“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
FILE ID NUMBER: 2018-CA00032

SUBJECT NAME: Unnamed subject

POSITION: Administrative Professional 2

AGENCY: Ohio Department of Commerce

BASIS FOR INVESTIGATION: Complaint

ALLEGATIONS: Falsification of records

INITIATED: July 6, 2018

DATE OF REPORT: October 3, 2018
INITIAL ALLEGATION AND COMPLAINT SUMMARY

On June 29, 2018, Franklin County Department of Job and Family Services (FCDJFS) sent an email to the assistant deputy director of the Ohio Department of Administrative Services (ODAS) regarding an individual who is identified in this report as an Unnamed subject,1 who was an employee in the Ohio Department of Commerce (COMMERCE), Division of Real Estate and Professional Licensing (DRE). ODAS forwarded the email to the Ohio Department of Commerce Human Resources on July 2, 2018. FCDJFS had reported that they recently processed a benefits application for the Unnamed subject. Upon review of the income verification, it appeared that the Unnamed subject created alternative pay stubs to submit to the county agency. The year-to-date notation listed on the pay stubs did not coincide with state wage matches that FCDJFS uses to assess correct information on pay stubs.

On July 2, 2018, the Ohio Department of Commerce notified the Office of the Ohio Inspector General that the Unnamed subject had created alternative pay stubs which were submitted as part of a benefit application to the Franklin County Department of Job and Family Services.

BACKGROUND

Ohio Department of Job and Family Services

The Ohio Department of Job and Family Services (ODJFS) is responsible for developing and overseeing programs that provide healthcare, unemployment compensation and economic assistance, and services to families and children through a variety of programs including public assistance programs (cash assistance, non-cash support, and food assistance), child welfare services, child and adult protective services, child support, and workforce development programs. Most of these programs are supervised by ODJFS with county and other local agencies administering the programs. The majority of the programs are federally mandated and funded. The director of ODJFS is appointed by the governor and confirmed by the Ohio Senate. The Ohio Department of Job and

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1 The subject of this investigation is not identified in this report. Ohio Revised Code §121.44 requires the Office of the Ohio Inspector General to keep confidential information it receives that is made confidential by law. Ohio Revised Code §5101.27 makes confidential the identity of any person who applies for government assistance and prohibits “any government entity” from disclosing the identity of a public assistance recipient “for any purpose not directly connected with the administration of a public assistance program.”
Family Services is funded through general revenue funds, federal funds, and fees charged for services performed.²

Franklin County Department of Job and Family Services
The Franklin County Department of Job and Family Services (FCDJFS) is a county, state, and federally supported agency responsible for basic financial, medical, and social services programs. FCDJFS provides workforce development and family support programs through in-house or contracted services to eligible children and adults “… to ensure that no one is forced to go without the basic essentials of food, clothing, shelter, medical care and necessary life sustaining services because of a lack of resources.”³

APPLICABLE POLICIES AND STATUTES
Ohio Department of Commerce- Comprehensive Computer Use Policy 501.0 states, in part;

VI. Personal Use of Computing Systems or Devices
The Department’s computers and computer systems must only be used for the purposes for which they are authorized. Department computer systems and access to networks, storage drives, files and servers, including e-mail and internet services, shall not be used for personal or commercial purposes without the authorization of the Director or his/her designee.

XII. Internet Use
Employees, temporary personnel, contractors, or other agents of the state shall be held accountable for his/her use and misuse of government resources, including access to the Internet. Acceptable use of the Internet is defined in Ohio IT Policy ITP-E.8, “Use of Internet, Electronic Mail and Other IT Resources.”

Department employees shall not use Internet access for any activity other than official business. Employees should only visit trusted sites associated with their official activities and in pursuit of information for official business. Access to the internet is granted to the employee by the Department and such access may be removed without notice.

² Source: Biennial budget documents.
³ Source: Franklin County Department of Job and Family Services website
XIV. E-mail use
Department employees shall not use state e-mail accounts for any activity other than official business. Employees should only use e-mail for official communications in conjunction with his/her job duties.

Ohio Department of Commerce- Ethics Policy 200 includes outside employment requirements and states, in part;

III. Outside Employment & Self Employment Requests
D. Requests for employment outside the agency or self-employment must be reviewed by the department. The “Registration of Outside Employment” form (“Registration”) is available from the Office of Human Resources and is included in this manual. The Registration, which identifies the nature of duties to be performed and the amount of time to be devoted to such outside activity, shall be submitted through the employee’s chain of command and eventually to the Human Resources Director. This Registration must be submitted and approved annually. Initial registration should be submitted at the time outside employment is obtained. Annual renewal of the Registration is due to the department by January 30th of each calendar year.

