



STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

**2024-2025 Biennium Budget Testimony
Before the Ohio House of Representatives
Finance Subcommittee on Public Safety
February 28, 2023
Presented by Randall J. Meyer, Inspector General**

Good morning, Chairman Kevin Miller, Ranking Member Adam Miller, and Distinguished Members of the Committee. I am Randall Meyer, Inspector General for the state of Ohio, and I am pleased to appear before the committee to discuss the Office of the Inspector General's budget for fiscal years 2024 and 2025.

The Inspector General Office's mission is to serve as an independent watchdog for the state of Ohio and to identify fraud, waste, and abuse in the executive branch of state government. The jurisdiction of the office extends to the Governor and his staff; 82 state agencies, departments, boards, and commissions; 14 state universities and medical colleges who in total employ over 130,000 employees. The office's jurisdiction also includes vendors and contractors who conduct business with the state of Ohio. The Inspector General's Office investigates and makes recommendations concerning alleged wrongful acts and omissions; identifies weaknesses of state processes through monitoring and reporting; and develops and promotes improvements on the procedures used by the executive branch of state government. Since my appointment in 2011, the office has released over 750 reports of investigation, issued 1,519 recommendations to agencies, and identified over \$¼ billion dollars lost to the state of Ohio.

Our office had a notable year in 2022, in particular, the office's investigative focus and resources were directed to address a pressing issue concerning the fraudulent disbursement of millions of tax-payer dollars involving the Ohio Department of Job and Family Services and the Pandemic Unemployment Assistance program. The Pandemic Unemployment Assistance program was established to provide unemployment benefits to Ohioans who lost their jobs because of the COVID-19 pandemic. The program's unemployment eligibility requirements were expanded and loosened for recipients, requiring the Ohio Department of Job and Family Services to hire hundreds of intermittent and temporary contracted workers to process the unprecedented number of unemployment claims.

Because of the large number of unemployment claims submitted and the self-certified eligibility requirements, bad actors found new ways to exploit opportunities for fraud. After disbursing approximately \$7.6 billion in pandemic-related unemployment benefits

during fiscal year 2021 alone, ODJFS later identified nearly half a billion dollars of the disbursements as fraudulent. A number of these fraudulent claims were referred to the Inspector General's Office for our review. To date, 15 cases have been opened to investigate alleged unlawful actions involving over \$20 million in unemployment benefits disbursed by intermittent and contracted workers.

Yesterday and today, our office released two of those investigations involving two individuals who fraudulently released hundreds of thousands of dollars of PUA benefits to ineligible claimants. One of these investigations has recently been referred to the Franklin County Prosecutor's office and the other investigation resulted in the Hamilton County Grand Jury indicting four persons who were involved in releasing or receiving over \$799,000 in suspected fraudulent benefits. Like many of the cases, the claimants who had improperly received benefits were incarcerated persons, strangers willing to pay a fee, or friends, neighbors, and relatives of the intermittent and contracted workers assigned to the claims.

The office has allocated significant staff resources to these cases, issuing over 160 subpoenas, participating in seven physical search warrants, reviewing records received from 23 electronic search warrants, and completing countless hours of forensic analysis. More of these cases are forthcoming and we anticipate investing considerable resources going forward.

Proposed Legislative Language Specific to the Office

Unfortunately, bad actors have changed the way they communicate and record their fraudulent activities. Specifically, traditional methods of communication have evolved into using social media, emails, instant messaging, and texting to conduct and conceal their illegal activities. Investigators assigned to these cases need access to these records to effectively conduct their investigations. These types of records can only be obtained by the issuance of electronic search warrants by those who meet the definition of "law enforcement officer" as defined by the Ohio Revised Code and Ohio Rules of Criminal Procedure. Currently, our investigators do not meet the Ohio Revised Code and Criminal Rules Section defining "law enforcement officer." Hence, the Inspector General's Office is seeking from the General Assembly the necessary modifications to the Ohio Revised Code for its staff who meet the legal definition of "law enforcement officer" to obtain search warrants.

Simply put, millions of dollars of fraudulent benefits would not have been discovered in the absence of electronic search warrants. Having this authority to obtain search warrants directly from the courts will add a valuable tool to the office's investigative arsenal and will help hold bad actors accountable.

Budget Appropriation Request

During my tenure as Inspector General, the office has managed its budget conservatively, ensuring that its operations function efficiently and effectively. Evaluating and allocating staff resources to meet the office's statutory requirements can be a challenge. The office is driven by qualified, experienced professionals who are needed to conduct its various,

wide-ranging investigations. Over 82 percent of the office's budget is related to payroll costs. The remainder is used for a wide variety of costs directly associated with investigations such as IT hardware and software applications, office rent, fleet vehicles, telecommunications, staff trainings, professional certifications and licenses, and miscellaneous supplies. The office's workforce has averaged between 16 and 17 full-time permanent employees between fiscal years 2016 thru 2021. However, due to an appropriation reduction for the 2022-2023 biennium budget, and recurrent annual increases in payroll costs, the office was not able to maintain a sufficient full-time permanent staffing level as in previous fiscal years. As a result, the office's current staffing level is 12 full-time and three part-time permanent employees.

The Inspector General Office's requested appropriation for the 2024-2025 biennium is sufficient to support its current staffing level and permit the office to expand its staffing resources with full-time permanent investigators, enhancing the level of oversight needed for the state of Ohio.

Conclusion

The responsibilities tasked to the Inspector General's Office by the General Assembly and Governor are critical in ensuring state of Ohio employees and those doing business with the state conduct themselves ethically and perform their duties with integrity and with the highest of standards. Our office is dedicated to fulfilling its statutory obligations and safeguarding integrity in state government.

Respected members of the committee, I would like to thank you for the opportunity to testify today and I am pleased to answer any questions you may have.