

STATE OF OHIO  
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF  
INVESTIGATION



AGENCY: OHIO BUREAU OF WORKERS' COMPENSATION  
FILE ID NO.: 2013-CA00048  
DATE OF REPORT: OCTOBER 28, 2013

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

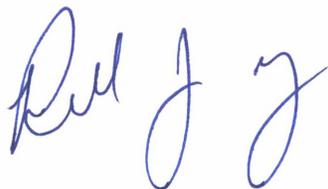
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Randall J. Meyer  
Ohio Inspector General



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

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RANDALL J. MEYER, INSPECTOR GENERAL

**REPORT OF INVESTIGATION**

**FILE ID NUMBER:** 2013-CA00048

**SUBJECT NAME:** Cheryl Lawarre

**POSITION:** Claims Service Specialist

**AGENCY:** Ohio Bureau of Workers' Compensation (OBWC)

**BASIS FOR INVESTIGATION:** Agency Referral

**ALLEGATIONS:** Misuse or abuse of state property or equipment;  
Misuse of position or office, other than to harass or threaten;  
Failure to comply with state law and/or regulations.

**INITIATED:** July 19, 2013

**DATE OF REPORT:** October 28, 2013

## **INITIAL ALLEGATION AND COMPLAINT SUMMARY**

On June 28, 2013, the Office of the Ohio Inspector General was contacted by the Ohio Bureau of Workers' Compensation (OBWC) Labor Relations Director Brian Walton who stated that on June 27, 2013, he had received allegations involving Governor's Hill Service Office Claims Service Specialist (CSS) Cheryl Lawarre. Walton stated that as a result of OBWC Service Office Manager Patricia Harris' concern over the accuracy of timekeeping on the part of several employees, Injury Management Supervisor Tim Clark reviewed the employees' timesheets, key cards, surveillance logs, and confidential personal information (CPI) logs to determine if an inappropriate action had occurred. CSS Lawarre was one of the employees reviewed, and a potential CPI violation was identified, as Lawarre was believed to have accessed her brother-in-law's<sup>1</sup> claim file. On July 9, 2013, OBWC provided a log showing Lawarre accessed her brother-in-law's claim file seven times on two distinct dates.

On July 9, 2013, the Office of the Ohio Inspector General initiated a preliminary inquiry into this matter. Based on additional information obtained, the office initiated an investigation of these allegations on July 19, 2013.

## **BACKGROUND**

The Ohio Bureau of Workers' Compensation (OBWC) is responsible for providing workers' compensation insurance to all public and private employees except those that qualify for self-insurance. It is the largest exclusive workers' compensation system in the United States. An administrator/chief executive officer of OBWC is appointed by the governor. OBWC is also overseen by an 11-member board with members experienced in financial accounting, investments, and securities and actuarial management. OBWC is funded through assessments paid by employers.<sup>2</sup>

The Ohio General Assembly enacted Ohio Revised Code (ORC) §121.52, effective September 10, 2007, which created the deputy inspector general for the Ohio Bureau of Workers' Compensation (OBWC) and the Industrial Commission of Ohio (OIC). This statute designated this deputy inspector general to "... investigate wrongful acts or omissions that have been

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<sup>1</sup> It was determined later in this investigation the individual in question was Lawarre's husband's second cousin.

<sup>2</sup> Source: OBWC annual report.

committed by or are being committed by officers or employees” of both OBWC and the OIC and provides the deputy inspector general the same powers and duties as specified in §121.42, §121.43, and §121.45 for matters involving OBWC and OIC.

The job description for an OBWC claims services specialist states duties include, but are not limited to, managing claims, performing initial and subsequent claims investigations, and assisting injured workers with their claims.

Ohio Revised Code §1347.15 (B) requires each state agency to adopt rules in accordance with Chapter 119 of the ORC which regulates “access to the confidential personal information the agency keeps, whether electronically or on paper.” This section requires the agency to maintain a confidential personal information access log for instances unrelated to official agency purposes or at the individual’s request. This section also requires the agency to establish a training program to inform employees of “all applicable statutes, rules, and policies governing their access to personal information.” To comply with this requirement, OBWC implemented the following policies, which were reviewed as part of this investigation:

**Memo 4.42 Confidential Personal Information (CPI) Access and Logging**, which defines CPI, identifies the computer systems that automatically log the employee accessing CPI, and identifies in which instances an OBWC employee is required to manually log their access to CPI. ([Exhibit 1](#))