The Unnamed subject has been employed at the Ohio Department of Commerce as an administrative professional for approximately five years. Her duties include opening cases, opening mail, replying to emails, and other support functions.

INVESTIGATIVE SUMMARY
On July 2, 2018, the Ohio Department of Commerce (COMMERCE) notified the Office of the Ohio Inspector General that an Ohio Department of Commerce, Division of Real Estate and Professional Licensing (DRE) employee, identified in this report as an Unnamed subject, had created alternative pay stubs which were submitted as part of a benefit application to the Franklin County Department of Job and Family Services (FCDJFS).
On July 5, 2018, FCDJFS informed COMMERCE that the Unnamed subject submitted the pay stub information to the agency on June 4, 2018, at 12:09 p.m. from her state-issued COMMERCE email address.

On July 10, 2018 the Office of the Ohio Inspector General acquired the COMMERCE computer used by the Unnamed subject and her State of Ohio email account. An examination of the Unnamed subject’s state computer found evidence that there was an email received on the Unnamed subject’s personal email account (Gmail) on June 4, 2018, at 10:47 a.m., from “Online Pay Stub Support” regarding “Your Online Pay stub generator (https://pay-stubs.com) Delivery Information.” Included in this email was an order identified as ID (UMA180604-7633-73593) and a hyperlink to “download your pay stub(s).” The Online Pay Stub Support email thanked the Unnamed subject for submitting her payment on pay-stubs.com. At 10:49 a.m., the pay stub generator email was forwarded from the Unnamed subject’s personal email account to the Unnamed subject’s state email account at COMMERCE.

Investigators also discovered a previous email from Online Pay Stub Support dated March 19, 2018, to the Unnamed subject’s personal Gmail account which was forwarded to her State of Ohio COMMERCE email account and included a “thank you for your payment on pay-stubs.com.” The pay-stubs.com website allows an individual to complete a blank generic pay stub with company and employee information, hours worked, and rate of pay. After then making an online payment of $4.95, the individual can download the created pay stub. (Exhibit 1)

Additionally, the review of the Unnamed subject’s state-issued COMMERCE computer and personal and state email traffic revealed emails and attachments for the Unnamed subject’s tax returns, bank statements, Social Security documents, health care financial assistance application, mortgage loan application and credit reports, real estate listings, and child support.

On June 4, 2018, at 12:08 p.m., the Unnamed subject emailed a “Re-Determination Application for Child Care Benefits” to the Franklin County Department of Job and Family Services at FranklinCountyChildCare@fcdjfs.franklincountyohio.gov from her state email account. Attached to the application were two fictitious State of Ohio pay stubs for proof of income. The
two pay stubs did not match standard-issued State of Ohio pay stubs; however, they did match pay stub examples offered at www.pay-stubs.com. (Exhibit 2) On the FCDJFS Redetermination application form, the Unnamed subject listed her State of Ohio hourly wage rate of $20.53; however, the false pay stubs displayed an hourly wage rate of $10.59.

On June 26, 2018, at 9:13 a.m., Franklin County Childcare Case Manager Lisette Merced emailed a letter to the Unnamed subject’s personal Gmail account requesting additional information regarding “Childcare Redetermination.” At 12:08 p.m., the letter was forwarded from the Unnamed subject’s Gmail account to her state email at [Unnamed subject]@com.state.oh.us. The letter stated, in part:

We have located an employment match for you with DOUGHBENDERS with a hire date of 3/15/18. Please submit all May pay stubs or a letter from employer, stating last date worked. We also need you to submit correct pay stubs for STATE OF OHIO. The income on the stubs submitted do not match the federal reported income or previously submitted pay stubs or agency reported income.

