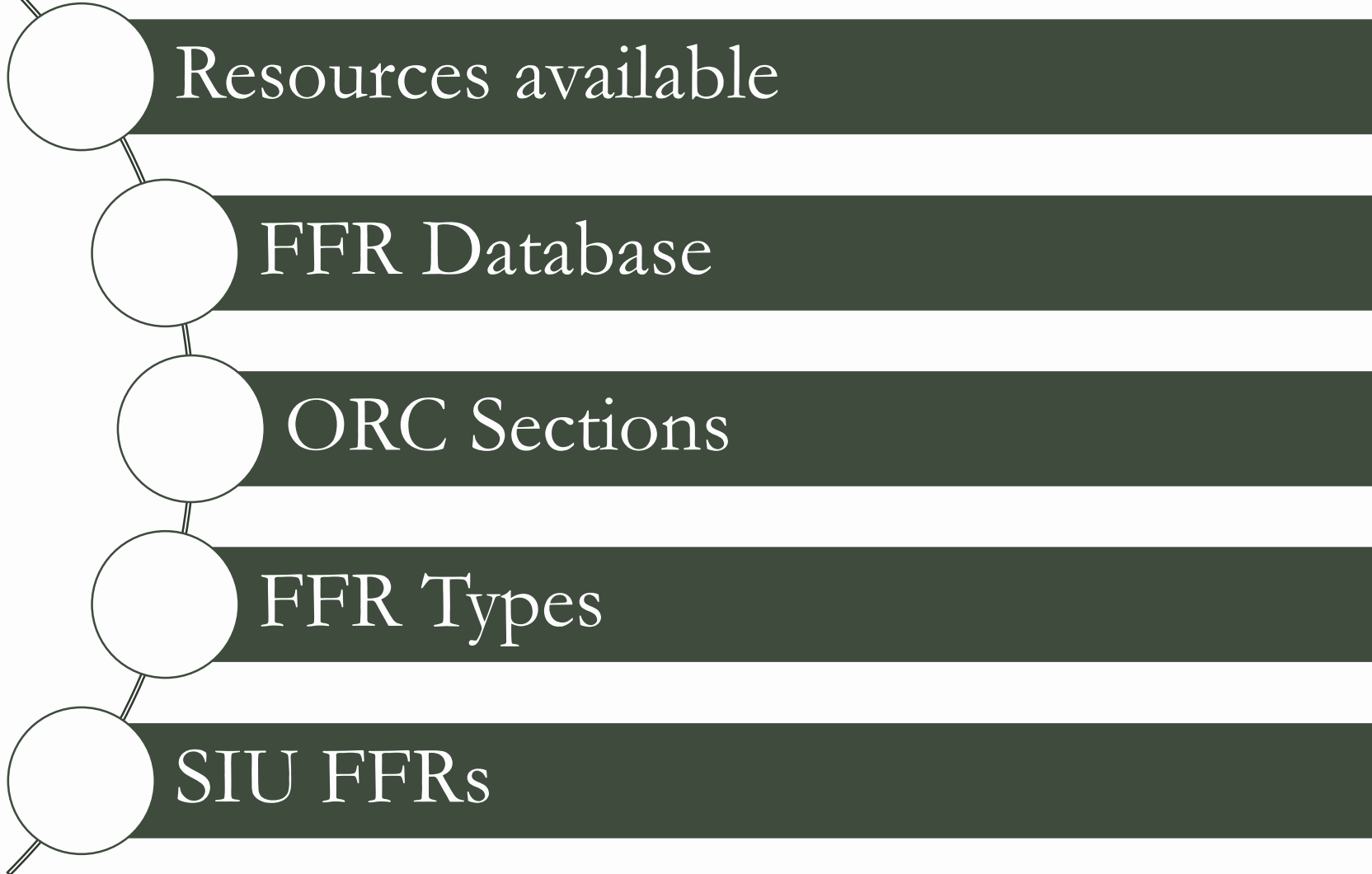


## 2023 Ohio GFOA Conference

# Findings for Recovery Resources and Examples

*Ashley Perry*  
*Ohio Auditor of State's Office*  
*Center for Audit Excellence*

# Agenda





# Resources Available

# Resources Available

The screenshot shows the Ohio Auditor of State website at <https://ohioauditor.gov>. The header features the logo for Keith Faber and navigation links for Audits, Local Government, Open Government, Training, Resources, Contact Us, About, and Newsroom. The Resources menu is open, listing various categories such as IPA Resources, Reference Materials, Publications, Procurement Opportunities, Web Links, Student Center, Federal, Required Filings & Notifications, eServices, and Ohio Checkbook. A featured article titled "Performance for Ohio families" is visible, along with a statistics section for the Special Investigations Unit and a "Stop Cybercrime" banner.

