

STATE OF OHIO  
**OFFICE OF THE INSPECTOR GENERAL**

RANDALL J. MEYER, INSPECTOR GENERAL

**REPORT OF  
INVESTIGATION**



**AGENCY: KENT STATE UNIVERSITY - ARRA  
FILE ID NO.: 2012-CA00039  
DATE OF REPORT: JULY 16, 2013**

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

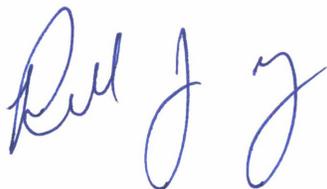
*“Safeguarding integrity in state government”*

The Ohio Office of the Inspector General is authorized by state law to investigate alleged wrongful acts or omissions committed by state officers or state employees involved in the management and operation of state agencies. We at the Inspector General’s Office recognize that the majority of state employees and public officials are hardworking, honest, and trustworthy individuals. However, we also believe that the responsibilities of this Office are critical in ensuring that state government and those doing or seeking to do business with the State of Ohio act with the highest of standards. It is the commitment of the Inspector General’s Office to fulfill its mission of safeguarding integrity in state government. We strive to restore trust in government by conducting impartial investigations in matters referred for investigation and offering objective conclusions based upon those investigations.

Statutory authority for conducting such investigations is defined in *Ohio Revised Code §121.41* through *121.50*. A *Report of Investigation* is issued based on the findings of the Office, and copies are delivered to the Governor of Ohio and the director of the agency subject to the investigation. At the discretion of the Inspector General, copies of the report may also be forwarded to law enforcement agencies or other state agencies responsible for investigating, auditing, reviewing, or evaluating the management and operation of state agencies. The *Report of Investigation* by the Ohio Inspector General is a public record under *Ohio Revised Code §149.43* and related sections of *Chapter 149*. It is available to the public for a fee that does not exceed the cost of reproducing and delivering the report.

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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 hold the public trust.



Randall J. Meyer  
Ohio Inspector General



STATE OF OHIO  
**OFFICE OF THE INSPECTOR GENERAL**

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RANDALL J. MEYER, INSPECTOR GENERAL

## REPORT OF INVESTIGATION

**FILE ID NUMBER:** 2012-CA00039

**SUBJECT NAME:**

- 1) MRI: Acquisition of a Surface Plasmon Resonance Instrument
- 2) Maternal Behavior among Puerto Rican Adolescent Mothers
- 3) Collaborative Research: Spatial and Temporal Patterns of Drought in Western North America during the Holocene
- 4) Federal Work-Study

**POSITION:** American Recovery and Reinvestment Act of 2009 (ARRA) Grants

**INSTITUTION:** Kent State University

**BASIS FOR INVESTIGATION:** Initiative by the Office of the Ohio Inspector General

**ALLEGATION:** Failure to comply with policies or procedures

**INITIATED:** February 22, 2012

**DATE OF REPORT:** July 16, 2012

## **MONITORING OVERVIEW**

The Ohio General Assembly enacted Ohio Revised Code §121.53, effective July 1, 2009, which required the Office of the Ohio Inspector General to monitor state agencies' distribution of funds from the federal government received through the American Recovery and Reinvestment Act (ARRA) of 2009. This statute also required the Office of the Ohio Inspector General to investigate all wrongful acts or omissions committed by officers, employees, or contractors engaged with state agencies that received ARRA funds. The Office of the Ohio Inspector General is required to conduct random reviews of the processing of contracts associated with projects to be paid for with money from ARRA. In addition, the statute established a deputy inspector general position designated to review funds received through ARRA.

The Office of the Ohio Inspector General began conducting monitoring reviews for a sample of grants awarded to colleges and universities under the office's jurisdiction in February 2012. The following Kent State University (KSU) projects were identified during the random selection process:<sup>1</sup>

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

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

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<sup>1</sup> The Office of the Ohio Inspector General obtained a list of all ARRA grants received by institutions from the federal recovery.gov website. Any medical research grants were removed and a random sample of grants was selected from the remaining list.

