

STATE OF OHIO  
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF  
INVESTIGATION



AGENCY: OHIO DEPARTMENT OF ADMINISTRATIVE SERVICES  
FILE ID NO.: 2014-CA00039  
DATE OF REPORT: JULY 17, 2014

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

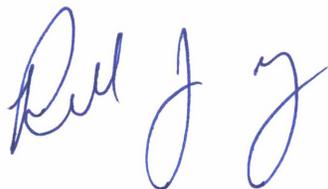
*“Safeguarding integrity in state government”*

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.

The Office of the Inspector General does not serve as an advocate for either the complainant or the agency involved in a particular case. The role of the Office is to ensure that the process of investigating state agencies is conducted completely, fairly, and impartially. The Inspector General’s Office may or may not find wrongdoing associated with a particular investigation. However, the Office always reserves the right to make administrative recommendations for improving the operation of state government or referring a matter to the appropriate agency for review.

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**

---

RANDALL J. MEYER, INSPECTOR GENERAL

**REPORT OF INVESTIGATION**

**FILE ID NUMBER:** 2014-CA00039

**SUBJECT NAME:** Harry Colson

**POSITION:** Interim Equal Opportunity Coordinator,  
Equal Opportunity Division

**AGENCY:** Ohio Department of Administrative Services

**BASIS FOR INVESTIGATION:** Complaint

**ALLEGATIONS:** Conflict of Interest

**INITIATED:** May 13, 2014

**DATE OF REPORT:** July 17, 2014

## **INITIAL ALLEGATION AND COMPLAINT SUMMARY**

The Office of the Ohio Inspector General received a complaint from the Ohio Department of Administrative Services alleging Harry Colson, interim equal opportunity coordinator of the Equal Opportunity Division (EOD), granted an exception to an MBE<sup>1</sup> certification requirement and certified a business owned by his wife.

The complaint alleges that Colson directed EEO Program Manager Todd McGonigle to expedite the MBE application for his wife's company. Compliance Officer Stacy Cornett was assigned to review the application, and initially recommended denying the certification because the company failed to meet the requirement that it be in business at least one year to be eligible for certification. When the denial recommendation was presented to Colson, he questioned whether exceptions to the rule had been granted in the past. McGonigle explained to Colson that the decision to make exceptions in the past had been that of the coordinator (Colson's position) based on his/her interpretation of the requirements. Colson advised McGonigle that he approved the application and directed McGonigle to move forward with the application review. Although Compliance Officer Cornett still recommended denial of the application, Colson directed McGonigle to certify his wife's company. The company was certified May 9, 2014.

On May 13, 2014, the Office of the Ohio Inspector General, in conjunction with the Ohio Ethics Commission (OEC), initiated an investigation into this matter.

## **BACKGROUND**

The Ohio Department of Administrative Services (ODAS) is responsible for providing support services to state agencies. ODAS is organized into five divisions: Collective Bargaining, Equal Opportunity, General Services, Human Resources, and the Office of Information Technology. The director of ODAS is appointed by the governor and confirmed by the Ohio Senate. ODAS is funded through the General Revenue Fund and fees charged to agencies for services provided.<sup>2</sup>

---

<sup>1</sup> Minority Business Enterprise.

<sup>2</sup> Source: Biennial Budget.

The Equal Opportunity Division’s mission is to advocate and assist on behalf of Ohio’s minority and socially disadvantaged businesses and work to align those businesses with state government contract and procurement opportunities. The EOD’s objectives and goals are to increase the utilization of certified Minority Business Enterprise (MBE) and Encouraging Diversity, Growth and Equity (EDGE) business; ensure that all state contractors are complying with EEO/construction compliance regulations; and that all state agencies are adhering to the state’s affirmative action mandates for contracting and employment.<sup>3</sup>

Ohio Revised Code (ORC) §123.151(B)(1) states in part, “... minority businesses may apply to the equal employment opportunity coordinator for certification as minority business enterprises.”

ORC §123.151(B)(2) states:

The coordinator shall approve the application of any minority business enterprise that complies with the rules adopted under this division. Any person adversely affected by an order of the coordinator denying certification as a minority business enterprise may appeal as provided in Chapter 119 of the Revised Code. The coordinator shall prepare and maintain a list of certified minority business enterprises.

#### Applicable Laws and Policies

ORC §102.03(D) states:

No public official or employee shall use or authorize the use of the authority or influence of office or employment to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person’s duties.

ODAS Policy 100-01 requires that all ODAS officials and employees abide by the Ohio ethics laws found in Chapter 102 and 2921 of the Ohio Revised Code. The policy states, “ODAS officials and employees must conduct themselves, at all times, in a manner that avoids favoritism, bias, and the appearance of impropriety.” The policy specifically states, “No DAS

---

<sup>3</sup> Source: [www.das.ohio.gov](http://www.das.ohio.gov)

employee shall use his or her public position to obtain benefits for the official or employee, a family member, or anyone with whom the official or employee has a business or employment relationship.”