OHIO AUDITOR OF STATE  
KEITH FABER

Search Site Search Audits eServices Login

AUDITS LOCAL GOVERNMENT OPEN GOVERNMENT TRAINING RESOURCES CONTACT US ABOUT NEWSROOM

IPA Resources  
Reference Materials  
Publications  
Procurement Opportunities  
Web Links  
Student Center  
Federal  
Required Filings & Notifications  
eServices  
Ohio Checkbook

Performance for Ohio families  
Review of Ohio's College participation and provide  
READ MORE

more ways college tuition  
Suggestions to increase overall  
ally underserved students.

Since January 2019:

 <b>108</b> CONVICTIONS FOR FRAUD...	 ON <b>190</b> CHARGES, RESULTING IN...	 <b>184</b> FINDINGS FOR RECOVERY	 <b>\$18,496,439</b> TOTAL FINDINGS SO FAR...
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The Auditor's Special Investigations Unit is dedicated to rooting out fraud and bringing the culprits to justice.

Learn More About Newsroom Contact Us Careers Privacy Policy eServices Login Sitemap

Stop Cybercrime

<https://ohioauditor.gov/resources.html>

# Resources Available

The screenshot shows the website of the Ohio Auditor of State, Keith Faber. The top navigation bar includes links for AUDITS, LOCAL GOVERNMENT, OPEN GOVERNMENT, TRAINING, RESOURCES, CONTACT US, ABOUT, and NEWSROOM. A search bar labeled 'Search Audits' and an 'eServices Login' button are also present. Below the navigation bar, there is a 'NEWS' section with links to Newsroom, Official Bulletins, Press Releases, Publications, Advisory Memos, and Ohio Laws & Rules. The main content area features a blue header for 'Guidance, Best Practices, and Manuals'. Under this header, a list of resources is displayed, with 'Ohio Compliance Supplement Manuals' highlighted by a red rectangular box. Other resources include County Board of Developmental Disabilities Manual, Ohio County Sheriff's Office Manual (Oct 2022), Ohio Township Handbook (Mar 2019), School District Self-Assessment Guide, Guidelines for Student Activity Programs, Uniform School Accounting System User Manual 2013 (Appendix B Updated 2022), Uniform System of Accounting for Agricultural Societies (May 2020), Village Officer's Handbook (Aug 2020), 2023 Desk Calendar.pdf (Includes upcoming events, financial due dates, contacts, and more), Archive, and Best Practices (2004 - 2017). The footer contains a 'Search Site' bar, a home icon, and links for About, Newsroom, Contact Us, Careers, Privacy Policy, eServices Login, and Site Map. Social media icons for YouTube, Instagram, Twitter, and Facebook are also visible.

# Resources Available

The screenshot shows the Ohio Auditor of State website's resources page. The header includes the logo for Keith Faber, the Ohio Auditor of State, and a navigation menu with links for Audits, Local Government, Open Government, Training, Resources, Contact Us, About, and Newsroom. A search bar is located on the right. Below the header, a secondary navigation bar lists categories like Local Government, Reference Materials, Financial Health Indicators, Fiscal Distress, UAN, Hinkle System Financial Reporting, and Trainings & Conferences. The main content area is titled 'Reference Materials' and features a sub-section for 'Ohio Compliance Supplement Manuals'. Under the '2023' heading, the 'Ohio Compliance Supplement Implementation Guide (pdf)' is highlighted with a red box. Below it are bullet points: 'The Compliance ACE is available in Exhibit 3' and 'Legal Matrix'. Further down are links for the 'Ohio Compliance Supplement Manual (pdf) (Updated May 2023)' and 'Optional Procedures Manual (docx)'. At the bottom, there is a link for the '2022 2023 Crosswalk (xlsx) (Updated May 2023)'. On the left side of the page, a list of other reference materials is provided, including links for Clients & IPA Firms, GASB 84, GASB FAQs, Library FAQs and Program Codes, Other Accounting FAQs, Ohio Compliance Manuals, Financial Statement Shells & Footnotes, and GASB 44 – Tables.

OHIO AUDITOR OF STATE  
KEITH FABER

AUDITS LOCAL GOVERNMENT OPEN GOVERNMENT TRAINING RESOURCES CONTACT US ABOUT NEWSROOM  es

LOCAL GOVERNMENT Reference Materials Financial Health Indicators Fiscal Distress UAN Hinkle System Financial Reporting Trainings & Conferences

## Reference Materials

### Ohio Compliance Supplement Manuals

#### 2023

[Ohio Compliance Supplement Implementation Guide \(pdf\)](#)

- The Compliance ACE is available in Exhibit 3
- [Legal Matrix](#)

[Ohio Compliance Supplement Manual \(pdf\) \(Updated May 2023\)](#)

- Chapter 1 – Direct Laws ([pdf](#)) ([docx](#))
- Chapter 2 – Indirect Laws and Statutorily Mandated Tests ([pdf](#)) ([docx](#))
- Chapter 3 – Stewardship ([pdf](#)) ([docx](#))
- Chapter 4 – School Compliance Testing ([pdf](#)) ([docx](#)) (New May 2023)

