

Cuyahoga County Agency of Inspector General



**Semiannual Report
First Half 2012
(1/1/12 – 6/30/12)**

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SECTION 1: BACKGROUND

1.1 INTRODUCTION

1.2 WHAT IS AN INSPECTOR GENERAL?

1.3 CUYAHOGA COUNTY AGENCY OF INSPECTOR GENERAL



Section 1.1

INTRODUCTION

The Cuyahoga County Agency of Inspector General (“AIG”) was established by the Cuyahoga County Executive (“County Executive”) and Cuyahoga County Council (“County Council”) to protect taxpayers’ interests by promoting honesty and accountability in Cuyahoga County (“County”) government. In furtherance of this mission, the AIG is granted broad authority to conduct investigations, inspections and audits relating to fraud, corruption, waste, abuse, misfeasance, malfeasance and nonfeasance in the operations of County government. In addition, the AIG is designated as the investigative officer for all issues arising under the County’s Ethics Ordinance. In this capacity, the AIG is entrusted with the responsibility of ensuring that County employees, contractors/vendors and lobbyists who do business with the County meet the highest ethical standards.



Section 1.2

WHAT IS AN INSPECTOR GENERAL?

Although the AIG is the first local agency of this type in Ohio, the inspector general concept is one that dates back over 200 years.

The inspector general concept can trace its origin to the French Army in the late 1600's. In 1668, the French king appointed an inspector general of the infantry and an inspector general of cavalry. The concept of military inspector generals quickly expanded to become an essential aspect of all modern armies.

The inspector general system arose in the United States during the Revolutionary War. Frustrated with the training and readiness of his forces, General George Washington designated an Inspector General to superintend the training of the entire Army to ensure troop proficiency and common tactics. At the same time, the Continental Congress expressed a desire to appoint an inspector general to help in accountability for the military investments and to assure that the military would remain subordinate to its authority. On December 13, 1777, Congress created the Inspector General of the Army to perform the following tasks:

- Review the troops;
- See that officers and soldiers were instructed in exercise maneuvers established by the Board of War;
- Ensure that discipline be strictly observed; and
- Ensure that officers command properly and treat soldiers with justice.

The size and influence of the inspector general within the Army rose and fell during the 18th and 19th centuries. The inspector general mission, however, grew in importance and scope during World War II and continued to grow in the postwar army. The statutory basis for the current Federal inspector general system comes from the 1950 Army Reorganization Act. This Act created the Office of the Inspector General of the Army.¹

¹ History of the U.S. Army Inspector General, OFFICE OF THE INSPECTOR GENERAL – USMA PUBLIC DOMAIN; <http://usma.edu/IG/history> (last viewed 2/12/12).



The first civilian office of inspector general was established within the U.S. Department of Agriculture ("DOA") in 1973 in response to scandals with government soybean subsidies. This office was created by centralizing all of the individual audit and investigative offices within the department.

The success of the DOA Inspector General led to the passage of the Inspector General Act of 1978. This Act led to the creation of inspector general offices in all U.S. Cabinet departments. The mission of these offices was to prevent and detect fraud, and to promote efficiency and effectiveness in the programs and operations of their departments.² The number of Federal offices of inspector general has increased from 12 in 1978 to the current number of 73.³

The first state inspector general was established in Massachusetts in 1981. The Ohio Office of the Inspector General was established by an Executive Order issued by Governor Richard Celeste in 1988. The Ohio Office of the Inspector General investigates fraud, waste, abuse, and corruption within the executive branch of state government.⁴

Over the past two decades, several local governments have adopted varied forms of the inspector general concept to combat fraud, waste, and inefficiency in governmental operations.

In 1996, the Association of Inspectors General ("IG Association") was established to help coordinate the efforts of all inspectors general by performing policy research and analysis, standardizing practices and policies, and sponsorship of educational and certification programs. The IG Association has determined that all inspectors general have the basic goal of prevention and detection of fraud, waste and abuse; ensuring efficient and effective use of public resources; and promotion of public integrity. Each office, however, is established under differing specific authorities and mandates. Therefore, inspectors general use a wide variety of approaches to accomplish their core mission.⁵

² History of the Inspector General, NEW ORLEANS OFFICE OF THE INSPECTOR GENERAL, <http://www.nolaoig.org/main/inside.php?page=history> (last viewed on 2/12/12).

³ Inspectors General Directory and Website Links, COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY, <http://www.ignet.gov/igs/homepage1.html> (last viewed on 2/12/12).

⁴ Home Page, STATE OF OHIO OFFICE OF THE INSPECTOR GENERAL, <http://watchdog.ohio.gov/index.htm> (last viewed on 2/12/12).

⁵ Principles and Standards for Offices of Inspector Generals, ASSOCIATION OF INSPECTORS GENERAL, <http://data.memberclicks.com/site/aig/IGStandards.pdf> (May 2004).



Section 1.3

CUYAHOGA COUNTY AGENCY OF INSPECTOR GENERAL

Laying the Groundwork

On July 28, 2008, over two hundred Federal Bureau of Investigation ("FBI") and Internal Revenue Service ("IRS") agents executed search warrants on several Cuyahoga County officials and offices and on multiple local contractors. This raid was the first public indication of a wide-scale investigation into public corruption in Cuyahoga County; including bribery, contract steering, contract manipulation, property appraisal schemes, fixing court cases, job trades, improper gifts and shadow employees. More than forty (40) public officials and contractors have pleaded guilty as a result of this investigation.⁶ Several dozen more public officials and contractors have been either charged with or identified as having some level of involvement in the public corruption.

In response to the ongoing corruption investigation, the citizens of Cuyahoga County adopted a new charter form of government in November 2009. The preamble to the Charter of Cuyahoga County ("Cuyahoga Charter") sets forth the following goals for the new County government:

- (1) Focused, effective and accountable leadership;
- (2) Job creation and economic growth as a fundamental government purpose, thereby helping the County do a better job of creating and retaining jobs and ensuring necessary and essential health and human services;
- (3) Collaborative leadership with Cleveland, suburbs and others within the public and private sectors;
- (4) An improved focus on equity for all our communities and citizens;
- (5) Long-term regional and global competitiveness; and

⁶ Two More Indicted in Cuyahoga County Corruption Probe, *The Columbus Dispatch* <http://www.dispatch.com/content/stories/local/2011/09/22/two-more-indicted-cuyahoga-county-corruption-probe.html> (last viewed 7/24/12).



- (6) Significant taxpayer savings by streamlining and eliminating unnecessary elected offices.

In furtherance of the goal of increased accountability for public leadership, the Cuyahoga Charter granted the newly established County Executive position the following investigative authority:

The County Executive may, at any time and without notice, cause the administrative affairs or the official acts and conduct of any official or employee of any County office, department or agency over which the Executive has authority to be examined. The County Executive, **or any person appointed by the Executive to conduct such an examination**, shall have the same power to take testimony, administer oaths and compel the attendance of witnesses and the production of papers, books and evidence and refer witnesses to the Prosecuting Attorney to be punished for contempt as is conferred upon Council by this Charter. Subpoenas may not be issued pursuant to this section except by resolution adopted by a two-thirds vote of Council.⁷

In addition, the County's new legislative body is granted the following investigative authority:

The Council or any committee of Council may investigate the financial transactions of any office, department or agency of County government and the official acts and conduct of any County official relating to any matter upon which Council is authorized to act. In conducting such investigations, the Council or any such committee may administer oaths and may, by resolution adopted by vote of at least eight members of Council or of the committee of Council, compel the attendance of witnesses and the production of books, papers and other evidence through the issuance of subpoenas. Subpoenas shall be signed by either the President of Council or the chair of the Council committee seeking a witness's testimony or the production of evidence and shall be served and executed by an officer authorized by law to serve subpoenas and other legal process. In the matter of compelling the attendance of witnesses and the production of evidence, the majority vote of Council, if any, shall take precedence over the

⁷ Charter of Cuyahoga County, Section 2.05 (emphasis added).



vote of a Council committee. If any duly-subpoenaed witness refuses to testify to any facts within the witness's knowledge, or to produce any paper, books, or other evidence in the witness's possession or in the witness's control relating to the matter under inquiry before the Council or any such committee, the Council may refer the matter to the Prosecuting Attorney for the Prosecuting Attorney to cause the witness to be punished as for contempt.⁸

While the Cuyahoga Charter became effective on January 1, 2010, the first year was designated as a transition year to the new form of government. In accordance with the mandate of the Cuyahoga Charter, the County established a Transition Advisory Group ("TAG") to guide this process throughout 2010. The TAG engaged in a process that involved the formation of several public/private hybrid advisory committees that conducted over 330 meetings in 2010. On October 7, 2010, the TAG issued an Interim Report of the Cuyahoga County Transition Executive Committee ("TAG Report").⁹ This report incorporated the recommendations of the thirteen work groups into a comprehensive document to be delivered to the public and to the newly elected County officials.

The TAG Report offered several recommendations relating to the Cuyahoga Charter's mandate for increased accountability for County leadership. These recommendations included a call to establish a "prevention first" approach to ethics:

The County should not just create rules, but should take a "prevention-first" approach to ethics and integrity issues. Our recommendations to create this environment include a detailed plan for an Internal Audit Department, **the creation of an Office of Inspector General**, and the provision of qualified, direct advice to the County Executive and Council by a new Director of Law. There are benefits to each of these new resources that the Executive and Council must discuss and debate. While some of these functions may be combined or connected, establishing a clear commitment and a supporting infrastructure for ensuring an ethical and transparent county government should be a top priority in the early weeks of the new administration. In addition, the new government

⁸ Charter of Cuyahoga County, Section 3.12.

⁹ First Things First: Transition to a New Cuyahoga County Government, COUNTY CHARTER TRANSITION ADVISORY GROUP, http://charter.cuyahogacounty.us/pdf_transitioninfo/en-US/InterimRprt-CC-TranstnExeCmmt_1stthngs.PDF (last viewed on 2/12/12).



should commit to ongoing efforts to train county staff on the code of ethics and methods for preventing fraud, waste and abuse.¹⁰

On February 7, 2011, newly elected County Executive Edward FitzGerald appointed Nailah K. Byrd as the County's first Inspector General. The new Cuyahoga Inspector General initially operated under the Executive's Charter investigative authority. Subsequent actions of County Council and the County Executive, however, more explicitly defined the role of the Inspector General.

