

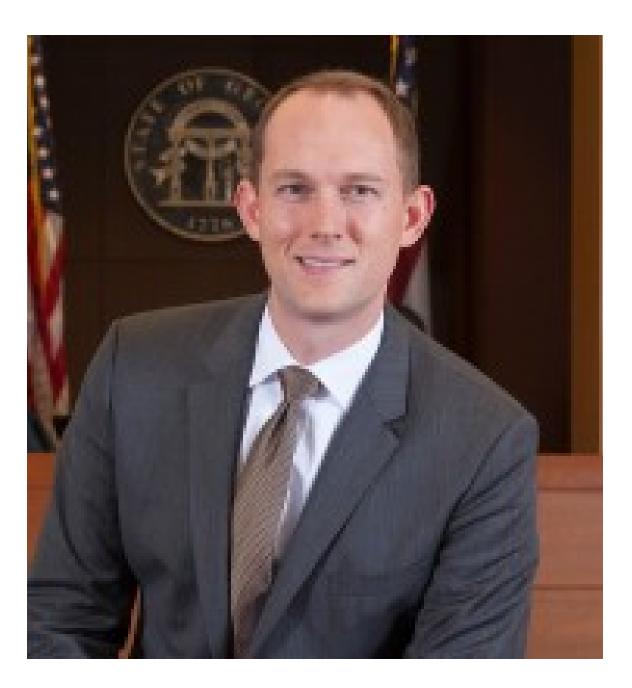


Message from the Inspector General

I am pleased to present the Office of the State Inspector General's FY 2021 annual report. This report is submitted to the Governor and public to provide insight into the general duties of this office and its important role in safeguarding the integrity of our state government. The report outlines our mission and responsibilities, reviews our complaint and investigative statistics, and highlights several notable administrative matters and criminal investigations handled from July 1, 2020, through June 30, 2021.

This past fiscal year was one of great transition. Deborah Wallace, who led and grew this office as Inspector General since her appointment in 2013, retired in February to begin a new role in academia by founding a criminal justice program at Tennessee Wesleyan University. The role Deb played in expanding this office and bettering our government cannot be overstated. We commend her 18 years of dedicated service to this state and wish her all the best in her future endeavors.

Despite the challenges of the COVID-19 pandemic, our work has continued. OIG identified and investigated millions of lost or mismanaged tax-payer dollars. We uncovered criminal acts impacting several state agencies, and obtained indictments to hold the wrongdoers accountable. OIG also completed a comprehensive audit of the State's new sexual harassment prevention policy, the first of its kind in Georgia's history, providing insight into how well state agencies are implementing this new uniform investigative standard. We continue to provide the state a tremendous return on investment.



Scott McAfee Inspector General



Deborah Wallace Former Inspector General

At its simplest, our office exists so that the public can trust and have confidence in their government. Georgians deserve a government free from fraud, sexual harassment, and ethical conflicts. We cannot assume agencies will always effectively police themselves, or that they have the resources to do so. A strong inspector general's office can determine the character and conscience of the executive branch. As Inspector General, I am committed to upholding these ideals by providing oversight and enforcing a high ethical standard. State employees and agencies will continue to be held accountable if they choose to deliberately ignore the laws and regulations of this state. I look forward to continuing our mission.

Respectfully,

Scott McAfee

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OIG Mission:

The Office of the State Inspector General promotes transparency and accountability in a sexual harassment free state government.

Fraud, Waste, Abuse, & Corruption

OIG investigates fraud, waste, abuse, and corruption in the executive branch. In addition, OIG conducts administrative reviews to promote effective controls, better agency policies and procedures, and identify opportunities for improved efficiency. As a result of recent Executive Orders issued by the Governor, OIG is also responsible for investigating violations of the State Code of Ethics, as well as the administration of the State Sexual Harassment Prevention Policy.