**Memo 4.21 COEMP and Special Handling Claims Policy**, addresses the processing and management of claims requiring special handling.<sup>3</sup> This policy also requires the employee to promptly notify their supervisor or the Special Claims supervisor, when they obtain actual or constructive knowledge that a claim has been filed. ([Exhibit 2](#))

Memo 4.42 defines CPI as “any injured worker data that contains a name or any other identifier, and which describes anything about, done by or done to a person.” ([Exhibit 1](#))

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<sup>3</sup> Special Handling claims are defined as: All claims past, present, or future pertaining to relatives (whether by blood or marriage) of current OBWC/OIC employee not residing in the residence, for example parents, children, siblings, grandparents, in-laws, aunts and uncles. ([Exhibit 2](#))

## **INVESTIGATIVE SUMMARY**

On August 5, 2013, the Office of the Ohio Inspector General interviewed Ohio Bureau of Workers' Compensation (OBWC) Governor's Hill Service Office Manager Patricia Harris. Harris explained she had identified timekeeping issues involving Lawarre and two other employees on June 26, 2013, which she reported to Injury Management Supervisor Tim Clark on June 27, 2013, for further review.

On August 5, 2013, the Office of the Ohio Inspector General interviewed Injury Management Supervisor Tim Clark. Clark stated he reviewed Lawarre's CPI Access logs and identified six blanks on the summary log. Clark explained that if a CSS is searching for a name in order to obtain the claim number, the CPI Access log will show a blank in the name field at the summary level.

Clark provided copies to the Office of the Ohio Inspector General showing Lawarre conducted five searches using her husband's last name with different first names, and one search using a Social Security number. After the last search, the CPI Access log showed Lawarre accessed a claim file with the same last name of her husband three times. At this time, Clark stated he notified Harris about this access, as he believed the claim file belonging to Lawarre's brother-in-law<sup>4</sup> was accessed three times on June 26, 2013.

On June 27, 2013, Clark and Harris contacted Labor Relations Director Brian Walton and Labor Relations Officer 3 Rhonda Bell to discuss the suspected CPI violation. On June 28, 2013, Walton notified the Office of the Ohio Inspector General that the CPI Access log had been requested and that Governor's Hill Service Office management was reviewing documents. On July 9, 2013, Walton provided the Office of the Ohio Inspector General the CPI Access log documenting Lawarre accessed a claim file believed to be her brother-in-law's<sup>5</sup> three times on January 24, 2013, and four additional times on March 5, 2013.

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<sup>4</sup> It was determined later in this investigation the individual in question was Lawarre's husband's second cousin.

<sup>5</sup> It was determined later in this investigation the individual in question was Lawarre's husband's second cousin.

As required by ORC §1347.15, OBWC V3<sup>6</sup> claims computer system automatically logs each time an OBWC employee accesses confidential personal information (CPI). When OBWC's Special Investigation Department receives an allegation that an employee accessed CPI for an invalid reason, the department extracts data from the identified computer system's CPI logs that relate to the allegation. When extracting this information, OBWC reviews the CPI information logged and excludes any records OBWC determines are unrelated to the allegation.

On August 6, 2013, OBWC Digital Forensics Unit Manager Joe Lopez provided additional documentation extracted from the claim file in question which showed Lawarre also accessed the file three times on June 26, 2013.

On August 8, 2013, the Office of the Ohio Inspector General interviewed Claims Service Specialist (CSS) Cheryl Lawarre. When asked about the CPI Policy ([Exhibit 1](#)), Lawarre agreed that it was accurate to say that an employee should only use the Version 3 (V3) claims system to access CPI in a claim file for business reasons. Lawarre explained she would access a claim file if she received a phone call from an injured worker with questions, would access those claim files in her case load, or would enter the system if a CSS asked her to take a look at a file to provide suggestions on how to resolve an issue.

When asked when the manual CPI Access log should be used, Lawarre replied that an employee should log their access if they enter a claim file, have been in the file for some time; and the employee should not really be in the claim file. Lawarre described this logging as a way to "cover yourself." Lawarre was asked about when she received a phone call from an injured worker whose claim file she previously managed, whether she would enter a note into the file about the conversation. Lawarre responded that she would usually answer the injured worker's question, and then provide the caller with their new CSS's phone number. Lawarre explained that if the question was something concerning when the injured worker would receive their next payment, Lawarre said that she would generally answer the question and not place a note in the claim file.

