



**RICHARD ALLEN ACADEMY SCHOOLS
MONTGOMERY COUNTY**

SPECIAL AUDIT

FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2010



Dave Yost • Auditor of State

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INDEPENDENT ACCOUNTANTS' REPORT

Gary Persons, Board Chair
Richard Allen Academy Schools
4111 Commonwealth Dr
Bryant, AR 72022

Jeanette Harris, President/CEO
Institute of Management and Resources
368 S. Patterson Blvd
Dayton, OH 45402

We conducted a special audit of the Richard Allen Academy Schools¹ (Schools) by performing the procedures described in the attached Supplement to the Special Audit Report for the period July 1, 2008 through June 30, 2010 (the Period) solely to:

- Determine whether certain expenditures made by the Schools during the Period were supported and made for purposes related to the operations of the Schools.
- Determine whether the Schools' payments to credit card companies during the Period were supported and made for purposes related to the operations of the Schools.

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 examined available documentation supporting certain expenditures by the Schools.

Significant Results - We examined 598 expenditures paid by the Schools to 29 vendors totaling \$12,832,981.

We proposed findings for recovery of varying amounts totaling \$919,359, for public money illegally expended against the Institute of Management and Resources, Institute of Charter School Management and Resources, Jeanette Harris, Michelle Thomas, Gayle Simmons, Steven Johnson and Millennia Consulting. In January 2012, repayments totaling \$36,466 were made to the Schools. Accordingly, we considered the repayments findings for recovery repaid under audit. We issued findings for recovery of varying amounts against various companies and individuals totaling \$882,893 for the remaining unpaid amounts.

¹ The Richard Allen Academy Schools consist of the following four separately incorporated entities; Richard Allen Academy, Inc., Richard Allen Academy II, Inc., Richard Allen Academy III, Inc. and Richard Allen Preparatory, Inc.

We issued a noncompliance citation related to ethics/conflicts of interest. We issued five management comments related to STRS and SERS withholding, billing for treasurer's office employees, employee pay and benefits, electronic bill payments and checks clearing incorrect bank accounts.

2. We examined available documentation supporting the Schools' payments to American Express and Discover credit card companies.

Significant Results – During the Period, the Schools made payments on credit card accounts in the name of Ms. Harris and her husband Reverend Earl Harris.

We proposed findings for recovery against Ms. Harris and Reverend Harris for public monies illegally expended in the amounts of \$5,945 and \$4,546, respectively. In January 2012, repayments totaling \$4,973 were made to the Schools and accordingly, we considered the repayments findings for recovery repaid under audit. We issued findings for recovery of \$2,153 and \$3,365 against Ms. Harris and Reverend Harris, respectively, for the remaining unpaid amounts.

We issued two management comments related to fuel purchases and accrual of credit card rewards.

3. On January 18, 2012, we held an exit conference with the following individuals representing the Schools:

Dixie Allen, Board Member
Laquetta Cortner, Board Member
Wanda Mills, Board Member
Mia Wortham-Spells, Board Member
Edmund Brown, Legal Counsel for Schools

Jeanette Harris, IMR president/CEO
Michelle Thomas, Superintendent
Felix O'Aku, Treasurer
Ethel Harris, Kids Count of Dayton
Greg Gantt, Legal Counsel for IMR

The attendees were informed that they had five business days to respond to this special audit report. A response was received on January 25, 2012. The response was evaluated and changes were made to this report as we deemed necessary. Due to the nature of certain transactions we referred our report to the Ohio Ethics Commission, Ohio Department of Education, and the Montgomery County Department of Job and Family Services for consideration of whether action by those entities is warranted.



Dave Yost
Auditor of State

December 5, 2011

Supplement to the Special Audit Report

Background

Several issues were identified by Auditor of State Dayton Region audit staff while conducting the fiscal year ended June 30, 2009 financial audits for the four Richard Allen Academy schools. Areas of concern included payments to management company president/CEO Jeanette Harris and various related party entities. Ms. Harris owned the for-profit management company for the schools and later created a nonprofit management company to replace the for-profit entity. Ms. Harris also operated a private school housed in the same building as one of the Richard Allen schools. Other concerns included potential conflicts of interest with family members, overpayment of the management company, lack of policies and procedures and lack of cooperation in providing documentation to the financial audit staff.

This information was considered by the Auditor of State's Special Audit Task Force and on July 21, 2010, the Auditor of State initiated a special audit of the Richard Allen Academy schools.

Supplement to the Special Audit Report

Relevant People and Entities

Jeanette Harris

During the Period, Ms. Harris served as president/CEO of the Schools' nonprofit management company, Institute of Management and Resources (IMR). Ms. Harris also owned and operated the for-profit business, Institute of Charter Schools Management and Resources (ICSMR) that leased building space to the Schools during the Period. According to the Richard Allen Academy website, Ms. Harris and her husband Reverend Earl Harris founded the Schools and the private pre-kindergarten school, Westpark Academy. Ms. Harris signed Ohio Secretary of State filings on behalf of the Schools as incorporator, trustee, president and statutory agent and was listed as CEO on the Schools' fiscal year 2009 IRS Forms 990.

Reverend Earl Harris

During the Period, Reverend Harris served as a nonvoting, emeritus member on the Schools' Boards of Directors. Reverend Harris was also pastor of Greater Allen African Methodist Episcopal (AME) Church that rented space during the Period to the Schools to conduct training.

Michelle Thomas

During the Period, Ms. Thomas was promoted from principal and deputy superintendent to superintendent of the Schools. Ms. Thomas is the daughter of Jeanette Harris.

Felix O'Aku

During the Period, Mr. O'Aku served as a board member and treasurer for the Schools. Mr. O'Aku was a member of the Schools' Boards of Directors until February 2009 when he resigned to accept full-time employment with IMR and become the Schools' treasurer. During the Period, Mr. O'Aku also owned and operated the for-profit company, Millennia Consulting, LLC, that provided financial services to the Schools. Additionally, the IRS Form 990 for the Schools' sponsor, Kids Count of Dayton, listed Millennia Consulting as the entity responsible for Kids Count's financial records.

