

STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF
INVESTIGATION



AGENCY: MIAMI VALLEY JUVENILE REHABILITATION CENTER
FILE ID NO.: 2013-CA00065
DATE OF REPORT: MAY 15, 2014

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

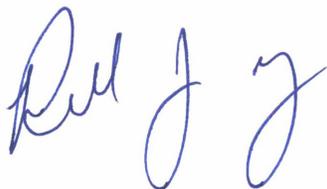
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Randall J. Meyer
Ohio Inspector General



STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF INVESTIGATION

FILE ID NUMBER: 2013-CA00065

SUBJECT NAME: Miami Valley Juvenile Rehabilitation Center

POSITION: Grantee

AGENCY: Ohio Department of Youth Services

BASIS FOR INVESTIGATION: Agency Referral

ALLEGATIONS: Failure to Comply with State or Department Rules, Procedures or Policies

INITIATED: September 3, 2013

DATE OF REPORT: May 15, 2014

INITIAL ALLEGATION AND COMPLAINT SUMMARY

On August 22, 2013, the Office of the Ohio Inspector General met with officials from the Ohio Department of Youth Services (ODYS) regarding allegations of misuse of grant funding at the Miami Valley Juvenile Rehabilitation Center (MVJRC) located in Xenia, Ohio. ODYS stated Ohio Administrative Code (OAC) §5139-63 provides guidance on allowable and unallowable grant expenditures. Officials believed MVJRC was in violation of OAC §5139-63-05(K), Non-allowable expenses, which prohibits the use of grant funds to pay “any bonuses for staff, to include compensation time, monetary awards, or ‘in-kind’¹ adjustments.” Based on random sampling during a routine audit, ODYS believed MVJRC was allowing employees to leave work early without having to use leave time. ODYS also believed this was a widespread issue encompassing several years and numerous employees. Based on the information provided, an investigation was opened on September 3, 2013.

BACKGROUND

Ohio Department of Youth Services

The Ohio Department of Youth Services is responsible for the rehabilitation of delinquent juveniles. This is accomplished through the operation of juvenile correctional facilities, regional parole offices, community correctional facilities and support for community-based programs. The director of ODYS, who acts as the agency’s chief executive officer, is appointed by the governor and confirmed by the Ohio Senate. Funding is provided through General Revenue Funds, federal funding, and transfers from the Ohio Department of Education.²

Community Corrections Facilities

According to the ODYS website, there are 12 community corrections facilities throughout the state of Ohio with funding provided through the RECLAIM initiative. This initiative, launched in January 1994, encourages juvenile and family court judges to provide local alternatives for juvenile offenders or youth at risk of offending. Part of the initial goal of the program was to reduce the number of youth being referred to ODYS facilities.

¹ In-kind support is defined as goods, service, commodities or other items not categorized as cash items.

² Source: Biennial budget documents.

Miami Valley Juvenile Rehabilitation Center

The Miami Valley Juvenile Rehabilitation Center, opened in October 2000, is one of the twelve community corrections facilities. The center is part of the Greene County Juvenile Justice Complex operating a 30-bed residential facility serving both male and female felony offenders. MVJRC provides services to a 10-county region including: Adams, Brown, Champaign, Clark, Fayette, Greene, Highland, Logan, Madison, and Union counties.³

INVESTIGATIVE SUMMARY

After meeting with officials from the Ohio Department of Youth Services regarding their allegations of possible violations of Ohio Administrative Code §5139-63, the Office of the Ohio Inspector General (OIG) requested timekeeping records from the Miami Valley Juvenile Rehabilitation Center. These records, for state fiscal years⁴ 2009 to 2012, included: time card reports, payroll documentation sheets, leave requests, time proofs,⁵ payroll journals, and payroll policies and procedures. An analysis of these records was conducted by the OIG to determine if employees were allowed to leave work early without having to utilize leave time.

Payroll Process

Based on interviews with MVJRC employees and officials, the following is the typical payroll process at the facility:

- Employees use a swipe card to record their exact start and end times.
- Leave request forms are to be completed and approved by the executive director before leave can be taken (with the exception of sick leave, when the forms are to be completed upon the employee's return to work).
- Payroll documentation sheets (also referred to as swipe sheets) are to be completed when an employee fails to clock in or out, loses their swipe card, is at an offsite training or seminar, has unscheduled overtime, or "other."
- At the end of each pay-period, a time card report (referred to as a timesheet throughout this report) is generated for each employee listing their start and end times by day. This is combined with the leave request forms and payroll documentation sheets to determine

³ Source: Miami Valley Juvenile Rehabilitation Center website.

