STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL

RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF INVESTIGATION

AGENCY: OHIO DEPARTMENT OF JOB & FAMILY SERVICES
FILE ID NO.: 2022-CA00007
DATE OF REPORT: JANUARY 9, 2025

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

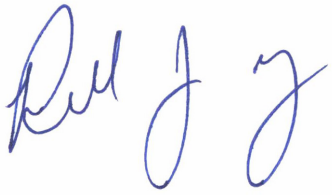
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Statutory authority for conducting such investigations is defined in *Ohio Revised Code §121.41* through *121.50*. A *Report of Investigation* is issued based on the findings of the Office, and copies are delivered to the Governor of Ohio and the director of the agency subject to the investigation. At the discretion of the Inspector General, copies of the report may also be forwarded to law enforcement agencies or other state agencies responsible for investigating, auditing, reviewing, or evaluating the management and operation of state agencies. The *Report of Investigation* by the Ohio Inspector General is a public record under *Ohio Revised Code §149.43* and related sections of *Chapter 149*. It is available to the public for a fee that does not exceed the cost of reproducing and delivering the report.

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The Inspector General's Office remains dedicated to the principle that no public servant, regardless of rank or position, is above the law, and the strength of our government is built on the solid character of the individuals who hold the public trust.



Randall J. Meyer
Ohio Inspector General

STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL
RANDALL J. MEYER, INSPECTOR GENERAL

REPORT OF INVESTIGATION

FILE ID NUMBER:	2022-CA00007
SUBJECT NAME:	Kyara Cauthon – Intermittent Customer Service Assistant Alana Hamilton – Intermittent Customer Service Representative Jasmine Shows – Columbus Resident
AGENCY:	Ohio Department of Job and Family Services
BASIS FOR INVESTIGATION:	Referral
ALLEGATIONS:	Fraud Involving Agency and Department Employee
INITIATED:	February 15, 2022
DATE OF REPORT:	January 9, 2025

PREFACE

The primary subjects in this report may be considered for indictment on possible criminal charges in the future. Due to the possible criminal cases, the Office of the Ohio Inspector General is issuing this preliminary report of investigation, which will be superseded by a comprehensive report to be released at a later date in order to ensure the integrity of the potential criminal justice proceedings.

INITIAL ALLEGATION AND COMPLAINT SUMMARY

On February 15, 2022, the Ohio Department of Job and Family Services (ODJFS) referred an allegation of wrongdoing by former Intermittent Customer Service Assistant (CSA) Kyara Cauthon to the Office of the Inspector General, the Ohio State Highway Patrol (OSHP) and the United States Department of Labor – Office of Inspector General. ODJFS alleged that Cauthon accessed several Pandemic Unemployment Assistance (PUA) claims and improperly inflated claimant incomes without obtaining from the claimants the documentation required to support the reported increases of their incomes. Her actions resulted in the fraudulent release of PUA benefits to ineligible claimants.

BACKGROUND

The Ohio Department of Job and Family Services

The Ohio Department of Job and Family Services (ODJFS) improves the well-being of Ohio's workforce and families by promoting economic self-sufficiency and ensuring the safety of Ohio's most vulnerable citizens. The department administers programs that provide public assistance, protects child welfare, ensures payment of child support, assists individuals with employment and in preparing for the workforce, provides benefits to the unemployed, and supervises the administration of federal programs and funding at the local level. The direct delivery of services is administered by ODJFS, a combination of joint and individual county departments of job and family services, and local agencies.[1]

[1] Source: Biennial budget documents.