[Optional Procedures Manual \(docx\)](#)

2022 [2023 Crosswalk \(xlsx\) \(Updated May 2023\)](#)

Clients & IPA Firms

[GASB 84](#)

[GASB FAQs](#)

[Library FAQs and Program Codes](#)

[Other Accounting FAQs](#)

[Ohio Compliance Manuals](#)

[Financial Statement Shells & Footnotes](#)

- GAAP
- [GASB 44 – Tables](#)

# Resources Available

Ohio Revised Code 9.14 indicates that no state agency and no political subdivision shall award a contract for goods, services, or construction, paid for in whole or in part with state funds, to a person against who a finding for recovery has been issued by the auditor of state on and after January 1, 2001, if the finding for recovery is unresolved.

# Resources Available

The screenshot shows the Ohio Auditor of State's website. The header is dark green with the text 'OHIO AUDITOR OF STATE KETTER FABER' on the left. Navigation links include 'AUDITS', 'LOCAL GOVERNMENT', 'OPEN GOVERNMENT', 'TRAINING', 'RESOURCES', 'CONTACT US', 'ABOUT', and 'NEWSROOM'. A search bar labeled 'Search Audits' is highlighted with a red box. Below the header, there are sub-navigation links: 'AUDITS', 'Financial Audits', 'Performance Audits', 'Special Investigations Unit', and 'Findings for Recovery'. The main heading is 'Audit Search'. Below this are tabs for 'Audit Search', 'Reports Released', 'Audit FAQ's', 'Audit Help', and 'Request a Report'. A paragraph states: 'Pass-through State Agencies/Local Governments – To receive a OMB Compliant (In accordance with 2 CFR Part 200, a.k.a. the Uniform Guidance,) version of an audit report package, please go to the FAC site at <https://facweb.census.gov/>'. The search form includes fields for 'Entity Name or Report Title', 'Entity Type' (All Entity Types), 'Report Description' (All Report Types), 'County' (All Counties), 'Fiscal Year' (All Fiscal Years), 'Release Date' (All Release Months, All Release Years), 'Latest Release Date' (checkbox), 'Findings for Recovery Only' (checkbox), and 'Regional Councils of Governments (COGs) Only' (checkbox). There are 'Search' and 'Reset' buttons. A 'Sign up' button is also present, with text: 'Join the mailing list to receive AOS Audit Releases.' and a 'Subscribe Now >>' button. At the bottom, there is a disclaimer: 'Insignificant/immaterial issues identified during an audit not required by auditing standards to be reported in the audit report's schedule of findings may be communicated to the management and those charged with governance of an entity in a management letter. Although intended only for the use of the entity's management and those charged with governance, once the related audit report is released, any issued management letter is a public document. Management letters issued as the result of audits are not included on the Auditor of State's webpage. However, management letters, once issued may be requested by accessing the [Report Request Inquiry](#).'



# Finding For Recovery Database

# Finding For Recovery Database

The screenshot shows the Ohio Auditor of State website. The header includes the logo for Keith Faber and navigation links for Audits, Local Government, Open Government, Training, Resources, Contact Us, About, and Newsroom. A search bar and 'eServices Login' button are also present. A dropdown menu is open over the 'Audits' link, with 'Finding for Recovery' highlighted in red. Below the menu is a featured article titled 'Former utility clerk for Village of Swanton sentenced after theft-in-office conviction'. The article text states: 'The former clerk was given 18 months and must make restitution of \$128,384 after anomalies were discovered during an audit of 2016 and 2017 Swanton finances.' A 'READ MORE' button is visible. Below the article is a statistics section titled 'Since January 2019:' with four icons and corresponding numbers: 108 Convictions for Fraud, On 190 Charges, Resulting in..., 184 Findings for Recovery, and \$18,496,439 Total Findings So Far. A 'Learn More' button is next to the first statistic. At the bottom, there is a 'Stop Cybercrime' banner and social media icons.

OHIO AUDITOR OF STATE  
KEITH FABER

Search Site Search Audits eServices Login

AUDITS LOCAL GOVERNMENT OPEN GOVERNMENT TRAINING RESOURCES CONTACT US ABOUT NEWSROOM

Financial  
Performance  
Special (SIU)  
**Finding for Recovery**  
Search Audits

## Former utility clerk for Village of Swanton sentenced after theft-in-office conviction

The former clerk was given 18 months and must make restitution of \$128,384 after anomalies were discovered during an audit of 2016 and 2017 Swanton finances.

READ MORE

Since January 2019:

- 108 CONVICTIONS FOR FRAUD...
- ON 190 CHARGES, RESULTING IN...
- 184 FINDINGS FOR RECOVERY
- \$18,496,439 TOTAL FINDINGS SO FAR...