The County Ethics Ordinance

The County Council enacted a permanent Code of Ethics in Ordinance No. O2011-0008 ("the Ethics Ordinance"), which was signed by the County Executive and became effective on April 8, 2011.¹¹ Article 9 of the Ethics Ordinance officially designates the Inspector General as the ethics investigative officer for the County and requires the Inspector General to conduct all investigations pertaining to the Ethics Ordinance. Accordingly, Section 24 of Article 7 of the Ethics Ordinance grants the Inspector General the following enforcement authority when a violation of the Ethics Ordinance is uncovered:

- *Letter of Notification.* A Letter of Notification informs a Public Official or Employee of his or her violation of a provision of the Ordinance. The Inspector General may issue a letter of notification when it finds that a violation of this Ordinance was clearly unintentional or inadvertent. The letter may advise the respondent of any steps to be taken to avoid future violations.
- *Letter of Admonition.* A Letter of Admonition expresses disapproval of a Public Official's or Employee's violation of a provision of this Ordinance. The Inspector General may issue a letter of admonition when it finds that the violation of this Ordinance was knowingly committed, but is nevertheless a minor offense.
- *Letter of Censure.* A Letter of Censure condemns an employee for his or her violation of a provision of this Ordinance. The Inspector General may issue a letter of censure when the respondent intentionally or knowingly committed major violations or has committed repeated minor violations.

¹⁰ Id. at p. 9 (emphasis added).

¹¹ The Ethics Ordinance was subsequently amended on April 26, 2011 (O2011-0023), July 26, 2011 (O2011-0035), October 25, 2011 (O2011-0052), January 10, 2012 (O2012-0002) and May 22, 2012 (O2012-0004).



- *Recommendations to the County Executive, Prosecutor, and Council.* When the Inspector General finds that the violation of this ordinance was intentional or done knowingly, the Inspector General may make a recommendation to the County Executive, Prosecutor, or County Council (depending on the appointing authority), including but not limited to a recommendation for suspension, forfeiture of office or removal from office, and/or banning or temporarily suspending the respondent's (or respondent's Associated Businesses or organizations') right to solicit, bid on or obtain a contract with or from the County, as allowed by applicable law.
- *Notice to the Ohio Ethics Commission.* When the Inspector General finds that a Public Official or Employee has recklessly or knowingly violated Ohio Provisions of this Ordinance, the Inspector General shall consult with the Ohio Ethics Commission to determine whether the matter should be referred to the Ethics Commission.
- *Referral to Additional Ethics Training.* Upon finding of violation of this Ordinance, the Inspector General may require that the respondent undergo ethics training in addition to or in lieu of any other penalties imposed upon the respondent.
- *Referral to External Enforcement.* The Inspector General shall refer possible violation(s) of any state, federal, or local law, or rule, regulation or policy to the appropriate civil, criminal or administrative agencies charged with enforcement of said violation.

In addition to these investigatory and enforcement functions, the Ethics Ordinance requires the Inspector General to perform the following disclosure/prevention functions:

- When a Public Official or Employee, in the course of carrying out his or her duties, has been offered or is discussing future employment with a business that is presently dealing with the County concerning matters within the Public Official or Employee's current official duties, that person shall comply with all requirements in the Ethics Law and related statutes regarding future employment and disclose such possible future employment to the Inspector General.¹²

¹² Ethics Ordinance, Article 7, Section 16(D).



- The Inspector General is defined as a proper recipient of non-criminal whistleblower complaints.¹³
- County public officials and employees are required to report criminal behavior in County operations to the Inspector General within five days of becoming aware of the behavior.¹⁴
- The Inspector General must receive and rule on conflict of interest disclosures for employees.¹⁵
- The Inspector General must review and respond to secondary employment disclosures.¹⁶
- The Inspector General must review board/commission appointments by the County for conflicts of interest.¹⁷
- Certain County officials and employees are required to file financial disclosure statements with the Inspector General.¹⁸
- The Inspector General is required to obtain all campaign finance reports and financial disclosure statements for all candidates for County elected office.¹⁹
- The Inspector General must create and maintain a County lobbyist registry.²⁰
- The Inspector General must create and maintain a County contractor registry.²¹

Establishment of the Agency

On June 14, 2011, the County Council created the AIG by enacting Ordinance No. O2011-0019 (“the AIG Ordinance”).²² The AIG Ordinance creates an

¹³ Ethics Ordinance, Article 7, Section 17(B).

¹⁴ Ethics Ordinance, Article 7, Section 18(A).

¹⁵ Ethics Ordinance, Article 7, Section 23.

¹⁶ Ethics Ordinance, Article 7, Section 26.

¹⁷ Ethics Ordinance, Article 7, Section 27.

¹⁸ Ethics Ordinance, Article 7, Sections 29 and 31.

¹⁹ Ethics Ordinance, Article 7, Section 30.

²⁰ Ethics Ordinance, Article 7, Section 32.

²¹ Ethics Ordinance, Article 7, Section 34.

²² The AIG Ordinance was amended effective June 27, 2012 (Ordinance No. O2012-0008).



independent agency under the direction of the Inspector General, but also sets forth specific requirements and limitations designed to ensure that the AIG remains accountable to the public.

The AIG is authorized to conduct all examinations under Section 2.05 of the Cuyahoga Charter and does, therefore, have all such rights and duties to investigate fraud, corruption, waste, abuse, misfeasance, malfeasance, and nonfeasance without interference or pressure from any other public official or employee.²³ So long as all budgetary parameters are kept, the Inspector General is granted the ability to employ assistants and employees as shall be reasonably necessary to assist the Inspector General in carrying out the duties of the AIG.²⁴

In addition to the investigatory function, the AIG Ordinance sets forth the following additional mandatory functions for the AIG:

- The Inspector General shall serve as the County's chief ethics officer and is charged with the responsibility of investigating and enforcing the ethics ordinance in accordance with the terms of said ordinance. In so doing, the Inspector General shall cooperate with the County's Human Resource Commission. The Inspector General shall not interfere with the authority of the Human Resource Commission to ensure "compliance with ethics resolutions or ordinances as passed by the Council" under Section 9.02(3) of the County Charter.²⁵
- The Inspector General shall establish a "hotline" and web site to receive complaints from either anonymous or identified persons, and s/he shall investigate all complaints, tips, and any other filings and submittals received by the AIG regardless of the format or forum through which such information or documents are received. Without regard to how such documents are received by the AIG, all documents prepared or received by the AIG, including, without limitation, all complaints, tips, and any other filings and submittals received by it shall be considered part of the Inspector General's investigative files.²⁶

²³ AIG Ordinance, Section 2(c).

²⁴ AIG Ordinance, Section 2(b).

²⁵ AIG Ordinance, Section 2(c)(i).

²⁶ AIG Ordinance, Section 2(c)(ii).



- The Inspector General shall have the powers and rights to investigate all County contracts subject to the limitations set forth in Section 2(d)(iii) of the AIG Ordinance.²⁷
- If an investigation reveals reasonable grounds to believe that a violation of any state, federal, or local law, rule, regulation, or policy has taken place, the Inspector General shall notify the appropriate civil, criminal, or administrative agencies in charge with enforcement of said violation. If an investigation reveals reasonable grounds to believe that a violation of a rule, regulation, or policy governing a County employee has taken place, the Inspector General shall notify the employee's appointing authority and the applicable Department of Human Resources.²⁸
- The Inspector General shall cooperate with other governmental agencies to recover such costs from other entities involved in willful misconduct in regard to County funds and return said funds to the County's General Fund.²⁹
- The Inspector General shall prepare and publish on its website semiannual reports (the first of which will cover the period January 1st– June 30th and will be due in July and the second of which will cover the period July 1st– December 31st and will be due in February) concerning the work and activities of the Agency pertaining to closed investigations, including statistical information regarding the disposition of closed investigations, audits, and other reviews. The reports shall include the total number of complaints received during each reporting period, the number that required active investigation, the number that resulted in prosecution or other disciplinary actions, and the number of investigations closed, along with the cost incurred over and above that of the cost of the salaries of the Agency.³⁰
- The Inspector General shall cooperate with the Department of Internal Auditing to avoid duplication of effort and to share information, so long as such sharing does not compromise an ongoing investigation. At the request of the Inspector General and with the approval of the Internal Auditor, the Department of Internal Auditing may provide services to the Inspector General for a specific investigation. The Inspector General shall

²⁷ AIG Ordinance, Section 2(c)(iii).

²⁸ AIG Ordinance, Section 2(c)(iv).

²⁹ AIG Ordinance, Section 2(c)(v).

³⁰ AIG Ordinance, Section 2(c)(vi)



not interfere with the authority of the Internal Audit Department to conduct audits pursuant to the Charter, any applicable ordinances, and any rules established by the Internal Audit Committee.

In conducting its duties, the AIG is required to avoid interfering in any ongoing outside criminal, civil or administrative investigation/prosecution.³¹ The AIG is also required to develop internal policies and procedures that ensure that any investigation subject's constitutional rights are protected.³²

The AIG can only be abolished upon the affirmative vote of at least eight members of Council and executed by the Executive.³³

³¹ AIG Ordinance, Section 2(d)(1).

³² AIG Ordinance, Section 2(d)(ii).

³³ AIG Ordinance, Section 3(e).



SECTION 2: ADMINISTRATION

2.1 THE INSPECTOR GENERAL

2.2 AIG STRUCTURE

2.3 AIG BUDGET

2.4 TRANSPARENCY – AIG WEBSITE



Section 2.1

THE INSPECTOR GENERAL

AIG Ordinance Requirements

The Cuyahoga Inspector General is appointed by the County Executive subject to confirmation of Council.³⁴ The Inspector General is appointed to a term of five years.³⁵ The Inspector General may only be removed from office for cause. Either the County Executive or County Council may initiate the process to remove the Inspector General by introduction of a resolution before Council. To effectuate such removal, the resolution must receive the affirmative vote of at least eight (8) members of Council.³⁶

In appointing and confirming the Inspector General, the County Executive and County Council are to exercise good faith efforts to seek highly qualified candidates who have demonstrated the ability to work with local, state, and federal law enforcement agencies and who have audit-related skills and professional certifications in relevant fields. The selected Inspector General must have the following minimum qualifications:

- A juris doctorate degree from an accredited institution of higher learning; and
- At least ten years' experience in any one or a combination of the following fields:
 - As a federal, state, or local law enforcement agent/official;
 - As a licensed attorney;
 - As an inspector general, certified public accountant, or internal auditor; or

³⁴ AIG Ordinance, Section 3(b).

³⁵ AIG Ordinance, Section 3(c).

³⁶ AIG Ordinance, Section 3(d).



- As a person with escalating supervisory and managerial experience in an investigative public agency similar to an inspector general's agency.³⁷

Inspector General Nailah K. Byrd

The AIG Ordinance explicitly authorized the incumbent Inspector General, Nailah K. Byrd, to have the right to continue to serve as the County's first Inspector General without confirmation of Council until June 30, 2016.³⁸

Inspector General Byrd previously worked as a federal prosecutor in the United States Attorney's Office for the Northern District of Ohio. Prior to that, she practiced law in the litigation group at the international law firm of Squire Sanders & Dempsey, and then served as senior counsel at National City Bank/PNC, where she managed outside litigation counsel. She started her legal career as an Assistant District Attorney in New York County after graduating from law school. Inspector General Byrd is admitted to practice law in New York, New Jersey and Ohio.

