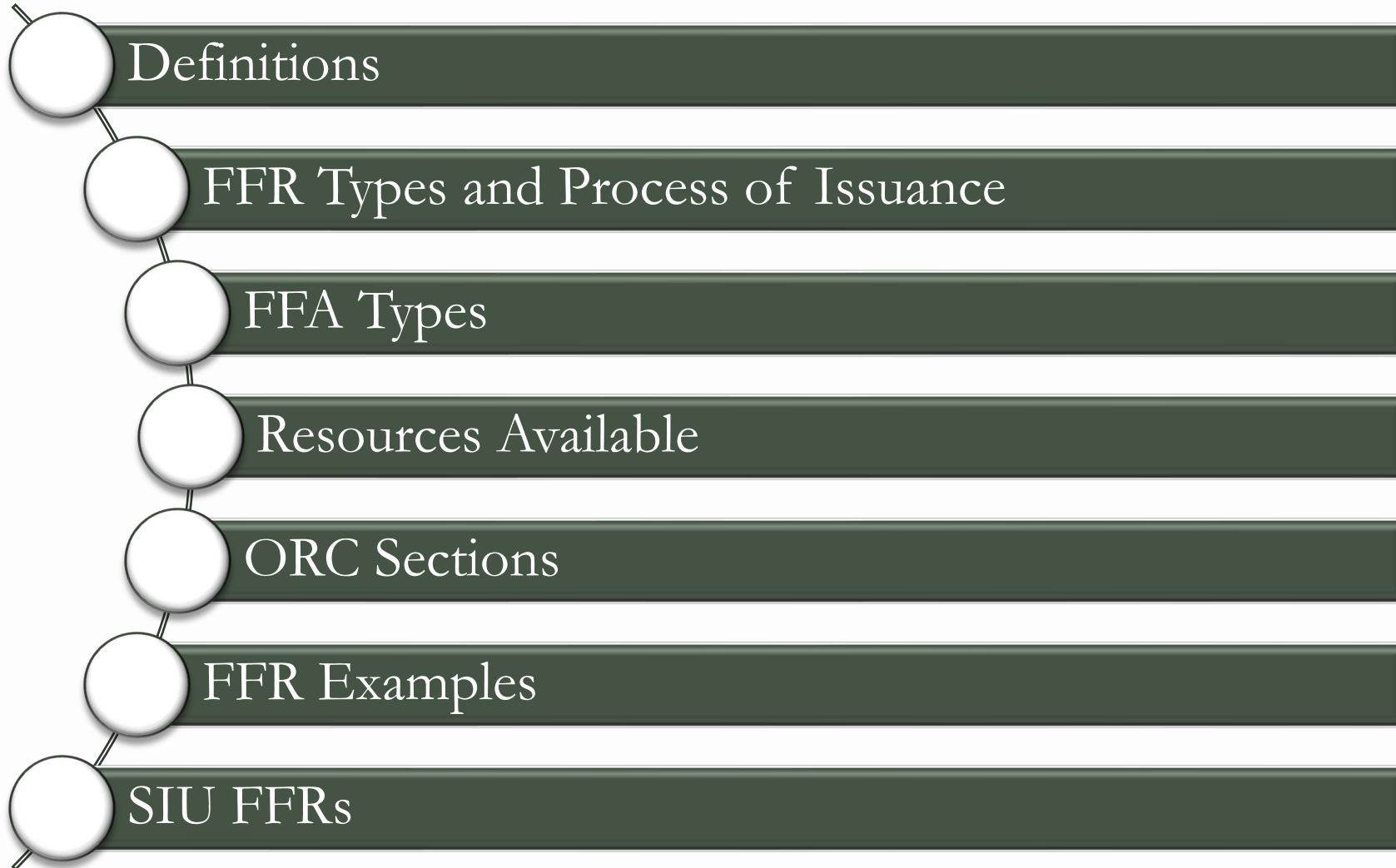


## 2026 LGOC

# Findings for Recovery (FFR) Versus Findings for Adjustment (FFA) Definitions, Resources, and Examples

*Kelly Berger-Davis – Project Lead  
Ohio Auditor of State's Office  
Center for Audit Excellence*

