



OHIO AUDITOR OF STATE
KEITH FABER



WAYNE LOCAL SCHOOL DISTRICT
WARREN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report.....	1
Appendix	
Schedule of Finding for Recovery	5

THIS PAGE INTENTIONALLY LEFT BLANK



OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
FraudOhio@ohioauditor.gov
(800) 282-0370
Report fraud: 866-Fraud-OH

Wayne Local School District
Warren County
625 Dayton Road
Waynesville, OH 45068

To the Board of Education:

Background

The Auditor of State (AOS), Special Investigations Unit (SIU) conducted a criminal investigation and special audit of the Wayne Local School District (the District) predicated on information received alleging the District incurred penalties, interest, and late fees with several government agencies and vendors.

The investigation began on February 23, 2022, after SIU received information from an anonymous source. It was alleged the former District Treasurer Ron James was not paying invoices, the District was receiving late notices, and services were being declined. Additionally, SIU received an allegation the District paid a vendor, Grandma's Gardens, in which Mr. James had a potential unlawful interest in the public contract. During the investigation SIU also identified checks issued by the American College Testing (ACT) Group to the District and subsequently, the Treasurer issued checks to his daughter, Jenae James in the same amounts.

After the information obtained from interviews and preliminary examination of invoices and bank records 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

Mr. James was hired by the District as Treasurer commencing on March 30, 1998. On October 24, 2022, the District and Mr. James executed a Release and Separation Agreement with a resignation effective July 31, 2023.¹

Jenae James was hired by the District on July 8, 2013, as a teacher for the District and is the daughter of Mr. James. Ms. James took over as the District's American College Testing (ACT) Coordinator commencing on October 28, 2017. The District placed Ms. James on paid administrative leave on October 4, 2024, it was changed to unpaid administrative leave on October 25, 2024, she was returned to paid administrative leave on May 14, 2025, effective through the end of the school year.

Allegations

As the District Treasurer, Mr. James was responsible for the financial affairs of the District. During the period of January 1, 2019, through January 25, 2024 (the Period), the criminal investigation and special audit centered on three areas.

¹ Effective at the end of the business day on October 31, 2022, Mr. James was not required to report to work or perform day-to-day tasks of a Treasurer, but was available to consult when necessary, with the Interim Treasurer and Superintendent.

Payments Issued by the District to Ms. James for ACT Services

As ACT Coordinator, Ms. James administered the ACT at the District. The services of the ACT Coordinator were compensated via direct deposit by ACT, Inc. In July 2020, the District started receiving manual checks from ACT, Inc. to assist in covering additional costs related to COVID.

For the Period, we identified the District received and deposited 11 checks totaling \$4,050 from ACT, Inc. Subsequently, the District issued nine checks totaling \$3,150 to Ms. James for ACT services and we identified the following:

- Purchase requisitions were created and approved by Mr. James.
- Purchase orders were signed electronically by Mr. James and the District Superintendent; however, Mr. James had the ability to electronically sign the purchase orders without the review of the Superintendent. During an interview we confirmed with the Superintendent he did not review the purchase orders.²
- Checks were signed solely by Mr. James. We verified Ms. James had already been paid by ACT, Inc. via direct deposit for these ACT services.

Payments by the District to a Vendor Associated with Mr. James

During the Period, Mr. James provided accounting services for a vendor named Grandma's Gardens. On August 8, 2022, the District's Board of Education (Board) approved a proposal from Grandma's Gardens and a purchase order related to a landscaping project for the District's Performing Arts buildings. The purchase order for the landscaping services totaled \$24,500. The landscaping services were completed by Grandma's Gardens. The Board had different recoups on whether Mr. James disclosed his business relationship with Grandma's Gardens. There was no evidence that the District attempted to solicit additional quotes for the landscaping services to substantiate the cost of services were unobtainable elsewhere for the same or lower cost.

