

38th Annual Report

July 1, 2017 – June 30, 2018



Co-Chairmen

Mitch Carmichael – Senate President – Lieutenant Governor

Tim Armstead – Speaker of the House

West Virginia Commission on Special Investigations

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Mission Overview

The Mission of the Commission on Special Investigations is broadly outlined under Chapter 4, Article 5 of the West Virginia State Code and includes investigation into the purchasing practices and procedures of the State, conflicts of interest, bribery of State officials, malfeasance, misfeasance or nonfeasance in office by any employee or officer of the State, and to conduct investigations to determine if any criminal or civil statutes have been violated at any level of State government. The Commission has conducted hundreds of investigations into fraud and public corruption in which the State of West Virginia was the victim. Commission Investigators work in conjunction with the United States Attorney's offices in West Virginia, the 55 County prosecuting attorneys, local, county and State law enforcement, as well as the FBI, IRS and other Federal law enforcement, regulatory and investigative agencies.

The Commission Staff is currently comprised of a Director, Deputy Director, a Senior Investigator, four Investigators and an Administrative Assistant. The law enforcement and investigative experience of individual Investigators ranges from 28 to 45 years. At any one time the Commission may have a dozen or more active investigations.

The Commission was originally formed as a result of a Federal corruption investigation of Governor W. W. Barron and several members of his Administration conducted in the late 1960s by the Internal Revenue Service. The six-year investigation revealed a need for an independent investigative agency within State government empowered to investigate public corruption unimpeded by politics or other traditional barriers.

In September 1968, Governor Hulett Smith convened a special legislative session and then Senator William T. Brotherton proposed the creation of a special commission to investigate the purchasing practices of the State. The result was the creation of the Purchasing Practices and Procedures Commission (PPPC), which was in 1980 renamed the Commission on Special Investigations, or as it is more commonly known, CSI.

The Commission is comprised of ten members of the Legislature, with the President of the Senate and Speaker of the House of Delegates currently serving as its Co-Chairmen. The remaining eight members (four from the Senate and four from the House) represent both political parties. Meetings are conducted during interim sessions of the Legislature and are generally held in executive session. By statute, all of CSI's records are exempt from the Freedom of Information Act (FOIA).

Early newspaper accounts referred to the Commission's Investigators as "West Virginia's Untouchables" because the Commission was created specifically to be and has remained beyond the reach of the political influence of either the Executive or Legislative branches of government.

Today CSI is responsible for the investigation and prosecution of any crimes involving public corruption at any level of State government. Commission Investigators have investigated and successfully prosecuted cases involving embezzlement, larceny, forgery, bribery, extortion, falsifying accounts, obtaining money by false pretenses, and mail and wire fraud, among other criminal violations. CSI Investigators have been actively involved in prosecuting cases in both State and Federal court.

Investigations may involve "any level of State government," i.e., any level where there is an involvement or infusion of State money, resources or personnel. CSI has investigated not only State agencies, officers, elected officials and employees, but also county and municipal entities which receive or use State or Federal funds passed through the State. While some investigations are completed in short order, it is not unusual for CSI matters to remain open for weeks, months and, at times, years.

Many investigations begin with a call from a concerned citizen who has become aware of something "that just doesn't seem right" or which is obviously a violation of law. Investigators work closely with many people within and outside of State government and our reputation for professionalism is second to no other investigative agency, State or Federal.

In March 2018 CSI was invited to participate in a newly created ***Public Integrity Special Investigations Unit*** established by Michael B. Stuart, United States Attorney for the Southern District of West Virginia. CSI has been an active participant for several years in a similar joint investigative unit created by former US Attorney William Ihlenfeld II in the Northern District.

In 2018, the Commission celebrated its 50th Anniversary. A plaque commemorating the Commission's five decades of investigating public corruption was commissioned and hangs in the CSI Staff offices. During the 2018 Legislative session the Senate and House of Delegates issued separate, but identical Resolutions recognizing the anniversary of the establishment of CSI and commending the work of the staff.

**West Virginia Commission on
Special Investigations
C.S.I.**

1968

2018



Public Corruption

Investigations

50th Anniversary

Plaque to accompany Senate and House Resolutions

Commission Members

§4-5-1

"The commission shall continue to be composed of five members of the Senate, to be appointed by the president thereof, no more than three of whom shall be from the same political party; and five members of the House of Delegates, to be appointed by the speaker thereof, no more than three of whom shall be appointed from the same political party: **Provided**, That in the event the membership of a political party is less than fifteen percent in the House of Delegates or Senate, then the membership of that political party from the legislative house with less than fifteen percent membership may be one from that house. The commission shall be headed by two cochairmen, one to be selected by and from the members appointed from the Senate, and one to be selected by and from the members appointed from the House of Delegates. All members of the commission shall serve until their successors shall have been appointed as heretofore provided."

These Legislators are responsible for overseeing the investigative activities of the Commission Staff, which are reviewed in executive session during Legislative interim meetings. A quorum, consisting of the majority of the total authorized membership, is required to open or close an investigation or refer a matter to the appropriate Legislative Committee, if the subject falls outside the Commission's purview.



West Virginia Legislature
Commission on Special Investigations
6/30/2018

Mitch Carmichael (R)
Senate President
Lt. Governor
Co-Chairman
Joined CSI 2016



Tim Armstead (R)
House Speaker
Co-Chairman
CSI Member 2007-09
Rejoined CSI 2015



Ryan Ferns (R)
Senate
Majority Leader
Joined CSI 2017



John Shott (R)
House Judiciary
Chair
Joined CSI 2015



Corey Palumbo (D)
Senate Minority Whip
Joined CSI 2011



Tim Miley (D)
House
Minority Leader
Joined CSI 2013



Charles S. Trump IV (R)
Senate Judiciary Chair
CSI Member 1993-2007
Rejoined CSI 2015



Eric Nelson (R)
House Finance Chair
Joined CSI 2017



Mike Woelfel (D)
Senator
Joined CSI 2015



Mick Bates (D)
House Finance
Minority Vice Chair
Joined CSI 2015



Commission Staff

§4-5-2(b)(3)

The Commission is empowered to: "Employ such legal, technical, investigative, clerical, stenographic, advisory and other personnel as it deems needed and, within the appropriation herein specified, fix reasonable compensation of such persons and firms as may be employed: *Provided*, That such personnel as the commission may determine shall have the authority to administer oaths and take affidavits and depositions anywhere in the state."

The current investigative staff has previously distinguished themselves with successful law enforcement careers, ranging from senior supervisors and administrators in both large municipal police departments and the State Police.

Commission Staff designated as "Investigator" are issued special identification credentials including photo identification and Commission badges. Investigators are also authorized to carry firearms in the performance of their duties.

Staff Investigators are responsible for conducting comprehensive and detailed investigations on behalf of the West Virginia Legislature into the purchasing practices and procedures of the State and matters of public corruption. To that end, Investigators work with their counterparts in local, State and Federal law enforcement agencies as well as other State entities and local and Federal prosecutors.





Director

Charles R. Bedwell Joined CSI – 2003

35 years' law enforcement experience

Professional Experience:

WV State Police

**Major - Deputy Chief of Staff
Chief of Criminal Identification Bureau &
Traffic Services
Director - Planning & Research**

Education:

**WV State University, Marshall University,
Northwestern University, WV State Police
Academy**

Deputy Director

James S. Powers Joined CSI – 2002

42 years' law enforcement experience

Professional Experience:

**WV State Police
Lieutenant Colonel - Chief of Staff
Chief of Administrative Services
Director – Procurement
BCI Grant Forfeiture Officer**

Education:

**Radford University, Virginia Polytechnic
Institute, FLETC – Glynco, WV State Police
Academy**





Senior Investigator

Steven E. Staton Joined CSI – 1999

45 years' law enforcement experience

Professional Experience:

**Beckley, WV Police Department
Lieutenant – Shift Commander**

Education:

**Marshall University, Concord University,
WV State Police Academy**

Investigator

Rick D. Eplin Joined CSI – 2015

32 years' law enforcement experience

Professional Experience:

**Huntington, WV Police Department
Captain – O.I.C. Criminal Investigation
Division**

Education:

**WV State University, FBI National Academy,
WV State Police Academy**





Investigator

Michael G. Robinson Joined CSI – 2015

28 years' law enforcement experience

Professional Experience:

WV State Police

First Sergeant - BCI Regional Coordinator

Multi-jurisdictional Task Force Coordinator

Detachment Commander

Education:

**Marshall University, Glenville State College, WV
State Police Academy**

Investigator

Jeff Shriner Joined CSI – 2017

29 years' law enforcement experience

Professional Experience:

**Investigative Specialist – FBI
Master Corporal – New Castle County DE**

Education:

**St. Joseph's University
West Liberty University
New Castle County Police Academy**





Investigator

G. E. McCabe Jr. Joined CSI – 2018

29 years' law enforcement experience

Professional Experience:

WV State Police
Captain - Deputy Chief of Staff
Chief of Professional & Technical Services
Director Communications/Information Services
Director Planning & Research
Detachment Commander

Education:

Marshall University
Mount Vernon Nazarene College
WV State Police Academy

Administrative Assistant

Sherry M. Lawson Joined CSI – 2018

Professional Experience

WV State Police Administrative Assistant
WV Supreme Court Certified Court Reporter



Commission Staff Retirement



Lisa M. Wilkinson

Employed August 15, 1985 – Retired February 2, 2018

Ms. Lisa Wilkinson, the Commission's long time Investigative Aide and Administrative Assistant, retired on February 2, 2018 with nearly 33 years' service. Lisa attended Commission meetings from August 1985 to January 2018, recording Staff presentations and Commission activities. Additionally, she performed a variety of office duties. She was occasionally involved in covert investigative operations and was instrumental in compiling evidentiary documentation supporting CSI Investigators in many important, high profile cases.

Lisa attended a variety of special training associated with her duties as an Investigative Aide and was awarded several awards and certificates. Upon her retirement, the Commission issued to her a special "Certificate of Appreciation," signed by the Co-Chairmen and presented by the Commission's Director.

Lisa was the longest serving staff employee of the Commission Staff to date, performing essential functions in support of CSI administrative operations and investigations. Her institutional knowledge will be missed as will her quick wit and eagerness to support investigative efforts through report preparation, transcriptions and maintenance of investigative records.

We wish her well as she continues her professional career.

Commission Staff

2018 New Employees

Sherry M. Lawson – Employed January 22, 2018

Ms. Sherry Lawson was originally hired as a contract employee with the Commission in early December 2017 to provide data entry for records associated with a very involved case. Sherry has previous experience as a Secretary and Administrative Assistant for the West Virginia State Police and was working full-time as a certified court reporter for the West Virginia Supreme Court when she accepted the additional contract employment with CSI.

When Lisa Wilkinson announced her retirement in January 2018, Ms. Lawson expressed a desire to work full-time for the Commission as Administrative Assistant.

The Commission approved hiring Sherry and she began her new duties as CSI Administrative Assistant in January, 2018.

G. E. McCabe Jr. – Employed May 15, 2018

Investigator McCabe came to CSI from the Department of Military Affairs and Public Safety (DMAPS), Division of Homeland Security and Emergency Management (DHSEM), where he served as the Coordinator of the West Virginia Statewide Interoperability Project. G. E. is a retired West Virginia State Police Trooper where he attained the rank of Captain and served in numerous administrative and supervisory positions; including Deputy Chief of Staff, Director of Communications and Information Technologies, Chief of Professional and Technical Services, Promotional Standards Officer, Detachment Commander and Investigator with the Bureau of Criminal Investigations. G. E. brings a variety of talent and experience to CSI with an extensive investigative and computer technology background.

Investigator McCabe serves as the CSI Fleet Coordinator and one of two CSI firearms instructors, in addition to his investigative duties.

The Commission approved hiring G. E. and he began his new duties on May 15, 2018.



Acknowledgements

The Commission on Special Investigations receives information from a variety of sources, both public and private. CSI solicits and accepts information of potential wrongdoing from individual citizens, governmental employees and governmental agencies, many of whom do so at substantial personal risk. Absent this assistance, it would be difficult for the Commission to perform its duties.

While we recognize the contributions to CSI efforts made by various County Prosecuting Attorneys, United States Attorneys and Assistant United States Attorneys, Federal Special Agents, State Troopers, Sheriff's and their Deputies and local police agencies, there have been some who have provided extraordinary assistance to us over the past year that significantly aided in the successful investigation and prosecution of important matters. Due to the ongoing nature of some investigations, and the need to protect the confidentiality of some who have worked closely with CSI, we cannot acknowledge every individual by name; however, we would like to acknowledge the contributions of those listed on the following page.



Individual Acknowledgments

Jarod J. Douglas, Assistant US Attorney, WVND

Meredith George Thomas, Assistant US Attorney, WVSD

Robert W. Schulenberg III, Assistant Prosecuting Attorney – Kanawha County

S/A Jim Lafferty, FBI – Charleston

S/A Jeff Goode, IRS CID – Charleston

Activities of the Commission

July 1, 2017 – June 30, 2018

During this fiscal year, the Commission on Special Investigations opened 33 investigative files and closed 36. Additionally, Commission Staff conducted preliminary inquiries and exceptionally closed 24 allegations or suspicions of wrongdoing, determining there was no basis for an in-depth investigation, there was insufficient information to proceed, or the matter was resolved prior to a file being formally opened. One additional matter was identified for possible investigation and deferred for future action. Commission Staff processed four requests for special assistance that did not require an active inquiry or investigation. Other matters previously opened for investigation that had not been finalized remained open/active files and investigation of those matters continued.

The Commission met in executive session a total of nine times; once during each interim session of the Legislature. During these meetings Commission Staff made oral presentations to Commission members regarding alleged wrongdoing by agencies, governmental employees, and individuals and/or firms conducting business at any level of State government.

When an investigation results in criminal prosecution and/or restitution to the State, or when investigative leads are exhausted, or it is determined no evidence of wrongdoing is identified, the file may be closed. It is, however, not unusual for a CSI investigation to result in changes to an agency's policies or procedures or discipline of an offending employee, even though no criminal action is identified, or prosecution is not pursued. CSI investigations can also result in changes to State law as proposed by the Commission.

The following are representative of the investigative activities conducted by Commission Staff during this fiscal year:

Appalachian Children's Chorus – Embezzlement

This case was brought to CSI by the Commissioner of the WV Division of Culture and History, after he was contacted by the founder of the Appalachian Children's Chorus. The Appalachian Children's Chorus (ACC) is largely funded through State grants and private donations. CSI was informed the organization's former Executive Director, J. Holly Portillo, was suspected of using the chorus's credit card to make personal purchases. Items including pet supplies, fuel for a personal vehicle, and hotel rooms appeared on credit card billings.

CSI Investigator Jeff Shriner was assigned as the lead investigator on the case. He began conducting interviews and collecting and reviewing billing and financial records. Investigators worked closely with the Kanawha County Prosecutor's Office in the ensuing investigation.

The investigation established the employee used the ACC card to pay \$2,500 for a photo shoot with her dogs, as well as paying an additional \$28,000 for veterinary services and other purchases. Upon a detailed examination of the financial records it was determined she also used for her personal benefit a second credit card assigned to the founder of the organization. She used this second card to pay \$2,210 rent for a week's stay at a beach house as well as other purchases. She also wrote several checks to herself from the organization's account. One of the checks was an unauthorized \$3,000 bonus to herself soon after she was appointed to the position of Executive Director. She also altered several credit card statements in an effort to hide her personal purchases, before she turned them in to the organization's accountants. The investigation concluded Portillo embezzled a total of \$101,732.70 from the ACC.

Facing a 30-count indictment, Portillo pled guilty in June 2018 to 4 counts of felony embezzlement and is currently awaiting sentencing.

Teays Valley Volunteer Fire Department - Embezzlement

CSI received a request for investigative assistance from the FBI in Charleston concerning a possible financial crime occurring within the Teays Valley Volunteer Fire Department.

The Fire Department's Fiscal Officer and Treasurer were suspected of having embezzled a considerable sum of money over a 3-year period. The suspected embezzlers, Keith and Kathy Gwinn, were also husband and wife. Keith Gwinn was a former Cabinet Secretary of the WV Department of Veterans Assistance, having served during Governor Earl Tomblin's administration.

CSI Investigator Mike Robinson was assigned to assist the FBI with the investigation. The investigation determined that each of the Gwinns was embezzling from the fire department, through different methods.

Kathy Gwinn had embezzled over \$75,000.00, which should have been utilized for new safety gear and firemen salaries, by issuing herself unauthorized checks. Keith Gwinn had set up a separate fire department bank account, unbeknownst to other administrators, and was depositing checks made out to the fire department into the fraudulent account. Gwinn would then obtain cash from the account for supposed fire department needs.

In January 2018, Kathy Gwinn entered a guilty plea in United States District Court, Charleston WV to theft from a program receiving federal funds. In June 2018, she was ordered to pay restitution of \$75,356.70, and sentenced to 5 weekends of imprisonment and 10 months of monitored home confinement.