### **INVESTIGATIVE SUMMARY**

The Office of the Ohio Inspector General requested and reviewed the following documents from ODAS:

- Note to file<sup>4</sup> by Todd McGonigle
- The application file for Unity Resource Solutions
- EOD’s unified review
- Letter dated May 8, 2014, to Unity Resource Solutions, denying the MBE certification, prepared to go out under Colson’s signature (Note: this unsigned letter has a note, “per Harry Colson approve – count one-year apprenticeship toward one-year experience.”)
- Letter dated May 12, 2014, to Harry Colson from Robert Blair, director of ODAS, notifying Colson of administrative leave
- Letter dated May 20, 2014, to Unity Resource Solutions from Robert Blair rescinding the MBE certification
- Confirmation of Colson’s ethics training
- ODAS Ethics Policy
- An email dated April 4, 2014, to Colson from Karen King, staff advisory attorney, Ohio Ethics Commission

A search of the Ohio Secretary of State’s website revealed that Unity Resource Solutions was incorporated by Eron Colson on April 11, 2014. The incorporation documents state that the date of first use for the name “Unity Resource Solutions” was April 7, 2014. The listed business purpose is information technology, consulting, and staffing.

The unified application for MBE certification submitted by Unity Resource Solutions was prepared by Eron Colson on April 21, 2014, at 9:28 p.m. The application states that

---

<sup>4</sup> “Note to file”= “summary of events”

business operations began on April 9, 2014. On April 23, 2014, Eron Colson submitted the additional documentation required by ODAS for the MBE certification application, which included:

- Proof of social disadvantage;
- Proof of U.S. citizenship;
- Personal federal and state tax returns for the last two years;
- Work resume for the owner, that includes place of ownership/employment with corresponding dates, titles, and responsibilities;
- Company year-end balance sheets and profit/loss statements for the last two years;
- Company account signature authorization card, corporation resolution or letter indicating authorized signer(s) for the account, and date account opened on bank letterhead and signed by representative of the issuing bank for all bank accounts;
- All relevant required professional licenses held in the name of the owner and those held in the company's name;
- List of equipment and vehicles owned, purchased, leased and/or rented with pertinent titles, registrations, purchase, lease and/or rental agreements;
- Company facility lease, rental, or ownership documentation. If private residence, warranty deed or mortgage payment invoice;
- Any distributorship agreement(s) and/or lines of credit established with a distributor and/or supplier;
- A recent signed contract completed or currently held; cancelled checks, purchase orders and invoices for the contract;
- Registered trade name or fictitious name statement signed by the Ohio Secretary of State.

McGonigle prepared the note to file, and stated that on April 30, 2014, Colson entered McGonigle's office, closed the door and requested that McGonigle "fast track" his wife's company's (Unity Resource Solutions) application for MBE certification. ([Exhibit 1](#)) McGonigle assigned the application to Stacy Cornett, compliance officer, who denied the

certification because the company failed to meet the requirement of being in business for one year. McGonigle agreed with Cornett's recommendation for denial.

McGonigle stated that on May 6, 2014, he notified Colson of the recommendation to deny the MBE certification due to the failure to meet the one-year-in-business requirement. McGonigle reported Colson questioned him on whether the Equal Opportunity Division had made exceptions to the one-year-in-business requirement in the past. McGonigle told Colson that previous EEO coordinators have approved companies based on their own interpretation of the Ohio Administrative Code, and other reasons unknown to McGonigle. McGonigle stated that Colson said he believed that his wife's one-year apprenticeship would meet the one-year-in-business requirement. Colson told McGonigle that he had spoken with the Ohio Ethics Commission and they advised him it was "okay." McGonigle said Colson advised him to complete the review of the application and submit it to him. McGonigle returned the application to Cornett and advised her to continue the review.

McGonigle stated that he suggested to Colson on several occasions to rethink his decision to participate in approving the certification for his wife's company, even suggesting that Colson have ODAS Chief of Staff David Payne, or Assistant Deputy Director of EOD ODAS Orvell Johns approve it, but Colson approved it.

McGonigle stated he had concerns about his obligation to report the situation, and therefore conveyed the matter to Johns on May 7, 2014. Johns reminded McGonigle that it is the equal opportunity coordinator's (Colson) responsibility to approve and deny MBE certifications.

