



OHIO AUDITOR OF STATE  
**KEITH FABER**





**ATHENS METROPOLITAN HOUSING AUTHORITY  
ATHENS COUNTY**

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## FRAUD EXAMINATION REPORT

Athens Metropolitan Housing Authority  
Athens County  
10 Hope Drive  
Athens, OH 45701

To the Athens Metropolitan Housing Authority Board of Commissioners, Executive Director, and Finance Director:

### Summary

The Auditor of State, Special Investigations Unit (SIU) conducted a criminal investigation and special audit of the Athens Metropolitan Housing Authority (the Authority) predicated on a memorandum from the financial auditors describing issues encountered with the Authority's financial records during the financial audit and an anonymous tip of unauthorized credit card expenditures by the Executive Director.

The investigation identified \$2,855,245.12 in misappropriated expenses and cash receipts, which resulted in findings for recovery and supported criminal charges against the former Executive Director, Jodi Rickard.

On February 13, 2023, Ms. Rickard was indicted by the Athens County grand jury on seven counts, and subsequently on June 20, 2023, she entered a negotiated plea of guilty to the indictment, as outlined below:

One count	Engaging in a Pattern of Corrupt Activity, a felony of the first degree, in violation of R.C. 2923.32(A)(1)
One count	Engaging in a Pattern of Corrupt Activity, a felony of the second degree, in violation of R.C. 2923.32(A)(2)
One count	Theft in Office, a felony of the third degree, in violation of R.C. 2921.41(A)(1)
One count	Aggravated Theft of One Million Five Hundred Thousand Dollars or More, a felony of the first degree, in violation of R.C. 2913.02(A)(1)
One count	Telecommunications Fraud, a felony of the first degree, in violation of R.C. 2913.05(A)(1)
One count	Tampering with Evidence, a felony of the third degree, in violation of R.C. 2921.12(A)(1)
One count	Tampering with Records, a felony of the third degree, in violation of R.C. 2913.42(A)(1)

On June 20, 2023, the Honorable Judge Daniel Hogan sentenced Ms. Rickard to a term of eight to twelve years in prison followed by three years of post-release control and ordered restitution of \$2,325,395.12. Judge Hogan also ordered the following items to be forfeited:

- Ms. Rickard and her spouse's real property to the Athens County Prosecutor's Office as proceeds of criminal activity.
- Half of the Rickard's marital assets in jointly held bank accounts.
- All monies in bank accounts solely held by Ms. Rickard, her Ohio Public Employee Retirement System account, and her Ohio Deferred Compensation account.

## **Background**

The investigation began in December 2022, after SIU received a memorandum from the financial auditors regarding issues encountered during the financial audit of the Authority. The Authority's Board of Commissioners (Board) received an anonymous tip there were payments made to credit cards which did not belong to the Authority and Authority checks were found payable to Ms. Rickard's father. Further, it was alleged Ms. Rickard provided altered bank statements to the financial auditors to conceal the theft. Ms. Rickard resigned from her position at the Authority on January 27, 2023.

After the information obtained from interviews and preliminary examination of the Authority's bank and accounting records was considered, a special audit was declared by the Auditor of State.

## **Scope and Approach**

We defined our audit period as covering January 1, 2008, through January 27, 2023 (the Period) based on the risk factors identified.

The specific objective we tested to establish whether fraud was committed at the Authority was to examine the available documentation supporting non-payroll expenditures made by the Authority to determine whether the non-payroll expenditures were made for purposes related to the operations of the Authority. The objective and procedures are described more fully in the attached Supplement to the Fraud Examination Report for the Period.

This engagement was conducted in accordance with the [Auditor of State Special Investigations Unit, Quality Standards](#).

## **Findings**

Based on the special audit procedures and investigation, the Auditor of State confirmed the allegation that Ms. Rickard misappropriated \$2,855,245.12 in Authority non-payroll expenditures and cash receipts over a span of 15 years.

