



**MAHONING COUNTY COMMISSIONERS
MAHONING COUNTY**

SPECIAL AUDIT REPORT

AUGUST 22, 2000 THROUGH SEPTEMBER 26, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

TABLE OF CONTENTS

Title	Page
Schedule of Elected Officials and Administrative Personnel	1
Report of Independent Accountants	3
Supplement to the Special Audit Report	
Background Information	7
Issue No. 1 Determine whether travel by Commissioner Vicki Allen Sherlock to Marietta, Cincinnati, Chicago, and Philadelphia was authorized and for purposes related to County business, and whether County credit card charges incurred and travel reimbursements received by Commissioner Sherlock related to these trips were for purposes related to County business	8

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**MAHONING COUNTY COMMISSIONERS
MAHONING COUNTY**

SCHEDULE OF ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL

AS OF SEPTEMBER 26, 2001

ELECTED OFFICIALS

Vicki Allen Sherlock	President
David Ludt	Commissioner
Edward Reese	Commissioner
Paul Gains	Prosecutor

ADMINISTRATIVE PERSONNEL

Gary Kubic	County Administrator
Thomas B. Smith *	Clerk of the Board
Anthony DeLucia	Administrative Assistant for the Commissioners

* He resigned on November 16, 2001, and Nancy Laboy was appointed Clerk of the Board

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REPORT OF INDEPENDENT ACCOUNTANTS

Mr. Gary Kubic, County Administrator
Mahoning County Commissioners
21 W. Boardman Street
Youngstown, Ohio 44503

We have conducted a Special Audit by performing the procedures enumerated in the attached Supplement of the Special Audit Report for the period August 22, 2000 through September 26, 2001 ("the Period") to determine whether travel by Commissioner Vicki Allen Sherlock to Marietta, Cincinnati, Chicago, and Philadelphia was authorized and for purposes related to County business, and whether County credit card charges incurred and travel reimbursements received by Commissioner Sherlock related to these trips were for purposes related to County business.

This engagement was conducted in accordance with consulting standards established by the American Institute of Certified Public Accountants. The procedures and associated results are detailed in the attached Supplement to the Special Audit. A summary of our results are as follows:

1. We reviewed County policies, procedures, and Ohio Revised Code Section 301.27 concerning travel, reimbursements for travel, and use of County credit cards.

Significant Results: The County has established formal policies and procedures concerning County officials' and employees' travel, reimbursement for travel expenses, and use of County credit cards.

2. We reviewed Commissioner Board meeting minutes for authorization of Commissioner Sherlock's travel to Marietta, Cincinnati, Chicago, and Philadelphia.

Significant Results: Commissioner Sherlock's travel to Marietta was authorized subsequent to her travel contrary to the County's travel policy. At the exit conference, County Auditor George Tablack and County Administrator Gary Kubic represented to us that travel and other expenses are frequently approved retroactively. Commissioner Sherlock's response to this special audit report contained a similar assertion. While these individuals did not provide any quantitative data concerning the frequency, we believe this should occur only in extraordinary circumstances and not as a normal business practice. We issued a noncompliance citation for not approving Commissioner Sherlock's travel prior to her traveling to Marietta as required by County policy.

The August 24, 2000 Board meeting agenda and the audio tape of that meeting did not include discussion or authorization of Commissioner Sherlock's travel to Cincinnati. Additionally, a copy of a signed travel journal entry maintained by the Clerk of the Board of Commissioners had the word "Cincinnati" added and did not agree to the copy maintained with the official minute book of the Commissioners' actions. We recommended that the Commissioners review the travel journal entry and investigate the reasons the word "Cincinnati" was added to the copy maintained by the Clerk of the Board of Commissioners. In addition, the Commissioners should correct the travel journal entry maintained by the Clerk of the Board of Commissioners to reflect the official actions taken by the Commissioners as contained in the official minutes and audio tape of their meeting.

3. We reviewed supporting documentation related to each trip for compliance with County policies and Ohio Revised Code Section 301.27 and as necessary, interviewed Commissioner Sherlock and other relevant individuals.

Significant Results: Commissioner Sherlock incurred charges totaling \$1,682 on a County credit card related to her travel to Marietta, Cincinnati, and Philadelphia, and a canceled trip to Chicago, which did not appear to be related to the business of the County and for an airline ticket for her personal companion. Of this amount, Commissioner Sherlock has repaid \$1,602. Commissioner Sherlock has also repaid \$95 representing mileage reimbursement she received for her travel to Philadelphia. We considered issuing a finding for recovery of \$242 as result of Commissioner Sherlock's travel to Cincinnati; however, Commissioner Sherlock repaid this amount during our audit. As a result, we considered this a finding for recovery repaid under audit. Other repayments made by Commissioner Sherlock occurred prior to commencing our audit. We also issued noncompliance citations and management recommendations concerning the use of County credit cards for expenses which were not related to County business.