The ODJFS Office of Unemployment Insurance Operations (ODJFS OUI) is responsible for administering the State of Ohio's Unemployment Insurance Program for workers and businesses. The ODJFS Benefit Payment Control (ODJFS BPC) section is part of ODJFS OUI and is responsible for promoting and maintaining, "… the integrity of the Unemployment Insurance Program through the prevention, early detection, investigation, enforcement and recovery of improper unemployment insurance benefits."[2]

Pandemic Unemployment Assistance (PUA) Investigative Group

In 2020, because of the COVID-19 pandemic and the increased unemployment of millions of Americans, Congress passed various programs to address the crisis, including the Pandemic Unemployment Assistance (PUA) program. The PUA program expanded and loosened eligibility unemployment requirements for recipients. Consequently, the Ohio Department of Job and Family Services (ODJFS), the agency responsible for distributing PUA benefits in Ohio, received an unprecedented number of unemployment compensation claims. This increase in claims necessitated ODJFS to hire intermittent and temporary contracted workers to process the claims. In fiscal year 2021, ODJFS disbursed approximately $7.6 billion in pandemic unemployment benefits and later, ODJFS identified millions of dollars of the disbursals as fraudulent. To address the rampant fraud connected to the PUA program, an investigative group was established that consisted of the Office of the Ohio Inspector General; Ohio State Highway Patrol; United States Department of Labor – Office of Inspector General; and the Ohio Department of Job and Family Services. In addition, the Ohio Department of Taxation, Investigative Unit, provided assistance in this investigation.

Pandemic Unemployment Assistance Program (PUA)

The Coronavirus Aid, Relief and Economic Security (CARES) Act[3] was a $2.2 trillion economic stimulus bill passed by the 116th United States Congress and was signed into law on March 27, 2020. The CARES Act included provisions for the Pandemic Unemployment Assistance (PUA) Program. The PUA program provided temporary benefits and support to self-employed

[2] Source: Benefit Payment Control | Office of Unemployment Insurance Operations | Ohio Department of Job and Family Services.

[3] The text of this legislation can be found at: Text - S.3548 - 116th Congress (2019-2020): CARES Act | Congress.gov | Library of Congress.

individuals, independent contractors, and others who did not qualify for traditional unemployment benefits and had lost work due to COVID-19 related reasons. Additionally, the PUA program provided temporary benefits and support to workers whose earnings averaged less than $280 per week in their former jobs and permitted qualified applicants to receive these benefits for up to 39 weeks. The CARES Act stipulated that the distribution of PUA benefits to individuals was to end on December 31, 2020. During the COVID-19 pandemic, the ODJFS Office of Unemployment Insurance Operations (ODJFS OUI) was responsible for the distribution of PUA benefits to qualified individuals in Ohio.

On December 27, 2020, the Consolidated Appropriations Act, 2021,[4] was signed into law and extended the expiration date set by the CARES Act for the payment of PUA benefits to qualified applicants from December 31, 2020, to March 14, 2021. The Act further extended the number of weeks an eligible applicant could receive these benefits from 39 weeks to 50 weeks.

Additionally, to strengthen the integrity of the PUA program, the Consolidated Appropriations Act, 2021, amended the CARES Act by:

- Requiring states to verify the identity of applicants.
- Requiring applicants to substantiate employment or self-employment, and wages earned or paid, to confirm eligibility for pandemic unemployment assistance no later than 90 days from the date of application.

On March 11, 2021, the American Rescue Plan Act of 2021[5] was signed into law and extended the payment of PUA benefits to qualified individuals from March 14, 2021, to September 6, 2021, and extended the maximum weeks an eligible applicant could receive these benefits from 50 to 70 weeks. The State of Ohio ended the PUA program on September 4, 2021.

During the period when PUA benefits were available for distribution, ODJFS posted on their website[6] the requirement that PUA applicants self-certify that they met a COVID-19 related

[4] The text of this legislation can be found at: H.R.133 - 116th Congress (2019-2020): Consolidated Appropriations Act, 2021 | Congress.gov | Library of Congress.
[5] The text of this legislation can be found at: H.R.1319 - 117th Congress (2021-2022): American Rescue Plan Act of 2021 | Congress.gov | Library of Congress.
[6] https://jfs.ohio.gov/ouio/pdf/COVID-19-CARES-Act-Reasons.pdf

reason for their unemployment. The United States Department of Labor issued guidance and defined PUA eligibility to three groups of people:

- Those previously receiving traditional unemployment benefits who refused to return to work or refused an offer of work because the workplace was not in compliance with local, state, or national health and safety standards directly related to COVID-19.
- Those who provided services to an educational institution or educational service agency and were fully or partially unemployed due to COVID-19 related reasons.
- Those who were laid-off or had their work hours reduced due to COVID-19 reasons.