The Auditor's Special Investigations Unit is dedicated to rooting out fraud and bringing the culprits to justice.

Learn More About Newsroom Contact Us Careers Privacy Policy eServices Login Sitemap

Stop Cybercrime

# Finding For Recovery Database

The screenshot shows the website for the Finding for Recovery Database. At the top, there is a navigation bar with the Ohio Auditor of State logo (Keith Faber) and links for AUDITS, LOCAL GOVERNMENT, OPEN GOVERNMENT, TRAINING, RESOURCES, CONTACT US, ABOUT, and NEWSROOM. A search bar labeled 'Search Audits' and an 'eServices Log' button are also present. Below the navigation bar, there is a sub-navigation menu with links for AUDITS, Financial Audits, Performance Audits, Special Investigations Unit, and Findings for Recovery. The main heading is 'findings for recovery'. A large text box explains: 'A finding for recovery is issued by the Auditor of State when public property has been misspent or misappropriated.' Below this, a paragraph states: 'Used by local governments and state agencies to ensure, as required by law, that public contracts are not awarded to persons or businesses against which a Finding for Recovery has been issued and remains unresolved.' There are two search options: 'General Search' and 'Certified Search'. The 'General Search' box says: 'Perform a general search of the database. If you are not required by law to show certification.' and has a 'Search' button. The 'Certified Search' box says: 'Perform a certified search, as required by ORC 9.24, to verify that the person to whom you plan to award a contract does not appear in the database.' and also has a 'Search' button. At the bottom, there is a footer with a 'Search Site' button, a home icon, and links for About, Newsroom, Contact Us, Careers, Privacy Policy, eServices Login, and Site Map. Social media icons for YouTube, Instagram, Twitter, and Facebook are also visible.

# Finding For Recovery Database

The screenshot shows a web browser window with the URL `ffr.ohioauditor.gov`. The page title is "Findings for Recovery". Below the title, there is a brief explanation: "What is this? This database is used by local governments and state agencies to check and ensure, as required by law, that public contracts are not awarded to persons or businesses against which a Finding for Recovery has been issued and remains unresolved." It also mentions two search options: a certified search and a general search. A "Learn more" button is present.

The page features two search sections:

- General Search:** Includes a text input for "Individual or Company:" (placeholder: "Lastname, Firstname or company..."), a text input for "Gov't Entity Name:" (placeholder: "Entity Name..."), dropdown menus for "Date Certified:" (Month and Year), and a dropdown for "Finding Status:" (set to "Unresolved"). A green "Search" button is at the bottom.
- Certified Search:** Includes a text input for "First Name:" (filled with "Ashley"), a text input for "Last Name:" (filled with "Perry"), and a text input for "Organization:" (placeholder: "Organization name..."). A note states: "as required by CRC 9.24, to verify that the person to who you plan to award a contract does not appear in the database." and "\*\* Please fill in fields completely \*\*". A green "Search" button is at the bottom.

At the bottom of the page, the copyright notice reads: "© 2023 - Ohio Auditor of State".

# Finding For Recovery Database

The screenshot shows a web browser window with the URL [ffr.ohioauditor.gov/Results/Certified](http://ffr.ohioauditor.gov/Results/Certified). The page title is "Certified Search for Unresolved Findings for Recovery". The Ohio Auditor of State logo for Keith Faber is displayed on the left. On the right, contact information for the Office of Auditor of State is provided: 88 East Broad Street, Post Office Box 1140, Columbus, OH 43215-1140, (614) 466-4514, and (800) 282-0370.

Auditor of State - Unresolved Findings for Recovery Certified Search

I have searched The Auditor of State's unresolved findings for recovery database using the following criteria:

Contractor's Information:

**Name:** Perry, Ashley  
**Organization:**  
**Date:** 5/11/2023 at 11:54 AM

This search produced the following list of possible matches:

16 Possible matches were found.

Name/Organization	Address
Perry, Jason	5230 Chandler Street Cincinnati OH 45227
Perry, Michael	579 Valley Oak Dayton OH 45415
Perry Foundation	579 Valley Oak Court Dayton OH 45415
Perry-Nixon, Tomiqua	1063 Duxberry Ave Columbus OH 43211
Alaji, Rashid Khaleel-Fajri	4075 Monticello Blvd, Cleveland Heights OH 44121

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# Ohio Revised Code Sections

# Findings for Recovery and the Ohio Revised Code

- Ohio Revised Code § 117.28 authorizes the Auditor of State to report a *Finding for recovery* in audit reports when legal action may be appropriate to recover public money or property. It is the policy of the Auditor of State to only issue a Finding for Recovery in whole dollars. Therefore, all Finding for Recovery amounts will be rounded down to the nearest whole dollar.
- Ohio Rev. Code § 117.01(C) defines public money as "any money received, collected by, or due a public official under color of office, as well as any money collected by any individual on behalf of a public office or as a purported representative or agent of the public office."