A graduate of the 2004 Bridge Builders class, Inspector General Byrd is also a member of Kaleidoscope Magazine's 40 under 40. She previously served on the Magistrate Selection Committee for the Northern District of Ohio. She has been recognized as a top lawyer in Ohio Super Lawyers Magazine and was selected by Crain's Cleveland Business Magazine as a 2011 Women of Note finalist. In 2011, Inspector General Byrd was also honored by the Northeast Ohio African American Library and Cultural Center in their annual Young, Gifted, and Black with ties to Black History Program. Most recently, she was featured in Cleveland Magazine's Most Interesting People 2012 article.

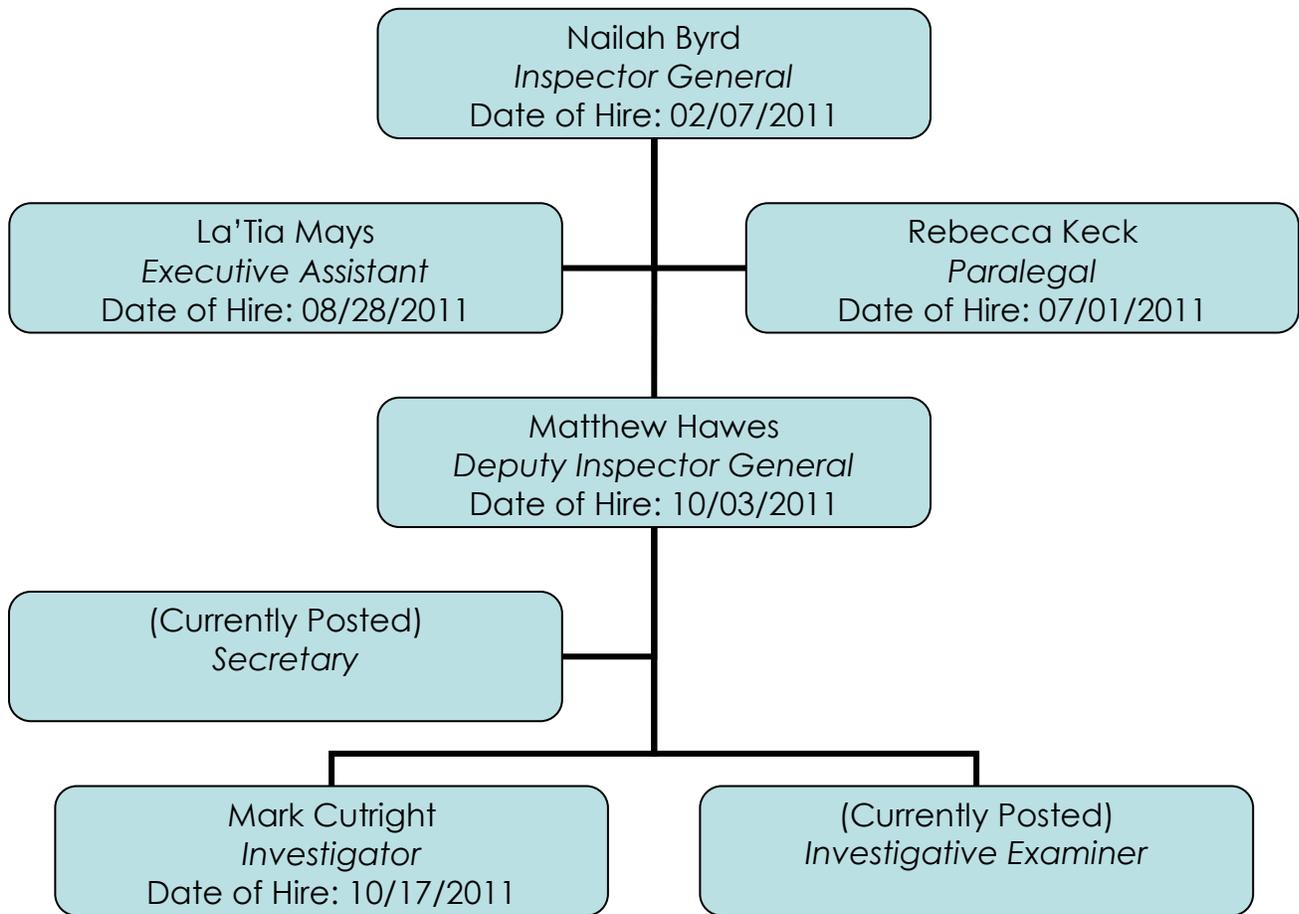
³⁷ Id.

³⁸ AIG Ordinance, Section 3(a).



Section 2.2 AIG STRUCTURE

The AIG currently operates under the following organizational structure:



The Inspector General also possesses budgetary authority to fill one additional position in 2012. The Inspector General is in the process of finalizing the responsibilities for this position.



Section 2.3 AIG BUDGET

County Council granted the AIG a budget of \$944,243.81 for 2012. This budget includes a one-time allocation of \$67,287.00 for the purchase of a case management system. Accordingly, the approved IG budget for 2013 was reduced to \$876,956.81. The following is a summary of the AIG's actual and projected budget performance for 2012:

Item	Budgeted Amount	2012 Actual ³⁹	2012 Projected	Projected Difference
Personal Services (Salaries)	\$516,378.60	\$212,100.00	\$454,200.00	\$62,178.60
Personal Benefits	\$167,783.21	\$70,508.00	\$150,000.00	\$17,783.21
Commodities (Office Supplies not Available Through Approved Vendor)	\$15,000.00	\$0	\$0	\$15,000.00
Contracts & Professional Services (Case Management Software)	\$67,287.00	\$14,800.00	\$40,750.00	\$26,537.00
Other Operating (Print Shop, Postage, Supplies, Training, Travel, Mileage, Telephone, Copier)	\$97,822.00	\$15,896.00	\$40,000.00 ⁴⁰	\$57,822.00
Capital Outlays	\$1,565.00	\$0	\$1,565.00	\$0
Controlled Services	\$78,408.00	\$1,369.00	\$78,408.00	\$0
TOTAL:	\$944,243.81	\$314,673.00	\$764,923.00	\$179,320.81

As part of its mandate to create contractor and lobbyist registries, the AIG is required to collect a \$100 registration fee with all non-exempt contractor/lobbyist registrations. As of July 9, 2012, the AIG has collected \$76,400.00 in registration fees. These funds remain in an unallocated sub-fund in the County's general fund.

³⁹ As of July 6, 2012.

⁴⁰ Includes anticipated subscription to contractor due diligence database service and contract with private investigators.



Section 2.4

TRANSPARENCY – AIG WEBSITE

The preamble to the Cuyahoga County Charter states that a primary purpose of adopting the Charter is to guarantee that the taxpayers of Cuyahoga County have a “focused, effective and accountable leadership.” Accordingly, the AIG strives to ensure that all relevant and applicable information is made available to the public and all County employees and public officials in a user-friendly and timely manner. In furtherance of this goal, the AIG website, <http://www.inspectorgeneral.cuyahogacounty.us/>, was created and is continuously updated to provide the following information pertaining to AIG activity:

- A link where individuals can confidentially report fraud, waste and abuse to the AIG;
- Copies of selected⁴¹ investigation and examination reports;
- The current County contractor and lobbyist registration lists;
- Ethics compliance guidance issued by the AIG;
- Copies of all semi-annual reports issued by the AIG; and
- Detailed instructions on how to complete contractor/lobbyist registration.

The AIG anticipates enhancing the content on its website in the near future to include posting of campaign finance reports and additional outreach and training information.

⁴¹ The AIG posts investigation/examination reports where violations of County policy or other laws have been established and the release of the report will not compromise any subsequent criminal investigation. All other reports not deemed confidentially by law can be obtained by submitting a public records request to the AIG.



SECTION 3: INVESTIGATION

3.1 INVESTIGATION PROCEDURES

3.2 INVESTIGATION STATISTICS

3.3 SUMMARIES OF SIGNIFICANT CASES



Section 3.1

INVESTIGATION PROCEDURES

Purpose

The AIG is working to create an investigation process that facilitates all of the following:

- 1) Responsiveness to all individuals who report allegations of wrongdoing;
- 2) Prioritization of resources on cases that yield the most savings for taxpayers;
- 3) Protection of the rights of all individuals accused of wrongdoing; and
- 4) Adherence to the Principles and Standards for Offices of Inspector General as developed and approved by the Association of Inspectors General (May 2004).⁴²

Intake

Whistleblower complaints from concerned employees and citizens provide the lifeblood of a successful inspector general office. Accordingly, the AIG has established the following mechanisms that allow potential whistleblowers to easily and discreetly file complaints:

- *AIG Whistleblower Hotline (216- 698-2999)* – This number is prominently displayed on the Inspector General's website, on post cards and business cards distributed to employees and members of the public, and on posters displayed throughout all County buildings.
- *Report a Concern Messages* – Individuals who click the "Report a Concern" link on the AIG and County Executive websites will be directed to an online complaint form. Submitted forms are confidentially e-mailed directly to AIG staff.

⁴² See <http://data.memberclicks.com/site/aig/IGStandards.pdf>.



- *Direct Phone/Mail/Walk-In* – Individuals are always permitted to directly contact AIG staff with complaints or concerns.
- *Contact Ed Messages* – Complaints regarding fraud, waste or abuse that are submitted to the County Executive’s “Contact Ed” program are forwarded to the AIG for review.
- *Referral From County Officials* – County officials are encouraged to forward any complaints regarding fraud, waste or abuse to the AIG.

Triage

All complaints received by the AIG are referred to the Inspector General for preliminary review. The Inspector General, in consultation with staff, will review each complaint for the following elements:

- *Jurisdiction* – Does the AIG have jurisdiction over the subject of the complaint?
- *Sufficiency of Information* – Does the complaint present sufficient information to warrant further inquiry?
- *Source of information* – How reliable is the source of the information?
- *Nature of the alleged wrongdoing* – What is the actual negative impact of the alleged wrongdoing if it is in fact occurring?
- *Potential for exposing systemic issues* – Does the complaint raise larger systemic issues that may need to be addressed?

After weighing each of these factors, the Inspector General will issue one of the following preliminary decisions on each case:

- *Decline Investigation for Lack of Jurisdiction* – The AIG will not investigate the allegations in the complaint because they fall outside of the jurisdiction of the AIG. When appropriate, however, the AIG will refer the complaint to the proper entity with jurisdiction to address the complaint.
- *Decline Investigation for Lack of Information* – The AIG will not initiate investigation where a complaint lacks sufficient detailed allegations of wrongdoing.



- *Management Inquiry* – A management inquiry is a complaint that is forwarded to department management with a response requirement. The AIG will review the response to determine if further investigation is warranted. The management inquiry will generally require the department to respond to the veracity of the specific allegation and to cite to any corrective actions taken. A management inquiry is typically used when the allegations are specific, but minor if true.
- *Management Referrals* – A management referral is a complaint that is forwarded to department management with no response requirement. Management referrals are used when the complaint alleges behavior that is best addressed by the Department or by Human Resources.
- *Initiate Investigation or Examination* – Complaints that are assigned for investigation or Examination.