Ms. Rickard was hired by the Authority in December 2002 as a Contract Control Specialist. She became the Authority's Finance Director in 2004 and was promoted to Executive Director in January 2020. Due to a lack of oversight by the Board to review check listings, bank statements, or bank reconciliations, in addition to a lack of segregation of duties, Ms. Rickard was able to print Authority checks undetected to cover the theft of cash receipts and to pay for her personal credit card expenses. Her ability to print pre-signed checks containing Board member signatures without an amount listed provided Ms. Rickard with the opportunity to misappropriate \$2,325,395.12 in personal credit card expenses and \$529,850.00 in cash receipts.

Our report includes findings for recovery. In general terms, a finding for recovery means that an individual or entity (e.g. a vendor) illegally spent or received public money. Pursuant to Ohio Rev. Code Section 117.28, when the Auditor of State's office issues a finding for recovery, the individual or entity can repay the amount voluntarily, or the finding for recovery also empowers the public office's statutory legal counsel or the Attorney General's office to institute legal proceedings to collect that amount.

We issued findings for recovery in the amount of \$2,855,245.12 against Ms. Rickard for misappropriated expenditures and cash receipts during the Period.

In addition to the findings for recovery, we issued management recommendations regarding Board oversight, internal controls, segregation of duties, and falsifying audit records. The full details of the findings for recovery and management recommendations are located in the Appendix.

On July 15, 2025, we held an exit conference with the following individuals representing the Authority:

Zack Dye, Executive Director  
David Mott, Legal Counsel  
Gregg Andrews, Board Chairperson  
Phyllis Hoffman, Board Member  
Ann Trout, Board Member

Sherrie Boudinot, Finance Director  
Tim Crow, Accounting Clerk  
Kelly Hatas, Board Vice Chairperson  
Ted Linscott, Board Member

The attendees were informed they had five business days to respond to this fraud examination report. A response was received on July 22, 2025. The response was provided by Zack Dye and was evaluated in the final preparation of this report.

KEITH FABER  
Ohio Auditor of State

*Tiffany L Ridenbaugh*

Tiffany L Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

June 10, 2025

**SUPPLEMENT TO THE FRAUD  
EXAMINATION REPORT**



# SUPPLEMENT TO THE FRAUD EXAMINATION REPORT

**Objective 1 –** Examine available documentation supporting non-payroll expenditures made by the Authority during the Period to determine whether the non-payroll expenditures were made for purposes related to the operations of the Authority.

## PROCEDURES

We scanned non-payroll transactions made by the Authority during the Period and identified for examination:

- Check disbursements made from the Authority's general clearing bank account to determine who the checks were made payable to and if they were for the operations of the Authority.
- Authority check or electronic withdrawal payments from the Authority's remaining bank accounts made to Ms. Rickard, her husband, her father, or any other personal credit card companies or bank accounts belonging to these individuals.
- Checks or electronic withdrawals recorded in the Authority's accounting system to Ms. Rickard, her husband, her father, or any other personal credit card companies or bank accounts belonging to these individuals.

We scanned non-payroll transactions made by and to the Authority from January 2015 through January 2023 and identified for examination:

- Authority check payments made payable to the Authority.
- The Authority bank accounts which the Authority check was deposited into and paid from.
- The deposit slips provided to the bank which included the Authority check compared to the original deposit slip to determine whether the original deposit slip contained a cash deposit amount for the same amount of the check payable to the Authority.
- For items without an original deposit slip, Authority accounting system data showing where cash receipts were originally received but a check from a different Authority bank account was deposited.

## RESULTS

As the Executive Director, Ms. Rickard was responsible for overseeing the operations of the Authority. In addition to the Executive Director, the Authority employed a Finance Director as well as Housing Specialists and other employees for its day-to-day operations.

Many factors played a role in Ms. Rickard having the ability to perpetuate these two fraud schemes. After being promoted from Finance Director to Executive Director, Ms. Rickard failed to relinquish many of her Finance Director duties, specifically retaining control of the bank reconciliation process and preparing a monthly finance report<sup>1</sup> she shared with the Board. Additionally, she controlled access to the Authority bank records, requiring staff to place the unopened bank statements on her desk when they arrived in the mail. Ms. Rickard also preferred taking the cash deposits to the bank whenever she was working. Lastly, she remained the contact person for the Authority's annual financial audit.

