



**LORAIN COUNTY BOARD OF MENTAL HEALTH
LORAIN COUNTY**

SPECIAL AUDIT

FOR THE PERIOD DECEMBER 1, 2002 THROUGH SEPTEMBER 30, 2005



Mary Taylor, CPA
Auditor of State

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Mr. William Harper, Executive Director
Mr. Charles Neff, Director of Business Operations
Lorain County Board of Mental Health
1173 North Ridge Rd. East, Suite 101
Lorain, Ohio 44055

During an investigation conducted by the Lorain County Sheriff's Office, Tamala Foor, former Accounting and Personnel Administrator, was presented with a list of Lorain County Board of Mental Health (LCBMH) expenditures believed to be for personal purchases. Ms. Foor disputed certain expenditures claiming they were actually for LCBMH purposes. At your request, we have conducted a special audit of the disputed expenditures by performing the procedures enumerated in the attached Supplement to the Special Audit Report for the period December 1, 2002 through September 30, 2005 (the Period), solely to:

- Determine whether expenditures disputed by Ms. Foor were for LCBMH operations.

This engagement was conducted in accordance with the Quality Standards for Inspections established by the President's Council on Integrity and Efficiency (January 2005). The procedures and associated findings are detailed in the attached Supplement to the Special Audit Report. A summary of our procedures and significant results is as follows:

1. We reviewed 72 disputed expenditures totaling \$22,904 and determined whether those expenditures were for LCBMH operations.

Significant Results – Sixty-five of the 72 disputed expenditures totaling \$19,935 were unrelated to LCBMH operations. We issued a finding for recovery against Tamala Foor totaling \$19,935 for public monies illegally expended. In addition, we noted various internal control weaknesses in LCBMH's payment process.

2. On April 20, 2007 we held an exit conference with the following individuals from LCBMH, the Lorain County Prosecutor's Office, and the Lorain County Auditor's Office:

Mr. Timothy Williams, Board Chair	Ms. Jane Jonesco, Vice-Chair
Ms. Lenore Marken, Board Member	Mr. Joseph Luciano, Board Member
Mr. William Harper, Executive Director	
Mr. Charles Neff, Director of Business Operations	
Mr. J. Craig Snodgrass, Lorain County Auditor's Office	
Mr. Gerald A. Innes, Lorain County Prosecutor's Office	
Mr. Peter Gauthier, Lorain County Prosecutor's Office	

The attendees were informed that they had five business days to respond to this Special Audit Report. A response was received from the Lorain County Board of Mental Health on April 25, 2007. The response was evaluated and modifications were made to the report as we deemed appropriate.

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

Mary Taylor, CPA
Auditor of State

April 12, 2007

Supplement to the Special Audit Report

Background

On August 31, 2005, LCBMH terminated Ms. Foor for misuse of LCBMH credit cards. Upon discovery of alleged credit card theft, the Lorain County Sheriff's Office conducted an investigation of check expenditures and presented Ms. Foor with a list of approximately 245 questionable expenditures totaling \$177,638. Ms. Foor disputed certain expenditures claiming they were for LCBMH's operations.

On May 25, 2006, the Lorain County grand jury indicted Ms. Foor on two counts of theft in office, two counts of tampering with records and two counts of theft in excess of \$100,000 over an approximate three year period. It is alleged that during this three-year period, Ms. Foor established her boyfriend and his landlord as new vendors; created generic invoices supporting payments to her boyfriend for his rent, and for her utility bills, mortgage, car payment, and furniture purchases; and submitted the generic invoices to the Lorain County Auditor's Office for payment.

In a letter dated June 19, 2006, Charles Neff, LCMBH Director of Business Operations, requested assistance from the Lorain County Auditor's Office for an independent audit of LCBMH's accounts to determine the extent of the alleged thefts. In a letter dated June 26, 2006, Craig Snodgrass, Lorain County Chief Deputy Auditor, forwarded Mr. Neff's letter to the Auditor of State and requested a special audit. Over the subsequent months AOS representatives met with Mr. Neff to offer advice and review the results of LCBMH's internal examination of expenditures. In December 2006, the LCBMH's request for a special audit was clarified to include an examination of only those expenditures Ms. Foor disputed.

On December 18, 2006, the Auditor of State initiated a special audit of the disputed expenditures.

Ms. Foor's criminal case is in process. A pre-trial hearing was scheduled for May 7, 2007.

Supplement to the Special Audit Report

Issue No. 1 – Disputed Expenditures

Procedures

On August 3, 2006, Charles Neff, LCBMH Director of Business Operations, provided a list of 72 expenditures totaling \$22,904 which Ms. Foor disputed as being for personal purposes.

We reviewed available documentation from LCBMH, the Lorain County Sheriff's Office, and the Lorain County Auditor's Office supporting the disputed expenditures. This documentation included disputed vendor invoices maintained in the Family Stability program case files and by the Lorain County Auditor's Office; payment request forms approved by the Family Stability Committee, canceled checks, and related bank statements. We determined whether the disputed expenditures were for LCBMH operations and whether the Family Stability Committee minutes approved payment of the disputed expenditures.

For expenditures where support was not maintained by LCBMH or the Lorain County Auditor, we conducted interviews and contacted vendors to determine whether the expenditures were for LCBMH's operations.

Finding for Recovery

Misappropriation of LCBMH funds for Foor's personal purchases and use

Of the 72 disputed expenditures totaling \$22,904, 65 expenditures totaling \$19,935 were not related to LCBMH's operations. These funds were expended for payment of utility bills and home improvement items.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is hereby issued for public monies illegally expended against Tamala Foor for \$19,935 and in favor of the Lorain County Board of Mental Health.

Management Comment

We identified several weaknesses related to LCBMH's payment process during the Period, including establishing new vendors without the Director of Business Operation's approval, creating and submitting generic invoices to the Lorain County Auditor's Office for payment, failure to verify that the Family Stability Committee had approved the expenditure, and lack of the Director of Business Operation's approval of each voucher prior to payment.

These weaknesses provided Ms. Foor the opportunity to create vendors and generic invoices for submission to the Lorain County Auditor's Office for payment. Charles Neff, Director of Business Operations, asserted that after Ms. Foor's misuse of LCBMH funds was discovered and prior to the commencement of the special audit, LCBMH implemented policies, procedures and controls to address the weaknesses we identified.

We recommend LCBMH's Audit Committee and Executive Director perform random reviews of the Family Stability Program to ensure the revised controls are in place and operating effectively.



Mary Taylor, CPA
Auditor of State

LORAIN COUNTY BOARD OF MENTAL HEALTH

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 10, 2007**