At the exit conference, we were provided a copy of a Travel Request Form submitted for the County Commissioners' Day Conference in Marietta. This form had the word "Cincinnati" added and contained no details as to the date(s) or the purpose of the travel to Cincinnati. A Travel Request Form was not completed and submitted for Commissioner Sherlock's travel to Philadelphia. The minute record and related travel journal entry authorizing Commissioner Sherlock's travel to Philadelphia referred to it as the "Smart Growth Strategic Planning Session"; however, Commissioner Sherlock represented that this trip was for independent research. Had Commissioner Sherlock completed the required Travel Request Forms describing the nature of each trip, the other Commissioners could have reviewed these forms to determine whether these trips were to benefit the County.

The County passed a resolution effective April 1, 2002 which amended its internal policies and procedures which effectively eliminated the use of County issued direct payment credit cards by County officials and employees.

4. On April 10, 2002 we held an exit conference with the following:

Gary Kubic, County Administrator
David Ludt, County Commissioner
Edward Reese, County Commissioner
George Tablack, County Auditor
Paul Gains, County Prosecutor

These individuals were given an opportunity to respond to this special audit report. We received a response from the County Administrator on April 17, 2002. We also received a response from Commissioner Sherlock on April 17, 2002. We received a response dated April 24, 2002, from Leo Jennings on behalf of Commissioner Sherlock. We received an additional response dated April 25, 2002, from Commissioner Sherlock. The responses were evaluated and changes were made to the report as deemed appropriate.

This report is intended for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Reports by the Auditor of State are a matter of public record and use by other components of state government or local government officials is not limited.

Jim Petro
Auditor of State

March 15, 2002

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SUPPLEMENT TO THE SPECIAL AUDIT REPORT

BACKGROUND INFORMATION

In October and November 2001, several newspaper articles described alleged irregularities involving Mahoning County Commissioner Vicki Allen Sherlock's use of a County issued credit card for what appeared to be personal expenses incurred while traveling in-state and out-of-state. We also received a letter dated November 1, 2001, from Commissioner David Ludt requesting that the State Auditor's Office review the allegations contained in the newspaper articles.

The allegations and concerns contained in the newspaper articles and Commissioner Ludt's letter were as follows:

- Commissioner Sherlock incurred expenses on a County issued credit card for travel to Cincinnati which was not authorized or approved by the County Commissioners. Some of the charges appeared to be personal in nature and hotel charges for the same date at 2 different hotels were incurred.
- Commissioner Sherlock used a County credit card to incur expenses for a trip to greater Philadelphia on which she was accompanied by her personal companion and their respective children.
- Commissioner Sherlock used a County issued credit card to purchase an airline ticket for her personal companion on a scheduled trip to Chicago.

On November 6, 2001, the above information was presented to the Auditor of State's Special Audit Committee which voted to initiate a special audit.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Issue No. 1 - Determine whether travel by Commissioner Vicki Allen Sherlock to Marietta, Cincinnati, Chicago, and Philadelphia was authorized and for purposes related to County business, and whether County credit card charges incurred and travel reimbursements received by Commissioner Sherlock related to these trips were for purposes related to County business.

PROCEDURES

1. We reviewed County policies, procedures, and Ohio Revised Code Section 301.27 concerning travel by County officials and employees, reimbursement for travel, and use of County credit cards.
2. We reviewed Commissioner Board meeting minutes for authorization of travel by Commissioner Sherlock to Marietta, Cincinnati, Chicago, and Philadelphia and the related travel costs.
3. We reviewed supporting documentation related to each trip for compliance with County policies and Ohio Revised Code Section 301.27 and as necessary, interviewed Commissioner Sherlock and other relevant individuals.

RESULTS

1. The Mahoning County Purchasing Policies & Procedures Manual, effective January 1997, sets forth County policies and procedures for administrators and employees concerning travel and the use of County credit cards.

Personnel Policies for Mahoning County Employees 2000, Section 4.7, Reimbursement of Expenses, provides required procedures and allowable expenses concerning the reimbursement to employees for expenses incurred while traveling on County business.

Ohio Revised Code Section 301.27 addresses the use and proper authorization of County credit cards.

Pertinent portions of these authorities are cited where applicable in the results of each procedure and the findings portion of this report.