PUA Claim Processing

The basic steps to process a PUA claim were:

1. The Claimant Applied for Benefits: This was the initial step in the PUA claims process and required the claimant to: complete a claim application questionnaire; enter their personal, demographic and work history information; adjust the start date of the claim to be the last date the claimant worked/onset of COVID-19 date (i.e., called backdating); upload all their ODJFS-required documentation into the claims system; and to submit the claim.
2. ODJFS Adjudication: After the claimant submitted the claim to ODJFS, the adjudication step was the initial determination made by ODJFS on the claim based on the accuracy and comprehensiveness of the claimant's application and uploaded documents.
3. ODJFS Redetermination (if applicable): This was the process used when a claim was initially adjudicated as "Ineligible" and the claimant appealed the initial decision. When this appeal occurred, the claim was sent to either the appeals team or the redetermination team for further review.
4. Processing for Payment: Once the claimant was found to be eligible for benefits, ODJFS performed steps to release benefit payments to the claimant by either direct deposit or by "ReliaCard®," which is Ohio's unemployment-specific debit card.
5. Payment Released: The claimant received their benefit payment by direct deposit, or the funds were loaded onto their ReliaCard® for immediate use.



US Bank ReliaCard®

Ohio claimants have the option of receiving their unemployment benefits as a direct deposit into a current bank account or in the form of a debit card which is issued as a US Bank ReliaCard®; Ohio's unemployment-specific debit card. Once ODJFS determines a claim as eligible, ODJFS contacts US Bank ReliaCard® who then mails the card to the claimant. ODJFS then deposits the approved benefit amount to the card.

Claimants can make purchases with the US Bank ReliaCard® anywhere Visa® and Mastercard® debit cards are accepted or can withdraw their PUA funds in the form of cash from bank ATMs. The US Bank ReliaCard® does not require a personal identification number or PIN for signature-based purchases should the claimant choose credit when making the purchase. However, a PIN is needed for debit card purchases and cash withdrawals from ATMs. The four-digit PIN is created by the cardholder when activating the card.

ODJFS PUA-Related Terminology

Monetary Redetermination (also known as Wage Update)

Monetary Redetermination refers to the action of reporting a claimant's income information into the uFACTS system which calculates the Weekly Benefit Amount (WBA) the claimant will receive in PUA benefits. All claimants have a Monetary Determination and a WBA. The WBA can increase or decrease depending upon how much money a claimant made during their base period (tax year prior to filing). The formula for WBA is the claimant's Average Weekly Wage (AWW) divided by two. A claimant's Average Weekly Wage is calculated by dividing a claimant's total wages earned by the number of weeks a claimant worked per quarter during their base period. Claimants receive a minimum Weekly Benefit Amount (WBA) of $189, and at maximum, a claimant's WBA is capped by the number of dependents a claimant has, from $480 to $647.

"Monetary Redetermination" is an action completed by ODJFS staff within the software application uFACTS, who enter and/or update the amounts of claimants' wages and the number of weeks claimants worked per quarter during their base period. The system calculates each claimant's WBA, and issues a determination notice to the claimant of the calculated amount that has been approved for them to receive.

Backdating

Backdates are used to change a claim's payout effective date (the date/week when the claimant begins receiving benefits). All claim weeks start on a Sunday. When a PUA claim is filed, the claimant is allowed to set the effective date to either of the two previous Sundays. For a claimant to enter a payout effective date prior to the previous two Sundays, a backdate action must be completed. A backdate action is completed when the claimant enters the last day worked and the system calculates the allowable amount the claimant will receive. The ODJFS worker in this case can also fraudulently move the date back in uFACTS, increasing the amount the claimant will receive.

Subjects of Investigation

Kyara Cauthon

Kyara Cauthon was employed by ODJFS as an intermittent Customer Service Assistant 2 (CSA2) from August 2, 2021, through November 15, 2021. Cauthon was assigned to the Call Center to answer phone calls and help claimants with general inquiries about their PUA claim, submitting internal forms for appeals, and redetermining Identity Verification Issues (IDV) to "eligible" for claimants who uploaded all of their required identity verification documents.