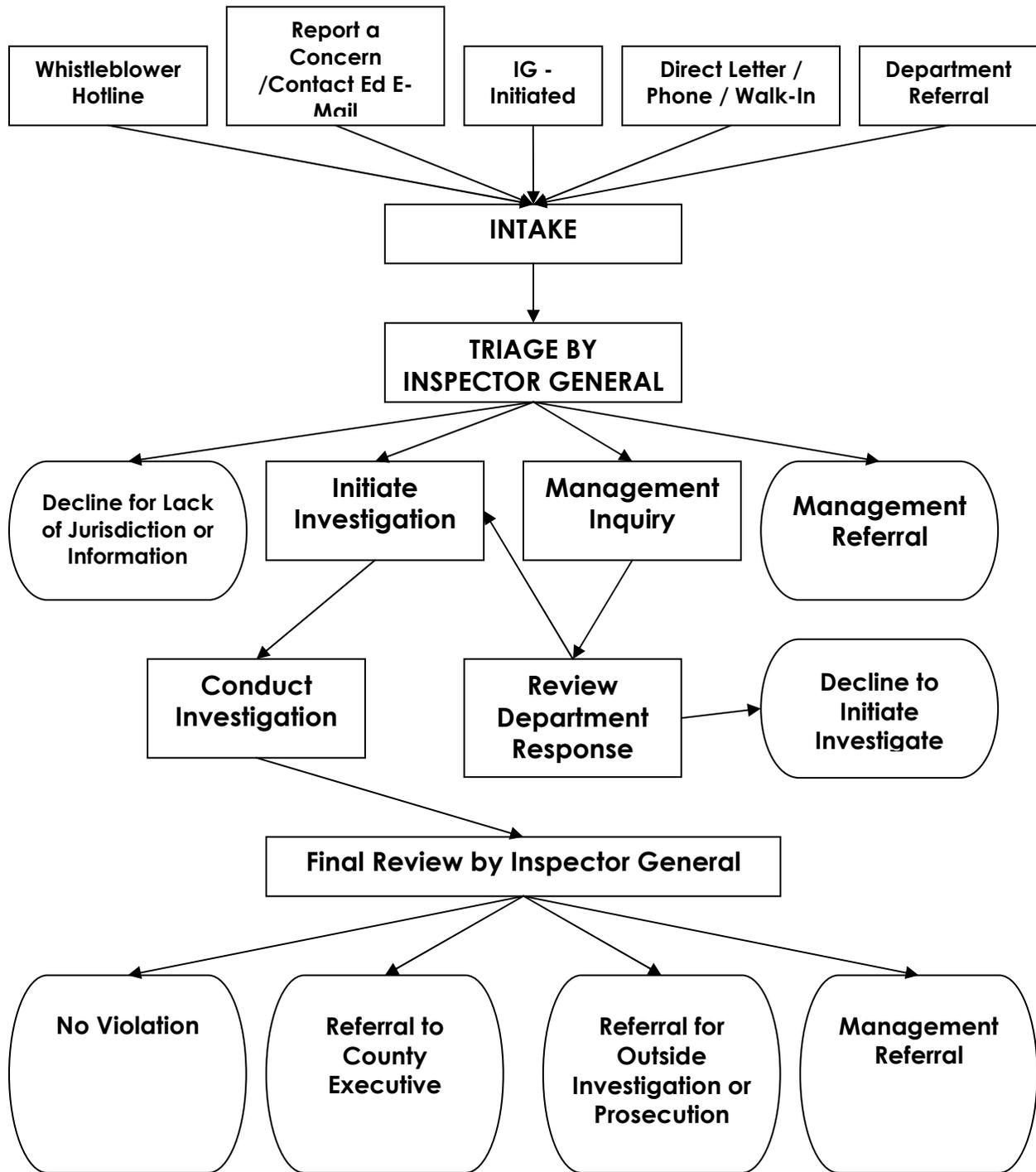
Investigation and Determination

All Investigations are conducted under the direction of either the Inspector General or Deputy Inspector General. Final investigation reports and recommendations are submitted to the Inspector General for review and approval. The Inspector General will issue one or more of the following responses on each completed investigation:

- *No Violation* – The investigation failed to reveal sufficient evidence of any wrongdoing. A “No Violation” finding, though, may be accompanied by a Management Referral if the investigation revealed other information that requires some form of corrective action.
- *Referral for Outside Investigation/Prosecution* – When the Inspector General reasonably believes that a possible violation of any state, federal, or local law, rule, regulation, or policy has taken place, the AIG Ordinance requires that he/she notify the appropriate civil, criminal, or administrative agencies in charge with enforcement of said violation.
- *Referral to Appointing Authority* - In the case of a possible violation of a rule, regulation, or policy governing a County employee, the AIG Ordinance requires the Inspector General to notify the proper Appointing Authority and the applicable Department of Human Resources.
- *Management Referral* – Case is referred back to Department management with corrective action recommendations.



Investigation Process Map



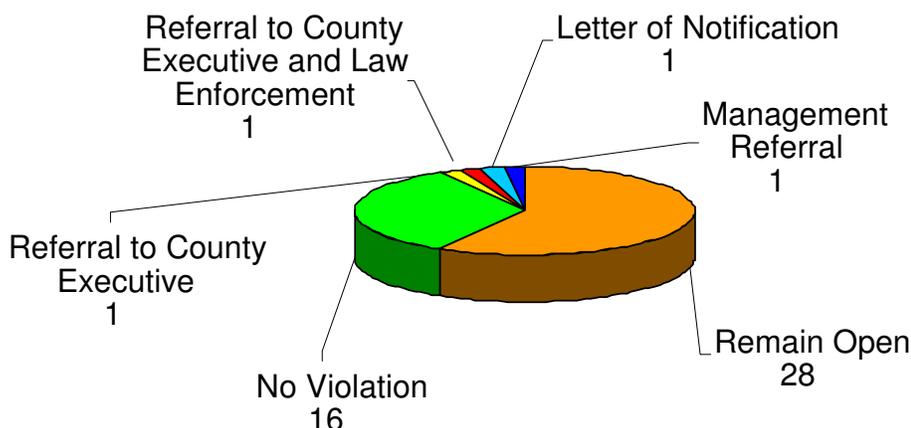
Section 3.2

INVESTIGATION STATISTICS

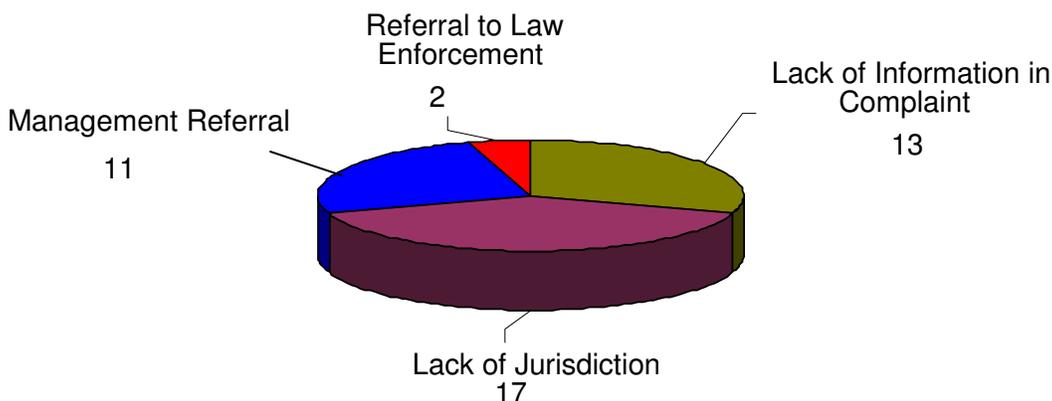
Preexisting Complaints/Investigations

This Semi-Annual Report covers from January 1, 2012 through June 30, 2012. As of January 1, 2012, though, ninety one (91) previously received complaints were still considered open. The following is a summary of the disposition of those ninety one (91) cases.

Initiate Investigation/Review or Management Inquiry - 48 Complaints



Declined Investigation/Review - 43 Total

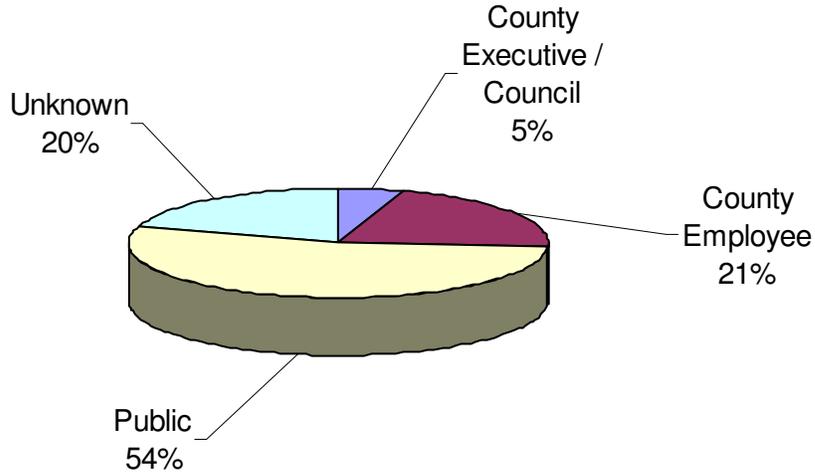


First Half of 2012



The AIG received two hundred one (201) complaints from January 1, 2012 through June 30, 2012. The following is a summary of the nature and disposition of these complaints.

