

STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF
INVESTIGATION



AGENCY: OHIO DEPARTMENT OF HEALTH
FILE ID NO.: 2011-073
DATE OF REPORT: APRIL 4, 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: 2011-073

SUBJECT NAME: William Tiedemann

POSITION: Program Administrator

AGENCY: Ohio Department of Health

BASIS FOR INVESTIGATION: Agency Referral

ALLEGATIONS: Conflict of Interest

INITIATED: April 14, 2011

DATE OF REPORT: April 4, 2012

INITIAL ALLEGATION AND COMPLAINT SUMMARY

On April 14, 2011, Jodi A. Govern, general counsel for the Ohio Department of Health (ODH), notified the Office of the Ohio Inspector General to report suspected illegal activity by Ohio Department of Health employee William Tiedemann. Tiedemann told fellow employees that he was planning to stay at the Tennessee home of Pam Pitts during his upcoming vacation. At the time of this investigation, Pitts was a sales representative for OraSure Technologies, Inc. (OraSure), which manufactures oral fluid specimen collection devices and other medical equipment. OraSure has sold nearly \$2.6 million of oral HIV test kits to the Ohio Department of Health. Tiedemann served as a program administrator for the department and was involved in these procurements. Tiedemann's stay at Pitts' Tennessee home during his vacation, and his position with the Ohio Department of Health, was alleged to present a conflict of interest.

BACKGROUND

William Tiedemann was a program administrator of the HIV/STD/AVH and TB Prevention¹ and Control Program for the Ohio Department of Health. Tiedemann administered funds, tracked spending trends, prepared requests for proposal, and ordered supplies for STD screening and HIV testing.

OraSure Technologies, Inc., located in Bethlehem, Pennsylvania, develops, manufactures, and markets oral fluid specimen collection devices that leverage proprietary oral fluid technologies, diagnostic products (including immunoassays and other in vitro diagnostic tests), and other medical devices. Since 2008, ODH has purchased nearly \$2.6 million worth of goods from OraSure.

The Ohio Department of Health ethics policy handbook states, in part; "A public official or employee may not use, or authorize the use of, his public position to benefit himself or others in circumstances that create a conflict of interest where his objectivity could be impaired." In addition, the Ohio Ethics Law prohibits "a public official or employee from soliciting or

¹ HIV- Human Immunodeficiency Virus
STD- Sexually Transmitted Diseases
AVH- Acute Viral Hepatitis
TB- Tuberculosis

accepting anything of value that would create a substantial and improper influence upon the official in his public duties.” These provisions prohibit a public official from soliciting or accepting gifts, travel expenses, consulting fees, or any other thing of substantial value from a party that is interested in, regulated by, or doing or seeking to do business with the public agency.

Ohio Revised Code §102.03 (E) states, “No public official or employee shall solicit or accept 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.”

In 2007, the Office of the Governor issued Executive Order 2007-01S, which established new ethics requirements. This executive order required agencies to conduct training in ethics laws for their employees, and prohibits state employees from accepting gifts valued at more than \$20.

(Exhibit 1)

INVESTIGATIVE SUMMARY

Ohio Department of Health management learned of Tiedemann’s conversation he had with his ODH co-workers. Prior to April 7, 2011, Tiedemann told co-workers that on his upcoming vacation, he would be staying with Pam Pitts, an OraSure sales representative who had done business with the Ohio Department of Health until January 2011.

When Ohio Department of Health’s General Counsel Jodi Govern learned of this information, she contacted the Office of the Ohio Inspector General. Govern was concerned with the possible conflict of interest by Tiedemann, who authorized Ohio Department of Health purchases from OraSure and who accepted free lodging at an OraSure sales representative’s home. Upon returning from vacation, Tiedemann told an ODH co-worker that he had stayed at Pitt’s Tennessee home during his vacation.

The Office of the Ohio Inspector General made numerous attempts to contact Pam Pitts directly and indirectly through OraSure management. Pitts would neither answer nor return phone calls,

and efforts to have OraSure management request Pitts to contact the Office of the Ohio Inspector General were unsuccessful.

The Office of the Ohio Inspector General reviewed the Ohio Department of Health's ethics policy and confirmed that when Tiedemann was hired he received a copy of the department's ethics policy. **(Exhibit 2)** Additionally, Ohio Department of Health records show Tiedemann participated in ethics training in 2010. **(Exhibit 3)**

On August 9, 2011, William Tiedemann was interviewed at the Office of the Ohio Inspector General. Tiedemann admitted he stayed at Pitts' home on the weekend of April 9-10 during his vacation. Tiedemann said he didn't feel it was improper for him to stay at Pitts' home since, as of January 2011, she was no longer serving as the OraSure sales representative for Ohio. Tiedemann acknowledged that while at Pitts' home, they went out to dinner. Tiedemann stated he paid for dinner one evening and Pitts paid for dinner for another evening. Tiedemann provided his debit card records for review. The records revealed purchases made by Tiedemann during his stay in Tennessee; however, no expenditures for meals were listed.

Tiedemann explained that he was involved in the purchase of medical test kits for the Ohio Department of Health. These test kits were sent to local testing and counseling health sites located throughout Ohio. He said he ordered the quantity of test kits that were requested by the individual sites. Tiedemann noted that although there are several test kit providers, OraSure is the only company that manufactures an HIV rapid result test kit that does not require blood to be drawn from an individual.

A survey of area hotels near Pitts' home revealed that an overnight accommodation would cost a minimum of \$59. The investigation found no lodging in the area comparable to Pitts' rural log home, valued at more than \$258,000.