## **BACKGROUND**

### *The American Recovery and Reinvestment Act of 2009 (ARRA)*

The American Recovery and Reinvestment Act of 2009 was passed by Congress on February 17, 2009. The intent of ARRA was:

to create new jobs and save existing ones, spur economic activity and invest in long-term growth, and foster accountability and transparency in government spending. These goals were to be achieved by providing \$288 billion nationally in tax cuts and benefits for working families and businesses; increasing federal funds for entitlement programs, such as extending unemployment benefits, by \$224 billion; making \$275 billion available for federal contracts, grants, and loans; and requiring recipients of ARRA funds to report quarterly on how they were using the money. Among other areas, ARRA funds were targeted at infrastructure development and enhancement.<sup>2</sup>

From February 17, 2009, through December 31, 2012, the state of Ohio was awarded a total of \$8,765,133,886 in ARRA funds via 1,219 contracts, 8,233 grants, and 49 loans.<sup>3</sup> The majority of these ARRA awards went to supplement current programs.

### *National Science Foundation*

The National Science Foundation (NSF) is an independent federal agency created by Congress in 1950 dedicated to advancing research and education in science and engineering across all fields and disciplines and at all educational levels. With an annual budget of \$6.9 billion in fiscal year 2010, NSF is the funding source for approximately 20 percent of all federally supported basic research conducted by America's colleges and universities. In many fields, including computer science, mathematics, environmental sciences, and the social sciences, National Science Foundation is the principal source of federal support for academic basic research.<sup>4</sup>

### **Major Research Instrumentation (MRI): Acquisition of a Surface Plasmon Resonance Instrument**

In an NSF letter dated September 8, 2009, NSF approved a grant to KSU in the amount of \$124,810 for a project entitled, "MRI: Acquisition of a Surface Plasmon Resonance Instrument."

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<sup>2</sup> Source: <http://recovery.gov>

<sup>3</sup> Source: <http://recovery.gov>

<sup>4</sup> Source: <http://www.nsf.gov>

The award was sought to acquire a surface plasmon resonance instrument to study bimolecular interactions. The award was effective September 1, 2009, and expired August 31, 2012. The principal investigator, Arne Gericke, and co-principal investigator, Edgar Kooijman, were responsible for the overall operation and management of the project, including all technical, programmatic, financial, compliance, and administrative duties.

Collaborative Research: Spatial and Temporal Patterns of Drought in Western North America during the Holocene

On August 19, 2009, NSF awarded a grant to KSU in the amount of \$235,416 for the project entitled, “Collaborative Research: Spatial and Temporal Patterns of Drought in Western North America during the Holocene,” under the direction of principle investigator Joseph D. Ortiz, in collaboration with Mark B. Abbott from the University of Pittsburgh. The award was sought to explore how the temporal-geographic patterns of aridity changed during the Holocene and used advanced data processing techniques to test hypotheses concerning the regularly reoccurring periods in the climates of past and present geological ages. The award was effective September 1, 2009, and expired August 31, 2011. The principal investigator was responsible for managing the project and submitting a description of the project data to the appropriate electronic data directories.

*National Institutes of Health, U.S. Department of Health and Human Services*

The National Institutes of Health (NIH), a part of the U.S. Department of Health and Human Services, is the nation’s medical research agency. The National Institutes of Health is the largest source of funding for medical research in the world, creating jobs by funding scientists in universities and research institutions in America and abroad. The mission of the National Institutes of Health is to “seek fundamental knowledge about the nature and behavior of living systems and the application of the knowledge to enhance health, lengthen life, and reduce the burdens of illness and disability.” A goal of NIH is to strengthen the nation’s research capacity, broaden the research base, and inspire a passion for science in current and future generations of researchers.<sup>5</sup>

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<sup>5</sup> Source: <http://www.nih.gov>

### Maternal Behavior among Puerto Rican Adolescent Mothers

On September 22, 2009, NIH awarded a grant to KSU in the amount of \$108,339 for the project entitled, “Maternal Behavior among Puerto Rican Adolescent Mothers.” According to the grant documents, the birth rate among Latino youth is substantially larger than that of any other group, and Latinos are the largest and fastest growing minority group in the U.S. Therefore, KSU pursued the award to discover and understand those factors related to parenting and child outcomes among Latina adolescent mothers. The award was effective September 30, 2009, and expired September 29, 2010. The principal investigator, Josefina M. Grau and co-investigator, Manfred van Dulmen, were responsible for the design, conduct, and reporting of the research.