# Findings for Recovery and the Ohio Revised Code

## Strict Liability Laws

- Public officials are strictly liable for all public money received or collected by them or by their subordinates under color of law.



# Findings for Recovery and the Ohio Revised Code

## Strict Liability

**ORC 3313.25 &  
3313.31**

- School Treasurer

**ORC 3319.36**

- School District or ESC Treasurer & Superintendent

**Other**

- County Auditors, County Treasurers, Twp. Fiscal Officers/Deputy Fiscal Officers, Treasurer of Municipal Corp's, City Auditors, etc.

# Finding for Recovery

Joe's Service Business, Inc. improperly submitted and received payment on invoices for \$125,000 in excess of the amounts City's Council authorized. City Finance Director Jim Smith received or controlled the public money used to make the illegal expenditures.

Under Ohio law, public officials are strictly liable for all public money received or collected by them or their subordinates under color of law. Ohio Rev. Code § 9.39; *Cordray v. Internatl. Preparatory School*, 128 Ohio St.3d 50 (2010).

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued jointly and severally against Joe's Service Business, Inc. and Jim Smith and his bonding company Ace Insurance Corp. in the amount of \$125,000, and in favor of the City of Anyplace.

# Types of Findings for Recovery

# Finding for Recovery

- Public money illegally expended
- Public money collected but not account for
- Public money due but not collected
- Public property converted or misappropriated

# Public Money Illegally Expended

# Public Money Illegally Expended– Payroll Overpayment

Under Ohio law, public officials are strictly liable for all public money received, collected, or expended by them or their subordinates under color of law. **Ohio Rev. Code § 9.39; Cordray v. Internatl. Preparatory School, 128 Ohio St.3d 50 (2010).**

On April 9, 2021, the [REDACTED] (the Authority) improperly overpaid [REDACTED] \$1,316.60 more than he was entitled to (as outlined in the table below). In error [REDACTED] was given credit and payment for more regular and overtime hours than he actually worked during that pay period. This resulted in a \$1,316.60 overpayment to [REDACTED]. The Authority's Chief Financial Officer, [REDACTED], oversaw the department that received or controlled the public money used to make the expenditure.

Description	Regular Hours	Overtime Hours	Total
Amount Paid April 9, 2021	88.34	45.09	\$4,916.34
Correct Amount	63.34	33.91	\$3,599.74
Amount Overpaid			\$1,316.60

In accordance with the foregoing facts, and pursuant to **Ohio Rev. Code § 117.28**, a Finding for Recovery for **public money illegally expended** is hereby issued, jointly and severally, against [REDACTED], [REDACTED], and her bonding company, Travelers Casualty and Surety Company of America, in the amount of \$1,316, and in favor of the Authority's general fund.

An agreement dated June 8, 2022, was entered into between the Authority and [REDACTED] for repayment for the \$1,316 amount owed. Per the reached agreement, \$87.77 is to be deducted from [REDACTED] pay, per payroll. [REDACTED] first payment to the Authority, via automatic deduction of his paycheck, was on June 17, 2022. The remaining amount of the finding is to be repaid over the course of [REDACTED] 14 subsequent paychecks in equal installments. As such, this constitutes a Finding for Recovery Resolved Under Audit.

# Public Money Illegally Expended – Late Fees

**State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)**, provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

The law requires that employers withhold income and wage taxes from employees’ paychecks and remit those taxes to the government. The United States Internal Revenue Code, for example, requires employers to deduct from wages paid to employees the employees’ share of FICA taxes and individual income taxes. See **26 U.S.C. 3102(a) and 3402(a)**. Those withholdings are considered to be held in “a special fund in trust for the United States.” **26 U.S.C. 7501(a)**. The employer is liable for the withheld portion of the employee’s wages and must pay over the full amount to the government each quarter. See **United States v. Farr, 536 F.3d 1174, 1176 (10th Circ. 2008) (citing 26 U.S.C. § 3403)**.

██████████ was elected to the position of City Auditor for the ██████████, ██████████ County beginning his term on January 1, 2020. As City Auditor, ██████████ was responsible for withholding and remitting the required income taxes from employee earnings. During his term in office, ██████████ withheld, as required, amounts for federal income taxes. However, beginning in June 2020, the City erroneously remitted the federal income taxes to the state. The error was not identified and corrected in the system until January 2021. As a result, the City incurred \$154,399 in late fee penalties and interest, which were paid by the City in October 2021 after ██████████ resignation. These incurred costs were unnecessary expenditures that did not serve a proper public purpose.

In accordance with the foregoing facts and authorities, and pursuant to **Ohio Rev. Code § 117.28**, a Finding for Recovery for **public money illegally expended** for penalties and interest incurred from untimely submission of withholding contributions to the federal government is hereby issued against ██████████ and his bonding company, Auto-Owners (Mutual) Insurance, in the amount of \$154,399 and in favor of the ██████████ General fund.