Kids Count of Dayton, Inc. (Kids Count)

During the Period, Kids Count was the contractual sponsor of the Schools. Kids Count was incorporated as a nonprofit organization in 1994, and according to an Ohio Secretary of State filing, Ms. Harris became president and statutory agent for Kids Count in 1997. Kids Count operates a private pre-kindergarten school under the registered trade name Westpark Academy that is located in the same building as Richard Allen Preparatory.

Institute of Management and Resources, Inc. (IMR)

During the Period, IMR was the contractual management company for the Schools. IMR was incorporated as a nonprofit organization in 2002 with initial directors listed as Ms. Harris, Reverend Harris and Ms. Thomas. IMR offices are located at 368 S. Patterson Blvd., Dayton, a building owned by Kids Count.

Institute of Charter School Management and Resources, Inc. (ICSMR)

During the Period, ICSMR leased building space to the Schools. ICSMR was incorporated as a for-profit business in 1999 by Ms. Harris and served as the Schools' management company prior to IMR. ICSMR offices are located at 368 S. Patterson Blvd., Dayton, a building owned by Kids Count.

Supplement to the Special Audit Report

Richard Allen Academy, Inc. (RAAI)

RAAI was incorporated as a nonprofit organization in 1999 by Ms. Harris. During the Period, RAAI operated at 700 Heck Avenue, Dayton (Edgemont Campus), in building space leased from ICSMR.

Richard Allen Academy II, Inc. (RAAII)

RAAII was incorporated as a nonprofit organization in 2000 with initial trustees listed as Ms. Harris, Reverend Harris and Ms. Thomas. During the Period, RAAII operated at 400 E. Second Street, Dayton, in building space leased from St. Joseph Roman Catholic Church. RAAII also operated kindergarten classes on the third floor of 627 Salem Avenue, Dayton, in building space leased from St. Mary Development Corporation. In 2010, RAAII moved to 184 Salem Avenue, Dayton (Downtown Campus), in building space leased from IMR.

Richard Allen Academy III, Inc. (RAAIII)

RAAIII was incorporated as a nonprofit organization in 2001 with initial trustees listed as Ms. Harris, Reverend Harris and Ms. Thomas. During the Period, RAAIII operated at 299 Knightsbridge Drive, Hamilton (Hamilton Campus), in building space leased from Butler Metropolitan Housing Authority.

Richard Allen Preparatory, Inc. (RA Prep)

RA Prep was incorporated as a nonprofit organization in 2000 with initial trustees listed as Ms. Harris, Reverend Harris and Ms. Thomas. During fiscal year 2009, RA Prep operated on Superior Avenue, Dayton, in building space leased from ICSMR. During fiscal year 2010, RA Prep operated at 627 Salem Avenue, Dayton (Dayton View Campus), in building space leased from St. Mary Development Corporation.

Westpark Academy

Westpark Academy, a registered trade name of Kids Count, is a private, pre-kindergarten school associated with the Schools. During the Period, Westpark operated at 627 Salem Avenue, Dayton, the same address as RA Prep. Westpark is mentioned prevalently on the Schools' website. According to the website, Westpark was the first school opened by Jeanette and Earl Harris and serves as a pre-kindergarten feeder to RA Prep. Westpark's financial operations are commingled with the other four schools and management company.

Supplement to the Special Audit Report

Objective No. 1 – Examination of Expenditures

Procedures

We obtained expenditure reports for the Period and identified for examination payments made to or on behalf of certain executive level employees, related parties and any unusual expenditures.

We examined available documentation for the selected expenditures to determine whether the expenditures were supported and for purposes related to the operations of the Schools.

Results

During fiscal year 2009, the Schools paid certain vendors directly and reimbursed the Schools' management company, Institute of Management and Resources (IMR) for expenditures specifically identified as made by IMR on behalf of the Schools. For fiscal year 2010, the Schools amended their contract with IMR to pay the majority of their revenue to IMR for operational expenses. Under this arrangement there was not a direct correlation between the amounts the Schools paid IMR and the expenses IMR paid on the Schools behalf. As a result, the financial activity decreased in the Schools' accounts as vendor payments were made directly by IMR on behalf of the Schools. For this reason, we were unable to examine expenditures made by the management company on behalf of the Schools during fiscal year 2010.

We examined 598 expenditures paid by the Schools to 29 vendors totaling \$12,832,981. Of this amount, 289 expenditures totaling \$12,346,527 were paid to IMR for management fees, operational expenses and reimbursements. The following is a summary of the expenditures examined:

Vendor	Number of Expenditures	Amount Examined
Institute of Management and Resources	289	\$12,346,527
Institute of Charter School Management & Resources	26	243,690
Jeanette Harris	47	50,868
Michelle Thomas	28	15,624
Millennia Consulting	6	15,800
Greater Allen AME Church	5	8,646
Other Expenditures	197	151,826
Total	598	\$12,832,981

For fiscal year 2009, the management agreement between the Schools and IMR required the Schools pay a fee of ten percent of total operating revenue to IMR as compensation for managing the Schools. The Schools also reimbursed IMR for specifically identified expenses incurred, including the payment of employee salaries and benefits. Since amounts paid to IMR included payroll reimbursements in fiscal year 2009, we examined the supporting documentation for payroll expenditures. No additional payroll records were provided by the Schools for fiscal year 2010 after the contract changed between the Schools and the management company.

Supplement to the Special Audit Report

Findings For Recovery Repaid Under Audit

Reimbursements – Jeanette Harris

During fiscal year 2009 and the first month of fiscal year 2010, the Schools reimbursed Jeanette Harris \$50,868 for miscellaneous expenses. Of this amount, Ms. Harris received duplicate reimbursements totaling \$5,434 for expenses previously reimbursed. Ms. Harris received payments totaling \$826 for reimbursements that were not supported by documentation. Due to the lack of available documentation, we were unable to determine whether the expenditures were for purposes related to the operations of the Schools. Ms. Harris also received reimbursements totaling \$8,915 that appeared to be personal in nature or lacked sufficient documentation to determine whether the expenditures were for the Schools' operations.

