates or expires, the authority vested in the inspector general by this section terminates upon the conclusion of ongoing investigations or upon issuance of the final report of the investigations.

Eff. June 11, 2012.

121.43 Subpoena power - contempt

In performing any investigation, the inspector general and any deputy inspector general may administer oaths, examine witnesses under oath, and issue subpoenas and subpoenas duces tecum to compel the attendance of witnesses and the production of all kinds of books, records, papers, and tangible things. Upon the refusal of a witness to be sworn or to answer any question put to him, or if a person disobeys a subpoena, the inspector general shall apply to the court of common pleas for a contempt order, as in the case of disobedience to the requirements of a subpoena issued from the court of common pleas, or a refusal to testify in the court.

121.44 Reports of investigations

(A) Except as otherwise provided in this section, the report of any investigation conducted by the inspector general or any deputy inspector general is a public record, open to public inspection. The inspector general, or a deputy inspector general, with the written approval of the inspector general, may designate all or part of a report as confidential if doing so preserves the confidentiality of matters made confidential by law or appears reasonably necessary to protect the safety of a witness or to avoid disclosure of investigative techniques that, if disclosed, would enable persons who have been or are committing wrongful acts or omissions to avoid detection. Confidential material shall be marked clearly as being confidential.

(B) The inspector general, free of charge, shall provide a copy of each report of an investigation, including wholly and partially confidential reports, to the governor. In addition, the inspector general, free of charge, shall provide a copy of the report of any investigation, including wholly and partially confidential reports, to a prosecuting authority who may undertake criminal prosecution of a wrongful act or omission described in the report, an ethics commission to which a wrongful act or omission described in the report was reported in accordance with section 102.06 of the Revised Code, and a licensing agency, appointing authority, or public or private employer that may take disciplinary action with regard to a wrongful act or omission described in the report. The inspector general shall not provide a copy of any confidential part of the report of an investigation to a person as required by this division if that person allegedly committed the wrongful act or omission described in the report. The governor, a prosecuting authority, ethics commission, licensing agency, appointing authority, or public or private employer that receives a report, all or part of which is designated as confidential, shall take all appropriate measures necessary to preserve the confidentiality of the report.

(C) The inspector general shall provide a copy of any nonconfidential report, or the nonconfidential parts of any report, to any other person who requests the copy and pays a fee prescribed by the inspector general. The fee shall not exceed the cost of reproducing and delivering the report.

121.45 Cooperating in investigations

Each state agency, and every state officer and state employee, shall cooperate with, and provide assistance to, the inspector general and any deputy inspector general in the performance of any investigation. In particular, each state agency shall make its premises, equipment, personnel, books, records, and papers readily available to the inspector general or a deputy inspector general.

The inspector general and any deputy inspector general may enter upon the premises of any state agency at any time, without prior announcement, if necessary to the successful completion of an investigation. In the course of an investigation, the inspector general and any deputy inspector general may question any state officer or state employee serving in, and any other person transacting business with, the state agency, and may inspect and copy any books, records, or papers in the possession of the state agency, taking care to preserve the confidentiality of information contained in responses to questions or the books, records, or papers that is made confidential by law.

In performing any investigation, the inspector general and any deputy inspector general shall avoid interfering with the ongoing operations of the state agency being investigated, except insofar as is reasonably necessary to the successful completion of the investigation.

Each state agency shall develop, implement, and enforce policies and procedures that prevent or reduce the risk of wrongful acts and omissions by its state officers or state employees.

Other state agencies that also are responsible for investigating, auditing, reviewing, or evaluating the management and operation of state agencies shall negotiate and enter into agreements with the office of the inspector general for the purpose of sharing information and avoiding duplication of effort.

121.46 Filing of complaint

Any person who knows or has reasonable cause to believe that a state officer or state employee has committed, or is in the process of committing, a wrongful act or omission may prepare and file with the inspector general, a complaint that identifies the person making the report and the state officer or state employee who allegedly committed or is committing the wrongful act or omission, describes the wrongful act or omission, and explains how the person reporting knew or came to his reasonable cause to believe that the state officer or state employee committed or is in the process of committing the wrongful act or omission. The preparation and filing of the complaint described in this section is in addition to any other report of the wrongful act or omission the person is required by law to make.

The inspector general shall prescribe a form for complaints under this section. The inspector general shall provide a blank copy of the form to any person, free of charge. No complaint is defective, however, because it is not made on the form prescribed by the inspector general.

