



OHIO AUDITOR OF STATE  
**KEITH FABER**





FRANKLIN CITY SCHOOL DISTRICT  
WARREN COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



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Franklin City School District  
Warren County  
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To the Superintendent, Treasurer and Board of Education:

## **Background**

The Auditor of State (AOS), Special Investigations Unit (SIU) conducted a criminal investigation and special audit of the Franklin City School District (the District) predicated on a potential theft of student school fees (school fees) and parking permit fees collected by the Franklin High School Secretary but unaccounted for by the District.

The investigation began on October 2, 2019, after SIU was notified by the AOS financial division of a potential theft communicated to them by the District Treasurer. It was alleged Lanisa Smith collected payments for school fees but did not deposit the fees and subsequently waived the fees in the District's student information system (SIS). Additionally, it was alleged Ms. Smith collected payments for parking permit fees and did not deposit the fees.

After the information obtained from interviews and preliminary examination of the District's internal investigation 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](#).

## **Suspect**

Lanisa Smith was hired by the District on November 29, 2004 and worked multiple positions before becoming the Franklin High School Principal Secretary. On May 31, 2019, the District placed Ms. Smith on paid administrative leave after an initial investigation into a complaint that some school fees had not been handled properly. Ms. Smith resigned from the District on June 14, 2019.

## **Schemes**

As the High School Principal Secretary, Ms. Smith was responsible for collecting and preparing deposits for school fees. Additionally, Ms. Smith was responsible for collecting and depositing payments received for parking permit fees. During the period of July 1, 2014 through June 14, 2019 (Period), we noted the following:

### **School Fees**

Ms. Smith was responsible for collecting school fees paid by or for high school students, posting receipts and waiving school fees in SIS for high school students. For the Period, we reviewed school fees waived by Ms. Smith to determine if the student was eligible to have their fees waived. We identified the following issues:

- Ms. Smith issued five manual receipts totaling \$1,179 documenting school fees were paid for a student; however, the fees were waived in the District's SIS and the money collected was not deposited with the District.
- Ms. Smith issued a manual receipt totaling \$10 for school fees but the receipt was not posted to SIS and the money was not deposited with the District.

- Ms. Smith printed a report with a student’s school fee balance from SIS and documented “Paid in full”. The balance documented on the report was \$246. Ms. Smith posted a payment of \$70 in SIS and deposited \$70; however, Ms. Smith waived the other \$176, which was not deposited with the District.
- Additionally, a District employee printed a report with a student’s school fee balance from SIS and documented “Paid in full”. The balance documented on the report was \$373. Ms. Smith waived \$368 of the student’s school fees in SIS, and the \$373 was not deposited with the District.

**Parking Permit Fees**

From July 1, 2016 through June 14, 2019, we examined parking permits issued to students. Additionally, we reviewed all receipts posted to the District’s Principal Fund and identified all parking permit fees recorded and deposited. While reviewing the District’s Principal Fund, we identified receipts that didn’t document a source and had no supporting documentation, and we were unable to determine if parking permit fees were included with the receipt. We identified all parking permit receipts and receipts with no description that could have included parking and compared this amount to the amount that was deposited for parking permits by the District for each school year and noted the following:

School Year	Parking Permits Issued	Permit Fees Collected (\$5/permit)	Permit Fees Recorded / Deposited	Receipts in Fund with No Source Description	Variance
2016-2017	184	\$920	\$522	\$110	\$288
2017-2018	184	920	452	0	468
2018-2019	153	765	210	156	399
<b>Total</b>	<b>521</b>	<b>\$2,605</b>	<b>\$1,184</b>	<b>\$266</b>	<b>\$1,155</b>

**Findings**

Based on the special audit procedures and investigation, the Auditor of State confirmed the allegation that monies collected for school fees and parking permit fees were unaccounted for over a span of three years.

We issued \$2,893 in findings for recovery for monies collected but unaccounted for during the Period.

The full details of the findings 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.

On June 28, 2021, Lanisa Smith was indicted by the Warren County grand jury on two counts, including theft in office and tampering with records.


On February 3, 2023, Ms. Smith was found not guilty following a four-day jury trial and was acquitted on the two counts of theft in office and tampering with records, both felonies of the third degree.

The exit conference was waived by the District; however, the Board of Education and Management were given five days to respond to this special audit report. A response was not received by the District.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 22, 2023



**APPENDIX**  
**SCHEDULE OF FINDING FOR RECOVERY**

# APPENDIX

## FINDINGS FOR RECOVERY

### School Fees

**District Policy Manual Section 6152** states, in part, the Board of Education will provide the necessary textbooks and/or electronic textbooks required by the course of study free of charge for its students. The Board may charge fees for any additional materials used in the course of instruction. The Board may furnish these additional materials free of charge to students determined to have a serious financial need. Any such waiver of these charges shall be made in accordance with Policy 6152.01.

Any fees, fines, and/or other charges collected by members of the staff that total more than \$1,000.00 or that cannot be safeguarded shall be turned in to the Treasurer within one (1) business day after collection. Any fees, fines, and/or other charges collected by members of the staff that total less than \$1,000.00 and that can be safeguarded shall be turned in to the Treasurer within three (3) business days after collection. A place such as the building safe or a locked file cabinet shall be used for securing the monies until they are deposited with the Treasurer.

**District Policy Manual Section 6152.01** states, in part, the District shall waive fees assessed by the District for instructional materials only for students whose parent(s) or guardian are unable to afford them. The Superintendent may, as deemed necessary, establish additional procedures to supplement the procedures established in this policy regarding the requests for the waiver of fees. Students eligible for a waiver of school fees include, but are not limited to, the following:

- A. Students who qualify for aid under Ohio Works First (R.C. 5107) or Disability Assistance (R.C. 5115).
- B. Students who qualify for free lunch under the National School Lunch Act.
- C. Other good and just reasons.

During the Period, we identified school fees totaling \$1,738 collected by Ms. Smith that were not recorded as receipts in the SIS and not deposited and \$1,723 of these school fees were recorded as waived in SIS.

### Parking Permit Fees

The **Franklin High School Student/Parent Handbook's Student Driving & Regulations section** states students driving to school are required to purchase a student-parking permit and complete a student parking registration form. Permits and registration are available from the principal's secretary. Students would complete a Student Automobile Registration form each school year and submit it online. Once the District received the registration form, they requested the student to pay a \$5 permit fee. Once the fee was paid, a parking spot was assigned to the student. Ms. Smith was responsible for the collection of the permit fees and preparing pay-in orders for the monies to be posted to the system and deposited.

From July 1, 2016 through June 14, 2019, we identified \$1,155 of parking permit fees that were not deposited.

### Findings for Recovery Conclusion

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code § 117.28**, a finding for recovery for public monies collected but unaccounted for is hereby issued against Ms. Smith in the amount of \$2,893, with \$1,738 in favor of the District's General Fund and \$1,155 in favor of the District's Principal Fund.



# OHIO AUDITOR OF STATE KEITH FABER



## FRANKLIN CITY 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 6/8/2023

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)