



Mary Taylor, CPA
Auditor of State

OFFICE OF THE ATTORNEY GENERAL

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Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Richard Cordray
Ohio Attorney General
Office of the Attorney General
30 East Broad Street, 17th Floor
Columbus, OH 43215

We have performed the procedures enumerated below, to which management of the Office of the Attorney General (the Office) agreed, solely to assist the Office in identifying the cash balances, undeposited collections, balances in outside bank accounts, and property on hand as of January 6, 2009, the end of the former Attorney General's term. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements. The sufficiency of the procedures is solely the responsibility of the Office. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Receipts on Hand

1. We identified and counted all monies received by the Attorney General's Office prior to the start of business on January 7, 2009, which had not been deposited into the State Treasury or other appropriate bank accounts, for the following, based on information provided by Attorney General staff. The total amount of cash and checks on hand we identified are listed for the corresponding fund in the table below.

OAKS Fund	Fund Name	Amount
GRF	General Revenue Fund	\$2,428,380
1060	General Reimbursement	292,766
1070	Employment Services	0
1080	Crime Victims Compensation	0
1760	Crime Victims Assistance Office	0
1770	Victims Assistance Program	0
1950	Workers' Compensation	0
3060	Medicaid Fraud Control	0
3810	Civil Rights Legal Services	0
3830	Crime Victims Assistance	5,641
3E50	Anti-Drug Abuse	0
3R60	Attorney General Federal	0
4020	Reparations	40,626

Receipts on Hand (Continued)

OAKS Fund	Fund Name	Amount
4170	Domestic Violence Shelters	0
4180	Charitable Foundations	8,900
4190	Attorney General Claims	759,776
4200	Attorney General Antitrust	0
4210	Ohio Peace Officer Train Acad	1,000
4J90	AGO Insurance Abatement	0
4L60	Drug Abuse Resistance Educ	0
4R10	Missing Children	0
4Y70	Title Defect Recision	0
4Z20	BCI Asset Forfeiture/Cost Reim	807
5900	Peace Officer Private Security	0
5A90	Telemarketing Fraud Enforce	250
5G60	Organized Crime Commission	0
5L50	Law Enforcement Assistance	0
6290	Corrupt Activity Invest/Prosecu	0
6310	Consumer Protection Enforce	0
6590	Solid/Haz Waste Bkgrnd Invest	20,000
6740	Asbestos Abatement Distrib	0
J087	Law Enforcement Improv Trust	0
R003	Bingo License Refunds	0
R004	General Holding	7,500
R005	Antitrust Settlements	0
R018	Consumer Frauds	450
R042	Organized Crime Commission	0
R054	Collection Outside Counsel Pmt	0
U087	Tobacco Oversight Adm & Enf	0
Custodial	Collections Enforcement	6,063,189
	Total	\$9,629,285

In addition to the specific OAKS Funds identified by the Attorney General staff, as listed in the preceding table, we also identified four additional Funds with amounts on hand prior to the start of business on January 7, 2009. The following table shows the amounts of cash and checks on hand for these other funds not initially specified.

OAKS Fund	Fund Name	Amount
7002	Highway Operating	\$18,576
7044	State Lottery	706
7047	SCH-Dist Tang Proposal Tax Repl-Bus	21,293
7081	Local Govt Tang Proposal Tax Repl-Bus	9,125
	Total	\$49,700

Petty Cash

1. We counted the cash on hand prior to the start of business on January 7, 2009, for the following petty cash accounts. The amount counted for each of these petty cash accounts is listed in the table in step 4 below.
2. We confirmed the balances of any petty cash accounts held in outside bank accounts as of January 6, 2009, with the corresponding custodial bank. The amounts confirmed by the bank are identified for each account in the table in step 4 below.
3. We calculated the total of the receipts and/or other appropriate documentation on hand supporting amounts withdrawn from each identified account and added this to the amount of the cash on hand and/or confirmed balances. The results of these procedures are identified for each account in the table in step 4 below.
4. We compared the total calculated in step 3 above to the imprest amount established for each account as indicated on the Controlling Board action or other authoritative document establishing the account and identified any variances, as indicated in the table below.