In June 2018, Keith Gwinn pled guilty in United States District Court to embezzling \$178,790.00 from the fire department, and a related tax crime. Keith Gwinn faces sentencing of up to 15 years in prison and a possible \$500,000.00 fine. Though the Gwinns each embezzled a substantial amount, investigators found no personal accounts, cash or assets acquired which could be seized.

McDowell County Probation Office/ WV Supreme Court - Embezzlement

A reported possible embezzlement by an employee of the McDowell County Probation Office using a WV Supreme Court Issued State Purchasing Card was reported to CSI by the Chief Inspector of the State Auditor's Office. Senior Investigator Steve Staton was assigned to the matter.

The suspected embezzlement involved 2 large screen televisions and potentially other items by the Probation Office Secretary. The televisions had been returned to the point of sale by the secretary's mother, who suspected they were fraudulently obtained.

Upon conducting several interviews and reviewing numerous Purchasing Card and Probation Office records, Senior Investigator Staton determined the televisions had been improperly purchased on the Probation Office P-Card by Candice Thomas, Probation Office Secretary. No additional embezzled items were identified, with the Investigator noting that there were no internal controls in place to verify which items Thomas was authorized to purchase and which were not.

Part of Thomas's duties involved purchasing specific items that the McDowell County Probation Office and Drug Court used as "rewards" for probationary compliance. The lack of internal controls prevented a definitive determination as to any other items that may have been improperly purchased by Thomas.

Senior Investigator Staton reported his findings to the Kanawha County Prosecutor's office who in turn issued a notice to Thomas advising the matter was being prepared for presentation to a Grand Jury for possible indictment for felony Embezzlement.

Thomas retained counsel and entered into a plea agreement wherein she pled in Kanawha County Magistrate Court to a misdemeanor Embezzlement and received unsupervised probation for a period of two years and ordered to repay \$3,583.28 in restitution. Thomas has since relocated out of state and to date has failed to repay the ordered restitution.

Logan County Board of Education - Theft of Federal Program Funds

This matter was jointly investigated by the Commission on Special Investigations and the FBI, under the direction of the United States Attorney's office, Southern District of West Virginia.

The original complaint made to CSI was that then Logan County Board of Education School Superintendent, Phyllis Doty, had used School Board funds for personal use. The initial CSI Investigator, Robert Lanham worked with the FBI to identify over \$6,000 in improper purchases that included items used in Doty's son's wedding in 2015. Items purchased include decorative urns and columns, breadbaskets, easels, drink dispensers and napkins. The investigation also identified approximately \$12,000 in suspect purchases made between 2011 and 2015 of Apple iPads and iPods which Doty may have either given to family members as gifts or sold on eBay for her personal gain.

When Investigator Lanham left CSI, Investigator Jeff Shriner was assigned to the investigation and he continued to identify and interview witnesses and track the suspect purchases made by Doty.

In February 2018, a Federal Grand Jury indicted Doty on one count of mail fraud, two counts of wire fraud and two counts of theft from a program receiving federal funds.

West Virginia Court of Claims – Improper Time Reporting/Leave Misuse

The Legislative Manager's Office, Post Audit Division, contacted CSI to report a possible manipulation of time worked records and leave earnings/usage for an employee of the Court of Claims.

CSI Director Charles Bedwell met with Post Audit and received numerous documents regarding the matter. Upon reviewing the materials, several interviews were conducted with the Court of Claims Clerk Cheryle Hall and several other Court employees. It was determined that court employees, with the knowledge of Hall had allowed multiple court employees to absent themselves from work and receive pay for the hours not worked, even though the employees had no leave accumulated to cover the absences. One of the employees was paid for 32 days where the employee was not working.

While Court supervisors were aware the employees had no leave to cover the absences, no effort was made to obtain Leave Without Pay Requests as required by policy and an agreement with at least one employee that they could make up the time was not reduced to writing, and there was no effort to track what hours were owed or what hours were worked.

As the actions of the Court Clerk may have been in violation of both State law and the Ethics Act, the Post Audit report was forwarded to that Commission for possible consideration. CSI also contacted the Kanawha County Prosecutor's Office and it was agreed to await a decision of the Ethics Commission before deciding what, if any, criminal prosecution would be pursued.

The Ethics Commission inquiry resulted in an Ethics hearing for Hall. Hall did not dispute the findings in the Ethics complaint, which were the same as those confirmed by the CSI investigation.

In February 2018, the Ethics Commission approved recommended sanctions that included a public reprimand of Hall, a \$1,500 fine and reimbursement to the Ethics Commission of \$4,668 in investigation and prosecution costs.

Hall retired from the Court in June 2017.

Southern Regional Jail – Felony Obtaining by False Pretenses

This investigation was initiated in 2009 when the State Auditor's Office forwarded to CSI information that office had received regarding apparent excess overtime payments to a specific Corrections Officer at the Southern Regional Jail.

Then CSI Director Gary Slater assigned the Investigation to Steve Staton. Staton found an employee of Regional Jails had been looking at total compensation numbers for Correctional employees on the State Auditor's website. One employee seemed to have an unusually high total compensation and it was known that the employee did not work any excessive overtime that would account for the high numbers.

Staton conducted several interviews and reviewed Regional Jail records and time reporting practices and policies.

The investigation established Regional Jails Correctional Officer, Sergeant Michael Davis, had been creating false time records and had collected over \$4,000 in overtime payments for hours he did not work from January 2008 – April 2009.

The investigation was presented to a Raleigh County Grand Jury in September 2009 and a 23-count indictment was returned (22 counts False Accounts and a single count of Obtaining by False Pretenses).

In March 2018, Michael Davis entered into a plea agreement in Raleigh County Circuit Court pleading to the single Obtaining by False Pretense count of the indictment. He was sentenced to one-year probation and ordered to pay \$4,340.72 in restitution.

WV Division of Highways – Falsified Expenses/Mail Fraud

In February 2017, the Commission received information from the Legal Division of the West Virginia Division of Highways pertaining to an employee who was suspected of submitting false travel expense reimbursements. Division of Highways Investigators had already done an excellent job of looking into the matter preliminarily and provided the Commission staff with travel records for the suspect employee, Steven Hull, for the prior three years. The evidence they gathered showed that while Hull was charging the Division of Highways for staying at a Holiday Inn Express five nights per week, he was

in reality not staying there at all. The matter was discovered when the State Auditor implemented a new policy requiring that hotel invoices include the physical address of the hotel. Hull had been submitting hotel invoices without this information for years, and when the Auditor's policy changed, several of his Expense Reimbursement submissions were rejected. A Clerk with the Division of Highways called the Holiday Inn in question in an attempt to obtain corrected invoices but was told Steven Hull had never stayed there. When DOH determined the matter was criminal and the extent of the fraud, they turned the matter over to the Commission for further action.

Commission Investigators then proceeded to gather and analyze a great deal of additional information and determined Hull was not only cheating on his expense account but had also submitted timesheets which stated that he was in certain areas of assignment, when he, in fact, was not at the location where he stated he was. The timesheet issue was confirmed both by surveillance conducted by Commission Investigators, and via the analysis of records gathered during the course of the investigation.

In July 2017, Steven Hull was interviewed by Commission Investigators at Division of Highways Headquarters. He was suspended by the Division of Highways after this interview and was terminated a short time later.

In December 2017, Steven Hull entered into a plea agreement with the U.S. Attorney's Office for the Southern District of West Virginia, wherein he pled guilty to one count of mail fraud. The case was handled by AUSA Meredith Thomas George. On February 12, 2018, he entered a formal guilty plea before US District Judge John Copenhaver. He pleaded guilty to a scheme wherein he was submitting false hotel invoices to the Division of Highways for expense reimbursement over a course of several years. The scheme extended from at least January 2011 to January 2017. He received over \$70,000 from false hotel invoices while he actually spent a little over \$18,000 for the room he rented and actually used.

Steven Hull was sentenced on May 21, 2018. Pursuant to his plea he was ordered to pay \$52,419.14 in restitution. He was also fined \$5,000.00 and was sentenced to 3 years of probation. The Consolidated Public Retirement Board subsequently terminated Hull's pension benefits. He had approximately 27 years of service with the State.