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<sup>6</sup> The V3 claims computer system contains all claim activity, including agency notes not available to the public.

During Lawarre's interview, she was asked about her understanding of Memo 4.21 *COEMP and Special Handling Claims Policy* ([Exhibit 2](#)). Lawarre explained that if an employee knows someone personally who has a claim, and that claim has been assigned to the employee, the employee should inform the supervisor of the situation to have the claim reassigned. Lawarre stated the employee's obligation to inform their supervisor includes not just family members and friends, but also anyone the employee knows who has a claim. When Lawarre was asked whether she had reported any claims to her supervisor in accordance with this policy, Lawarre replied, "No."

Lawarre confirmed that she received OBWC policies via email, submitted an acknowledgement, and that she participated in a computer-based CPI training. On July 23, 2013, Labor Relations Director Brian Walton provided documentation supporting Lawarre completed an acknowledgement that she had read Memo 4.21 on May 3, 2011; acknowledged that she had read Memo 4.42 on June 1, 2011; and that Lawarre completed a computerized CPI training on June 16, 2011.

The Office of the Ohio Inspector General asked Lawarre if she was related to the individual with the same last name as her husband and whose record had been accessed. Lawarre admitted the individual in question was her husband's second cousin.<sup>7</sup> When asked whether she accessed his claim file, Lawarre admitted to doing so one time. Lawarre explained that the cousin had contacted her with questions about when he could file for Percentage of Permanent Partial Awards (%PP).<sup>8</sup> Lawarre explained that she accessed his claim file and reviewed the file's last compensation date reflected in V3 to determine when the cousin would be eligible to file. Lawarre stated she did not discuss the information obtained from the claim file with anyone else and could not recall whether she discussed the information about the filing of the %PP request with the cousin on the same day she accessed his claim file.

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<sup>7</sup> OBWC Memo 4.21 defines special handling claims as "all claims past, present, or future pertaining to relatives (whether by blood or marriage) of current BWC/IC employee not residing in the residence."

<sup>8</sup> Percentage of Permanent Partial Awards (%PP) is defined in OBWC procedures as "compensation awarded for residual impairment resulting from an allowed injury or occupational disease in state fund or SI claims according to ORC 4123.57. This permanent impairment may be physical or psychological."

When asked why she would have accessed the cousin's claim file on two other distinct dates, Lawarre recalled shortly after the claim was filed, the cousin contacted her and was very confused by the process. Lawarre stated her cousin did not want to obtain an attorney and asked for an explanation of the OBWC system. Lawarre was asked why she did not refer the cousin to the assigned CSS. Lawarre explained that she answered the questions because the cousin was a distant family member. Lawarre could not recall whether she and the cousin discussed issues reflected in the claim file notes near the January 24, 2013, and March 5, 2013, accesses.

When asked whether there was anything else she could recall about the conversation, Lawarre stated that she had several conversations with the cousin and could not think of anything specific that investigators would want to know. Lawarre was questioned about whether the cousin asked mostly general questions, or whether he had asked specific questions regarding his claim. Lawarre explained the questions were relative to his claim, general in nature, and in one instance asked when he could file a %PP application. In this instance, Lawarre had to access the claim file to establish when he would become eligible. Lawarre stated she provided the "... same information he would have gotten had I been sitting beside him at his computer." Lawarre reiterated that, "I did not do anything with contacting any other CSS or MCO<sup>9</sup> case manager to try to in any way do anything in the claim."

Lawarre was questioned, since the cousin is a family member, why she did not notify her supervisor that the claim might fall under Memo 4.21. Lawarre replied that she "did not think it was that big of a deal," that they were just general questions, and that she was informing the cousin on how OBWC works. Lawarre explained further that it was not as if her husband's cousin was utilizing the services because his employer was paying him, and his claim was based on a very straight forward accident.

Lawarre repeated several times throughout the interview that she had no influence over the cousin's claim, did nothing with the claim, just gave basic information, and did not talk to the assigned CSS about the cousin's claim. Lawarre reiterated that she had not provided the cousin

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<sup>9</sup> MCO is defined as the managed care organization responsible for managing the injured worker's medical expenses.

with information she would not have provided to anyone else. When asked whether she received many questions from friends or family members requesting her to access their claims and explain their meanings, Lawarre responded, “No.”

