



DAVE YOST
OHIO AUDITOR



Ohio Auditor of State
Dave Yost

Special Audit Village of North Baltimore

Presented by: Elizabeth
McGinnis

Tour of the Case

- Background
- Special Audit
- The Interview
- End Result



Person of Interest

Jaimye Benedict

Village Utility Clerk since 2008



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Scene of the Crime



The Victim

- Village of North Baltimore – Wood County
- Located off I-75 North of Findlay and South of Bowling Green
- Population: approx. 3,500
- Revenue Sources: utilities (water, sewer, trash), cemetery plot sales, shelter house rental, EMS, and mayor's court
- Daily open office with 3 staff
- Managed by the Village Administrator and Mayor



Auditor of State Involvement

- Local Government Services
- Center for Audit Excellence
- Public Integrity Assurance Team



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The Safe's Secret Compartment



Significant Dates



October 21, 2014 – Benedict put on administrative leave

October 28, 2014 – Preliminary meeting with the Village

November 12, 2014 – Benedict terminated

November 19, 2014 – SATF approved a special audit 1



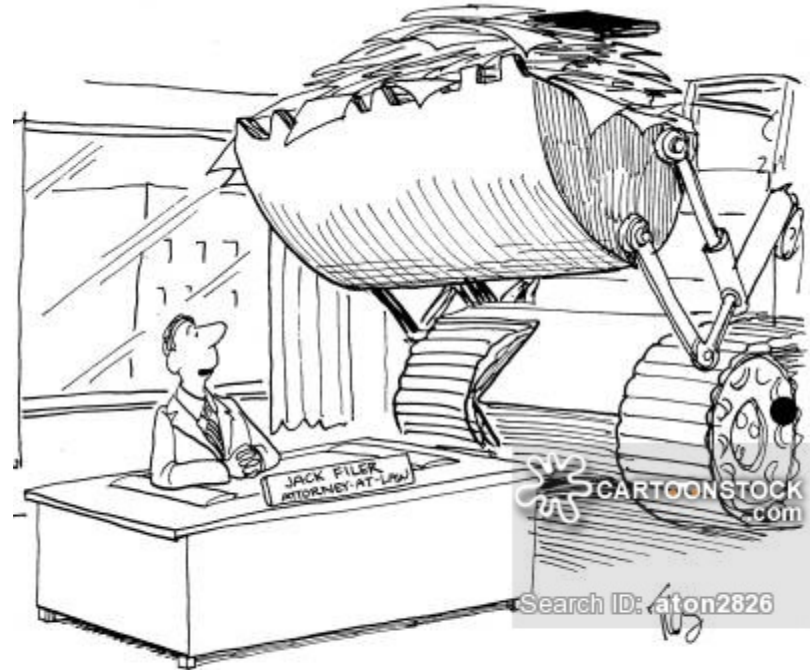
External Documents

- Subpoenaed bank records
 - Benedict's personal bank account(s)
 - The Village bank statements and deposit support
- Background reports provided by AoS Special Investigator



Objective 1 – Village Receipts

- Reviewed 100% of receipt batches processed during our time period of January 1, 2010 – September 30, 2014



"Ok, I'm in a paperwork mood. Let 'er rip."

Example: Bank Deposit Report

BANK DEPOSIT REPORT - VILLAGE OF N BALTIMORE BATCH 8789
 14:43:47 27 JAN 2015 PAGE: 1

CHECK-AMT	TYPE-REF	CHECK-AMT	TYPE-REF	CHECK-AMT	TYPE-REF
110.95	CK-JB	102.12	CK-JB	124.40	CK-JB
81.52	CK-JB	64.54	CK-JB	56.60	CK-JB
106.82	CK-JB	96.34	CK-JB	91.64	CK-JB
95.26	CK-JB	149.84	CK-JB	93.59	CK-JB
72.48	CK-JB	64.54	CK-JB	50.00	CK-JB
64.54	CK-JB	83.69	CK-JB	74.65	CK-JB
128.51	CK-JB	77.18	CK-JB	132.85	CK-JB
101.05	CK-JB	64.54	CK-JB	38.71	CK-JB
67.54	CK-JB	64.54	CK-JB	38.71	CK-JB
81.16	CK-JB	113.70	CK-JB	38.71	CK-JB
98.51	CK-JB	101.40	CK-JB	38.71	CK-JB
70.00	CK-JB	64.54	CK-JB	329.32	CK-JB
90.56	CK-JB	162.14	CK-JB	75.93	CK-JB
86.59	CK-JB	75.01	CK-JB	64.54	CK-JB
91.54	CK-JB	64.54	CK-JB	438.49	CK-JB
122.74	CK-JB	85.13	CK-JB	680.72	CK-JB
137.20	CK-JB				