On November 21, 2011, the Office of the Ohio Inspector General issued a subpoena to OraSure Technologies, Inc., requesting records of any employee or other representative of the Ohio

Department of Health who received things of value (i.e., meals, entertainment) from OraSure. On January 13, 2012, the Office of the Ohio Inspector General received copies of Pam Pitts' OraSure expense records dating from January 1, 2008 - November 18, 2011. These expense records revealed 21 occasions where Tiedemann had received entertainment expenditures² from OraSure, totaling \$1,041.35. Moreover, these records identified two additional ODH employees, Wendy Adams and Lisa Wolfe, who had also received entertainment expenditures from OraSure during that same period of time. The OraSure expense records showed that on eight occasions, Wendy Adams received \$362.24 in entertainment expenditures and on two occasions, Lisa Wolfe received \$121.12 in entertainment expenditures. **(Exhibit 4)** Additionally, OraSure provided copies of emails between Pitts and Tiedemann making arrangements to go out to dinner during Tiedemann's April 2011 vacation to Tennessee.

On December 2, 2011, Tiedemann resigned from the Ohio Department of Health and moved to the state of Minnesota to become the Executive Director of the Minnesota AIDS Project.³

On February 2, 2012, the Office of the Ohio Inspector General interviewed Lisa Wolfe regarding her acceptance of meals purchased by OraSure sales representative Pitts. Wolfe stated that in her position as the reproductive health and wellness program administrator with ODH, she did not directly purchase test kits from OraSure. Wolfe said that the ODH Reproductive Health and Wellness Program provided the funds to the county agencies, which then purchased the test kits as needed. Wolfe stated that she knew Pam Pitts and went to dinner with her on several occasions. Wolfe was asked if she accepted meals from Pitts. Initially, she denied doing so, and then mentioned the ethics training prohibiting the acceptance of anything more than \$20 in value. When shown the OraSure expense report filed by Pitts, Wolfe said, "I take it it's more than \$20?" Wolfe did not recall the two meals purchased for her by Pitts, but did not deny the occurrences happened. Wolfe was aware of the prohibition against accepting gifts from vendors from her participation in the annual ethics training conducted at ODH. Wolfe stated she was told by either Tiedemann or another supervisor that it would be "okay" to go to dinner with Pitts.

² OraSure expense reports listed the expenditure on ODH employees under the entertainment section even though the expenditures were at restaurants.

³ Minnesota AIDS Project is a statewide nonprofit agency.

The Office of the Ohio Inspector General obtained a copy of Wolfe's acknowledgement of receipt of ODH's ethics policy upon her hiring, as well as verification of her participation in two ethics trainings in 2010 and 2011. **(Exhibit 5)**

On February 8, 2012, Wendy Adams was interviewed by the Office of the Ohio Inspector General regarding her acceptance of meals purchased by OraSure representative Pam Pitts. Adams stated that in her position as a human service program consultant, she counseled personnel at testing sites on how to administer HIV testing, but did not directly purchase testing kits from OraSure. Adams said she heard that her supervisor, William Tiedemann, had stayed at Pitts' home. Initially, Adams denied accepting any meals from Pitts. However, when shown the OraSure expense report, she recalled some, but not all, of the meals. Adams confirmed participating in the ODH annual ethics training, and knew of the \$20 limit on accepting gifts. The Office of the Ohio Inspector General obtained a copy of Adams' acknowledgement of receipt of ODH's ethics policy upon her hiring, as well as verification of her participation in two ethics trainings in 2010 and 2011. **(Exhibit 6)**

CONCLUSION

William Tiedemann was the program administrator of the HIV/STD/AVH and TB Prevention and Control Program for the Ohio Department of Health, and was involved in the procurement of HIV test kits from OraSure Technologies, Inc., a vendor that does business with the state of Ohio. Pam Pitts served as the OraSure sales representative for the Ohio Department of Health until January 2011 when she was reassigned and, at the time of this investigation, served as a sales representative for the company on other accounts. During his April 2011 vacation, Tiedemann stayed at Pitts' home instead of an area hotel, which is a substantial thing of value and from a prohibited source.

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

The Office of the Ohio Inspector General found additional instances where Tiedemann accepted a substantial thing of value from a prohibited source in entertainment expenses totaling \$1,041.35 from OraSure Technologies, Inc., sales representative Pam Pitts.

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

The Office of the Ohio Inspector General found additional instances where Lisa Wolfe accepted a substantial thing of value from a prohibited source in entertainment expenses totaling \$121.12 from OraSure Technologies, Inc., sales representative Pam Pitts.

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

The Office of the Ohio Inspector General found additional instances where Wendy Adams accepted a substantial thing of value from a prohibited source in entertainment expenses totaling \$362.24 from OraSure Technologies, Inc., sales representative Pam Pitts.

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 the Ohio Department of Health to respond within 60 days with a plan detailing how the recommendations will be implemented. The Ohio Department of Health should:

1. Review the actions of all employees involved to determine whether their conduct warrants administrative action or training.
2. Review the ethics laws with department employees to assure compliance.

REFERRALS

During the course of the Office of the Ohio Inspector General investigation, there were instances found in which the conduct of the subject may have risen to the level of criminal behavior as it relates to ethics laws. Accordingly, the Office of the Ohio Inspector General will forward an investigative referral packet to the Columbus City Attorney's Office, Prosecuting Division and the Ohio Ethics Commission for consideration.



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NAME OF REPORT: Ohio Department of Health
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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.

Jill Jones
KEEPER OF RECORDS

CERTIFIED
April 4, 2012

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