Ms. Rickard retained the administrator role within the Authority's accounting system, Yardi, and was able to assign roles and access for employees. Having the administrator role gave Ms. Rickard full access to all functions within the system, including the ability to print checks with pre-printed signatures of her signature and one of the Board members, which she admitted during her interview with investigators. She was able to alter vendor information and print zero-dollar checks from Yardi.

The primary source of revenue for the Authority comes from the Department of Housing and Urban

<sup>1</sup> Ms. Rickard created a monthly Consolidated Income/Expense report to present to the Board. This report only documented summarized monthly and year-to-date income and expenses for the four primary accounts used at the Authority, as well as a combined income or loss.

## SUPPLEMENT TO THE FRAUD EXAMINATION REPORT

Development (HUD), which provides money for federal housing assistance programs and for costs associated with administering the following programs:

- Emergency Housing Voucher
- Home Ownership Voucher
- Housing Choice Voucher
- Non-elderly Disabled
- Veterans Affairs Supported Housing

During the Period, the Authority used separate bank accounts to operate each of their assistance programs, including additional accounts for each of the different housing unit locations<sup>2</sup> managed by the Authority. The Authority used one of these bank accounts to deposit the federal assistance receipts and treated this as a general clearing account. The balance in this account would be electronically transferred to the Authority's other bank accounts, depending on which program the money was for, but no other payments or checks were supposed to be issued from this account. Ms. Rickard was the sole person responsible for transferring the funds from the general clearing account.

### Authority Payments for Personal Expenses:

During the 2021 fiscal audit, financial auditors obtained Authority bank statements via subpoena request after multiple delays by the Authority, one of which was the result of a fire in the finance office. Subsequently, Ms. Rickard provided bank statements to the auditors, but the general clearing account statements provided by Ms. Rickard did not match the subpoenaed bank statements as the checks issued portion was concealed. During a search of the Authority premises, a copy of a general clearing account bank statement for February 2020 was found in Ms. Rickard's work area which was modified to alter the beginning account balance.

To determine if checks were issued from the general clearing account, bank statements and check images were obtained directly from the bank for the Period. Our examination over the general clearing account identified 210 checks and one credit memo<sup>3</sup> were issued during the Period totaling \$2,520,542.97, when no checks should have been issued from this account.

Of the 210 checks identified, seven personal credit card or bank vendors of Ms. Rickard and her husband were paid with 178 checks issued from the general clearing account totaling \$2,325,395.12, as follows:

Vendor	Number of Checks	Sum of Check Amount
Discover	112	\$ 1,704,184.60
Capital One Bank	55	\$ 460,317.00
VISA	6	\$ 39,500.00
The GreenSky Program	1	\$ 36,000.00
WesBanco Bank Inc.	1	\$ 34,000.00
Bank of America	2	\$ 30,393.52
Bank of the West	1	\$ 21,000.00
<b>Total</b>	<b>178</b>	<b>\$ 2,325,395.12</b>

<sup>2</sup> The Authority owns and operates an apartment complex with 44 units, a mixed-use facility (the Dew House) with 12 units, 27 individual stand-alone properties, and an additional 75 other Authority owned properties.

<sup>3</sup> An additional check paid to Discover from 2007 was provided on a subpoena response which we included in the overall results. Additionally, the Authority identified a suspicious check from November 2022 and issued a stop-payment to the bank, resulting in a credit memo of \$16,000.00. However, the payment associated with this credit memo amount was still included in the overall results because Ms. Rickard had processed and mailed the check with the intent to use Authority funds to cover her personal expenses.

