



OHIO AUDITOR OF STATE
KEITH FABER



**CARROLLTON EXEMPTED VILLAGE SCHOOL DISTRICT
CARROLL COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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Carrollton Exempted Village School District
Carroll County
205 Scio Road SW
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To the District Board of Education, David Davis, Superintendent, and Amy Spears, District Treasurer:

Background

The Auditor of State, Special Investigations Unit (SIU) conducted a criminal investigation and special audit of the Carrollton Exempted Village School District (the District) predicated on information received regarding possible theft and ethics violations by a District Board Member.

The investigation began in November 2021, after SIU received information from the financial auditors indicating air purifiers purchased by the District were alleged to have been purchased from a company owned by District Board Member, Michael Pozderac.

After the information obtained from interviews and preliminary examination of District payment records and vendor documents was considered, a special audit was declared by the Auditor of State.

This engagement was conducted in accordance with the [Auditor of State Special Investigations Unit, Quality Standards](#).

Suspects

Michael Pozderac became a District Board Member in January 2012 and was the District's freshman football coach for several years. He resigned from the District effective December 31, 2022.

Mary Jackie Pozderac (Mr. Pozderac's wife) was employed as a teacher at the District for over 20 years. She resigned from the District effective January 1, 2023.

David Quattrochi was the District Superintendent beginning August 1, 2012 and resigned on December 9, 2022.

Gus Nickolas was a friend of Mr. Pozderac and was associated with a company known as The Phoenix Rising. Mr. Nickolas introduced Mr. Pozderac to the air purifier company Vollara, LLC.

Scheme

During the period examined, March 1, 2021 through January 31, 2022 (Period), the District purchased 50 air purifiers, totaling \$70,450 from The Phoenix Rising. However, our special audit and investigation confirmed the air purifiers were purchased by Mr. & Mrs. Pozderac, and Dr. Quattrochi and were then sold to the District through The Phoenix Rising. The air purifiers were purchased for \$540 each, from Vollara LLC, and then sold to the District for between \$1,199 and \$1,499 each. Mr. and Mrs. Pozderac, Dr. Quattrochi, and Mr. Nickolas divided the resulting profits among themselves.

Findings

Based on the special audit procedures and investigation, the Auditor of State confirmed the allegation that Mr. and Mrs. Pozderac, Dr. Quattrochi, and Mr. Nickolas misappropriated \$70,450 over a span of approximately one year.

We issued \$72,537 in a finding for recovery for misappropriated cash and audit costs during the Period.

The full details of the finding for recovery are located in the Appendix.

Prosecution

At the conclusion of the special audit and investigation, a prosecution packet was presented to the Auditor of State Special Prosecutor serving by appointment of the Carroll County Prosecuting Attorney.

On December 9, 2022, Michael Pozderac, Mary Jackie Pozderac, David Quattrochi, and Gus Nickolas were each indicted by the Carroll County grand jury on eight counts, including one count of Engaging in a Pattern of Corrupt Activity, one count of Theft In Office, one count of Grand Theft By Deception, three counts of Having an Unlawful Interest in a Public Contract, one count of Money Laundering, and one count of Telecommunications Fraud. Mr. and Mrs. Pozderac, and Dr. Quattrochi were also each indicted on one count of Representation by Present Official Prohibited and one count of Soliciting or Accepting Improper Compensation. Additionally, Mr. Nickolas was indicted on one count of Receiving Stolen Property.

On June 12, 2023, Mr. and Mrs. Pozderac, and Dr. Quattrochi entered negotiated guilty pleas to the following:

Michael Pozderac	One count, Theft in office, a felony of the third degree, in violation of Ohio Rev. Code § 2921.41(A)(1).
Mary Jackie Pozderac	One count, Having an Unlawful Interest in a Public Contract, a misdemeanor of the first degree, in violation of Ohio Rev. Code § 2921.42(A)(4).
David Quattrochi	One count, Theft in office, a felony of the fourth degree, in violation of Ohio Rev. Code § 2921.41(A)(1).