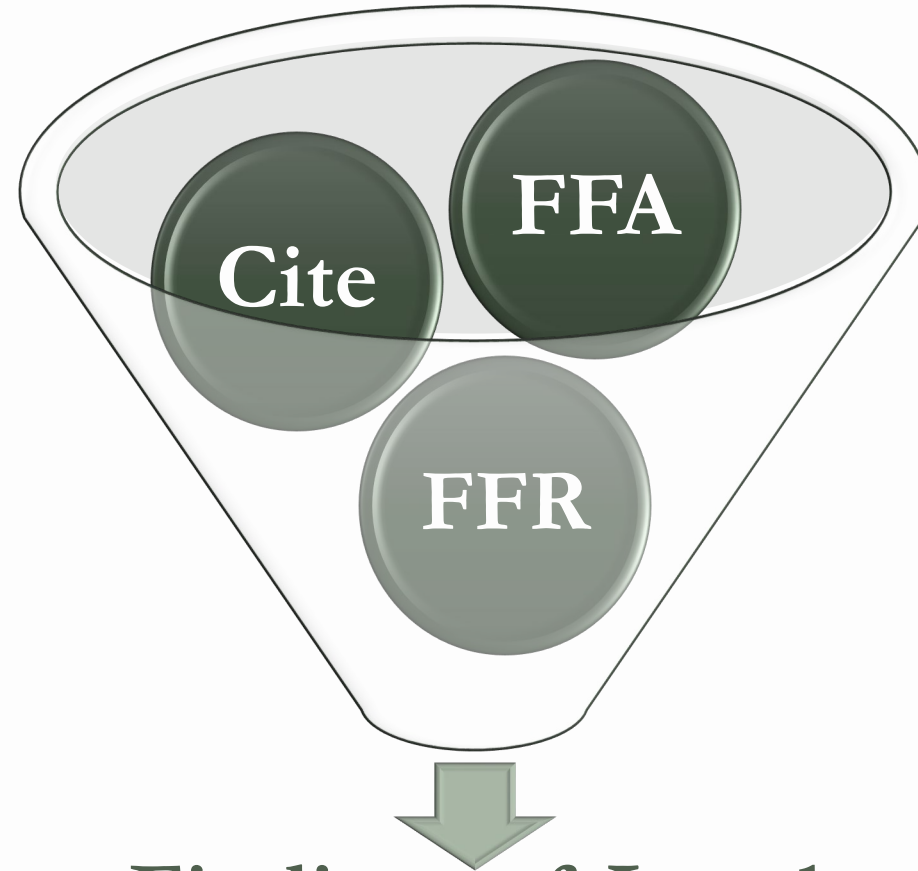
# Agenda





# Definitions

# Audit Findings



**Findings of Legal  
Noncompliance**

# Noncompliance Citations

Federal &  
State  
Constitutions

United States  
Code & Rules

Ohio Revised  
Code

Ohio Admin.  
Code

Local  
Ordinances

Federal &  
State Court  
Decisions

Federal &  
State  
Regulations

Ohio Ethics  
Commission  
Opinions

Local  
Charters

# Definitions

**Per the Ohio Compliance Supplement Implementation Guide:**

## Findings for Recovery

A process to recover public money or property through legal action

## Findings for Adjustment

A reallocation of receipts or disbursements to the proper funds

# Types of Findings for Recovery

# Findings for Recovery (FFR)

Public money has been  
illegally expended;

Public money that has  
been collected has not  
been accounted for;

**FFR may  
exist when:**

Public money that is  
due has not been  
collected;

Public property has  
been converted or  
misappropriated.

# AOS Bulletin 2025-013 – Due But Not Collected

**OHIO AUDITOR OF STATE**  
**KEITH FABER**

---

Auditor of State  
Bulletin 2025-013

---

**DATE ISSUED:** October 16, 2025

**TO:** All Public Offices  
Community Schools  
Independent Public Accountants

**FROM:** Keith Faber  
Ohio Auditor of State

**SUBJECT:** Reimbursement of Sales Tax by Tax-Exempt Public Offices

**Bulletin Purpose**

This Bulletin will provide guidance to public offices that are exempt from the payment of Ohio's retail sales tax about reimbursing their officials and/or employees when those individuals have made lawful expenditures on behalf of the public office using their own personal credit card or checking account.<sup>1</sup>

**Implementation Date**

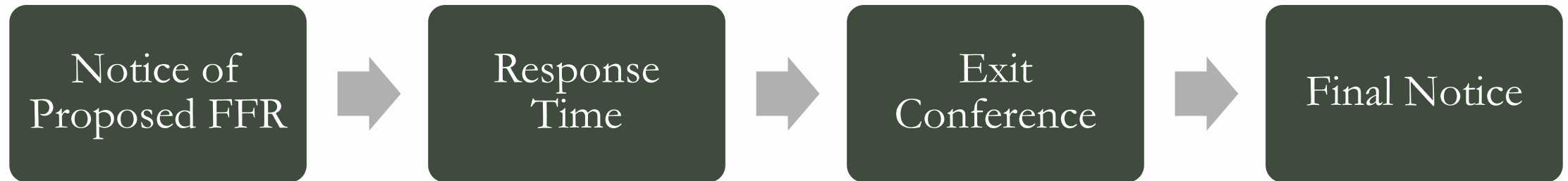
Upon issuance

**Background**

Ohio Rev. Code § 5739.02(A) imposes an excise tax, commonly referred to as a sales tax, on each retail sale made in the State of Ohio. Rev. Code § 5739.02(B)(1) provides that the State and

# Findings for Recovery (FFR)

## Process



# Findings for Recovery (FFR)

## Report Location – GAGAS FFR Vs. Other FFR

### FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

#### FINDING NUMBER 2022-013

##### Finding for Recovery - Reimbursements

During 2022 the former Fiscal Officer, [REDACTED], was reimbursed a total of \$581 for office supplies she purchased. However, the Village did not maintain any supporting documentation for these reimbursements.

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 former Fiscal Officer, [REDACTED], in the amount of \$581, and in favor of the Village of [REDACTED]'s General Fund.

The Village should implement procedures to maintain proper supporting documentation for all reimbursements. Failure to do so could lead to the issuance of findings for recovery being issued in future audits.

### 3. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Controls reports.

#### FINDING NUMBER 2022-003

##### Finding For Recovery Repaid Under Audit – Contract Billing Errors

The Village of [REDACTED]'s Contract for Fire and Emergency Medical Services with [REDACTED] Township for the period of July 1, 2020 through June 30, 2023 indicates that [REDACTED] Township will be invoiced monthly for emergency medical services (EMS) which have been provided by the Village. The contract provides that fees shall be paid by [REDACTED] Township within thirty days from the date the statement is received and that failure to remit payment of the said statement could result in termination of the contract agreement.

Due to inadequate policies and procedures over monitoring the billings and collections of EMS runs, the Village incorrectly billed the Township using the rates from the previous contract for the period ending June 30, 2020 for three billings in 2022, which resulted in the Township being underbilled for emergency medical services provided by the Village. At December 31, 2022, [REDACTED] Township owed the Village of [REDACTED] \$1,007.50 for the emergency medical services provided for their jurisdiction on behalf of the Township in 2022.

