
2015 ANNUAL REPORT

OFFICE OF THE OHIO INSPECTOR GENERAL
RANDALL J. MEYER,
INSPECTOR GENERAL



INSPECTOR GENERAL RANDALL J. MEYER

Randall J. Meyer was appointed as Ohio Inspector General in January 2011, and reappointed in 2015, by the governor of Ohio and confirmed by the Ohio Senate. While serving as the inspector general, Meyer has released more than 460 reports of investigation resulting in 60 criminal charges, issued 660 recommendations to agencies, and identified over \$ 1/4 billion lost.

Prior to becoming Inspector General, Meyer dedicated his career to public service for over 25 years. After completing four years of honorable military service in the United States Navy, Meyer began work as a police officer in 1990, serving as a deputy in the San Francisco Bay area. In 1992, Meyer moved to Ohio, working first as a police officer, and then as a detective for the City of Wilmington Police Department. In 1999, Meyer was recruited to serve as a criminal investigator for the Ohio Attorney General, and was eventually promoted as director of the Ohio Attorney General's Anti-Gang Unit. During this time, Meyer developed and established G.U.A.R.D., a statewide security threat group database which singularly integrated the various data collection systems used by different investigative entities. In 2003, Meyer joined the Ohio Auditor of State's Public Corruption Unit as a lead investigator and, in 2007, was promoted to chief of Special Investigations, managing the unit's responsibility of identifying misappropriated or illegally expended public funds, and instituting a statewide fraud prevention training program.

Meyer holds a bachelor's degree in Public Safety Management from Franklin University, is a certified fraud examiner for the Association of Certified Fraud Examiners (ACFE), and is a certified instructor for both the National White Collar Crime Association (NW3C) and the Ohio Peace Officer Training Academy. Meyer is a commissioned peace officer with the Clinton County Sheriff's Office. Meyer has served as a member of the Franklin University Criminal Justice Advisory Board since 2009, and the board of directors of the National White Collar Crime Association (NW3C) since 2008. In 2013, Meyer was elected to the board of directors, and in 2015, the executive committee of the Association of Inspectors General.

MESSAGE FROM THE INSPECTOR GENERAL



RANDALL J. MEYER
INSPECTOR GENERAL

On January 12th, 2015, I was reappointed by Governor John Kasich and confirmed by the Ohio Senate for a second, four-year term, continuing my privilege to serve as the state of Ohio's fourth inspector general. As I reflected upon the previous year's investigative work and accomplishments, I noted that 2015 marked an important anniversary in the history of the Ohio Inspector General's Office. On August 1, 1990, the Ohio legislature passed and the governor signed into law House Bill 588 permanently establishing the independent authority and jurisdiction of the Inspector General's Office. Since 1990, this office has received over 7,300 complaints alleging wrongful acts and omissions by state officers and employees, demonstrating the critical need of this office in state government. During the five years of my tenure, this office has reviewed and evaluated over 2,000 complaints, of which 465 investigations were initiated, generating notable casework, and identifying millions of dollars lost.

In light of this office's notable anniversary, coincidentally this year, I was honored to be invited to speak before the Joint Judiciary meeting of the West Virginia legislature. The West Virginia Senate President and Speaker of the House both expressed concern that the public's confidence in government integrity is low and they were interested in exploring the establishment of an inspector general's office. On September 14, before members of the West Virginia House and Senate, I shared the important work our office is responsible for and our essential role in state government. I proffered ways to establish higher ethical standards for those who serve in government, how to identify and combat malfeasance, and presented methods to enhance public trust in government.

I am proud of the accomplishments of this office and am pleased to present the Office of the Inspector General's 2015 Annual Report. This report examines the office's complaint and investigative processes and related statistics; and cites several noteworthy investigations released from January 1, 2015, through December 31, 2015.

For more than a quarter-century, this office continues to tackle the challenges, increasing duties, and unexpected obstacles inherent with such a critical responsibility. As the Inspector General, I am committed to investigating allegations of wrongful acts or omissions without bias or outside influence in a timely, 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

TABLE OF CONTENTS

Mission and Responsibilities.....	1
Conducting an Investigation.....	2
Filing a Complaint.....	3
Types of Allegations.....	4
2015 Statistical Summary	6
Report from the Inspector General for the General Area.....	8
Summaries of Selected Cases.....	9
Report from the Inspector General for the Ohio Department of Transportation.....	27
Summaries of Selected Cases.....	28
Report from the Inspector General for the Ohio Bureau of Workers’ Compensation and Industrial Commission	33
Summaries of Selected Cases.....	35
Professional Involvement in the Community	39
In Memory of Former Ohio Inspector General David D. Sturtz	43
APPENDICES	44
Appendix 1: Statutory References.....	44
Appendix 2: Table of Organization	55
CONTACT INFORMATION	56

MISSION AND RESPONSIBILITIES

Safeguarding Integrity in State Government

The Office of the Ohio Inspector General was established in 1988 by an Executive Order of the Governor. Through this executive order, 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 legislature passed Amended Substitute House Bill 588, which permanently established the position and the office of the Ohio Inspector General.



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 state officers or employees are statutorily excluded from the jurisdiction of the Inspector General’s Office. Likewise, the office has no authority to investigate allegations concerning any federal, county, municipal or other local officials, agencies, or governing bodies.

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.

CONDUCTING AN INVESTIGATION

Complaint Process and Reports of Investigation

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 or are provided upon request. Complaints can be made anonymously; however, it may be difficult to verify the information provided or ask additional questions.

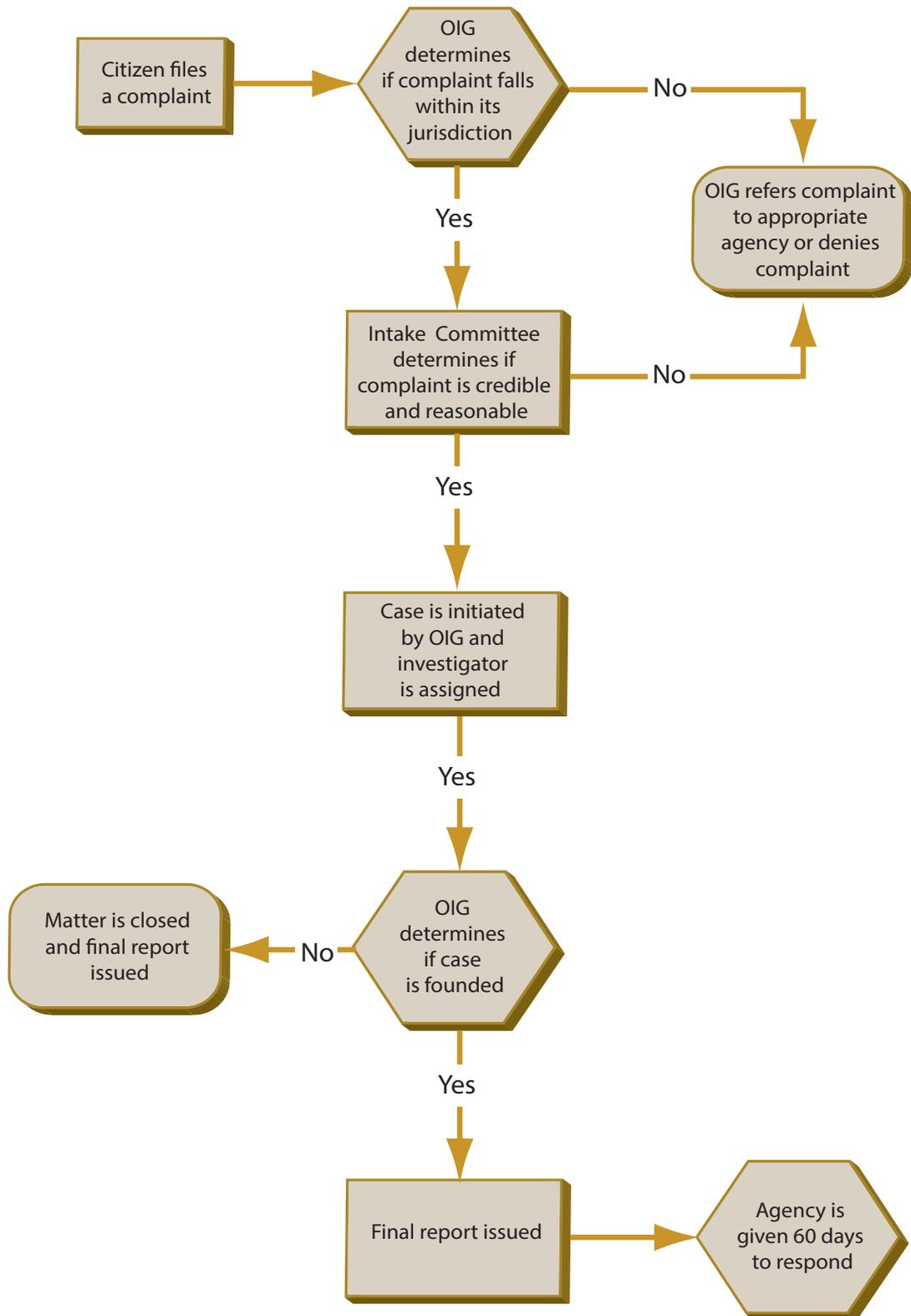
The inspector general may grant complainants or witnesses confidentiality. When appropriate, information received from complainants and witnesses may also be deemed "confidential." Confidentiality is appropriate when it is necessary to protect a witness. It is also appropriate in cases where the information 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 advise the complainant to consult with private legal counsel or 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. Opened and ongoing investigations are generally not subject to public disclosure in order to safeguard the integrity of the investigative process. In instances where a complaint is unsubstantiated, or another agency is better suited to address a complainant's issues, the office will make every effort to direct him or her to a more appropriate agency, organization, or resource.

At the conclusion of an investigation by the Inspector General's Office, a report of investigation is completed and provided to the governor and the agency subject to investigation. The report may include recommendations for the agency to consider in addressing and avoiding the recurrence of fraud, waste, abuse, or corruption uncovered by the investigation. For each report where the Inspector General concludes there is reasonable cause to believe wrongful acts or omissions have occurred, the agency subject to the investigation is asked to respond back to the Ohio Inspector General within 60 days of the issuance of the report, detailing how the report's recommendations will be implemented. Although there is no enforcement mechanism to ensure items are addressed, the inspector general exercises his due diligence and follows up with the agency. When appropriate, a report of investigation may also be forwarded to a prosecuting authority for review to determine whether the underlying facts give rise to a criminal prosecution. Selected issued reports of investigation are posted on the Ohio Inspector General's website and all issued reports of investigation are available to the public upon request.

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 that fall under the inspector general's jurisdiction are:



1. FRAUD

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

2. WASTE

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

3. 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

4. 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

5. 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

2015 STATISTICAL SUMMARY

The Inspector General’s Office received a total of 358 complaints in 2015. From 1990 through 2015, more than 7,300 complaints have been reviewed.