Provided by the Office			Step 1	Step 2	Step 3		Step 4
Account Name	Imprest Amount	Account Type	Amount Counted	Amount Confirmed	Receipts & Support	Total Verified	Variance to Imprest
General Admin./Witness Fees	6,000	Cash	N/A	N/A	N/A	N/A	N/A
Charitable Foundations /Investigations	4,000	Checking	0	1,727	2,269	3,996	(4)
Consumer Fraud & Crimes/Investigations	5,000	Checking	0	5,000	0	5,000	0
Peace Officer Training Academy (POTA) Change Fund and Misc.	500	Cash	358	N/A	142	500	0
Cleveland District Office	300	Cash	204	N/A	96	300	0
General Admin./Legal & Misc.	10,000	Checking	0	6,657	3,343	10,000	0
BCI – POTA Travel	30,000	Checking	0	20,645	15,323	29,790	(210)
BCI/Misc.	1,000	Cash	351	N/A	650	1,001	1
BCI Investigations	100,000	Checking	0	69,113	30,887	100,000	0
OOCIC/Misc.	200	Checking	154	N/A	46	200	0
OOCIC/Confidential Fund	200,000	Checking	0	89,083	110,917	200,000	0

Based on our review of the documentation provided to us, we determined the following with regard to these petty cash accounts.

- We obtained documentation that indicated the General Admin./Witness Fees account does not exist. There is one General Admin. petty cash account and it is called the General Admin./Legal & Misc. account. It is a checking account and its imprest amount at January 6, 2009 was \$10,000.
- We determined the OOCIC/Misc. account was a cash account and not a checking account as indicated.
- For the cash accounts listed in the table above, we verified the custodian for each account had receipts and/or other appropriate documentation to support the unreimbursed amounts withdrawn from the account. We found no exceptions in the documentation supporting the amounts withdrawn.

Petty Cash (Continued)

- For the checking accounts listed in the table above, we obtained the bank reconciliation for each account and compared the amount confirmed to the bank balance included on the bank reconciliation prepared by the Attorney General's Office; we noted no variances. We also traced the reconciling items (outstanding check, deposits in transit, etc.) on each reconciliation and any unreimbursed disbursements to appropriate supporting documentation. These items are summarized as the Receipts & Support column in the table above and detailed below.
 - The \$2,269 Receipts and Support amount in the Charitable Foundations /Investigations account consists exclusively of unreimbursed disbursements supported by receipts. The custodian's ledger balance was \$1,727.
 - The custodian's ledger balance in the Consumer Fraud & Crimes/Investigations account was \$5,000.
 - The \$3,343 Receipts and Support amount in the General Admin./Legal & Misc. account is the net of unreimbursed disbursements supported by receipts of \$6,026 and reconciling items of (\$2,683). The custodian's ledger balance was \$3,974.
 - The \$15,323 Receipts and Support amount in the BCI-POTA Travel account consists of unreimbursed disbursement receipts of \$9,145 and reconciling items of \$6,178. The custodian's ledger balance was \$14,467.
 - The \$30,887 Receipts and Support amount in the BCI Investigations account consists exclusively of unreimbursed disbursements supported by receipts. The custodian's ledger balance was \$69,113.
 - The \$110,917 Receipts and Support amount in the OOCIC/Confidential Fund account is the net of unreimbursed disbursements supported by receipts of \$118,757, reconciling items of (\$7,206), and an error of (\$634). This account has two sub-accounts. The check stub ledger for one of the sub-accounts listed the balance at \$69,211 as of January 6, 2009; however, our procedures indicated the actual balance should have been \$68,577, resulting in the \$634 variance. The actual custodian's ledger balance for both sub-accounts should have been \$81,243 instead of \$81,877.
- We obtained the Controlling Board action or other authoritative document that established each account and agreed the established imprest amount to the related imprest amount listed above for the account. We did not identify any variances.
- We identified the following variances when comparing the calculated total of cash/ledger balance and receipts to the related account's imprest amount.
 - The \$4 shortage in the Charitable Foundations/Investigations petty cash account could not be explained by the account's custodian.
 - The \$210 shortage in the BCI-POTA Travel petty cash account was due to a travel reimbursement overpayment to an employee. We obtained documentation that the \$210 was recovered from the employee and deposited into the account on January 20, 2009.
 - The \$1 overage in the BCI Miscellaneous petty cash could not be explained by the account's custodian.

Other Outside Bank Accounts

1. We confirmed the balances of the non-petty cash bank accounts listed in the table in step 2 below as of January 6, 2009, with the corresponding custodial bank. We received a bank confirmation for each of these accounts.
2. We compared the amount confirmed for each identified account to the bank balance included on the bank reconciliation for the related account prepared by the Attorney General's Office and identified any differences. The Office's balance for each account agreed with the bank confirmation, except as identified below.