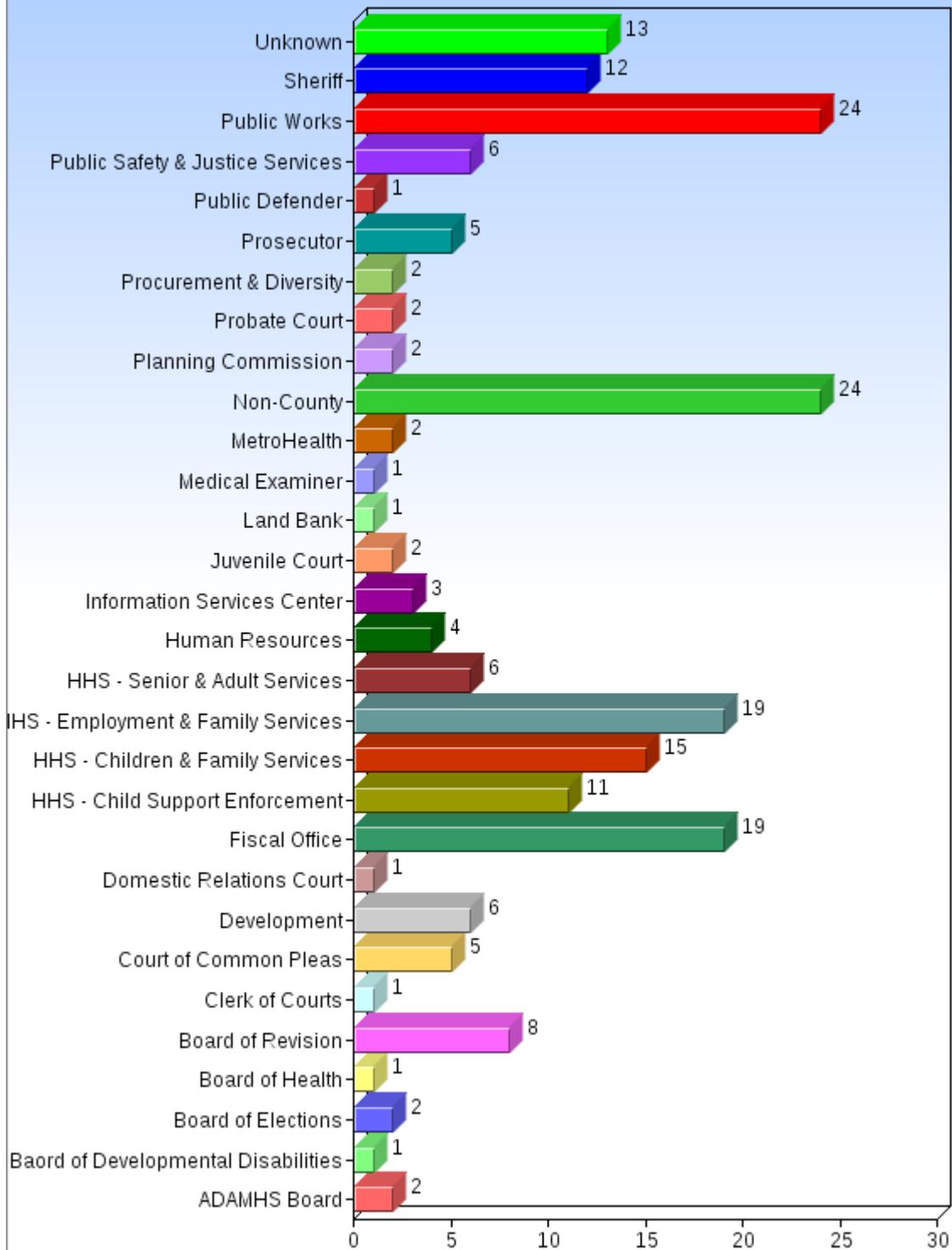
Source of Complaints



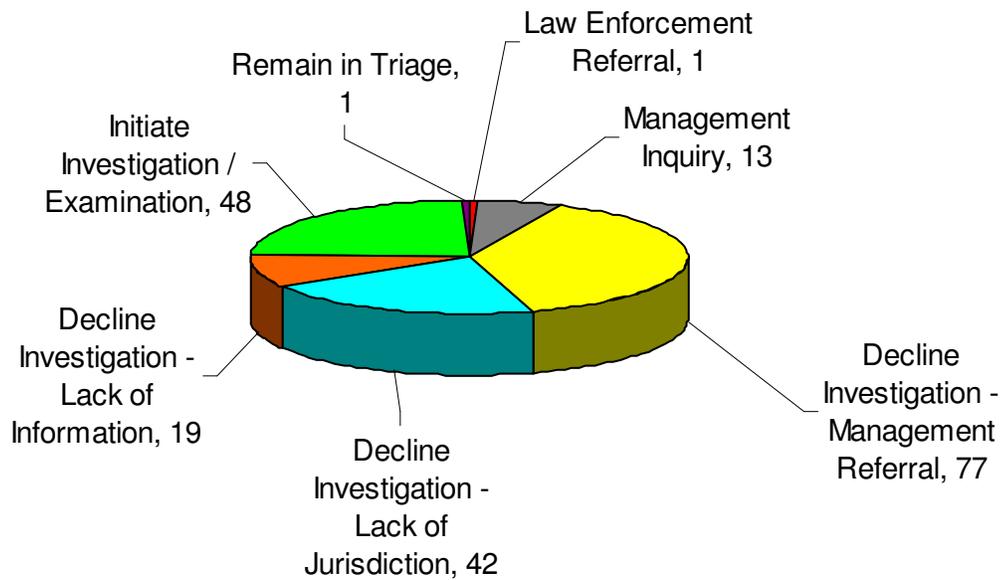
Method of Complaint Referral



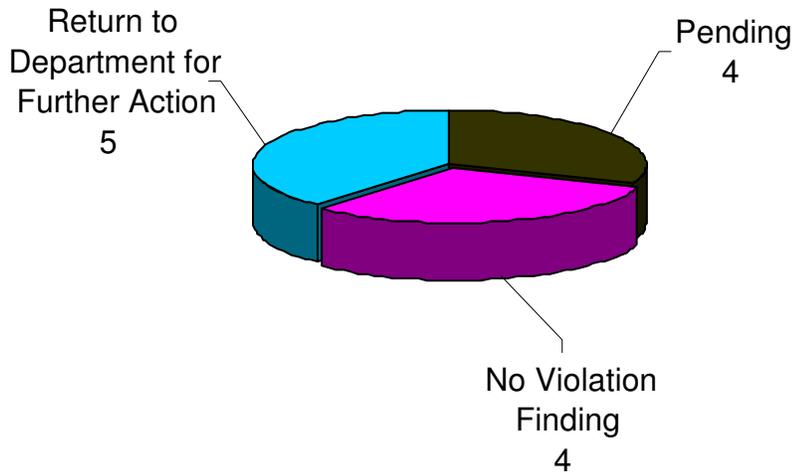
Complaints by Department/Agency



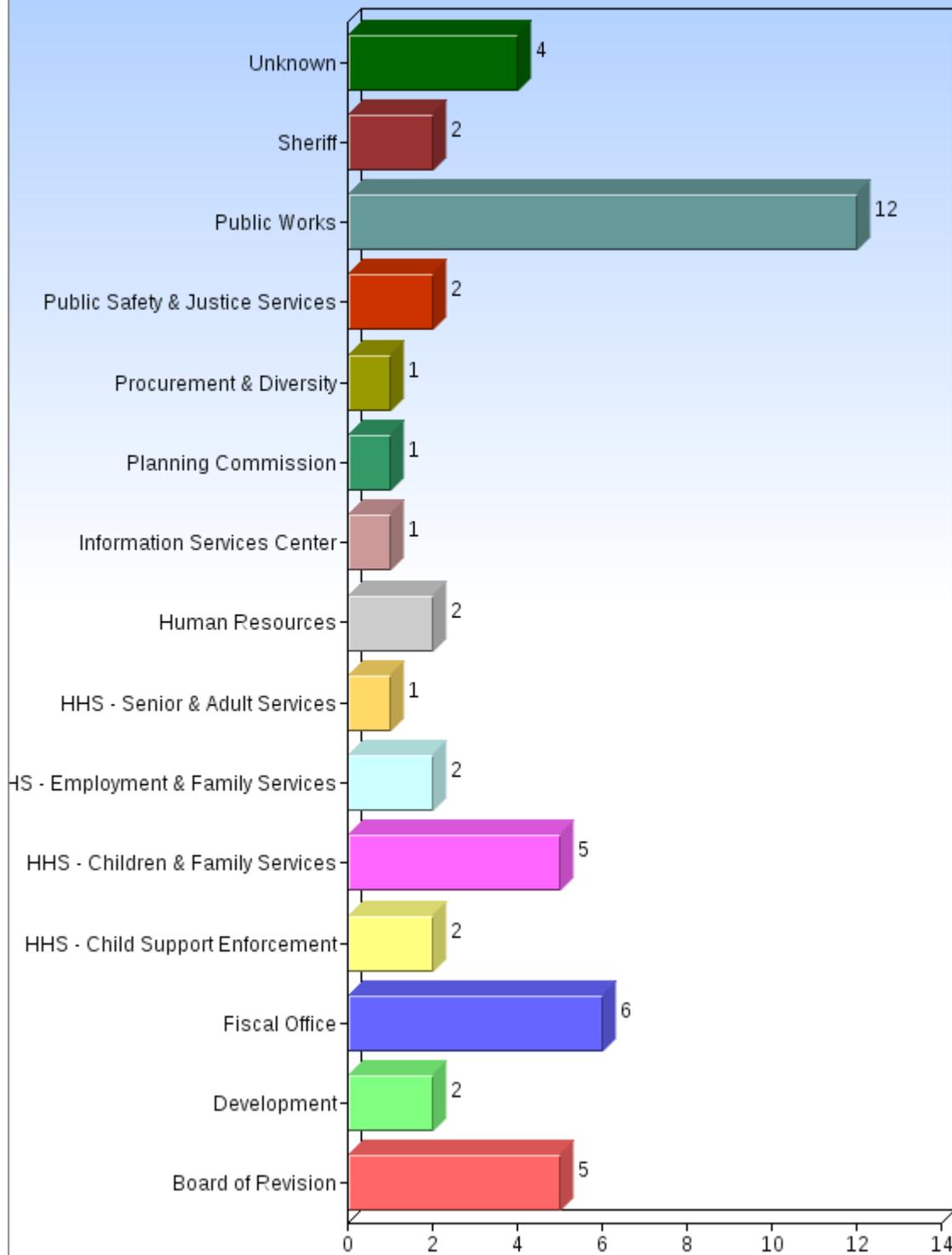
Initial Triage Complaint Disposition



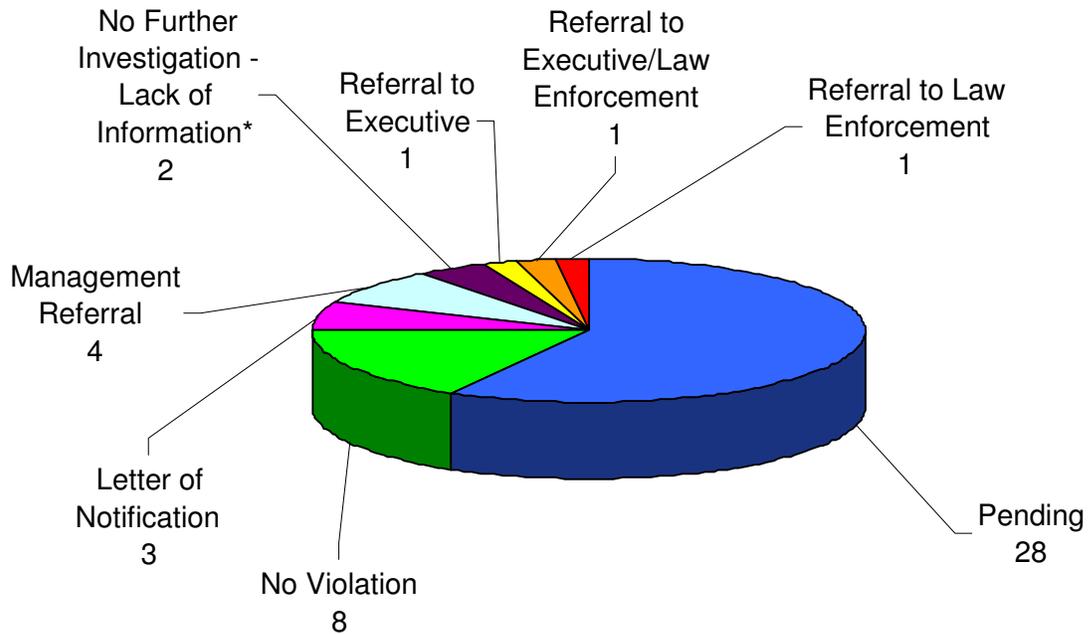
Management Inquiry Disposition



Initiated Reviews/Investigations by Department



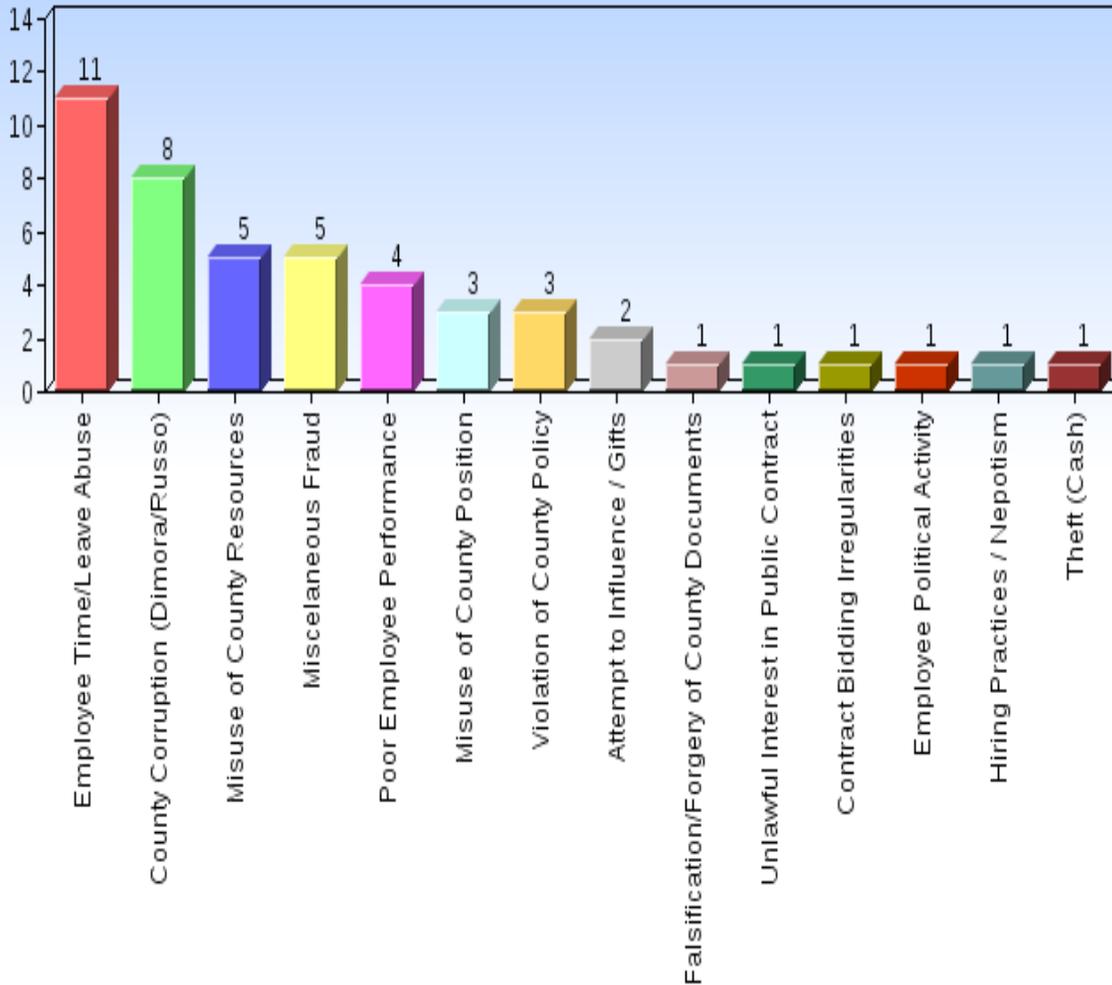
Investigation/Review Disposition



* Subsequent review failed to reveal sufficient information to continue investigation of matter.



Initiated Investigations/Reviews Complaint Types



Section 3.3

SUMMARIES OF SIGNIFICANT CASES

(*The AIG has redacted the name of any individual that was not found to be in violation of any State/Federal law, County ordinance or County Policy.)

Investigations⁴³

CASE NUMBER: INVEST-000401

SUBJECT(S) INFO:

Name: James Gallagher
Position: Senior Clerk
Department: Fiscal Office

SOURCE OF REFERRAL: Executive Office

METHOD OF REFERRAL: Direct Phone Call

ALLEGATION(S):

James Gallagher ("Gallagher") obtained his position with Cuyahoga County and a series of subsequent pay raises by helping former Cuyahoga County Frank Russo ("Russo") improperly influence elections for Cuyahoga County office.

INVESTIGATION SUMMARY: The AIG received a complaint regarding the employment of Gallagher, an employee of the Cuyahoga County Fiscal Office ("Fiscal Office"). The complainant cited an article published in the Cleveland Plain Dealer ("Plain Dealer") regarding an allegation that Gallagher received his County position and a series of subsequent raises after helping Russo improperly influence the 1996 Democratic primary for Cuyahoga County Recorder and the 1998 Democratic primary for Cuyahoga County Auditor. The article alleges that Gallagher influenced the elections for Russo by filing as a candidate for both Democratic primary elections and withdrawing before voting occurred. The

⁴³ Section 2(c) of the AIG Ordinance grants the AIG all such rights and duties to investigate fraud, corruption, waste, abuse, misfeasance, malfeasance, and nonfeasance without interference or pressure from any other public official or employee.



article drew comparisons to a similar scheme involving former County employee Joe Gallucci ("Gallucci") in the election for Cuyahoga County Auditor in 2006. Russo and Gallucci have pleaded guilty to Federal criminal charges relating to this scheme.

Preliminary investigation revealed that Gallagher's wage rate increased over sixty-eight percent (68%) between his initial date of hire with the Recorder's Office in 1997 and his final pay raise in mid-2007. Although some of the pay raises may be attributable to across the board cost of living pay adjustments, the Social Security Administration's Consumer Price Index for Urban Wage Earners and Clerical Workers only documented a 30% cost of living increase during this period of time. Therefore, at least 38% of Gallagher's pay increases should be attributable to either merit or promotion. Further investigation into this issue, however, was prevented when Gallagher refused to submit to an interview on two separate occasions.

RECOMMENDATION(S):

- 1) Referral to County Executive and Human Resources Department for disciplinary action for Gallagher for his failure to cooperate with an AIG investigation.

RESULT(S):

- 1) Gallagher's employment (Annual Salary - \$ 33,987.20) was terminated by the County Executive effective May 30, 2012.

CASE NUMBER: INVEST-000415

SUBJECT(S) INFO:

Name: Joseph Militello
Position: Administrative Assistant
Department: Board of Revision

SOURCE OF REFERRAL: County Employee

METHOD OF REFERRAL: Direct E-Mail