We proposed a finding for recovery in the amount of \$15,175 against Jeanette Harris, and in favor of Richard Allen Academy, Richard Allen Academy II, Richard Allen Academy III, and Richard Allen Preparatory, in the amounts of \$3,511, \$6,854, \$2,494, and \$2,316, respectively. Ms. Harris, IMR and ICSMR remitted \$5,434, \$8,366 and \$1,375, respectively to the Schools. Accordingly, we considered this a finding for recovery repaid under audit.

Alcohol Purchases – Jeanette Harris

The Schools reimbursed Ms. Harris \$918 for alcohol purchases related to the Schools' Monte Carlo holiday party held in December 2008. The charges included the purchase of alcoholic beverages and an associated service charge. The Schools also reimbursed Ms. Harris \$84 for alcoholic beverages purchased at restaurants in May 2008.

Ohio Attorney General Opinion 82-006 addresses the expenditure of funds for public purposes. This opinion, citing the Ohio Supreme Court case of State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides guidance as to what may be construed as a public purpose. First, the expenditure is required for the general good of all inhabitants. Second, the primary objective of the expenditure is to further a public purpose, even if an incidental private end is advanced. The determination of what constitutes a public purpose is primarily a legislative function. As such, the decision to expend public funds "...must be made in accordance with the procedural formalities governing the exercise of legislative power. Specifically, the decision must be memorialized by a duly enacted ordinance or resolution and may have prospective effect only." 1982 Op. Atty. Gen. No. 82-006. Auditor of State Bulletin 2003-005 states that the Auditor of State's Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and views such expenditures as manifestly arbitrary and incorrect.

We proposed a finding for recovery in the amount of \$1,002 against Jeanette Harris and in favor of Richard Allen Academy, Richard Allen Academy II, Richard Allen Academy III and Richard Allen Preparatory, in the amounts of \$255, \$255, \$255, and \$237, respectively. Ms. Harris remitted \$1,002 to the Schools and accordingly, we considered this a finding for recovery repaid under audit.

Scholarship Fund – Institute of Management and Resources; Jeanette Harris; Gayle Simmons

Each pay period, amounts up to \$20 were withheld from the wages of certain employees by means of payroll deductions and deposited into a bank account titled "Richard Allen Academy, DBA Pat McCormick Scholarship Fund".

During fiscal year 2009, \$2,000 was withdrawn from this account by a debit memo that indicated a cashier's check was made payable to Richard Allen Academy; however, we were unable to trace the funds to a deposit to one of the Schools' accounts. The authorized signatories on the scholarship account at this time were Ms. Harris and Gayle Simmons, former treasurer for the Schools.

During fiscal year 2010, a total of \$7,845 was transferred from the scholarship account to a bank sweep account in the name of the Institute of Management and Resources. The funds were not transferred back to the scholarship account and we could not determine how the funds were used after the transfers into the IMR account.

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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 liable for the amounts of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Atty Gen. No. 80-074; Ohio Rev. Code Section 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. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Atty Gen. No. 80-074.

We proposed a finding for recovery in the amount of \$2,000, jointly and severally, against Jeanette Harris, Gayle Simmons and Ms. Simmons's bonding company, Fidelity and Deposit Company of Maryland, and in favor of the Richard Allen Academy Scholarship Fund. We also proposed a finding for recovery in the amount of \$7,845 against IMR and in favor of the Richard Allen Academy Scholarship Fund. IMR remitted \$9,845 to the Scholarship Fund and accordingly, we considered this a finding for recovery repaid under audit.

Findings For Recovery

Overpayment of Contract/Unsupported Reimbursement – Institute of Management and Resources
Section 3.0 of the management agreements in effect during fiscal year 2009 between each School and IMR stated in part, "The School shall pay to the Institute of Management and Resources, Inc. (IMR) a management fee of 10% of the total operating revenues of the school from all sources excluding extraordinary items received or obtained by the school. The Institute will charge back to the School expenses incurred on behalf of the School in order to provide District wide services provided by the Institute employees in the areas of instruction, transportation, financial, and general business management and development at a rate of 100% of cost."

The management agreements were modified with an addendum to the agreement for fiscal year 2010. Section 3.0 was replaced to state in part, "The School shall pay to IMR a management fee of 10% of the total revenues of the School from all sources after deduction of STRS, SERS, and audit adjustments. The School will pay to the Institute 87% of the remaining 90% for School Expense Fee incurred on behalf of the School for District wide operational services, i.e., transportation, supplies, textbooks, rents, utilities, etc."

Billing records maintained by the Schools indicated that IMR was owed \$5,328,581 for fiscal year 2009 based on the management agreement calculation of 10% of operating revenue and billings for reimbursement of salaries and benefits for individual school related employees. The Schools paid \$5,014,441 to IMR resulting in an underpayment to IMR of \$314,140 during fiscal year 2009.

During fiscal year 2010, the Schools paid \$7,294,086 to IMR for management fee and school related expenses. There were no billing statements or support for amounts paid and transferred to IMR for fiscal year 2010. We calculated the amount due to IMR based on the formula described in the addendum and determined a total of \$6,609,705 should have been paid resulting in an overpayment of \$684,381.

Four invoices billed to the Schools from IMR for reimbursement of costs during fiscal year 2009 totaling \$28,000 lacked sufficient supporting documentation to substantiate the cost and purpose of the expenditures. Descriptions included on the invoices stated the costs were for "professional development conference fees, stipends, and supplies". No further documentation such as invoices showing conference expenses, individuals paid stipends, or supplies purchased, was provided. Additionally, a payment of \$9,999 from RAAll to IMR did not have an invoice to support the expenditure. Due to the lack of supporting documentation for these expenditures, we were unable to determine whether the expenditures were for the operations of the Schools.

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In accordance with the forgoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$408,240 is hereby issued against the Institute of Management and Resources, and in favor of Richard Allen Academy, Richard Allen Academy II, Richard Allen Academy III and Richard Allen Preparatory, in the amounts of \$27,511, \$134,109, \$127,794 and \$118,826, respectively.