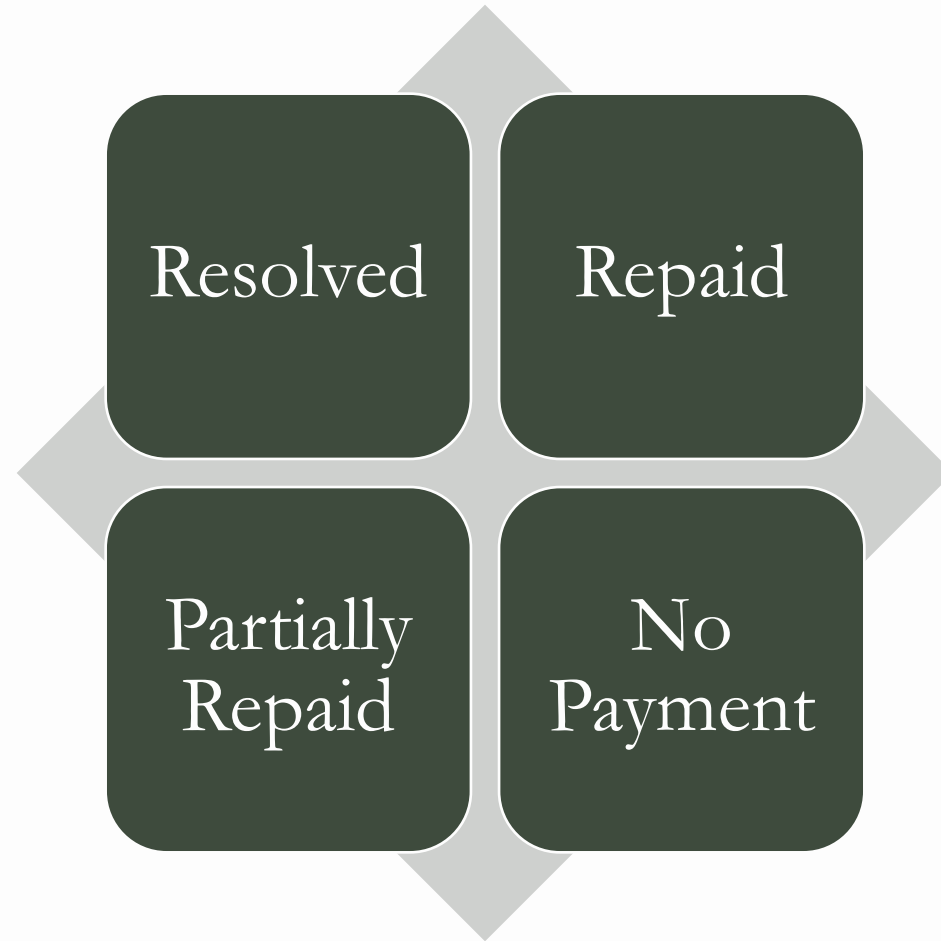
Failure to properly calculate billings for services provided can result in loss of revenue to the Village.

In accordance with the foregoing 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] Township, and in favor of the Village of [REDACTED]'s Special Revenue Fire/EMS Levy Fund, in the amount \$1,007.50.

On November 11, 2024, [REDACTED] Township repaid the Village of [REDACTED] \$1,007.50. The Village receipted the \$1,007.50 into the Fire/EMS Levy Fund on November 13, 2024.

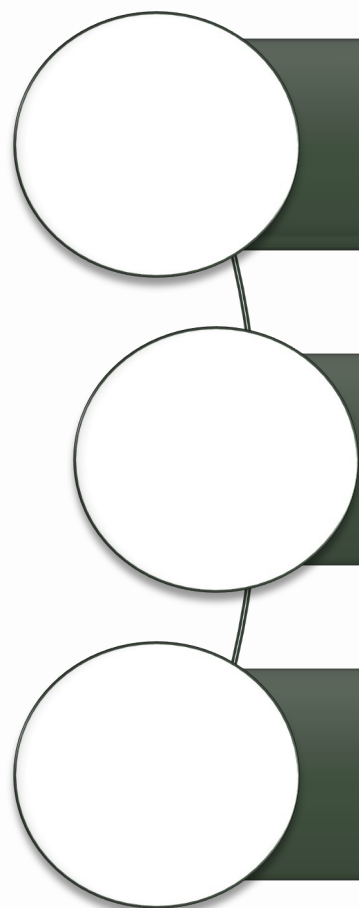
The Village should implement policies and procedures to review emergency medical services billings to help ensure they are being invoiced in accordance with the approved contracts.

