



# Greetings from Auditor of State Keith Faber

As Ohio's 33rd Auditor of State, I look forward to partnering with local governments and continuing the great relationship between the Auditor of State's office and Ohio Townships Association.

Throughout my career in public service, I have been dedicated to ensuring efficient, effective and transparent government for the people of Ohio. I have served in the state legislature, including time as the President of the Ohio Senate where I worked to restrain state spending, lower taxes and advocate for more transparent, accountable government. In my new role as Auditor, I plan to continue supporting these priorities to make government work better for all Ohioans. A few initiatives that my office is already hard at work on include:

- Increasing the number of performance audits for local governments and state agencies, bringing more efficiency and savings to tax payers.
- Promoting transparency in local government's by auditing for open records compliance annually instead of every three years; seeking more access to public records and government meetings
- Creating a Local Government Audit Support Fund that would keep the financial audit costs low for local government entities.



As Auditor, I will hold to account those elected officials who lie, cheat, and steal taxpayer dollars. I will root out fraud, waste and abuse in government, and I will make government work better, faster, and cheaper while improving customer service for Ohioans. Please view my office as a resource to assist you and your offices.

You can reach us at 800-282-0370 or email us at [contactus@ohioauditor.gov](mailto:contactus@ohioauditor.gov).

Best,

A handwritten signature in black ink that reads 'Keith Faber'.



## Senate Bill 10

# Hold corrupt public officials accountable

*By Auditor of State Keith Faber*

*Originally published in the Ohio Township News*

**W**ith great power comes great responsibility. Those words, commonly attributed to the character Uncle Ben in the comic book series “Spider Man,” are much more than an old cliché. They are words to live by – especially if you are a government official charged with the oversight of public dollars.

When our trusted officials follow these words of wisdom, they provide our communities with exemplary service. However, when corrupt officials ignore Uncle Ben, abuse their power, and pocket

your hard-earned tax dollars, they become a villain and Ohio law should treat them as such. Unfortunately, the current penalties for theft in office fall short.

Senate Bill 10, recently introduced by State Senator Steve Wilson, seeks to expand the penalties for theft in office. This is a necessary change because as the law currently reads, a public official who steals over \$750,000 worth of taxpayer resources will receive a lesser penalty than a common thief who steals the same amount.

Since the Auditor of State's office began tracking convictions in 2011, our team has helped charge 85 former government officials with theft in office for millions of stolen taxpayer dollars.

One of those charges came out of the village of Ripley, Ohio, a small town of less than 2,000 people. It's one of the last places you would expect perhaps the largest theft in office scheme in the history of Ohio to occur. Never-the-less, it happened.

The village's utility clerk had created a very profitable criminal enterprise for herself. For years, she used an "Adjusting Journal Entry Scheme," to accept utility payments, retroactively lower the customer's balance in the system, and then pocket the difference. By the time anyone noticed what was happening, she had already stolen nearly one million dollars.

Theft alone is a terrible crime, but theft in office is worse. Those who use government positions to steal from the public are guilty of two crimes: taking something that does not belong to them, and betraying the public trust.

The theft in office convictions that those 85 criminals received, including the Ripley clerk, rightfully disqualifies them from ever holding any public office, public employment, or a position of trust in Ohio again. However, the current cap on theft in office is a third degree felony, which carries a sentence of up to 36 months in prison, regardless of the amount stolen. This is weak. Theft convictions that occur in the private sector have no such cap and can rise to a first degree felony, resulting in up to 11 years in prison.

Additionally, the current law does not require those convicted to repay the additional audit costs incurred to investigate their misdeeds. Instead, adding insult to injury, taxpayers bear these costs. This gap in the law pours salt in the taxpayer's proverbial wound.

Senate Bill 10 (SB10) solves both of these problems.

This legislation brings parity to the penalties for theft in office and theft. Under the bill, a theft-in-office conviction could carry a second- or first-degree felony based on

the amount stolen. Furthermore, it clarifies that corrupt officials charged with theft in office must pay for additional audit costs incurred to investigate them.