Alana Hamilton (AKA Alana Davis)

Alana Hamilton was employed by ODJFS as an intermittent Customer Service Representative (CSR) from December 21, 2020, to October 8, 2021. Hamilton is the subject of another Ohio Inspector General Report of Investigation (2022-CA00003) examining her actions in the fraudulent release of PUA benefits to ineligible claimants.

Jasmine Shows (AKA Jada Shows/Jada Carter)

Jasmine Shows is a resident of Columbus, Ohio who created fraudulent documents to be used for PUA claims.

APPLICABLE LAWS, RULES, AND POLICIES

Confidentiality of ODJFS Information

Ohio Revised Code (ORC) §4141.21 states that, except as provided in ORC §4141.162 and subject to ORC §4141.43, "… the information maintained by the director of job and family services or furnished to the director by employers or employees pursuant to this chapter is for the exclusive use and information of the department of job and family services in the discharge of its duties and shall not be open to the public … ." As such, the Office of the Ohio Inspector General will not include in this report any claimant information obtained during the investigation received by ODJFS in accordance with Ohio Revised Code §4141.21 which would reveal the identity of a claimant.

ODJFS Internal Policy and Procedure Manual IPP 0003

The ODJFS Internal Policy and Procedure Manual IPP 0003 - Standards of Employee Conduct: Section VI. Procedures; B. General Standards of Conduct under Nepotism, states in part:

> Employees will not authorize or use their authority or influence of their position to secure the authorization of employment or benefit (including a promotion or preferential treatment) for a person closely related by blood, marriage or other significant relationship including business association.

INVESTIGATIVE SUMMARY

On February 15, 2022, the Ohio Department of Job and Family Services (ODJFS) referred an allegation of wrongdoing by former Intermittent Customer Service Assistant 2 (CSA2) Kyara Cauthon to the Office of the Inspector General, the Ohio State Highway Patrol (OSHP) and the United States Department of Labor – Office of Inspector General. Cauthon was assigned to the contact center to answer phone calls and help claimants with general inquiries about their PUA claim, submitting internal forms for appeals, and adjudicating Identity Verification (IDV) issues to "eligible" for claimants who uploaded all of their required identity verification documents.

The Ohio Department of Job and Family Services made the referral to the PUA Investigative Group due to their review of Cauthon's activities in the ODJFS Unemployment Framework for Automated Claim and Tax Services (uFACTS). The uFACTS system maintains an audit trail for ODJFS claim files and tracks every instance of access to a claim file, when claim information is added or altered, and identifies the individual performing the actions. The system also tracks every instance when an individual's claim is searched for by claim number, by the claimant's name, or by the claimant's Social Security number.

ODJFS alleged that Cauthon accessed several Pandemic Unemployment Assistance (PUA) claims and improperly inflated claimant incomes without obtaining from the claimants the documentation required to support the reported increases of their incomes. Her actions resulted in the fraudulent release of PUA benefits to claimants for more than they were entitled to receive. According to ODJFS, Cauthon's actions resulted in a total of $311,943 in PUA benefits improperly paid to claimants.

Investigators examined the claims identified by ODJFS for any personal and financial connections between Cauthon and the PUA benefit recipients in question. Investigators found that Cauthon violated the ODJFS Internal Policy and Procedure Manual IPP 0003 Standards of Employee Conduct after discovering two of the claimants were her relatives and a third was Cauthon's boyfriend with whom she has children. ODJFS Internal Policy and Procedure Manual IPP 0003 states in part:

> … Employees will not authorize or use their authority or influence of their position to secure the authorization of employment or benefit (including a promotion or preferential treatment) for a person closely related by blood, marriage or other significant relationship including business association.

Investigators obtained by subpoena and analyzed Cauthon's bank records and discovered several payments were made from PUA claimants to Cauthon through electronic payment platforms such as Cash App. Investigators also obtained and reviewed records indicating that several claimants' ReliaCards® were mailed directly to Cauthon's home address. Additionally,

investigators discovered records showing Cauthon had made online purchases with the claimants' ReliaCards® and had the items shipped directly to her residence. These purchases included high-end luxury footwear, clothing, and accessories, and totaled over $6,000.