# Findings for Recovery (FFR)



# Findings for Recovery (FFR)

## IMPORTANT NOTES:



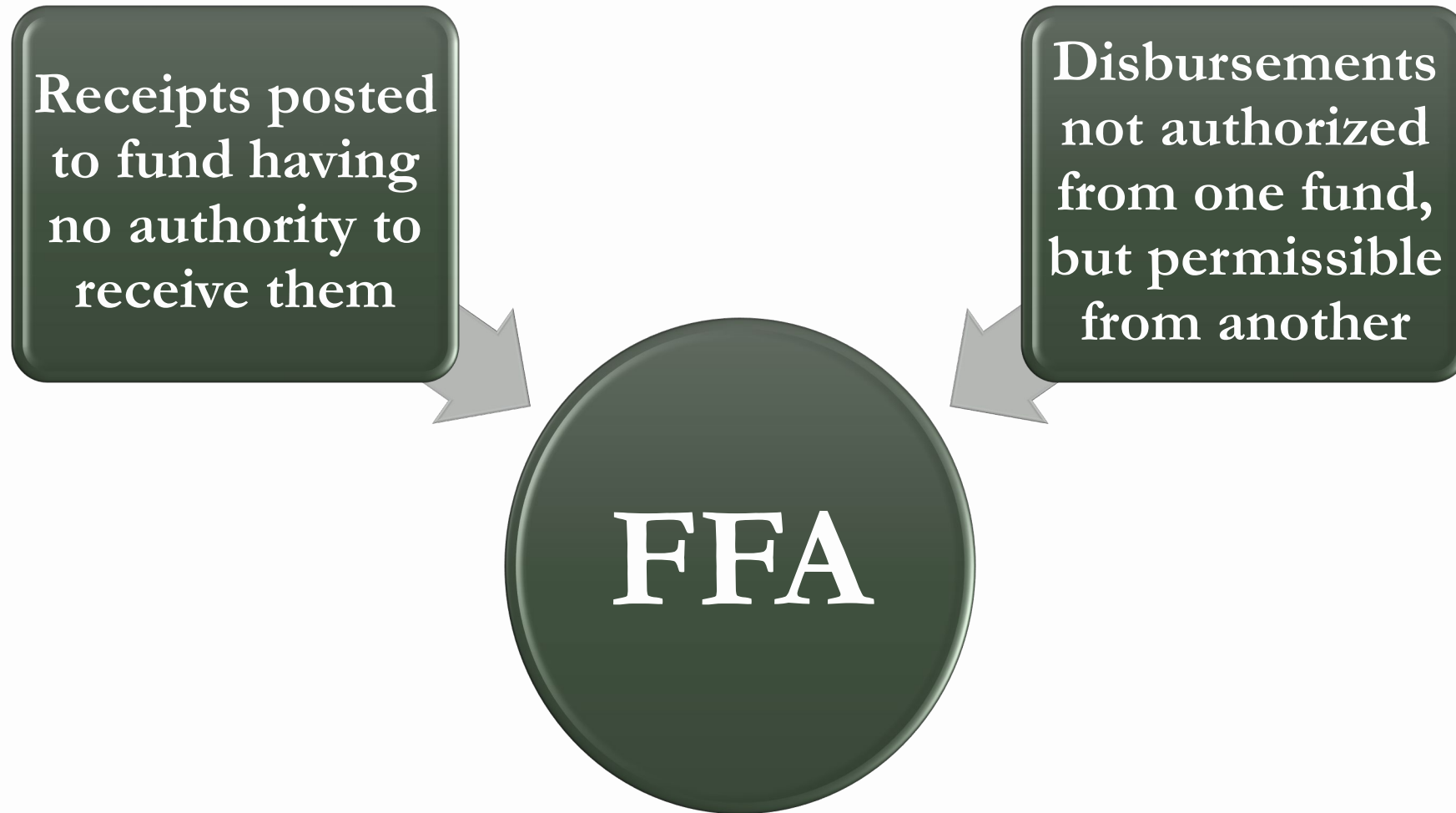
A FFR should be issued even if a criminal restitution order is already in place for the same conduct

If the entity identifies a FFR *before* the auditors do and the entity or individual repays, or a repayment plan is approved before the audit report is issued, the auditor should not report the matter as a FFR, unless the finding relates to a criminal case, in which case the finding should always be reported

If FFR is only partially repaid, a FFR is reported for the full amount and the amount that was repaid is listed