The following day at 12:19 p.m., the Unnamed subject emailed the requested information from her state email to the Franklin County Department of Job and Family Services at FranklinCountyChildCare@fcdjfs.franklincountyohio.gov. Attached to this email was a correct State of Ohio pay stub that did match standard-issued state of Ohio pay stubs and pay stubs from Doughbenders. (Exhibit 3) The Unnamed subject also sent a copy of this email to her Gmail account.
June 4, 2018

- E-mail with pay stub order received
  - [Redacted name] receives the following e-mail to her personal Gmail account:
    "Dear [Redacted name],
    
    Thank you for making payment on pay-stubs.com.
    Your Order ID: JUAN05021-7633-73993
    Please click on below URL and download your pay stub(s).
    [URL]
    (this) Instant Pay Stub(s)
    If you have any issues regarding pay stub(s), please contact us via info@pay-stubs.com"
  - 6/4/2018 10:47 AM

- E-mail with pay stub order forwarded to [Redacted name] state e-mail
  - [Redacted name] forwards the pay stub order e-mail to her Ohio Department of Commerce (ODOC) e-mail.
  - 6/4/2018 10:49 AM

- E-mail with ODOC scanner on her state e-mail
  - [Redacted name] receives an e-mail from an ODOC scanner on her state e-mail.
    Attached to the e-mail is a scanned copy of the Determination Application for Child Care Benefits.
    This application contains all required pay stubs and is available for viewing at www.pay-stubs.com.
  - 6/4/2018 11:27 AM

- E-mail to Ohio Department of Job and Family Services
  - [Redacted name] e-mails the Determination Application to the Franklin County Department of Job and Family Services from her state e-mail.
    The e-mail includes her contact information and an attachment identical to the one she received from the ODOC scanner.
  - 6/4/2018 12:08 PM

- Automatic reply from Franklin County
  - [Redacted name] receives an automatic reply from the Franklin County Department of Job and Family Services on her state e-mail.
    The e-mail states, in part:
    "Thank you for contacting FCDJS CHHS Care...
    If you are submitting a redetermination application with supporting documentation, it will be processed promptly before the end of your eligibility period."
  - 6/4/2018 12:08 PM

June 26-27, 2018

- E-mail from Leslie Mercado with the Franklin County DIFS
  - [Redacted name] receives an e-mail from Leslie Mercado with the Franklin County DIFS.
    Mercado's e-mail states, in part:
    "Ms. [Redacted name],
    
    We are currently processing your redetermination.
    We are in need of additional information. Please review the attached e-mail and take the necessary action no later than 6/26/18.
    (DO NOT respond to this email as it is not always monitored. Please use the fax and email listed above should you need to submit verifications.)"
  - 6/26/2018 9:13 AM

- Forwarded Mercado's e-mail to ODOC e-mail
  - [Redacted name] forwards Mercado's e-mail to her ODOC e-mail.
    This e-mail attachment states, in part:
    "We also need you to submit correct pay stubs for STATE OF OHIO. The income on the stubs submitted does not match the income provided by the welfare office."
  - 6/27/2018 12:08 PM

- E-mail from ODOC scanner on her state e-mail
  - [Redacted name] receives an e-mail from an ODOC scanner on her state e-mail.
    Attached to the e-mail are scanned copies of the ODOC pay stubs and the file received from the ODOC scanner.
  - 6/27/2018 12:19 PM

- E-mail to [Redacted name], Pay stubs for May
  - [Redacted name] e-mails the requested pay stubs to [Redacted name] from her state e-mail.
    The e-mail states, "Pay stubs for May"
    The attachment is identical to the one she received from the ODOC scanner.
  - 6/27/2018 12:19 PM
On June 29, 2018, Franklin County Childcare Case Manager Lisette Merced notified Ohio Department of Administrative Services Assistant Deputy Director Kevin Milstead by email of the fictitious pay stubs submitted by the Unnamed subject. Merced explained in the email that, “the year-to-date did not coincide with State Wage matches that we use to assess correct information on pay stubs. Attached are the questionable stubs and the stub most recently submitted by [Unnamed subject].”

On July 2, 2018, ODAS Deputy Director Kevin Milstead notified the Ohio Department of Commerce of the fictitious pay stubs submitted to FCDJFS by the Unnamed subject. Milstead verified that the two pay stubs from [State of Ohio 77 South High St.] originally submitted were not issued by State of Ohio Payroll and confirmed that the pay stub later submitted on June 27 by the Unnamed subject was accurate.