SB 10 is a common-sense solution that will hold corrupt government officials to the highest standard when their actions are, to put it lightly, less than heroic. I support this legislation because holding public office comes with great responsibility and that should be reflected in Ohio's laws.

SB 10 has passed the Ohio Senate and is going through the legislative process in the Ohio House. Please join me in encouraging your elected officials to pass SB 10.





## Fighting corruption

# Public officials: First line of defense against fraud

*By the Auditor of State's Office*

*Originally published in the Ohio Township News*

**I**t's easy to think that catching bad guys is a job for police officers and detectives. But in reality, we all play an essential roll when it comes to identifying and catching criminals. More often than you would think, law enforcement agents depend on tips from eye witnesses when opening up high profile investigations. This is especially true with the type of crime that we deal with here at the Auditor of State's office. The tips we receive come from concerned citizens who may not even know that they are participating in the first line of defense against government fraud.

One of my key jobs as the Ohio Auditor of State is to protect Ohio taxpayers from crimes related to the theft of their tax dollars. Our office has our own law enforcement division known as the Special Investigations Unit (SIU). Their sole mission is to serve as a single source of expertise for investigating fraud in government. Fraud is defined as lying, cheating or stealing to gain something of value. In government, that “something of value” is tax dollars. As you know, the majority of government workers are honest and hard-working. Unfortunately, some are not. SIU is specially equipped to bring the bad actors to justice, from initial complaint to criminal conviction.

Our financial audit team and SIU work in a similar way to the security system set up in your home. The job of the security system is to give you an overview of your home and alert you if there’s a problem. In the same way, state auditors look at your local government’s finances and alert you if anything looks suspicious. When your security system identifies a problem, they contact the police. When the state auditors find fraud, they call SIU.

But in addition to the professionals, there is another key player in the fight against government fraud – you. It is the watchful eye of the public servant that most often protects taxpayers from becoming victims of fraud. State auditors are limited to only examining governments once per year, at most. No such limit exists for government employees or members of the community. Every day that you walk into work or government meetings, you are in an ideal position to identify fraudulent behavior. But, if you suspect fraud within your township, how can you take action against it?

That is where SIU and the Auditor’s office steps back in. If you find yourself needing to report suspected government fraud, our Fraud Hotline may be of use. When we receive a legitimate tip from the Fraud Hotline, it goes directly to the Special Audit Task Force. This group of investigators and auditors evaluate tips and complaints. If the task force decides the tip involves fraud, theft, or non-compliance, it will go to the SIU for investigation. If not, we are able to forward tips on to other local, state, or federal agencies.

The bottom line is this – we need your help. Whenever the Auditor’s office brings a corrupt official to justice, often times it only happened because a public servant was courageous enough to send in a tip.

The founding fathers designed our government to be of the people, by the people and for the people. When government collects funds from Ohio’s people, government is responsible to use those funds for the people’s benefit. But sometimes, leaders in government

get it twisted and think that tax dollars belong to them. During my first few months as your Auditor, SIU has caught quite a few of these misguided miscreants.

One recent case involving the Village of Lincoln Heights exemplifies the importance of submitting tips. The case involved a village manager who used a village credit card to spend over \$70,160 of taxpayer dollars on personal purchases. Expenses charged to the card included trips to New York City, amusement park tickets, and electric bills. SIU was able to act quickly to put together the evidence that eventually led to an indictment. This March, the manager pled guilty for her crimes and was ordered to repay the over \$70k in findings.

The case in Lincoln Heights and other cases like it, serve as reminders of why the Auditor's office needs a law-enforcement division. It is the teeth of the Auditor's office and it gives us the ability to help prosecute those who betray public trust. More important, these cases remind us why we need honest, watchful government employees who are willing to submit a tip.

The Auditor's office cannot be everywhere at once, but with your help, we can cover a lot of ground. Your tip could be the one that brings a corrupt official to justice and saves taxpayers from paying for someone's misdeeds.

*If you suspect fraud in your local government, contact the Fraud Hotline at 1-866-372-8364 or email [fraudohio@ohioauditor.gov](mailto:fraudohio@ohioauditor.gov). Together, we are better able to serve the people of Ohio.*