CHECK COUNT 49
 CHECK TOTAL 5,408.33
 CASH TOTAL 0.00
 OTHER TOTAL 0.00
 GRAND TOTAL 5,408.33

Code	Description	Amount
CS	Cash	
CK	Check	5,408.33
MC	Master Card	
V	Visa	
D	Discover Card	
MO	Money Order	



Objective 1 – Village Receipts

How it SHOULD have went

- A daily batch is opened
- All receipts are processed on that batch
- The batch is closed
- The deposit is taken to the bank
- The deposit slip agrees to the batch total of cash & checks collected



Objective 1 – Village Receipts

How it ACTUALLY went

- Multiple batches were opened on the same day and left open for 1 – 5 days



Objective 1 – Village Receipts

How it ACTUALLY went

- Receipts were separated on a tender basis
 - All cash batch
 - All check batch

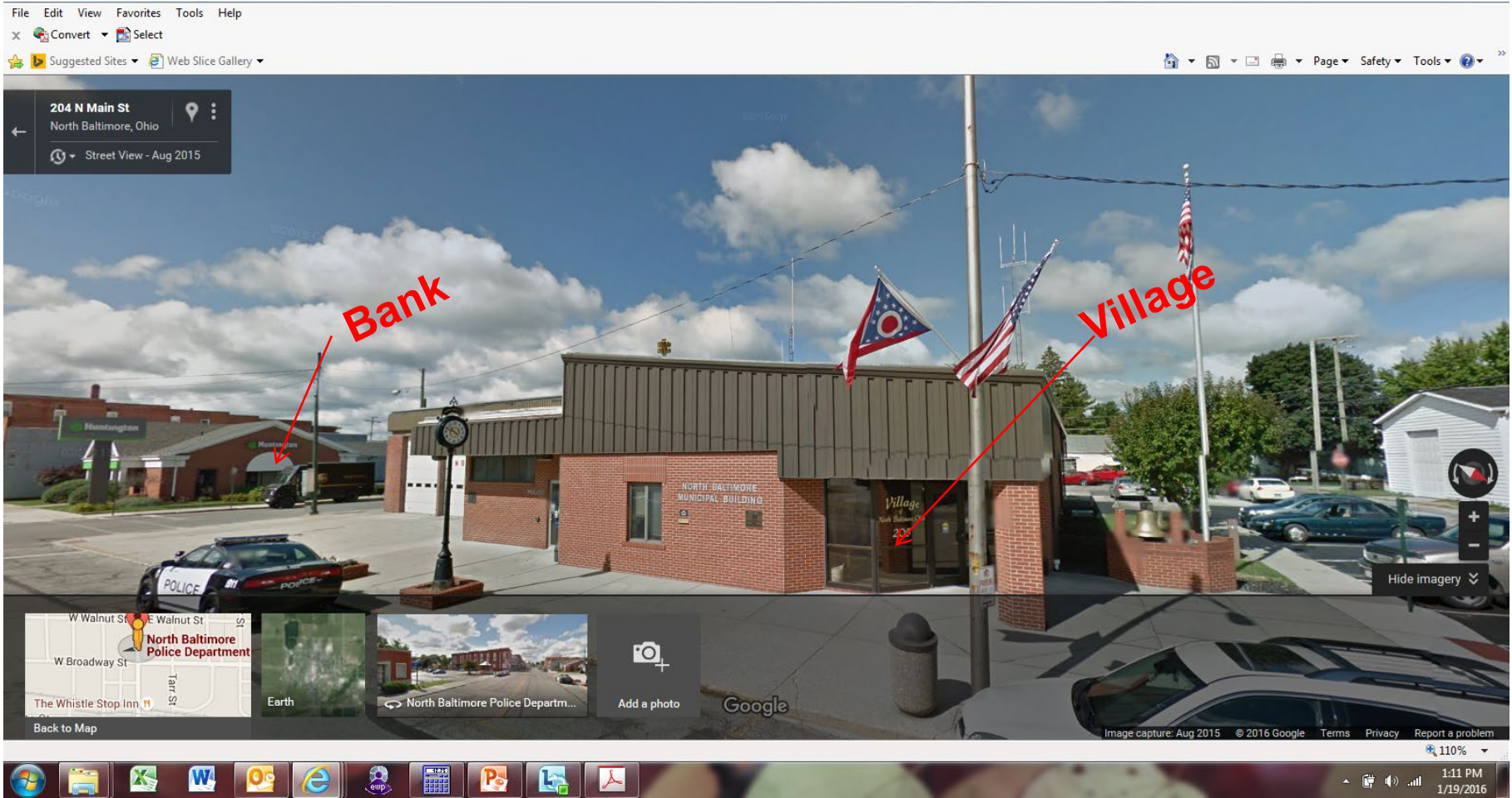


Objective 1 – Village Receipts

How it ACTUALLY went

- Deposits were not always made daily
(note: bank was in walking distance)





Objective 1 – Village Receipts

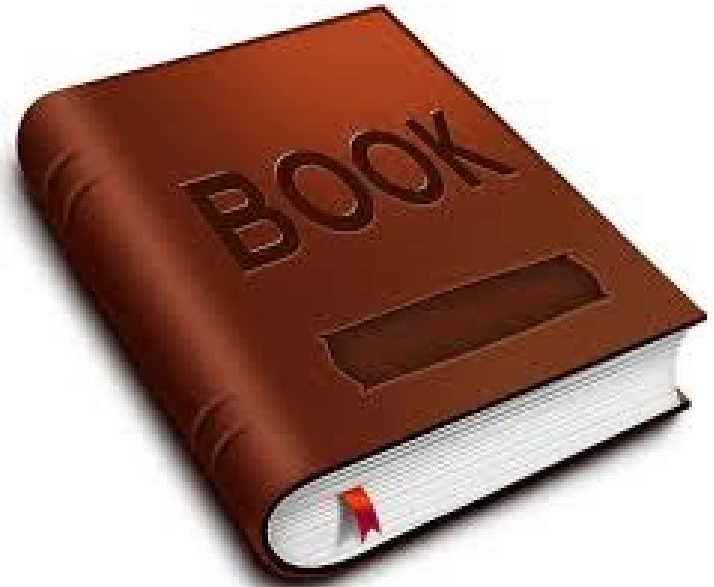
- Jaimye Benedict was solely responsible for making bank deposits
- No reviews were performed to compare the amount deposited in the bank vs the amount collected on the batch report



Objective 1 – Village Receipts



VS



Objective 1 – Village Receipts

History of Reconciliation Issues

- 2013 – *“The Village does not reconcile their bank balances to the books”*
- 2012 – *“The Village does not reconcile their bank balances to the books”*
- 2011 – \$11,106
