

Pursuant to Chapter 4, Section 2, Article 5 of the West Virginia Code, the Commission on Special Investigations presents the Twenty-seventh Annual Report to the West Virginia Legislature. This Report covers the Commission's activities from July 1, 2006 through June 30, 2007.

I. Commission Members and Staff

The Commission on Special Investigations is comprised of ten Legislators: Five Senators and five Delegates. The following Legislators represent the membership of the Commission on Special Investigations as of June 30, 2007:

<u>Senate</u>	<u>Appointed to Commission</u>
Earl Ray Tomblin - D (Co-Chairman)	1995
Don Caruth – R	2007
H. Truman Chafin - D	1999
Donna Boley - R	2001
William R. Sharpe – D	1997
<u>House</u>	<u>Appointed to Commission</u>
Richard Thompson - D (Co-Chairman)	2007
Tim Armstead - R	2007
Joseph DeLong - D	2007
John Ellem - R	2007
Harry Keith White - D	2007

These Legislators are responsible for overseeing the Commission's activities, which are discussed at length during Legislative Interim meetings held throughout the year. A quorum, which consists of a majority of the total authorized membership of the Commission, is necessary for the Commission to open or close an investigation or refer the matter to the appropriate committee if the subject does not fall under the Commission's purview.

Staff members of the Commission on Special Investigations as of June 30, 2007:

<u>Staff Member</u>	<u>Title</u>
Gary W. Slater	Director
Charles R. Bedwell	Investigator
Herbert R. Cogar	Investigator
Carl Hammons	Investigator
Roy M. Hutchison II	Investigator
James S. Powers	Investigator
Steven E. Staton	Investigator
Lisa M. Wilkinson	Secretary/Investigative Aide

II. Special Appreciation

During the investigative process, individuals in both the private and public sector provided information to Commission members and/or staff members. It would be difficult for the Commission on Special Investigations to perform its duties without the assistance these individuals provide.

Various County Prosecuting Attorneys, United States Attorneys and Assistant United States Attorneys have contributed their time and the resources of their offices in prosecuting individuals who have committed the felonies and misdemeanors evidenced by investigative activities reported on by this Commission. The assistance these offices provide is invaluable in the pursuance of justice.

III. Activities of the Commission (July 1, 2006 through June 30, 2007)

During the course of this fiscal year, the Commission on Special Investigations opened 13 investigative files and closed nine investigations. As of June 30, 2007, there were 70 active investigations. The Commission met 10 times between July 1, 2006 and June 30, 2007. During these meetings the Commission staff apprised members of the alleged wrongdoing by agencies, individuals and/or firms conducting business with the State of West Virginia. Commission members also reported matters presented to them by their constituents, State employees, other legislative commissions, committees and fellow legislators.

Various allegations and investigative matters were reported and discussed during these meetings. Approval by a majority vote of the members present was obtained as needed to open, close or refer the matter(s) to prosecutors and/or other authorities.

Among the matters presented were the following:

Wyoming County Commission on Aging

In April 2002, the Commission on Special Investigations received information that Robert Graham, Director of the Wyoming County Commission on Aging, was misusing monies of the agency by using or converting it for his own gain.

In July 2006, Graham was tried before Judge David Faber in US District Court in Bluefield, West Virginia. At Mr. Graham's request, a bench trial was held and Graham was found guilty of only one of the thirty-nine charges that had been filed against him. "The events leading to this indictment are improper and outrageous and cannot be condoned by the court," Faber wrote. "Graham failed miserably to fulfill his duties as a public servant, engaging in conduct that squandered public resources and adopting a lifestyle that reflected discredit upon COA and All-Care, their directors and employees."

In January 2007, Graham was sentenced to two years in prison, fined \$10,000, and ordered to pay \$31,129.00 in restitution.

Public Defender Services

In September 2006, the Commission on Special Investigations received a complaint from the State Public Defender's Office of possible billing irregularities submitted by Attorney Heidi Myers.

After receiving the original information, investigators began reviewing billing records and conducting interviews. It was during this time the US Attorney's Office for the Northern District of West Virginia became involved in the case, as well as US Postal Inspectors.

On November 17, 2006, a Federal search warrant was executed on Myer's Law Office, and others were served Federal Grand Jury subpoenas to appear before a Federal Grand Jury in Wheeling, West Virginia on December 5, 2006 at 9:00 a.m. Myers failed to appear at the appointed time, and at 4:00 p.m. on December 5, 2006,

Myers was arrested by the US Marshals Service. Myers was released on a \$15,000 bond for the failure to appear warrant issued by Judge Fred Stamp.

In May 2007, a bench trial was held before Judge Stamp on the failure to appear.

In June 2007, Attorney Heidi J. Myers and her office manager, Nancy Burkhart, were indicted by a Federal Grand Jury on 99 counts of mail fraud, 12 counts of wire fraud and one count of conspiracy.

Pharmacy Board

In September 2006, an investigation was initiated into the expenses of the Executive Director of the State Pharmacy Board, who is also an Attorney.

After this office was contacted with information that the Executive Director had been double billing and adding on various charges to his expenses which were not allowed, the investigation of these allegations has thus far been substantiated and court action is anticipated in the near future.

State Surplus Property

In May 2004, this office was asked to assist with an investigation being conducted by Federal Investigators and the US Attorney's Office for the Southern District of West Virginia. The investigation involved equipment purchases of surplus property by the Berwind Volunteer Fire Department, whose Fire Chief is also an employee of the Miners Health, Safety and Training Division of the State of West Virginia. All equipment purchases were made through the State Surplus Property Office.

In August 2006, Gerry Barton, the Fire Chief for the Berwind Volunteer Fire Department, and his wife, Brenda, were indicted by a Federal Grand Jury on five (5) counts of conversion of Federal Surplus Property to their own use (consisting of forklifts, trucks and a bulldozer), and seven (7) counts of money laundering.

Department of Environmental Protection

At the present time the Division of Water and Waste Management has referred two watersheds to this office for investigation.

Watershed Associations are groups of local people in various areas who receive grants from the Department of Environmental Protection each year. Monies received are to be used for cleaning up streams and stream banks, and purchasing materials necessary to complete those tasks.

It appears that in the two cases referred, monies are being diverted for personal use.