ALLEGATION(S): Joseph Militello ("Militello") is spending excessive time during regular working hours smoking and listening to the radio in a vehicle that is parked in the Huntington Park Garage ("Huntington Garage").



INVESTIGATION SUMMARY:

The investigation revealed sufficient evidence (parking garage records, employee timesheets, and direct surveillance) to indicate that Militello has engaged in a pattern of consistent egregious falsification of his timesheet and theft of County time. Militello was consistently arriving at work after his reported start time and leaving work prior to his reported end time. Militello's submittal of fraudulent time sheets allowed him to receive compensation for the time he spent away from the worksite.

In addition, the flagrant nature of Militello's time abuse raised significant questions about the adequacy of management oversight at the Board of Revision. Despite the fact that Militello was missing from work on average of several hours per week, management staff routinely approved Militello's timesheet without question. In addition, Militello received "3" ratings for every section on his 2011 performance review⁴⁴, including the "dependability" section. Militello's personnel file contains no documentation of any concern relating to his attendance.

RECOMMENDATION(S):

- 1) Referral to County Executive and Human Resources Department for disciplinary action.
- 2) Referral to County Prosecutor's Office for review for possible criminal prosecution.
- 3) Management inquiry sent to Fiscal Officer, Wade Steen, to address adequacy of management of oversight at Board of Revision.

RESULT(S):

- 1) Militello's employment (Annual Salary - \$35,568.00) with the County was terminated by the County Executive effective May 10, 2012.

CASE NUMBER: INVEST-000397

SUBJECT(S) INFO:

Name: [REDACTED]
Position: N/A
Department: Non-County

Name: [REDACTED]
Position: N/A

⁴⁴ Attached as **Exhibit V.**

Department: Non-County

SOURCE OF REFERRAL: County Employee

METHOD OF REFERRAL: Walk-In

ALLEGATION(S): [REDACTED] and [REDACTED] have an unlawful interest in a public contract with Cuyahoga County.

INVESTIGATION SUMMARY: The Cleveland-area Urban Area Work Group (“UAWG”) Communications Subcommittee (“Subcommittee”) is responsible for making recommendations for the expenditure of Urban Area Security Initiative (“UASI”) grant funds to be applied to the purchase of goods or services related to communications equipment and radio interoperability. The Subcommittee is also responsible for drafting policy, guidance and establishing governance for the tactical interoperable communications among political subdivisions within Cuyahoga County (“County”). The Subcommittee is comprised of technical-minded public safety employees who deliberate, guide and vote upon how such funds will be expended and policy applied.

Certain interoperable communications equipment that is purchased by the County requires programming prior to use in the field by safety forces. The programming of such equipment requires specific technical skills and knowledge of communications hardware. More importantly, though, the programmers must have access to secure electronic system “keys” that are issued by the State of Ohio’s Multi-Agency Radio Communications System (“MARCS”) Division.

Two public employees, [REDACTED] and [REDACTED], serve on the Subcommittee and have sought, been awarded and are seeking further UASI grant fund services involving the programming of interoperable communications equipment utilized by the County and several political subdivisions within the County. Although [REDACTED] and [REDACTED] have refrained from voting on any contracts where they personally benefitted, it is alleged that they each took part in deliberations at Subcommittee meetings regarding expenditure of UASI grant funds for programming services.