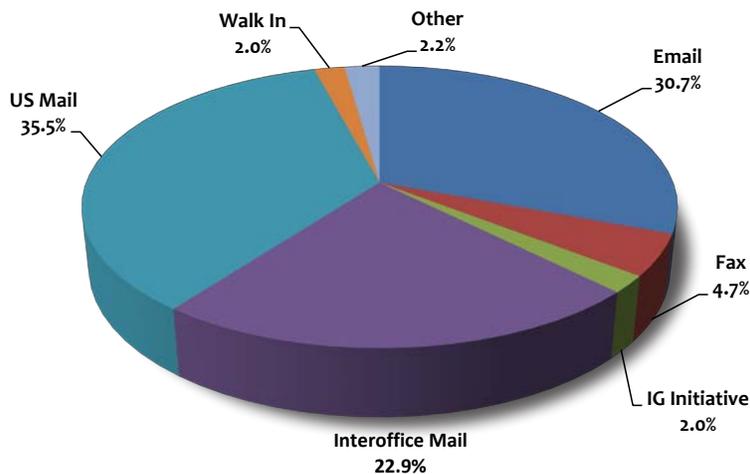
2015 Complaint Status				
	<u>GENERAL</u>	<u>ODOT</u>	<u>OBWC/IC</u>	<u>ALL</u>
Cases Opened ¹	43	9	14	66
No Jurisdiction	81	1	0	82
Insufficient Cause	95	2	11	108
Referred	79	1	5	85
Pending ²	17	0	0	17
Complaint Totals	315	13	30	358

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 2015

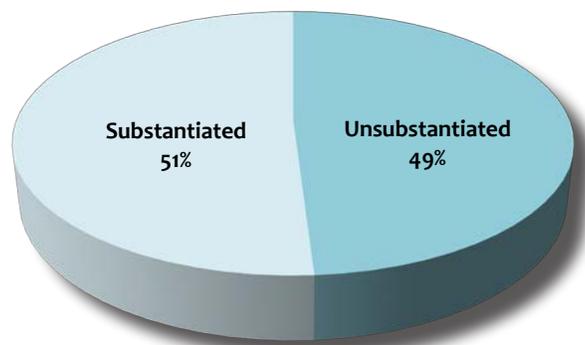


The Inspector General’s Office closed 60 cases in 2015. A number of those cases were opened in previous years. The following chart summarizes the outcome of the cases closed during the period covered by the 2015 Annual Report:

Results of Cases Closed in 2015	
Total Recommendations Made to Agencies	81 in 25 cases
Total Referrals	16 in 11 cases
Total Criminal Charges	8 in 4 cases
Identified \$ Loss	\$404,799.04 in 7 cases

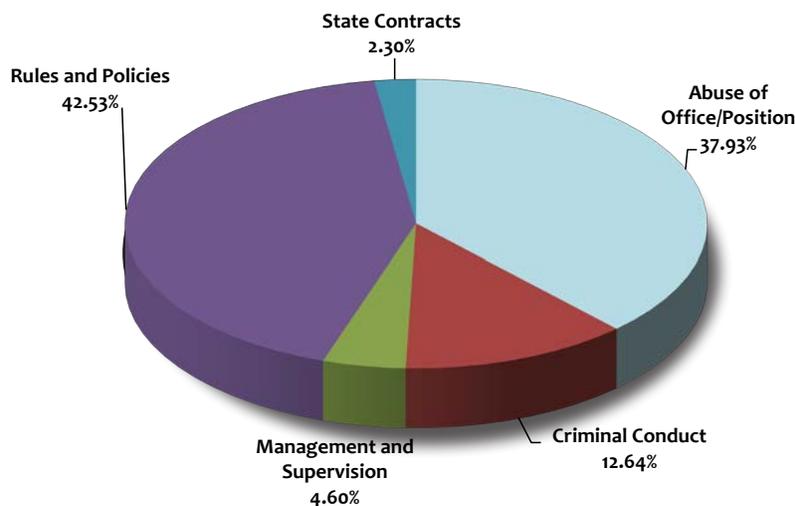
Of the 60 cases closed in 2015, the following chart designates the percentage of allegations in closed cases that were found to be substantiated versus those allegations that were found to be unsubstantiated.

Findings of Allegations for Cases Closed in 2015



The following chart highlights the types of wrongdoing alleged in cases closed in 2015. Cases investigated for violating rules and policies (42.53 percent) and abuse of office/ position (37.93 percent) led the categories in the cases closed for 2015.

Substantiated Allegations by Type in 2015



GENERAL AREA

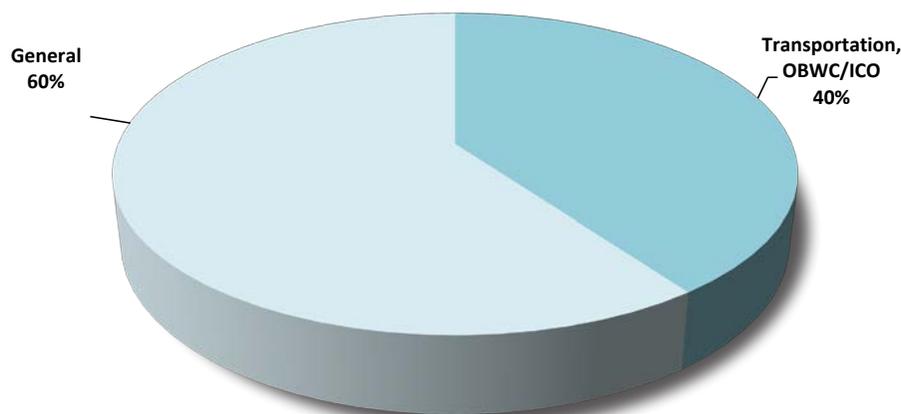
2015 Report

In order to efficiently investigate matters delegated to this office by statute, the Inspector General’s Office divides its investigatory casework between three separate areas. Two of these areas, the Ohio Bureau of Workers’ Compensation/Industrial Commission of Ohio, and Ohio Department of Transportation, have assigned deputy inspectors general. These designated positions were created by specific statutes in the Ohio Revised Code.

The third area, the General Area, 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 Area are responsible for a wide range 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 Area, this area generates and reflects the largest amount of cases completed, or closed, by the office.

In 2015, there were 43 cases opened and 36 cases closed in the General Area 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.

2015 Cases Closed in the General Area



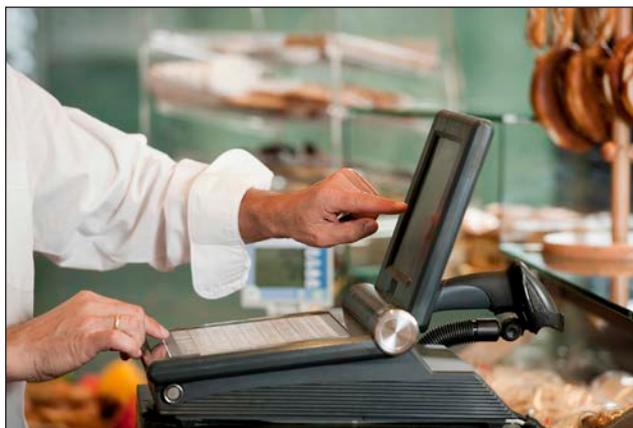
Summaries of Selected Cases - General

OHIO DEPARTMENT OF REHABILITATION & CORRECTION

FILE ID NO.: 2014-CA00008

In January of 2014, the Inspector General's Office received a complaint from the Ohio Department of Rehabilitation and Correction (ODRC) alleging possible criminal conduct by Steven Davenport, an account clerk supervisor assigned to the Southeastern Correctional Complex (SCC). The complaint stated there were concerns with unaccounted for receipts in the SCC Industrial Arts account, and a questionable check that was cashed by Davenport.

The initial focus of the investigation centered on issues regarding revenue at the SCC Hilltop Café. The Hilltop Café serves institution employees only and was established in 2012 as a work experience program for qualified inmates. The program teaches inmates how to operate a restaurant, so that they may gain the basic expertise needed to work in the food service industry after their release.



For other Industrial Arts programs (Happy Paws Daycare, a barbershop, car wash, and shoe shine), SCC employees purchase tickets to obtain the services provided by these programs. To circumvent inmate workers from dealing with cash directly, the cash generated from the ticket purchases is handled by an institutional employee.

A joint investigation with the Ohio State Highway Patrol determined that \$16,726 in sales generated by the Hilltop Café had not been deposited into the Southeastern Correctional Complex's checking account. Also, investigators discovered seven receipts where the amounts listed were lower than the actual amounts of documented sales, with a total variance of \$446. A similar review of the other Industrial Arts programs found documented sales of \$1,635 at the Happy Paws Daycare for February and April 2013 had not been deposited. In total, investigators determined \$18,807 in documented sales was unaccounted for.

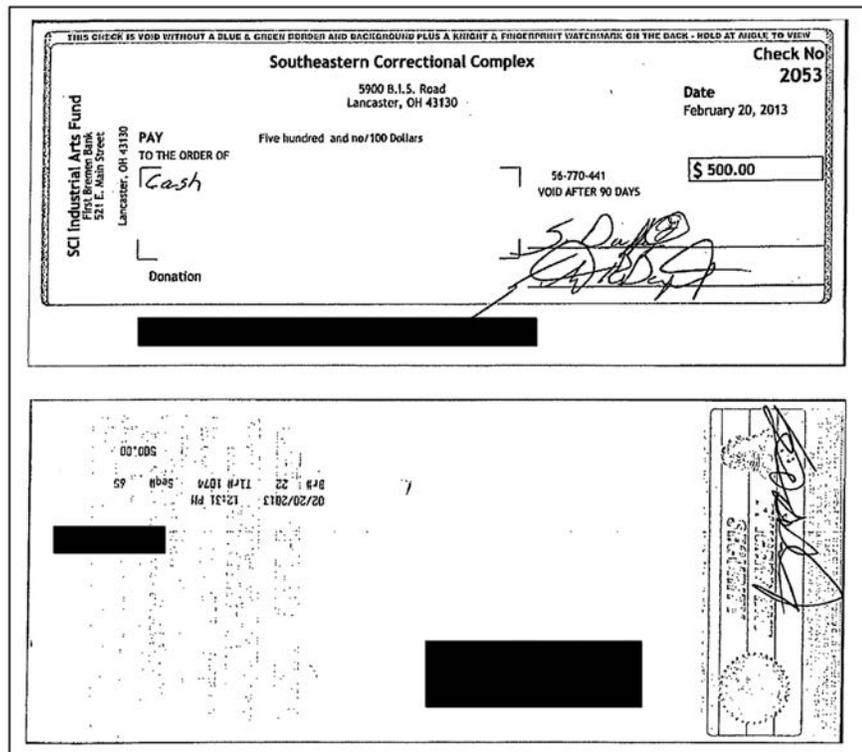
Interviews with SCC staff and the two inmate managers of the programs in question stated Davenport controlled the collection of the revenue. The inmate manager for the Hilltop Café stated Davenport would call and ask where the cash was and would sometimes take the cash after eating lunch in the cafe. The inmate manager also stated Davenport was the only individual he had dealt with in the cashier's office, which was confirmed by the SCC program facilitator.

SCC officials had also discovered a questionable check created by Davenport with “Cash” handwritten in the “pay to” field. It was later determined that the check had been cashed by Davenport. A further review by investigators of all of the cash accounts at SCC noted 14 other checks that contained no supporting documentation were created by Davenport, and later cashed by him at the institution’s bank. In reviewing Davenport’s personal checking account, investigators noted eight instances where cash deposits occurred within minutes after the institution’s check had been cashed. In total, \$22,631 in questionable checks were documented by investigators.