Appendix A

Media Articles

&

Press Releases



THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* WEST VIRGINIA

Department of Justice
U.S. Attorney's Office
Southern District of West Virginia

FOR IMMEDIATE RELEASE

Tuesday, March 20, 2018

**Federal & State Law Enforcement Authorities Announce
Formation of Special Unit to Fight Public Corruption**

**Citizen Assistance Encouraged
Innovative Corruption “Button” Rolled Out**

CHARLESTON, W.Va. -- United States Attorney Mike Stuart and representatives from federal and state law enforcement announced today the formation of a **Public Integrity Special Investigations Unit** to investigate corrupt public officials, the misuse of public funds, campaign and election law violations and suspected criminal activity.

The **Public Integrity Special Investigations Unit** includes representatives from federal and state agencies including the Federal Bureau of Investigation; the United States Postal Inspection Service; the Internal Revenue Service – Criminal Investigation Division; the Inspector General’s Offices of the United States Department of Health and Human Services, the United States Department of Housing and Urban Development, the United States Department of Veterans Affairs, Department of Defense and the Department of Homeland Security; the West Virginia State Police; the West Virginia Commission on Special Investigations; and the West Virginia State Auditor’s Office. The West Virginia Secretary of State’s Office will assist in investigating campaign and election law violations.

“Maintaining public integrity is a tremendous priority for me and for the Southern District of West Virginia,” said U.S. Attorney Stuart. “Public corruption is a cancer on our system of government. If it’s not rooted out, the cancer grows. It causes the public to be cynical about the honesty of public officials and public institutions. There is an absolute burden on public officials and persons in a position of public authority to be honest brokers to protect the integrity of public service and the taxpayers’ wallets. Dirty politicians and dirty public officials must and will be held accountable for violations of the public trust,” Stuart continued.

U.S. Attorney Stuart explained that the Special Investigations Unit is focused on rooting out not only corrupt elected officials, but also federal, state and municipal employees who use their position for personal gain at the expense of the public. The Special Investigations Unit will investigate corruption that threatens public resources, the electoral process, and fair economic opportunities for citizens and businesses. The Special Investigations Unit is also charged with uncovering corruption within both public and private institutions that receive and misuse taxpayer dollars.

“The FBI is joining forces with our federal agency partners to combat public corruption and maintain public integrity throughout the southern district,” said Special Agent in Charge Bob Johnson. “The FBI looks forward to participating in this Special Investigative Unit with the USAO and our other federal, local and state law enforcement partners as we work to investigate allegations of federal crimes.”

“The Postal Inspection Service has enjoyed a close relationship with the U.S. Attorney’s Office for the Southern District of West Virginia through the years working intricate and complex fraud cases that involve the illicit use of the U.S Mails,” said Inspector in Charge Tommy Coke of the U.S. Postal Inspection Service. “The U.S. Postal Inspection Service welcomes the formation of the USAO’s Public Integrity Special Investigations Unit, a partnership that presents a tremendous opportunity for agencies to pool resources and expertise to ensure public officials are held accountable.”

“Investigating public corruption remains one of IRS Criminal Investigation’s highest priorities,” said Kimberly Lappin, Special Agent in Charge, Internal Revenue Service. “Public trust is broken when elected or appointed officials commit crimes – most often triggered by greed and resulting in unlawful personal financial gain.”

“As part of the Public Integrity Special Investigations Unit, HHS OIG will ensure that taxpayer’s dollars are not wasted though public corruption and are instead used for their intended purpose of providing needed care and assistance for the most vulnerable members of our society – including the elderly, poor, and children,” said Maureen Dixon, Special Agent in Charge of the Philadelphia Regional Office of the Health and Human Services, Office of the Inspector General. “Working with our federal, state, and local law enforcement partners, we will continue to vigorously bring those who steal from these vital public programs to justice.”

“Today’s announcement affirms our dedication to aggressively pursue those that choose to engage in illicit behavior that undermines HUD programs,” said Bertrand Nelson, Special Agent in Charge, Mid-Atlantic Regional Office, HUD Office of Inspector General. “We will continue to work steadfastly as a partner of the Public Integrity Special Investigations Unit to bring cases such as these to prosecution.”

“The U.S. Department of Veterans Affairs OIG looks forward to joining with our federal and state law enforcement partners as part of the Public Integrity Special Investigations Unit,” said Kim Lampkins, Special Agent in Charge, U.S. Department of Veterans Affairs, Office of Inspector General, Mid-Atlantic Field Office. “Public officials who break the law or use their positions for personal gain undermine the work of government. The VA OIG is dedicated to investigating fraud, waste, and abuse, and we will contribute our expertise to this team to hold officials accountable for their actions.”

According to U.S. Attorney Stuart, “I am looking forward to working closely not only with my federal partners but also our West Virginia partners. The West Virginia State Auditor’s Office is an invaluable resource for uncovering waste, fraud and abuse and the WV Secretary of State’s Office brings unparalleled expertise in maintaining the integrity of our election system through the investigation and prosecution of those that commit campaign and election fraud.”

“I am honored for the Secretary of State’s Office to have been asked to join this very important effort to address public corruption in West Virginia. I commend U.S. Attorney Mike Stuart for bringing this partnership together to work toward that end,” said Secretary of State Mac Warner.

U.S. Attorney Stuart encouraged citizens to report corrupt activity by either reporting suspected illegal activity by visiting the USAO’s website (<https://www.justice.gov/usao-sdwv>) and clicking on the “Corruption” button, an innovative new website reporting link, to route email tips to the U.S. Attorney’s Office, or calling **1-800-659-USA0**.

“West Virginia’s unfortunate history with corruption is well known, but so is this Office’s history of combating corrupt activity,” said U.S. Attorney Stuart. “Our efforts have been aided by a dogged media and courageous, conscientious citizens, business owners and public officials who have provided information about corrupt activity. We call on public servants, the vast majority of whom are honest brokers, to not look the other way when they see indications of corruption. We cannot overstate the importance of citizen participation in our fight against corruption, and we urge all citizens to assist us in this effort.”

Charleston

Gazette-Mail

A Pulitzer Prize-Winning Newspaper

Former Appalachian Children's Chorus director pleads guilty to embezzlement

Lacie Pierson Jun 11,2018



The former director of the Appalachian Children's Chorus admitted to embezzling money from the organization Monday in Kanawha County Circuit Court.

Jacqueline Holly Portillo, 51, of Hurricane, pleaded guilty to four counts of felony embezzlement before Senior Status Judge Thomas Evans III.

Portillo was the executive director of the chorus between March 2010 and August 2017 when she embezzled at least \$97,514.72 from the chorus, Kanawha Assistant Prosecuting Attorney Rob Schulenberg said in a news release.

Schulenberg said Portillo concealed the embezzlement by falsifying bank statements.

Portillo used the money she embezzled for veterinary treatment and training for her dogs, personal purchases for herself and her family, and for personal travel and hotel stays, Schulenberg said.

Portillo faces between one and 10 years in prison when she's sentenced on July 30 by Judge Evans, who is presiding over cases assigned to retired Kanawha Circuit Judge James Stucky.



Kanawha County
OFFICE OF THE PROSECUTING ATTORNEY

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CHARLES T. MILLER
Prosecuting Attorney

**WOMAN PLEADS GUILTY TO EMBEZZLEMENT
FROM THE APPALACHIAN CHILDREN'S
CHORUS**

FOR IMMEDIATE RELEASE
Charleston, WV
June 11, 2018

Charles T. Miller, the Prosecuting Attorney of Kanawha County, announced today that Jacqueline Holly Portillo, 51, of 2021A Mount Vernon Road, Hurricane, West Virginia, has pleaded guilty today to four felony charges of Embezzlement relating to her former employment with the Appalachian Children's Chorus, Inc. The embezzlement covered the period of her employment with the Chorus from March of 2010 through to August of 2017. During that time, Portillo, the executive director of the Chorus, used the Chorus' credit cards and bank accounts to embezzle \$97,514.42 from the Chorus. Portillo was able to conceal her embezzlement by submitting falsified bank statements to the accounts for the Chorus. The full extent of Portillo's theft was uncovered after she was involuntarily separated from her employment at the Chorus.

The Appalachian Children's Chorus is a non-profit entity who provides musical education and performance experience for children in this State. The Chorus is partially funded by the State of West Virginia through the former Division of Culture and History. Prosecutor Miller stated that it appeared that the loss of money

has placed the organization and its good works at risk: "It is terrible that somebody can steal from programs designed to help and educate children in this State without regard for the consequences of the theft." Miller hopes that the Chorus can continue its operations. It appears from the investigation that the stolen funds were used by Portillo for veterinary treatment and training for her dogs, personal purchases for Portillo and family members, and personal travel and hotel stays.