- 2010 – \$2,616



Objective 1 – Village Receipts

Batch Testing

- 100% of Bank Deposit Reports (batches) were tested from 01/01/2010 – 09/30/2015
 - 1,352 Reports
 - \$16,537,105



Objective 1 – Village Receipts

Batch Testing

- Multiple reports missing
- No deposit slip attached to reports
- Unusual all cash batches
- Unusual all check batches



Objective 1 – Village Receipts

Batch Testing

- Traced each batch to a bank deposit noted on the bank statement
 - Timing issues
 - Could not locate multiple cash deposits



Objective 1 – Village Receipts

Results

- 43 cash-only batches totaling \$77,501 were not deposited
- 9 batches had portions of cash missing totaling \$1,622



THE SMOKING GUN



Location! Location! Location!

- All full and partial days were documented that Jaimye was off work
- We then compiled all the dates of the cash only batches and lack of cash deposits

Results: We were able to determine that she was at work on the dates of every cash only batch during the Period



Objective 2

All adjustments made to customer accounts were reviewed.

- Out of 90 adjustments, 12 were not supported by factual evidence
- None of the adjustments reflected supervisory approval
- A report comment was issued to the Village



Other Areas Reviewed

- Credit Card: The Village had a Master Card which was kept in the [unlocked] safe
- Mr. Benedict: Provided “handyman” services to the Village



Hindsight is 20/20...