2. **Marietta and Cincinnati**

The Commissioners' Board minutes noted that on August 24, 2000, subsequent to when Commissioner Sherlock traveled, the Board of Commissioners authorized Commissioner Sherlock to travel to Marietta on August 22 and 23, 2000 to attend the County Commissioners' Day Conference, and authorized travel related expenditures of \$300. Commissioners Reese and Sherlock voted to approve the travel and associated travel costs. Commissioner Ludt was absent from the meeting. At the exit conference, County Auditor George Tablack and County Administrator Gary Kubic represented to us that travel and other expenses are frequently approved retroactively. Commissioner Sherlock's response to this special audit report contained a similar assertion. While these individuals did not provide any quantitative data concerning the frequency, we believe this should occur only in extraordinary circumstances and not as a normal business practice. We will issue a noncompliance citation for not approving Commissioner Sherlock's travel prior to her traveling to Marietta as required by County policy.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Commissioner Sherlock's travel to Marietta to attend the County Commissioner's Day Conference was listed on the August 24, 2000 Commissioners' Board meeting agenda as an item to be approved. However, the agenda did not include any reference to Commissioner Sherlock's travel to Cincinnati. Reference to the travel to Cincinnati was not included on the Commissioners' Board meeting audio tape. There was no evidence that Commissioner Sherlock's trip to Cincinnati was formally authorized or discussed at an open meeting. We will issue a noncompliance citation for not approving travel in accordance with County policy.

Subsequent to the August 24, 2000 Commissioners' Board meeting, Journal Entry 00-977¹, which documented authorization of Commissioner Sherlock's travel to Marietta, was signed by Commissioner Sherlock in her capacity as Vice-President of the Board and attested to by Thomas Smith, then-Clerk of the Board.

A review of the original signed and approved Journal Entry 00-977 maintained by the Clerk of the Board noted that "Cincinnati" had been typed beneath the word "Marietta." However, the typed word, "Cincinnati," was not within the context of the sentence. On November 14, 2001, we reviewed the minute book on file in the Commissioners' Office which included a copy of Journal Entry 00-977. This is the official County record of meeting actions which is available for public inspection. The journal entry contained in the minute book which was signed by the Commissioners did not have a reference to "Cincinnati." Thomas Smith, then-Clerk of the Board, did not sign and approve the minutes. Instead, Nancy Laboy signed the minute book as Acting Clerk of the Board. We spoke with Ms. Laboy and Mr. Smith concerning the change to the Journal Entry; however, neither could tell us who made the change. Mr. Smith asserted that Commissioner Sherlock said that she had also traveled to Cincinnati and the Journal Entry should reflect that trip as well. Mr. Smith stated that he was aware that the change to the journal entry was made; however, he was not aware that the minute book had not been changed since he did not sign and approve the minutes from that meeting. We were unable to conclude who authorized, or actually made, the alterations to Journal Entry 00-977. We will issue a noncompliance citation for not approving the Marietta and Cincinnati trip in the Board minutes prior to Commissioner Sherlock traveling, and a recommendation that the Commissioners review the travel journal entry and investigate the reasons the word "Cincinnati" was added to the copy maintained by the Clerk of the Board of Commissioners. In addition, the Commissioners should correct the travel journal entry maintained by the Clerk of the Board of Commissioners to reflect the official actions taken by the Commissioners as contained in the official minutes and audio tape of their meeting.

We also spoke with Commissioners Ludt and Reese regarding Commissioner Sherlock's travel to Cincinnati. Neither stated that they were aware that Commissioner Sherlock was traveling to Cincinnati in conjunction with the authorized Marietta trip.

Philadelphia

The August 9, 2001 Commissioners' Board meeting agenda contained an entry to authorize Commissioner Sherlock's travel to Philadelphia to attend the "Smart Growth Strategic Planning Session" on August 19 through 22, 2001.

¹ The journal entry formally recorded the authorization of travel and related travel expenses and is a document which is attached to the purchase order when expenses are paid or reimbursed.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

The Commissioners' Board minutes noted that on August 9, 2001, the Board of Commissioners authorized Commissioner Sherlock to attend the "Smart Growth Strategic Planning Session" held in Philadelphia and authorized travel related expenditures of \$700. Commissioners Reese, Sherlock, and Ludt voted to authorize Commissioner Sherlock's travel.

Journal Entry 01-972² was signed by Commissioner Sherlock in her capacity as Vice-Chairman of the Board and attested to by Thomas Smith, then-Clerk of the Board.