On August 21, 2013, the Office of the Ohio Inspector General interviewed Claims Service Specialist Christine Lynn who confirmed that she was assigned to manage the claim of Lawarre’s husband’s cousin. Lynn stated Lawarre had not discussed this claim with her and did not recall seeing any notes or diary entries in the claim file that appeared to be unusual. Lynn stated that, from her perspective, it would be unusual for an injured worker to contact a CSS other than the CSS that had been assigned to his/her claim. Responding to a request by the Office of the Ohio Inspector General, the OBWC Digital Forensics Unit determined that the manual CPI Access log did not reflect any entries made by Lawarre.

## **CONCLUSION**

On June 28, 2013, the Ohio Bureau of Workers’ Compensation notified the Office of the Ohio Inspector General that the department had received a complaint alleging that OBWC Claims Services Specialist Cheryl Lawarre had accessed confidential personal information (CPI) allegedly belonging to her brother-in-law<sup>10</sup> a total of 11 times between January 24, 2013, and June 26, 2013. On August 21, 2013, CSS Christine Lynn confirmed that she was the assigned CSS for the claim in question.

Memo 4.42 *Confidential Personal Information (CPI) Access and Logging* states claims are to be accessed for only business reason. Memo 4.21 *COEMP and Special Handling Claims Policy* addresses the processing and management of claims requiring special handling<sup>11</sup> and requires an employee to promptly notify his/her supervisor or the Special Claims supervisor when obtaining actual or constructive knowledge. These claims are then transferred to Special Claims in Columbus to process and manage the claim. On July 23, 2013, Labor Relations Director Brian Walton provided documentation supporting Lawarre completed an acknowledgement that she

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<sup>10</sup> It was determined later in this investigation the individual in question was Lawarre’s husband’s second cousin.

<sup>11</sup> Special Handling claims are defined as: All claims past, present, or future pertaining to relatives (whether by blood or marriage) of current BWC/IC employee not residing in the residence, for example parents, children, siblings, grandparents, in-laws, aunts and uncles. ([Exhibit 2](#))

had read Memo 4.21 on May 3, 2011; acknowledged that she had read Memo 4.42 on June 1, 2011; and that Lawarre completed a computerized CPI training on June 16, 2011.

During an interview conducted on August 8, 2013, Lawarre admitted the individual in question was her husband's second cousin and that she had accessed the cousin's claim file using V3 to answer general questions and respond to questions about OBWC's process. Lawarre stated the cousin was confused about the system and wanted to avoid hiring an attorney. Throughout the interview, Lawarre repeated several times that she had no influence over the cousin's claim, did nothing to alter or change the claim, gave the cousin only basic information, and did not talk to the assigned CSS about the cousin's claim. Lawarre defended her actions by stating she did not provide him with any information that she would not normally provide to anyone else. However, Lawarre stated she does not get many questions from friends or family members asking her to look up their claim and explain to them what it means.

Contrary to Memo 4.21, Lawarre admitted that she did not notify her supervisor that her husband's second cousin had filed a claim. Lawarre stated that she "did not think it was that big of a deal" and defended her actions based on the general nature of the cousin's questions and that she was educating the cousin on how OBWC works.

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

**RECOMMENDATION(S)**

The Office of the Ohio Inspector General makes the following recommendations and asks that the Ohio Bureau of Workers' Compensation respond within 60 days with a plan detailing how these recommendations will be implemented. The Ohio Bureau of Workers' Compensation should:

1. Determine if additional or remedial training for proper handling of CPI information and COEMP or special handling of claims is warranted for Lawarre.

2. Determine if any administrative action should be taken against Lawarre.
3. Determine whether refresher training should be provided to employees accessing CPI, reminding them of the requirements set forth in OBWC Policies 4.42 and 4.21, emphasizing the requirements for OBWC employees to manually log their access, the process used to log this access, and when notes should be entered into cases not assigned to them.
4. Consider modifying V3 user profiles to prevent viewing of claim files by employees not assigned to a claim that has been designated as COEMP or Special Handling.
5. In accordance with the Ohio Bureau of Workers' Compensation policy, OBWC should properly notify every claimant who might have been exposed to a breach of confidential personal information.

### **REFERRALS**

The Office of the Ohio Inspector General has forwarded an investigative referral packet to the Hamilton County Prosecutor for consideration.

**[\(Click here for Exhibits 1 - 2 combined\)](#)**



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

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RANDALL J. MEYER, INSPECTOR GENERAL

**NAME OF REPORT: Ohio Bureau of Workers' Compensation**

**FILE ID #: 2013-CA00048**

**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**  
**October 28, 2013**

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