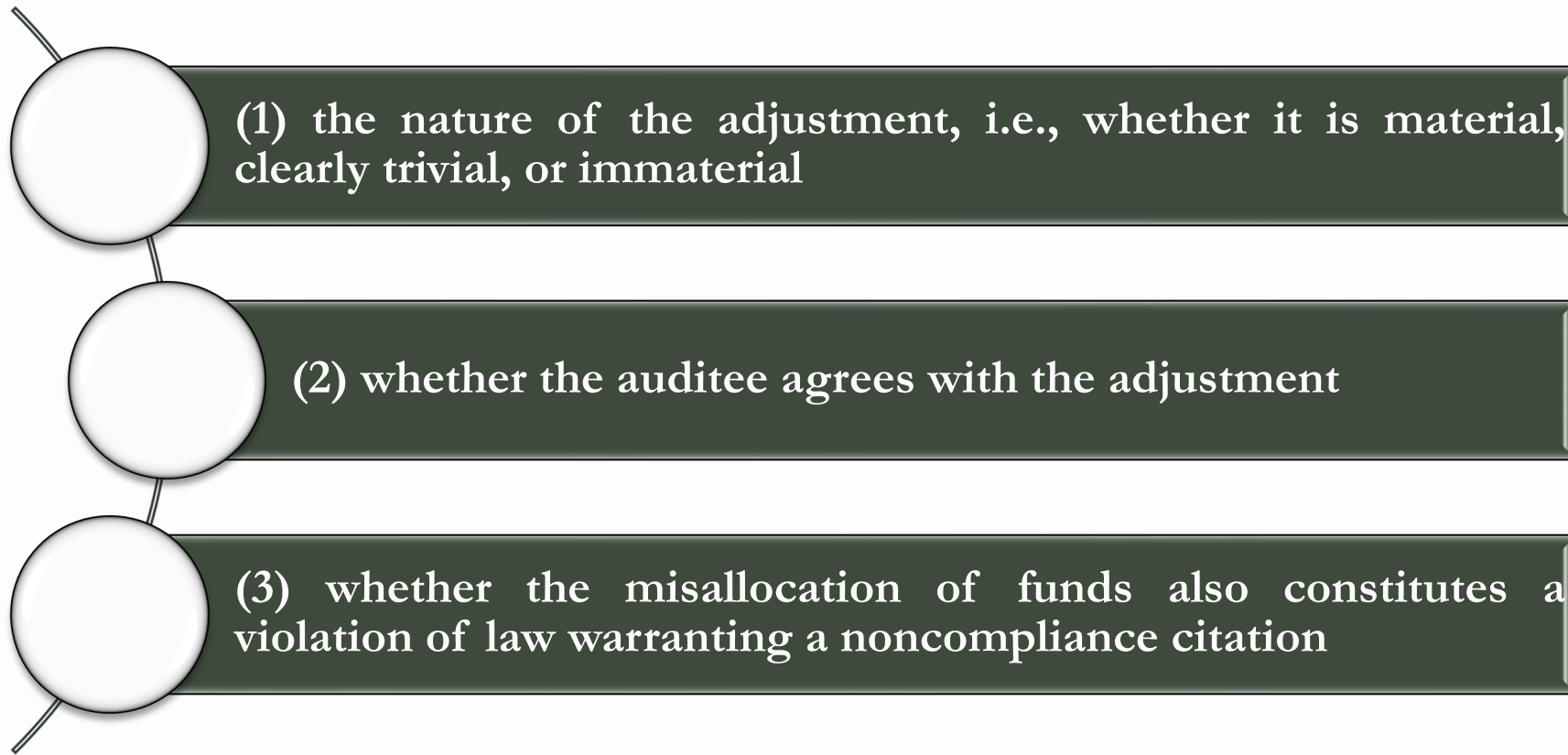
# Types of Findings for Adjustment

# Findings for Adjustment (FFA)

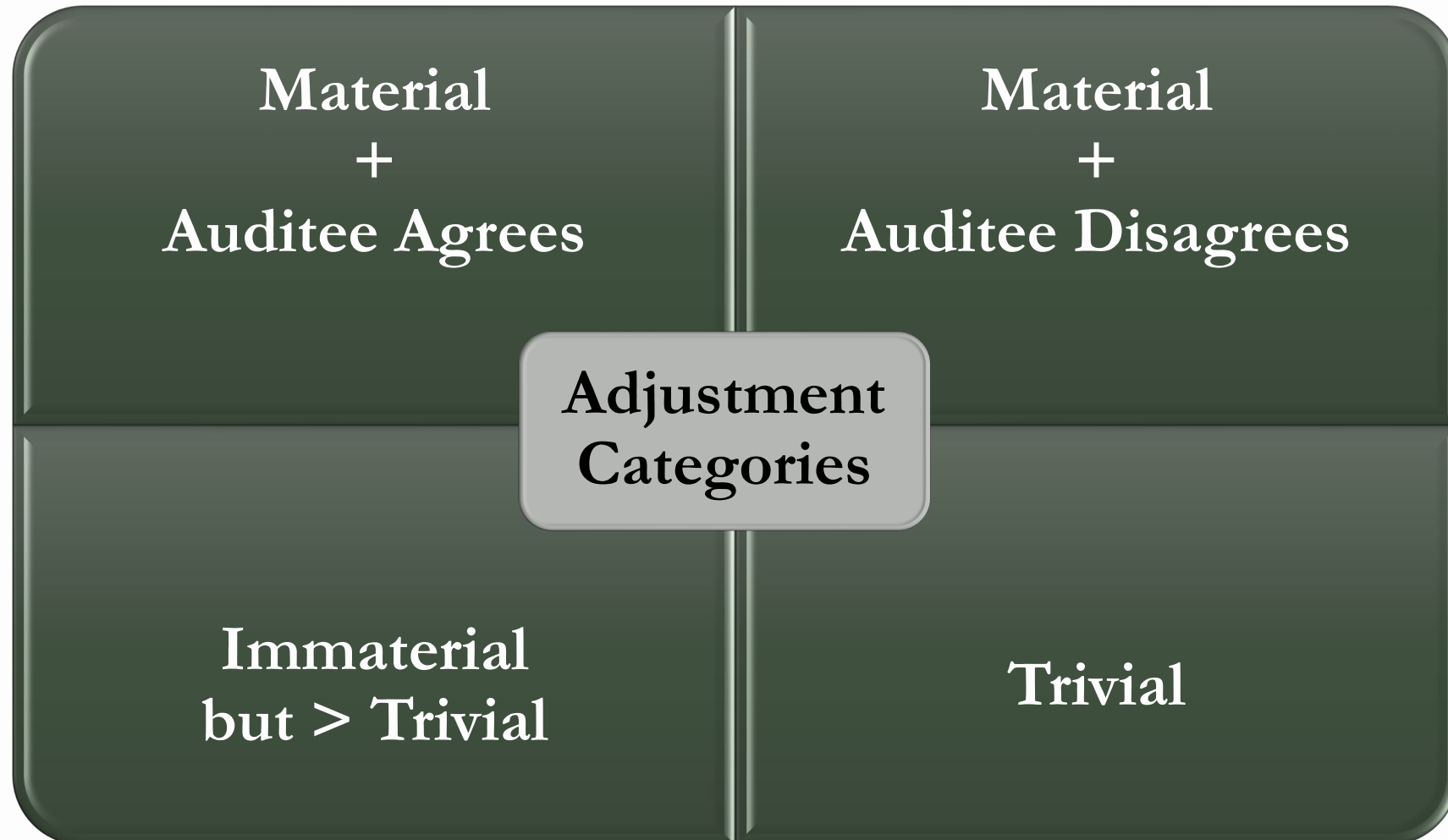


# Findings for Adjustment (FFA)

Whether the auditor recommends an adjustment, and the manner in which the auditor reports it, depends on:

- 
- (1) the nature of the adjustment, i.e., whether it is material, clearly trivial, or immaterial
  - (2) whether the auditee agrees with the adjustment
  - (3) whether the misallocation of funds also constitutes a violation of law warranting a noncompliance citation

# Findings for Adjustment (FFA)



# Findings for Adjustment (FFA)

## Category 1 – Material + Agreed

- Adjustment **posted to records and financials**
- Results in:
  - Noncompliance citation (if legal authority violated)
  - No auditor opinion modification
  - No “finding for adjustment” statement used