### *Federal Work-Study, U.S. Department of Education*

The Federal Work-Study program provides funds for part-time employment to help students finance the costs of postsecondary education. Participating institutions apply to the U.S. Department of Education each year for Federal Work-Study funding. Using a statutory formula, the U.S. Department of Education allocates funds based on the institution’s previous funding level and the aggregate need of eligible students in attendance in the prior year. In most cases, the school or the employer must pay up to a 50-percent share of a student’s wages under Federal Work-Study. In some cases, wages for reading and mathematics tutors may be federally funded up to 100 percent.

In order to determine their eligibility, students must file a Free Application for Federal Student Aid (FAFSA) as part of the application process for Federal Work-Study assistance.

Additionally, eligible students may be employed by: an institution; a federal, state, or local public agency; a private nonprofit organization; or a private for-profit organization, in order to receive Federal Work-Study program funds.

In fiscal year 2009 and 2010, Kent State University’s Federal Work-Study program received a total of \$1,582,188 in federal funding, which included \$285,489 in ARRA funds. Therefore, all Federal Work-Study program expenditures during that time period and paid, in part, with ARRA funds, were subject to review.

## **INVESTIGATIVE SUMMARY**

On February 22, 2012, the Office of the Ohio Inspector General initiated a review of ARRA expenditures related to the four grants awarded to Kent State University. The grant award letter, a list of detailed expenditures for each grant, and supporting documentation was requested and received from KSU. Also reviewed were grant guidelines available on the applicable federal agency's website for each grant, and a site visit was conducted by the Office of the Ohio Inspector General to view the equipment purchased and to obtain additional documentation.

### *MRI: Acquisition of a Surface Plasmon Resonance Instrument*

The Office of the Ohio Inspector General initiated a review of ARRA expenditures related to Kent State University's project entitled, "MRI: Acquisition of a Surface Plasmon Resonance Instrument," by requesting copies of documentation for all related expenditures.

The grant request KSU originally submitted to the National Science Foundation was for the acquisition of a singular surface plasmon resonance (SPR) instrument. However, on November 9, 2009, the principal investigator for the KSU project emailed NSF requesting approval to purchase instead, a suite of surface plasmon resonance instruments and a dynamic light scattering (DLS) instrument. On November 10, 2009, the principal investigator received approval to make those purchases in an email from NSF which stated, in part, "I am not particularly pleased with this request but I will approve the purchase of the DLS instrument as long if (sic) this acquisition will support the research provided in the proposal."

The suite of surface plasmon resonance instruments was procured from Reichert, Inc., and the dynamic light scattering instrument was purchased from Malvern Instruments. Neither vendor was included on the federal Excluded Parties List System as debarred or suspended.

Kent State University's policy which governs purchasing, sales, and disposal of property, and inventory control (Policy 5-12.3) states,

... the purchase or lease of any equipment, material, and supplies when the cost is twenty-five thousand dollars or greater, the procurement of services when the cost is fifty thousand dollars or greater, and construction contracts when the cost is fifty thousand dollars or

greater shall be awarded to the lowest and/or most responsive bidder pursuant to competitive bidding procedures. ([Exhibit 1](#))

From the documentation provided, and in speaking with KSU officials regarding the purchase of the equipment, the Office of the Ohio Inspector General raised concerns about the inventorying of the equipment, and whether the vendor selected was a sole-source provider. Some of the concerns originated from the change in what the university intended to purchase. As previously stated, the original request submitted to NSF was for the acquisition of a singular surface plasmon resonance instrument. Instead, KSU's principal investigator on the project received approval to purchase a suite of surface plasmon resonance instruments. While university personnel involved in the pre-award process were aware of this change, those involved in the post-award process were not.

