

STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF
INVESTIGATION



AGENCY: YOUNGSTOWN STATE UNIVERSITY – ARRA FUNDING
FILE ID NO.: 2012 CA-00048
DATE OF REPORT: NOVEMBER 15, 2012

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.



STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

**REPORT OF INVESTIGATION
MONITORING REPORT**

FILE ID NUMBER: 2012 CA-00048

SUBJECT NAME: Federal Work-Study Program

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

INSTITUTION: Youngstown State University

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

ALLEGATION: Review of projects paid for with ARRA money

INITIATED: February 22, 2012

DATE OF REPORT: November 15, 2012

MONITORING OVERVIEW

In compliance with a 2009 act of the 128th Ohio General Assembly 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 monies received under the American Reinvestment and Recovery Act of 2009 (ARRA). Youngstown State University's Federal Work-Study Program was identified during the random selection process.¹ In fiscal year (FY) 2009-2010, Youngstown State University's Federal Work-Study Program received a total of \$770,010 in federal funding, which included \$134,477 in ARRA funds. Therefore, all Federal Work-Study Program expenditures for FY 2009-2010 that were paid, in part, with ARRA funds were subject to review.

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.²

From February 17, 2009, through December 31, 2011, the state of Ohio was awarded a total of \$8,665,883,150 in ARRA funds via 1,212 contracts, 8,228 grants and 49 loans.³ The majority of these ARRA awards went to supplement current programs.

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

² Source: <http://recovery.gov>

³ Source: <http://recovery.gov>

Office of the Ohio Inspector General and ARRA

The Ohio General Assembly enacted Ohio Revised Code §121.53, effective July 1, 2009, which created the deputy inspector general for funds received through the American Recovery and Reinvestment Act of 2009 (ARRA). This statute provides the Office of the Ohio Inspector General oversight to monitor state agencies' distribution of ARRA funds from the federal government and to investigate all wrongful acts or omissions committed by officers, employees, or contractors with state agencies that received funds from the federal government under ARRA. In addition, 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 ARRA money.

U.S. Department of Education

The Federal Work-Study Program provides funds for part-time employment to help needy students finance the costs of postsecondary education. A participating institution applies to the U.S. Department of Education each year for Federal Work-Study Program 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 the Federal Work-Study Program. In some cases, wages for reading and mathematics tutors may be eligible for funding by the federal government for up to 100 percent of the cost.

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

INVESTIGATIVE SUMMARY

On February 22, 2012, the Office of the Ohio Inspector General initiated a review of ARRA expenditures related to the Youngstown State University (YSU) Federal Work-Study Program by requesting all payments that included ARRA funds between payroll periods 15 and 19 in FY

2009-2010.⁴ Once the population was provided, a subgroup of 20 students was randomly selected. A sample was then generated by selecting a single payment for each of the 20 students. Each of the 20 payments selected was then reviewed for compliance with Youngstown State University's student employment policies and overall accuracy of the payments was verified.

Every student who completes a FAFSA has the opportunity to indicate their interest to participate in the Federal Work-Study Program. The student's eligibility to participate in the program is determined by the Youngstown State University Office of Financial Aid and Scholarships based on individual student need. Since funds are limited, Federal Work-Study Program positions are awarded on a first-come, first-served basis. Therefore, not all eligible students are selected to participate in the program. Once a student has been notified of his or her award, the student must complete the appropriate student employment forms.

Specifically, all Federal Work-Study Program participants must complete the "YSU Federal Work Study & On-Campus Student Employment Hourly Appointment Form." [\(Exhibit 1\)](#) Additionally, all prospective student employees must complete either the "(OPERS)⁵ Request for Optional Exemption as a Student" or "(OPERS) Personal History Report," and the "(IRS)⁶ Statement Regarding A Job Not Covered by Social Security" forms. However, YSU provided its 2012-2013 Annual Memo released by the YSU Student Life Department which requires that a student be enrolled for six or more credit hours to complete only the "(OPERS) Request for Optional Exemption as a Student" form. [\(Exhibit 2\)](#)

A review of the required employment forms found that 6 out of the 20 students did not meet the required minimum credit hours to complete the exemption form. Additionally, 3 out of 20 students did not complete the required forms in their entirety.

⁴ 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.

⁵ Ohio Public Employees Retirement System.

⁶ United States Department of the Treasury Internal Revenue Service.

Once employed, the 2012-2013 Annual Memo released by the YSU Student Life Department requires that students must be enrolled in one course of at least three credit hours each semester and are limited to 20 hours of work per week. [\(Exhibit 2\)](#) To determine compliance with the requirements above, 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 (hours worked, rate of pay, etc.) initially provided and contained in the sample. There were no instances of inaccuracy or discrepancies and all timesheets provided evidence of supervisor approval. Furthermore, each class schedule was reviewed and confirmed all students were in compliance with the enrollment requirement.

CONCLUSION

The ARRA monitoring review by the Office of the Ohio Inspector General discovered noncompliance with Youngstown State University's student employment OPERS exemption policy and incomplete employment forms. As a result, there were several instances when student employees completed the OPERS exemption form without meeting the minimum credit-hour requirements, and YSU processed forms having incomplete student employment documentation. The Office of the Ohio Inspector General does not believe a full investigation of the Federal Work-Study Program is warranted at this time.

RECOMMENDATIONS

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

1. Revise all monitoring controls pertaining to the student employment process to ensure only applicable forms are submitted.
2. Review all forms submitted to ensure there are no incomplete entries, errors or omissions.

REFERRALS

The Office of the Ohio Inspector General has forward a copy of this monitoring report to Youngstown State University and the U.S. Department of Education as the grantor agency of the ARRA grant.

[Click here for all exhibits combined.](#)



STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

**NAME OF REPORT: YOUNGSTOWN STATE
UNIVERSITY – ARRA FUNDING
FILE ID #: 2012 CA-00048**

KEEPER OF RECORDS CERTIFICATION

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

A handwritten signature in black ink, appearing to read "Jill Jones", with a long horizontal flourish extending to the right.

**Jill Jones
KEEPER OF RECORDS**

**CERTIFIED
November 15, 2012**

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

E-MAIL

OIG_WATCHDOG@OIG.STATE.OH.US

INTERNET

WATCHDOG.OHIO.GOV