According to Commissioners Reese and Ludt, they were unaware that the "Smart Growth Strategic Planning Session" was not an organized event or conference. Commissioner Sherlock did not inform them that this travel was to conduct independent research and gather information on economic planning and development. This trip was initiated by Commissioner Sherlock and was not part of any ongoing County project of which they had knowledge. In correspondence to our office dated April 22, 2002, County Administrator Gary Kubic stated that he was aware that Commissioner Sherlock had intended to conduct her own research concerning comprehensive growth plans and that she had planned to travel to Philadelphia to view the impact of that community's plan.

Chicago

The September 6, 2001 Commissioners' Board meeting agenda contained an entry to authorize Commissioner Sherlock's travel to Chicago to attend a conference on September 24 through 26, 2001.

The Commissioners' Board minutes noted that on September 6, 2001, the Board of Commissioners authorized Commissioner Sherlock to attend a conference held in Chicago and authorized travel related expenditures of \$1,000. Commissioners Reese and Ludt voted to approve this trip. Commissioner Sherlock was absent from the meeting.

Journal Entry 01-1020³ was signed by Commissioner Reese and attested to by Thomas Smith, then-Clerk of the Board. Commissioner Sherlock later canceled this trip because of a concern about flying after the September 11th attack.

3. Commissioner Sherlock was unavailable during the period November 7, 2001 through December 20, 2001. During that period, we requested from Anthony DeLucia, Commissioner Sherlock's Administrative Assistant, supporting documentation such as hotel bills, travel request forms, credit card statements, reimbursement of travel expenses, and any other information related to her Marietta, Cincinnati, Chicago, and Philadelphia trips to determine whether these trips were for purposes related to County business.

² See footnote No. 1.

³ See footnote No. 1.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Marietta and Cincinnati

On November 7, 2001, Mr. DeLucia provided copies of hotel bills, meal receipts, purchase orders, credit card statements, and employee travel expense reports for expenses charged on the County credit card for purchases related to these trips. The documentation provided by Mr. DeLucia did not include a Travel Request Form OMB-6⁴. On the day of the exit conference, we were provided a copy of a Travel Request Form submitted for the County Commissioners' Day Conference in Marietta. This form had the word "Cincinnati" added and contained no details as to the date(s) or the purpose of the travel to Cincinnati. We will issue a noncompliance citation for failure to follow County policy.

The County's American Express card issued to Thomas Smith, then-Clerk of the Board, was used by Commissioner Sherlock to charge \$52 for a one night stay at the Super 8 Motel in Marietta on August 22, 2000. A hotel bill from the Hampton Inn in Cincinnati and a monthly County credit card statement from American Express indicated that Commissioner Sherlock checked into the Hampton Inn in Cincinnati on August 22, 2000, the same night the County credit card was charged for a room at the Super 8 Motel in Marietta. Although the Hampton Inn hotel bill showed she was charged a single occupancy rate, the bill indicated that 2 adults occupied the room. Total charges to the County credit card were \$242⁵ for Commissioner Sherlock's stay at the Hampton Inn which included two nights lodging totaling \$184 and telephone charges totaling \$58.

A meal receipt dated August 23, 2000 totaling \$50 from a restaurant in Columbus included charges for alcohol and a gratuity totaling \$22. Commissioner Sherlock's Employee Travel Expense Form for Expenses Charged on a County Credit Card submitted by Commissioner Sherlock and received by the County on December 8, 2000, disclosed a \$22 charge to the credit card as "Personal" and \$28 as a "Business" related meal expense. Commissioner Sherlock reimbursed the County \$22 on December 7, 2000.

On December 20, 2001, we asked Commissioner Sherlock to distinguish work related expenses and personal expenses for these trips. Commissioner Sherlock asserted that all expenses both personal and business related were repaid. We also asked her to explain and provide supporting documentation for the purpose of the Cincinnati trip in order to determine whether this trip was for purposes related to County business.

During an interview, Commissioner Sherlock acknowledged traveling to Marietta and Cincinnati with her personal companion. Commissioner Sherlock confirmed that they checked into the Super 8 Motel in Marietta on August 22, 2000, attended only one day of the Commissioner's Day Conference, and did not stay the night in Marietta. They attended the Conference dinner meeting at 6:00 p.m., and after dinner, traveled to Cincinnati and checked into the Hampton Inn. Although they did not stay the night in Marietta, the Super 8 Motel charged the County credit card for one night's stay. Commissioner Sherlock was unable to provide a business reason for not staying at the hotel; however, she asserted that she used the hotel room to change clothes before attending the conference. The County did not receive a benefit for this expense. As of the date of our report, Commissioner Sherlock has not reimbursed the County for the \$52 room charge.

⁴ Mahoning County Purchasing Policies and Procedures Manual, "Travel," page 59, requires this form to be completed and submitted to the Board of Commissioners prior to traveling.