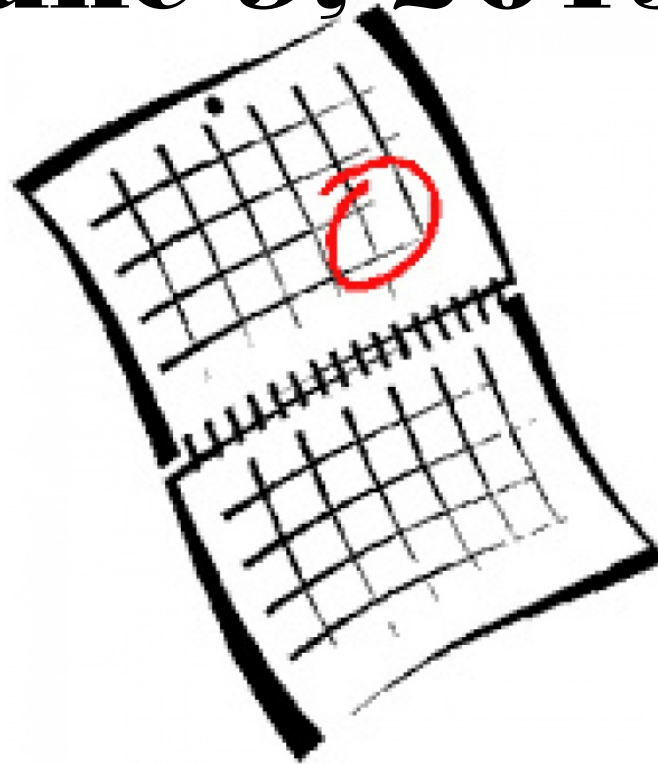
RED FLAGS!

- Purchased brand new vehicle
- Took multiple vacations
- Online shopping – packages delivered to Village office
- Active social media of concerts and splurging
- Controlling over work duties (sole depositor)
- Disciplinary Action: Benedict was written up for not performing her job duties



The Interview

June 9, 2015



The Interview

“Tell us about your job”

- Detailed job duties
- Village procedures
- Daily routines
- Co-workers responsibilities
- Lack of supervisory reviews and oversight



The Interview

Timeliness

Question: How often did you make deposits?

Answer: Every 2 or 3 days; never went longer than that.

- During our batch testing (batch dates were compared to bank deposits) it was noted that deposits were made from 1 – 316 days after collection



The Interview

Completeness

Question: What do you do after you count the checks and cash?

Answer: I would then deposit the checks and cash in the bank.

- During our batch testing, it was noted that 43 cash batches in whole and 9 partial cash batches were not deposited



The Interview

Confession

When directly asked why some of the cash batches were not deposited in the bank – she responded:

*“I set them aside because
I needed the money”*



The Interview

How much did you take?

Approximately \$38,000

- During our testing it was determined that a total of \$79,123 was received by the Village but not deposited into the Village bank account.



Audit Conclusion

- Special Audit 1 was released on September 24, 2015 with a finding for recovery issued against Jaimye Benedict in the amount of \$79,123



Audit Conclusion

Report Comments Issued

Document Retention: Multiple public documents were not properly maintained

Timely Deposits: Deposits were not always timely deposited at the Village's financial institution

Segregation of Duties: A single individual had control over all phases of a receipt transaction

Bank Reconciliations and Monitoring: Village bank account did not reconcile to their books

Cemetery Records: Disarray of receipt records

Zoning Permits: Disarray of receipt records

Customer Account Adjustments: Adjustments and voids were not properly supported nor approved by a supervisory



Investigation Conclusion

8/5/2015: Benedict was indicted on 2 counts of theft in office a 3rd degree felony

8/17/2015: Plea of not guilty was entered

11/16/2015: Plea of not guilty was withdrawn and a plea of guilty to 1 count of theft in office was entered



Sentencing

January 6, 2016

- 30 days in the Wood County jail
- 5 years community control
- 300 hours community service
- Ordered restitution of \$77,459.51 for criminal FFR & \$19,832.01 for cost of special audit



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INMATE DETAIL

Name: **BENEDICT, JAIMYE
JO**

Age: **43 YEARS OLD**

Race / Sex: **WHITE / FEMALE**

Arrest Date: **8/17/2015**

Release Date: **2/3/2016
(Estimated)**

**Next Court
Date:**



Charge	Status	Docket #	Bond Amount
FT IN OFFICE - USE OF OFFICE	BOOK ONLY	2015CR0324	
FT IN OFFICE - USE OF OFFICE	SENTENCED FELON	15CR324	
FT IN OFFICE - GOVT. PROPERTY	SENTENCED FELON	15CR324	
FT IN OFFICE - GOVT. PROPERTY	BOOK ONLY	2015CR0324	

QUESTIONS



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