In total, the following unaccounted for funds were noted:

121 instances of documented sales but no receipts - Hilltop Café	\$16,726.36
1 instance of documented sales but no receipts – Doggie Daycare	1,397.00
Receipts written for different amounts than documented sales – Hilltop Café	446.10
Receipts written for different amounts than documented sales – Doggie Daycare	238.00
15 checks created and cashed by Davenport	22,630.88
TOTAL	\$41,438.34

In addition to the findings pertaining to Davenport, investigators reviewed ODRC’s policies and procedures, and applicable Ohio Administrative Code as they related to this case. From this review, investigators determined that there was a lack of controls at SCC and that it contributed to the opportunity of Davenport’s actions and the unaccounted for revenue.



Davenport resigned on January 27, 2014. The Inspector General’s Office provided the report of investigation to the Fairfield County Prosecuting Attorney. On December 18, 2015, Davenport pled guilty to theft in office (a 4th-degree felony), paid \$5,000 in restitution, and was sentenced to five years’ probation.

OHIO DEPARTMENT OF REHABILITATION AND CORRECTION

FILE ID NO.: 2014-CA00022

In February of 2014, the Inspector General’s Office opened an investigation initiated by a memorandum received from the Ohio Department of Rehabilitation and Correction (ODRC) reporting potential misconduct or possible illegal activity of ODRC employees.

The memorandum alleged that several employees at various institutions had found a gateway into JPay, a money transfer company that is contracted by ODRC to provide consumer and inmate services on ODRC data servers. This gateway to JPay allowed employees access to download or copy recordings of songs without payment. ODRC believed these actions constituted unlawful piracy of the music.



The analysis conducted by the Inspector General’s Office of the data received from ODRC identified JPay audio files in 16 of the employees’ user profiles. All but one of the employees interviewed acknowledged they had accessed the JPay folder where the audio files were stored. Also, all but one of the employees interviewed said they had either played the files on the computer or copied the files to a folder within their user profiles.

Investigators learned from ODRC that the folders placed on the institution’s servers were created as shared folders and ODRC was informed by JPay that this was a requirement of their system. These folders were accessible to everyone who had access to the ODRC system. At the insistence of ODRC, after discovering the access vulnerability, JPay restricted the access to these shared folders. After JPay restricted access, the folders were no longer visible to the employees and the copying of the audio files ceased. ODRC also informed investigators the USB ports on the computers accessible to the 16 employees were inactive, thereby making it impossible to transfer the audio files to a portable storage device such as a compact disc or thumb drive. Computers with active USB ports inside the prisons are closely monitored and restricted to only those employees with a work-related need for active ports.

The majority of the 16 employees interviewed stated that they believed the folder containing the JPay audio files was visible to everyone who had access to the system, and it was permissible to play the audio files it contained.

“The majority of the 16 employees interviewed stated that they believed the folder containing the JPay audio files was visible to everyone who had access to the system, and it was permissible to play the audio files it contained.”

Many did not feel this was or might be a violation of copyright laws and noted that had they been aware it was a violation, they would not have accessed the folder and played or copied the files.

The Inspector General's Office found no evidence to indicate the employees created copies of any music files for outside sale. Investigators found no evidence that any of the 16 employees profited in any way from copying the audio files.

During the course of the investigation, investigators learned of another potential violation of copyright laws that possibly involved pirated movies shown to inmates at Lorain Correctional Institution (LorCI). The warden at LorCI had received information from an inmate complaining of pirated movies being shown to inmates by LorCI staff members, but the warden did not immediately report the allegations to her superiors. Only when the warden became aware that media attention was being directed toward the issue did she report it. The warden said ultimately an investigation was conducted at her direction and two correction officers were searched; however, no evidence of any unauthorized movies was found. During the Inspector General's Office's review of the internal investigation of the two correction officers, no evidence of unauthorized, pirated, or illegal movies was found.

The Inspector General's Office referred the matter back to the Ohio Department of Rehabilitation and Correction, to ensure that in the future LorCI officials as well as all ODRC employees comply with the Governor's memorandum concerning the reporting of suspected illegal activity by state employees.

**OFFICE OF GOVERNOR, STATE OF OHIO
OHIO ENVIRONMENTAL PROTECTION AGENCY
FILE ID NO.: 2014-CA00024**

The Inspector General's Office received a complaint alleging that Governor of Ohio John Kasich was exerting inappropriate political influence on Ohio regulatory agencies; specifically, the Ohio Environmental Protection Agency (OEPA).

The complainants identified 13 coal facilities in Ohio which were operating with expired water pollution discharge permits, and alleged that many of these coal facilities also contributed to Governor Kasich's campaign effort.

The complainants also alleged that the "ouster" of Division of Surface Water Chief George Elmaraghy, as well as the resignation of Director of OEPA



Scott Nally, were both due to improper political pressure by the governor's office, "... in order to achieve favorable outcomes for political financiers."

The Expired Permits

The Inspector General's Office conducted a review of the expired individual permits, examining OEPA internal documents and using the U.S. Environmental Protection Agency (USEPA) Enforcement and Compliance History Online Database. Additionally, investigators studied the OEPA National Pollutant Discharge Elimination System (NPDES) permitting process to better understand how NPDES permits are issued or renewed and whether undue political influence could affect the permitting process.

From a review of oversight reports from U.S. Environmental Protection Agency (USEPA) and OEPA, investigators determined that OEPA's water pollution discharge permitting authority is both delegated and is periodically reviewed for quality by USEPA. Investigators learned that OEPA had been considering changing how they interrelate with USEPA; specifically, the objective to bring the Ohio process more in line with other coal producing states, because of a legal challenge in the U.S. Court of Appeals. A review of specific expired permits revealed that many permits linger for long periods of time without renewal due to pending enforcement actions. On September 22, 2014, a telephone interview was conducted with the director of USEPA Region 5 Division of Water, which covers Ohio. During the interview, the director stated that from the perspective of USEPA, there were no issues of concern as to how OEPA administered the NPDES permitting program. The director stated that USEPA monitors "a decent number" of OEPA permits, and OEPA is working with USEPA to develop a "template" for coal permits to streamline the renewal process. No evidence was found of the governor's office exceeding their authority in order to influence the NPDES process.

"A review of specific expired permits revealed that many permits linger for long periods of time without renewal due to pending enforcement actions."

Staffing Decisions

The Inspector General's Office investigated allegations that the governor's office had exceeded its authority to influence OEPA staffing decisions.

It was determined that OEPA Division of Surface Water Chief George Elmaraghy retired under pressure from OEPA Director Scott Nally; however, no evidence was found to link Nally's decision to an order from the governor's office. Nally accepted responsibility for Elmaraghy's departure. Nally stated when he was appointed, he believed he was given wide latitude in the choice of his staff. Since he came from Indiana, Nally felt he was not part of the "political" system in Ohio, and he wanted OEPA to remain "apolitical." Nally also stated to investigators that he had never received pressure from the governor's office regarding staffing matters and noted that he was never directed to fire anyone. Nally noted that there were communication concerns between his office and the Division of Surface Water. Specifically, Nally felt there were division employees who were being too selective in the information they were providing to the director's office. Nally stated he had many meetings

with Elmaraghy to discuss the matter; however, changes were not coming quickly enough, and he decided to make a staffing change. Nally noted that his own decision to resign was his alone.

OHIO LOTTERY COMMISSION

FILE ID NO.: 2013-CA00072

In March of 2012, David Dragelevich was hired by the Ohio Lottery Commission as a regional sales representative in the Canton lottery commission office. The Inspector General's Office received information from the Ohio Lottery Commission alleging that shortly after his probation ended, Dragelevich began stealing lottery tickets. Dragelevich was suspected of either cashing them himself or through other individuals.



The investigation determined that Dragelevich stole full and partial books of lottery tickets, totaling 5,908 individual lottery tickets, with a book value of \$115,718. Investigators found that Dragelevich would obtain full books of tickets returned from licensed retailers, then re-issue the same books of tickets to other retailers, mark them as “sold” (which automatically charged that retailer for the book of tickets), and then steal the actual books of tickets. The investigation also found that Dragelevich would obtain partial books of tickets returned from licensed retailers, steal all or some of the tickets from the partial books, and return any remaining tickets to the lottery commission.

The Ohio State Highway Patrol (OSHP) conducted an interview of Dragelevich and stated he admitted to stealing lottery tickets. Initially, Dragelevich admitted that he redeemed more than \$1,500 but less than \$5,000; however, later Dragelevich stated that he had cashed over \$5,000 in winning lottery tickets. Dragelevich revealed to investigators that he had asked his girlfriend, her father, and another individual to cash tickets valued at \$1,000 or more, but noted that those individuals were unaware the winning tickets were stolen.

A search warrant was obtained and Dragelevich's house was searched on September 27, 2013. The OSHP noted on the inventory of seizure for the search warrant that several instant lottery tickets were located in bags and buckets in Dragelevich's garage. The Inspector General's Office conducted an inventory of the instant lottery tickets seized from Dragelevich's house during the search. Investigators identified 1,788 individual lottery tickets from 153 unique books of tickets, having a total value of \$33,473.

noted that chain saws are allowed to be used; however, only trees that have been dropped and piled by ODNR or Corps of Engineers work crews are permitted to be taken. No cutting of standing timber is allowed. Jarvis checked with the U.S. Army Corps of Engineers and verified that no firewood or timber removal permits had been issued to Lindsley.

The Inspector General's Office contacted Park Officer Lindsley and Park Officer Zaborowski who both declined to be interviewed. During the course of the investigation, investigators found evidence supporting the allegation that Lindsley did remove logs from the cabin area of Dillon State Park on March 31, 2014, while off duty, without a permit from the U.S. Army Corps of Engineers as required by USC Title 36, Section 327.14. The removal of the logs is also a violation of Ohio Administrative Code sections 1501:41-3-18 and 1501:41-3-10. Additionally, investigators determined that Park Officer Zaborowski failed to take appropriate corrective action on the violations of law that he had observed while on duty March 31, 2014.

This report of investigation was provided to the Office of the Muskingum County Prosecuting Attorney for consideration.

OHIO LIEUTENANT GOVERNOR'S OFFICE

FILE ID NO.: 2014-CA00043

In Spring 2014, Lieutenant Governor Mary Taylor was notified by the Ohio Department of Administrative Services (ODAS) of a public records request made regarding members of her staff: Laura Johnson, chief of staff, and Heather Brandt, administrative assistant to Johnson and Taylor. Both Johnson and Brandt had assigned offices in the Riffe Tower and were provided passes to park at the Riffe Tower garage. The request covered the time period from January 1, 2014, to April 29, 2014. During the legal review of the requested records, it was noted that for both Johnson and Brandt, the total number of hours their respective cars were recorded as being parked in the Riffe Tower garage was significantly less than the total amount of hours that each of them recorded as having worked during the same time period. On June 5, 2014, a referral was made by Taylor to the Inspector General's Office and an investigation was opened upon receipt of the referral.



Riffe Tower

In addition to serving as lieutenant governor, Taylor is also director of the Ohio Department of Insurance (ODOI). Both Johnson's and Brandt's salaries were paid from ODOI budgeted funds and their timesheets were submitted to the ODOI human resources payroll unit. Investigators found that neither Johnson's position as the lieutenant governor's chief of staff nor Brandt's position as assistant to the lieutenant governor's chief of staff had documented job position descriptions or defined job duties, and investigators were unable

to determine the specific work demands each employee should have been performing during the hours they were paid.