Payroll and Benefits Billed – Institute of Management and Resources

During fiscal year 2009, IMR billed the Schools for reimbursement of payroll and benefit expenses paid for employees of the Schools and IMR. IMR allocated the expenses of certain IMR employees between the Schools and Westpark Academy. We noted the following issues and variances:

- IMR billed the Schools \$204,592 during fiscal year 2009 for reimbursement of the salary and retirement expense paid to IMR president/CEO Jeanette Harris. There were no separate contracts between Ms. Harris and the Schools for her employment nor Ms. Harris and IMR to provide services on behalf of the Schools to justify her entire salary being billed to the Schools.
- For the pay period ended August 31, 2008, IMR overbilled RAAI in the amount of \$5,326 within the maintenance employee category.
- For the pay period ended June 15, 2009, a voided payroll transaction of \$1,944 was incorrectly billed to RAAII.
- During fiscal year 2009, unsupported charges were billed to RAAII within the "Principal" line item. An unsupported charge of \$136 was billed for each of nine pay periods from February 27, 2009 through June 30, 2009, totaling \$1,224. For the pay periods ending July 15 and July 31, 2008, an unsupported charge of \$593 was billed totaling \$1,186.
- The dental benefits for certain employees of Westpark Academy totaling \$650 were billed to RAAII.
- The Schools were billed for the payment of life insurance purchased through MetLife; however, amounts were withheld from employees' wages for payment of the MetLife premiums. Failure to reduce the amount billed for life insurance premiums by the amount of employee withholdings resulted in overbilling RAAII in the amount of \$109 and RAAIII in the amount of \$27.

In accordance with the forgoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$215,058 is hereby issued against the Institute of Management and Resources, and in favor of Richard Allen Academy, Richard Allen Academy II, Richard Allen Academy III and Richard Allen Preparatory, in the amounts of \$49,313, \$111,297, \$44,014 and \$10,434, respectively.

Power Program – Institute of Management and Resources

According to the 2009 IRS Form 990 for Kids Count, Katie Harvey was identified as vice president of the Kids Count Board of Directors. From July 2008 through February 2009, IMR billed the Schools for the salary of Ms. Harvey under the payroll category "Power Program". The Schools did not provide a contract with Ms. Harvey or other evidence to support the purpose of the Power Program or services provided to the Schools. After February 2009, Ms. Harvey's salary was charged to Westpark Academy, the trade name for the private school operated by Kids Count.

In accordance with the forgoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$16,508 is hereby issued against the Institute of Management and Resources, and in favor of Richard Allen Academy, Richard Allen Academy II, Richard Allen Academy III and Richard Allen Preparatory, in the amounts of \$3,549, \$8,568, \$3,549 and \$842, respectively.

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We referred this issue to the Ohio Department of Education and Ohio Ethics Commission for further review.

Former Superintendent Michael McCormick – Institute of Management and Resources

Ohio Administrative Code Section 3301-102-02(M)(3) states that "(n)o present or former member, or immediate relative of a present or former member of the governing authority of any community school established under Chapter 3314 of the Revised Code shall be an owner, employee or consultant of any nonprofit or for-profit operator of a community school, as defined in section 3314.014 of the Revised Code, unless at least one year has elapsed since the conclusion of the person's membership."

Ohio Revised Code Section 3314.014(A)(1) defines operator as "(a)n individual or organization that manages the daily operations of a community school pursuant to a contract between the operator and the school's governing authority."

Michael McCormick was employed as the superintendent of the Schools during the first half of fiscal year 2009. According to the minutes of the January 13, 2009 Board of Directors meeting, Mr. McCormick retired as superintendent effective December 31, 2008 and was approved as a new member of the Schools' Boards. Mr. McCormick continued to receive his superintendent salary for three pay periods after his retirement date and Board membership. The payments totaling \$14,548 were made from IMR and billed to the Schools through the pay period ending February 13, 2009. Starting with the pay period ending February 13, 2009 through June 15, 2009, Mr. McCormick was paid by IMR as a contract employee at \$250 per hour and billed to the Schools for a total of \$12,500. The Schools did not provide a contract with Mr. McCormick or other evidence to support the services provided to the Schools after his retirement other than his membership on the Board.

IMR paid Mr. McCormick \$15,000 in fiscal year 2010 while a Board member; however, due to the change in the management contract, we could not determine whether the Schools were billed for the costs.

In accordance with the forgoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$27,048 is hereby issued against the Institute of Management and Resources, and in favor of Richard Allen Academy, Richard Allen Academy II, Richard Allen Academy III and Richard Allen Preparatory, in the amounts of \$5,815, \$14,038, \$5,815 and \$1,380, respectively.

We referred this issue to the Ohio Ethics Commission for further review.

ODE-TANF Funds – Institute of Management and Resources

In 2008, RAAI contracted with the Montgomery County Department of Job and Family Services (MCDJFS) to receive funding to provide summer and after school readiness enrichment services to eligible families residing in Montgomery County. The funding source for the program was Ohio Department of Education - Temporary Assistance for Needy Families (TANF) initiative funds. Article XI of the contract states in part, "(t)he parties expressly agree that this contract shall not be assigned to a third party by the Provider without the prior written approval of MCDJFS."

During fiscal year 2010, two warrants totaling \$20,400 issued to RAAI for program funding were deposited in the bank account of IMR despite the warrants being made payable to Richard Allen Academy. We could not determine how the funds were used after deposit into the IMR account.

According to a School brochure, students were charged a weekly fee for attending the after school program; however, the charging of fees was not mentioned in the contract between the School and MCDJFS and the associated cost of the program was fully funded by the TANF funds. The brochure stated that the fees were to be paid in cash. We could not identify any program fees recorded or deposited by the Schools.

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Additionally, the after school program was held at Greater Allen AME Church where Earl Harris was pastor. Reverend Harris was an emeritus member of the Schools' Boards during the Period and the husband of Ms. Harris.