On July 18, 2023, the Honorable Judge Michael Repella II sentenced Mr. and Mrs. Pozderac, and Dr. Quattrochi to the following:

Michael Pozderac	30 days in county jail, \$1,500 fine, 50 hours of community service, three years of community control, and pay restitution jointly and severally with co-defendant Mary Jackie Pozderac, totaling \$55,810, including audit costs.
Mary Jackie Pozderac	180 day stayed county jail sentence, 50 hours of community service, and pay restitution jointly and severally with co-defendant Michael Pozderac, totaling \$55,810, including audit costs.
David Quattrochi	30 days in county jail, \$1,000 fine, three years of community control, and pay restitution totaling \$16,727.50, including audit costs.

On August 24, 2023, Mr. Nickolas entered a negotiated guilty plea to one count of theft, a felony of the fifth degree, in violation of Ohio Rev. Code § 2913.02(A)(3), and Judge Repella II sentenced Mr. Nickolas to 50 hours of community service and 36 months of community control. Additionally, Mr. Nickolas' negotiated guilty plea waived the payment of the remaining restitution and audit costs.

The exit conference was waived by the District; however, the District was given five days to respond to this special audit report. A response was not received from the District.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

September 25, 2023

APPENDIX
SCHEDULE OF FINDINGS FOR RECOVERY



APPENDIX

FINDING FOR RECOVERY – REPAID UNDER AUDIT

Ohio Rev. Code § 2921.42(A)(4) indicates no public official shall knowingly have an interest in the profits or benefits of a public contract entered into by or for the use of the political subdivision or governmental agency of instrumentally with which the public official is connected. Additionally, **Ohio Rev. Code § 102.03(D)** states in part no public official or employee shall use or authorize the use of the authority or influence of office or employment to secure anything of value or the promise or offer of anything of value.

During the Period, District Superintendent, Dr. Quattrochi, authorized the purchase of air purifiers from The Phoenix Rising. Dr. Quattrochi received an invoice for the number of air purifiers purchased from District Board Member Michael Pozderac, and then provided the approved invoice to the District Treasurer to pay.

We identified 50 air purifiers purchased by the District, totaling \$70,450, during the Period and noted each of the air purifiers sold to the District by The Phoenix Rising was originally purchased by the following individuals:

Purchased by	Number Purchased
Michael Pozderac	9
Mary Jackie Pozderac	31
David Quattrochi	9
Unknown*	1
Total	50

*We could not determine who purchased one air purifier sold to the District based on documentation received from Vollara LLC.

Mr. Nickolas received the payments for the sale of the air purifiers from the District and deposited the money into The Phoenix Rising bank account. Mr. Nickolas kept a portion of the payment for himself and provided the remaining balance to Mr. Pozderac. Mr. Pozderac gave a portion of the balance to Dr. Quattrochi. From the sale of the air purifiers, we noted Mr. and Mrs. Pozderac received \$53,565, Dr. Quattrochi received \$15,600, and Mr. Nickolas received \$1,285.

On July 18, 2023, Mr. And Mrs. Pozderac and Dr. Quattrochi were ordered to pay restitution totaling \$72,537.50 to the District, including \$1,189.25 in audit costs, and \$2,183.25 to the Ohio Auditor of State in the Carroll County Common Pleas Court, Case Nos. 2022CR06867, 2022CR06868, and 2022CR06869, respectively.

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 Michael Pozderac and Mary Jackie Pozderac in the amount of \$55,810, jointly and severally, and David Quattrochi in the amount of \$16,727, with \$69,165, in favor of the Carrollton Exempted Village School District's Elementary and Secondary School Emergency Relief (ESSER) fund, \$1,189 in favor of the Carrollton Exempted Village School District's General fund, and \$2,183 in favor of the Ohio Auditor of State.

On July 28, and August 1, 2023, Mr. and Mrs. Pozderac made full restitution to the District in the amount of \$54,354.50. On July 21, and July 28, 2023, Dr. Quattrochi made full restitution to the District in the amount of \$15,999.75.

Additionally, on August 7, 2023, Mr. and Mrs. Pozderac, and Dr. Quattrochi made full restitution to the Ohio Auditor of State, totaling \$1,455.50 and \$727.75, respectively.

OHIO AUDITOR OF STATE KEITH FABER



CARROLLTON EXEMPTED VILLAGE SCHOOL DISTRICT SPECIAL AUDIT

CARROLL COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 10/24/2023

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This report is a matter of public record and is available online at
www.ohioauditor.gov