During this investigation, it was revealed that Cauthon had worked in conjunction with ODJFS Intermittent Customer Service Representative Alana Hamilton to improperly access, change, and redetermine PUA claims, resulting in the fraudulent release of PUA benefit funds. Investigators found records indicating Cauthon paid Hamilton for these services.

The investigation also revealed a relationship between Cauthon and Jasmine Shows (AKA Jada Shows). Investigators found that Cauthon had paid Shows to produce fraudulent documents for her (Cauthon) to upload to PUA claims to meet the document requirements needed to release payments (i.e., proof of employment, income, residency, and disability due to COVID-19). The fraudulent documents included fake pay stubs, fake utility bills, fake tax documents (i.e., W-2s, Form1040s, and Schedule Cs), fake medical documents (COVID-19 tests), and a fake ODJFS letter.

Investigators also discovered Cauthon, during the time she was employed by ODJFS, had improperly filed her own personal PUA claim for unemployment benefits and fraudulently received a total of $6,291. Cauthon was ineligible for these benefits because she had resigned from her previous job for personal reasons and was not unemployed due to COVID-19. Investigators found a fake medical COVID-19 letter created by Shows indicating a positive COVID test that Cauthon had uploaded to her PUA claim.

Investigators further discovered several PUA claims not previously identified by ODJFS as possibly fraudulent that Cauthon created and submitted. Investigators determined a total of $56,724 in PUA funds were fraudulently paid on these claims.

With the assistance of the United States Department of Labor – Office of Inspector General, investigators were informed that Cauthon filed for and received PUA benefit funds through Colorado's Department of Labor and Employment in the name of her boyfriend with whom she

has children. Colorado released a total of $1,762 in fraudulent PUA benefit funds to a bank card mailed directly to Cauthon's residence in Ohio. Colorado's Department of Labor and Employment also provided what was determined to be a fraudulent document created by Shows which was used by Cauthon to apply for the Colorado PUA claim.

CONCLUSION

The Office of the Ohio Inspector General has determined that ODJFS Intermittent Customer Service Assistant Kyara Cauthon and Intermittent Customer Service Representative Alana Hamilton both improperly accessed and adjudicated PUA claims which directly resulted in the fraudulent release of $311,943 in PUA benefit funds to claimants. Investigators determined both Cauthon and Hamilton were paid by claimants, and at times each other, to perform this fraudulent activity. Furthermore, through the use of fake documents requested by Cauthon and created by Columbus resident Jasmine Shows, PUA benefit funds were fraudulently released to ineligible claimants. Investigators discovered other claims Cauthon had created and submitted and had the corresponding ReliaCards® directly mailed to her home address whereby she used the cards to make online purchases or transfer money to her personal accounts. Investigators also discovered two PUA claims improperly accessed by Cauthon belonged to her relatives and a third claim belonged to her boyfriend with whom she has children. Cauthon was also found to have fraudulently applied for and received her own PUA unemployment benefits while employed at ODJFS. Lastly, Cauthon was found to have used a fake document produced by Jasmine Shows to fraudulently apply for PUA benefits in Colorado in the name of her boyfriend.

REFERRAL(S)

The Office of the Ohio Inspector General has previously sent the report of investigation to the Franklin County Prosecutor's Office, and is referring the report to the Ohio Auditor of State for consideration.

STATE OF OHIO
OFFICE OF THE INSPECTOR GENERAL
RANDALL J. MEYER, INSPECTOR GENERAL

NAME OF REPORT: Ohio Department of Job & Family Services

FILE ID #: 2022-CA00007

KEEPER OF RECORDS CERTIFICATION

This is a true and correct copy of the report which is required to be prepared by the Office of the Ohio Inspector General pursuant to Section 121.42 of the Ohio Revised Code.

Jill Jones
KEEPER OF RECORDS

CERTIFIED
January 9, 2025

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