Complaints Received



FY 21: 179

FY 19: 313 Investigations Opened



FY 19: 32

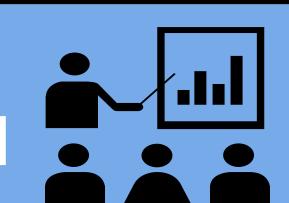
FY 20: 35

FY 21: 32

OIG reviews complaints and allegations to determine if there is probable cause and whether the matter falls under our jurisdiction. If so, we open an investigation. Many allegations we receive fall outsidé our jurisdiction, including concerns regarding personnel/management issues, county government matters, and private industry concerns. When available, OIG refers these complaints to a more appropriate investigative entity.

> OIG regularly conducts training programs for state employees about the detection and prevention of fraud.

Number of Employees Trained • • •

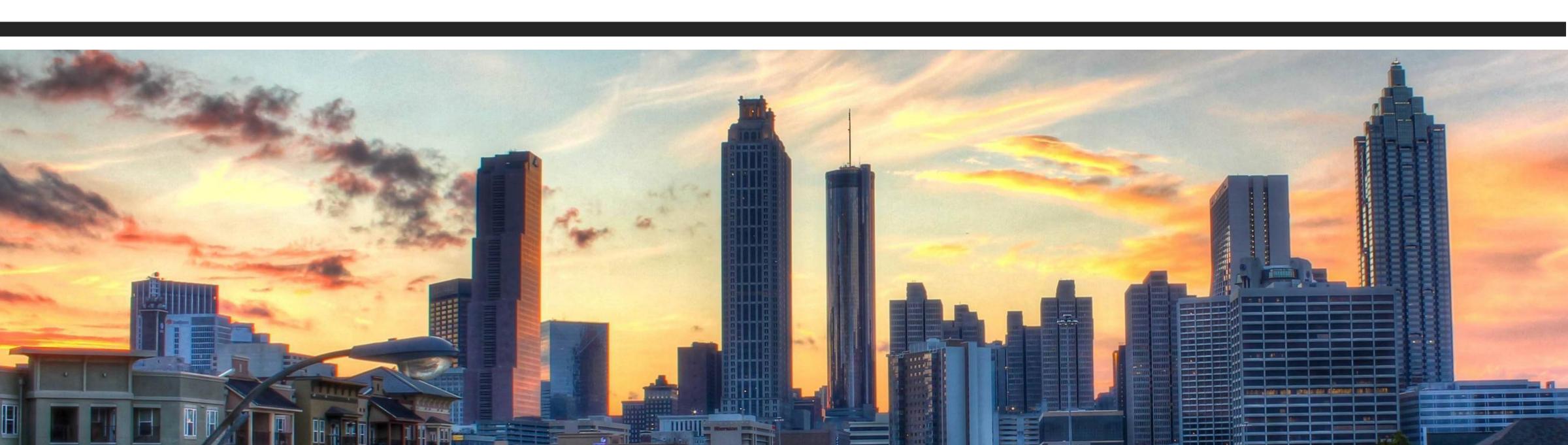


FY19 2,287

FY20 1,269

Return On Investment

	FY 19	FY 20	FY 21
Value of Fraud Referred for Prosecution & Savings for the State	\$7,337,553	\$13,056,949	\$11,376,585
OIG Annual Budget	\$1,002,515	\$1,218,781	\$1,351,189
OIG Return on Investment	732%	1,071%	842%





Summary of White Collar Crimes Investigated

OIG closed 13 cases in FY 21 and worked with approximately 48 different executive branch agencies to address the allegations, which included conflicts of interest, grant fraud, benefit fraud, fuel card theft, billing schemes, payroll schemes, and check tampering. OIG's investigations resulted in employee terminations and resignations, policy and procedure changes, reimbursements to the state, and criminal charges.