121.47 Confidential information

No person shall disclose to any person who is not legally entitled to disclosure of the information, any information that is designated as confidential under section 121.44 of the Revised Code, or any confidential information that is acquired in the course of an investigation under section 121.45 of the Revised Code.

121.48 Appointment of Inspector General

There is hereby created the office of the inspector general, to be headed by the inspector general.

The governor shall appoint the inspector general, subject to section 121.49 of the Revised Code and the advice and consent of the senate. The inspector general shall hold office for a term coinciding with the term of the appointing governor. The governor may remove the inspector general from office only after delivering written notice to the inspector general of the reasons for which the governor intends to remove the inspector general from office and providing the inspector general with an opportunity to appear and show cause why the inspector general should not be removed.

In addition to the duties imposed by section 121.42 of the Revised Code, the inspector general shall manage the office of the inspector general. The inspector general shall establish and maintain offices in Columbus.

The inspector general may employ and fix the compensation of one or more deputy inspectors general. Each deputy inspector general shall serve for a term coinciding with the term of the appointing inspector general, and shall perform the duties, including the performance of investigations, that are assigned by the inspector general. All deputy inspectors general are in the unclassified service and serve at the pleasure of the inspector general.

In addition to deputy inspectors general, the inspector general may employ and fix the compensation of professional, technical, and clerical employees that are necessary for the effective and efficient operation of the office of the inspector general. All professional, technical, and clerical employees of the office of the inspector general are in the unclassified service and serve at the pleasure of the appointing inspector general.

The inspector general may enter into any contracts that are necessary to the operation of the office of the inspector general. The contracts may include, but are not limited to, contracts for the services of persons who are experts in a particular field and whose expertise is necessary to the successful completion of an investigation.

Not later than the first day of March in each year, the inspector general shall publish an annual report summarizing the activities of the inspector general's office during the previous calendar year. The annual report shall not disclose the results of any investigation insofar as the results are designated as confidential under section 121.44 of the Revised Code.

The inspector general shall provide copies of the inspector general's annual report to the governor and the general assembly. The inspector general also shall provide a copy of the annual report to any other person who requests the copy and pays a fee prescribed by the inspector general. The fee shall not exceed the cost of reproducing and delivering the annual report.

121.481 Special investigations fund

The special investigations fund is hereby created in the state treasury for the purpose of paying costs of investigations conducted by the inspector general. In response to requests from the inspector general, the controlling board may make transfers to the fund from the emergency purposes appropriation of the board, subject to the following conditions:

- (A) The inspector general shall not request a transfer that would cause the unobligated, unencumbered balance in the fund to exceed one hundred thousand dollars at any one time;
- (B) In requesting a transfer, the inspector general shall not disclose any information that would risk impairing the investigation if it became public, provided that after any investigation using money transferred to the fund from an emergency purposes appropriation has been completed, the inspector general shall report to the board the object and cost of the investigation, but not any information designated as confidential under section 121.44 of the Revised Code.

121.482 Disposition of money received

Money the inspector general receives pursuant to court orders or settlements shall be deposited into the state treasury to the credit of the general revenue fund.

121.483 Deputy inspector general as peace officer

A deputy inspector general appointed under section 121.48 of the Revised Code, who has been awarded a certificate by the executive director of the Ohio peace officer training commission attesting to the person's satisfactory completion of an approved state, county, or municipal peace officer basic training program, shall, during the term of the deputy inspector general's appointment, be considered a peace officer for the purpose of maintaining a current and valid basic training certificate pursuant to rules adopted under section 109.74 of the Revised Code.

History:

2013 HB 59, § 101.01, eff. Sept. 29, 2013.

121.49 Qualifications

(A) Subject to division (B) of this section, only an individual who meets one or more of the following qualifications is eligible to be appointed inspector general:

- (1) At least five years experience as a law enforcement officer in this or any other state;
- (2) Admission to the bar of this or any other state;
- (3) Certification as a certified public accountant in this or any other state;
- (4) At least five years service as the comptroller or similar officer of a public or private entity in this or any other state.

(B) No individual who has been convicted, in this or any other state, of a felony or of any crime involving fraud, dishonesty, or moral turpitude shall be appointed inspector general.

121.50 Administrative rules

The inspector general, in accordance with Chapter 119 of the Revised Code, shall adopt, and may amend and rescind, those rules he finds necessary for the successful implementation and efficient operation of sections 121.41 to 121.48 of the Revised Code.