The Governor's Office time and attendance policy allows employees to flex an 80-hour work schedule within a standard two-week pay period. Both ODAS and ODOI policies state that employees shall have an established set of standard work hours with those hours being recognized as their normal work schedule. Taylor permitted Johnson limited authorization to start work at a later time on Thursdays when Johnson had personal morning appointments, and to work from home after late afternoon personal appointments to make up for missed time in the office. Taylor noted to investigators that both work-schedule authorizations for Johnson were limited, to be used irregularly, on an as-needed basis, and were not a blanket approval. Johnson was not authorized to claim work hours for travel time to and from the office. Taylor could not recall when this limited flexibility was granted to Johnson; however, she believed that it probably started sometime before January 2014. Taylor could not specify any other duties Johnson may have performed outside of the office besides phone calls and responding to emails. Investigators did not find any documented ODOI teleworking authorization allowing Johnson to work from home or from any other outside location.

The Inspector General's office requested and received the following records for review: Johnson's and Brandt's timesheets, Riffe Tower parking garage records, email files, desk phone records, computer usage logs, and personnel files. Additionally, the Inspector General's office obtained Johnson's personal cell phone records and Outlook calendar appointments; and records from the Shiny Nail Salon and the Michael David Salon.

Initially, investigators focused on Johnson's reported work start and end times and the evaluation of her parking records. However, after a detailed analysis of records, investigators discovered Johnson had claimed, as work hours, attending salon appointments and a significant amount of her commute time. Additionally, investigators determined that Johnson had claimed evenings or weekends as work hours, when there was very minimal to no telephone calls made or emails sent and received that could be considered work-related. Further investigation into Johnson's personal emails would have required a search warrant, which was addressed with city and county prosecutors, who determined there was insufficient probable cause to pursue a warrant. In total, the Inspector General's Office questioned 532.9 hours claimed as work by Johnson for telephone calls, personal appointments, medical appointments, and commute time for which she should not have been paid. Specifically, the Inspector General's Office determined that Johnson was paid for hours worked when her car was not parked in the Riffe Tower garage and there were no corresponding work-related appointments listed on her calendar or corresponding work product. Johnson also claimed – as work hours – approximately 86 hours of drive time to and from work or salon appointments and another five hours of time spent at the salon.

“In total, the Inspector General's Office questioned 532.9 hours claimed as work by Johnson for telephone calls, personal appointments, medical appointments, and commute time for which she should not have been paid.”

When co-workers complained to Johnson about her assistant, Heather Brandt's, frequent absences from work, Johnson removed the responsibility of approving her (Johnson's) and Brandt's timesheets from the lieutenant governor's executive assistant and delegated that authority to her (Johnson's) subordinate, Brandt, in violation of the ODOI Pay Policy. Investigators confirmed that Johnson's ODOI electronic timesheets were sent to Brandt for approval and Brandt's timesheets were sent to Johnson for approval. An analysis of computer records by investigators showed that Brandt would sign off the computer system and then sign on as Johnson to approve her own (Brandt's) timesheets. Investigators also determined that Brandt's actions occurred at times when Johnson was not in the office, and from the same IP address used by Brandt.

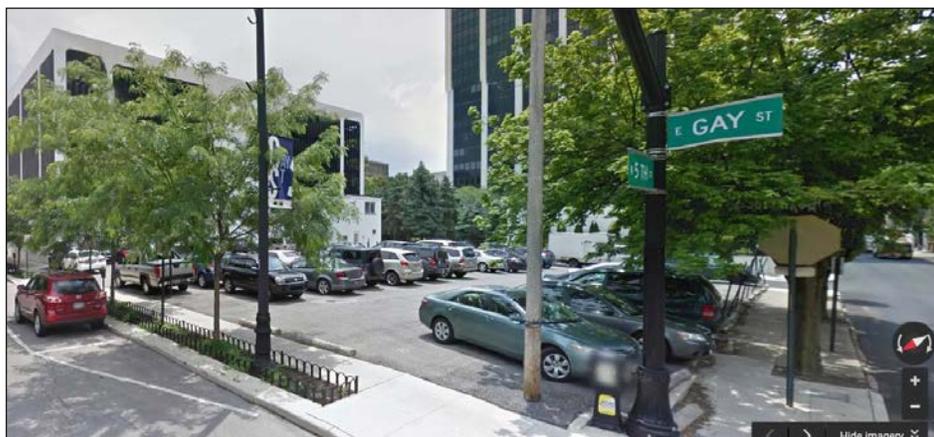
For the time period from July 12, 2013, through May 31, 2014, Brandt claimed over 1,198.90 hours as either regular work hours or compensatory time earned. However, during the same period of time, garage records indicated that her vehicle was parked at the Riffe Tower garage for a total of 981.42 hours – 217.48 hours less than the number of hours she claimed as work hours. Brandt was not authorized by Taylor to work outside of the office and investigators found no explanation or permissible justification for the variance in hours.

Garage records indicated that Brandt's vehicle was parked at the Riffe Tower garage 217.48 hours less than the number of hours she claimed as work hours.

Johnson resigned her position on June 5, 2014, and Brandt resigned her position on June 4, 2014. On September 9, 2015, the Inspector General's Office conferred with representatives of the Franklin County Prosecutor's Office and the Columbus City Attorney's Office to discuss the Inspector General's findings revealed in this investigation. Representatives from both prosecutors' offices declined to pursue criminal charges.

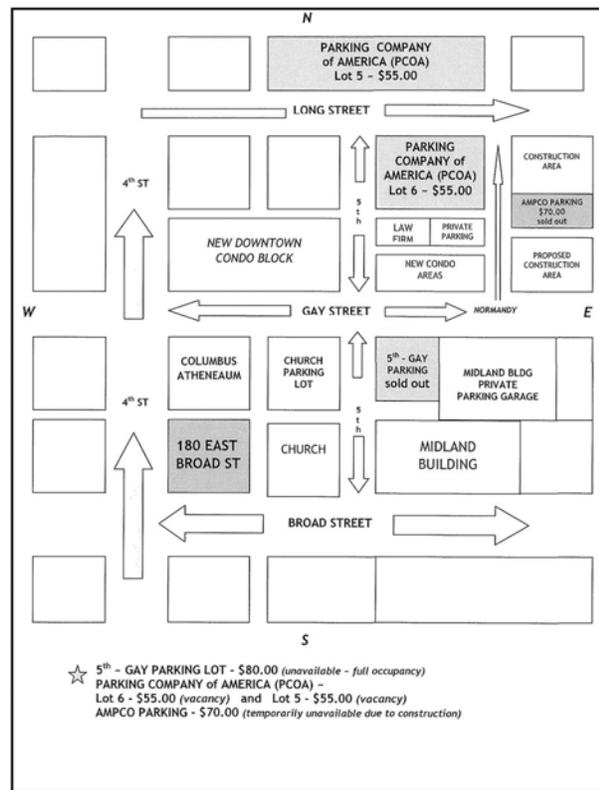
PUBLIC UTILITIES COMMISSION OF OHIO FILE ID NO.: 2014-CA00034

The Inspector General's Office received an anonymous complaint alleging that Public Utilities Commission of Ohio (PUCO) employee John Georgiadis, during the time he was scheduled to be working for PUCO, operated a parking lot at the southeast corner of Fifth and Gay streets in Columbus, and used his PUCO email address to conduct the private business.



Source: www.google.com/maps

Investigators interviewed Georgiadis who stated that he did not manage or operate any parking lots, but acted as a collector and distributor in conjunction with two or three parking companies that provided reduced rates for some PUCO employees and other groups of people. During the course of the investigation, the Inspector General’s office determined that Georgiadis had business connections to several parking lots in Columbus operated by the Parking Company of America (PCOA) and AMPCO Parking, issuing monthly passes and collecting monthly fees. The Inspector General’s Office reviewed the PUCO email file of Georgiadis from December 31, 2012, to May 12, 2014. Investigators determined that Georgiadis did use the state email system during business hours to inform customers of parking rates and dates and when passes could be picked-up. Investigators found 773 emails regarding parking lot passes, payments, parking complaints, or availability of parking spaces.



Additionally, investigators determined that Georgiadis had a more involved role with the parking lot located at Fifth and Gay streets in Columbus. For this parking lot, Georgiadis set the price of the parking spaces, collected parking fees, issued parking passes, handled parking lot inquiries and complaints, and hired and paid for snow removal. Investigators also discovered that parking customers could contact Georgiadis by going to the front desk of the Continental Plaza building and asking for “John,” which is the building where the PUCO administrative offices are located. Georgiadis also enlisted the assistance of a PUCO receptionist, during state time, to help him collect parking fees and issue parking passes to parking customers.

Investigators found no evidence that Georgiadis had received any payment or benefit from his issuance of passes or collection of fees directly from PCOA and AMPCO. However, investigators determined that Georgiadis collected the monthly fees for the Fifth and Gay parking lot in either cash or checks made out to him. From those proceeds, investigators discovered that Georgiadis paid \$3,000 each month to the owner of the parking lot, and any money collected over that amount was retained by Georgiadis. When investigators utilized Georgiadis’ minimal calculation of the amount of income the parking lot generated each month, the monthly total would be at least \$3,300.

Investigators also discovered that PUCO had received, on March 17, 2014, a complaint regarding Georgiadis’ involvement in the operation of a parking lot; however, PUCO

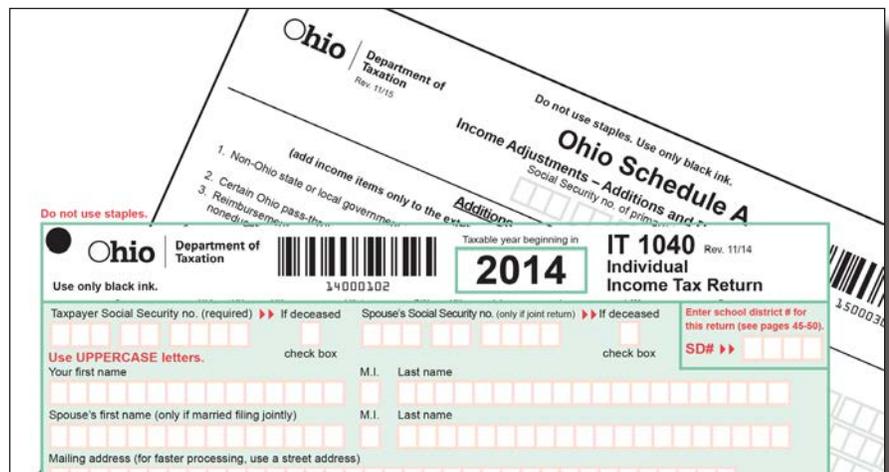
management did not report the suspected illegal activity of Georgiadis to the appropriate state departments. The Ohio Governor's Office policy and procedures requires notifications be made of suspected illegal or improper activity within state departments to the chief legal counsel for the governor or his designee, or the State Highway Patrol Office of Investigative Services, and the Inspector General's Office. John Georgiadis retired from PUCO in November 2014.