OIG led and participated in several significant investigations in FY 21. Some of these investigations were coordinated with other investigative agencies such as the Georgia Bureau of Investigation (GBI), the Federal Bureau of Investigation (FBI), and various federal offices of inspector generals. Cases involving criminal activity were referred to the Department of Justice, the Georgia Attorney General's Office, and local District Attorney's Offices. Notable examples include:

OIG COMPLETES ADMINISTRATIVE INVESTIGATION INTO DOR'S OFFICE OF SPECIAL INVESTIGATIONS

In January 2020, OIG received a complaint regarding the the former Department of Revenue (DOR) Director of the Office of Special Investigations (OSI). The complaint made a number of allegations relating to performance of his official duties. conducted the bulk of its investigation in FY 21, and released its administrative findings September 2021. The findings included:

The Atlanta Journal-Constitution

It's Worth Knowing What's Really Going On.

Report details agency's slush fund

Investigators describe misuse of seized assets, deception by division of state Revenue Dept. bill.rankin@ajc.com Inspector General, released Tues-A division of the Department millions of dollars in seized funds

his superiors to justify spending

practice of keeping seized cash and assets and return \$2.1 million sury, where it should have gone yer representing reality show perlev, the report noted. investigation division was "clearly

tigations led Revenue to end its found. It noted that some of the investigation and pledged fur-

on allegations of fraud and based this story on the publicly released Tuesday.

- AJC article published September 22, 2021

- DOR OSI violated state law by failing to remit \$5,302,949.37 in state asset forfeiture funds to the state general fund;
- OSI personnel abused the Financial Crimes Enforcement Network (FinCEN) by submitting a false certification to obtain financial data in a civil matter;
- The Director violated state procurement rules by purchasing a heavy-duty truck for daily workrelated travel
- DOR employees improperly used state vehicles for personal use;
- DOR failed to implement and maintain internal controls governing the use of a "undercover" bank account for criminal investigations; and
- DOR failed to implement proper internal controls governing the management of mobile devices.

OIG Recovers over \$400,000 of Stolen Money and Identifies the Fraudsters

In February 2019, OIG was notified of a possible fraudulent change to a state vendor's direct deposit bank account information. OIG was able to swiftly intervene and request the funds be returned by the receiving bank. OIG later confirmed a recovery of \$441,718.71, and as a result of OIG's intervention, reduced the total loss to approximately \$843,000.00.

During FY 21, OIG continued investigating the case and eventually identified those responsible. OIG determined the bank account change in the state's accounting system was the result of a business email compromise scheme. A vendor's email account was compromised and used to illegally request a change to the bank account information. OIG identified the phone number used to confirm the bank account change and linked the number to a free Google Gmail account. Content within the Gmail account identified a Nigerian national as the primary individual who conducted the scheme. OIG also obtained the account details for multiple bank accounts which received the diverted funds and secured surveillance footage for over 150 transactions. OIG identified multiple subjects who received a portion of the stolen funds from the accounts and surveillance footage. Thése individuals all appéared to be foreign nationals based in Georgia and Florida who accessed the funds domestically. The case file has been turned over to the Georgia Attorney General's Office for prosecution and is pending indictment.

Nonprofit Food Service CEO Indicted for Falsely Claiming to Have Provided Over \$800,000 in Meals for Low-Income Children

Dawn Eggleston, CEO of nonprofit Our Daily Bread, Inc., was indicted by a Camden County grand jury for submitting false reimbursements relating to the operations of the Summer Food Service Program.

The Summer Food Service Program (SFSP) is a federally-funded and state-administered program that feeds nutritious meals to children in low-income areas when schools are closed for summer vacation. In Georgia, the program feeds children free of charge through sponsors that utilize sites approved by the Georgia Department of Early Care and Learning (DECAL). SFSP provides an estimated 5-6 million meals a summer for approximately 82,000 children each day in the State.

In 2017, Our Daily Bread, Inc., provided SFSP meals at 177 different locations from Brunswick to Albany encompassing most of Southern Georgia. After routine evaluations at multiple sites, DECAL administrators suspected that CEO Dawn Eggleston had misrepresented the total number of meals actually served. Subsequent surveillance by the Office of the State Inspector General and other investigating agencies confirmed that Eggleston regularly inflated the meal counts, and that Eggleston submitted a fraudulent reimbursement in the amount of \$831,354 for July 2017. As a result of this investigation, DECAL rejected the reimbursement request.