Initially, the Office of the Ohio Inspector General was told that the KSU principal investigator on the project had a preference for the functionality this specific piece of equipment offered and thus the vendor selected was a "sole-source" provider. However, in an email from KSU to NSF on November 9, 2009, KSU stated, "We have reviewed in the meantime SPR instruments from a variety of other vendors and found that an instrument from Reichert fit our needs best ..."

([Exhibit 2](#)) From the documents provided to the Office of the Ohio Inspector General, no records were found indicating evaluations had been generated for the designated equipment, or additional quotes received from other vendors. However, the language used in the email from KSU to NSF indicated research had been performed on other pieces of equipment manufactured by different vendors.

The purchase order provided by KSU to the Office of the Ohio Inspector General did not identify the vendor, Reichert, as a sole-source provider. Additionally, an inter-departmental memo from KSU dated October 23, 2009, does not name Reichert as a sole-source provider. Instead, the memo was a request for bid waiver which referenced research by the KSU principal investigator on the project who identified seven facets of the Reichert equipment that were critical to his work and not offered in any other system. The research performed by the principal investigator on other models was not attached to the memo. ([Exhibit 3](#)) The language used indicated

research had been performed on other pieces of equipment manufactured by other vendors, and a determination was made that the piece of equipment that best met the principal investigator's needs was the surface plasmon resonance instrument manufactured by Reichert.

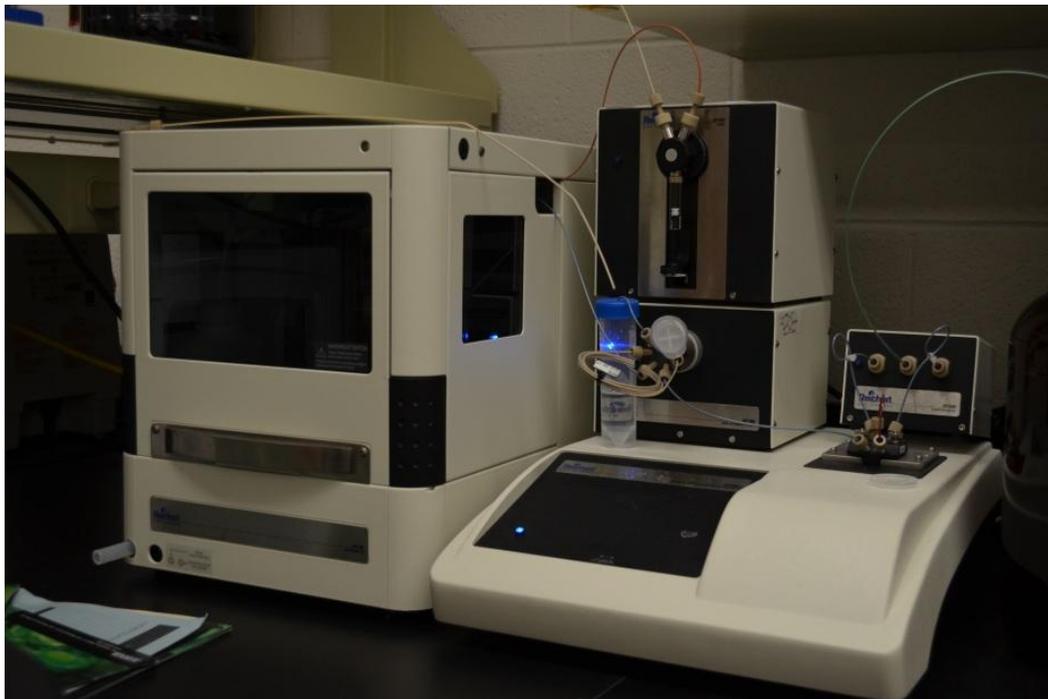
During conversations between the Office of the Ohio Inspector General and KSU's director of Internal Audit and associate vice president of Federal Relations, both individuals repeatedly stated, as they did not have expertise in this area, they relied on the principal investigator or business manager to identify needs or requirements as it relates to equipment purchases.