# Findings for Adjustment (FFA)

## Category 2 – Material + Disagreed

- Adjustment **not** posted to accounting records **or** statements
- Results in:
  - Noncompliance citation (if legal authority violated) + finding for adjustment statement
  - Modified auditor's opinion, if material
  - Tracked in Schedule of Prior Audit Findings, until properly recorded
  - Evaluate cumulative errors, if unresolved

# Findings for Adjustment (FFA)

## Category 3 – Immaterial But More Than Trivial

- **May be immaterial to opinion unit, but material to funds**
- Consider:
  - Receipts, disbursements, or fund balance
- **If violation of law:**
  - If posted: cite law, no finding for adjustment
  - If not posted: Issue finding for adjustment

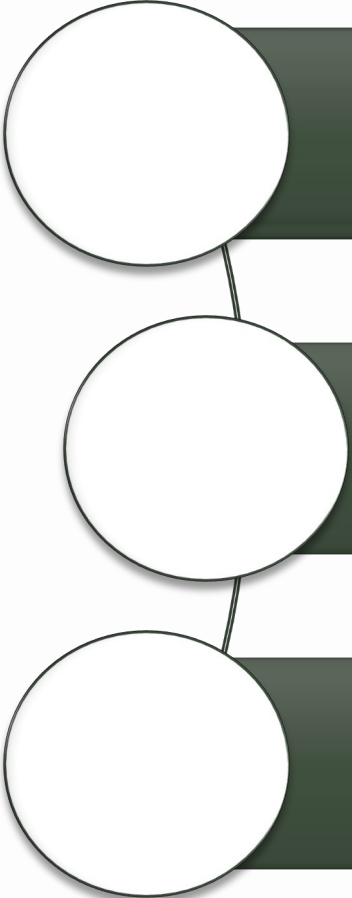
# Findings for Adjustment (FFA)

## Category 4 - Trivial

- **No adjustment in opinion or reporting**
- **Document only in audit working papers**

# Findings for Adjustment (FFA)

## IMPORTANT NOTES:



Auditors may detect a *finding for adjustment* affecting two funds reported in the same opinion unit. This adjustment would have no effect on the financial statements (and the auditor's opinion), but may still represent reportable noncompliance if it is material to either of the two funds

If the client agrees and posts certain adjustment to the financial statements but refuses to post the adjustment to the accounting records auditors can still issue a finding for adjustment to correct the accounting records

Certain FFA's *could* result in an opinion modification

# Findings for Adjustment (FFA)

## IMPORTANT NOTES:



Auditors must document evidence that the agreed-to adjustments have been properly posted to the auditee's accounting records



AU-C 450.11(b) requires auditors to consider the effect of uncorrected prior audit adjustments on the current audit



# **Resources Available**

# Resources Available

The screenshot shows the Ohio Auditor of State website with the 'RESOURCES' menu open. The navigation bar includes 'OHIO AUDITOR OF STATE KEITH FABER', 'AUDITS', 'LOCAL GOVERNMENTS', 'OPEN GOVERNMENT', 'TRAINING', 'RESOURCES', 'CONTACTS', 'ABOUT', and 'NEWSROOM'. The 'RESOURCES' dropdown menu lists: 'IPA Resources', 'Reference Materials', 'Federal', 'Publications & Manuals', 'Technical Bulletins', 'Procurement Opportunities', 'Web Links', 'Required Filings & Notifications', and 'Ohio Checkbook'. Below the menu, a news article titled 'Auditor urges diligence' is visible, along with a 'MAKE A PAYMENT' section for 'eServices' and 'eServices Login', and a 'KIDS CORNER' section for 'Student Center'. A search bar is located on the left side of the page.

https://www.ohioauditor.gov/default.html#


# Resources Available

Below is a list of pdfs for your review.

 [Behavioral Health Handbook](#) — 2024

 [FAQ: Levy and Bond Issues](#) — updated July 2025

 [County Board of Developmental Disabilities Manual](#)

 [Ohio County Sheriff's Office Manual](#) — Jun 2023

 [Ohio Township Handbook](#) — Mar 2019

 [School District Self-Assessment Guide](#)

## StaRS: The Star Rating System

The Auditor of State's annual report on the Office's public-records compliance system

[Read the Report](#) →

## Ohio Compliance Supplement Manuals

Created to help auditors and public entities understand and adhere to state laws, regulations, and guidelines

[See Compliance Manuals](#) →

# Resources Available



AUDITS ▾ LOCAL GOVERNMENTS ▾ OPEN GOVERNMENT ▾ TRAINING ▾ RESOURCES ▾

## 🏠 Reference Materials

### Clients & IPA Firms

#### Frequently Asked Questions

- GASB FAQ
- Library FAQ and Program Codes
- Other Accounting FAQ

#### Financial Statement Shells & Notes

- GAAP
- OCBOA
- Regulatory
- Specialized Footnotes

## Ohio Compliance Supplement Manuals

### 2026

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

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

#### [Ohio Compliance Supplement Manual \(pdf\)](#)

- Chapter 1 – Direct Laws ([pdf](#)) ([docx](#))
- Chapter 2 – Indirect Laws and Statutorily Mandated Tests ([pdf](#)) ([docx](#))
- Chapter 3 – Stewardship ([pdf](#)) ([docx](#))

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

# Resources Available



OHIO LAWS & ADMINISTRATIVE RULES  
LEGISLATIVE SERVICE COMMISSION

HOME

LAWS

ABOUT

CONTACT

RELATED SITES

GO TO

101.01

Go

Keyword Search



The Legislative Service Commission staff updates the Revised Code on an ongoing basis, as it completes its act review of enacted legislation. Updates may be slower during some times of the year, depending on the volume of enacted legislation.