## SUPPLEMENT TO THE FRAUD EXAMINATION REPORT

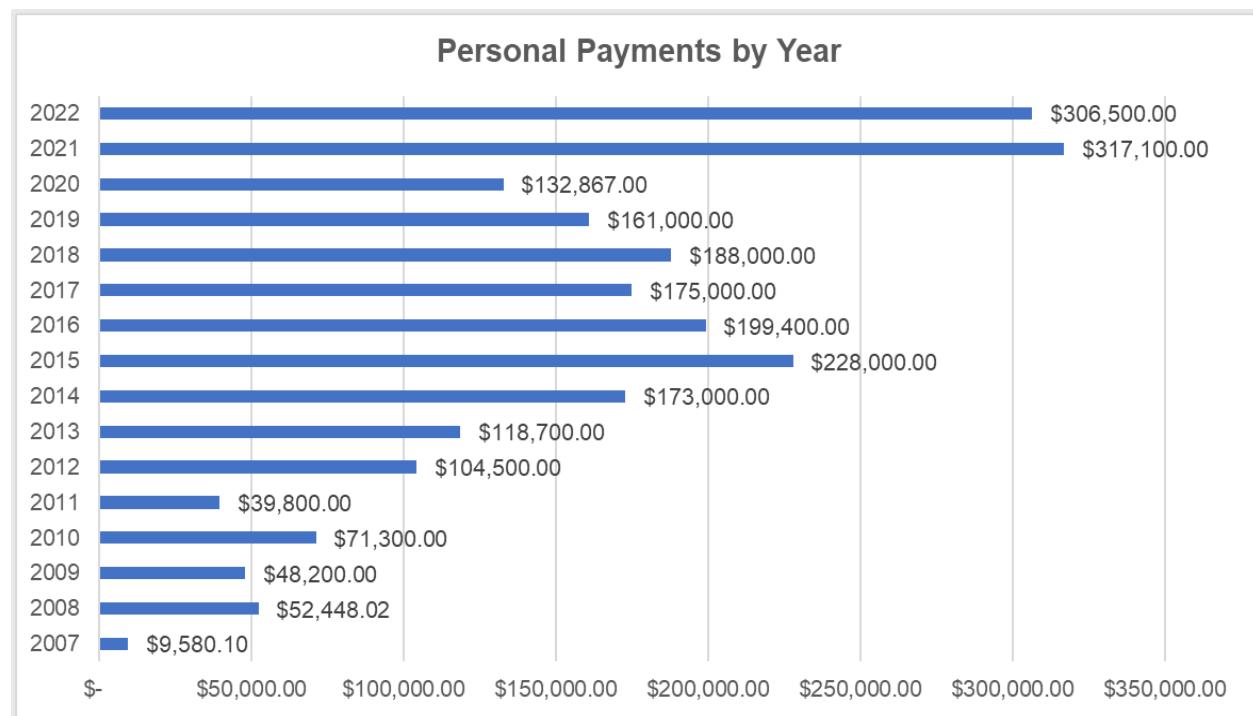
The general clearing account included checks paid from the account as early as 2007, with the checks steadily increasing in frequency and value over time.<sup>4</sup> Ms. Rickard spent the money on shopping, travel, home improvement, outstanding loan balances, cash advances, property tax payments, charitable contributions, dental work, and even funeral expenses for a family member. The largest quantity and dollar amount of transactions went towards shopping, with the following four vendors being the most frequent:

- Amazon – 2,086 transactions for \$163,977.16
- QVC – 3,466 transactions for \$114,989.37
- Walmart – 515 transactions for \$87,675.51
- Apple – 1,477 transactions for \$78,168.81

In addition to shopping, other significant expenditures included:

- Travel and airfare purchases in excess of \$250,000.00, which included cruises, a trip to Disney World, a trip to Hawaii with a \$3,936 helicopter tour, as well as a Sandals Resort Vacation in the Bahamas totaling \$19,228.10.
- Home improvements totaling over \$166,000.00, which included \$73,000.00 to install a heated in-ground swimming pool at her home, \$36,391.06 for furniture, a carport, and a flagpole.
- Personal debt payments totaling \$84,000, which paid off her remaining home mortgage balance, her husband's remaining vehicle loan, and her husband's watercraft loan. They also paid \$17,897.75 towards a trailer purchase.
- Dental work totaling \$62,460.
- Concert tickets totaling \$28,641.84
- Funeral expenditures totaling \$11,987.38.

The peak of personal payments occurred in 2021, when 15 checks were issued resulting in a loss of \$317,100.00 to the Authority; however, we identified losses exceeding \$100,000.00 each year from 2012 through 2022. A breakdown of the personal payment amounts by year is as follows:



<sup>4</sup> Due to records retention, we could not determine if personal payments occurred prior to 2007.