Penalties, Interest, and Late Fees

The District incurred numerous penalties, interest, and late fees related to Mr. James negligently performing his responsibilities as Treasurer. For the Period, we reviewed supporting documentation showing over a dozen instances where penalties and interest were incurred by the District and owed to the Internal Revenue Service (IRS), Village of Waynesville, and the Ohio Department of Taxation (ODT). In total, the District incurred penalties and interest of \$57,938.39. The District received a one-time abatement of incurred penalties totaling \$16,246.18 related to the Village of Waynesville, but still had to ultimately pay \$41,692.21 in penalties and interest as follows:

Agency	Penalties & Interest Owed	Penalties Abated	Penalties & Interest Paid
IRS	\$19,438.38	\$0.00	\$19,438.38
Village of Waynesville	35,240.39	16,246.18	18,994.21
ODT	3,259.62	0.00	3,259.62
Total	\$57,938.39	\$16,246.18	\$41,692.21

In addition to the above noted penalties and interest, we reviewed and identified over 60 invoices showing interest and late fees owed by the District to several vendors totaling \$2,529.87, which were ultimately paid by the District.

Findings

Based on the special audit procedures and investigation, the Auditor of State confirmed the allegation that Mr. James illegally expended \$44,222.08 of public monies for payment of penalties, interest and late fees to government agencies and various vendors over a span of four years.

² A document later provided to the Prosecutor showed Mr. James notified the Superintendent of his intention to pay his daughter for ACT services and the Superintendent had no objections.

We issued \$44,222.08 in a finding for recovery for public monies illegally expended 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 Warren County Prosecutor.³

On October 7, 2024, Ron James and Jenae James were indicted by the Warren County grand jury. Mr. James was indicted on three counts, including tampering with records, a felony of the third degree, theft in office, a felony of the fourth degree and having an unlawful interest in a public contract, a felony of the fourth degree. Ms. James was indicted on one count of theft, a felony of the fifth degree.

On May 13, 2025, following a two-day bench trial, Mr. James and Ms. James were acquitted on all charges.

On October 20, 2025, we held an exit conference with the following individuals representing the District:

Sam Ison, Superintendent
Amanda Garret, Board Member

Carolyn Huber, Treasurer

The attendees were informed they had five business days to respond to this special audit report. A response was not received from the District.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 7, 2025

³ The Prosecutor declined to pursue charges against Mr. James related to penalties, interest, and late fees incurred by the District.

APPENDIX
SCHEDULE OF FINDING FOR RECOVERY



FINDING FOR RECOVERY

26 U.S. Code §§§§§ 3401, 3402, 3403, 3404, and 3102(a) require the employing government to withhold federal, state, and local income taxes. They also require the government to report and remit those tax matters to the appropriate tax authorities and to the recipients.

26 U.S. Code § 6651(a)(1), states, in part, “In case of failure to file any return required under authority of subchapter A of chapter 61, on the date prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall be added to the amount required to be shown as tax on such return 5 percent of the amount of such tax if the failure is for not more than 1 month, with an additional 5 percent for each additional month or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate.”

26 U.S. Code § 6651(a)(2), states, in part, “to pay the amount shown as tax on any return specified in paragraph (1) on or before the date prescribed for payment of such tax (determined with regard to any extension of time for payment), unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall be added to the amount shown as tax on such return 0.5 percent of the amount of such tax if the failure is for not more than 1 month, with an additional 0.5 percent for each additional month or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate.”

26 U.S. Code § 6656, states, “In the case of any failure by any person to deposit (as required by this title or by regulations of the Secretary under this title) on the date prescribed therefor any amount of tax imposed by this title in such government depository as is authorized under section 6302(c) to receive such deposit, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall be imposed upon such person a penalty equal to the applicable percentage of the amount of the underpayment.”

26 U.S. Code § 6601(a), states, “If any amount of tax imposed by this title (whether required to be shown on a return, or to be paid by stamp or by some other method) is not paid on or before the last date prescribed for payment, interest on such amount at the underpayment rate established under section 6621 shall be paid for the period from such last date to the date paid.”