Other Outside Bank Accounts (Continued)

Provided by the Office			Step 1	Step 2	
Account Name	Bank Name	Account Type	Bank	Office	Variance
Attorney General Revenue Recovery	Fifth Third	Custodial	831,948	831,948	0
TOS Custodial Contingency – Attorney General Clearing	Key Bank	Custodial	0	0	0
TOS Custodial Contingency – Attorney General Sweep	Key Bank	Custodial	11,859,646	11,859,646	0
AGO Charitable	Key Bank	ZBA	0	0	0
AGO BCI Epayment	Key Bank	ZBA	0	0	0
TF08-2 Forfeiture	NCB	Escrow-Forfeiture	26,461	0	26,461
Commission TF08-1 Forfeiture	NCB	Escrow-Forfeiture	153,202	153,202	0
Comm TF05-3F	NCB	Escrow-Forfeiture	6,606	6,606	0
TF98-3 Federal Forfeiture	NCB	Escrow-Forfeiture	170,676	170,676	0
TF99-1 Forfeiture Escrow	NCB	Escrow-Forfeiture	21,677	21,677	0
TF033 Forfeiture Escrow	NCB	Escrow-Forfeiture	42,076	42,079	(3)
TF023 Forfeiture Escrow	NCB	Escrow-Forfeiture	7,740	7,740	0
03-01 Forfeiture Escrow	NCB	Escrow-Forfeiture	6,721	6,721	0
TF06-06 Forfeiture Escrow	NCB	Escrow-Forfeiture	87,660	87,660	0
Forfeiture Escrow	NCB	Escrow-Forfeiture	1	26,462	(26,461)
TF05-04 Forfeiture Escrow	NCB	Escrow-Forfeiture	271,588	271,588	0
TF05-3 Forfeiture Escrow	NCB	Escrow-Forfeiture	5,159	4,924	235
TF05-7 Forfeiture Escrow	NCB	Escrow-Forfeiture	332,744	332,744	0
TF07-2 Forfeiture Escrow	NCB	Escrow-Forfeiture	1,993	1,993	0
TF05-5 Forfeiture Escrow	NCB	Escrow-Forfeiture	83,379	83,379	0
TF02-2 Forfeiture Escrow	NCB	Escrow-Forfeiture	1,769	1,769	0
Ohio Organized Crime Investigation	NCB	Other	96,152	96,152	0
Buspar Settlement – Consumers	Huntington	Other	111,664	111,664	0
Buspar Settlement – State	Huntington	Other	3,157,387	3,157,387	0
BCI & I Credit Card Payments	Fifth Third	Other	0	Unknown	Unknown
Consumer Covert Investigation	Confidential Information		674	674	0

Other Outside Bank Accounts (Continued)

Based on our review of the documentation provided to us, we determined the following with regard to the variances identified.

- The off-setting variances for the Forfeiture Escrow Account and TF08-2 Forfeiture Account were due to a deposit made by the US Marshalls into the Forfeiture Escrow Account and subsequent transfer to the TF08-2 Forfeiture Account on January 5, 2009. The transfer was not recorded by the Office as of January 6, 2009.
- The variance for the TF03-3 Forfeiture Escrow Account was due to the account custodian incorrectly recording interest for the month of December at \$38 instead of the actual \$35.
- The variance for the TF05-3 Forfeiture Escrow Account was caused by the bank responding with the incorrect balance on the confirmation, as we determined based on the December bank reconciliation, the beginning balance and activity shown on the January 2009 monthly bank statement, and a deposit slip for a deposit made on January 13, 2009.

In addition to the variances shown above, the internal records of the Office for the BCI & I Credit Card Payment Account did not show the balance as of January 6, 2009. Thus, we could not reconcile the bank confirmation to an Office balance.

State Property

1. We obtained a copy of the letter and any related attachments submitted by the outgoing Attorney General in accordance with Ohio Rev. Code 117.17.

The Ohio Rev. Code 117.17 letter and related attachment was provided to us in hard-copy format. To sort the data, we requested the attachment information be provided in electronic format. We reconciled the hard-copy schedules with the electronic file and determined the two differed, in total, by 53 assets and \$85,849. After consulting with the Office, the Office decided using the electronic file would be sufficient for these procedures, in spite of the variance. We sorted the electronic file into three groups - items equal to or more than \$5,000 (see step 3 below), items less than \$5,000 and high risk (see step 2 below), and items less than \$5,000 and not high risk (see step 4 below).