The total loss suffered by the Chorus is placed at over \$101,700. The State of West Virginia has recommended that Portillo be sentenced to an indeterminate term of not less than one year nor more than ten years in the penitentiary, in addition to the entry of a restitution judgment against Portillo. Sentencing is currently set for July 30, 2018, at 2:30 pm, before the Honorable Thomas C. Evans III, and the actual sentence is in the discretion of the presiding Judge.

Because some of the funds embezzled by Portillo were taxpayer-funded grants from the State of West Virginia, Division of Culture and History, the investigation was conducted by the West Virginia Legislature's Commission on Special Investigations, directed by Charles Bedwell. The investigator was Jeff Shriner of the Commission. The Assistant Prosecuting Attorney assigned to the case is Robert Schulenberg.

For further information, please contact Rob Schulenberg, Assistant Prosecuting Attorney, at (304) 357-0300.

Charleston Gazette Mail
January 9, 2018

Former Teays Valley VFD treasurer admits to embezzling \$75K

The former treasurer of a Putnam County fire department will face up to 10 years in federal prison after admitting she took more than \$75,000 from the department's coffers.

Kathy Sue Gwinn, 52, pleaded guilty to theft from a program receiving federal funds Monday before U.S. District Judge Robert Chambers, according to a news release from the U.S. Attorney's Office.

Gwinn formerly served as treasurer of the Teays Valley Volunteer Fire Department, where she generated payroll checks for firefighters, which were signed on a fire department bank account. Gwinn admitted she volunteered for the fire department and had no authority to write herself checks. She also was not entitled to wages, salary or compensation.

Gwinn admitted she printed and wrote herself unauthorized checks from the payroll account beginning in October 2014 through March 2017, according to the release. She noted on the checks in the memo lines that the checks were for payroll, overtime or tax preparation.

She told authorities she moved money between fire department accounts and inflated the amounts in the transfer to include enough to cover the unauthorized checks she planned to write herself, the release states.

Gwinn embezzled \$75,356.70 from the fire department, according to the news release. She agreed to repay the amount in restitution as part of her plea agreement.

During the time she embezzled the money, the Teays Valley fire department received grants from the Federal Emergency Management Agency, which allowed the fire department to pay firefighters and to buy and maintain equipment.

Gwinn will be sentenced April 9.

The FBI, IRS Criminal Investigation Division, Office of the Inspector General for the U.S. Department of Homeland Security and the West Virginia Commission on Special Investigations conducted the investigation. Assistant U.S. Attorney Meredith George is handling the prosecution.



UPDATE: Volunteer fire department embezzlement suspects in court

By Dalton Hammonds, Kelsey Hoak, Amanda Barren |
Posted: Tue 11:31 PM, Jun 19, 2018

PUTNAM COUNTY, W.Va. (WSAZ) -- UPDATE 6/19/18 @ 5:39 p.m.

A Hurricane man and former West Virginia Cabinet Secretary pled guilty Tuesday to embezzling \$178,790 from the Teays Valley Volunteer Fire Department, as well as to a related tax crime, United States Attorney Mike Stuart said in a news release from his office.



Clifford Keith Gwinn, 64, formerly the Cabinet Secretary of the West Virginia Department of Veterans Assistance, faces up to 15 years in prison, a \$500,000 fine, 3 years of supervised release and a \$200 special assessment when he is sentenced in September.

According to the release Gwinn has agreed to pay restitution to the Fire Department in the amount of \$178,790 and to the Internal Revenue Service in the amount of \$68,281.

“Egregious criminal conduct,” said United States Attorney Mike Stuart. “To steal from our first responders, those that save our lives and protect our homes, for personal greed is beyond comprehension. It’s disappointing to say the least that a former public official serving at the highest levels of West Virginia state government would steal from first responders, the very folks who would run into danger to save him. It’s tragic. My team stands ready to aggressively prosecute elected officials who violate the basic public trust of honest service.”

Gwinn admitted that as a leader of the Teays Valley Fire Department he was in charge of the financial affairs and devised ways to deposit the money in his own accounts in a role where he was not supposed to be compensated.

According to a news release: "During the period from 2013 through 2016 that Gwinn embezzled \$178,790 in Fire Department funds, the Teays Valley Volunteer Fire Department received grants from the Federal Emergency Management Agency (FEMA), an agency of the United States Department of Homeland Security. These grants allowed the Fire Department to pay firefighters and to purchase and maintain equipment."

In a related prosecution, but separate embezzlement scheme, Gwinn's wife, Kathy Sue Gwinn, 52, was sentenced yesterday for embezzling over \$75,000 from the Teays Valley Volunteer Fire Department. Kathy Gwinn was ordered to jail for a weekend a month for five months, ten months home confinement, and 3 years supervised release, plus probation.

Gwinn formerly served as the Treasurer of the Teays Valley Volunteer Fire Department.

Beginning in October 2014, and continuing through March 2017, she printed and wrote herself unauthorized checks from the Fire Department's payroll account, noting on the memo line of the checks that the checks were for payroll, overtime, or tax preparation.

The U.S. Attorney's Office says during the course of her scheme, she embezzled \$75,356.70.

Charleston Gazette-Mail

A Pulitzer Prize-Winning Newspaper

Couple guilty in Teays Valley Fire Department embezzlement cases

By Carlee Lammers Staff writer June 19, 2018

A former West Virginia Cabinet Secretary and vice president and fiscal officer of the Teays Valley Fire Department pleaded guilty to embezzlement in federal court Tuesday, according to United States Attorney Mike Stuart.

Clifford Keith Gwinn, 64, of Hurricane, who formerly served as the state Secretary of the West Virginia Department of Veterans Assistance, pleaded guilty to embezzling \$178,790 from the Teays Valley Volunteer Fire Department, as well as to a related tax crime.

"To steal from our first responders, those that save our lives and protect our homes, for personal greed is beyond comprehension," Stuart said in the release. "It's disappointing to say the least that a former public official serving at the highest levels of West Virginia state government would steal from first responders, the very folks who would run into danger to save him. It's tragic. My team stands ready to aggressively prosecute elected officials who violate the basic public trust of honest service."

Gwinn's duties at the fire department included overseeing the department's financial affairs, reporting income and expenditures to the department, preparing and submitting taxes for the fire department, and assisting with applications and reimbursements for federal grants, among other duties.

Without authorization from the fire department, Gwinn admitted he opened a department bank account where only he had signature authority, transferred funds into that account without the knowledge or authorization from the department, ensured certain health care insurance company reimbursements were deposited into that account, and wrote himself checks to cash out of that account, which he then typically cashed, according to the release.

The release said he also admitted he instructed the department's treasurer to write him checks from other department bank accounts and misrepresented the amount of bank account balances to the department officers and board members.

Between 2013 and 2016, Gwinn embezzled \$178,790 in funds. Also during that time period, the Teays Valley Volunteer Fire Department received grants from the Federal Emergency Management Agency. These grants allowed the fire department to pay firefighters and to purchase and maintain equipment.

Gwinn faces up to 15 years in prison, a \$500,000 fine, three years of supervised release and a \$200 special assessment when he is sentenced on Sept. 17, 2018.

He has agreed to pay restitution to the fire department in the amount of \$178,790 and to the Internal Revenue Service in the amount of \$68,281, according to the release.

In a related, but separate embezzlement case, his wife Kathy Sue Gwinn, 52, was sentenced Monday for embezzling more than \$75,000 from the Teays Valley Volunteer Fire Department.

Kathy Gwinn was sentenced to jail for one weekend a month for five months, 10 months home confinement, and three years supervised release, plus probation.

Kathy Gwinn formerly served as the treasurer of the department. As treasurer, the release said, she generated payroll checks for firefighters and signed the payroll checks on a department bank account.

She volunteered for the department, and had no authority to write herself checks, nor was she entitled to wages, salary, or compensation for her role as treasurer, the release said.

From October 2014 through March 2017, she printed and wrote herself unauthorized checks from the department's payroll account, noting on the memo line of the checks that the checks were for payroll, overtime or tax preparation, the release said.

She embezzled a total of \$75,356.70, and was ordered to pay that amount in restitution.

During the period Gwinn embezzled funds, the department received grants from FEMA, the release said.



by JEFF MORRIS - Tuesday, March 6th, 2018

CHARLESTON, W.Va. (WCHS/WVAH) — Kanawha County prosecutors said a former employee of the McDowell County Probation Department and the West Virginia Supreme Court has pleaded guilty to embezzlement after she was accused of using a state purchasing card to buy TVs and other items.