**OHIO DEPARTMENT OF TAXATION
FILE ID NO.: 2014-CA00065**

In September 2014, the Ohio Department of Taxation (ODT) notified the Inspector General's Office about Tax Auditor Agent Lu Zhang, who was using state time and resources to further her personal business and accessing tax information on other taxpayers engaged in similar businesses. ODT informed investigators that Zhang had emailed the ODT Human Resources Division regarding opening a business, primarily as an investor, stating that she would not have any involvement in the day-to-day operations of the business. ODT stated that the department informed Zhang that her business was not considered a conflict of interest and cautioned her that she could not use state time or resources in furtherance of the outside activity. Zhang was also reminded that ODT prohibits its employees



from engaging in the preparation of (outside of the scope of official duties) any tax returns or auditing records which could subsequently be used as the basis for the determination of any local, state, or federal taxation liability. The day after she was notified of this by ODT, Zhang began receiving, sending, and forwarding emails related to the business. Several of these emails, were sent directly to and from Zhang's state email account. Additionally, emails related to her business were forwarded to or from her personal account and personal business email account.



A forensic analysis was conducted by the Inspector General's Office on the state-issued computer assigned to Zhang. The analysis identified numerous documents and pictures stored on the computer that appeared to be non-work related. Additionally, investigators identified a spreadsheet stored on Zhang's state-issued computer that appeared to be used for tracking the month-to-month sales and use tax filings for her business, as well as several

competitors. Personal income tax filings for non-immediate family members were also identified on Zhang’s state-issued computer.

Zhang’s Internet history was also analyzed as part of the forensic analysis. The Internet history identified visits to numerous websites where Zhang could buy products for her personal business. Documents located by ODT during the search of Zhang’s workspace found order confirmations and receipts from several vendors indicating Zhang had potentially purchased these items during work hours. Additionally, investigators discovered that Zhang accessed tax information for six direct competitors of her personal business on 34 separate occasions, and accessed her personal business account on six separate occasions.



The Inspector General’s office interviewed Zhang. During the course of the interview, Zhang admitted that she had used state resources related to her personal business. Zhang also admitted to investigators that she prepared tax returns for her personal business and her fiancée in violation of the conflict of interest policy. Additionally, Zhang admitted to accessing her competitors’ tax information for audit leads, and she planned to forward the information to supervisors in hopes that ODT would audit those competitors.

The Ohio Department of Taxation placed Lu Zhang on administrative leave effective September 12, 2014, and she resigned on October 24, 2014. On December 4, 2015, Zhang was sentenced in the Franklin County Municipal Court to a \$250 fine and costs on a misdemeanor 1 plea for improper access to confidential information.

**OHIO ADJUTANT GENERAL – ARMY NATIONAL GUARD
FILE ID NO.: 2014-CA00066**

In October of 2014, the Inspector General’s Office and the Ohio State Highway Patrol opened an investigation after receiving a notification from the Ohio Adjutant General’s Department of possible wrongdoing by Ohio Army National Guard Sergeant 1st Class Jason Edwards. Edwards was on active duty with the Ohio Army National Guard and assigned to the Military Funeral Honors (MFH) program as the southwest region coordinator. The MFH program utilizes both active duty operational support (ADOS) full-time soldiers who receive their regular pay whether they have a funeral mission or not, and



M-Day part-time soldiers who only receive pay for days they actually work (in addition to annual training days). Because of the time consuming duties of the MFH coordinator's position, the coordinator must be an ADOS soldier.

As the southwest region coordinator, Edwards assigned team members to funerals and designated when the General Services Administration vehicle was to be used. After a funeral service was completed, Edwards would access the mission database to log the information from the funeral service and the soldiers assigned. By doing this, the ADOS soldiers would get credit for performing the funeral service and the M-Day soldiers would get paid for that day of work. This would also enable the soldiers who drove their personal vehicles to funerals to request mileage reimbursement through the payment system. As the coordinator, Edwards would substitute his name in place of the full-time funeral honors unit member's name on invoices before submitting them for payment.



The Inspector General's Office reviewed the records of the MFH operation orders and the travel reimbursements from September 28, 2013, thru July 28, 2014. An analysis of these records revealed 89 instances where Edwards claimed mileage to funeral details that he was not listed as attending on the operation orders. The analysis also revealed 17 instances where Edwards was listed on the operations orders, usually for local funerals that were not eligible for mileage reimbursement, but Edwards claimed mileage to a funeral farther away from his home, while the other soldiers who attended used the General Services Administration vehicle. The analysis revealed 24 instances where Edwards was not listed on the operation orders and he claimed mileage to a location where no military funeral took place. The total amount Edwards claimed for the 130 instances discovered during the analysis was \$10,852.

On March 31, 2014, Edwards' active duty orders ended and he became an M-Day soldier. Edwards recommended that his sister take over as the southwest region coordinator, she subsequently obtained the position, and later Edwards trained her in those duties. In selecting his sister as the region coordinator, Edwards was able to continue to function as the coordinator with access to the mission database. After Edwards' ADOS ended, the occurrences in which he claimed reimbursement for mileage increased. Of the 130 instances reviewed, 62 instances occurred between April 1, 2014, and July 28, 2014. Edwards claimed to investigators that he conducted covert inspections of funeral details after receiving undocumented complaints of funeral detail operations; however, investigators learned that the state MFH coordinator did not authorize Edwards to conduct inspections of MFH details.

Jason Edwards was indicted by a Franklin County Grand Jury on September 1, 2015, on one count of theft in office and one count of tampering with records.

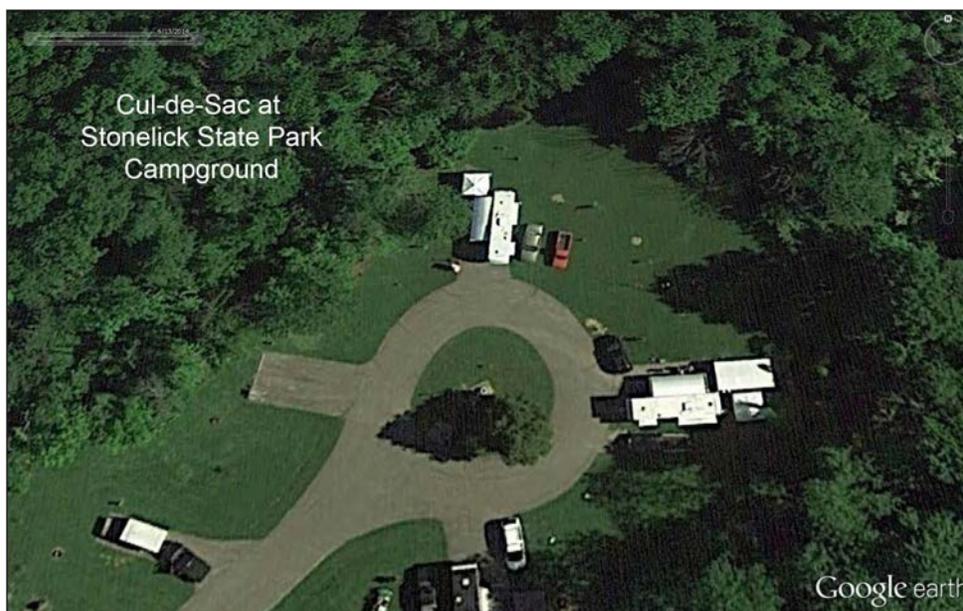
OHIO DEPARTMENT OF NATURAL RESOURCES

FILE ID NO.: 2014-CA00072

In November of 2014, the Inspector General’s Office received an anonymous complaint alleging Ohio Department of Natural Resources employee Mark Penn had stayed in the Stonelick State Park campground throughout the 2014 camping season without paying daily camping fees.

As an employee of ODNR, Penn was assigned to work in the campground at Stonelick State Park. His responsibilities included maintaining the inventory at the campground store, working as needed around the campgrounds, and handling walk-in campers who did not have reservations through the ODNR online reservation system.

Investigators determined from a review of ODNR-provided reservation records and payment receipts, that Penn paid for 36 days of camping and received a 50-percent discount on each day he paid. Investigators discovered that this discount was related to a



Golden Buckeye Program discount and that Penn did not meet the requirements to receive the discount. It was also determined that Penn had processed his own payments and given himself the discount. Through interviews with park personnel, investigators were also able to determine that in addition to the days he paid discounted prices for camping, Penn had stayed at the campground for 92 days for free.

The Inspector General’s office contacted Penn by phone to arrange an interview. During the call, investigators informed Penn about the purpose of the investigation and he agreed to be interviewed on April 9, 2015. Investigators were notified by an ODNR park manager that Penn approached him on April 1, 2015, and resigned his position with ODNR.



When interviewed by investigators, Penn did not deny the allegations but stated he simply forgot to make the payments for a majority of the days he stayed at the campground. Penn also told investigators he had used his aunt's Golden Buckeye Card to receive the discount and it was his belief his actions were permissible because he had planned to have his aunt visit the campground throughout the season.

During the course of the investigation, Penn contacted ODNR and arranged to make a payment to compensate for the discount he should not have received and to pay for the days he stayed in the campground for free. On April 20, 2015, during a telephone conversation with an ODNR administrator, investigators learned Penn had sent a letter and cashier's check to ODNR to cover the camping fees he failed to pay during the 2014 camping season at Stonelick State Park. Penn listed the amount he owed to make whole the days where he improperly took a 50-percent discount, and for 92 days for which he had made no payment. The total amount of the enclosed cashier's check was \$2,472.50.

**OHIO BOARD OF NURSING
FILE ID NO.: 2015-CA00007**

On March 3, 2015, the Inspector General's Office received a referral from the Office of the Ohio Governor alleging that Ohio Board of Nursing Executive Director Betsy Houchen and Program Manager Lisa Emrich received denied vacation leave payments in excess of the 80-hour fiscal year limit allowed by law. In these instances, the Ohio Board of Nursing failed to comply with ORC §124.134 (C), which states that "... no employee shall receive payment for more than eighty-hours of denied vacation leave in a single fiscal year."

The Inspector General's Office reviewed time reporting records for Executive Director Houchen and Program Manager Emrich for the period from June 2011, through early March 2015. Investigators determined that Houchen received denied vacation leave payments in excess

of the 80-hour limit allowed by law for fiscal years 2012 through 2015. As a result, Houchen received a total of \$31,524.80 in excess payments. Emrich received denied vacation leave payments in excess of the 80-hour limit allowed by law for fiscal years 2012 and 2014. As a result, Emrich received a total of \$7,534.40 in excess payments.



On March 23, 2015, following a records request by the Inspector General’s Office, Beth Hogon, human resources officer and chief hearing examiner for the Ohio Board of Nursing, emailed the board’s general counsel, expressing her belief that she was totally responsible for the issue. Hogon stated she was not aware of a change in the law that, beginning fiscal year 2012, exempt employees could only be paid one time per fiscal year for denied vacation. Hogon stated that neither Houchen nor Emrich were aware that they could only cash in leave one time in a fiscal year.

On April 23, 2015, the Inspector General’s Office received notification from the Ohio Board of Nursing that Houchen submitted a repayment plan to the Ohio Department of Administrative Services requesting that 544 hours be deducted from her current vacation leave balance to repay the amount overpaid. On May 7, 2015, the Inspector General’s Office received notification that Emrich also submitted a repayment plan, requesting that 160 hours be deducted from her current vacation leave balance to repay the amount overpaid. On May 27, 2015, the Inspector General’s Office received notification from the Ohio Board of Nursing that both Houchen’s and Emrich’s repayment plans were approved by ODAS.