⁴ The state fiscal year begins on July 1st and ends on June 30th.

⁵ A time proof is a report which shows the total hours by category for each employee for a particular pay-period.

the total amount of hours worked and leave taken for the appropriate two-week period. The total hours should equal 80 for a full-time employee without overtime or compensatory time.⁶

- This information is forwarded to the Greene County Auditor's Office who prepares the paychecks for each MVJRC employee and maintains their leave balances. Leave balances are also tracked by MVJRC using their own timekeeping system.

Timesheet Analysis

During a meeting with the Office of the Ohio Inspector General, ODYS officials stated that from an audit of a random sample of MVJRC employee timesheets, they found instances where the payroll documentation sheets had "other" marked with no explanation as to why. ODYS' initial sample found 11 instances for one pay-period in fiscal year 2010 and five instances for another pay-period in fiscal year 2011. Based on interviews they conducted with MVJRC officials, ODYS determined the former superintendent⁷ had permitted employees to leave work early without having to take leave time. To ensure the timesheets and supporting documentation would equal eight hours at the end of each day, employees used payroll documentation sheets to record the time they left; specifically, the end time that would total eight hours, and marked the time "other."

ODYS officials further stated they had noted these same issues in the fiscal year 2007 and 2008 audits and had instructed MVJRC that the practice of allowing employees to leave early without taking leave time was in violation of OAC §5139-63-05(K). However, the practice appeared to have continued based on the samples from fiscal years 2010 and 2011. ODYS also believed that when the former superintendent retired on October 7, 2011, incentive pay was still being provided by MVJRC, but how it was recorded had changed. ODYS had not determined what method the department was using to record the time when they met with the OIG.

⁶ Compensatory time, also referred to as comp time, is when an employee works more than 40 hours-a-week and instead of getting paid overtime, utilizes the extra hours in future pay-periods as paid time off.

⁷ In late 2011 to early 2012, MVJRC reorganized and updated its job titles. The superintendent position was replaced with an executive director.

The Office of the Ohio Inspector General analyzed the timesheets and supporting documentation for all employees from July 1, 2008, to June 30, 2012. In addition to payroll documentation sheets being marked “other” with no explanation, the OIG also found further instances where leave request forms were marked either “other” with no explanation given or “comp time,” even when there was a line for “comp time.” There were also instances when changes were made directly to the timesheet by adding hours in writing with no supporting documentation as to why the addition was being made. Each instance and a calculation of the total hours were recorded on a spreadsheet by employee and pay-period-end date. During the four-year period analyzed, 42 employees at one time had a payroll documentation sheet or leave request form marked “other,” or changes made to their timesheet(s) with no explanation provided. In total, 1,017 separate instances were recorded for a total of 3,550.74 hours. Based on the pay rates for each employee at the time the instances were noted, the total of possible incentive pay provided to the MVJRC employees totaled \$69,640.88.

On November 18, 2013, the Office of the Ohio Inspector General interviewed the current MVJRC Executive Director Michael Higgins, and Fiscal Officer Willis Geyer. Higgins explained the former superintendent had allowed employees to leave early as a form of incentive pay. During the time period under review, the facility had experienced budget cuts and pay rates were frozen. As a result, employee turnover was high and overall morale was low. By granting the “leave” to employees, it was seen as a reward for good performance when other incentives were not permitted.

When informed of the total hours from the analysis conducted by the OIG, Higgins expressed disbelief that so many hours had been granted. He suggested the hours were typically granted between the hours of 2:00 p.m. and 4:00 p.m. when there was an overlap in two employee shifts and extra staff were at the facility. Higgins stated incentive pay is no longer granted and a new written policy regarding compensatory time, which had not existed in the past, has since been implemented effective November 5, 2011. Geyer stated poor recordkeeping was also part of the reason, as employees during that time period were not required to list a reason for marking “other” on the payroll documentation sheets. That has since changed and Geyer requires an explanation before the timesheets will be processed.

The Office of the Ohio Inspector General also interviewed five current employees who worked at MVJRC during the time period analyzed. Each was asked what their understanding was when “other” was to be utilized on the payroll documentation sheets, as well as how the incentive pay system operated. Some of the employees’ responses as to their understanding of how “other” was to be utilized included:

- Employees working offsite or performing work-related errands.
- If the county allowed their employees to leave early around the holidays, the MVJRC administrative judge would grant the same benefit to the employees at the facility.
- If an employee had to stay at the facility to work an extra shift due to a Level 3 snow emergency,⁸ he or she would be allowed to take the time worked as leave at a later date.