2. We identified all firearms, AV equipment, cameras, GPS devices, laptop computers, and blackberries from the letter and/or attachments obtained in step 1 above; a total of 2,768 items (with a total cost of \$2,246,467) were identified. Using nonstatistical sampling, we selected 60 of these high risk items and physically inspected each item to determine its location. All selected items were identified and physically inspected, except as noted below.
 - A projector, asset number 223495, listed at 150 East Gay Street and recorded at a value of \$3,801, could not be located.
 - A camera, asset number 220554, listed at Bowling Green and recorded at a value of \$263, could not be located.
3. We identified all items shown with a value of \$5,000 or more from the letter and/or attachments obtained in step 1 above; a total of 957 items (with a total cost of \$16,589,991) were identified. Using nonstatistical sampling, we selected 60 of these high dollar items and physically inspected each item to determine its location or observed the title of ownership if the item was a vehicle. No exceptions were noted.
4. Using nonstatistical sampling, we selected 60 additional items (not high dollar or high risk) from the letter and/or attachments obtained in step 1 above; a total of 7,572 items (with a total cost of \$9,680,546) were identified. We physically inspected these items to determine their location. All selected items were identified and physically inspected, except as noted below.

State Property (Continued)

- A vehicle adapter, asset number 216202, listed at Bureau of Criminal Identification & Identification (BCI) in London and recorded at a value of \$1,516, could not be located.

Note: Related to all three of the nonstatistical sampling tests (procedures 2, 3, and 4 of this section), the Office agreed that instead of physically inspecting each selected item, it would be sufficient to inspect a valid and approved assignment/transfer form for the item when an employee assigned an asset couldn't be present during the inspection at a specific location.

Evidence

1. We obtained listings of all non-DNA property in the possession of the Attorney General's Office prior to the start of business on January 7, 2009, which was being held as evidence in and/or obtained as the result of official investigations by the Office at the Attorney General evidence room locations (Investigations and Crime Labs) listed in the table in step 2 below. Each location was able to provide us with a list of the items held as evidence in and/or obtained as the result of official investigations by the Office.
2. For Investigations property, we observed the contents of the evidence room to verify only paper documents were maintained. We identified any non-paper item in evidence.

Most of the locations contained both paper and non-paper items. The non-paper items included CD-ROMs, monitors, computers, video recordings, prescriptions, clothing, etc. We obtained a printout that listed the items in the evidence room. We selected a nonstatistical sample of non-paper items physically identified at the location and agreed the items to the Office-generated list. We also selected a nonstatistical sample of non-paper items from the list and physically inspected the item. This substitute procedure was agreed to by the Office. The number of non-paper items selected for testing is listed in the following table.

Provided by Office	Step 2			
	# of Cases on List	# of Items on List	# of Cases Selected	# of Items Selected
Bowling Green	All paper items only.			
Richfield - Bulk Evidence Room	21	82	21	82
Richfield - Computer Crime	108	465	50	50
Youngstown	2	2	2	2
Cambridge	Lab only, no separate investigations evidence room.			
London	534	834	50	50
Columbus: 150 East Gay Street	184	1,542	12	35
Columbus: Consumer Protection	120	132	99	99
Columbus: Tobacco Enforcement	150	150	59	59
Columbus: Confidential Law	46	46	9	9

Evidence (Continued)

All items were physically identified and included on the property listing, except as identified below.

- Nine of 59 (15%) items selected for testing at the Tobacco Enforcement Investigation Room in Columbus were not recorded on the inventory list provided by the Office.
- One of 25 (4%) items selected for testing at the Investigation Room in London was not recorded on the inventory list provided by the Office.
- Three of 25 (12%) items selected for testing at the Investigation Room in London were recorded on the inventory list provided by the Office but were not at the physical location because these items were signed out as of January 7, 2009.

Also, at the 150 East Gay Street location, we identified and counted \$259 in cash, which was won by investigators who went undercover in various gambling situations. Office personnel indicated that money is initially taken from Fund 4180 to "fund" the gambling operations. Winnings are used to repay money taken from Fund 4180. If winnings exceed the amount taken from Fund 4180 and after Fund 4180 has been repaid, the extra winnings are maintained in evidence until the related case is closed. Once the case is closed, the excess winnings are deposited into the Office's General Revenue Fund. This \$259 of "evidence" was part of the extra winnings being held pending the closing of the related case(s).

3. For Crime Lab property, using nonstatistical sampling, we selected 100 items from the listing provided for each location and physically inspected each item to verify it was on hand as listed. We selected the items for verification as determined reasonable from each of the three categories (drugs, firearms, and other property). We also selected 50 items on hand at each location and traced the items back to the inventory list. We were able to select and test 100 and 50 items from each location for each respective test. No exceptions were noted in these tests.

We were not engaged to, and did not conduct an examination, the objective of which would be to express an opinion on the Office's transactions, activities, and property. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is intended solely for the information and use of the Office of the Attorney General and is not intended to be, and should not be, used by anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

May 19, 2009



Mary Taylor, CPA
Auditor of State

OFFICE OF THE ATTORNEY GENERAL

FRANKLIN 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
JUNE 23, 2009