In accordance with the forgoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money collected but not accounted for is hereby issued against the Institute of Management and Resources, and in favor of Richard Allen Academy, in the amount of \$20,400.

We referred this issue to the Ohio Ethics Commission, Ohio Department of Education and Montgomery County Department of Job and Family Services for further review.

Unsupported Transfers – Institute of Charter School Management and Resources

During the Period, unsupported transfers totaling \$238,389 were made from the Schools' bank accounts to accounts in the name of Institute of Charter School Management and Resources (ICSMR), a for-profit business incorporated by Jeanette Harris. RAAI and RA Prep had lease agreements with ICSMR for building space and we considered \$65,600 of the unsupported transfers to be lease payments. The Schools did not have contracts with ICSMR during the Period to receive other services and due to the lack of supporting documentation, we could not determine whether the bank transfers were for purposes related to the operations of the Schools.

We obtained and examined canceled checks issued from the ICSMR accounts and identified disbursements exceeding \$200,000 during the Period to individuals associated with the Schools. Among the disbursements were checks totaling \$142,996 to Ms. Harris, \$25,350 to Mr. O'Aku, \$7,417 to Ms. Thomas and \$1,600 to Reverend Harris. Many of the check memo lines indicated the purpose as "consulting fees."

In accordance with the forgoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$172,789 is hereby issued against the Institute of Charter School Management and Resources, and in favor of Richard Allen Academy, Richard Allen Academy II and Richard Allen Academy III in the amounts of \$1,365, \$152,700 and \$18,724, respectively.

We referred this matter to the Ohio Ethics Commission for further review.

Reimbursements – Michelle Thomas

During fiscal year 2009, the Schools reimbursed Ms. Thomas \$15,624 for miscellaneous expenses. Of this amount, Ms. Thomas received duplicate reimbursements totaling \$2,475 for expenses previously reimbursed. Ms. Thomas received payments totaling \$2,035 for reimbursements that were not supported by documentation. Due to the lack of available documentation, we were unable to determine whether the expenditures were for purposes related to the operations of the Schools. Ms. Thomas also received reimbursements totaling \$762 that appeared to be personal in nature or lacked sufficient documentation to determine whether the expenditures were for the Schools' operations.

Additionally, the Schools reimbursed Ms. Thomas \$5,184 for tuition costs related to obtaining a doctorate degree. The Addendum to the Employment Agreement between ICSMR and Ms. Thomas signed on July 15, 2008 by Ms. Harris as president/CEO of ICSMR states in part, "(t)o provide professional development support and continuing education reimbursement at a rate of eighty percent (80%) of the professional development cost. The professional development support funds may be used for any appropriate educational-rated training or development activity that will enhance and contribute to the Executive's professional skills and knowledge as Principal/Deputy Superintendent."

The employment agreement was with ICSMR, not with the Schools; therefore, the Schools should not be responsible for paying the tuition reimbursement.

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We proposed a finding for recovery in the amount of \$10,456 against Michelle Thomas and in favor of Richard Allen Academy, Richard Allen Academy II, Richard Allen Academy III, and Richard Allen Preparatory, in the amounts of \$2,068, \$5,177, \$2,141, and \$1,070, respectively. Ms. Thomas, IMR and ICSMR remitted \$2,463, \$2,797 and \$5,184, respectively to the Schools. Accordingly, we considered \$10,444 a finding for recovery repaid under audit.

In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$12 is hereby issued against Michelle Thomas, and in favor of Richard Allen Preparatory.

DP&L Payments – Jeanette Harris; Gayle Simmons; Steven Johnson

During fiscal year 2009, RAAII leased building space at two locations in Dayton: 400 East Second Street and 627 Salem Avenue. The lease for the Salem Avenue location was limited to the third floor. RAAII did not provide leases for any other locations; however, RAAII paid Dayton Power and Light for service at the following additional Dayton locations during fiscal year 2009:

- 625 Salem Avenue, \$2,502.
- 627 Salem Avenue, unspecified floor, \$8,991.
- 627 Salem Avenue, 1st floor, \$2,529.
- 627 Salem Avenue, 2nd floor, \$5,958.
- 870 St. Agnes Avenue, \$46.
- 1032 Superior Avenue, \$361.
- 1034 Superior Avenue, \$62.

The Salem Avenue location housed the Schools' sponsor, Kids Count and Kids Count's private school operated under the trade name Westpark Academy. The St. Agnes Avenue and Superior Avenue locations housed RA Prep; however, RA Prep was suspended prior to the end of fiscal year 2009 and the payments occurred after the suspension and school activity ended.

Ms. Harris signed all checks related to the above payments. Former treasurer Gayle Simmons and Steven Johnson signed checks totaling \$3,367 and \$17,082, respectively.

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 liable for the amounts of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Atty Gen. No. 80-074; Ohio Rev. Code Section 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. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Atty Gen. No. 80-074.

In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$20,449 is hereby issued against Jeanette Harris, and in favor of Richard Allen Academy II. The finding for recovery is also issued, jointly and severally, against Steven Johnson in the amount of \$17,082, and against Gayle Simmons and her bonding company, Fidelity and Deposit Company of Maryland, in the amount of \$3,367.

Duplicate Vendor Payments – Jeanette Harris; Steven Johnson

We noted the following duplicate payments to vendors:

- RAAI paid Staples \$89 with check number 4170 for an expenditure that was previously paid by check number 4109. Check number 4170 was signed by Jeanette Harris and Steven Johnson.

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- RAAI made a payment to Budgetext Corporation in the amount of \$1,808 with check number 3980; however, \$500 had been previously paid on this invoice by check number 3923. Check number 3980 was signed by Jeanette Harris and Steven Johnson.

In accordance with the forgoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$589 is hereby issued against Jeanette Harris and Steven Johnson, jointly and severally, and in favor of Richard Allen Academy and Richard Allen Academy II, in the amount of \$89 and \$500, respectively.