On May 8, 2015, the Inspector General’s Office received notification from the Ohio Board of Nursing that the board took corrective action and updated their policies and procedures to comply with Ohio Revised Code §124.134.

**OHIO DEPARTMENT OF MEDICAID
FILE ID NO.: 2015-CA00039**

On July 9, 2015, the Inspector General’s Office received notice that Ohio Department of Medicaid (ODM) Health Systems Administrator Mona Arrington performed contract work for Ohio Mental Health and Addiction Services (OhioMHAS) on dates and times when her timesheets showed she worked for and was paid by ODM. ODM suspected Arrington misused state resources and her association with OhioMHAS was a potential conflict of interest.



Investigators found evidence that Arrington was involved in a variety of activities related to her personal business during her scheduled work hours with the Ohio Department of Medicaid and while being paid by the state of Ohio. Investigators showed Arrington the sections of her contract with OhioMHAS where she attested to not being a state

“Investigators found evidence that Arrington was involved in a variety of activities involving her personal business during her scheduled work hours with the Ohio Department of Medicaid and while being paid by the state of Ohio.”

OHIO DEPARTMENT OF TRANSPORTATION

2015 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 Legislative Service Commission biennial budget documents in FY 2015, ODOT had an annual budget of approximately \$3 billion in operating and capital disbursements. ODOT maintains 21 interstates, 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 2015, there were 9 cases opened and 10 cases closed in the Transportation Area 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.



Source: ODOT 2015 Annual Report and 2016-2017 Business Plan.

Summaries of Selected Cases-Transportation

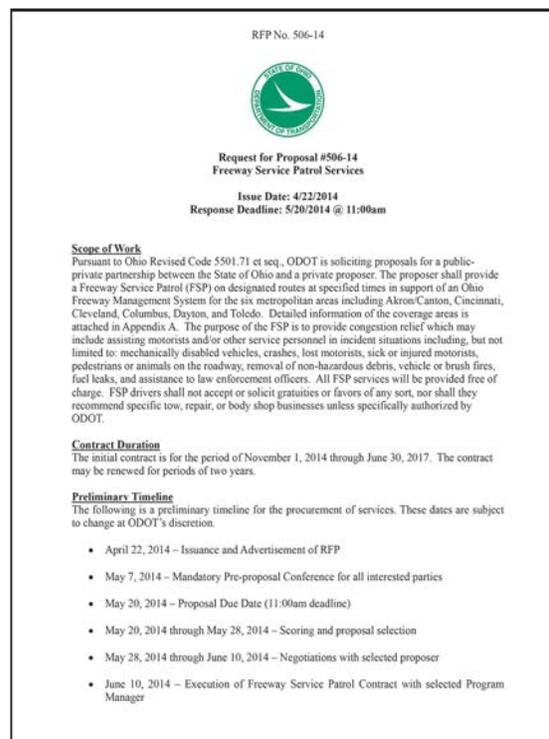
OHIO DEPARTMENT OF TRANSPORTATION FILE ID NO.: 2014-CA00047

On June 19, 2014, the Inspector General's Office opened an investigation concerning a complaint received by the Ohio Department of Transportation (ODOT) Office of Investigative Services alleging an ODOT employee improperly interfered in a request for proposal process. Several ODOT employees alleged that, during the selection process for a freeway patrol service, ODOT Transportation Engineer David Holstein may have intervened on behalf of a company of a personal friend.

David Holstein attended the pre-bid meeting with all interested vendors on May 7, 2014. At the pre-bid meeting, Holstein was observed having a conversation with Kevin Louderback, president of Professional Property Maintenance (PPM). After the meeting, Holstein went to lunch with two of his subordinates. These employees reported that while they were in Holstein's car on the way to lunch, they discovered Holstein had arranged for Louderback and another employee of PPM to meet them at the lunch location. The two ODOT employees with Holstein reported there was a brief conversation about the request for proposal, but the circumstances appeared improper and made them uncomfortable, since no other vendors were invited.

While Holstein recused himself from the selection process based on the concerns of his subordinates, he continued to remain involved in the process. Holstein asked to open and review early bid submissions received by the ODOT Office of Contracts. This request was made the week prior to the May 23, 2014, bid submission deadline and prior to the submission of any proposal by PPM. Holstein's request was denied.

Committee members reported Holstein stopped in to the committee scoring meetings on at least two occasions while they were working. Committee members reported they were forced to terminate discussions about PPM while Holstein was present in the room. Staff also noted PPM submitted a price in their proposal that was the same hourly price discussed by Holstein prior to the beginning of the scoring process.



“While Holstein recused himself from the selection process based on the concerns of his subordinates, he continued to remain involved in the process.”

The final decision on the award of the proposal was scheduled to be made by June 5, 2014, and notification letters sent on June 9, 2014. The time frame between May 23, 2014, and June 9, 2014, was a blackout period when the status of the request for proposal could not be discussed with any of the bidders. During a staff meeting held the morning of June 2, 2014, the final ratings were discussed. Staff reported that Holstein indicated the results were then made public. The staff disagreed with Holstein's assessment, and after some discussion, staff members reported Holstein agreed that the announcement of the selection results needed to wait until after the official award letters were sent out.

On June 2, 2014, at 3:22 p.m., the governor's office received an email from Don Louderback, Kevin Louderback's father, protesting the fact his company, PPM, did not receive the freeway service patrol contract and that ODOT was favoring an out-of-state company for the contract. No other vendors contacted ODOT or any elected officials about the request for proposal until after the award result letters were sent out on June 9, 2014. No ODOT employees interviewed, with the exception of Holstein, admitted to contact with PPM or any of the other vendors during the selection process for the freeway patrol service request for proposal.

The Inspector General's Office recommended that the Ohio Department of Transportation review the actions of David Holstein, and evaluate existing internal policies governing the actions of ODOT employees involved in the request for proposal process.

**OHIO DEPARTMENT OF TRANSPORTATION
FILE ID NO.: 2014-CA00032**

On April 17, 2014, the Inspector General's Office received information from the Ohio Department of Transportation, Office of Investigative Services, concerning a suspected incident of illegal dumping of dirt and debris into Salt Creek in western Vinton County near the Ross County line. It was reported that on April 7, 8, and 9, 2014, a crew from the ODOT District 9 Ross County maintenance garage was involved in a ditch cleaning operation along SR 327 and US Route 50 in Ross County. The District 9 crew disposed of an estimated 20 dump truck loads of ditch spoils into Salt Creek, along SR 327, inside the Vinton County line. Vinton County is part of ODOT District 10. The transportation manager assigned to the Vinton County ODOT garage observed the Ross County crew dumping the ditch spoils over the guardrail (Site #1) into Salt Creek and notified the District 10 environmental coordinator to report the activity.



*View of the material in the creek
at dumping Site #1.
Source: ODOT Office of Investigative Services*

Approximately five to six truck loads of ditch spoils were dumped along the stream bank at another location (Site #2) at a tributary of Salt Creek. None of the material dumped at Site #2 reached the stream. The Inspector General's Office opened an investigation on April 21, 2014.

Interviews with ODOT employees and a review of the documentation provided by ODOT supported that the District 9 ODOT employees did discharge a significant amount of ditch spoils material into Salt Creek during the period of April 7 through April 9, 2014. The majority of the material was discharged into the waterway on April 8, during a time when Highway Technician 2 Jeffrey Ragland was assigned as the spotter at Site #1 by crew leader and Highway Technician 3 Matthew Day. Although Ragland claimed he did not know the dirt was sliding into the creek, this was disputed, during interviews, by other employees, supervisors, and investigators who viewed the location.

Investigators interviewed Highway Technician 3 Matthew Day who was assigned as the crew leader on all three days, April 7, 8, and 9, 2014. Day was the individual

who selected the dump sites in Vinton County after having discussed possible dumping sites in Ross County with his supervisor, ODOT District 9 Ross County Transportation Manager Bill Pickerrell. Day assigned Ragland to work as the spotter and took responsibility for not providing better direction and oversight to Ragland. Day said he believed Ragland picked the dump spot with safety in mind, but that he (Day) should have followed-up to check the placement of the traffic cone and to verify Ragland understood his instructions about dumping along the guardrail.

Investigators also interviewed ODOT District 9 Ross County Transportation Manager Bill Pickerrell, who stated he first learned about the dumping incident when he received a phone call from Matt Day on Wednesday, April 9, 2014, informing him about a problem with the



Site #1 - View of Salt Creek when standing at guardrail.
Source: ODOT Office of Investigative Services

Ross County ODOT Crews Dumping into Vinton County



Source: Bing Maps

ODOT Vinton County Manager. Day told Pickerrell what had happened and admitted he “screwed up.” Pickerrell said Day took responsibility, and he believed Day did not know the material was going into the creek.

Investigators asked Pickerrell to explain why crews from District 9 were dumping dirt in District 10 without contacting District 10 managers. Pickerrell said that the practice is done routinely. When investigators informed other ODOT employees what Pickerrell had stated regarding this practice, all those interviewed indicated that an ODOT employee must first obtain permission from that county’s transportation manager prior to dumping across county lines.

When investigators asked why he did not check on the SR 327 job, Pickerrell replied that he had too much to do at the office and never went out to check on the crews in the field. Pickerrell noted that he had three to four crews out on any given day, but did not go out to assess what they were doing because he had assigned crew leaders in the field. However, Pickerrell’s job description as transportation manager stated that he was responsible for inspecting “... progress of ongoing & completed projects for assigned area.”



Source: ODOT – Clean-up work completed.

By not performing his duties as assigned in his job description; specifically, by not supervising his work crews in the field, the Inspector General’s Office found that Bill Pickerrell did not comply with his supervisory duties.

In total, ODOT paid the following remediation and clean-up costs related to this incident:

Penalty assessed by the USEPA	\$35,000
Fee to pay penalty	\$500
Contract for clean-up costs	\$83,320
Temporary real estate easement on private property	\$2,500
TOTAL	<u>\$121,320</u>

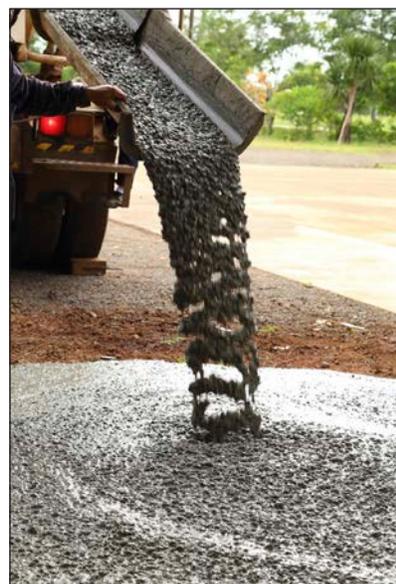
This total does not include the cost of work performed by District 9 personnel to regrade, seed, mulch, and provide gravel to the driveway of private land because these costs were not tracked by ODOT separately.

This investigation was reviewed by the U.S. Attorney's Office for the Southern District of Ohio as well as the Assistant Attorney General for the Ohio Attorney General's Office Environmental Enforcement Unit. Both federal and state officials have declined to seek prosecution. The Ohio Department of Transportation entered into a consent agreement with the U.S. Environmental Protection Agency, restored the impacted area, and paid a penalty of \$35,000.