# Public Money Illegally Expended – Alcohol Purchase

**State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)**, provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect. This Bulletin further indicates, the Auditor of State’s Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and will issue findings for recovery for such expenditures as manifestly arbitrary and incorrect.

The Society reimbursed a purchase of a retirement gift for a long-time vendor, which included beer totaling \$28.

In accordance with the foregoing facts, and pursuant to **Ohio Revised Code Section 117.28**, a finding for recovery for **public monies illegally expended** in hereby issued against ██████████ in the amount of \$28 and in favor of the Society's operating fund.

On January 28, 2021, ██████████ repaid the \$28 in favor of the Society’s operating fund.



# Public Money Illegally Expended – Unsupported Expenditures

*State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)*, provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose** states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

**Academy Board Policy 148.6** adopted December 11, 2017 states that for purposes of this policy credit cards are defined to include business check cards and debit cards. The Board recognizes the convenience and efficiency afforded by the use of School credit cards. A credit card shall not be used in order to circumvent the general purchasing procedures established by State law and Board policy. The Board affirms that credit cards shall only be used in connection with Board-approved or School-related activities and that only those types of expenses that are for the benefit of the School and serve a valid and proper public purpose shall be paid for by credit card. All credit cards issued to and in the name of [REDACTED] shall be held and supervised by the Principal. The policy also states that all employees shall maintain sufficient documentation of all purchases, including, but not limited to, charge receipts, original cash register slip or other detailed receipt, and invoices and provide documentation of all purchases to the Principal in a timely manner to ensure prompt payment. The Principal or his/her designee will monitor the credit card account(s) and reconcile all credit card accounts on a monthly basis.

During fiscal year 2019, [REDACTED] purchased various goods. Supporting documentation was not provided for these expenditures as required by Academy Board Policy. These items could not be determined to serve a proper public purpose.

Date	Vendor	Amount	Fund
7/25/18	Best Buy	\$271.75	Fund 001 – General
9/11/18	Lowes	96.62	Fund 001 – General
11/21/18	Walmart	174.95	Fund 001 – General
4/8/19	CVS Pharmacy	23.43	Fund 001 – General
4/8/19	Kroger	58.55	Fund 001 - General
	Total	\$625.30	

# Public Money Illegally Expended – Unsupported Expenditures (continued)

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against [REDACTED], Principal in the amount of \$625 in favor of [REDACTED] General Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att’y. Gen. No. 80-074; Ohio Rev. Code § 9.39; *State ex rel. Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. See 1980 Op. Att’y. Gen. No. 80-074.

The Board of Directors – [REDACTED]  
[REDACTED], Treasurer and his bonding company, Merchants Bonding Company will be jointly and severally liable in the amount of \$625 in favor of [REDACTED] General Fund.

# Public Money Illegally Expended

Overdraft  
Fees

Interest

Leave  
Payouts

Sales Tax



## Public Money Collected But not Accounted For

# Public Money Collected But not Accounted For

██████████ was employed by the District as Athletic Director during the period of March 14, 2012 through July 31, 2013 (the Period). As Athletic Director, ██████████ was responsible for athletic department finances and depositing monies with the District Treasurer. All athletic activity should have been ran through the District accounting records.

██████████ maintained a personal bank account, the “██████████ Tournament”, which was used to sponsor summer ACME baseball, purchase baseball equipment and other miscellaneous expenses during the period.

Eight checks totaling \$6,246 were made payable to “██████████ HS”, “██████████ High School”, “██████████ High School Athletics” or “██████████ High School Baseball”, endorsed with “██████████ H.S. Athletics Dept.” stamp and deposited into the “██████████ Tournament” bank account instead of the District bank account. These checks were intended for the District but were diverted to the “██████████ Tournament” bank account and used to pay cell phone expenses and for checks payable to cash or to ██████████ himself.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public money collected but unaccounted for is hereby issued against ██████████ in the amount of \$6,246 and in favor of the District’s athletic fund.

# Public Money Collected But not Accounted For

██████████ was employed by the District as Athletic Director during the period of August 1, 2013 through May 19, 2016 (the Period). As Athletic Director, ██████████ was responsible for athletic department finances and depositing monies with the District Treasurer. All athletic activity should have been ran through the District accounting records.

██████████ maintained a personal bank account, the “██████████ Tournament”, which was used to sponsor summer ACME baseball, purchase baseball equipment and other miscellaneous expenses during the period.

Eleven checks totaling \$2,476 were made payable to “██████████ High School” “██████████ HS”, “██████████ Community School”, “██████████ Athletics” or “██████████ HS Athletic Dept.”, endorsed with “██████████ Athletic Dept.” stamp and deposited into the “██████████ Tournament” bank account instead of the District bank account. These checks were intended for the District, but were diverted to the “██████████ Tournament” bank account.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public money collected but unaccounted for is hereby issued against ██████████ in the amount of \$2,476 and in favor of the District’s athletic fund.