## Section 9.24 | Findings for recovery.

Ohio Revised Code / General Provisions / Chapter 9 Miscellaneous

◀ Previous

Next ▶

**Effective:** September 30, 2025   **Latest Legislation:** House Bill 96 - 136th General Assembly   **PDF:** Download Authenticated PDF

(A) Except as may be allowed under division (F) of this section, no state agency and no political subdivision shall award a contract as described in division (G)(1) of this section for goods, services, or construction, paid for in whole or in part with state funds, to a person against whom 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.

<https://codes.ohio.gov/ohio-revised-code>

# Resources Available

The screenshot shows the website for the Ohio Auditor of State, Keith Faber. The navigation menu includes: OHIO AUDITOR OF STATE KEITH FABER, AUDITS, LOCAL GOVERNMENTS, OPEN GOVERNMENT, TRAINING, RESOURCES, CONTACTS, ABOUT, and NEWSROOM. A search bar is present with the text "Search...". To the right of the search bar is a button labeled "Search Audits" with a magnifying glass icon, which is highlighted with a red rectangular box. Further right is a button labeled "eServices Login" with a right-pointing arrow icon. Below the navigation and search area, there is a featured article card. The card has a blue-tinted image of a magnifying glass over a bar chart. The headline reads: "Annual State of Ohio single audit details \$44 billion in spending through 362 federally funded programs". Below the headline is a short paragraph: "The annual audit, covering financial activities from July 1, 2023, through June 30, 2024, is required under federal law to ensure federal funds allocated to the state are being spent appropriately." At the bottom of the card is a link: "More Details →". Below the card are three small blue dots, with the middle one being filled. At the bottom of the page, there is a horizontal banner with the text "Since January 2019:" followed by several icons: handcuffs, a balance scale, a money bag, a classical building, and a stack of money.

# Findings For Recovery Database

# Findings For Recovery Database

The screenshot shows the Ohio Auditor of State website. The top navigation bar includes the logo for Keith Faber and several menu items: AUDITS, LOCAL GOVERNMENTS, OPEN GOVERNMENT, TRAINING, RESOURCES, CONTACTS, ABOUT, and NEWSROOM. The 'AUDITS' menu is expanded, showing options for Financial, Performance, Special (SIU), Audit Findings, and Audit Search. The 'Audit Findings' option is highlighted. Below the navigation, there is a search bar and a 'Search Audits' button. The main content area features a 'FINDINGS FOR RECOVERY' section with a search bar for 'General & Certified Search' and a card titled 'Ohio single audit details \$44 billion in 362 federally funded programs'. The card includes a brief description of the audit and a 'More Details' link. At the bottom, there is a section titled 'Since January 2019:' with icons representing various aspects of the audit process.

<https://www.ohioauditor.gov/findings.html>

# Findings For Recovery Database

The screenshot shows the website for the Auditor of State Keith Faber. The navigation bar includes links for 'Findings Home', 'Findings Search', and 'Database Download' (highlighted with a red box). The main content area features a large heading 'Findings for Recovery' with a database icon. Below the heading is a descriptive paragraph and a 'Learn more »' button. At the bottom, there are two search forms: 'General Search' (highlighted with a red box) and 'Certified Search' (highlighted with a red box). The 'General Search' form includes fields for 'Individual or Company', 'Gov't Entity Name', 'Date Certified' (with month and year dropdowns), and 'Finding Status'. The 'Certified Search' form includes fields for 'First Name', 'Last Name', and 'Organization', along with a note about ORC 9.24 and a requirement to fill in fields completely. A copyright notice for 2025 - Ohio Auditor of State is visible at the bottom.

Auditor of State  
Keith Faber

Findings Home Findings Search **Database Download**

## Findings for Recovery

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.

Two search options are available: a certified search (which may be required by law) and a general search, from which results are not certified.

[Learn more »](#)

### General Search

if you are not required by law to show certification.

**Individual or Company:**

**Gov't Entity Name:**

**Date Certified:** \*Select Month\*  \*Select Year\*

**Finding Status:**

[Search »](#)

### Certified Search

as required by ORC 9.24, to verify that the person to who you plan to award a contract does not appear in the database.

\*\* Please fill in fields completely \*\*

**First Name:**

**Last Name:**

**Organization:**

[Search »](#)

© 2025 - Ohio Auditor of State

# Findings For Recovery Database

The screenshot shows a web browser window with the URL <https://ffr.ohioauditor.gov/Results/Certified>. The page header includes the Auditor of State Keith Faber's name and navigation links for Findings Home, Findings Search, and Database Download. A prominent blue banner reads "→ Certified Search for Unresolved Findings for Recovery".

The page features the Ohio Auditor of State logo and contact information for Keith Faber, including the address: Office of Auditor of State, 88 East Broad Street, Post Office Box 1140, Columbus, OH 43216-1140, and phone numbers (614) 466-4514 and (800) 282-0370.

The main content area is titled "Auditor of State - Unresolved Findings for Recovery Certified Search" and states: "I have searched The Auditor of State's unresolved findings for recovery database using the following criteria:"

**Contractor's Information:**  
**Name:** Davis, Amanda  
**Organization:**  
**Date:** 7/31/2025 at 7:25 AM

A red button labeled "PDF Version" is located to the right of the contractor information.

The search results section states: "This search produced the following list of possible matches:"

11 Possible matches were found

Name/Organization	Address
Davis, Doug	2120 Pinkerton Road Zanesville OH 43701
Davis, Eric	5510 Newfield Ave. Cincinnati OH 45237
Davis, Rhonda	5906 Lewisburg Road Lewisburg OH 45338
Davis, Vicki	14 Chapel Rd. Amelia OH 45102
Phillips, Amanda	123 Elm Street South Amherst OH 44001

© 2025 - Ohio Auditor of State

# Findings For Recovery Database Tested in the OCS

## Findings for Recovery Database (Ohio Rev. Code § 9.24)

The Auditor of State maintains a database, accessible to the public, listing persons/businesses against whom an unresolved finding for recovery has been issued, and the amount of the money identified in the unresolved finding for recovery. The database is available at the Auditor of State's website: <https://ohioauditor.gov/findings.html>.