Candace Thomas, a current resident of Brooklyn, N.Y., a former resident of McDowell County, pleaded guilty to the misdemeanor offense of embezzlement in Kanawha County Magistrate Court, according to a news release Monday from the Kanawha County Prosecutor's Office.

Thomas used a West Virginia purchasing card that had been issued to her to buy two televisions and other items from a Magic Mart and then pawned the TVs to get money, the news release said.

The TVs were valued at about \$700.

Prosecutors said other questionable uses came to light during the investigation.

Thomas received two years of probation from Magistrate Mike Sisson and will be required to repay the state more than \$3,500.

The case was investigated by the state Legislature's Commission on Special Investigations and the state Auditor's Office. Kanawha Assistant Prosecutor Rob Schulenberg prosecuted the case.

Former Logan County schools superintendent indicted on fraud charges

By Giuseppe Sabella Staff writer

A former Logan County schools superintendent has been indicted by a federal grand jury, after she allegedly used public money to buy supplies for her son's wedding and electronics for her own use.

Phyllis Doty served as Logan County's superintendent from June 2013 to July 2016, according to a five-count indictment filed Thursday in U.S. District Court for the Southern District of West Virginia. Before that, she served as curriculum director for the Logan County Board of Education.

The board ordered more than 350 iPods and iPads over several years, according to the indictment. Doty allegedly stole at least 20 of the electronics, selling some and giving others to family members.

She also is accused of using public money to furnish her son's wedding. She bought 30 bread baskets and four beverage dispensers, along with other goods, the indictment said.

"It was a purpose and object of the scheme for Doty to enrich herself and her family members by embezzling and misappropriating funds from the Logan County Board of Education, in that she purchased or directed the purchase of various items for personal use," the indictment states.

The indictment goes on to say Doty learned of an investigation against her, and that she returned some of the goods to a county school in hopes of covering her tracks.

She was indicted on a charge of mail fraud, along with two counts of wire fraud and two counts of theft concerning programs receiving federal funds.

The indictment against Doty is not a finding of fact; it means only that grand jurors have decided that enough evidence exists to warrant a criminal trial.

In February 2016, Logan school board members approved a four-year contract extension for Doty, who was making \$115,000 at the time. The contract included annual raises of \$5,000, and several incoming county school board members balked because the extension was approved shortly before they joined the board.

A few months later, the board bought out Doty's contract and its president, Paul Hardesty, announced a state investigation into the school system's finances. The announcement followed an ongoing law enforcement investigation into whether Doty spent \$4,800 in school funds on her son's wedding.

The amount of stolen funds was much higher, according to Thursday's indictment.

Over a four-year period, the indictment said, Doty defrauded the school system of more than \$12,000 worth of Apple products. She also allegedly spent more than \$6,500 between two orders for her son's wedding.

"The numbers as alleged in the indictment are not massive in scale, but corruption in any amount, the theft of precious taxpayer dollars, violations of the public trust by public officials is a true cancer to society," U.S. Attorney Mike Stuart said in a prepared statement.

Charleston

Gazette-Mail

A Pulitzer Prize-Winning Newspaper

Ethics Commission fines, reprimands former Court of Claims clerk

By Phil Kabler Staff writer Feb 1, 2018

Ethics Commissioners voted unanimously Thursday to fine and reprimand former longtime Court of Claims Clerk Cheryle Hall for ethics violations for allowing a court employee to draw pay for time not worked.

As she did at an Ethics hearing in October, Hall on Thursday did not dispute any of the facts raised in the complaint, but said she acted out of empathy for the worker, a single mother who was recovering from injuries sustained in a severe car accident, and who was struggling to get by on a \$22,000 salary.

"I do not feel I violated the Ethics Act," Hall told the commissioners. "Other managers are out there doing the same thing, the difference being, their employees don't have to pay it back."

Hall said she did pay then-docket clerk Brittany Cullen for the equivalent of about 32 days when Cullen missed work for doctors' appointments and physical therapy following an August 2015 auto accident that left her with back injuries and severe pain.

Hall said she felt particular empathy for Cullen since she also was undergoing treatment for severe back pain at the time.

"I think the empathy was exaggerated for me because I knew when she laid on the floor for her back, I wished to be there with her because of my back," Hall said.

Hall said Cullen had just recovered sufficiently to be physically able to begin working extra hours and weekend days to make up for the extra pay when Legislative Manager Aaron Allred fired Cullen after a legislative audit uncovered the unearned pay.

"I was not given the opportunity to talk to the parties making the decision to fire Ms. Cullen, thereby thwarting my ability to require her to repay," Hall said.

Commissioners, however, sided with Hearing Examiner Jeffrey Blades' recommendation that Hall be cited for violating the Ethic Act's prohibition against using public office for the private gain of another.

They also approved the recommended sanctions, including a public reprimand, a \$1,500 fine, and an order that Hall reimburse the Ethics Commission \$4,668 for the costs of investigating and prosecuting the violation.



Michael B. Stuart
United States Attorney
Southern District of West Virginia

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 12, 2018
Contact: AUSA Clint Carte – (304) 345-2200
www.justice.gov/usao/wvs

**FORMER DIVISION OF HIGHWAYS ENGINEER PLEADS GUILTY FOR
FRAUDULENT SCHEME**

Defendant submitted fake hotel invoices and inflated expense reports to receive over \$70,000 from the State of West Virginia

CHARLESTON, W.Va. – A Lewis County man pleaded guilty today for his fake hotel invoice and expense report scheme to defraud the State of West Virginia, announced United States Attorney Mike Stuart. Steven Hull, 54, of Jane Lew, entered his guilty plea to mail fraud. U.S. Attorney Stuart commended the investigative efforts of the West Virginia Legislature Commission on Special Investigations.

“This scheme was literally highway robbery. Stealing from West Virginia taxpayers is a crime you won’t get away with,” said U.S. Attorney Stuart. “We take our obligation to protect taxpayer dollars extremely seriously, and I can assure you that my office is committed to uncovering public corruption and aggressively prosecuting this kind of theft.”

Hull admitted that from January 2011 through January 2017, he submitted false invoices attached to inflated expense reports for reimbursement by the State of West Virginia. Hull worked as an engineering technician at the West Virginia Division of Highways, and often traveled as part of his job, staying overnight throughout West Virginia. After each trip, the State of West Virginia would reimburse him. Hull admitted that during the course of his scheme, he provided expense reports for reimbursement that falsely represented the number of days he stayed at hotels, and further falsely represented that he paid for rooms for all those days.

Hull also admitted that from June 2014 until the end of his scheme, he entirely fabricated his hotel room expense reports. The reports would often state that he stayed at a Holiday Inn for a week at a time, when he was actually renting a room on a monthly basis from a less expensive hotel. Hull further admitted that he pocketed the difference in price between his monthly rental and his reimbursements. To disguise the scheme, Hull would produce detailed entries to legitimize the appearance of the fake invoices, including line items for taxes and a hotel rewards code number. From February 2011 through January 2017, Hull received \$70,653.14 from submitting false hotel invoices. He paid approximately \$18,144 for his monthly rental from June 2014 to December 2016.

Hull faces up to 20 years in federal prison when he is sentenced on May 15, 2018. As part of the plea agreement, he has also agreed to pay at least \$52,509.14 in restitution.

Assistant United States Attorney Meredith George Thomas is in charge of the prosecution. The plea hearing was held before United States District Judge John T. Copenhaver, Jr.

Charleston Gazette
Tuesday, February 13, 2018

Former WV DOH employee admits to mail fraud

Lacie Pierson

A former engineering technician for the West Virginia Division of Highways on Monday pleaded guilty in federal court to a scheme to defraud the state through fake hotel invoices and expense reports.

Steven Hull pleaded guilty to federal mail fraud before U.S. District Judge John Copenhaver Jr. in the Robert C. Byrd United States Courthouse, according to a news release from U.S. Attorney Michael Stuart.

Hull, 54, from Jane Lew, admitted that he submitted false invoices attached to inflated expense reports for reimbursement by the State of West Virginia between January 2011 and January 2017.

During those six years, Hull worked as an engineering technician at the West Virginia Division of Highways, and he often traveled as part of his job, staying overnight throughout the state.

After each trip, the state of West Virginia would reimburse him. Hull admitted that during the course of his scheme, he provided expense reports for reimbursement that falsely represented the number of days he stayed at hotels, and further falsely represented that he paid for rooms for all those days, according to the news release.

Starting in June 2014, Hull said he fabricated his hotel expense reports by saying he stayed at a more expensive hotel on a weekly basis, claims that were supported by fake hotel invoices he made. In reality, he actually rented a room on a monthly basis from a less expensive hotel.