# Public Money Collected But not Accounted For

During 2020, the Village Mayor collected fines related to the Village's Mayors Court generated from traffic and code violations, however, the Mayor did not remit monies collected to the Village by the first Monday of each month. Also in 2020, collections were not deposited into the financial institution but rather were given to the Fiscal Officer and held in the office. We noted the Village's Mayor's Court Cashbook indicated total collections of \$1,176, however, deposit made June 15, 2021 for the year was \$1,026, resulting in funds collected and not deposited of \$150. Funds were also not deposited timely in 2019. Further, for 2019 and 2020, a full statement of all money received, the payer and for what purposes received, and when paid into the treasury was not provided monthly.

In accordance with the foregoing facts and circumstances, and, pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money collected but unaccounted for, is hereby issued against [REDACTED], Village Fiscal Officer, and her bonding company, Ohio Risk Management Plan Inc. and [REDACTED], Clerk of Courts, and her bonding company, Ohio Risk Management Plan Inc. and [REDACTED], Mayor, will be jointly and severally liable, in the amount of \$150 and in favor of the [REDACTED] Mayor's Court Fund.



# Public Money Due But Not Collected



# Public Money Due But Not Collected

## Finding For Recovery Insurance Premiums

Several District employees received healthcare benefits without paying their share of the premiums. There is no written documentation, contracts, or Board of Education action approving this benefit. The following chart documents by premium year the amounts the employees should have contributed toward their health insurance benefit:

Employee	2019	2020	2021	Total FFR	██████ Share	██████ Share
██████	\$252	\$262	\$278	<b>\$792</b>	\$ 539	\$ 253
██████████	632	656	696	<b>1,984</b>	1,351	633
██████████	632	656	232	<b>1,520</b>	1,346	174
██████████	632	656	696	<b>1,984</b>	1,351	633
<b>Total</b>	<b>\$ 2,148</b>	<b>\$ 2,230</b>	<b>\$ 1,902</b>	<b>\$ 6,280</b>	<b>\$4,587</b>	<b>\$1,693</b>

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for **public monies due but not collected** is hereby issued against ██████████ ██████████ in the amounts of \$792, \$1,984, \$1,520, and \$1,984, respectively and against (former) Treasurer, ██████████ and his bonding company, Travelers Casualty and Surety Company of America, and against treasurer ██████████ and her bonding company, Travelers Casualty and Surety Company of America, jointly and severally, in the total amount of \$4,587 and \$1,693, respectively, and in favor of ██████████ School District's General Fund, in the total amount of \$6,280.

# Public Money Due But Not Collected

The District had established various fees/guidance regarding catering services at the District facilities; however, policies and procedures for catering external events had not been created. The District's Director, [REDACTED], was contacted to have the District cater an event on August 3, 2019. The event was catered by the Culinary Arts Instructor and former students. However, an invoice was not submitted for payment until November 18, 2020, subsequent to inquiry and procedures being performed by the Auditor of State, which identified estimated purchases for the event of \$3,302. The invoice issued for the catering services was for \$3,750 (125 attendees at \$30/per attendee).

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money due but not collected is hereby issued against [REDACTED], Director, and [REDACTED], Treasurer, for \$3,750 and in favor of the [REDACTED] School District's General Fund, Culinary Customer Service Rotary 011 account.

The District received payment of \$3,750 on January 25, 2021 and deposited into the District's bank account on February 3, 2021.

# Public Money Due But Not Collected

The Township received Local Government funds from ██████████ County in the amount of \$2,441, however, the monies should have been sent and receipted into the Village of ██████████. The County is aware of the situation and correctly disbursed the remaining local government funds to the Village. The amount of Local Government funds received by ██████████ Township in error was the following:

2019 Local Government Funds	\$2,441
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In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public monies due but not collected is hereby issued against ██████████ Township in the amount of \$2,441 in favor of the Village of ██████████.

The finding was repaid by ██████████ Township in the amount of \$2,441 by check number 15895, dated September 23, 2020.



# Public Property Converted or Misappropriated

# Public Property which has been Converted or Misappropriated

The [REDACTED] (the Society) rents the usage of the buildings and fairgrounds throughout the year, except during fair season. Pre-numbered rental contracts are provided to prospective renters. To secure a rental, the rental contract must be completed and returned to the Society not less than 30 days prior to the requested date and must include payment. Former Fair Manager [REDACTED], was responsible for completing rental contracts for Society facilities, receiving the rental money, and submitting the rental contract and money to the Society's Treasurer. [REDACTED] was employed by the Society for approximately four years until March 2019.

During 2018, five rental contracts completed and signed by [REDACTED] were discovered, each indicating cash payments were received for the rental. The five rental contracts and cash received, totaling \$1,750, were not submitted to the Treasurer and therefore were not recorded in the Society's financial accounting system.