No state agency and no political subdivision receiving more than \$50,000 in state funds in the current or preceding fiscal year (Ohio Rev. Code § 9.24(H)(2) and 2004 Op. Att'y. Gen. No. 2004-014) shall award a contract for goods, services, or construction, paid for in whole or in part with state funds, to a person/business against whom a finding for recovery has been issued by the auditor of state, if the finding for recovery is unresolved. (Ohio Rev. Code § 9.24(A)). Before awarding a contract for goods, services, or construction, paid for in whole or in part with state funds, a state agency or political subdivision shall verify that the person/business to whom the state agency or political subdivision plans to award the contract does not appear in this Auditor of State database. (Ohio Rev. Code § 9.24(E))

According to 2004 Op. Att'y. Gen. No. 2004-014, the term "contract" only applies to contracts requiring a competitive contracting process. Ohio Rev. Code § 9.24 (G)(1)(a) states that the only contracts subject to the provisions of the statute are those contracts in which the cost for the goods, services, or construction exceeds \$25,000. Ohio Rev. Code § 9.24 (G)(1)(b) also applies the statute to a contract awarded to any person/business who, in the previous fiscal year, received contracts from the state agency or political subdivision, and the aggregate of the current and preceding fiscal year exceeds \$50,000. In addition, Ohio Rev. Code § 9.24 (G)(1)(c) requires the renewal of contracts previously entered into to follow these requirements. *In summary, ORC 9.24 applies only to contracts which are the subject of a competitive contracting process and which either exceed \$25,000 or meet the aggregating criteria described above. (Note: Ohio Rev. Code § 9.24(G)(2) excludes employment contracts from this requirement.)*

## **Suggested Audit Procedures - Compliance (Substantive) Tests:**

6. If the selected contract(s) was paid in whole or in part with state funds, determine that the entity verified, prior to the award of the contract, that the person or business the entity awarded the contract to did not appear in the Auditor of State Findings for Recovery database under Ohio Rev. Code § 9.24, if required.



# 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 issue a Finding for Recovery for the exact dollar/cents.
- **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 may be strictly liable for public money received or collected by them or by their subordinates under color of law. (See next slide also.)

# Findings for Recovery and the Ohio Revised Code

## Strict Liability

**ORC 3313.25 &  
3313.31**

- School Treasurer

**ORC 3319.36**

- School District, ESC Treasurer & Superintendent

**Other**

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

# Findings for Recovery and the Ohio Revised Code

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 Chapter 117, a Finding for Recovery for public money illegally expended is hereby issued jointly and severally against Joe's Service Business, Inc., Jim Smith the bond covering Jim Smith, issued through Ace Insurance Corp. in the amount of \$125,000, and in favor of the City of Anyplace.

# Findings for Recovery Examples

# 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 Chapter 117**, a Finding for Recovery for **public monies illegally expended** is hereby issued against [REDACTED], [REDACTED], and the bond covering him, provided through [REDACTED], jointly and severally, in the amount of \$1,316.60, 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 \$1,316.60 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 \$154,399.44 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 pursuant to **Chapter 117**, a Finding for Recovery for **public monies illegally expended** for penalties and interest incurred from untimely submission of withholding contributions to the federal government is hereby issued against ██████████ and the bond covering, provided through ██████████, in the amount of \$154,399.44 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 \$28.64.

In accordance with the foregoing facts and pursuant to **Chapter 117**, a Finding for Recovery for **public monies illegally expended** is hereby issued against [REDACTED] in the amount of \$28.64 and in favor of the Society's operating fund.

On January 28, 2021, [REDACTED] repaid the \$28.64 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 Chapter 117, a Finding for Recovery for public monies illegally expended is hereby issued against [REDACTED], Principal in the amount of \$625.30 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 the bond covering her through [REDACTED] will be jointly and severally liable in the amount of \$625.30 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 \$6,246.33 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 Chapter 117, a finding for recovery for **public money collected but unaccounted** for is hereby issued against ██████████ in the amount of \$6,246.33 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 \$2,476.57 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 Chapter 117, a finding for recovery for **public money collected but unaccounted** for is hereby issued against ██████████ in the amount of \$2,476.57 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 pursuant to Ohio Rev. Code Chapter 117, a Finding for Recovery for public money collected but unaccounted for is hereby issued against [REDACTED], Village Fiscal Officer, and the bond covering her issued through [REDACTED] and [REDACTED], Clerk of Courts, and the bond covering him issued through [REDACTED] and [REDACTED], Mayor, jointly and severally, 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 Chapter 117, 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, ██████, the bond covering him, provided through ██████, and against Treasurer, ██████, and the bond covering her, provided through ██████, 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 Chapter 117, 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
-----------------------------	---------

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Chapter 117, 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 [REDACTED] 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 Chapter 117, 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 Chapter 117**, a finding for recovery for **public property converted or misappropriated** is hereby issued against ██████████ and the bond covering her through ██████████, 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, ██████ pleaded 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 ██████ County Common Pleas Court Case No. ██████. ██████ 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 Chapter 117, 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

**Phone:**  
866-Fraud-OH

**Submit A Form:**  
Available on AOS Internet  
Page

**Email:**  
fraudohio@ohioauditor.gov

**Mail A Letter:**  
65 East State Street  
PO Box #1140  
Columbus, OH 43215

<https://www.ohioauditor.gov/fraud/default.html#ReportFraud>

# Questions???



**Kelly Berger-Davis**

**Project Lead**

Center for Audit Excellence

800-282-0370

[KMBerger-Davis@ohioauditor.gov](mailto:KMBerger-Davis@ohioauditor.gov)