Kent State University also purchased a dynamic light scattering instrument using ARRA funds. According to the KSU director of Internal Audit, the dynamic light scattering instrument was purchased as a used piece of equipment, thus no additional quotes were obtained from other vendors. Although the quote from Malvern did not indicate that the equipment was used, the quote did provide a gross price (\$63,620) less a discount (\$38,620), for a total purchase price of \$25,000. An internal note on the requisition form stated, "Because this is a demonstration unit, bidding requirement is hereby waived." ([Exhibit 4](#)) However, the university's purchasing policy does not exclude discounted goods from competitive bidding procedures.

The principal investigator on the project is no longer employed by Kent State University. A memo dated July 14, 2011, outlined the equipment would transfer, along with the principal investigator, from KSU to a different institution. This included a surface plasmon resonance instrument and a dynamic light scattering instrument. Kent State University received \$100,000 in compensation for the equipment that transferred with the professor. ([Exhibit 5](#))

On September 18, 2012, the Office of the Ohio Inspector General visited the university to view the equipment purchased. A fixed asset tag was not observed on the surface plasmon resonance instrument. According to the director of Internal Audit, only one of the surface plasmon resonance instruments obtained from Reichert was tagged and entered into the system. This was attributed to confusion among those involved with the pre-award process, who knew two pieces of equipment were going to be obtained, and those involved in the post-award process, who believed only one piece of equipment was purchased. It was during the post-award process that

the asset tags were provided to the applicable department to affix to the equipment. As a result of the confusion, only one asset tag was issued. The following is a picture of the equipment observed:



Additionally, the room in which the surface plasmon resonance instrument was located was a laboratory. No university-assigned asset tags were visibly observed on any of the equipment in the lab. However, given the sensitive nature of the equipment, the investigators did not look for the tags on the bottom or back of any of the equipment in question. Following the Office of the Ohio Inspector General's visit, the business manager responsible for the laboratory reviewed all of the equipment. The business manager reported that the equipment was properly accounted for and stated that the observed equipment either did not meet the cost threshold which would require an asset tag or were physically tagged on the back. The business manager also noted that one recently acquired piece of equipment was to be assigned an asset tag within the month.

Kent State University's policy regarding purchasing, sales, and disposal of property and inventory control (Policy 5-12.3) states,

... equipment purchased with university funds shall be subject to university inventory control procedures. All equipment with a value in excess of 2,500 dollars with a life expectancy of more than one year must be tagged and assigned an inventory control number by university inventory control. Each department head is responsible for such equipment and shall perform a physical equipment inventory every two years in order for the university to maintain compliance with applicable federal and state regulations.

**(Exhibit 1)**

The equipment purchased with ARRA funding clearly met these requirements, yet an inventory tag was not affixed to the asset and the item was not entered in KSU's inventory system.

*Maternal Behavior among Puerto Rican Adolescent Mothers*

The award letter for this research grant required an administrative policy for identifying and managing financial conflict of interest be established, to complete and submit quarterly performance reports and project closing reports, and to submit publications that acknowledge funding support by the granting agency. The university provided sufficient evidence to the Office of the Ohio Inspector General showing compliance with each of these requirements.

The award letter also included expenditures for salaries, benefits, travel, and other. A random selection of expenditures reported in the travel budget category was reviewed by the Office of the Ohio Inspector General to determine if the expenditures were allowable under the grant guidelines and followed KSU policies and procedures. KSU reported a total of 12 travel expenditures totaling \$1,913. Three individual travel expenditures were randomly selected from the population and the OIG requested and received a copy of all supporting documentation. The documentation was reviewed for compliance with the university travel policies and overall accuracy and no exceptions were noted.

In total, the university reported spending \$102,572 of its \$108,339 project budget, resulting in a remaining balance of \$5,767. As the grant was a reimbursement grant and expenditures were to be made before receiving payment from NIH, repayment of the balance was not required.