⁵ Original charge was for \$333; however the County received a credit totaling \$91 for the night of August 24, 2000 which Commissioner Sherlock did not stay.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

In the same interview, Commissioner Sherlock asserted that the purpose of her travel to Cincinnati was to visit the Hamilton County Administrative Building on August 23, 2000, which housed all of the county government agencies and departments.

After her site visit, she returned to the Hampton Inn and checked out of the hotel late that day using the County credit card to pay the hotel charges. She and her personal companion traveled to Columbus where they ate dinner at a restaurant around 7:00 p.m. After dinner, they continued to travel home and arrived at approximately 11:00 p.m. A review of the Hampton Inn hotel bill indicated that they checked out of the hotel on August 25, 2000; however, according to Commissioner Sherlock, they only stayed the night of August 22nd, but were charged for two additional nights stay which included, August 23rd and August 24th. On November 30, 2000, the County received a credit from the Hampton Inn of \$91 for a room charge on August 24th.

To support the purpose of her travel to Cincinnati, Commissioner Sherlock provided a copy of a typed one page memo dated August 25, 2000, from Commissioner Sherlock to Thomas Smith, then-Clerk of the Board. This memo briefly discussed and summarized the results and conclusions of her one day site visit of the Hamilton County Administrative Building. We requested information as to whom Commissioner Sherlock met with or what was discussed during her visit. Commissioner Sherlock was unable to provide this information to support that her travel to Cincinnati was for a purpose related to County business.

Because the expenses incurred during Commissioner Sherlock's travel to Cincinnati did not appear to be for purposes related County business, we considered issuing a finding for recovery against Commissioner Sherlock. On November 8, 2001, Commissioner Sherlock repaid \$242 to the County for the total charges related to the lodging and telephone charges at the Hampton Inn in Cincinnati. As a result, we will consider \$242 a finding for recovery repaid under audit.

Credit card purchases made with the County credit card related to the Marietta and Cincinnati trip totaled \$344. Of this amount, Commissioner Sherlock reimbursed the County \$264. A portion of the meal expense in Columbus totaling \$28 and the lodging expense for the Super 8 Motel in Marietta totaling \$52 have not been reimbursed by Commissioner Sherlock as of the date of our report.

Philadelphia

The information provided by Mr. DeLucia concerning this trip did not include a Travel Request Form OMB-6⁶. Hotel bills totaling \$162 from Mainstay Suites in Malvern, Pennsylvania, indicated that Commissioner Sherlock arrived on August 17, 2001, and departed on August 18, 2001. Commissioner Sherlock's personal companion was identified on the hotel bill as making vending purchases totaling \$7. The original hotel bill submitted by Commissioner Sherlock to the County Auditor to be paid had the name of Commissioner Sherlock's personal companion redacted. Other charges on this hotel bill were telephone charges totaling \$9 and room charges totaling \$146. These amounts were charged to the County's American Express Corporate Account card in the name of John Cox, Department Head of the Solid Waste District.

⁶ See footnote No. 4.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Hotel bills totaling \$734 from the Residence Inn in Exton, Pennsylvania, indicated that Commissioner Sherlock arrived on August 18, 2001 and departed on August 23, 2001. The hotel bill indicated that the number of guests were 6 and the room rate charged was \$130 plus tax per night. We spoke with personnel at the Residence Inn and the Reservations and Guest Services Department who indicated that this rate was for a 2 bedroom suite, and the rate for a 1 bedroom suite would have been only \$90 plus tax. There were telephone charges totaling \$5 and the room charges for the five days totaling \$729 charged to the County's American Express Corporate Account card. Two meal receipts totaling \$70 and \$232, respectively, were also charged to the County's American Express Corporate Account card issued in the name of John Cox, Department Head of the Solid Waste District.

Commissioner Sherlock originally submitted two Employee Travel Expense Forms for Expenses Charged on a County Credit Card which were dated October 2, 2001. The first one identified the lodging on August 17, 2001, at the Mainstay Suites in Malvern, Pennsylvania, as a "Business" expense totaling \$162. Journal Entry 01-972 did not authorize Commissioner Sherlock to travel on August 17, 2001.

The second Employee Travel Expense Form for Expenses Charged on a County Credit Card submitted by Commissioner Sherlock identified \$734 for lodging at the Residence Inn in Exton, Pennsylvania, as "Business" expenses, and meals totaling \$232 as "Personal" expenses. The second Employee Travel Expense Form for Expenses Charged on a County Credit Card was later altered with "White-Out" and the \$734 were reported as "Personal" expenses. Another Employee Travel Expense Form for Expenses Charged on a County Credit Card signed by Commissioner Sherlock and dated November 1, 2001, which detailed her travel to Exton, Pennsylvania, identified all of the expenses related to this travel as "Personal" expenses. This form was completed after Commissioner Sherlock made the reimbursements noted below.