121.51 Deputy inspector general for transportation department

There is hereby created in the office of the inspector general the position of deputy inspector general for the department of transportation. The inspector general shall appoint the deputy inspector general, and the deputy inspector general shall serve at the pleasure of the inspector general. A person employed as the deputy inspector general shall have the same qualifications as those specified in section 121.49 of the Revised Code for the inspector general. The inspector general shall provide technical, professional, and clerical assistance to the deputy inspector general.

There is hereby created in the state treasury the deputy inspector general for ODOT fund. The fund shall consist of money credited to the fund for the payment of costs incurred by the deputy inspector general in performing the duties of the deputy inspector general as specified in this section. The inspector general shall use the fund to pay costs incurred by the deputy inspector general in performing the duties of the deputy inspector general as required under this section.

The deputy inspector general shall investigate all wrongful acts or omissions that have been committed or are being committed by employees of the department. In addition, the deputy inspector general shall conduct a program of random review of the processing of contracts associated with building and maintaining the state's infrastructure. The random review program shall be designed by the inspector general. The program shall be confidential and may be altered by the inspector general at any time. The deputy inspector general has the same powers and duties regarding matters concerning the department as those specified in sections 121.42, 121.43, and 121.45 of the Revised Code for the inspector general. Complaints may be filed with the deputy inspector general in the same manner as prescribed for complaints filed with the inspector

general under section 121.46 of the Revised Code. All investigations conducted and reports issued by the deputy inspector general are subject to section 121.44 of the Revised Code.

All officers and employees of the department shall cooperate with and provide assistance to the deputy inspector general in the performance of any investigation conducted by the deputy inspector general. In particular, those persons shall make their premises, equipment, personnel, books, records, and papers readily available to the deputy inspector general. In the course of an investigation, the deputy inspector general may question any officers or employees of the department and any person transacting business with the department and may inspect and copy any books, records, or papers in the possession of the department, taking care to preserve the confidentiality of information contained in responses to questions or the books, records, or papers that are made confidential by law. In performing any investigation, the deputy inspector general shall avoid interfering with the ongoing operations of the department, except insofar as is reasonably necessary to complete the investigation successfully.

At the conclusion of an investigation by the deputy inspector general, the deputy inspector general shall deliver to the director of transportation and the governor any case for which remedial action is necessary. The deputy inspector general shall maintain a public record of the activities of the deputy inspector general to the extent permitted under this section, ensuring that the rights of the parties involved in each case are protected. The inspector general shall include in the annual report required by section 121.48 of the Revised Code a summary of the deputy inspector general's activities during the previous year.

No person shall disclose any information that is designated as confidential in accordance with section 121.44 of the Revised Code or any confidential information that is acquired in the course of an investigation conducted under this section to any person who is not legally entitled to disclosure of that information.

121.52 Deputy inspector general for workers' compensation

There is hereby created in the office of the inspector general the office of deputy inspector general for the bureau of workers' compensation and industrial commission. The inspector general shall appoint the deputy inspector general, and the deputy inspector general shall serve at the pleasure of the inspector general. A person employed as the deputy inspector general shall have the same qualifications as those specified in section 121.49 of the Revised Code for the inspector general. The inspector general shall provide professional and clerical assistance to the deputy inspector general.

The deputy inspector general for the bureau of workers' compensation and the industrial commission shall investigate wrongful acts or omissions that have been committed by or are being committed by officers or employees of the bureau of workers' compensation and the industrial commission. The deputy inspector general has the same powers and duties regarding matters concerning the bureau and the commission as those specified in sections 121.42, 121.43, and 121.45 of the Revised Code for the inspector general. Complaints may be filed with the deputy inspector general in the same manner as prescribed for complaints filed with the inspector

general under section 121.46 of the Revised Code. All investigations conducted and reports issued by the deputy inspector general are subject to section 121.44 of the Revised Code.

There is hereby created in the state treasury the deputy inspector general for the bureau of workers' compensation and industrial commission fund, which shall consist of moneys deposited into it that the inspector general receives from the administrator of workers' compensation and receives from the industrial commission in accordance with this section. The inspector general shall use the fund to pay the costs incurred by the deputy inspector general in performing the duties of the deputy inspector general as required under this section.

The members of the industrial commission, bureau of workers' compensation board of directors, workers' compensation audit committee, workers' compensation actuarial committee, and workers' compensation investment committee, and the administrator, and employees of the industrial commission and the bureau shall cooperate with and provide assistance to the deputy inspector general in the performance of any investigation conducted by the deputy inspector general. In particular, those persons shall make their premises, equipment, personnel, books, records, and papers readily available to the deputy inspector general. In the course of an investigation, the deputy inspector general may question any person employed by the industrial commission or the administrator and any person transacting business with the industrial commission, the board, the audit committee, the actuarial committee, the investment committee, the administrator, or the bureau and may inspect and copy any books, records, or papers in the possession of those persons or entities, taking care to preserve the confidentiality of information contained in responses to questions or the books, records, or papers that are made confidential by law.