## SUPPLEMENT TO THE FRAUD EXAMINATION REPORT

There were an additional 31 check payments, which totaled \$209,110.85, located in the bank statements but we were unable to obtain copies of the canceled checks to identify a payee. We examined the other Authority bank accounts to see if any of these checks were payable directly to the Authority. None of these payments were deposited in other Authority accounts. In addition, there was one check payment of \$2,037.00 made payable to the Authority deposited in another Authority bank account; this amount was also not considered to be a personal payment. Since these checks could not be tied to Ms. Rickard, they were not included as personal payments.

Yardi was examined to identify any checks made payable to the seven personal credit card or bank vendors found in the bank statements. A search was also performed to identify any checks made payable to Ms. Rickard, her husband, and her father. The only vendor found was Ms. Rickard and none of the other payees were located in the records. We examined Yardi's Audit History Report looking for details of check payments and to identify the username of the Authority employee who created the payments. We also examined the Check Summary and the Check Detail Reports to determine if there was a listing of checks from the general clearing account recorded in Yardi. The Audit History, Check Summary, and Check Detail Reports contained no entries for check payments from the general clearing account.

Our investigation discovered Authority checks payable for zero dollars were not recorded as being issued (i.e. the Yardi system Audit History, Check Summary and Check Detail Reports did not show these checks). However, the Check Audit Report from Yardi contained 43 check numbers recorded on the general clearing account bank statements from August 2020 through December 2022. This report showed checks were printed by jrickard (Ms. Rickard's username) and the date it was printed, but each check reported the amount as \$0.00. For the Check Audit Report example shown below, the subpoenaed bank statements recorded check 15860 clearing the bank on October 19, 2020, in the amount of \$24,300.00.

Print Batch:	6	Printed by User:	jrickard	Printed From Machine:		Printed on Date:	10/12/2020 1:44:27 PM
Check Printer:		Default	Check Copy Printer:				
Check#	15860	Check Amount:	0.00	Ctrl#	Missing	Check Post Month:	
Check Date:			<th></th> <td><th></th><td></td></td>		<th></th> <td></td>		
Current Payee Info:							
Check Payee Info:	Discover	PO Box 6103		ATHENS, OH 45701			
Current Bank Info:	Hocking Valley Bank	PO box 4847		ATHENS, OH 45701			
Check Bank Info:	Hocking Valley Bank	PO box 4847		Athens, OH 45701			

To cover the remainder of our Period, a Blank Checks Produce - Live Database - User jrickard Report (Blank Checks Produce Report) was requested directly from Yardi to determine how many additional checks were issued by Ms. Rickard. This report showed 6,431 instances where checks were written in Yardi using Ms. Rickard's username with no dollar amount listed. However, we noted multiple duplicated check numbers throughout the report, though not every duplicated check cleared the Authority's bank account. For example, the report had 30 checks payable to Discover, but only 22 checks cleared. In another example, check number 15481 was listed twice, once for Discover and once for Capital One Bank, and in both instances the check cleared the Authority's bank account. Each of the cleared checks were previously identified and accounted for in the 178 personal payment checks.

### Theft of Cash Receipts

During our investigation of the general clearing account, another scheme was discovered by an employee at the Authority. The Authority collected payments from tenants for rent and utilities which could be paid using cash. The Finance Director prepared the deposit slip for the funds received at the Authority and the Dew House. The amount of physical cash included in the deposit was documented, as well as the amount of checks and/or money orders. A copy of the deposit slip was included with the funds in a banker bag and provided to Ms. Rickard for deposit.

While examining bank records, it was discovered the deposit slips provided to the bank were different than the copies of the deposit slips created by the Finance Director. After requesting the Blank Checks Produce Report, the large number of zero-dollar checks was questioned by a representative from Yardi. A further review of the zero-dollar checks revealed these checks were used by Ms. Rickard to cover the theft of cash receipts paid by clients to the Authority. As cash was stolen, Ms. Rickard issued zero-dollar checks from a

## **SUPPLEMENT TO THE FRAUD EXAMINATION REPORT**

different Authority account so the checks would not appear as real disbursements in the Yardi system reports, then she altered the physical checks outside Yardi to equal the actual dollar amounts of the cash she was stealing before including the checks in the original deposit in order to cover the difference. The review period for this scheme encompassed January 1, 2015, through January 27, 2023, because records were unavailable for the period prior to 2015 due to retention.

