

# BWC Update

As scandal continues to unfold at the Bureau of Workers' Compensation, I wanted to update you on some new developments.

Consultants hired by the agency are starting to get a better handle on the losses at the agency. As it turns out, the Bureau's investment strategies produced \$1 billion less over the past decade than they would have if the money had simply been kept in passive index funds, such as S&P 500.

Contributing to those losses:

- More than \$300 million lost in risky hedge fund investments, most of it in a single fund based in Bermuda.
- \$13 million or more lost when the Bureau decided to allow Tom Noe – then a member of the Ohio Turnpike Commission and the Ohio Board of Regents – to invest state funds in rare coins. As much as \$4 million appears to have been stolen, according to the attorney general.



Unwise spending habits have also plagued the agency. Since 1998, the Bureau has paid \$543.6 million more for the medical treatment of injured workers than the actual cost of providing those services, according to one study. Essentially, hospitals were gouging the agency, charging far more than they charged other private or public insurance plans.

Obviously, big changes are needed. I continue to keep a close eye on developments at the Bureau and I am interested in your thoughts on this issue.

State Representative  
**Kenny Yuko**  
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# A Legislative Report from Rep. Kenny Yuko

Representing the 7th District of Ohio • Cities of Euclid, Richmond Heights, and Parts of Cleveland



**Kenny Yuko**  
State Representative



## Dear Constituents,

Americans have faced an enormous challenge in coping with the losses from Hurricane Katrina. Ohioans, as well as citizens all over the world, have demonstrated an outpouring of generosity to hurricane victims, and I am proud of the efforts we have made.

However, there is still much to be done.

As we continue to help support our fellow Americans, please be certain to contribute to legitimate rescue efforts. More information on ways to avoid charity scams can be found inside the newsletter.

The aftermath of Katrina affects us all. Many of us are helping friends and families in the South get back on their feet. Some of us are struggling right here in Ohio, due to skyrocketing gas prices and worrying about heating our homes in the upcoming months.

I want to do everything possible to address these concerns. Committee hearings have begun in the Statehouse to find a way to ease the financial burden on Ohioans dealing with higher gas bills.

As we assess the effects of this disaster and continue to reach out to the victims, please keep me updated on ways I can assist you.

Lastly, please inform me of any issues I can address in our newly designed newsletters. I hope our Legislative Updates continue to educate constituents and invite you to share thoughts and ideas.

Sincerely,

**Kenny Yuko**  
State Representative

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Please feel free to share your e-mail address with my office so we can keep you updated on what's new at the Statehouse.



## In the News

### Investigate: Avoid Home Foreclosure

According to a recent study, Ohio saw 59,007 new foreclosures last year. Overall, filings have more than doubled since 1998 and more than tripled since 1994. Experts suggest that predatory lending practices, the state's weak economy and job loss are the top reasons for Ohio's high foreclosure rate. Other factors include divorce/family breakup, medical problems, easy credit standards and irresponsible borrowers.

The Ohio Department of Commerce's Division of Real Estate and Professional Licensing urges Ohioans thinking about purchasing a home to get the facts before they buy. Publications are available through the Division's website to help Ohioans understand the home buying and home selling processes.



Through the Division's *Home Buyer's Guide* and *Home Seller's Guide*, Commerce wants to help Ohioans learn as much as possible about the process so that they can protect themselves and their interests. The *Home Buyer's Guide* is a 12-page booklet that highlights the home buying process. The *Home Buyer's Guide* addresses:

- The selection of a real estate professional
- Determining what is affordable
- Inspecting the physical details of the structure
- The offer to purchase
- Payment of a deposit, or earnest money
- Acceptance of the offer
- Title examination and inspections
- Arranging financing
- Obtaining insurance
- The closing process
- The recording of the deed

The guide is available at [www.com.state.oh.us/real](http://www.com.state.oh.us/real) or call (614)466-4100 to request a free copy.

## In the District: Predatory Lending



Representative Yuko and South Euclid city councilman Ed Ilove met with organizers from the **East Side Organizing Project** to discuss local predatory lending problems and solutions.

He will keep you posted as he continues to address this issue.



## Aftermath of Katrina



Hurricane Katrina's impact is soon expected to be felt in Ohio in the form of much higher natural gas and heating oil prices. Here at the Statehouse, we aren't just standing by and waiting for this to happen. The House Public Utilities and Energy Committee has already started hearings intended to develop ways to meet this challenge, both in the short and long term.

One idea under consideration is to boost the amount of money state government devotes to the Home Energy Assistance Program, or HEAP.

Last year, more than 257,000 lower-income Ohio households relied on help from HEAP to assist them in paying heating bills through the winter. Another 133,000 obtained emergency help, either to reconnect their service or avoid disconnection.

For more information on this program and others designed to help lower-income families, contact the state HEAP office toll-free number: (800) 282-0880, or download an application at the Ohio Department of Development website: <http://www.odod.state.oh.us>.

## Help with home heating costs

Longer term, Democrats have put forward a proposal to increase the amount of electricity in Ohio generated from renewable sources such as solar, wind and biomass. Less than 1 percent of Ohio's electricity currently is produced from renewable resources. Legislation now under review by the Public Utilities Committee could create a renewable energy standard for Ohio. The goal: increase the percentage of electricity generated from renewable sources to 20 percent by 2021.

If approved, this legislation could help reduce the toxic emissions that go along with burning fossil fuels, stabilize energy prices and take an important step toward reducing Ohio's dependence on foreign sources of energy.

## Making wise donations



Our hearts continue to go out to individuals and families struggling to get back on their feet in the wake of natural disaster. Sadly, however, there are those who will attempt to exploit this tragedy—to scam Ohioans out of their generous donations. These con artists solicit donations for illegitimate relief efforts.

Please follow these simple steps to avoid deception and to ensure that your contributions reach the people they are intended to help:

- If you have not heard of the charity before, request written documentation outlining its mission before donating.
- Resist the temptation to make a hasty emotional decision and thoroughly question the solicitor before agreeing to contribute.
- Use common sense. Remember, if you feel you are being scammed, you probably are.

Consumers can also visit the Division of Securities' website at [www.securities.state.oh.us](http://www.securities.state.oh.us) for further information.