In regard to the incentive pay, the employees stated it was merit based and occurred once a quarter. If the employee met certain requirements, such as not being tardy or had otherwise good performance, the former superintendent would allow the employee to leave early.

However, one employee who was asked about the incentive pay felt it was a “discriminatory process.” The employee felt the time was not based on merit, but was based on who the former superintendent liked. This employee recalled that on numerous occasions, the former superintendent’s administrative assistant would state, “I [can] go home after lunch” or that she had been told she could leave for the rest of the day. Based on the employee’s observations, they believed the incentive pay was mostly granted to the administrative staff and not for the direct care staff who interacted with the juveniles housed at the facility on a daily basis.

Based on the information from these interviews, the Office of the Ohio Inspector General re-analyzed the data and categorized the number of instances based on the total hours per instance as shown in the following chart:

⁸ A Level 3 snow emergency in Ohio means “all roadways are closed to non-emergency personnel. No one should be driving during these conditions unless it is absolutely necessary to travel or a personal emergency exists. All employees should contact their employer to see if they should report to work. Those traveling on the roads may subject themselves to arrest.” Source: Ohio.gov/OCSWA

Number of Instances per Total Hours Calculated

Hours	# of Instances	% of Total
Less than 1 hour	299	30%
1 hour to 4.9 hours	408	40%
5 hours to 7.9 hours	35	3%
8+ hours	275	27%
Total	1,017	

The OIG also analyzed the number of instances and total hours granted between 2:00 p.m. and 4:00 p.m. From this analysis, a total of 186 instances, or 18 percent,⁹ equaling 274.66 hours was determined. Based on the applicable employee pay rates, the 186 instances totaled \$4,630.34 in possible incentive pay. Additionally, the analysis did not support the employees' assertions that the benefits were provided once a quarter. The analysis showed leave was granted to some employees on a weekly, if not daily, basis.

Finally, the analysis looked at the number of instances per employee and found the former superintendent's administrative assistant showed the most times where "other" was marked on the payroll documentation sheet with no explanation given. She had 129 instances, which was 13 percent of the total.¹⁰

A request to speak to the former superintendent regarding these matters went unanswered.

Other Matters

During the review of the MVJRC timesheets and supporting documentation, the Office of the Ohio Inspector General noted the following: leave time taken but not deducted from employees' leave balances; birthday leave taken inconsistently and, in some cases, taken twice in a year; and inconsistencies in how timesheets were processed.

⁹ 186 / 1,017 = 18.3 percent

¹⁰ 129 / 1,017 = 12.7 percent

Leave Time

On the timesheets, the OIG noted the total hours per employee was handwritten on the report. The calculations included the hours by category (i.e., regular, vacation, sick leave). Each instance where leave time was handwritten in the calculation total, it was further reviewed. These hours were then compared to the employee time management report, which shows the leave earned and taken by pay-period for a given fiscal year, or the time proof report, which shows the total hours by category for each employee for a particular pay-period, to determine if the leave was deducted from the appropriate leave balances.

This analysis found 24 instances, for a total of 512.50 hours, where leave was taken as shown by the approved leave request forms and handwritten on the timesheets, but the time did not appear to be deducted from the employees' leave balances. The MVJRC fiscal officer explained once the timesheets are processed, that pay-period is "closed" in the system and one cannot go back and make changes. Therefore, any corrections would need to be made in future pay-periods. The OIG analysis evaluated the next three pay-periods and did not find any incidents where corrections had been made.

All of the applicable timesheets and supporting documentation were forwarded to MVJRC for further analysis. MVJRC continued their research into the matter as of the date of this report.

Birthday Leave

Greene County policy allows for one day of leave each year be granted for an employee's birthday. According to the employees interviewed, the leave is to be taken on their birthday or as close as possible within the applicable pay-period if the birthday falls on a day when the employee is not scheduled to work. If an employee is on vacation during that time period, the employee can record one of those days as birthday leave instead of utilizing a vacation day.

The Office of the Ohio Inspector General's analysis of leave records found four instances where birthday leave was taken months after the employee's birthdate, according to their personnel

records. In addition, two instances were noted where separate employees were given birthday leave twice in 2009 for a total of 18 hours¹¹ and a cost of \$284.96.