The Authority provided many of the original deposit slip copies prepared by the Finance Director, which were compared to the deposit slips prepared and submitted by Ms. Rickard to the bank, as previously obtained through subpoena request. Our investigation revealed 300 Authority checks in the amount of \$376,395.00 substituted for cash receipts taken by Ms. Rickard. An example of an original and altered deposit slip, along with the correlating Authority check to cover the missing cash is as follows:

## **SUPPLEMENT TO THE FRAUD EXAMINATION REPORT**

DEPOSIT TICKET		
Hocking Valley Bank 7 W Stimson Ave Athens, OH 45701		
Athens Public Housing 10 Hope Dr Athens, OH 45701		
DATE <u>11/15/2022</u>		
CHECKS AND OTHER ITEMS RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPROPRIATE COLLECTION AGREEMENT. DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL		
CURRENCY	DOLLARS	CENTS
COINS	<u>8 00</u>	
CHECKS <small>LIST EACH SEPARATELY</small>	<u>307 00</u>	
1		
2		
3		
4		
<b>DEPOSIT SLIP AS ORIGINALLY PREPARED</b>		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
TOTAL BACKSIDE OR ATTACHED LIST		
◀ PLEASE RE-ENTER TOTAL HERE		<u>1930 00</u>
USE OTHER SIDE FOR ADDITIONAL LISTING. PLEASE BE SURE ALL ITEMS ARE PROPERLY ENDORSED.		
1236144		

DEPOSIT TICKET		
Hocking Valley Bank 7 W Stimson Ave Athena, OH 45701		
<b>Athens Public Housing</b> 10 Hope Dr Athena, OH 45701		
DATE	11/15/2022	
CHECKS AND OTHER PAYMENTS REQUESTED FOR DEPOSITS SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTOR AGREEMENT. DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.		
CURRENCY	DOLLARS CENTS	
COINS		
CHECKS <small>LIST EACH SEPARATELY</small>	1930 00	
1		
2		
3		
<h2>DEPOSIT SLIP</h2> <h3>PROVIDED TO BANK</h3>		
8	.....	
9	.....	
10	.....	
11	.....	
12	.....	
13	.....	
14	.....	
15	.....	
16	.....	
17	.....	
18	.....	
19	.....	
20	.....	
21	.....	
22	.....	
23	.....	
24	.....	
25	.....	
26	.....	
27	.....	
TOTAL BACKSIDE OR ATTACHED LIST		
PLEASE RE ENTER TOTAL HERE 1930 00		
USE OTHER SIDE FOR ADDITIONAL LISTING PLEASE BE SURE ALL ITEMS ARE PROPERLY ENCODED		
12/9/2022		

## **SUPPLEMENT TO THE FRAUD EXAMINATION REPORT**

Due to the fire in the finance office, age of the accounts, and unavailability of records from the bank, copies of the original deposit slips were unavailable for 2015, 2019, and 17 other individual instances from 2016 through 2022. For these instances, reports from Yardi showing the detailed receipt breakdown were reviewed to determine the amount of cash collected, which was then compared to the checks issued directly to the Authority. We identified an additional 115 Authority checks in the amount of \$153,455.00 were substituted for cash receipts. Overall, this scheme revealed 415 Authority checks totaling \$529,850.00 were issued by Ms. Rickard to conceal the theft of cash at the Authority.



**APPENDIX**  
**SCHEDULE OF FINDING FOR RECOVERY  
AND MANAGEMENT RECOMMENDATIONS**

## APPENDIX

### **FINDING FOR RECOVERY – Partially Repaid Under Audit**

**Ohio Admin. Code § 117-2-01(D)(4)** requires, in part, that entities plan for adequate segregation of duties or compensating controls. Segregation of duties provides two significant benefits: (1) a deliberate fraud is more difficult because it requires collusion of two or more persons and (2) it is more likely an error will be detected. When designing the Authority's system of internal controls and the specific control activities, management should plan for adequate segregation of duties or compensating controls.

As the Executive Director, Ms. Rickard maintained control of the financial reporting and reconciliation process. In addition, she maintained control of the Authority bank accounts and had the ability to write Authority checks without any reviews. As a result, Ms. Rickard used her role as Executive Director to circumvent the fiscal procedures of the Authority to conceal her theft.