In performing any investigation, the deputy inspector general shall avoid interfering with the ongoing operations of the entities being investigated, except insofar as is reasonably necessary to successfully complete the investigation.

At the conclusion of an investigation conducted by the deputy inspector general for the bureau of workers' compensation and industrial commission, the deputy inspector general shall deliver to the board, the administrator, the industrial commission, and the governor any case for which remedial action is necessary. The deputy inspector general shall maintain a public record of the activities of the office of the deputy inspector general to the extent permitted under this section, ensuring that the rights of the parties involved in each case are protected. The inspector general shall include in the annual report required under section 121.48 of the Revised Code a summary of the activities of the deputy inspector general during the previous year.

No person shall disclose any information that is designated as confidential in accordance with section 121.44 of the Revised Code or any confidential information that is acquired in the course of an investigation conducted under this section to any person who is not legally entitled to disclosure of that information.

121.53 [Repealed Effective 6/30/2014] Deputy inspector general for funds received through the American Recovery and Reinvestment Act of 2009

There is hereby created in the office of the inspector general the position of deputy inspector general for funds received through the American Recovery and Reinvestment Act of 2009. The inspector general shall appoint the deputy inspector general, and the deputy inspector general shall serve at the pleasure of the inspector general. A person employed as the deputy inspector general shall have the same qualifications as those specified in section 121.49 of the Revised Code for the inspector general. The inspector general shall provide technical, professional, and clerical assistance to the deputy inspector general.

There is hereby created in the state treasury the deputy inspector general for funds received through the American recovery and reinvestment act of 2009 fund. The fund shall consist of money credited to the fund for the payment of costs incurred by the deputy inspector general for performing the duties of the deputy inspector general as specified in this section. The inspector general shall use the fund to pay costs incurred by the deputy inspector general in performing the duties of the deputy inspector general as required under this section.

The deputy inspector general shall monitor relevant state agencies' distribution of funds received from the federal government under the "American Recovery and Reinvestment Act of 2009," Pub. Law 111-5, 123 Stat. 115 and shall investigate all wrongful acts or omissions that have been committed or are being committed by officers or employees of, or contractors with, relevant state agencies with respect to money received from the federal government under the American Recovery and Reinvestment Act of 2009. In addition, the deputy inspector general shall conduct a program of random review of the processing of contracts associated with projects to be paid for with such money. The random review program shall be designed by the inspector general. The program shall be confidential and may be altered by the inspector general at any time. The deputy inspector general has the same powers and duties regarding matters concerning such money as those specified in sections 121.42, 121.43, and 121.45 of the Revised Code for the inspector general. Complaints may be filed with the deputy inspector general in the same manner as prescribed for complaints filed with the inspector general under section 121.46 of the Revised Code. All investigations conducted and reports issued by the deputy inspector general are subject to section 121.44 of the Revised Code.

All relevant state agencies shall cooperate with and provide assistance to the deputy inspector general in the performance of any investigation conducted by the deputy inspector general. In particular, those persons shall make their premises, equipment, personnel, books, records, and papers readily available to the deputy inspector general. In the course of an investigation, the deputy inspector general may question any officers or employees of the relevant agency and any person transacting business with the agency and may inspect and copy any books, records, or papers in the possession of the agency, taking care to preserve the confidentiality of information contained in responses to questions or the books, records, or papers that are made confidential by law. In performing any investigation, the deputy inspector general shall avoid interfering with the ongoing operations of the agency, except as is reasonably necessary to complete the investigation successfully.

At the conclusion of an investigation by the deputy inspector, the deputy inspector general shall deliver to the speaker and minority leader of the house of representatives, president and minority leader of the senate, governor, and relevant agency any case for which remedial action is necessary. The deputy inspector general shall maintain a public record of the activities of the deputy inspector general to the extent permitted under this section, ensuring that the rights of the parties involved in each case are protected. The inspector general shall include in the annual report required by section 121.48 of the Revised Code a summary of the deputy inspector general's activities during the previous year.

No person shall disclose any information that is designated as confidential in accordance with section 121.44 of the Revised Code or any confidential information that is acquired in the course of an investigation conducted under this section to any person who is not legally entitled to disclosure of that information.