Subsequent investigation revealed that [REDACTED] and [REDACTED] each received payments in excess of \$10,000 from contracts entered into with the County between 2009 and 2011 for performing radio programming services. The evidence demonstrated that these contracts were not awarded through competitive process.



During the course of this investigation, the AIG learned that the Ohio Attorney General's Bureau of Criminal Identification and Investigation ("BCI&I") previously investigated this same matter. The AIG subsequently discovered that BCI&I presented its investigation to the County Prosecutor's Office on or about May 13, 2010. The County Prosecutor's Office requested that the investigation be referred to the Ohio Ethics Commission to review for consideration of possible criminal charges for ethics violations on the part of [REDACTED]. On or about November 23, 2010, the Ohio Ethics Commission issued a letter stating the following:

On August 17, 2010, the Commission received correspondence from you regarding potential Ethics Law violations by [REDACTED], a sub-committee member of the Urban Area Working Group (UAWG). After thoroughly reviewing the information you described, I must inform you that the Ohio Ethics Commission has no authority to respond to the issues you raised because [REDACTED] is not a public official or agent of the state for purposes of the Ethics Law.

Please find enclosed copies of the Ohio Ethics Law, which contain definitions of a public official for purposes of Revised Code Chapter 102 and R.C. 2921.42. Also enclosed please find a copy of Advisory Opinion Number 92-001 which provides the analysis for determining whether a person is an agent of the state.

In response to an inquiry from the AIG, on May 17, 2012, the County Prosecutor's Office confirmed that the County Prosecutor's Office was relying on the Ohio Ethics Commission's opinion and considered the matter closed.

RECOMMENDATION(S): Despite the finding that [REDACTED] and [REDACTED] did not engage in criminal activity, the AIG found that the prior contractual relationships with [REDACTED] and [REDACTED] raise a significant appearance of impropriety. The appearance of impropriety is of such a significant nature that it has led to the initiation of two separate investigations into the matter. In light of this, should the County desire to contract with [REDACTED] and [REDACTED] in the future, the AIG recommended that the County demonstrate that [REDACTED] and [REDACTED] meet all of the following requirements that are typically applied to public officials seeking an exemption to the prohibitions on having an unlawful interest in a public contract:



- 1) The subject of the public contract is necessary supplies or services for the political subdivision or governmental agency, or instrumentality involved;
- 2) The supplies or services are unobtainable elsewhere for the same or lower cost, or are being furnished to the political subdivision or governmental agency or instrumentality as part of a continuing course of dealing established prior to the public official's becoming associated with the political subdivision or governmental agency or instrumentality involved;
- 3) The treatment accorded the political subdivision or governmental agency or instrumentality is either preferential to or the same as that accorded other customers or clients in similar transactions; and
- 4) The entire transaction is conducted at arm's length, with full knowledge by the political subdivision or governmental agency or instrumentality involved, of the interest of the public official, member of the public official's family, or business associate, and the public official takes no part in the deliberations or decision of the political subdivision or governmental agency or instrumentality with respect to the public contract.

RESULT(S): The County is moving towards bringing the radio programming function in-house through the hiring of a full-time employee. In the meantime, the County will award the radio programming contract through a competitive process (Request for Qualifications).

CASE NUMBER: INVEST-000205

SUBJECT(S) INFO:

Name: Wade Steen
Position: Fiscal Officer
Department: Fiscal Office

Name: Elise Hara
Position: Director
Department: Human Resources Department

SOURCE OF REFERRAL: Public

METHOD OF REFERRAL: Report a Concern E-Mail



ALLEGATION(S): The hiring of Eric Richter (“Richter”) for the position of Director of Operations for the Cuyahoga County Fiscal Office (“Fiscal Office”) without publicly posting the position violated County policy.

INVESTIGATION SUMMARY: This investigation failed to reveal sufficient evidence to indicate that Richter’s hiring without a public position posting was the result of any fraud or other act of misfeasance. Rather the failure to properly post the position was likely the direct result of a combination of employee negligence and poor internal procedure.

Although it is undisputed that Richter and Steen had a professional relationship prior to Richter’s hiring, this fact in and of itself does not amount to fraud or any other act of misfeasance. The evidence obtained in this investigation indicates that Richter last worked with Steen in 2007. There is no evidence to suggest that anything other than Richter’s prior work performance motivated Steen to seek Richter out for this position (i.e., no evidence of familial or current financial relationship).

In addition, there is no evidence linking Richter to Edward FitzGerald (“FitzGerald”) prior to this hiring. There is no evidence of any professional or personal relationship between the two. Additionally, a review of FitzGerald’s campaign finance records for the past several years failed to reveal any donations from Richter.

As detailed in the full investigation report, the evidence obtained in this investigation indicates that the hiring of Richter without a posting did not violate Ohio civil service laws. Richter’s position appears to be appropriately categorized as an unclassified position. Therefore, Ohio civil service laws do not require competitive examination for this position.

While the hiring of Richter without posting appears to not be the result of bad intent, the hiring does not comport with the County’s stated goal of increasing transparency in county government. The failure to post, combined with Steen’s prior relationship with Richter, certainly creates an appearance of impropriety in the eyes of the public.

RECOMMENDATION(S): On October 11, 2011, FitzGerald issued an Executive Order requiring the following:

- All available employment opportunities under the jurisdiction of the County Executive shall be posted to give notice of the opening for a



minimum of five (5) consecutive working days on the Cuyahoga County website; and

- The notice shall be posted by the Department of Human Resources and shall contain the job title, division, a brief job description, and minimum qualifications.

In order to adhere to the Executive Order, Human Resources ("HR") has implemented a procedure requiring certification of posting prior to any hiring decision. HR mandates that all hiring decisions be approved by FitzGerald prior to appointment. FitzGerald's approval is documented by obtaining his signature on a "personnel agenda". The personnel agenda now contains a field whereby an HR employee is required to certify that the position was posted. HR Director Elise Hara ("Hara") will not present the personnel agenda to FitzGerald unless each hiring request contains a posting certification from an HR employee.

With regard to Richter's specific situation, the Director of Operations position was posted on October 20, 2011. Seventy three (73) applications were received by the County. On March 21, 2012, Steen authored a memorandum recommending the hiring of Richter for the position. Steen noted Richter's extensive experience in county government and operations and cited to his exceptional performance during his probationary period. Richter's hire was subsequently approved by FitzGerald on May 10, 2012. In light of this, Richter was issued an offer of employment on May 22, 2012.

The issuance of the Executive Order and the change in HR procedures appear to be adequately addressing this issue. HR, though, should remain steadfast in monitoring its hiring practices to avoid the occurrence of a similar situation in the future.



Examinations⁴⁵

ISSUE NAME: Nepotism Examination

DEPARTMENT INVOLVED: Sheriff's Department

SOURCE OF REFERRAL: Employee Complaint

ISSUE SUMMARY: Pursuant to Article VII, Section 28 of the Ethics Ordinance ("Nepotism Policy"), a County employee is prohibited from supervising and/or otherwise participating in any employment decisions involving a full family member. Beginning in mid-2011, the Cuyahoga County Human Resources Department required all employees attending ethics training to complete a Nepotism Disclosure Form. In late 2011, the AIG received a complaint regarding a possible violation of the Nepotism Policy in the Cuyahoga County Sheriff's Department. In light of this complaint, the AIG initiated a review of the Nepotism Disclosure Forms submitted by employees of the Sheriff's Department. The following is a summary of the violations discovered during this review:

- A Warden in the County Jail has direct supervisory authority over his daughter, a Transport Clerk.
- The Director of Corrections has supervisory authority and/or responsibility directly affecting his son-in-law, Supervisor of Food Services for the County Jail.
- A Warden in the County Jail has supervisory authority and/or responsibility directly affecting his wife, a Correction Officer Corporal in the County Jail.

In addition to these current violations, the AIG identified five (5) additional situations that created a high-risk for future violations. Although these five (5) supervisors did not currently supervise full family members, they were in positions where a simple reassignment could result in a violation of the Nepotism Policy.

⁴⁵ Section 2(c) of the AIG Ordinance appoints the AIG to conduct examinations under Section 2.05 of the County Charter. Section 2.05 of the County Charter grants the County Executive the authority to, at any time and without notice, cause the administrative affairs or the official acts and conduct of any official or employee of any County office, department or agency over which the Executive has authority to be examined.



RECOMMENDATION(S):

- 1) On June 26, 2012 the AIG issued Letters of Notification to the six employees that were currently in violation of the Nepotism Policy. The letters required each employee to submit written documentation within one month to the AIG evidencing the removal of his/her full family member from the applicable supervisory chain. Failure to comply with this requirement will result in the administration of more serious penalties, including referral to the County Executive for disciplinary action.
- 2) Letters were issued to the ten (10) employees who were in “high-risk” positions advising them to disclose their familial relationship if a reassignment results in them falling within the direct supervisory chain with his/her full family member.

RESULT(S): On July 17, 2012, Cuyahoga County Sheriff Bob Reid submitted correspondence to the AIG indicating the following changes to the Sheriff's Department organizational structure:

- The Transport Clerk will now report to the Sergeant in charge of records (non-relative) who directly reports to the Corrections Director.
- The Supervisor of Food Services will now directly report to Sheriff Reid.
- The Correction Officer Corporal will be assigned to the Jail 2 complex, which is under the supervision of a different Associate Warden (non-relative).



SECTION 4: ETHICS COMPLIANCE

4.1 ETHICS REQUIREMENTS

4.2 ETHICS STATISTICS



Section 4.1

ETHICS REQUIREMENTS

Introduction

As previously noted in Section 1.3, Article 9 of the Ethics Ordinance officially designates the Inspector General as the ethics investigative officer for the County and requires the Inspector General to conduct all investigations pertaining to the Ethics Ordinance. In addition to the investigatory mandate, the Ethics Ordinance requires the Inspector General to perform additional disclosure and/or prevention functions.

As a practical matter, the ethics-related functions performed by the AIG can be divided into four broad categories:

- 1) Investigation and Enforcement;
- 2) Review and Advise;
- 3) Disclosure; and
- 4) Training.

Investigation and Enforcement

Ethics complaints undergo the same triage and investigation process as general fraud/waste/abuse complaints (See Section 3.1). The AIG's jurisdiction to investigate ethics complaints, however, is larger than its general investigative jurisdiction. The AIG's ethics jurisdiction includes employees of the County Council and County Prosecutor.

Ethics investigations that result in a finding that the ordinance has been violated are remedied in accordance with the enforcement powers granted to the AIG by the Ethics Ordinance. These enforcement powers are specifically described in Section 1.3 above.

Review and Advise

An essential element in creating a culture of ethical behavior is to provide a mechanism for officials and employees to seek advice prior to taking an action that may be unethical. Accordingly, the Ethics Ordinance mandates certain



County officials and employees seek a ruling from the AIG prior to engaging in any of the following activities:

- 1) Any activity that may constitute a conflict of interest;
- 2) Secondary employment; or
- 3) Accepting a County appointment to a board or commission.