*Collaborative Research: Spatial and Temporal Patterns of Drought in Western North America during the Holocene*

According to the grant guidelines, KSU was required to submit project reports and any publications that acknowledge funding support by the granting agency. The university provided to the Office of the Ohio Inspector General copies of all project reports and publications referencing research funded by the grant. Each publication complied with the grant requirement by including a reference to the National Science Foundation and award number in the acknowledgement section.

The award letter also included a Summary Proposal Budget that designated \$79,381 in salaries and benefits; \$12,600 in travel; \$2,700 in materials and supplies; \$1,500 in publication costs; \$71,500 for “other”; and \$67,735 in indirect costs. Due to the significant portion of expenditures reported in the other budget category, a random selection of reported expenses was reviewed to determine if they were allowable under the grant guidelines. KSU reported a total of 11 expenditures in the “other” category, totaling \$70,630. Six individual expenditures were randomly selected from the population and the Office of the Ohio Inspector General requested and received a copy of all related documentation. The documentation was reviewed for compliance with the university purchasing policies and overall accuracy, and no exceptions were noted.

In total, KSU reported spending \$209,123 of its \$235,416 project budget, resulting in a remaining balance of \$26,293. As the grant was a reimbursement grant and expenditures were to be made before receiving payment from NSF, repayment of the balance was not required.

*Federal Work-Study*

The Office of the Ohio Inspector General requested all Federal Work-Study payments that included ARRA funds between payroll periods 15 and 19 in fiscal year 2010.<sup>6</sup> Once the population was provided, a subgroup of 20 students was randomly selected. A sample was then

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<sup>6</sup> To ensure the Safeguarding of Student Privacy as dictated by the Family Educational Rights and Privacy Act, all personal information and other unique identifiers, such as Social Security and student identification numbers, were either omitted or redacted to only include the necessary amount of information required to retrieve support documentation.

generated by selecting a single payment for each of the 20 students. Each of the 20 payments selected was then reviewed for compliance with KSU's student employment policies and overall accuracy of the payments was verified.

According to the Kent State University Student Employment Handbook, students completing the FAFSA can indicate their interest to participate in the Federal Work-Study program. The student's eligibility to participate is determined by KSU's Office of Financial Aid and Scholarships, and is based on individual student need. A student who is eligible for Federal Work-Study receives a financial aid award letter which indicates his or her earnings limit for the award year. KSU's federal program pays 75 percent of the student's wage, while the employing department pays 25 percent. Students must also meet the credit-hour enrollment requirement and maintain satisfactory academic progress while receiving Federal Work-Study funds.

To determine compliance with these requirements, student class schedules and timesheets for the appropriate pay periods were requested. All timesheets were reviewed specifically for mathematical accuracy, evidence of supervisor approval, and were compared to the information (e.g., hours worked and rate of pay) initially provided in the sample. No instances of inaccuracy or discrepancies were identified. Furthermore, class schedules were reviewed, and it was determined all students were in compliance with the enrollment requirement.

## **CONCLUSION**

A random selection of four American Recovery and Reinvestment of 2009 grants awarded to Kent State University were reviewed by the Office of the Ohio Inspector General. The purpose of the review was to ensure the expenditures were allowable under the grant guidelines; the expenditures were made in accordance with the applicable policies and procedures of KSU; and other requirements under the grant were followed. Investigators found no issues with the two research grants and payments made under the Federal Work-Study. However, issues were noted in the purchasing and processing of the equipment under the National Science Foundation grant.

Documents provided by KSU to the Office of the Ohio Inspector General were contradictory and failed to establish that equipment was being purchased by a sole-source provider. Initial

documents indicated the principal investigator on the NSF grant project had reviewed equipment sold by other vendors but preferred to purchase from a particular vendor. However, the purchase order indicated the equipment was being purchased from a sole-source provider, which would mean there is only one vendor available from which to procure the items. By stating the equipment can be purchased from only one vendor, the department would not need to competitively bid the equipment as required under KSU policy regarding purchasing, sales, and disposal of property and inventory control (Policy 5-12.3).