On July 14, 2021, Dawn Eggleston was indicted for one count of False Statements and one count of Criminal Attempt to Commit Theft by Taking.

Former GDOT Employees Indicted For Using State Money To Buy Luxury Vehicle Parts

Former Georgia Department of Transportation (GDOT) employees Oscar Cooke of Riverdale, and Roosevelt Addie of Jonesboro, along with NAPA Auto Parts employee Openzender Tanner, were indicted by a DeKalb County grand jury for the misuse of their state-issued purchasing card (P-Card).

From 2015 to 2017, Addie and Cooke, who worked as mechanics at the GDOT District 7 maintenance shop in Avondale, allegedly utilized their state-issued P-Cards to make fraudulent purchases at NAPA Auto Parts, a merchant under an exclusive contract with the State of Georgia. Addie, a manager, and Cooke, a warehouse supervisor, were linked to approximately 55 different transactions totaling \$18,432.79.

Addie and Cooke claimed the purchases were made for GDOT vehicle maintenance, however, an audit revealed that the purchased parts were actually designed for various premium vehicles, such as those made by Ferrari, Cadillac, Hummer, Bentley, Porsche, and Lexus. Addie and Cooke colluded with Openzender Tanner, a NAPA employee, who helped conceal the scheme by creating and altering billing data contained in the NAPA Auto Parts computer network in such a manner to cause invoices to reveal different automotive parts than what were actually purchased. The purchased parts included alternators, electric fuel pumps, batteries, nitrous oxide kits, and tires.

On June 1, 2021, Cooke and Addie were indicted for one count of Theft by Taking and one count of Unlawful use of State Funds to Obtain Items of Value for Personal Benefits. Tanner was indicted for one count of Computer Forgery.

Two DECAL Child Services Consultants Indicted for Falsifying Childcare Inspection Reports

On April 8th, 2021, former Department of Early Care and Learning (DECAL) Child Services Consultants Tiffany Whigham and Maranda Powell were indicted by a Fulton County Grand Jury for falsifying multiple inspection reports for childcare facilities.

DECAL Child Care Services are responsible for supporting licensed child care learning centers and family child care learning homes through monitoring, technical assistance and training to assure safe and healthy environments and to improve the quality of services to children. Child Services Consultants are responsible for conducting two unannounced visits each year to these child care facilities each year.

In 2019, DECAL discovered that Whigham and Powell were not conducting their visits, despite inspection reports existing for visits that never took place and travel reimbursement being claimed. A subsequent investigation revealed that Whigham and Powell had forged multiple details of the inspection reports, including signatures for the program officials.

Sexual Harassment Prevention

In January 2019, Governor Kemp tasked OIG with oversight of the reporting and investigation of all sexual harassment complaints within the executive branch of State government. Pursuant to the executive order, OIG reviews all sexual harassment complaints to determine if the impacted agency can fairly and impartially investigate the complaint. If the agency cannot fairly and impartially investigate, OIG coordinates the appointment of an impartial investigator from another agency or from OIG.

Additionally, OIG is responsible for training all designated sexual harassment investigators and providing guidance regarding sexual harassment investigations. To ensure agency compliance with the executive order and policy, OIG conducts an annual compliance review of closed complaints.

On June 3, 2021, the Office of the Inspector General issued a report that summarizes the first year of the Statewide Sexual Harassment Prevention Policy from March 1, 2019, through June 30, 2020, and details the compliance of 12 selected executive branch agencies. The review determined if executive branch employees received appropriate and timely sexual harassment prevention training and if executive branch agencies sufficiently followed the detailed procedures for investigating and reporting sexual harassment complaints as outlined in the policy.