#### Non-Payroll Expenditures

The **Authority Ethics and Public Accountability Policy Manual Section 3.13(B)** states “no employee shall use or permit the use of any individual, funds, or property under his or her official control, direction, or custody, or of any funds or property of the Housing Authority, for a purpose which is, or to a reasonable person would appear to be for the private benefit of an employee or any other person.”

Ms. Rickard used the Authority's general clearing account to write 178 checks totaling \$2,325,395.12 unrelated to the Authority's activity, instead paying for her own personal expenses, including various credit cards.

#### Cash Receipts

The **Authority Fiscal Procedures Manual – Cash Receipts** section states, in part “the receptionist or other designated person is responsible for taking deposits to the bank”; however, Ms. Rickard retained this duty for herself and required staff to leave cash deposits in her office. Therefore, Ms. Rickard was ultimately responsible for depositing cash receipts into the Authority's bank account.

Ms. Rickard wrote 415 checks from the Authority's Housing Assistance Program bank account to conceal the theft of tenant rental and utility cash receipts for the Dew House, Board Checking, and Public Housing bank accounts totaling \$529,850.00, as follows:

- 46 receipts for the Dew House totaling \$37,949.00
- 71 receipts for the Board Checking account totaling \$60,325.00
- 298 receipts for the Public Housing account totaling \$431,576.00

#### Finding for Recovery Conclusion

On June 20, 2023, Judge Hogan ordered restitution of \$2,325,395.12 against Jodi Rickard in Athens County Common Pleas Case #23CR0079 for the non-payroll expenditures theft.

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 Jodi Rickard in the amount of \$2,855,245.12 in favor of the Authority's Enterprise fund.

As of the date of this report, \$507,296.63 has been repaid via court-ordered forfeiture<sup>5</sup>, leaving the remaining finding for recovery of \$2,347,948.49 still outstanding.

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<sup>5</sup> Sale of personal residence totaling \$255,279.90, Ohio Deferred Compensation totaling \$79,975.45, Personal bank accounts totaling \$9,332.24, and Ohio Public Employees Retirement System pension totaling \$162,709.04.

## APPENDIX

### MANAGEMENT RECOMMENDATIONS

#### Board Oversight

The **Authority Administration Plan § 1-I.B. Organization and Structure of the Public Housing Authority** states, in part, “the Board is responsible for preserving and expanding the agency’s resources and assuring the agency’s continued viability.”

The Authority is directed by a five-member Board comprised of individuals, appointed by the Athens County Probate Court (1), Athens County Common Pleas Court (1), Athens County Commissioners (1) and City of Athens (2). The Board is responsible for establishing policies, ensuring those policies are followed, and internal controls are in place and operating effectively over the Authority’s operations. The role of a Board is to provide governance, which can be further described as providing leadership and oversight. This includes setting the overall mission, establishing the culture of the Authority, and making strategic decisions which align with the Authority’s goals. It also includes monitoring the Authority’s activities to ensure it is achieving its mission while meeting all statutory, regulatory and contractual obligations in a manner which is ethical, legal, efficient and effective.

Due to the Board’s failure to properly monitor the financial activity and demand the necessary documentation to fulfill their duties we noted the following deficiencies in Board oversight:

- Board members were aware Yardi allowed checks with Board member signatures to be printed directly from the system; however, there was no review or monitoring of these printed checks.
- The Board did not request and was not provided with the basic financial reports, reconciliations, or bank statements. The Executive Director provided only a high-level monthly income and expense report that lacked sufficient detail.
- The Board had an approved fiscal procedures manual but did not take the necessary steps to enforce or ensure the policies were followed or adhered to by staff.

Failure of the Board to take steps to ensure its policies and procedures were followed and request adequate supporting documentation to properly monitor the financial activity of the Authority allowed the Executive Director to steal from the Authority for over a decade.

We recommend the Board require detailed financial reports, bank statements, check payments, and supporting documents be presented monthly for their review and approval. Specifically for check payments, the Board should no longer allow the pre-signing of checks, and instead only physically sign the checks after their review and approval of the payment and supporting documentation. We also recommend the Board take the necessary steps to ensure Authority management and staff are complying with all Board approved policies and procedures.