Between February 2011 and January 2017, Hull received \$70,653.14 from false hotel invoices.

Mail fraud carries a punishment of up to 20 years in federal prison. Hull will be sentenced on May 15.



Former DOH worker sentenced in fraud scheme

By **MetroNews Staff** in **News** | May 21, 2018 at 6:59PM

CHARLESTON, W.Va. — A former state Division of Highways worker was sentenced to three years probation Monday by a federal judge after an earlier guilty plea in connection with an expense report scheme.

Steven Hull, 54, of Jane Lew, entered a guilty plea in February to mail fraud, admitting to inflating expenses between January 2011 and January 2017. Hull, who worked as an engineering technician, admitted while he did have to stay overnight at hotels as part of his job, he falsely reported the number of nights he stayed and the amount of money he paid for lodging.

Prosecutors said one example was beginning in June 2014, Hull reported he was staying at a Holiday Inn when he was actually renting a room from a less expensive hotel on monthly basis.

U.S. District Judge John Copenhaver sentenced Hull to three years probation and a \$5,000 fine. He was also ordered to pay \$52,500 in restitution, which he paid in full Monday.

State Department of Transportation Secretary Tom Smith released a statement Monday. He said the DOH's internal controls turned up Hull's wrongdoing and alerted the Commission on Special Investigations.

"As WVDOH continues to administer Governor Justice's Roads to Prosperity program, the agency recognizes, now more than ever, the significant role integrity and public trust plays in operating any public agency," Smith said. "The Justice Administration is committed to uprooting public corruption through a zero-tolerance response and will continue to address such matters swiftly and in cooperation with our law enforcement partners."

Appendix B

Powers & Duties

of the

Commission



CSI

THE LEGISLATURE.

ARTICLE 5.

COMMISSION ON SPECIAL INVESTIGATIONS.

§4-5-1. Commission continued as "commission on special investigations"; composition; appointment and terms of members.

The purchasing practices and procedures commission, heretofore created, shall continue in existence but on and after the effective date of this section shall be named and designated the "commission on special investigations." The commission shall continue to be composed of five members of the Senate, to be appointed by the president thereof, no more than three of whom shall be from the same political party; and five members of the House of Delegates, to be appointed by the speaker thereof, no more than three of whom shall be appointed from the same political party: **Provided**, That in the event the membership of a political party is less than fifteen percent in the House of Delegates or Senate, then the membership of that political party from the legislative house with less than fifteen percent membership may be one from that house. The commission shall be headed by two cochairmen, one to be selected by and from the members appointed from the Senate, and one to be selected by and from the members appointed from the House of Delegates. All members of the commission shall serve until their successors shall have been appointed as heretofore provided.

§4-5-2. Powers and duties generally.

(a) The Commission on Special Investigations shall have the power, duty and responsibility, upon a majority vote of the members appointed, to:

(1) Conduct a comprehensive and detailed investigation into the purchasing practices and procedures of the state;

(2) Determine if there is reason to believe that the laws or public policy of the state in connection with purchasing practices and procedures have been violated or are inadequate;

(3) Determine if any criminal or civil statutes relating to the purchasing practices and procedures in this state are necessary to protect and control the expenditures of money by the state;

(4) Investigate or examine any matter involving conflicts of interest, bribery of state officials, malfeasance, misfeasance or nonfeasance in office by any employee or officer of the state;

(5) Conduct comprehensive and detailed investigations to determine if any criminal or civil statutes have been violated at any level of state government;

(6) Determine whether to recommend criminal prosecution or civil action for any violation, either criminal or civil, at any level of state government and, if it is determined that action is necessary, to make appropriate recommendation to the Attorney General, prosecuting attorney or other authority empowered to act on such recommendation; and

(7) Make such written reports to the members of the Legislature between sessions thereof as the commission may deem advisable and on the first day of each regular session of the Legislature make an annual report to the Legislature containing the commission's findings and recommendations including in such report drafts of any proposed legislation which it deems necessary to carry such recommendations into effect.

(b) The commission is also expressly empowered and authorized to:

(1) Sit during any recess of the Senate and House of Delegates;

(2) Recommend to the judge of any circuit court that a grand jury be convened pursuant to the provisions of section fourteen, article two, chapter fifty-two of this code, to consider any matter which the commission may deem in the public interest and, in support thereof, make available to such court and such grand jury the contents of any reports, files, transcripts of hearings or other evidence pertinent thereto;

(3) Employ such legal, technical, investigative, clerical, stenographic, advisory and other personnel as it deems needed and, within the appropriation herein specified, fix reasonable compensation of such persons and firms as may be employed: *Provided*, That such personnel as the commission may determine shall have the authority to administer oaths and take affidavits and depositions anywhere in the state.

(4) Consult and confer with all persons and agencies, public (whether federal, state or local) and private, that have information and data pertinent to an investigation; and all state and local governmental personnel and agencies shall cooperate to the fullest extent with the commission;

(5) Call upon any department or agency of state or local government for such services, information and assistance as it may deem advisable; and

(6) Refer such matters as are appropriate to the office of the United States attorney and cooperate with such office in the disposition of matters so referred.

(c) Notwithstanding any provision of this code to the contrary, specific personnel may be designated by the commission to carry a firearm in the course of performing his or her official duties: *Provided*, That as a precondition of being authorized to carry a concealed weapon in the course of their official duties, any such designated personnel must have first successfully completed a firearms training and certification program which is equivalent to that which is required of members of the state police. The

designated persons must also possess a license to carry a concealed deadly weapon in the manner prescribed in article seven, chapter sixty-one of this code.

§4-5-3. Executive sessions; hearings; subpoena power; enforcement provisions.

The commission shall have the power and authority to hold executive sessions for the purpose of establishing business, policy, an agenda and the interrogation of a witness or witnesses: *Provided*, That if a witness desires a public or open hearing he shall have the right to demand the same and shall not be heard otherwise: *Provided, however*, That if a witness desires a hearing in an executive session, he shall have the right to demand the same and shall not be heard otherwise. However, members of the staff of the commission may be permitted to attend executive sessions with permission of the commission.

The commission is hereby empowered and authorized to examine witnesses and to subpoena such persons and books, records, documents, papers or any other tangible things as it believes should be examined to make a complete investigation. All witnesses appearing before the commission shall testify under oath or affirmation, and any member of the commission may administer oaths or affirmations to such witnesses. To compel the attendance of witnesses at such hearings or the production of any books, records, documents, papers or any other tangible thing, the commission is hereby empowered and authorized to issue subpoenas, signed by one of the cochairmen, in accordance with section five, article one, chapter four of this code. Such subpoenas shall be served by any person authorized by law to serve and execute legal process and service shall be made without charge. Witnesses subpoenaed to attend hearings shall be allowed the same mileage and per diem as is allowed witnesses before any petit jury in this state.

If any person subpoenaed to appear at any hearing shall refuse to appear or to answer inquiries there propounded, or shall fail or refuse to produce books, records, documents, papers or any other tangible thing within his control when the same are demanded, the commission shall report the facts to the circuit court of Kanawha county or any other court of competent jurisdiction and such court may compel obedience to the subpoena as though such subpoena had been issued by such court in the first instance.

§4-5-4. Compensation and expenses of members; other expenses; how paid; joint committee approval.

The members of the commission shall receive travel, interim and out-of-state expenses, as authorized in sections six, eight and nine, article two-a, chapter four of this code. Such expenses and all other expenses including those incurred in the employment of legal, technical, investigative, clerical, stenographic, advisory and other personnel shall be paid from the appropriation under "Account No. 103 for Joint Expenses," but no expense of any kind whatever shall be incurred unless the approval of the joint

committee on government and finance therefor is first had and obtained by the commission.

§4-5-5. Investigations exempt from public disclosure requirements.

The investigations conducted by the commission and the materials placed in the files of the commission as a result of any such investigation are exempt from public disclosure under the provisions of chapter twenty-nine-b of this code.

§4-5-6. False statements to commission.

(a) A person is guilty of making a false statement to the commission on special investigations when:

(1) Such person, with the intent to impede the commission or to impede an investigator of the commission acting in the lawful exercise of his or her official duties, knowingly and willfully makes any false, fictitious or fraudulent statement or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry;

(2) Such statement, representation, writing or document is made or given to the commission or an investigator of the commission acting in the lawful exercise of his or her official duties; and

(3) The misrepresentation is material.

(b) The provisions of subsection (a) of this section are not applicable to a person in the relation of husband and wife, parent or grandparent, child or grandchild, brother or sister, by consanguinity or affinity, of an individual who is the subject of an investigation by the commission.

