



OHIO AUDITOR OF STATE
KEITH FABER



MIAMI TOWNSHIP
LOGAN COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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To Fiscal Officer Kaitlyn Bailey and Township Trustees:

Background

The Auditor of State, Special Investigations Unit (SIU) conducted a criminal investigation and special audit of Miami Township (the Township) predicated on a complaint of suspected theft by a Township Trustee.

The investigation began on November 10, 2021, after SIU received a complaint alleging a Township Trustee, Ron Furrow, was instructing Township cemetery customers to make their payment payable to himself for foundations installed at gravesites.

After the information obtained from interviews and preliminary examination of Township and subpoenaed bank records were 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](#).

Suspect

Ron Furrow became Township Trustee on January 1, 1982 and held that position until February 26, 2023. After the former Township Cemetery Sexton retired effective December 31, 2007, Mr. Furrow took over the duties of Cemetery Sexton until February 26, 2023.

Schemes

We defined our audit period (the Period) as January 1, 2015 through July 29, 2022 based on the earliest available Township accounting and bank records due to retention schedules.

Mr. Furrow was responsible for helping people select available cemetery plots, opening and closing of graves, pouring foundations for headstones, general maintenance and upkeep of the cemetery, and providing revenues related to cemetery operations (e.g., sale of plots, opening and closing of graves, and foundation payments) to the Fiscal Officer for receipt and deposit into the Township accounting system and bank account. As a result, Mr. Furrow had full and sole control of cemetery operations.

Foundations

Generally, the headstone company would send Mr. Furrow a notice when an individual purchased a headstone along with a copy of the invoice listing the dimensions. This served as notice to Mr. Furrow to dig and pour concrete for the foundation the headstone will rest on. When the foundation work was completed, Mr. Furrow would send paperwork to the headstone company indicating the cost of the work and instructing the payment to be made payable to himself.

Our special audit and investigation procedures included reviewing accounting and banking records, conducting interviews, and issuing a public notice for individuals who paid for foundations to contact SIU.

Based on the results of these procedures, we confirmed 11 checks from funeral homes and/or monument companies were made payable to and cashed by Mr. Furrow, totaling \$5,989 for foundations related to the Township's cemetery. In addition, we identified 18 burials where a foundation was identified at the gravesite; however, there was not a corresponding receipt in UAN or deposit in the Township's bank account. These foundations were measured and calculated at a loss of revenue of \$6,102 for the Township.

Reimbursements

Reimbursements paid by the Township should have documentation supporting the expenses were for the Township. However, there were eight reimbursement checks to Mr. Furrow which lacked adequate supporting documentation to substantiate whether they were for a proper public purpose, totaling \$650.

Findings

Based on the special audit procedures and investigation, the Auditor of State confirmed the allegation that Ron Furrow misappropriated foundation receipts and illegally expended public monies during the Period.

We issued \$26,668 in findings for recovery for misappropriated cash, which included audit costs, and \$650 for public monies illegally expended during the Period.

The full details of the findings 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 Logan County Prosecuting Attorney.

On February 28, 2023, Ron Furrow agreed to a Bill of Information on one count of Grand Theft and one count of Soliciting or Accepting Improper Compensation.

On February 28, 2023, Mr. Furrow entered a negotiated plea of guilty to one count of Grand Theft, in violation of Ohio Rev. Code § 2913.02(A)(3), a felony of the fourth degree, and one count of Soliciting or Accepting Improper Compensation, in violation of Ohio Rev. Code § 2921.43(A)(1), a misdemeanor of the first degree.

On February 28, 2023, the Honorable Judge Kevin Braig sentenced Mr. Furrow to one year of community control and ordered him to pay restitution in the amount of \$28,168, which included \$14,577 in audit costs.

The exit conference was waived by the Township; however, the Trustees and Management were given five days to respond to this special audit report. A response was received on April 7, 2023. A response was provided by the Fiscal Officer and was evaluated in the final preparation of this report.



Keith Faber
Auditor of State
Columbus, Ohio

March 22, 2023

APPENDIX
SCHEDULE OF FINDINGS FOR RECOVERY



APPENDIX

FINDINGS FOR RECOVERY – Repaid Under Audit

Cemetery Receipts

Ohio Admin. Code § 117-2-01(D)(4) requires, in part, that entities plan for adequate segregation of duties or compensating controls. Segregation of duties provides two significant benefits: (1) a deliberate fraud is more difficult because it requires collusion of two or more persons and (2) it is more likely an error will be detected. When designing the Township’s system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls.

Mr. Furrow was responsible for all aspects related to the Township’s cemetery, including collecting revenues related to the cemetery. In addition, the Township lacked compensating controls, such as regular monitoring of cemetery receipts which would have prompted the discovery of no foundation receipts being turned in over the years by Mr. Furrow.

Our examination identified 11 checks from funeral homes and/or monument companies made payable and cashed by Mr. Furrow, totaling \$5,989 for foundations related to the Township’s cemetery. We also identified 18 burials where a foundation was identified at the gravesite; however, there was not a corresponding receipt in UAN or deposit in the Township’s bank account. These foundations were measured and then the cost calculated based upon the approved foundation cost per square foot, resulting in a loss of revenue of \$6,102 for the Township.

Reimbursements

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 government 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.

Employee reimbursements, including but not limited to, travel and purchased supplies, should include proper approvals and supporting documentation, such as original invoices and receipts, to substantiate that they serve a proper public purpose.

We identified eight checks issued to Mr. Furrow, totaling \$650 that did not have proper supporting documentation on file at the Township. As a result, we were unable to determine the purpose of these reimbursements.

Findings for Recovery Conclusion

On February 28, 2023, Mr. Furrow was ordered to pay \$16,541 in restitution to the Township, which includes audit costs and \$10,127 in restitution to the Ohio Auditor of State in Logan County Court of Common Pleas, Case No. CR 23 02 0046. Mr. Furrow was also ordered to pay restitution of \$1,500 directly to the family member of a deceased person buried at the Township cemetery.

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 Ron Furrow, in the amount of \$26,668, and in favor of the Township’s Cemetery Fund for \$16,541 and \$10,127 in favor of the Auditor of State’s Office. Additionally, a finding for recovery for public monies illegally expended is hereby issued against Ron Furrow in the amount of \$650, and in favor of the Gasoline Tax Fund for \$329 and in favor of the Cemetery Fund for \$321.

APPENDIX

On February 28, 2023, Mr. Furrow made full restitution to the Township in the amount of \$16,541 and repaid the additional finding for recovery of \$650, which were deposited into the Township's Cemetery and Gasoline Tax funds. On February 28, 2023, Mr. Furrow made full restitution to the Ohio Auditor of State, totaling \$10,127.

OHIO AUDITOR OF STATE KEITH FABER



**MIAMI TOWNSHIP
SPECIAL AUDIT**

LOGAN 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 5/9/2023

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