



OHIO AUDITOR OF STATE
KEITH FABER



RICHLAND COUNTY
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OHIO AUDITOR OF STATE KEITH FABER



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To the Richland County Board of Commissioners, Lori Bedson, County JFS Director, Andrew Keller, County Administrator, and Patrick Dropsey, County Auditor:

Background

The Auditor of State, Special Investigations Unit (SIU) conducted a criminal investigation and special audit of the Richland County Department of Job and Family Services (the JFS) predicated on information received from the JFS related to the former JFS Director's attendance.

The investigation began in October 2022, when SIU was contacted by County officials alleging theft of time by the former JFS Director, Tresa Sharlene Neumann, and possible conflict of interest violations by Ms. Neumann, former JFS Youth and Family Council Executive Director Teresa Alt, and former Business Administrator Carmen Torrence. Ms. Neumann's husband was identified as connected to two companies with potential relationships with the County, Heartland Academy and The Reach. There were concerns Ms. Neumann used her position and influence at the JFS to secure County contracts and potentially items of value with these companies. Additionally, it was alleged, Ms. Alt and Ms. Torrence authorized improper payments, including a payment to Ms. Neumann's daughter in law, while Ms. Torrence was concurrently the Fiscal Officer for both Heartland Academy and The Reach. County officials provided documentation related to an internal investigation completed by the County.

After the information obtained from interviews and preliminary examination of the County's internal investigation and expense documentation maintained by the County 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](#).

Suspects

Ms. Neumann was hired by the JFS in 1981 as a social worker, promoted to Program Administrator for public assistance programs, and subsequently JFS Director in 2005. Ms. Neumann retired effective November 30, 2021 and was rehired to the same JFS Director position on December 1, 2021. She resigned in August 2022.

Teresa Alt was hired by the JFS as the Youth and Family Council Executive Director in December 2011. She was terminated on November 15, 2022.

Carmen Torrence was hired by the County in July 2001. She became the Business Administrator and Fiscal Officer in March 2004. She was also the Fiscal Officer for the County's Youth and Family Council, Workforce Investment Board, as well as Chief Financial Officer for third party vendors Heartland Academy and The Reach. Ms. Torrence was terminated by the County on November 15, 2022.

Schemes

Ms. Neumann

We defined our audit period (the Period) as covering April 5, 2021 through August 6, 2022. At the start of COVID, the County allowed employees to work from home. The Commissioners directed all employees to be physically present at the office during office hours beginning April 5, 2021 through October 5, 2021. Therefore, if Ms. Neumann was not at work, leave taken should have been supported by a leave request. After October 6, 2021, employees were able to work a hybrid schedule with both in person and work from home options.

Due to concerns from County officials, a log was maintained by the County Human Resources department for the Period related to Ms. Neumann's attendance. The log identified days where the former JFS Director either arrived late to work, left work early, did not arrive to work at all, or conducted personal business during business hours such as posting to her personal social media. County Commissioners also confirmed Ms. Neuman was required to submit a leave request form and did submit forms periodically, indicating her knowledge of the process. We noted \$14,243 paid to Ms. Neumann for hours not worked during the Period when all employees were required to be in the office.

During a state hearing in July 2023, Ms. Neumann admitted to not working at times she was logged as absent by the Human Resources Director; however, she stated she did not knowingly fail to take leave, but her assistant failed to request the leave on her behalf when Ms. Neumann instructed her assistant to do so. We reviewed Ms. Neumann's leave requests for the Period, and we did not find any instances where Ms. Neumann requested leave and her assistant failed to input the request. We found many other instances where Ms. Neumann instructed her assistant to request leave on her behalf and the assistant requested the leave. We also interviewed Ms. Neumann's assistant and she confirmed she entered all leave requests for Ms. Neumann when advised to do so. When Ms. Neumann retired on November 30, 2021, she no longer received vacation leave, only sick leave. Therefore, any leave taken, other than sick leave, would be leave without pay (LWOP). We noted \$2,371 paid to Ms. Neumann for hours not worked based on her statements during the hearing which was in addition to the \$14,243 noted earlier.

In determining whether contracts or potential items of value were properly executed related to the Reach and Heartland Academy and whether a conflict of interest existed, we were unable to substantiate whether Ms. Neumann, Ms. Alt, and Ms. Torrence used their influence or authority to benefit family and a related party. The County started doing business with The Reach, Inc. in 2016 for speech therapy services, including the use of Augmentative Communication Devices. This contract and all subsequent contracts were signed by the Richland County Board of Developmental Disabilities Superintendent and the owner/President of The Reach. Ms. Torrence processed these payments for approved services. The County did not have a contract with Heartland Academy and no payments were made from the County to Heartland Academy. While questionable items of value were approved for the benefit of the Reach and Heartland Academy, we were unable to identify sufficient evidence of a conflict.

Ms. Alt

During October 2021, a party was held to celebrate Ms. Neumann's 40 years of service. Ms. Alt authorized the payment of specialty t-shirts and cupcakes for the celebration. The County paid \$480 for the t-shirts and cupcakes. Additionally, the cupcakes were purchased from Ms. Neumann's daughter in law. This activity is not a proper public purpose use of County funds and in the future similar activity could result in a finding for recovery.

Findings

Based on the special audit procedures and investigation, the Auditor of State confirmed the allegation that Tresa Sharlene Neumann caused JFS funds to be illegally expended over a one-year span, and Teresa Alt improperly spent funds related to a years of service celebration for Ms. Neumann.

We issued \$16,614 in a finding for recovery for illegally expended public assistance funds 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 Richland County Prosecuting Attorney. The Special Prosecutor determined there was insufficient evidence for criminal charges and declined prosecution. However, there was sufficient evidence to support issuing a finding for recovery against Ms. Neumann, as detailed in the Appendix.

On May 8, 2024, we held an exit conference with the following individuals representing the County:

Andrew Keller, County Administrator	Lori Bedson, JFS Director
Kelly Christianson, Human Resource Director	Darrell Banks, County Commissioner

The attendees were informed they had five business days to respond to this special audit report. A response was not received by the County.



Keith Faber
Auditor of State
Columbus, Ohio

April 17, 2024

APPENDIX
SCHEDULE OF FINDING FOR RECOVERY



APPENDIX

FINDING FOR RECOVERY – IMPROPER EXPENDITURES

Ohio Admin. Code § 117-2-01(D)(1) requires, in part, that entities ensure that all transactions are properly authorized in accordance with management's policies. The **County's Personnel Manual Section 6.2(D)** required vacation requests to be submitted in writing to the Appointing Authority of his/her designee for approval, prior to the employee taking the time off. Employees may be denied payment for any absence not approved by the Appointing Authority.

During the Period, we identified 298.10 hours, totaling \$14,243, where the former JFS Director, Ms. Neumann either arrived late to work, left work early, did not arrive to work at all, or conducted personal business during business hours and did not use any leave. We also identified a total of 55.25 hours, totaling \$2,371, where Ms. Neumann admitted there were times she did not work; however, her payroll did not reflect LWOP.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public money illegally expended is hereby issued against Tresa Sharlene Neumann and her bonding company, CORSA Property and Casualty, in the amount of \$16,614, in favor of Richland County's Public Assistance Fund.

OHIO AUDITOR OF STATE KEITH FABER



RICHLAND 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 7/2/2024

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