On October 2, 2001, Commissioner Sherlock submitted an Employee Reimbursement Form for mileage to Philadelphia and on October 4, 2001, received a reimbursement totaling \$95.

On October 10, 2001, Commissioner Sherlock reimbursed the County for personal meal expenses totaling \$302 charged on the County credit card while in Philadelphia on August 22, and 23, 2001.

On November 1, 2001, Commissioner Sherlock reimbursed the County \$897 for charges made on the County credit card related to her travel to Philadelphia on August 18, 2001 through August 23, 2001. These expenses were for lodging at Malvern (\$163), and Exton (\$734), Pennsylvania. On November 1, 2001, Commissioner Sherlock also repaid the \$95 mileage reimbursement she received on October 4, 2001.

During our meeting with Commissioner Sherlock on December 20, 2001, she did not provide any information related to the six-day trip to Philadelphia and asserted that the information was available at her home. The next day Anthony DeLucia, Administrative Assistant, called to schedule a meeting for January 8, 2002; whereby, Commissioner Sherlock would meet and further discuss the Philadelphia trip, and at that time would provide all the related information.

On January 8, 2002, we met with Commissioner Sherlock to discuss the Philadelphia trip and to obtain supporting documentation to determine whether this trip was for purposes related to County business. During the meeting, Commissioner Sherlock provided a three-page narrative describing the research, planning, and production process for developing a multimedia presentation dealing with planning, zoning, and land uses that she intended to present to the community later in 2002. As part of this project, she had identified Delaware County in Pennsylvania as an area which she felt was comparable to Mahoning County.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Commissioner Sherlock also provided a binder that included the following documents or information:

- 31 photographs of selected pieces of property in various Philadelphia neighborhoods.
- Copies of handwritten notes for the period August 18, 2001 through August 22, 2001 which summarized the different places in Philadelphia Commissioner Sherlock visited each day, and characteristics and land uses for each of the neighborhoods visited.
- A consulting report titled "Summary of Public Outreach Efforts and Public Comments for Delaware Valley Regional Planning Commission's Year 2025 Preliminary Land Use and Transportation Plan" dated April 26, 2001.
- A consulting report titled "Roosevelt Boulevard Corridor Study - Final Definition of Alternatives" dated November 2000.
- Research information printed from the Internet concerning various types of development projects in the greater Philadelphia metropolitan area.

The August 9, 2001 Commissioners' Board meeting agenda contained an entry to authorize Commissioner Sherlock's travel to Philadelphia to attend the "Smart Growth Strategic Planning Session" on August 19 through 22, 2001. Commissioner Sherlock did not provide an agenda or any material to support that she attended an organized conference or session as was described in the Commissioners' Board meeting agenda, minutes, and journal entry that was approved. A Travel Request Form OMB-6 was not completed and submitted describing the purpose of Commissioner Sherlock's travel to Philadelphia. In response to this special audit report, Commissioner Sherlock informed us that the Board meeting agenda incorrectly described her trip as a "Smart Growth Strategic Planning Session" and that the purpose of the travel was actually to conduct independent research by visiting various neighborhoods and community developments; however, she did not intend to specifically meet with anyone.

Chicago

On August 31, 2001, the County's American Express Corporate Account credit card issued in the name of John Cox, Department Head of the Solid Waste District, was charged for three round trip tickets to Chicago totaling \$423. The tickets were non-refundable and in the names of Thomas Smith, then-Clerk of the Board, Commissioner Sherlock, and Commissioner Sherlock's personal companion.

On an Employee Travel Expense Form for Expenses Charged on a County Credit Card dated October 2, 2001, signed by Commissioner Sherlock, the cost of one ticket was identified as "Personal" totaling \$141 and other two tickets were identified as "Business" totaling \$282.

Prior to September 24, 2001, the date of the planned conference, Commissioner Sherlock canceled the trip and reimbursed the County \$141 for the cost of her personal companion's plane ticket. The County exchanged Commissioner Sherlock's and Mr. Smith's airline tickets for 2 vouchers which are good for one year and could be used by a County employee.