Investigators reviewed the Ohio Department of Job and Family Services’ Child Care Income Eligibility Standards in an effort to find a possible benefit for the Unnamed subject to under-report her income. FCDJFS provides financial assistance for child care to eligible applicants based on income and family size. The child care income eligibility standards are updated annually after the release of the Federal poverty guidelines by the U.S. Department of Health and Human Services. County agencies must use the new monthly income eligibility standards for all child care applications, redeterminations and case updates processed on or after October 1, 2017. The copayment chart included in the Child Care Manual indicates that a family of five for initial eligibility with a maximum monthly income limit of $3,118 would qualify for benefits. For ongoing eligibility, the maximum monthly income limit of $7,195 would qualify. The Unnamed subject was applying for ongoing assistance and her monthly income was well below the $7,195 limit. However, the amount of assistance decreases as the income increases, resulting in a copayment for the applicant. Based on the false income that the Unnamed subject reported, she would have a $0 copay, but at her actual income amount she would have had to pay a $71.32/month copay. Any additional income from a secondary employment would further increase the copay.
On July 31, 2018, investigators interviewed the Unnamed subject regarding these allegations. The Unnamed subject stated that she had been employed by COMMERCE as an administrative professional 2 for five years. She said her duties included opening cases, opening mail, and replying to emails in the COMMERCE Division of Real Estate. The Unnamed subject confirmed her personal Gmail account which she used to access the pay-stubs.com website where she created and paid for the false State of Ohio pay stubs. She admitted that those false pay stubs were then sent to her personal email account, which she then forwarded to her COMMERCE email account. She did not recall exactly how much she paid for the false pay stubs but believed the $4.95 amount seemed correct. She also admitted that on June 4, 2018, after scanning the Re-Determination Application for Child Care form to her state-issued computer, she then emailed this application with the false State of Ohio pay stubs attached to the FCDJFS from her COMMERCE email account. She admitted receiving the notice from FCDJFS advising her that they found pay records from Doughbenders that she had not reported and that the state pay stubs she sent in earlier did not match previous state pay stubs. She said she then sent the correct state pay stubs and Doughbenders pay stubs to FCDJFS. The Unnamed subject explained that she sent the false pay stubs because she was concerned that because of her income, she may not qualify for childcare benefits. The Unnamed subject also admitted that she was aware that the amount of her income effects the amount of her copay for childcare. The Unnamed subject said she currently paid $25 per child per week and with four children she paid $100 a week. The Unnamed subject admitted that she knew the COMMERCE policy prohibits the use of the state computer, email, and time for personal business. She stated that she did not have a personal computer at home, and that was the reason she used the state computer and email system. The Unnamed subject could not recall for what she had used the previous pay stubs she purchased on March 19, 2018. She also admitted that she did not report her outside employment with Doughbenders to COMMERCE as secondary employment, which began on March 15, 2018, and continued until July 2, 2018, when she was placed on leave.

**CONCLUSION**

The Ohio Department of Commerce notified the Office of the Ohio Inspector General of suspected illegal activity involving an administrative professional 2 of the Ohio Department of Commerce, Division of Real Estate and Professional Licensing.
The Franklin County Department of Job and Family Services (FCDJFS) provides financial assistance for childcare based on family size and income. The Unnamed subject in this report, in an effort to requalify to receive childcare benefits through FCDJFS, was required to complete the application form and submit pay stubs to verify her income. In order to reduce her monthly copay amount, the Unnamed subject created false State of Ohio pay stub records to indicate a lower salary or income. The reduced amount of income that she reported to FCDJFS would have qualified her for a $0 copay. The Unnamed subject used her assigned State of Ohio computer and email system to submit the forged State of Ohio pay stubs to FCDJFS. The Unnamed subject’s use of her state-issued computer, internet, and email systems for personal business while on state time violated the Ohio Department of Commerce- Comprehensive Computer Use Policy 501.0.

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

The Unnamed subject admitted not reporting and receiving approval for her outside employment at Doughbenders to the Ohio Department of Commerce, in violation of Ohio Department of Commerce- Ethics Policy 200.

**Accordingly, the Office of the 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 Commerce to respond within 60 days with a plan detailing how the recommendations will be implemented. The Ohio Department of Commerce should:

1. Review the actions of the Unnamed subject and determine whether administrative action is warranted.

2. Review the Comprehensive Computer Use policy for consistency; particularly, section
XIV. E-mail Use. This policy prohibits the use of state email accounts for any activity other than official business but allows employees to forward emails from a state account to a personal account or from a personal email account to a state email account.

REFERRALS
The Office of the Ohio Inspector General is forwarding this report of investigation to the Franklin County Prosecuting Attorney and Columbus City Attorney for consideration.
NAME OF REPORT: Ohio Department of Commerce
FILE ID #: 2018-CA00032

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 3, 2018
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