- Aired on WSBTV on June 8, 2021

The compliance review included several significant findings. The 12 agencies selected for review trained nearly 89% of the total employees under review. Additionally, agencies appropriately requested impartial investigators in 92% of the reviewed complaints. In 100% of the reviewed complaints, agencies properly notified the Office of the State Inspector General (OIG) of criminal conduct.

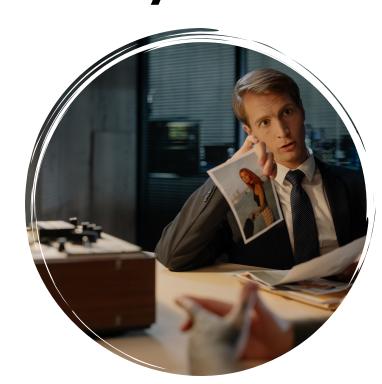
FY 21 in Review

Complaints Received

Complaints with Impartiality Concerns



Sustained Complaints



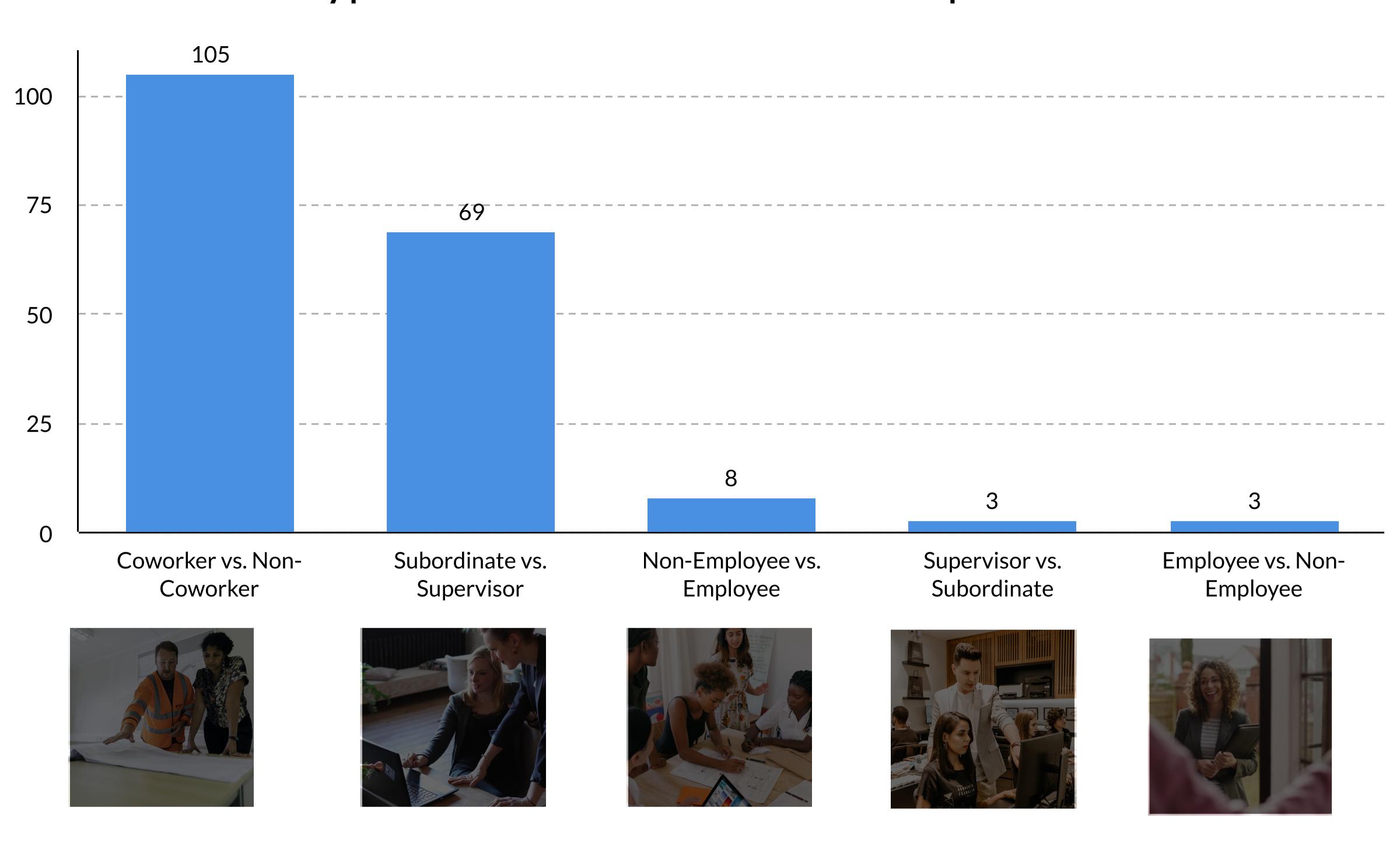
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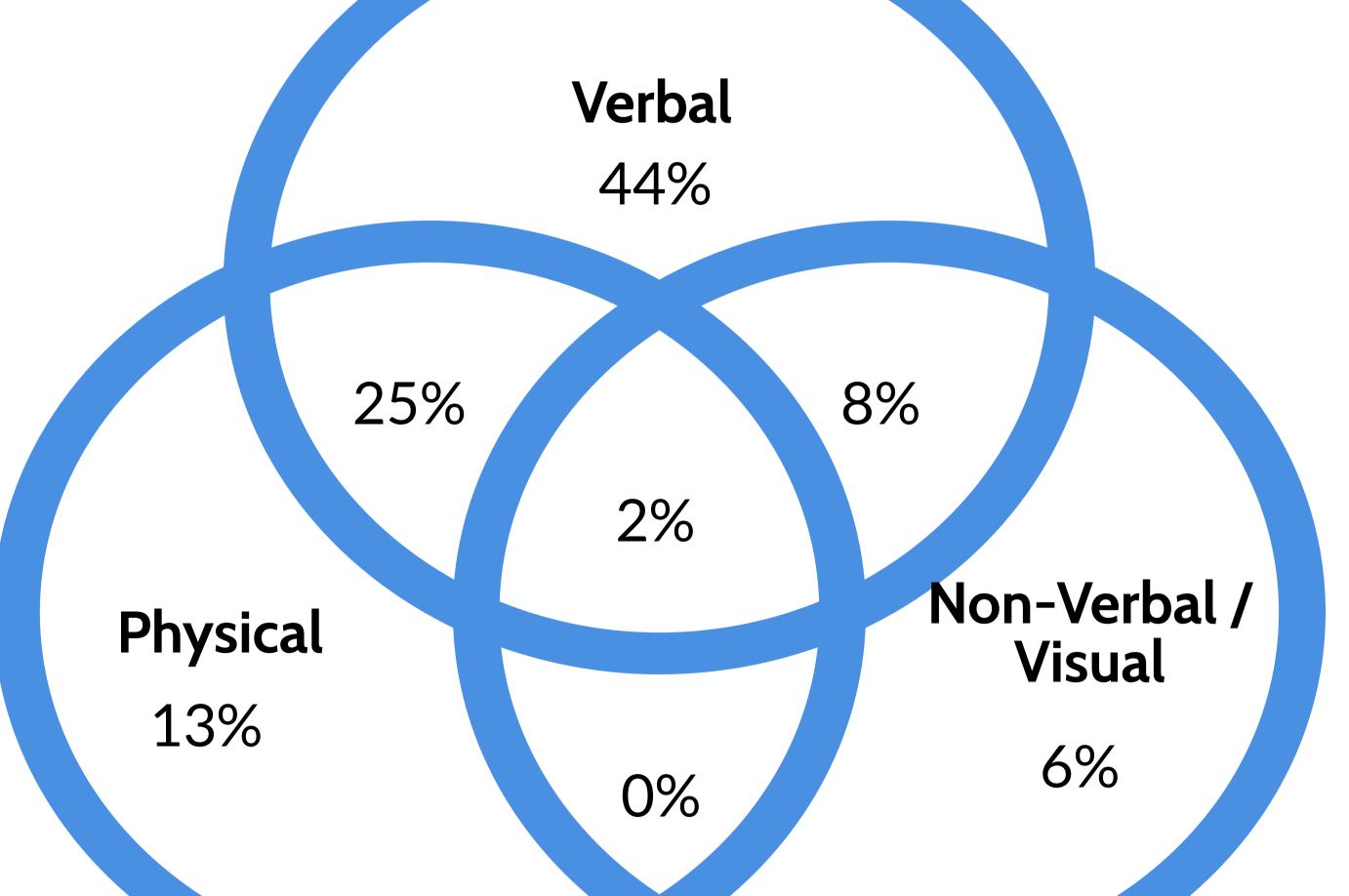
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Findings in FY 20 Audit

