

STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF
INVESTIGATION



AGENCY: OHIO LOTTERY COMMISSION
FILE ID NO.: 2011-175
DATE OF REPORT: MARCH 29, 2012

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

“Safeguarding integrity in state government”

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REPORT OF INVESTIGATION

FILE ID NUMBER: 2011-175

SUBJECT NAME: Franklin Thompson

POSITION: State Employee

AGENCY: Ohio Lottery Commission

BASIS FOR INVESTIGATION: Agency Referral

ALLEGATIONS: Misuse of State Property

INITIATED: September 21, 2011

DATE OF REPORT: March 29, 2012

INITIAL ALLEGATION AND COMPLAINT SUMMARY

On September 21, 2011, the Office of the Ohio Inspector General received a referral from the Ohio Lottery Commission alleging misuse of property owned or leased by the state of Ohio and possible theft in office. In particular, the Ohio Lottery Commission alleged that commission employee Franklin Thompson used a state of Ohio credit card designated for the purchase of fuel for personal purposes. The commission provided copies of transaction statements from November 2010 to August 2011 which documented instances where Thompson did not submit receipts for fuel purchases. Additionally, the transaction statements suggested the fuel Thompson purchased for the operation of his assigned state vehicle appeared excessive in comparison to the average mile-per-gallon fuel consumption of other assigned Ohio Lottery Commission fleet vehicles. An investigation was opened upon receipt of this information.

During the course of this investigation, Thompson was placed on administrative leave by the Ohio Lottery Commission.

BACKGROUND

Ohio Lottery Commission

The Ohio Lottery Commission oversees on-line lottery games (e.g., Pick-3, Pick-4, Mega Millions, Powerball, Keno), as well as instant ticket lottery games from their headquarters in Cleveland, Ohio (Cuyahoga County). The lottery is governed by a nine-member commission, appointed by the governor and confirmed by the Ohio Senate, and daily operations are overseen by an executive director who is also appointed by the governor. Net profits from the lottery are transferred to an education fund benefiting primary, secondary, vocational, and special education. In fiscal year 2011, the Ohio Lottery's staff consisted of 333 employees.¹

The commission employs investigators who examine retailer and customer lottery ticket fraud, including lost or stolen ticket claims, altered tickets, or suspicious lottery terminal activity. Additionally, the commission assists in the execution of background checks on potential retailers.

¹ Source: Legislative Service Commission biennial budget documents.

Voyager Fleet Credit Cards

State-owned or state-leased vehicles are assigned a Voyager Fleet credit card for state employees to use when purchasing fuel. Voyager Fleet credit cards are required to be kept within each assigned vehicle. When fueling a state-controlled vehicle, employees must enter, at time of purchase, a pin number and the current odometer reading. The Voyager Fleet credit card pin number is unique and correlates to the assigned vehicle. The commission requires fuel receipts be submitted each month in order to properly account for each employee's Voyager Fleet credit card purchases.

Voyager Fleet credit card transaction reports detail the following information:

- Date and time of transaction;
- Location of purchase;
- Type of fuel purchased;
- Gallons purchased;
- Amount of transaction;
- Miles driven according to the entered odometer readings; and
- Calculation of miles per gallon.

Voyager Fleet credit cards may also be used for the purchase of basic vehicle services and maintenance items including car washes, windshield wiper blades, washer fluid, electric bulbs, and emergency tire service.

Applicable Policies

The *Ohio Lottery Vehicle Handbook* addresses the use of state-issued vehicles. Section 3, Use of Vehicles, states, "The State of Ohio and Ohio Lottery Commission policies expressly prohibit the use of State vehicles for pleasure or personal matters. State vehicles are to be used exclusively for conducting Official State business." **(Exhibit 1)** Section 7, Proper Use of Voyager Fleet Credit Cards, states, "credit cards are assigned to the vehicle by license number and must remain in the vehicle. Use of the credit card is authorized only for the assigned vehicle." Furthermore, the same policy establishes, "only regular unleaded gasoline is to be purchased" **(Exhibit 2)** Section 8, Monthly Vehicle Fuel Consumption and Maintenance

Report, sets forth that credit card receipts are to be submitted monthly to the respective region's vehicle coordinator. **(Exhibit 3)**

INVESTIGATIVE SUMMARY

On September 21, 2011, the Office of the Ohio Inspector General received a referral from the Ohio Lottery Commission alleging that commission employee Franklin Thompson used a state of Ohio Voyager Fleet credit card for personal purposes. Thompson was hired as a part-time investigator on January 5, 2010, and in order for Thompson to perform his responsibilities, he was assigned a state vehicle, a 2009 Chevrolet Impala, in November 2010.