The Office of the Ohio Inspector General located a product review published in Analytical Chemistry which reported that, because of an upsurge in research conducted by various institutions, there has been an increase in the number of vendors supplying surface plasmon resonance spectroscopy and imaging equipment. While the product review included eight different SPR instruments, the reviewer noted “some companies may offer similar products not listed here.” Though, at one time, the market for SPR instruments may have been small, an increase in demand has led to the emergence of a number of suppliers. Kent State University should have sought competitive bids, evaluated and retained the bid submissions, and then determined what equipment best met the principal investigator’s needs prior to selecting Reichert Inc. as the vendor. Adherence to this procedure would have both guaranteed that the university followed its policies and substantiate that the lowest, most responsive bidder who met the department’s needs was selected.

If, as KSU officials had indicated, the university places reliance on principal investigators or business managers to identify needs or requirements as they relate to equipment purchases, it is important the university provide policies and directives which clearly explain what is, or is not, a sole-source provider. Baylor University’s procurement manual<sup>7</sup> sets out the following guidance in a manner that is easy for all individuals making purchases and obtaining bids to understand:

A sole-source provider means that there is only **one** source of supply for the purchase requirement. Examples of sole-source procurement are:

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<sup>7</sup> The Office of the Ohio Inspector General selected Baylor University’s manual as it provided one of the clearer definitions and processes to follow regarding sole-source vendors of the various university policies reviewed.

- Items which must be compatible with existing equipment or systems and are available only from the original manufacturer.
- Items that have specific features essential for the completion of the task or project at hand that are available from only one source of supply.

Justification will include features requested which are essential for the intended use that other manufacturers of like products do not have. Preference for one vendor, product, or service following any market studies, quotation, acquisition or demonstration/testing by a department does not constitute a sole source. These preferences must be determined through a competitive RFB/RFP process issued by the Purchasing Office.

Submission of sole-source justification, brand name and other essential data, even though accepted by the Purchasing Office, does not negate the requirement to obtain pricing confirmation from the specified vendor. If a needed requirement is available from more than one source, it is not considered a sole source.

**Accordingly, the Office of the Ohio Inspector General finds reasonable cause to believe a wrongful act or omission occurred in this instance.**

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

**Accordingly, the Office of the Ohio Inspector General finds reasonable cause to believe a wrongful act or omission occurred in this instance.**

When the Office of the Ohio Inspector General conducted a site-visit to inspect the equipment purchased, it was noted there was not an inventory tag affixed to the surface plasmon resonance instrument. According to KSU's policy regarding purchasing, sales, and disposal of property and inventory control (Policy 5-12.3), items with an acquisition cost of \$2,500 or more are required to have an inventory control tag affixed to the asset. KSU officials stated there was confusion between two departments on the number of items being purchased with the grant. While one department was aware two items were being purchased, the department responsible for providing the inventory tags believed only one item was purchased, and therefore, issued only one tag. As a result, the second item was not entered into KSU's inventory system.

**Accordingly, the Office of the Ohio Inspector General finds reasonable cause to believe a wrongful act or omission occurred in this instance.**

### **RECOMMENDATIONS**

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

1. Consider revising their purchasing policies and procedures to further define when a sole-source provider designation is allowed.
2. Ensure the equipment purchased has the appropriate inventory tags and the items have been included in the inventory system.

### **REFERRALS**

The Office of the Ohio Inspector General has forwarded a copy of this monitoring report to the following grantor agencies of the ARRA grants: National Science Foundation, U.S. Department of Health and Human Services, and the U.S. Department of Education. A copy will also be provided to the Ohio Auditor of State as the agency responsible for the annual audit of the university.

**[\(Click here for Exhibits 1 – 5 combined\)](#)**



STATE OF OHIO  
**OFFICE OF THE INSPECTOR GENERAL**

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RANDALL J. MEYER, INSPECTOR GENERAL

**NAME OF REPORT: Kent State University - ARRA**

**FILE ID #: 2012-CA00039**

**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.**

**Jill Jones**  
**KEEPER OF RECORDS**

**CERTIFIED**  
**July 16, 2013**

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