Types of Sexual Harassment Complaints



Sustained Complaint Types by Category





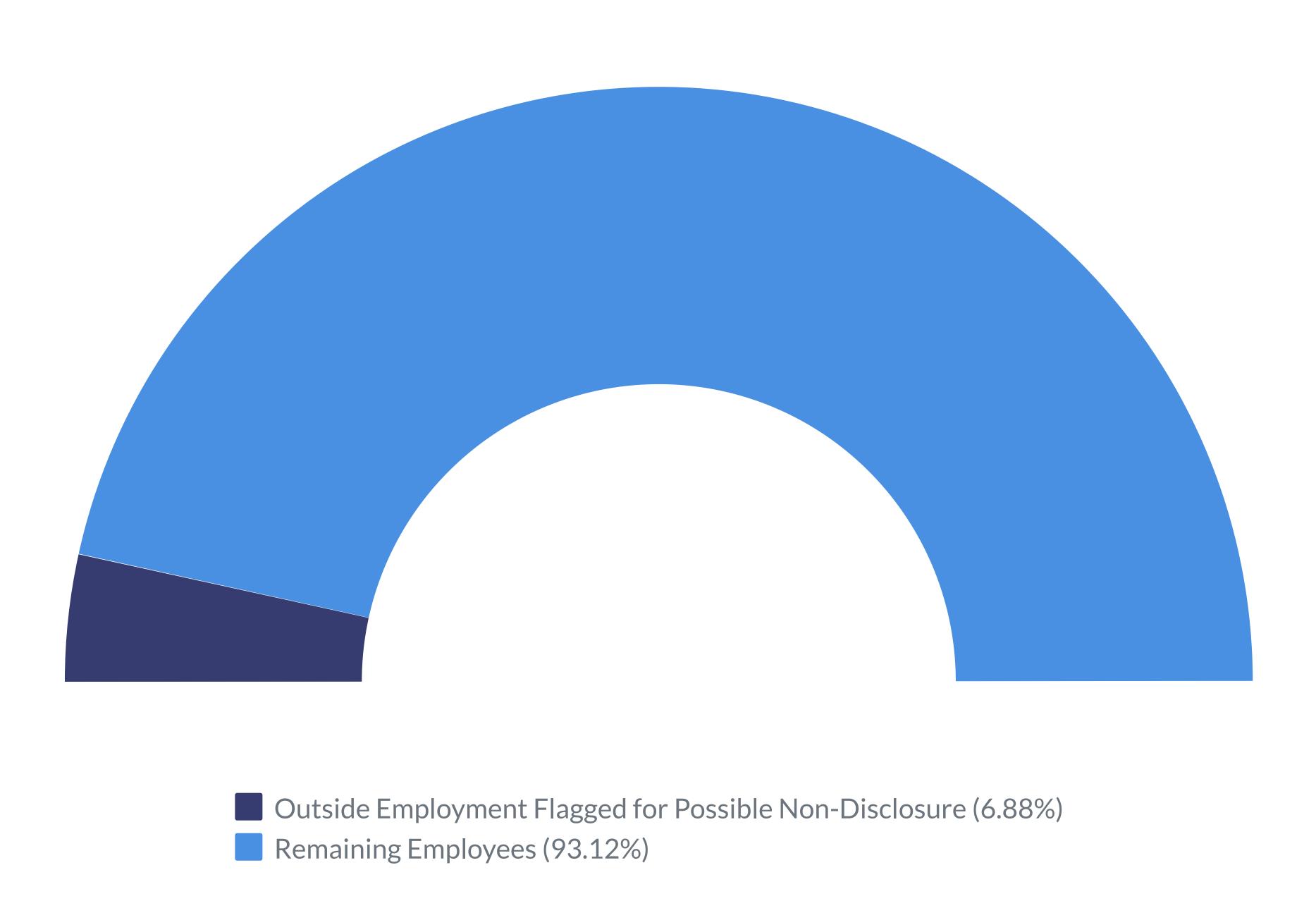
Proactive Reviews for Secondary Employment