Unsupported payments – Millennia Consulting

In October 2008, the Schools entered a contract with Millennia Consulting, LLC, to perform GAAP conversion services related to the Schools' June 30, 2008, annual financial reports. Millennia Consulting was owned by Felix O'Aku, the Schools' treasurer and a former Board member. The contract stated "We believe that the engagement fee will not exceed \$3,500 for each school. However, should we encounter unexpected circumstances that require us to devote more staff time to the engagement than anticipated, we will discuss the matter with you."

Payments on this contract were made by the Schools during fiscal year 2009. In accordance with the contract, all four Schools paid \$3,500 for this service; however, RAAI made an additional payment of \$300 and RAAII made an additional payment of \$1,500.

The invoices supporting these payments stated "GAAP Conversion/Compilation Services FY08." The payments were not related to any change order or contract amendment and resulted in payments in excess of the contract amount for the service provided. There was no indication in the Board minutes that the Board was made aware of the excess or approved the additional payments.

In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$1,800 is hereby issued against Millennia Consulting, LLC, and in favor of Richard Allen Academy and Richard Allen Academy III in the amount of \$300 and \$1,500, respectively.

Noncompliance Citation

Ethics/Conflict of Interest

Ohio Revised Code Section 3314.03(A)(11)(e) requires community schools to comply with Revised Code Chapter 102 regarding public officer ethics and Revised Code Section 2921.42 regarding unlawful interest in public contracts. Additionally, in Advisory Opinion 2010-01 the Ohio Ethics Commission opined that:

"All members of the governing board of a community school are subject, without limitation, to the provisions of the Ohio Ethics Law as set forth in Chapter 102., which include postemployment, confidentiality, conflict of interest, gifts, and representation restrictions. All members of the governing board of a community school are also subject, without limitation, to Sections 2921.42 and 2921.43 of the Revised Code, which include public contract, nepotism, and supplemental compensation restrictions. These conclusions also apply to all officers and employees of a community school, although teachers and other educators who do not perform, and have no authority to perform, supervisory or administrative functions are not subject to the post-employment and conflict of interest restrictions in R.C. 102.03."

Ohio Administrative Code Section 3301-102-02(M)(3) states in part, "(n)o present or former member, or immediate relative of a present or former member of the governing authority of any community school established under Chapter 3314 of the Revised Code shall be an owner, employee or consultant of any nonprofit or for-profit operator of a community school, as defined in section 3314.014 of the Revised Code, unless at least one year has elapsed since the conclusion of the person's membership."

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Ohio Revised Code Section 3314.014(A)(1) defines operator as “(a)n individual or organization that manages the daily operations of a community school pursuant to a contract between the operator and the school’s governing authority.”

Additionally, Article V, Section 11 “Duality of Interest” of the Schools’ Code of Regulations states, “No trustee shall use his position as a trustee of the Corporation for his own direct or indirect financial gain.”

The Schools’ Policies of the Governing Authority, Purchasing/Invoicing Section G states in part, “(n)o director, officer, employee, staff or agent of the School shall solicit or participate in the negotiations of a contract in which he or she has any direct or indirect pecuniary or beneficial interests or accept any gift or favor from a vendor which might influence their recommendations in the eventual purchases of equipment, supplies or services.” Section H states, “(i)f a contract is negotiated by any employee with a person who has an interest, the board of directors shall review and approve the purchase.”

Felix O’Aku was a member of the Schools’ Boards of Directors until February 2009 when he resigned to accept full time employment with IMR to serve as the Schools’ treasurer. During the Period, Mr. O’Aku also owned and operated the for-profit company, Millennia Consulting, LLC. Millennia Consulting was paid by the Schools during fiscal year 2009 to perform GAAP compilation services. The services were performed during the time that Mr. O’Aku was a member of the Schools’ Boards of Directors.

During the Period, Dixie Allen was a member of the Schools’ Boards of Directors and her husband, Jimmie Allen was the owner of Allen Painting and Decorating, also known as Jimmie Allen Painting. IMR and the Schools paid Allen Painting and Decorating \$7,199 and \$8,878, respectively.

During the Period, Earl Harris was an emeritus member of the Schools’ Boards of Directors and pastor of Greater Allen African Methodist Episcopal (AME) Church. IMR and the Schools contracted with Greater Allen AME Church for rental of building space for teacher training and an after school program.

Additionally, Reverend Harris is the husband of IMR president/CEO Jeanette Harris. According to the September 2, 2010 Board meeting minutes Ms. Harris requested the Board approve a rental agreement between Greater Allen AME Church and the Schools. The contract between the Church and Schools was signed by Reverend Harris and Michelle Thomas, daughter of Ms. Harris. During the Period, IMR and the Schools paid the Church \$37,350 and \$8,646, respectively.

We noted the following additional potential violations of the statutes cited:

- During the Period, Ms. Harris was president/CEO of IMR, the Schools’ management company responsible for decision making affecting the daily operation of the Schools. Ms. Harris was also owner of ICSMR. Her husband Reverend Harris was pastor of Greater Allen AME Church and her daughter Ms. Thomas served at various times during the Period as the Schools’ principal, deputy superintendent and superintendent.
- Filings with the Ohio Secretary of State show Ms. Harris signed at various times on behalf of the Schools as incorporator, trustee, president and statutory agent. Ms. Harris has also signed Secretary of State filings on behalf of the Schools’ sponsor Kids Count as vice president and corporate officer.
- According to the June 17, 2008 minutes of the Schools’ Board meeting, Ms. Harris reported Ms. Thomas had “taken on the full-time role of deputy superintendent.” The employment agreement for this position was between Ms. Thomas and ICSMR and was signed by Ms. Harris as president/CEO of ICSMR.
- According to the April 13, 2010 minutes of the Schools’ Board meeting, Ms. Harris recommended to the Board that Ms. Thomas be appointed superintendent of the Schools. The Schools did not provide an employment agreement for Ms. Thomas for this position.

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- Ms. Harris signed contracts on behalf of the Schools and IMR.
- Ms. Harris and Ms. Thomas frequently were the only two individuals that signed checks and expenditure requisitions on behalf of the Schools.
- The Schools leased building space from ICSMR. Ms. Harris signed the lease agreements between the Schools and ICSMR on behalf of ICSMR.
- In September 2010, Ms. Harris requested the Board approve a lease agreement between RAAI and IMR and a rental agreement between RAAI and Greater Allen AME Church.