Inconsistencies

As noted above, total hours per employee were handwritten on each timesheet. The payroll system utilized by MVJRC does allow for adjustments to be made that could then be later printed out on the time report card. For example, if an employee forgets to swipe in or out, the start or end time can be added to the report as an “add punch” or “edit punch.” In addition, leave time or regular hours can be added as a “transaction” to the report. ([Exhibit 1](#))

Overall, the analysis found that how adjustments were made varied widely by pay-period, and even within the same pay-period. In one pay-period, an employee could have numerous “add punch” and/or “transactions” added to his/her timesheet, while another employee would have only handwritten calculations on his/her timesheet. There did not appear to be a consistent pattern as to when “add/edit punches” or “transactions” were utilized or not.

CONCLUSION

At the request of the Ohio Department of Youth Services, the Office of the Ohio Inspector General reviewed the payroll records of the Miami Valley Juvenile Rehabilitation Center to determine if possible violations of Ohio Administrative Code §5139-63-05(K), Non-allowable expenses, occurred. In particular, ODYS was concerned if compensation time had been granted to employees by allowing them to leave work early without having to take leave time.

The Office of the Ohio Inspector General’s analysis of the payroll records focused on instances where the payroll documentation sheet or leave request forms were marked “other” with no explanation given. In addition, any handwritten adjustments made to timesheets with no supporting documentation were also noted. A total of 1,017 instances were noted for a total of 3,550.74 hours. Based on applicable employee pay rates, the total amount of possible incentive pay to employees equaled \$69,640.88.

¹¹ One employee was granted 10 hours for birthday leave based on his/her approved work schedule; the second employee was granted eight hours.

Current MVJRC officials and employees stated the former superintendent granted incentive pay to employees based on merit. The employees stated the leave time was given once a quarter to those who met certain performance goals. However, one employee stated he or she believed the incentive pay was based on a “discriminatory process” and not necessarily based on merit.

Analysis indicated that incentive pay was given more than once a quarter and certain employees appeared to have received more leave time than others. One employee had 129 instances, or 13 percent of the total, where “other” was marked with no explanation given over the time period analyzed.

Based on information from the current executive director, he believed the leave time was typically given between 2:00 p.m. and 4:00 p.m. when extra staff was at the facility due to an overlap in employee shifts. The executive director noted that he had ended the practice when becoming executive director in November 2011. MVJRC officials and employees also stated most of the hours noted in the analysis could be a result of poor recordkeeping, as they were not required to provide an explanation when marking “other” on the payroll documentation sheets.

A revised analysis was conducted and showed 186 instances, for a total of 274.66 hours where “other” was marked between the hours of 2:00 p.m. and 4:00 p.m. Based on the applicable employee pay rates, the amount of “other” instances equals \$4,630.34. An analysis was also conducted to determine the number of hours where “other” was marked after November 2011. This analysis indicated a total of 83 hours was recorded from November 2011 to June 2012 where “other” was marked, only 2 percent of the total hours noted.

Records were not maintained to document when employees were allowed to leave work early without having to utilize leave. As a result, it is difficult to determine if the hours noted were a result of the incentive pay program or poor recordkeeping. Therefore, the total amount of possible incentive pay paid to employees ranges between \$4,630.34 and \$69,640.88.

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

In addition, the review of the payroll documentation noted 24 instances where leave time was taken by 15 employees but the hours did not appear to have been deducted from their leave balances. The total hours equaled 512.50 hours and a total cost of \$8,297.89. Officials at MVJRC were asked to review the information and determine if leave was in fact not deducted from the appropriate leave balances. MVJRC continues to research the issue as of the date of this report.

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

Greene County also grants employees one day of leave each year for their birthday. This leave is to be taken on their birthdate or as close as possible within the applicable pay-period. Analysis of the payroll records show four instances where birthday leave was taken months after the employee's birthdate, according to their personnel records. Additionally, two instances were noted where separate employees took birthday leave twice in 2009 for a total of 18 hours and a cost of \$284.96.

Accordingly, the Office of the Ohio Inspector General finds reasonable cause to believe 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 Youth Services to respond within 60 days with a plan detailing how the recommendations will be implemented. The Ohio Department of Youth Services should:

- 1) Work with Miami Valley Juvenile Rehabilitation Center to determine the total hours of incentive pay granted in violation of Ohio Administrative Code §5139-63-05(K) and the amount to be repaid by the facility.
- 2) Determine if leave time not deducted from employee leave balances should be repaid to Greene County by the Miami Valley Juvenile Rehabilitation Center.
- 3) Ensure Miami Valley Juvenile Rehabilitation Center follows consistent practices when processing time report cards.



STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

NAME OF REPORT: Miami Valley Juvenile Rehabilitation Center

FILE ID #: 2013-CA00065

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
May 15, 2014

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