OHIO DEPARTMENT OF TRANSPORTATION

FILE ID NO.: 2014-CA00071

In November 2014, the Inspector General's Office received a referral from the Ohio Department of Transportation District 2 transportation manager, who indicated that he had been contacted by a former employee of M&B Asphalt Co., Inc. The former employee stated that he had, for the past year, from approximately April 14, 2014, to October 30, 2014, operated the asphalt plant for the company. He stated that he was recently laid off from his job at M&B Asphalt, and was told that he had "... messed up the load tickets too much" and made errors, including dumping loads of asphalt on the cabs of trucks. He also stated that his layoff and termination was the reason he decided to come forward and report what he had observed.



The former employee indicated in his complaint that during the 2014 paving season, his supervisor directed him to use a lesser grade of liquid asphalt binder in the paving mix for the Ohio Department of Transportation paving projects in District 2. He also said that he was instructed to use a 35-percent recycled asphalt mixture instead of the 25-percent recycled asphalt product mix specified in the project plans.

The Inspector General's Office obtained all the liquid asphalt binder purchase and delivery records from M&B Asphalt and its vendors. Totals were calculated for each type of binder and the summary information provided to the District 2 transportation manager and his engineering staff, who compared the amounts to the tonnages needed to complete the 2014 ODOT paving projects in the district. The liquid asphalt binder amounts corresponded to what would have been needed for the asphalt project tonnage used to complete the 2014 paving projects.

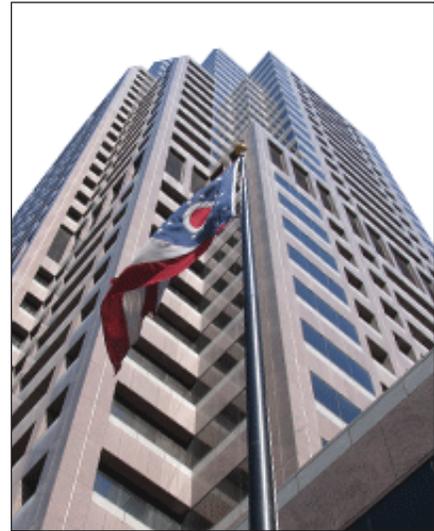
The Inspector General's Office made numerous unsuccessful attempts to contact the complainant and the two individuals who the complainant said could corroborate his allegations. Given the inability to obtain additional witness information, and the fact that the liquid asphalt binder purchase and delivery information was provided to the ODOT District 2 staff who reported that they, "... checked the queried tonnages versus our hard files here and they match ...," no further investigative action was taken on this complaint.

BUREAU OF WORKERS' COMPENSATION AND INDUSTRIAL COMMISSION OF OHIO

2015 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 Industrial Commission of Ohio (ICO) 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.



*William Green Building
Ohio Bureau of Workers' Compensation
and Industrial Commission of Ohio
Source: <https://www.ic.ohio.gov/>*

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 13 service offices, 14 facilities, and more than 1,800 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 2015 Annual Report, OBWC served 253,106 active employers, managed nearly 800,000 injured workers' claims, and paid \$1.64 billion in benefits to injured workers.

Created in 1912, the Industrial Commission of Ohio 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 2015 Annual Report, the three commissioners and 88 hearing officers collectively conducted more than 130,000 hearings within the fiscal year.

The Ohio Inspector General's Office meets semi-annually with the OBWC board of directors' audit committee to inform the bureau on current inspector general activities and convey overviews of noteworthy investigations. The Inspector General's Office staff also attended most of the monthly OBWC board of directors' audit, investment, and actuarial committee meetings to receive updates on OBWC's divisional activities and OBWC's new initiatives. During 2015, the Inspector General's Office staff met with the OBWC board of directors chairman and the chairman of the audit, actuarial, investment, and medical services & safety committees to receive feedback on recent investigations and to discuss where they believe fraud could be occurring and areas of concern.



In an effort to educate OBWC and ICO employees, the Inspector General's Office conducts outreach efforts to discuss inspector general's office responsibilities, the office's complaint and investigative processes, and relevant investigations. In 2015, the Inspector General's Office staff visited one OBWC service office, various OBWC departments, and two ICO regional district offices to be available should employees want to discuss issues within those offices. In addition, the Inspector General's Office staff participated in the annual ICO Statewide Hearing Officer's training to discuss the Inspector General's Office responsibilities and recent ICO investigations.

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. The Inspector General's Office continued to meet monthly with the OBWC Internal Audit Division to obtain an understanding of its internal controls, identify areas where internal controls are not working, and considers information obtained during these meetings when recommending whether an investigation should be initiated.

During 2015, the Inspector General's Office staff has begun monthly meetings with OBWC's Investment Division and periodic meetings with OBWC's Finance and Actuarial Divisions to obtain an understanding of how OBWC's investments are managed, financial activities are recorded, and the calculation of premium and assessment rates. Additionally, the Inspector General's Office works closely with various departments within the Industrial Commission, including the Executive Director's Office, Hearing Services, Human Resources, Legal, and Information Technology.

In 2015, there were 11³ cases opened and 14 cases closed in the OBWC/ICO area 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.

³ Three complaints received in 2015 were merged into cases previously opened in 2014 or 2015.

Summaries of Selected Cases - OBWC/ICO

OHIO BUREAU OF WORKERS' COMPENSATION

FILE ID NO.: 2014-CA00077

On December 9, 2014, the Inspector General's Office was notified by the Ohio Bureau of Workers' Compensation that Exam Scheduler Nina Parm had allegedly accessed her cousin's claim file a total of 11 times between August 26, 2014, and November 19, 2014, and entered notes in the injured worker's claim file on three of the 11 accesses. Parm's actions were contrary to OBWC's policies on the use of confidential personal information and the special handling of claims.

On January 15, 2015, the Inspector General's Office interviewed Parm who stated she became concerned that she might be related to the injured worker after she had

accessed the claim a second time, on September 29, 2014. Investigators determined that the injured worker's address was updated in the OBWC internal claim management system to reflect the injured worker moved to Lima on November 5, 2014. Parm admitted to accessing the injured worker's claim file. Parm stated as she reviewed the claim file "more and more," she became increasingly certain that the injured worker was her cousin and informed an OBWC claims service specialist of the situation. No evidence was found that this access was to obtain information to schedule an exam and therefore, was not for a business purpose.

Parm stated she had not informed her supervisor, Jill Hollin, at that time because she was unsure the injured worker, whose address had been updated to the Lima area, was her cousin. Parm stated that she later discussed the issue with Hollin on November 20, 2014, a day after Parm's last access on November 19, when she had sent an email to a coworker requesting the injured worker's claim be reassigned to the Lima Service Office. When Parm did have a conversation with Hollin about her cousin's claim, Parm could not recall who initiated the conversation, she or Hollin. Hollin stated in her interview with investigators



"Parm's actions were contrary to OBWC's policies on the use of confidential personal information and the special handling of claims."

that she first learned of the relationship between Parm and her cousin from an OBWC injury management supervisor, and not from Parm.

Parm also failed to comply with the OBWC special handling of claims policy, which required Parm to notify either her supervisor or the special claims supervisor of her concern that the injured worker may be her cousin. Instead, Parm notified her coworker of the familial relationship with the injured worker.

Hollin, Parm's supervisor, also admitted to investigators that she had informed Lima Service Office management about the reassignment of the claim before she notified, as required by OBWC policy, the OBWC department that handles special claims.

OBWC issued written reprimands to Parm and Hollin on August 27, 2015, and September 4, 2015, respectively.

OHIO BUREAU OF WORKERS' COMPENSATION

FILE ID NO.: 2014-CA00053

In August of 2014, the Inspector General's Office met with a former Ohio Bureau of Workers' Compensation (OBWC) employee who alleged OBWC Special Investigation Department employees Shawn Fox, Kim Pandilidis, Don Campbell, Joe Kautz, Beth Parker, and Craig Thompson, from the period of June 1, 2009, through December 31, 2013: falsified mileage logs in 3,236 instances, which resulted in the employees' ability to "... avoid paying \$3.00 a day for the commute use of the State vehicle" (car tax) and not reporting the commute as a fringe benefit to the U.S. Internal Revenue Service. The former OBWC employee also alleged that the six identified individuals had falsified their timekeeping records by failing to "... subtract their commute time in accordance with BWC policy 4.17," which resulted in the employees being paid for 40 hours a week, when they actually worked less than 40 hours.

The complainant also expressed concerns regarding self-audits allegedly conducted by Pandilidis and other OBWC employees.

The Inspector General's Office compared the documents received from the complainant to those provided by OBWC and determined the complainant failed to submit the following relevant records to the Inspector General's Office:

- Available cost commute summaries sent by OBWC to the complainant on a CD.
- A spreadsheet exported from the state payroll system summarizing the "car tax" added on a daily basis to the six identified employees' gross pay totals. To satisfy a public records request, this spreadsheet was sent from OBWC by email to the complainant.

The Inspector General's Office compared the documents received from the complainant to those provided by OBWC and determined the complainant failed to submit relevant records to the Inspector General's Office.

As a result, investigators compared records OBWC provided to the Inspector General's Office, to the records the complainant had initially sent with his complaint. Investigators determined that of the 3,236 days the complainant alleged falsification of mileage logs, 807 days were instances where employees were exempt from reporting the "car tax," and 1,293 days were instances where employees had properly added "car tax" to their gross pay.



Of the 3,236 days in question, investigators further reviewed "car tax" records of the six identified employees from December 1, 2012, through June 30, 2013, a total of 885 days. Investigators determined that the OBWC Payroll Department had appropriately added the "car tax" to each employee's gross payroll for 602 days, and inappropriately added "car tax" on two days. For the remaining 281 work days, investigators were unable to determine whether the payroll department had appropriately included the "car tax" to the employees' gross pay because the retention date for keeping these records had passed, and as such, the records were subsequently destroyed. The Inspector General's Office found no reasonable cause to believe wrongful acts or omissions occurred in these instances.

The complainant also alleged that the six identified employees had falsified their timekeeping records, resulting in the employees being paid for 40 hours a week when they actually worked less than 40 hours a week. The complainant also alleged the six identified employees charged their commute time as paid work time; however, the complainant did not provide the Inspector General's Office with any additional evidence to support his allegation.

For each of the six employees investigated, the Inspector General's Office evaluated and compared all relevant and available timekeeping entries; employee first badge-swipe records for OBWC buildings; work-from-home network access times; the commute declarations on forms; and monthly mileage logs. Additionally, the Inspector General's Office interviewed each of the six identified employees, each of who attested that his or her commute times were not reflected as hours worked on their respective timesheets. The Inspector General's Office was unable to substantiate that the employees had actually included their commute times as paid work time on their timesheets, and found no reasonable cause to believe

wrongful acts or omissions occurred in these instances.

The complainant also expressed concerns regarding self-audits allegedly conducted by Pandilidis and the other OBWC employees. The complainant believed OBWC supervisors permitted Pandilidis to conduct her own audit and calculate how much money she was owed; and allowed Pandilidis to issue discipline to Campbell, Kautz, Parker, and Thompson.