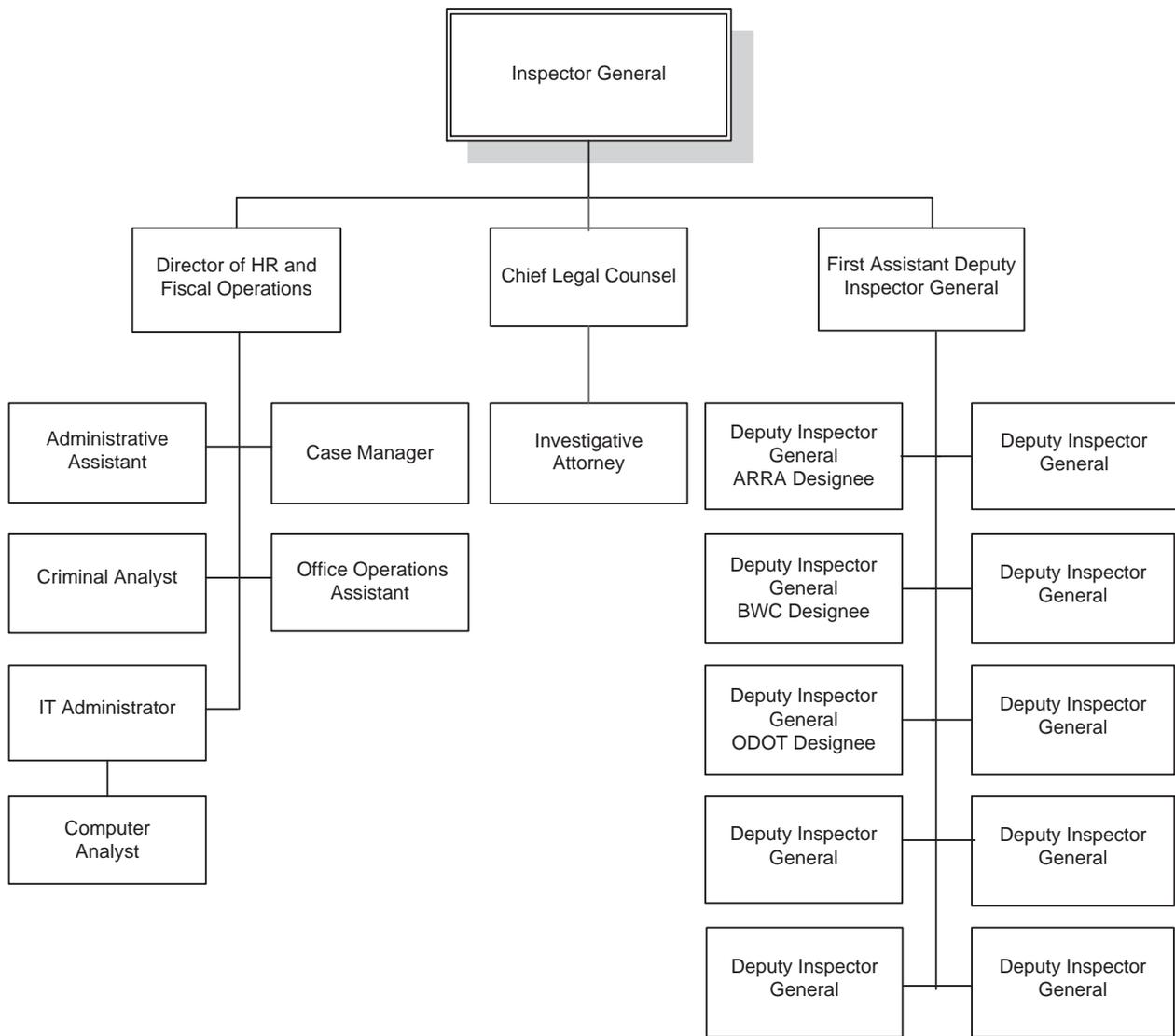
As used in this section, "relevant state agencies" has the same meaning as "state agency" in section 121.41 of the Revised Code insofar as those agencies are the recipients or distributors of funds apportioned under the "American Recovery and Reinvestment Act of 2009," Pub. Law 111-5, 123 Stat. 115.

In this section, "American Recovery and Reinvestment Act of 2009" means the "American Recovery and Reinvestment Act of 2009," Pub. L. No. 111-5, 123 Stat. 115.

TABLE OF ORGANIZATION

APPENDIX 2: TABLE OF ORGANIZATION

Office of Inspector General Organizational Chart



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