The Ohio Department of Administrative Services provided the Office of the Ohio Inspector General with a detailed report of the Ohio Lottery Commission's Voyager Fleet credit card transactions from November 1, 2010, to September 13, 2011. Additionally, Franklin Thompson's timesheets were obtained for the corresponding time period from the Ohio Lottery Commission. These timesheets reflected a daily accounting of Thompson's time at work.

Timesheet Comparison

The Office of the Ohio Inspector General compared each Voyager Fleet credit card transaction, including the date and time the card was used, with the data Thompson submitted on his timesheets. It was determined that Thompson was a part-time employee who typically worked four to five days a week from 1:00 p.m. to 6:00 p.m. Occasionally, Thompson's work schedule would change to 10:00 a.m. to 6:00 p.m. Thompson's timesheets indicated five occasions when he worked on a Saturday or Sunday, but never reflected him working after 6:00 p.m. The time Thompson worked was compared to the Voyager Fleet credit card transactions report, and 16 instances were noted where the card was used and Thompson either documented no hours on his timesheet as having worked, or he claimed leave. These 16 transactions totaled \$737.53 in fuel purchases. The majority of these transactions were completed in the late afternoon or evening, and one transaction was executed at 12:59 a.m. Moreover, two transactions occurred on days when Thompson claimed bereavement or sick leave.

In an interview conducted by the Office of the Ohio Inspector General, Thompson was asked why he was refueling his assigned state vehicle at times during which he was not working for the Ohio Lottery Commission. Thompson claimed he knew he would be working the following day and would occasionally purchase fuel for the car the night before. However, the investigation determined that Thompson lived approximately 30 miles from lottery headquarters and he would pass several gas stations to and from work, which typically began at 1:00 p.m.

Additionally, Thompson stated he worked late hours investigating suspicious activities at Keno retailers, particularly, at establishments open only during evening hours. The Office of the Ohio Inspector General interviewed Jack O'Donnell, deputy director of the Ohio Lottery Commission Office of Security. O'Donnell refuted Thompson's assertion that he worked late hours and stated that investigators are required to call the Ohio Lottery Commission's security desk before and after entering an establishment and are to maintain a log of such activities. However, the Lottery Commission could not find a record of any calls made by Thompson regarding late night investigations. Thompson's timesheets reflected no instances of work activity past 6:00 p.m. Furthermore, O'Donnell stated it was unlikely Thompson would have been assigned these duties.

Miles Driven and Fuel Consumption

The Voyager Fleet credit card report shows a calculation of miles driven from one fuel transaction to the next by subtracting the odometer reading an employee enters at the pump prior to purchasing fuel, from the odometer reading entered when fuel was last purchased.

Thompson's assigned state vehicle was a 2009 Chevrolet Impala with a 5.3L engine. From the United States Department of Energy (USDOE) fuel economy website,² the Office of the Ohio Inspector General determined that a 2009 Chevrolet Impala's fuel tank has a 17-gallon capacity and the vehicle's estimated mileage traveled on a full tank of fuel is approximately 291 miles. In reviewing the transactions on the Voyager Fleet credit card report, there were 17 instances where the miles driven before refueling were greater than the 291-mile distance expected based on fuel efficiency published by the U.S. Department of Energy, if the vehicle's 17-gallon fuel tank was filled, and the vehicle was driven until empty. There were even two instances where the miles

² Source: <http://www.fueleconomy.gov>.

driven before refueling were reported as 561 and 685. This gives the appearance that Thompson was careless or indifferent in entering odometer readings when refueling. Moreover, a review of Thompson's joint bank account identified that from November 2010 through August 2011, less than \$1,000 was spent on possible fuel expenditures.

The same analysis of records yielded 14 instances where the fuel consumption between refueling averaged 10 miles-per-gallon or less. Specifically, in 36 percent of all refueling transactions, the fuel consumption was calculated at less than 5 miles-per-gallon. In one instance, the transaction report showed the vehicle was driven only 24 miles, and yet 16.8 gallons of fuel was purchased – making the fuel consumption an average of 1.43 miles-per-gallon. The total amount calculated for these transactions was \$689.44.

Tank Capacity

The investigation also uncovered one instance where the total gallons of fuel purchased – 24.65 – exceeded a 2009 Chevrolet Impala tank's capacity by 7.65 gallons. When asked how 24.65 gallons of fuel could be put into a 17-gallon tank, Thompson stated he did not know. When asked if he filled-up a portable gas container, Thompson stated he did not. It is undetermined how 24.65 gallons of fuel could be purchased at one time without either filling up another car or portable gas container. The total amount for the 7.65 gallons was \$31.37.