On May 8, 2014, McGonigle advised Colson that Cornett's recommendation was to deny the certification. McGonigle stated that Colson directed him to approve the certification, which McGonigle did. McGonigle also prepared a memorandum to Colson, dated May 8, 2014, stating, "Hi Harry, per your discussions and at your direction, I have approved Unity Resource Solutions as an MBE certified company in the Omnicom<sup>5</sup> system." ([Exhibit 2](#)) McGonigle also stated that he reported this matter to David Payne on May 9, 2014.

---

<sup>5</sup> Omnicom is a business management system for ODAS.

In an interview conducted by the Office of the Ohio Inspector General on May 22, 2014, McGonigle confirmed the statements he made in the note to file he prepared. McGonigle confirmed that it is the responsibility of the equal opportunity coordinator (Colson) to approve or deny MBE certifications, but the approval of the certifications is delegated to the EEO program manager (McGonigle) due to the volume of work. McGonigle stated that all denials are reviewed by the equal opportunity coordinator.

McGonigle stated that on May 12, 2014, Colson called him into his office questioning why McGonigle reported the matter to David Payne. McGonigle noted that Colson was very upset. McGonigle said he explained to Colson that he felt an obligation to report it, due to the conflict of interest he felt Colson had in approving his wife's application. McGonigle said Colson "just couldn't see it" and directed McGonigle to "get out."

On June 2, 2014, in an interview conducted by the Office of the Ohio Inspector General and the Ohio Ethics Commission, EOD Assistant Deputy Director Johns confirmed all the facts detailed in McGonigle's note to file. Johns stated since Colson became the interim equal opportunity coordinator, McGonigle has reported to Colson directly on MBE certifications. Johns said he met with Colson on Monday, May 12, 2014, and during that meeting Colson admitted to approving his wife's MBE certification.

On May 27, 2014, during an interview conducted by the Office of the Ohio Inspector General and the Ohio Ethics Commission, Compliance Officer Stacy Cornett confirmed she was assigned to review the MBE certification application for Unity Resource Solutions. Cornett stated that the cover letter attached to the supporting documentation requested that the application be "fast tracked." Cornett pointed out that "fast track" is an EOD internal term and that individuals outside the agency would not know the term.

Cornett stated that after her initial review of the application, she determined it could not be certified, as the company had not been in business for one year prior to application. Cornett recommended denial. Cornett stated McGonigle directed her to continue the complete review of

the application, which did not make sense to her, because normally she would automatically prepare the denial letter.

Cornett stated that after a complete review of the file, her recommendation was to deny the MBE certification of Unity Resource Solutions. Cornett said McGonigle agreed with her recommendation. Cornett stated she later questioned McGonigle about the application, and McGonigle told her Colson overruled their recommendation and approved the certification himself. Cornett pointed out that it is very rare for a “director” to overrule the compliance officer and the program manager’s recommendations. Cornett also stated that during the two years she has been in her current position reviewing applications for MBE certification, she has never made an exception to the one-year-in-business requirement.

On May 29, 2014, in an interview conducted by the Office of the Ohio Inspector General and the Ohio Ethics Commission, Colson denied any involvement in the MBE certification process and stated that determinations are made by the “MBE program manager.” Colson admitted overseeing the process, but stated, “I don’t deny or approve anything, that’s all done by our MBE program manager.” When directed to ORC §123.151, Colson replied, “Well, what I guess I’m saying in that respect as far as processing and reviewing the application, I don’t ---I don’t do that. I don’t look---I don’t see any applications.” Colson agreed that he was ultimately responsible for the approval or denial of the applications, although he had delegated some of this responsibility to McGonigle.

Colson admitted to asking McGonigle to “fast track” his wife’s application for MBE certification because she was trying to get the business up and running. Colson stated that this was the only occasion he involved himself in the process of an application for MBE certification. Colson stated this was the first and only application he had requested be “fast tracked.”

When asked about the recommendation to deny his wife’s application, Colson stated:

So Todd came and said everything’s fine. She met everything but the one year rule. Um and typically we don’t---we always approve them um for the one year rule if that’s the kinda only thing that’s preventing them from getting their

certificate. And Todd kinda, kinda made a, a suggestion or comment that “Are you going to be okay with having this go through?” And I was like, “Well, um... what, what would may be the issue.” I’s like--- ‘cause I said, “What’s the issue, Todd, because if you typically process these applications for just not meeting the one year rule”, I said, “go ahead and process hers as you do anyone else’s application.

Colson stated that the EOD had never denied a company for failing to meet the one-year-in-business rule. Colson claimed the division had been, “... very liberal on the one year rule.” When asked if he was responsible for granting exceptions to the MBE certification requirements, Colson said there were only one or two cases that had come before him, and he relied on McGonigle to make those decisions. Colson was shown a copy of an unsigned denial letter dated May 8, 2014, to Unity Resource Solutions under Colson’s signature. Colson stated he had never seen that letter, nor was it ever presented to him.