Ohio Rev. Code §§ 5747.07(B) and 5747.07(F)(5), states, in part, “every employer required to deduct and withhold any amount under section 5747.06 of the Revised Code shall file a return and shall pay the amount required by law...In addition to all other interest charges and penalties imposed, all amounts of taxes withheld or required to be withheld and remaining unpaid after the day the amounts are required to be paid shall bear interest from the date prescribed for payment at the rate per annum prescribed by section 5703.47 of the Revised Code on the amount unpaid, in addition to the amount withheld, until paid or until the day an assessment is issued under section 5747.13 of the Revised Code, whichever occurs first”, respectively.

Ohio Rev. Code § 5747.13(A) states, in part “If any employer collects the tax imposed by section 5747.02 or under Chapter 5748. of the Revised Code and fails to remit the tax as required by law, or fails to collect the tax, the employer is personally liable for any amount collected that the employer fails to remit, or any amount that the employer fails to collect. If any taxpayer fails to file a return or fails to pay the tax imposed by section 5747.02 or under Chapter 5748. of the Revised Code, the taxpayer is personally liable for the amount of the tax. If any employer... required to file a return under this chapter fails to file the return within the time prescribed, files an incorrect return, fails to remit the full amount of the taxes due for the period covered by the return,... the tax commissioner may make an assessment against any person liable for any deficiency for the period for which the return is or taxes are due, based upon any information in the commissioner's possession.”

Village of Waynesville Income Tax Ordinance Chapter 38, Section 4 (A), (B)(1), and (B)(9) states in part, “Each employer, agent of an employer, or other payer located or doing business in the Village shall

withhold an income tax from the qualifying wages earned and/or received by each employee in Village... an employer, agent of an employer, or other payer shall remit to the Tax Administrator of Village the greater of the income taxes deducted and withheld or the income taxes required to be deducted and withheld by the employer, agent, or other payer... The officer, or the employee of the employer, agent of an employer, or other payer with control or direct supervision of or charged with the responsibility for withholding the tax or filing the reports and making payments as required by this section, shall be personally liable for a failure to file a report or pay the tax due as required by this section...”, respectively.

Village of Waynesville Income Tax Ordinance Chapter 38 Section 18(C), (C)(1), and (C)(2)(b) states, “Should any taxpayer, employer, agent of the employer, or other payer for any reason fails, in whole or in part, to make timely and full payment or remittance of income tax, estimated income tax, or withholding tax or to file timely with the Village any return required to be filed, the following penalties and interest shall apply: Interest shall be imposed at the rate described in division (A) of this section, per annum, on all unpaid income tax, unpaid estimated income tax, and unpaid withholding tax. With respect to any unpaid withholding tax, Village may impose a penalty equal to fifty percent (50%) of the amount not timely paid.”

In addition, the District obtains goods and services from various vendors for the operations of the District. The District is responsible for paying the applicable vendors for the goods and services they receive. If payment is not received from the District in a timely manner, the vendor may assess late fees and/or interest on the monies owed by the District to the vendor.

Ohio Rev. Code § 3313.31(A) and (B), states in part “the treasurer shall be the chief fiscal officer of the school district, shall be responsible for the financial affairs of the district, and... the treasurer shall direct and assign employees directly engaged in the day-to-day fiscal operations of the district...”, respectively.

For the Period, we identified the District paid the following penalties, interest, and/or late fees as a result of Mr. James’ gross negligence and failure to properly perform his required duties as Treasurer:

- Seven payments totaling \$19,438.38 to the IRS for failing to file tax returns and pay taxes in a timely manner for tax periods.
- Two payments totaling \$18,994.21 to RITA for failing to pay taxes due to the Village of Waynesville in a timely manner for tax periods.
- Five payments totaling \$3,259.62 to the ODT for failing to file returns and remit liabilities due in a timely manner.
- Sixty-three payments totaling \$2,529.87 to various vendors for failing to pay invoices timely for goods or services provided to the District.

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code § 117.28**, a finding for recovery for public monies illegally expended is hereby issued against Ron James, and his bonding company, Travelers Casualty and Surety Company of America, jointly and severally in the amount of \$44,222.08, and in favor of the District’s General Fund.

OHIO AUDITOR OF STATE KEITH FABER



WAYNE LOCAL SCHOOL DISTRICT SPECIAL AUDIT

WARREN 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 11/20/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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