



OHIO AUDITOR OF STATE
KEITH FABER



JACKSON COUNTY
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OHIO AUDITOR OF STATE KEITH FABER



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To the Board of County Commissioners and the Jackson County Sheriff:

Background

The Auditor of State (AOS), Special Investigations Unit (SIU) conducted a criminal investigation and special audit of Jackson County, specifically within the Sheriff's Office, predicated on the Sheriff Office's former Administrative Secretary, Cheryl Brady, failing to properly deposit concealed carry permit (CCW) and background check (BCI/FBI) fees with the County Treasurer.

The investigation began in October 2019, after SIU received a memorandum from the Southeast Region financial auditors concerning missing funds. On October 9, 2019, Jackson County Sheriff Tedd Frazier contacted the Southeast Region about a potential issue with depositing/crediting CCW and BCI/FBI fees between January 1, 2019 and October 9, 2019. Amounts paid with cash according to the duplicate receipts were unable to be found credited to the Concealed Handgun License (CHLIE) Fund. The Sheriff questioned Ms. Brady and she indicated she mistakenly deposited the money into the Sheriff's outside bank account for Sheriff Sales.

The Sheriff reviewed the Sheriff Sales account and determined the monies were not mistakenly deposited into that account. The Sheriff contacted the Ohio Attorney General's Bureau of Criminal Investigation and Identification (BCI) office, who then requested AOS investigative and audit assistance.

After considering the information obtained from interviews and a preliminary examination of the duplicate receipt records and pay-ins, 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

Cheryl Brady was employed by the Sheriff's Office as an administrative secretary beginning in December 2013. Ms. Brady was placed on administrative leave on October 10, 2019 before being terminated on October 30, 2019.

Scheme

Payments for the BCI/FBI and CCW fees were based on a published fee schedule in the Sheriff's Office and could be paid with cash, checks, or money orders. When a payment was received, the person receiving the payment completed a receipt in the duplicate receipt book, with one copy being given to the customer and the carbon copy being maintained in the receipt book. The receipts contained a preprinted sequential number, payment date, name of the payer, amount, payment type, description of the payment, and a signature or initials of the person collecting the payment. Payments were to be kept in the safe at the Sheriff's Office until provided to the County Treasurer.

Although the Sheriff's Office had two clerks responsible for collecting payments and issuing receipts, only Ms. Brady was responsible for counting the funds, completing the Pay-In documentation, and taking the

funds to the Treasurer's Office. The other clerk maintained a payment spreadsheet, but there were no reconciliations performed to ensure all funds were properly deposited to the Treasurer's office.

From November 17, 2018 through October 9, 2019 (the Period), Ms. Brady and the other clerk completed duplicate receipts for the various fees collected, totaling \$61,123. However, only \$23,159 was deposited in the County's bank account, resulting in a shortage of \$37,964. While Ms. Brady periodically deposited the payments that were made by check, she kept the related cash amounts. An overall lack of segregation of duties and internal controls led to the opportunity for Ms. Brady to misappropriate cash receipts in the amount of \$37,964 from the Jackson County Sheriff's Office.

Findings

Based on the special audit procedures and investigation, the Auditor of State confirmed the allegation that Cheryl Brady misappropriated funds from the Jackson County Sheriff's Office over a span of 10 months.

We issued a \$45,692 finding for recovery for misappropriated cash and audit costs during the Period.

The full details of the finding for recovery are located in the Appendix.

Prosecution

At the conclusion of the special audit and investigation, a prosecution packet was presented to the Auditor of State Special Prosecutor, serving by appointment of the Jackson County Prosecuting Attorney.

On May 21, 2021, Cheryl Brady was indicted by the Jackson County grand jury on two counts, including one count of Theft in Office and one count of Grand Theft.

On December 2, 2022, Ms. Brady entered a negotiated plea of guilty to one count of Theft in Office, a felony of the third degree, in violation of Ohio Rev. Code § 2921.41(A).

On February 24, 2023, the Honorable Judge Christopher Regan sentenced Ms. Brady to 36 months in prison, with 301 days of jail time credit, up to two years of post-release control, and ordered her to pay restitution in the amount of \$37,964 for the theft and \$7,728.50 in audit costs.

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



Keith Faber
Auditor of State
Columbus, Ohio

April 6, 2023



APPENDIX

SCHEDULE OF FINDINGS FOR RECOVERY AND MANAGEMENT RECOMMENDATIONS

APPENDIX

FINDING FOR RECOVERY

Ohio Rev. Code § 311.42(A) states, in part, “each county shall establish in the county treasury a sheriff’s concealed handgun license expense fund. The sheriff of that county shall deposit into that fund all fees paid by applicants for the issuance or renewal of a concealed handgun license or duplicate concealed handgun license...and all fees paid by the person seeking a concealed handgun license on a temporary emergency basis...”

Ohio Admin. Code § 117-2-01(D)(4) requires, in part, that entities plan for adequate segregation of duties or compensating controls. During the Period, the control structure for the Sheriff’s Office lacked proper segregation of duties. Cheryl Brady was one of two clerks in the Sheriff’s Office responsible for collecting payments and issuing duplicate receipts for BCI/FBI background check fees and CCW fees during the Period. However, only Ms. Brady was responsible for completing the required documentation, such as a Pay-In, showing the amount of fees collected and providing this to the Auditor’s Office. She was also responsible for depositing the collected fees to the Treasurer’s Office or the Sheriff’s Office bank accounts.

Ms. Brady was responsible for \$37,964 that was not properly deposited to the Jackson County CHLIE Fund.

On February 24, 2023, Ms. Brady was ordered to pay restitution in the amount of \$37,964 for the theft and \$7,728.50 in audit costs in Jackson County Common Pleas Court Case No. 21CR0087.

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code § 117.28**, a finding for recovery for public property converted or misappropriated is hereby issued against Cheryl Brady in the amount of \$45,692, with \$37,964 in favor of the County’s CHLIE Fund (258) and \$7,728 in favor of the Auditor of State’s Office.

OHIO AUDITOR OF STATE KEITH FABER



JACKSON COUNTY SPECIAL AUDIT

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 5/11/2023

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This report is a matter of public record and is available online at
www.ohioauditor.gov