FINDING FOR RECOVERY REPAID UNDER AUDIT

The August 24, 2000 Board meeting agenda and the audio tape of that meeting did not include discussion or authorization of Commissioner Sherlock's travel to Cincinnati. Additionally, a copy of a signed travel journal entry maintained by the Clerk of the Board of Commissioners had the word "Cincinnati" added and did not agree to the copy maintained with the official minute book of the Commissioners' actions. There was no evidence that Commissioner Sherlock's trip to Cincinnati was formally authorized or discussed at an open meeting.

While traveling to and from Cincinnati, Commissioner Sherlock incurred charges on a County credit card totaling \$242. Commissioner Sherlock was unable to provide documentation to support that this trip was for purposes related to County business.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

In accordance with the foregoing facts, pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery was considered against Vicki Allen Sherlock, Mahoning County Commissioner, for expenses incurred totaling \$242 that do not reflect a valid proper public purpose. On November 8, 2001, Commissioner Sherlock repaid the County \$242. As a result, we considered this a finding repaid under audit.

NONCOMPLIANCE

Ohio Revised Code

Ohio Revised Code Section 301.27 (B) provides, in pertinent part: "A credit card held by a board of county commissioners or the office of any other county appointing authority shall be used only to pay for work-related expenses such as food, transportation, gasoline and oil, minor motor vehicle maintenance, emergency motor vehicle repair, telephone, lodging, and internet service provider expenses." (Emphasis added.)

County credit cards were used to incur the following charges:

- Commissioner Sherlock did not stay the night in Marietta on August 22, 2000; however, the Super 8 Motel charged the County credit card one night's stay. Commissioner Sherlock was unable to provide a business reason for not staying at the hotel; however, asserted that she used the hotel room to change clothes before attending the conference. The County did not receive a benefit for this expense. As of the date of our report, Commissioner Sherlock has not reimbursed the County for the \$52 room charge.
- Meals and lodging expenses totaling \$292 which were considered personal expenses related to Commissioner Sherlock's trip to Cincinnati, and were not authorized by the Board of Commissioners as required by the policy.
- Purchase of an airplane ticket costing \$141 for Commissioner Sherlock's personal companion who is not a County employee.
- 2 personal meals totaling \$302 while Commissioner Sherlock traveled to Philadelphia.
- Personal lodging expenses totaling \$896 while Commissioner Sherlock traveled to Philadelphia.

Although the statute is clear that the County credit card is to be used only for work related expenses and County policy references the statute, we noted during our special audit that the County's practice was to allow reimbursements of personal expenses and required the employee to complete a form for reporting personal and business expenses incurred on a County credit card.

County Policies and Procedures

The Mahoning County Purchasing Policies and Procedures Manual provisions regarding travel provide, in pertinent part: "Employees who travel on behalf of Mahoning County are expected to use good judgement (sic) and to make related expenditures in a prudent manner." The policy provides that traveling expenditures incurred by an elected official traveling out of the area (Mahoning County) on County business requiring overnight stays or attending a conference or convention of a job related professional association are allowable. All expenses for travel must be submitted to the Board of Commissioners for approval prior to the actual travel. This approval by the Board of County Commissioners is required in addition to proper authorization required by an individual appointing authority and/or department head. The department must complete and submit a Travel Request Form OMB-6⁷.

⁷ See footnote No. 4.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

The policy language speaks of departments submitting travel forms and is silent as to its applicability to Commissioners; however, Commissioner Sherlock completed a Travel Request Form OMB-6 for the Chicago trip which was canceled so it would appear that this policy also applies to Commissioners.

We noted the following noncompliance with the County's travel policy:

- The Commissioners' Board minutes noted that on August 24, 2000, subsequent to when Commissioner Sherlock traveled, the Board of Commissioners authorized Commissioner Sherlock to travel to Marietta on August 22 and 23, 2000, to attend the County Commissioners' Day Conference. At the exit conference, County Auditor George Tablack and County Administrator Gary Kubic represented to us that travel and other expenses are frequently approved retroactively. Commissioner Sherlock's response to this special audit report contained a similar assertion. While these individuals did not provide any quantitative data concerning the frequency, we believe this should occur only in extraordinary circumstances and not as a normal business practice.
- There were discrepancies between the copies of the Commissioners' travel journal entry maintained by the Clerk of the Board and the one maintained with the official meeting minutes.
- Documentation provided for the Marietta, Cincinnati, and Philadelphia trips did not include a Travel Request Form OMB-6 which was required to be submitted prior to traveling. On the day of the exit conference, we were provided a copy of a Travel Request Form submitted for the County Commissioners' Day Conference in Marietta. This form had the word "Cincinnati" added and contained no details as to the date(s) or the purpose of the travel to Cincinnati.