Fuel: Unleaded Plus and Super

Ohio Lottery Commission policy states only regular unleaded gasoline is to be used in state-issued vehicles. In reviewing the Voyager Fleet credit card transaction report provided by the Ohio Department of Administrative Services, there were 34 of 84 fueling instances where gasoline was purchased where the octane rating exceeded 87, which is generally recognized as the rating for regular unleaded gasoline. Typically, "unleaded plus" or "super" can range between 10 and 40 cents higher than regular unleaded. Given that a total of 474.41 gallons of "unleaded plus" or "super" were purchased at a total amount of \$1,797.49, the commission could have overpaid up to \$189.76 on these transactions.

Receipts and Card to Remain in Vehicle

From documentation provided by the Ohio Lottery Commission for this investigation, it was determined that receipts were not provided by Thompson for 45 percent of all fuel purchase transactions. While commission policy outlines what information is to be included on the receipts submitted each month for processing, it does not address what steps employees should take if they do not get a receipt or if the receipt is lost. Essentially, the Ohio Lottery Commission processed payment for all fuel transactions, including those for which no receipt was submitted.

In addition, commission policy states the Voyager Fleet credit card is to remain within the vehicle it is assigned. When Thompson was asked to return his state-issued vehicle, the Ohio Lottery Commission discovered the credit card was not in the car. According to commission officials, Thompson later returned the card, which was in his wallet.

CONCLUSION

This investigation reviewed the use of the fuel consumption of Ohio Lottery Commission employee Franklin Thompson in his state-issued vehicle. Fuel records were reviewed for the period of November 2010 through August 2011, during which time Thompson drove a total of 16,982 miles and averaged 16.02 miles per gallon. A review of Thompson's use of his state-issued vehicle revealed that he fueled the vehicle while not at work, reported a wide variance of mileage based on the vehicle's tank capacity, purchased unleaded "super" or "plus" gasoline against commission policy, and purchased fuel which exceeded the vehicle's tank capacity. The total sum identified approximately \$1,450 of questioned costs.

In reviewing the documents provided by the Ohio Lottery Commission and the Ohio Department of Administrative Services, the Office of the Ohio Inspector General determined that management at both agencies should have recognized Thompson's questionable use of his state-issued vehicle. The documents provided by the commission clearly indicate Thompson's widely varied averages of his assigned vehicle's fuel mileage, the inconsistent miles of travel between fuel transactions and the amount of fuel purchased, and the instances when unleaded "super" or "plus" gasoline had been purchased. These irregularities should have prompted officials to

review the transactions in detail, including comparing them against Thompson's timesheets. In addition, the commission did not require Thompson to explain why receipts were missing, were not submitted, or demand alternative documentation in the absence of the required receipts. Finally, the Voyager Fleet credit card was not left within the vehicle, in violation of the Ohio Lottery Commission policy.

Accordingly, the Office of the Ohio Inspector General finds reasonable cause to believe acts of wrongdoing or omission occurred in these instances.

RECOMMENDATIONS

The Office of the Ohio Inspector General makes the following recommendations and asks the Ohio Lottery Commission to respond within 60 days with a plan detailing how these recommendations will be implemented. The Ohio Lottery Commission should:

- 1) Review the actions of Franklin Thompson and take the appropriate administrative action as deemed necessary, including reimbursement of unauthorized fuel purchases.
- 2) Require managers supervising employees who are issued a Voyager Fleet credit card to examine samples from the monthly Voyager Fleet transactions report and immediately demand an explanation if items appear questionable. This process should be documented and added to the *Ohio Lottery Vehicle Handbook*.
- 3) Require all Voyager Fleet credit card holders who purchase fuel and fail to submit a receipt, to document the transaction on a substitute receipt form, state the reason why no receipt is provided, and have it signed by the cardholder's supervisor before processing for payment. This process should be documented and added to the *Ohio Lottery Vehicle Handbook*.

REFERRALS

The Office of the Ohio Inspector General has provided an investigative referral package to the Cuyahoga County Prosecutor's Office for consideration.



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NAME OF REPORT: Ohio Lottery Commission
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KEEPER OF RECORDS CERTIFICATION

This is a true and correct copy of the report which is required to be prepared by the Office of the Ohio Inspector General pursuant to Section 121.42 of the Ohio Revised Code.

A handwritten signature in black ink, appearing to read "Jill Jones", is written above the printed name.

Jill Jones
KEEPER OF RECORDS

CERTIFIED
March 29, 2012

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