As a result of these relationships, the Schools, their management company and sponsor are generally operated by the same individual, the organizations are closely related, financial operations have been commingled, and management lines have been blurred. The lack of separation between the Schools, their management company and their sponsoring organization increases the risk of financial mismanagement, inappropriate relationships and statutory ethics violations.

Both entering into contracts and leases with related companies, and hiring and promoting related individuals can lead to questions of fairness and impartiality and present the appearance of impropriety to the public. Additionally, entering into contractual agreements on behalf of the Schools with related individuals and their companies increases the risk agreements will not include terms that are in the best interest of the Schools.

We recommend the Schools' governing boards review all contracts, leases and rental agreements for any potential conflicts of interest with the Schools' employees and management company officials.

We further recommend a distinct separation of financial and management operations for each of the Schools. The Schools were established as separate legal entities and should be operated as such. Additionally, due to the relationship between Ms. Harris and Ms. Thomas, we recommend these individuals not be the only personnel approving expenditures and Ms. Harris not be involved in the employment or promotion of Ms. Thomas.

We referred these issues to the Ohio Department of Education and Ohio Ethics Commission.

Management Comments

STRS/SERS

During fiscal year 2009, employee contributions to the State Teachers Retirement System (STRS) and School Employees Retirement System (SERS) were withheld from employees of Westpark Academy. Westpark Academy is a private school, and though affiliated with the Richard Allen family of schools, it is not supported by state funding which would permit Westpark Academy personnel eligibility for membership in the state retirement systems. STRS and SERS were not aware that Westpark Academy employees were not eligible for membership because the individuals were reported as employees of one of the Richard Allen Schools in reports filed with STRS and SERS. Social Security taxes were not withheld from employee wages and submitted to the IRS.

We recommend the Schools establish controls to properly identify employees for withholding and reporting purposes. We also recommend the Schools contact STRS, SERS and the Internal Revenue Service to resolve the matter.

We referred this matter to the Ohio Department of Education, STRS, SERS and the Internal Revenue Service for further review.

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Billing of Treasurer's Office Employees

Employees of the management company provide treasurer and financial services to the four Schools, IMR, ICSMR, and the private, pre-kindergarten school Westpark Academy. All payroll and benefit costs related to these services were charged to the four Schools during fiscal year 2009. The records did not identify amounts attributable to each entity. In charging all of the treasurer's office payroll costs to the Schools, the Schools essentially subsidized payroll costs attributable to the operations of the other entities.

Treasurer's office payroll costs charged to the four Schools ranged from \$6,127 to \$14,657 per pay period and averaged \$9,520 per pay period.

We recommend the Schools develop a cost allocation method to allocate the shared services proportionately to all entities benefitting from the services so as not to subsidize the personnel costs related to outside organizations. The Schools should only pay for costs that are attributable to each School's individual operations.

Billing of Employee Pay and Benefits

During fiscal year 2009, a third party vendor was used by IMR to process the payroll for employees of the Schools, IMR, ICSMR and Westpark Academy. IMR allocated the salaries and benefits of individuals listed on the payroll reports and billed the entities accordingly; however, there were inconsistencies regarding the allocations and billings. The salaries for certain employees were allocated between the Schools, but their benefits were treated differently and not always allocated in the same manner. There were instances in which benefits for an employee were billed to one school, while the salary of the same employee was billed to a different school. An employee's salary was alternated between the Richard Allen Schools and Westpark Academy for three months during the fiscal year. There were also instances in which benefits were paid for and billed to the Schools for individuals that were not listed on the payroll for that particular month.

Failure to consistently allocate employee costs among the separate entities increases the risk of accounting and financial reporting errors. Additionally, the lack of distinct separation of School employee costs from those of other entities increase the risk the Schools will pay unnecessary or improper expenses.

We recommend the schools operate as separate legal entities and implement systems that account for the financial activity of each school separately. All costs for employees assigned to a specific school should be accounted for within that school and not divided among the schools. For shared employees or services, the Schools or management company should develop and document a reasonable cost allocation plan to assign costs to each school proportionately based on level of service to the school.

Electronic Bill Payment

The Schools frequently paid vendor invoices via online electronic payment. The Schools processed these payments in their accounting system as if actual checks were issued to pay the expenditures. The accounting system generated hard copy checks and assigned check numbers to the payments within the normal sequence of checks issued; however, the checks did not clear the bank because they were not issued to the vendors.

Processing expenditures in this manner increases the risk of duplicate payments to vendors or uncertainty in determining whether unissued checks cleared the bank or were voided.

We recommend the Schools consider entering online electronic bill payments as memo expenditures in their accounting system. This would prevent the system from generating hard copy checks for payments and assigning the expenditures check numbers that fall within the normal check sequence. If the system does not allow for memo expenditures, all payments should be made via a traditional check issued to the vendors.

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Checks Clearing Incorrect Bank Accounts

We noted instances of checks issued by one school clearing the bank account of another school. The Schools did not take action with the banks or between themselves to correct the errors.

This resulted in the bank balance of the school that issued the check to be overstated and the bank balance of the school that accepted the check to be understated.

We recommend the Schools investigate and correct all bank errors so that each School maintains a separate and accurate bank balance.

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Objective No. 2 – Examination of Credit Card Expenditures

Procedures

We identified the credit card accounts paid by the Schools and obtained monthly credit card statements from the issuing institutions to identify purchases and payments made on the accounts.

We compared the monthly statements to supporting documentation and payment records maintained by the Schools to determine the completeness of the Schools' supporting documentation.

We examined available documentation to determine whether the credit card purchases were made for the Schools' operations.

Results

During the Period, the Schools did not maintain credit card accounts in the Schools' names. Purchases were made on behalf of the Schools using American Express and Discover credit cards issued in the names of Jeannette Harris, Earl Harris and Michelle Thomas. The Schools made payments directly to the credit card companies for these accounts and reimbursed the individuals for certain expenditures. The payments made to individuals to reimburse for certain credit card expenditures were examined in Objective No. 1.

