



## INSPECTOR GENERAL REPORT

2008-06-0163

October 22, 2008

### CSEPP FUND MISAPPROPRIATION

*Inspector General David O. Thomas, after an investigation by OIG Special Agent Alan McElroy with the Indiana State Police and the Indiana State Board of Accounts, reports as follows:*

This investigation was done in partnership with the Indiana State Police and the Indiana State Board of Accounts. It involved the misappropriation of Chemical Stockpile Emergency Preparedness Planning (CSEPP) funds. This program was instituted in 1989 when a decision was made by the federal government to neutralize the VX nerve gas stockpiled at Newport, Vermillion County, Indiana.

Ramon Colombo (“Colombo”) was the Director of the Vermillion County Emergency Management Agency (EMA). He was appointed to this position by the Vermillion County Commissioners in 1989, and continuously served in that position until his retirement on September 30, 2008. As the EMA Director, Colombo also served as the Director of the CSEPP Program. In Vermillion County, the EMA and CSEPP programs function as one agency and receive funds exclusively from the Federal Emergency Management Agency (FEMA).

## I.

The jurisdiction of the Indiana Office of the Inspector General (OIG) is accordingly triggered because the Indiana Department of Homeland Security (IDHS) is the agency which oversees the distribution of FEMA monies in the State of Indiana. Colombo also serves as a member of the Local Emergency Planning Committee (LEPC) and reports to the Indiana Emergency Response Committee (IERC) under the direction of the Indiana Department of Homeland Security (IDHS), a state agency. IC 4-2-7-2.

## II.

The investigation centered on three contracts paid with CSEPP funds by the Vermillion County EMA to an electric company.

Colombo, as the Director of EMA/CSEPP, entered into multiple contracts with various vendors to perform services for Vermillion County. One of these vendors was the subject electric company.

Multiple interviews were conducted, and voluminous invoices and documents were reviewed.

The investigation confirmed that Colombo, when contracting with an electric company on at least three separate occasions, directed the electric company to inflate into the contract additional costs for additional items of personal property without itemizing in the proposal the additional personal property to be purchased. The electric company would then deliberately “overbid” the true costs of the services to be provided to Vermillion County in

order to “cover” the costs of purchasing the items of personal property requested by Colombo. The costs of the personal property were intentionally not specified in the proposal. This eliminated the possibility that the purchase of the property would not be approved by IDHS and FEMA. Furthermore, the existence of the items would not have been included in the inventory maintained by IDHS, FEMA, or the local EMA.

The items of personal property secured in this manner were then used by Colombo for his personal benefit or disposed of in a manner not authorized by the funding agency.

Invoices held by the vendors corroborated the existence of the additional items. Witnesses also confirmed that Colombo personally took possession of these additional items.

These additional items included the following:

- (1) A Sony 52” Flat Screen LCD television Model KDL 52XBRA4
- (2) A LG 26” Flat Screen LCD television Model 26L-C7D-UK
- (3) A second LG 26” Flat Screen LCD television Model 26L-C7D-UK
- (4) Verge TV Stand Model VTVSNT50
- (5) Tech Craft TV Stand Model TRK50B
- (6) A Sony Blu-Ray DVD Player Model BDPS-300
- (7) A Kubota Tractor Model BX2230
- (8) A GE Profile Stainless Steel Double Oven Wall Unit
- (9) A GE Profile Stainless Steel Gas Range Top
- (10) A GE Profile side-by-side Refrigerator

Values for these items were as follows:

\$ 5,024.79	Two televisions, television stands and DVD player
\$ 9,299.00	Kubota tractor
\$ <u>4,872.82</u>	Kitchen applicances
\$19,196.61	Total amount of misappropriation

The televisions, television stands, and DVD player were brought to the Vermillion County Courthouse by Colombo on Monday, June 16, 2008, after Colombo had learned of this investigation on Friday June 13, 2008.

### III.

The investigation was submitted to the Vermillion County Prosecuting Attorney, resulting in the filing of criminal charges of three counts of official misconduct and three counts of theft, all class D felonies.

Dated this 22<sup>nd</sup> day of October, 2008.



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David O. Thomas, Inspector General