In addition, the AIG will offer specific or general guidance upon request on other ethics-related issues, including, but not limited to, the following:

- 1) Political activity for Classified employees;
- 2) Acceptance of gifts from contractors; or
- 3) Disclosure requirements.

Disclosure

"Sunlight is said to be the best of disinfectants" – Justice Louis Brandeis

Transparency is widely accepted as one of the most effective means to prevent corruption in government. Accordingly, the Ethics Ordinance requires the AIG to manage the following public disclosure programs:

- 1) *County Contractor Registry* – All contractors/vendors doing business with the County are required to register with the AIG. This registry is required to be posted on the AIG website.
- 2) *County Lobbyist Registry* – All individuals/entities seeking to lobby County officials or employees must register with the AIG. This registry is required to be posted on the AIG website.
- 3) *Financial Disclosure Reports* - Certain County officials and employees are required to file financial disclosure statements with the AIG. The reports are maintained by the AIG and are available for review.
- 4) *Campaign Finance Reports* - The AIG is required to obtain all campaign finance reports and financial disclosure statements for all candidates for County elected office. The reports are maintained by the AIG and are available for review.



Training

Although not specifically required to do so, the AIG has established an ethics training program for all County contractors/vendors and lobbyists. The training program is a joint effort between the AIG and the Cleveland Office of the U.S. Attorney. The training program provides attendees with specific guidance on ethical business practices and the avoidance of improper methods of soliciting business from County officials and employees. Unless exempted, all County contractors/vendors and lobbyists are required to attend this training program as a prerequisite for conducting business with the County.



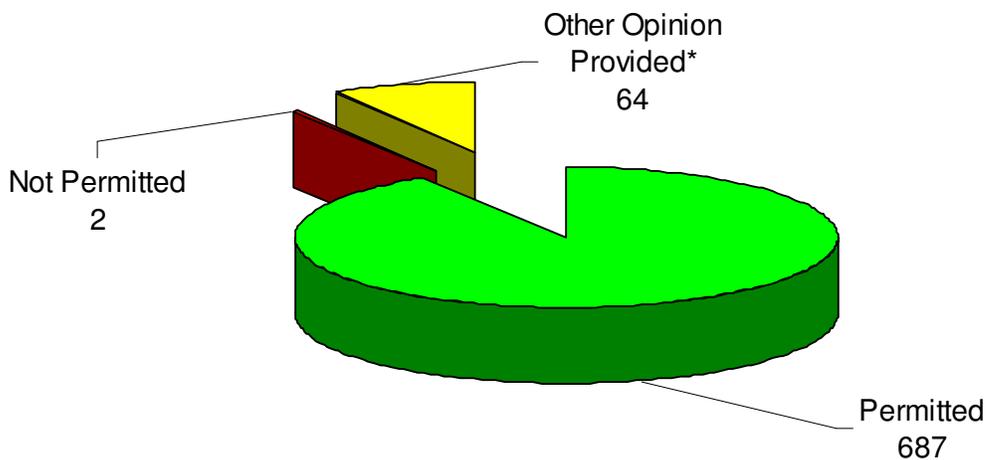
Section 4.2

ETHICS STATISTICS

Review and Advise

The AIG Reviewed and responded to seven hundred fifty three (753) secondary disclosures during the first half of 2012. The following is a summary of the AIG's responses to these disclosures:

Secondary Employment Disclosure Responses



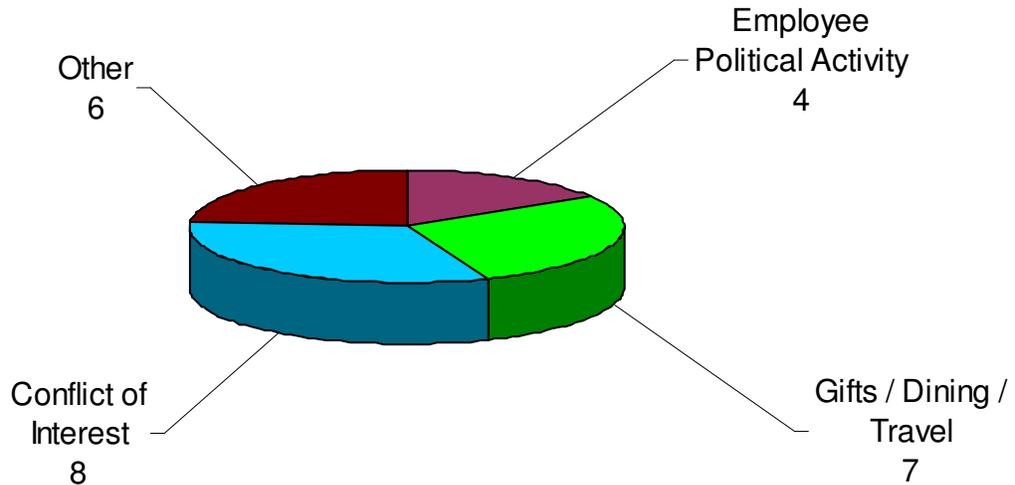
*Based on the nature of certain disclosures, the AIG issued a letter or memorandum to certain employees advising them of requirements under Ethics Ordinance, but not offering definitive opinion on a particular secondary employment situation.

The AIG issued "not permitted" opinions for the following situations:

- Employee accepting secondary employment with another political subdivision the County currently contracts with. The employee's duties with the County include working on cases that are received as a result of this contract.
- Employee's secondary employment involves decision making on cases where his/her County Agency is potentially a party to the case.

The AIG also responded to twenty five (25) requests for specific guidance under the Ethics Ordinance. The following is a summary of the nature of these requests:

Ethics Inquiries



- *Employee Political Activity*
 - Holding a fundraiser for a partisan political candidate – Not Permitted.
 - Voting on delegates to send to partisan political convention – Not Permitted.
 - Volunteer work for partisan political candidate – Permitted (under certain circumstances).
- *Gifts / Dining / Travel*
 - Travel sponsored by a non-profit organization that does not do business with the County – Permitted.
 - Acceptance of gifts to County Agency – Permitted.
 - Discounted entertainment tickets for all County employees – Permitted (under certain circumstances).
 - Complementary tickets to charitable fundraiser provided by entity that does business with the County – Permitted (under certain circumstances).
 - Complementary tickets to charitable fundraiser provided by entity that does not do business with the County – Permitted.
- *Conflict of Interest*
 - Appointment to various non-profit boards.



- Service on host committee for event sponsored by a non-profit organization.
- Appointment of individual by County Executive to board or commission.
- Entering into agreement to provide services to another political subdivision.
- **Other**
 - Review of County Elected Officials' fundraising lists to determine whether County employees improperly donated.
 - Financial disclosure inquiries.
 - Contractor/lobbyist registration inquiries.

In addition, the AIG issued the following broad ethics advisory opinions during the first half of 2012⁴⁶:

IGADV-0003

Contractor Registration

This Advisory Opinion offers guidance on the Inspector General's interpretation of the requirements relating to contractor registration and reporting under the Cuyahoga County Ethics Ordinance.

IGADV-0004

Secondary Employment

This Advisory Opinion offers guidance on the Inspector General's interpretation of the prohibitions under the Cuyahoga County Ethics Ordinance relating to secondary employment or private business activity by County employees.

IGADV-0005

Charitable Fundraisers

This Advisory Opinion responds to the question of whether a public official's or employee's acceptance of a ticket to a charitable fundraising event violates any provision of the Cuyahoga County Ethics Ordinance.

Disclosure

The largest disclosure project undertaken by the AIG in the first half of 2012 was the contractor registration program. As previously noted, the program requires all contractors or vendors doing business with the County to register with the

⁴⁶ Full copies of the opinions are available on the AIG website (<http://inspectorgeneral.cuyahogacounty.us/en-US/Ethics/-/Compliance.aspx>).



AIG. The following is a summary of the AIG's progress on the contractor registry program:

- 2195 contractors are fully registered with the AIG as of July 18, 2012.
- The AIG worked with County Council to amend the contracting registration provisions in the following manner:
 - Payment of the registration fee and attendance at ethics training are no longer an annual requirement. Contractor registrations (including payment of the registration fee and ethics training) now expire on December 31 of the respective year that is four calendar years after the year in which the contractor previously registered.
 - Registration is now required prior to approval and signature of the contract by the County as opposed to being required prior to bid submittal.
 - The AIG is now required to provide all registered contractors with notice of any relevant amendments to the Ethics Ordinance within ten business days of the effective date.
 - The amended ordinance clarifies the prohibitions on County contractors providing gifts or anything of value to County officials. Contractors are prohibited from providing gifts to a County official which exceed an annual aggregate value of \$75. Contractors are also prohibited from providing certain things of value under \$75 if those things would be considered "anything of value" by the Ohio Ethics Commission.
- The AIG mailed several thousand correspondences to current and potential contractors informing them of the new registration requirements.
- The AIG posts a current list of registered contractors on its website on a daily basis.

In addition to maintaining the contractor registration database, the AIG collected financial disclosure statements from 73 County officials (100% of required filers submitted statements). The AIG also collected the campaign finance reports for all County elected officials/candidates. The AIG is working to post these reports on its website.



SECTION 5: 2012 GOALS



2012 GOALS

Increased Contract Oversight

- The AIG is currently in the process of screening applicants for an Investigative Examiner position. The candidate selected for this position will be responsible for promoting accountability and integrity throughout the County contracting process by examining contracts for possible fraudulent activity and compliance with County policies, procedures, and all applicable rules and regulations. The Investigative Examiner will also lead investigation into allegations of fraudulent activities relating to County contracting.

- The AIG is in the process of subscribing to a database service that compiles comprehensive data on business entities, including small and privately held companies and excluded parties lists and nonprofit organizations. By subscribing to this service, the AIG will be able to instantly conduct due diligence research regarding County contractors, including discovery of information relating to the following issues
 - Prior legal issues (e.g., criminal convictions of company principles);
 - Negative statements in the media;
 - Associate analytics (i.e., connections between people and businesses); and
 - Company family tree (business connections within an organization).

Examinations

- The AIG will implement a driver's license review program in 2012. The program will ensure that all employees driving vehicles in the course of County business have a valid license and liability insurance.

- The AIG will continue to examine all employee nepotism disclosure forms to identify management relationships that violate the Ethics Ordinance.

- The AIG will begin fulfilling its mandated⁴⁷ function of examining the appropriateness of employee travel and cell phone usage.

⁴⁷ See Cuyahoga County Travel Policy and Cuyahoga County Mobile Communications Policy.



Internal Operations

- The AIG is scheduled to “go live” with a case management software program on August 1, 2012. This program will significantly increase the AIG’s efficiency in processing cases and will allow for more specific reporting of data.
- The AIG is completing development of an internal policies and procedures manual that will govern AIG activities (e.g., triage, investigation, reporting).