When asked if the denial recommendation was brought to him, Colson stated:

No. After that was, after that was done, Todd---and I think it was a Friday, whatever um I’m thinking I saw Todd---was walking past his office, Todd told me the application uh was done and everything’s final, it’s approved.

Colson stated that he contacted the Ohio Ethics Commission and spoke with “Karen.” Colson said he wanted, “... to make sure it was okay for his wife to do business with me being a state employee.” Colson could not recall if he advised “Karen” that his wife would be applying for MBE certification and that he was responsible for approving or denying MBE certifications. Colson provided a copy of an email that he received from Karen King on April 4, 2014, with two opinions attached and an information fact sheet. ([Exhibit 3](#)) Colson claimed he read the opinions provided to him by the Ohio Ethics Commission. The Ohio Ethics Commission pointed out that the opinions clearly state that you can’t participate in any process involving a family member who has matters before your agency.

The Ohio Ethics Commission provided the telephone log from the advisory section, which shows that Karen King, who serves as a staff advisory attorney, received a telephone call from Colson on April 4, 2014. The log entry reads, "... his wife may start a private business doing IT consulting and may sell to state and/or state vendors. Can he start a private business himself?" ([Exhibit 4](#)) King replied to Colson by sending advisory opinions 96-004 and 2009-02 as well as information sheet #3 – state contracts.

Colson told investigators he never directed McGonigle to approve his wife's application for certification, and only directed McGonigle to process the application as they had done any other application that did not meet the one-year rule. Colson was asked if he approved his wife's application for MBE certification. Colson stated:

I guess if---yeah, if my---if my name is the one that's showing---I guess at the end of the day, yeah, the---with the E---state EEO Coordinator um approving my application, I guess in that respect it could appear to---yes. Uh if it's---if you're saying that I approve as far as reviewing it and processing, no---that nature no, but at the end of the day I guess as the state EEO's Coordinator is the one that approves or disapproves applications.

Colson stated when he spoke with Orvell Johns on Monday, May 12, 2014, Johns told him that Monday morning was the first Johns became aware of Colson's wife's application. Colson said that Johns had no prior communication with McGonigle on the matter.

ODAS placed Colson on administrative leave effective May 12, 2014. ([Exhibit 5](#))

On May 20, 2014, EOD sent a letter to Unity Resource Solutions rescinding the MBE certification effective immediately. The letter states that the application for certification remains pending and under review by EOD. ([Exhibit 6](#))

## **CONCLUSION**

The investigation by the Office of the Ohio Inspector General determined that EOD Interim Equal Opportunity Coordinator Harry Colson directly participated in approving the MBE

certification of his wife's company. Colson began by requesting EOD Program Manager Todd McGonigle to "fast track" his wife's application. Once the review of the application was complete by Compliance Officer Stacy Cornett, Cornett provided McGonigle with her recommendation to deny the certification because Colson's wife failed to meet the one-year-in-business rule. McGonigle agreed with the recommendation and presented it to Colson. McGonigle cautioned Colson on several occasions about participating in the submission process of his wife's application. On May 8, 2014, Colson directed McGonigle to approve his wife's application for MBE certification, even though she failed to meet the requirements.

Although Colson contacted the Ohio Ethics Commission, he failed to provide all the facts surrounding his situation. The information provided by the Ohio Ethics Commission to Colson provided general information regarding the Ohio Ethics Law. Colson did not request and was not provided a formal opinion based on the facts surrounding his specific situation.

Colson's participation in the MBE certification process involving his wife's company is in direct violation of ODAS Ethics Policy 100-01.

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

#### **RECOMMENDATION(S)**

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

1. Review the conduct of Harry Colson and consider whether administrative action is warranted.
2. Provide employees with refresher training on the Ohio Ethics laws.

**REFERRAL(S)**

This report of investigation will be provided to the Columbus City Attorney and the Ohio Ethics Commission for consideration.

**[\(Click here for Exhibits 1 – 6 combined\)](#)**



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

---

RANDALL J. MEYER, INSPECTOR GENERAL

**NAME OF REPORT: Ohio Department of Administrative Services**

**FILE ID #: 2014-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 17, 2014**

*MAILING ADDRESS*

OFFICE OF THE INSPECTOR GENERAL  
JAMES A. RHODES STATE OFFICE TOWER  
30 EAST BROAD STREET – SUITE 2940  
COLUMBUS, OH 43215-3414

*TELEPHONE*

(614) 644-9110

*IN STATE TOLL- FREE*

(800) 686-1525

*FAX*

(614) 644-9504

*EMAIL*

OIG\_WATCHDOG@OIG.STATE.OH.US

*INTERNET*

WATCHDOG.OHIO.GOV