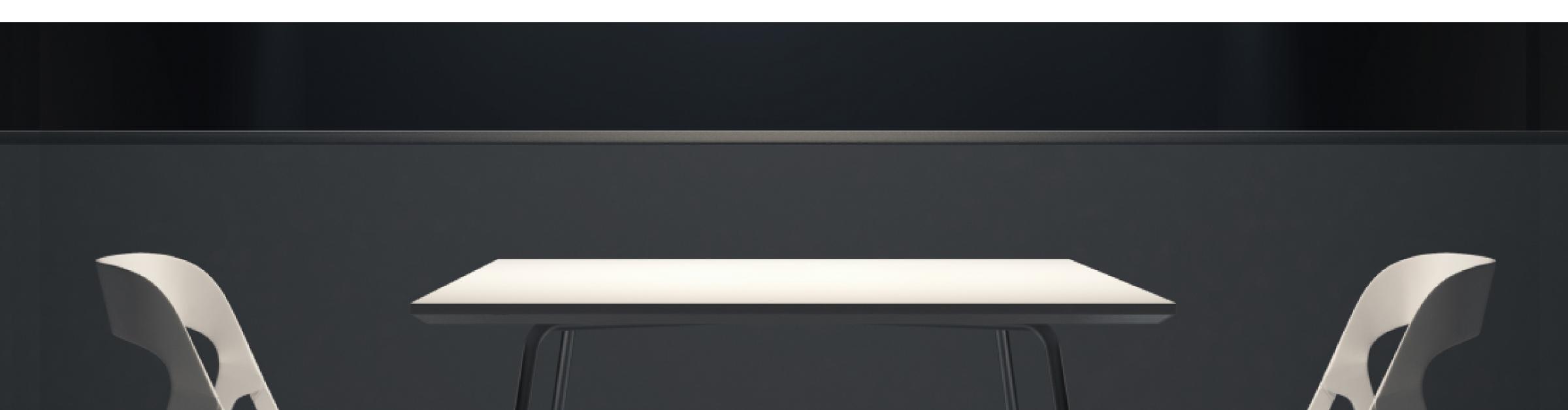
During FY21, OIG initiated proactive reviews of any employees within four different state agencies engaged in secondary employment. The purpose of the reviews was to identify employees with outside employment that had not been disclosed to agency management. Non-disclosure of outside employment violates the Rules of the State Personal Board and may create a conflict of interest in the performance of a state employee's duties.

OIG obtained the most current outside employment disclosures from the agencies and compared that information with official state records for the most recent calendar year. OIG's review identified approximately 187 of 2,718 employees between the four agencies that potentially obtained outside employment that was not disclosed to management. OIG provided the findings to agency management and encouraged them to review the results with the employees.

A lack of disclosure of outside employment can create conflicts of interest and allow fraud, waste, and abuse to occur within state government. With the cooperation of other state agencies, OIG will continue these proactive reviews in FY 22.

Outside Employment Flagged for Possible Non-Disclosure





Report Fraud, Waste, or Abuse



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