American Express Credit Cards

During fiscal year 2009, the Schools made 72 payments totaling \$30,220 on two American Express accounts: an account in the name of Jeanette Harris with additional cards issued in the names of Earl Harris and Michelle Thomas; and, an account in the name of Jeanette Harris, Institute of Charter School Management, with an additional card issued in the name of Michelle Thomas.

Discover Credit Card

During fiscal year 2009, the Schools made 21 payments totaling \$25,214 on a Discover account in the name of Earl Harris.

Findings for Recovery

Credit Card Payments – Jeanette Harris

During fiscal year 2009, the Schools directly paid credit card expenses totaling \$19,672 for purchases made using the American Express account in the name of Jeanette Harris. Of this amount, two purchases totaling \$2,044 were not made for the Schools' operations. Supporting documentation indicated the purchases were for Westpark Academy. A purchase for \$387 lacked sufficient documentation to determine whether the expenditure was for the Schools' operations. Additionally, payments on the credit card account totaling \$1,766 were supported by documentation of purchases made using other credit card accounts.

The Schools also paid credit card expenses totaling \$10,548 for purchases made using the American Express account in the name of Jeanette Harris, Institute of Charter School Management. Of this amount, purchases totaling \$1,748 from JoAnn Fabrics and gift cards from WalMart lacked sufficient documentation to determine whether the expenditures were for the School's purposes.

We proposed a finding for recovery in the amount of \$5,945 against Jeanette Harris and in favor of Richard Allen Academy, Richard Allen Academy II, Richard Allen Academy III, and Richard Allen Preparatory, in the amounts of \$1,009, \$3,490, \$1,009, and \$437, respectively.

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Ms. Harris, ICSMR and Westpark Academy remitted \$98, \$1,650 and \$2,044 respectively, to the Schools. Accordingly, we considered \$3,792 a finding for recovery repaid under audit.

In accordance with the forgoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$2,153 is hereby issued against Jeanette Harris, and in favor of Richard Allen Academy, Richard Allen Academy II and Richard Allen Academy III, in the amounts of \$572, \$1,009, and \$572, respectively.

Credit Card Payment – Earl Harris

During fiscal year 2009, the Schools directly paid credit card expenses totaling \$25,214 for purchases made using the Discover Card account in the name of Earl Harris. Of this amount, \$1,134 was for charges that had been previously paid for by the Schools. Documentation for a purchase for \$47 indicated it was for Westpark Academy. A purchase for \$1,068 lacked sufficient documentation to determine whether the expenditure was for the Schools' operations. Payments on the credit card totaling \$2,297 were supported by documentation of purchases made using other credit cards.

We proposed a finding for recovery in the amount of \$4,546 against Earl Harris and in favor of Richard Allen Academy, Richard Allen Academy II, Richard Allen Academy III, and Richard Allen Preparatory, in the amounts of \$1,131, \$838, \$1,131, and \$1,446, respectively. Reverend Harris and Westpark Academy remitted \$1,134 and \$47, respectively, to the Schools. Accordingly, we considered \$1,181 a finding for recovery repaid under audit.

In accordance with the forgoing facts, and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public money illegally expended in the amount of \$3,365 is hereby issued against Earl Harris, and in favor of Richard Allen Academy, Richard Allen Academy II, Richard Allen Academy III, and Richard Allen Preparatory, in the amounts of \$753, \$791, \$753, and \$1,068, respectively.

Management Comments

Fuel Purchases

During fiscal year 2009, the Schools made direct payments on the personal credit card accounts of IMR president/CEO Jeanette Harris and the Schools' emeritus Board member Earl Harris for fuel purchases. Separately, Ms. Harris was reimbursed for fuel purchases made using her credit cards. School representatives stated that all fuel purchases were for School related vehicles; however, there were no documents provided to verify the purpose of the fuel purchases. Additionally, the Schools did not have procedures in place to monitor accountability over fuel purchases or usage of School vehicles.

We noted the following deficiencies related to accounting for fuel charges incurred and paid by the Schools:

- Original fuel charge receipts were not always maintained to support the credit card purchases;
- No documentation was maintained to show the purpose of fuel expenses incurred on behalf of the Schools or which School vehicles were refueled;
- Vehicle logs were not maintained;
- A policy allowing the use of personal credit cards was established; however, the provision did not require specific documentation be submitted to aid in determining that expenses were incurred on behalf of the Schools.

Lack of documentation and controls over the payment and reimbursement of fuel purchases increases the risk of misuse and illegal expenditure of School funds.

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We recommend the Schools establish procedures to strengthen controls over the purchase of fuel, including maintaining a mileage log identifying the vehicle, driver, odometer readings, and number of miles traveled on official business. Vehicle drivers and their supervisor should sign this log and provide receipts to the School treasurer as support of the fuel charges. The established policy should also list authorized vehicle drivers and individuals authorized to use credit cards to make School related fuel purchases. The policy should also state that any fuel purchases made using personal credit cards should be supported with specific documentation to show the expense was incurred on behalf of the Schools.

Accrual of Credit Card Rewards

The Schools frequently paid for goods and services purchased on personal credit card accounts. Additionally, individuals were frequently reimbursed by the Schools for purchases made with their personal credit card accounts. The purchase of School related items using personal credit card accounts resulted in the accrual of credit card rewards. There was no evidence that the benefit of any of the accrued credit card rewards were transferred to the Schools or redeemed by the individual account holders.

Ohio Ethics laws prohibit individuals from using their positions with public entities to secure anything of value such as accrual and use of credit card rewards on personal credit card accounts.

We recommend the Schools instruct IMR to discontinue the use of personal credit cards for School related purchases. Credit card rewards earned on such purchases should belong to the School that ultimately paid for the purchase.



Dave Yost • Auditor of State

RICHARD ALLEN ACADEMY SCHOOLS

MONTGOMERY 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
FEBRUARY 21, 2012**