Also during 2018, the Madison County Sheriff's Office reported that a check payment totaling \$1,200 was issued to the Society for the rental of a facility; however, the check payment was never deposited in the Society's bank account.

On July 11, 2019, [REDACTED] was indicted on one count of theft (a felony of the fifth degree), one count of passing bad checks (a felony of the fifth degree), one count of forgery (a felony of the fifth degree), and one count of grand theft (a felony of the fourth degree) in the [REDACTED] County Common Pleas Court Case No. [REDACTED]. While these charges are related to multiple activities, including those associated with the Society, the charges only include the \$1,200 check payment and not the \$1,750 cash payments. On November 2, 2020, [REDACTED] entered a guilty plea to one count of theft and one count of grand theft before the Honorable [REDACTED] County Common Pleas Court Judge, in the above cited case

On January 21, 2021, at sentencing for the conviction, [REDACTED] entered an Order of Restitution in the amount of \$1,200 against [REDACTED] and in favor of the Society. [REDACTED] was also sentenced to nine months to the Ohio Department of Corrections and three years of post-release control.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public property which has been converted or misappropriated is hereby issued against [REDACTED] for \$2,950 in favor of the Society's General Fund.

# Public Property which has been Converted or Misappropriated

**Ohio Admin. Code § 117-2-01(A)** states, in part, all public officials are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance for the safeguarding of public funds. ██████ became the City of ██████ Clerk of Court in November 2015 before she was terminated from her position on February 11, 2020. As the Clerk of Court, ██████ was responsible for the overall retention of court documents, collecting and disbursing monies received by the Clerk of Court's Office, completing deposit slips, and preparing court dockets and associated entries. ██████ did have sole access and authority in completing the month end reconciliations and transferring funds online via the Clerk of Court's online bank accounts.

During the period January 1, 2018 through December 31, 2018, CMI software batch reports were compared to the Clerk of Court's Bail Bond account and Criminal account bank statements and deposits to ensure the payments were properly deposited. This analysis identified a total cash shortage of \$10,621 in the Bail Bond and Criminal accounts. In some instances, a transfer of funds was made between the Bail Bond account and Criminal account in an attempt to cover the shortage of funds.

On October 7, 2021, ██████ plead guilty in ██████ County Common Pleas Court ██████ to one count of Theft in Office, a felony of the 4th degree, in violation of **Ohio Rev. Code § 2921.41(A)(1)** and one count of Tampering with Records, a felony of the 4th degree, in violation of **Ohio Rev. Code § 2913.42(A)(1)**. On November 4, 2021, the Honorable Judge ██████ sentenced ██████ to 150 days in the ██████ County Jail and two years of community control. ██████ was ordered to pay \$7,476.50 in restitution.

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code § 117.28**, a finding for recovery for **public property converted or misappropriated** is hereby issued against ██████ and her bonding company, Old Republic Surety Company, jointly and severally, in the amount of \$10,621, in favor of the City ██████ Clerk of Court's Municipal Court fund.

# Public Property which has been Converted or Misappropriated

██████████ served as the Fiscal Officer for the ██████ County Engineer's Office, ██████ County, Ohio from October 17, 2016 through May 25, 2020 (Period). ██████ duties included receiving and processing bills for payment by the Auditor's Office, maintaining records, keeper of the authorized users of the credit cards and reviewing all credit card purchases and ordering of supplies for the Engineer's Department. ██████ employment was terminated May 25, 2020 due to the discovery of a falsified email which concealed items purchased for personal use using the County's credit card.

During the Period, 81 out of 2,490 Engineer's Office transactions totaling \$9,076 were for items determined to be a personal purchase. The 81 transactions spanned 43 checks to pay for the credit card transactions.

On May 12, 2022, ██████ pled guilty to one count of Theft in Office (Ohio Rev. Code § 2921.41(A)(1)), a felony of the fourth degree and one count of Insurance Fraud (Ohio Rev. Code § 2913.47(B)(1)) a felony of the fifth degree in Knox County Common Pleas Court Case No. 22CR05-0098. ██████ was sentenced to 15 months imprisonment, two years community control and ordered to pay restitution in the amount of \$9,076 to ██████ County Engineer's Office, \$2,000 to Broadspire Insurance and \$8,785 in audit costs. In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding For Recovery for **public property converted or misappropriated** is hereby issued against ██████, Fiscal Officer, in the amount of \$17,861 and in favor of the ██████ County's Motor Vehicle and Gas Tax fund



# Auditor of State's Special Investigations Unit



# How to Report Fraud

Use the App

Call 866-Fraud-OH

Form available online

Email:  
[fraudohio@ohioauditor.gov](mailto:fraudohio@ohioauditor.gov)

Mail a letter:  
88 E. Broad St.  
PO Box #1140  
Columbus, OH 43215

<https://ohioauditor.gov/fraud/default.html>

# Questions???



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