(c) Any person who violates the provisions of this section is guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than one hundred dollars nor more than one thousand dollars, or confined in jail for not more than one year, or both, in the discretion of the court.

Appendix C

Rules

of the

Commission



CSI

**RULES OF THE
COMMISSION ON SPECIAL INVESTIGATIONS
WEST VIRGINIA LEGISLATURE**

Section 1. Establishment and Purpose of Rules.

A code of fair procedure for the Commission on Special Investigations is hereby established for the purpose of providing for the operation of this Commission in a manner which will enable it to perform properly the powers and duties vested in it, including the conduct of hearings, in a fair and impartial manner, consistent with protection of the constitutional rights of persons called to testify at such hearings and preservation of the public good.

Section 2. Definitions.

As used in these rules:

1. "Commission" means the Commission on Special Investigations as enacted by the Legislature at the regular session 1980.
2. "Hearing" means any meeting in the course of an investigatory proceeding (other than a preliminary conference or interview at which no testimony is taken under oath) conducted by the Commission for the purpose of taking testimony or receiving other evidence. A hearing may be open to the public or closed to the public.
3. "Public hearing" means any hearing open to the public, or the proceedings of which are made available to the public.

Section 3. Quorums and Voting.

- (a) A quorum shall consist of a majority of the total authorized membership of the Commission.
- (b) No action shall be taken by the Commission at any meeting unless a quorum is present. The Commission may act only by a majority vote of the total membership of the Commission.

Section 4. Hearings.

- (a) The Commission may hold hearings appropriate for the performance of its duties, at such times and places as the Commission determines.

(b) Each member of the Commission shall be given at least three days' written notice of any hearing to be held when the Legislature is in session and at least seven days' written notice of any hearings to be held when the Legislature is not in session. Such notices shall include a statement of the subject matter of the hearing. A hearing and any action taken at a hearing, shall not be deemed invalid solely because notice of the hearing was not given in accordance with this requirement.

(c) The Commission shall not conduct a hearing unless a quorum is present.

Section 5. Issuance of Subpoenas.

(a) The Commission, by majority vote of the members present, may issue a subpoena requiring a person to appear before the Commission and be examined in reference to any matter within the scope of the inquiry or investigation being conducted by the Commission. The Commission also may issue a subpoena or subpoena duces tecum requiring any person to appear before the Commission and bring with him any books, records, documents and such other papers pertinent thereto.

(b) A person subpoenaed to attend a hearing of the Commission shall receive the fees and allowances as provided for in sections sixteen and seventeen, article one, chapter fifty-nine of the Code.

Section 6. Notice to Witnesses.

(a) Service of a subpoena requiring the attendance of a person at a hearing of the Commission shall be made in the manner provided by law, including the Rules of Civil Procedure, for the service of subpoenas in civil actions, except that the subpoenas shall be served without charge. Service shall be made at least seven days prior to the date of the hearing unless a shorter period of time is authorized by majority vote of the members present of the Commission in a particular instance when, in their opinion, the giving of seven days' notice is not practicable; but if a shorter period of time is authorized, the person subpoenaed shall be given reasonable notice of the hearing, consistent with the particular circumstances involved.

(b) Any person who is served with a subpoena to attend a hearing of the Commission also shall be served with a copy of the resolution establishing the Commission, a copy of the rules under which the Commission functions, a general statement informing him of the subject matter of the Commission's investigation or inquiry and a notice that he may be accompanied at the hearing by counsel of his own choosing.

Section 7. Conduct of Hearings.

(a) All hearings of the Commission shall be public unless the Commission, by majority vote of the members present, determines that a hearing should not be open to the public in a particular instance; provided, however, that if a witness desires a hearing in an executive session, he shall have the right to demand the same and shall not be heard otherwise. However, members of the staff of the Commission may be permitted to attend executive sessions with permission of the Commission.

(b) The cochairman on the part of the Senate, if present and able to act, shall preside at all hearings of the Commission and shall conduct the examination of witnesses himself or permit examination by other members of the Commission's staff who are so authorized. In his absence or disability, the cochairman on the part of the House shall serve as presiding officer. Selection of a presiding officer to act in the absence or disability of both cochairmen shall be by majority vote of the members present at a meeting at which there is a quorum.

(c) No hearing, or part thereof, shall be televised, filmed or broadcast except upon approval of the Commission, by majority vote of the members present.

Section 8. Right to Counsel and Submission of Questions.

(a) Every witness at a hearing may be accompanied by counsel of his own choosing, who may advise the witness as to his rights, subject to reasonable limitations which the Commission may prescribe to prevent obstruction of or interference with the orderly conduct of the hearing.

(b) Any witness at a hearing, or his counsel, may submit to the Commission proposed questions to be asked of the witness or any other witness relevant to the matters upon which there has been any questioning or submission of evidence, and the Commission shall ask such of the questions as are appropriate to the subject matter of the hearing.

Section 9. Testimony.

(a) The Commission shall cause a record to be made of all proceedings in which testimony or other evidence is demanded or adduced, which record shall include rulings of the chair, questions of the Commission and its staff, the testimony or responses of witnesses, sworn written statements submitted to the Commission, and such other matters as the Commission may direct.

(b) All testimony given or adduced at a hearing shall be under oath or affirmation unless the requirement is dispensed within a particular instance by majority vote of the Commission members present at the hearing.

(c) Any member may administer an oath or affirmation to a witness at a hearing.

(d) The presiding officer at a hearing may direct a witness to answer any relevant question or furnish any relevant book, paper or other document, the production of which has been required by a subpoena duces tecum. Unless the direction is overruled by majority vote of the Commission members present, disobedience shall constitute a contempt.

(e) A witness at a hearing or his counsel, with the consent of a majority of the Commission members present at the hearing, may file with the Commission for incorporation into the record of the hearing sworn written statements relevant to the purposes, subject matter and scope of the Commission's investigation or inquiry.

(f) A witness at a hearing, upon his request and at his own expense, shall be furnished a certified transcript of his testimony at the hearing.

(g) Testimony and other evidence given or adduced at a hearing closed to the public shall not be made public unless authorized by majority vote of the members of the Commission who are present, which authorization shall also specify the form and manner in which the testimony or other evidence may be released.

(h) All information of a defamatory or highly prejudicial nature received by or for the Commission other than in an open or closed hearing shall be deemed to be confidential. No such information shall be made public unless authorized by majority vote of the members of the Commission who are present for legislative purposes, or unless its use is required for judicial purposes.

Section 10. Interested Persons.

(a) Any person whose name is mentioned or who is otherwise identified during a hearing of the Commission and who, in the opinion of the Commission, may be adversely affected thereby, may, upon his request or upon the request of any members of the Commission, appear personally before the Commission and testify in his own behalf, or, with the Commission's consent, file a sworn written statement of facts or other documentary evidence for incorporation into the record of the hearing.

(b) Upon the consent of a majority of the members present, the Commission may permit any other person to appear and testify at a hearing or submit a sworn written statement of facts or other documentary evidence for incorporation into the record thereof. No request to appear, appearance or submission of evidence shall limit in any way the Commission's power of subpoena.

(c) Any person who appears before the Commission pursuant to this section shall have all the rights, privileges and responsibilities of a witness provided by these Rules.

Section 11. Presiding Officer.

The cochairman on the part of the Senate, if present and able to act, shall preside at all meetings of the Commission. In his absence or disability, the cochairman on the part of the House shall preside. Selection of a presiding officer to act in the absence or disability of both cochairmen shall be by majority vote of the members present at a meeting at which there is a quorum.

Section 12. Contempt.

(a) A person shall be in contempt if he:

1. fails or refuses to appear in compliance with a subpoena or, having appeared, fails or refuses to testify under oath or affirmation;
2. fails or refuses to answer any relevant question or fails or refuses to furnish any relevant book, paper or other document subpoenaed by or on behalf of the Commission; or
3. commits any other act or offense against the Commission which, if committed against the Legislature or either house thereof, would constitute a contempt.

(b) The Commission may, by majority vote of the members present, authorize the taking of such steps as are necessary under law to obtain a contempt citation in such cases.

Section 13. Meetings.

Meetings of the Commission, other than hearings, shall be held upon call of either cochairman or upon majority vote of the members present. Unless otherwise directed by majority vote of the members present, such meetings will be held at the State Capitol.

Section 14. Limitation of Rules.

Nothing contained in these Rules shall be construed to limit or prohibit the acquisition of evidence or information by the Commission by any lawful means not provided for herein.