“The Inspector General’s Office was unable to substantiate that the employees had actually included their commute times as paid work time on their timesheets, and found no reasonable cause to believe wrongful acts or omissions occurred in these instances.”

This investigation found that each of the six employees had completed a self-audit on the usage of their assigned state-issued vehicles for the period of January 1, 2012, through August 31, 2012. Issues identified by Pandilidis, Campbell, Kautz, Parker, and Thompson were forwarded to Special Investigation Department Special Agent in Charge Shawn Fox. Issues identified by Fox were forwarded to the OBWC Labor Relations Department who had negotiated the type of discipline to be issued for each identified employee and the labor union.

The investigation determined that Pandilidis’ involvement was limited to conducting her self-audit of her monthly mileage logs in a similar manner as had been completed by her coworkers, and that her instances in question were subject to the same level of review as her coworkers. Interviews conducted and documentation reviewed support Pandilidis was not involved in the review of issues of her coworkers and that she simply delivered the discipline notifications to the coworkers and obtained their signatures stating they had received their respective discipline notices. The Inspector General’s Office found no reasonable cause to believe wrongful acts or omissions occurred in these instances.

During the investigation, investigators became aware of an OBWC Special Investigation Department (SID) policy requiring “... any SID employee operating a state vehicle who

is not commuting to or from their assigned HQ shall document ... on their timesheet the time logged is minus a commute.” Investigators reviewed the timesheets, monthly mileage logs, employee badge swipe activity, and employee explanations for 49 work days between October 21, 2013, and December 31, 2013, and determined that five of the six employees failed to comply with this requirement. On August 28, 2015, OBWC notified the Office of the Ohio Inspector General that the OBWC Special Investigations Department supervisors had provided counseling to all employees “... to remind them of the need to diligently follow all of the provisions in the applicable policies.”



International Visitors Council and U.S. Department of State Coordinates Meeting Between Meridian International Center Representative and Inspector General Meyer

The International Visitors Council (IVC) of Columbus is affiliated with the U.S. Department of State and coordinates international government representatives to meet with state government officials. These meetings are designed to familiarize delegates with state government in the United States and how it is differentiated from the federal level of government. The program is intended to acquaint delegates with the purpose and function of the three branches of state government, and to illustrate how “local control of local government” is both beneficial and representative. During the last four years, the Inspector General’s Office has met with and advised more than 125 representatives from 12 countries.



When the U.S. Department of State invites countries to send delegates to participate in the International Visitors Council program, delegates begin their respective visits in Washington, D.C., and are then sent out to four different cities across the United States, generally concluding their visits in New York City before returning home. Of the 92 IVC city chapters located across the country, IVC Columbus has been routinely breaking delegate participation records, having hosted more than 100 delegates, essentially establishing similar participation numbers as New York City, Chicago, and Los Angeles. Moreover, Columbus has been receiving exceptional reviews on exit surveys submitted by the international visitors.



Inspector General Meyer (left) met with Matthew Brooks, representative of the Meridian International Center.

In August 2015, the U. S. Department of State and Meridian International Center, one of the largest agencies the State Department works with to coordinate international programs, sent Matthew Brooks to Ohio. Brooks objective was to interview dignitaries who had participated in IVC-sponsored visits and evaluate Columbus’ noteworthy statistics. Brooks met with Inspector General Meyer and they reviewed how the office hosted visiting dignitaries, examined the manner in which the Inspector General engaged and shared information with various international visitors, and discussed suggestions for improving the program.

International Dignitaries Visit the Inspector General's Office

During 2015, in continuing its working partnership with the International Visitors Council (IVC) of Columbus, the Inspector General's Office hosted three meetings, speaking to a total of 24 delegates representing two countries: Pakistan and Gabon. Inspector General Meyer met with two delegations from Pakistan who were interested in discussing the challenges they faced in post-independence Pakistan; specifically, the persistent problem of corruption impacting their government. During these meetings, the delegates were provided information about the position of the inspector general, the office's mission in investigating government corruption, and its essential role in safeguarding government accountability. Inspector General Meyer acknowledged the problem of corruption in all countries and explained how his office's legislated responsibility to combat this concern can serve as an example to what could be implemented in other countries.

On August 11, 2015, political representatives from Gabon met with Deputy Inspector General Carl Enslin. The Gabonese delegates sought ideas

to strengthen their country's democratic processes and gain a better understanding of the United States political system and its various branches of government. Enslin explained to the delegates how the checks and balances function between the three branches of government, and the important role of investigative entities such as the inspector general's office in helping preserve integrity, both in democratic processes and government officials.

Pakistan



Gabon

2015 Targeting Fraud – Safeguarding Integrity Conference

On November 4 and 5, the Inspector General’s Office, in partnership with Franklin University, National White Collar Crime Center, Ohio Ethics Commission, and Ohio Investigators Association, once again presented the two-day training conference entitled *Targeting Fraud – Safeguarding Integrity*. In observance of National Fraud Awareness Week, the 2015 conference examined a wide range of topics encompassing the many aspects of fraud. The conference featured several high-profile speakers including Jeffrey Greene of the Symantec Corporation who presented on the topic of *Cybersecurity, Scams, & the Internet*; retired Special Agent Gregory Coleman who explored the FBI’s investigation of Jordan Belfort, informally known as the “Wolf of Wall Street;” and Lt. Chuck Cohen of the Indiana State Police who examined the role of online social media in predicting and interdicting spree killings. This year’s conference had an overwhelming response with 50 percent more participants as compared to last year. The *Targeting Fraud – Safeguarding Integrity Conference* is slated to be held again next year on November 2 and 3, continuing the Inspector General Office’s efforts to foster ties with law enforcement and allied support organizations and institutions.



Special Training Presented by Dr. Mark Frank

On July 16, the Inspector General’s Office and the Targeting Fraud – Safeguarding Integrity Committee sponsored a one-day training session entitled *Exploring the Scientific Truths and Lies about Telling Truths and Lies*. Presented by Dr. Mark Frank, director of the Communication Science Center at the University at Buffalo, the training emphasized the evidential facts and falsehoods regarding the topic of deception. Specifically, attendees were given the opportunity to test their skills at spotting lies; examined the various clues related to deception; and surveyed how the human emotional, cognitive, and behavioral control systems work to produce the various verbal and nonverbal expressions associated with deception. Dr. Frank offered numerous recommendations on how to best apply this acquired knowledge to real workplace objectives. The training was well-attended, with nearly 100 people participating.



Dr. Mark Frank,
Director,
Communication Science Center,
University at Buffalo

David D. Sturtz (1937-2015)



DAVID D. STURTZ

David Sturtz served as Ohio’s first inspector general by action of a 1988 executive order issued by then-Governor Richard Celeste. In 1990, the Ohio General Assembly passed legislation permanently instituting the position of Ohio Inspector General into Ohio law. Then-Governor George Voinovich appointed Sturtz to the position of Inspector General, and Sturtz was confirmed by the Ohio Senate on May 21, 1991. Inspector General Sturtz remained in office until 1994.



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

121.41 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 including, only for the purposes of sections 121.41 to 121.50 of the Revised Code, the nonprofit corporation formed under section 187.01 of the Revised Code.

(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.

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.

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.

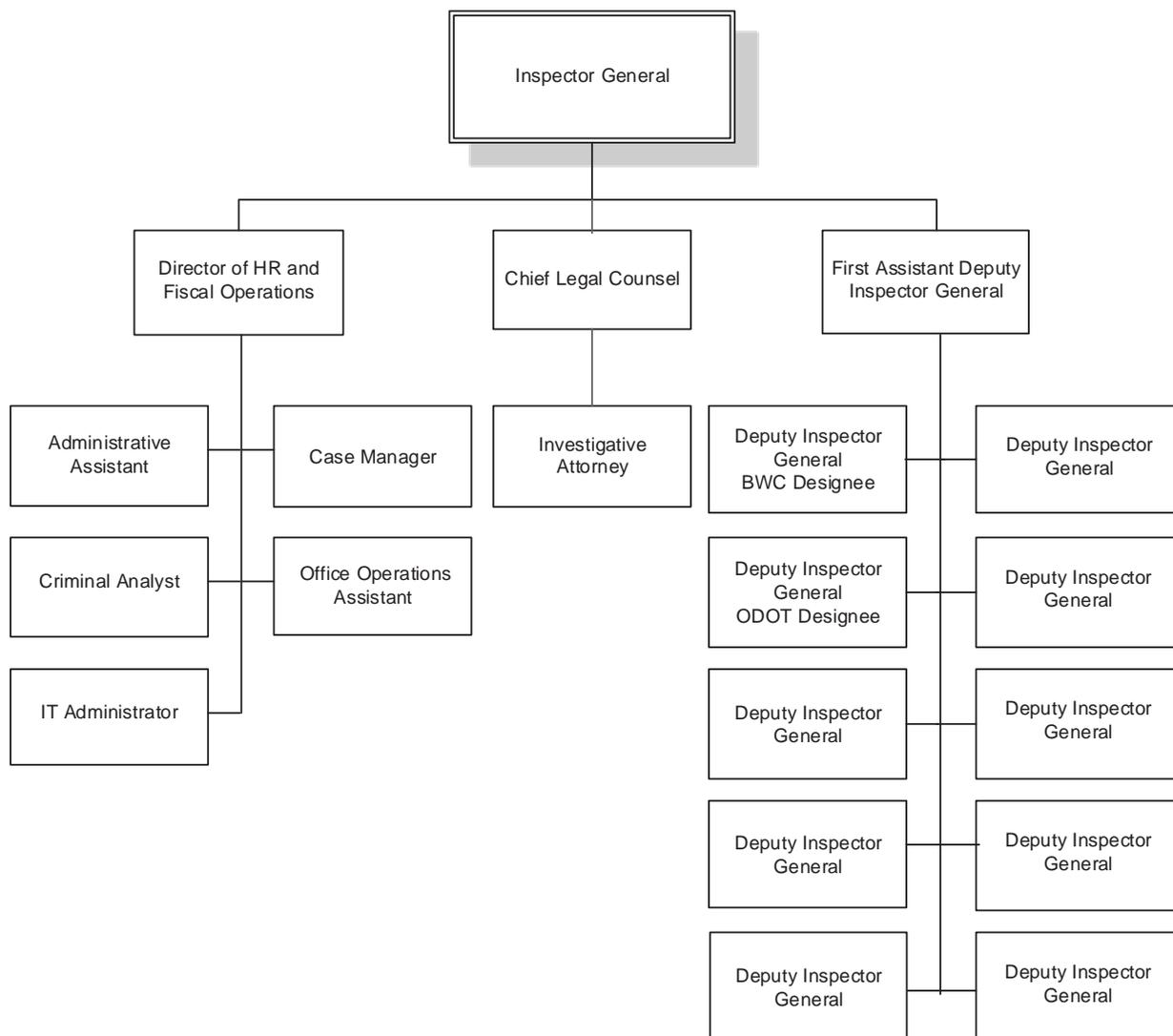
At the conclusion of an investigation conducted by the deputy inspector general for the bureau of workers' compensation and industrial commission, the deputy inspector general shall deliver to the board, the administrator, the industrial commission, and the governor any case for which remedial action 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.

TABLE OF ORGANIZATION

Appendix 2: Table of Organization

Office of Inspector General Organizational Chart



CONTACT INFORMATION

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