We recommend that travel and travel related expenses be authorized prior to an elected official or employee traveling. We recommend that elected officials and employees complete and submit a Travel Request Form OMB-6 for approval prior to the actual travel.

MANAGEMENT COMMENTS

Travel Journal Entry

A review of the original signed and approved Journal Entry 00-977 maintained by the Clerk of the Board noted that "Cincinnati" had been typed beneath the word "Marietta." However, the typed word, "Cincinnati," was not within the context of the sentence. We reviewed the minute book on file in the Commissioners' Office which included a copy of Journal Entry 00-977. The journal entry contained in the minute book which was signed by the Commissioners did not have a reference to "Cincinnati." Thomas Smith, then-Clerk of the Board, did not sign and approve the minutes. Instead, Nancy Laboy signed the minute book as Acting Clerk of the Board. We spoke with Ms. Laboy and Mr. Smith concerning the change to the Journal Entry; however, neither could tell us who made the change. Mr. Smith asserted that Commissioner Sherlock said that she had also traveled to Cincinnati and the Journal Entry should reflect that trip as well. Mr. Smith stated that he was aware that the change to the journal entry was made; however, he was not aware that the minute book had not been changed since he did not sign and approve the minutes from that meeting. We were unable to conclude who authorized, or actually made, the alterations to Journal Entry 00-977.

The journal entry included in the official minutes, and the audio tape of the Commissioners' meeting did not include reference to authorizing the trip to Cincinnati. Neither of the two other Commissioners recalled approving the trip. There were conflicting documents related to travel Journal Entry 00-977 related to Commissioner Sherlock's travel to Marietta and Cincinnati then what was recorded in the official minute book.

We recommend that the Commissioners review the travel journal entry and investigate the reasons the word "Cincinnati" was added to the copy maintained by the Clerk of the Board of Commissioners. In addition, the Commissioners should correct the travel journal entry maintained by the Clerk of the Board of Commissioners to reflect the official actions taken by the Commissioners as contained in the official minutes and audio tape of their meeting.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

County Credit Cards

Commissioner Sherlock used the County credit card to charge personal expenses related to her travel to Cincinnati, Chicago, and Philadelphia. Although Commissioner Sherlock reimbursed the County for all but \$80 of these expenses, the County's credit card policy and Ohio Revised Code Section 301.27 provide that the County credit card should only be used for work related expenses.

Permitting the use of direct bill County credit cards allows expenses to be made which are not related to the operations of the County, and are not in accordance with the County's credit card policy and Ohio Revised Code Section 301.27.

We recommended the County discontinue the use of direct bill County credit cards. Work-related expenses incurred by individuals on behalf of the County should be reimbursed to the individual following completion and approval of an expense reimbursement form and upon submission of appropriate documentation to support that the expense incurred was related to the operations of the County.

On March 7, 2002, County Commissioners passed Resolution 02-098 which amended the Mahoning County Purchasing Policies and Procedures Manual which effectively discontinued the use of County credit cards by County officials and employees with the exception of the County Sheriff's Office for the purchase of gasoline for law enforcement vehicles. The provisions of this Resolution took effect April 1, 2002.

Supporting Documentation for Travel

Commissioner Sherlock, prior to traveling to Cincinnati and Philadelphia, did not clearly communicate to the other two Commissioners the purpose of her travel and how these trips were to benefit the County. They did not discuss or derive an expectation of a benefit to the County which resulted in questions concerning the expenses incurred and the purposes of those trips. The Travel Request Form for the County Commissioners' Day Conference in Marietta had the word "Cincinnati" added with no explanation as to the purpose of the Cincinnati trip. A Travel Request Form was not completed and submitted for Commissioner Sherlock's travel to Philadelphia. The minute record and related travel journal entry authorizing Commissioner Sherlock's travel to Philadelphia referred to it as the "Smart Growth Strategic Planning Session"; however, it was instead independent research conducted by Commissioner Sherlock. Had Commissioner Sherlock completed the required Travel Request Forms describing the nature of each trip, the other Commissioners could have reviewed these forms to determine whether these trips were to benefit the County.

We recommend County officials and employees who travel for reasons other than conferences, conventions or business related to professional associations, discuss with their department heads and provide the Board of Commissioners, adequate documentation as to why it is necessary to travel, and complete the Travel Request Form disclosing the nature of the trip as it pertains to County business, and expectations as to how the County will benefit from the trip prior to receiving proper approval. We also recommended that a full accounting of the trip's itinerary and findings be documented on return of the official/employee. Results of the trip should be compared to the original expectation prior to traveling in order to determine whether there was a benefit.



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MAHONING COUNTY COMMISSIONERS

MAHONING 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
MAY 8, 2002**