#### Internal Controls

**Ohio Rev. Code § 3735.37** states, in part, a metropolitan housing authority shall keep an accurate account of all its activities and all receipts and expenditures and make an annual report of these publicly available.

The **Authority Fiscal Procedure Manual** is influenced by **HUD Guidebook 7510.1 Public and Indian Housing Low-Rent Technical Accounting Guide**. **HUD Guidebook 7510.1 Financial Operations and Accounting II-3 Internal Controls** states, in part, effective control and accountability must be maintained for all cash, real and personal property, and other assets. The Authority must adequately safeguard all such property and must ensure it is used solely for authorized purposes.

The weaknesses in internal controls stemmed from ineffective oversight, lack of enforcing Authority policies, as well as deliberate actions by the Executive Director to conceal fraudulent transactions. We noted the following internal control weaknesses:

- The Executive Director made changes within Yardi, including changing vendor information, making journal entries, writing checks, applying receipts, and making adjustments. There were no independent reviews performed to verify the integrity of these actions.

## APPENDIX

- Checks were written in Yardi for \$0 but were not reflected in the check register.
- The Executive Director printed checks directly from Yardi, which already included her signature and that of a Board member. However, the Board was neither provided nor requested to review the individual checks or the check registers.
- After creating the deposit slip, staff were required to place the deposit bag with a deposit slip and money in Ms. Rickard's office so she could make the deposits. However, no review was completed to ensure the amount and type of currency provided to Ms. Rickard was accurately deposited.
- The Executive Director was the only person with access to the Authority's bank statements and the person completing the reconciliations.
- The Authority had five bank accounts with an unknown purpose. An additional nine bank accounts were not actively being used yet carried balances. The Board was neither provided nor requested to review copies of the Authority's bank statements.

Failure to design and implement sufficient controls over the disbursement and receipt of public funds increases the risk that loss or misappropriation of funds could occur and not be detected in a reasonable time period. A lack of internal controls at the Authority allowed the opportunity to issue fraudulent check payments and substitute checks from different Authority bank accounts to conceal the theft of cash.

We recommend the Authority develop and implement internal controls to prevent and detect the theft of cash receipts and the issuance of fraudulent checks. An example of this is adopting additional and enforcing current policies and procedures which clearly define roles and responsibilities for Authority employees and for processing of financial transactions. The policies should be reviewed and approved by the Board and then distributed to all employees for review. The Authority should periodically monitor these internal controls to help ensure they are in place and operating as intended. Additional internal controls should include, but are not limited to:

- Ensuring the appropriate level of access to Yardi functions, such as creating and editing vendors, issuing check payments, applying receipts, and making adjustments.
- Requiring physical signatures of at least two Board members on all check payments.
- Providing monthly bank statements, check registers, and bank reconciliations to the Board for their review and approval.
- Ensuring the employee(s) responsible for making bank deposits is not the same person performing the monthly reconciliations.
- Periodically reviewing the Authority's open bank accounts and determining their operational necessity.

### Segregation of Duties

**Ohio Admin. Code § 117-2-01(D)(4)** requires, in part, that entities plan for adequate segregation of duties or compensating controls. Segregation of duties provides two significant benefits: (1) a deliberate fraud is more difficult because it requires collusion of two or more persons and (2) it is more likely an error will be detected. When designing the Authority's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls.

The **Authority Fiscal Procedure Manual – Cash Receipts** section states, in part, "the receptionist or other designated person is responsible for taking deposits to the bank." In addition, the **Authority Fiscal Procedure Manual – Cash Disbursements** section states, in part, the Executive Director reviews each invoice and initials the invoice as approved. The Clerk II enters the invoice information on the computer, prints the checks, the respective check register, and appropriate accounts payable reports.

Proper segregation of duties is not possible when only one or two people handle all four aspects of the internal control cycle (record keeping, authorization, custody and reconciliation).

Due to the Executive Director's duties being unchecked and maintaining the same access/duties as when she was previously the Finance Director, the following conditions were noted, which indicate a lack of segregation of duties:

## APPENDIX

- The Executive Director retained the ability to define roles and was not limited to read-only access in the Yardi system, which provided the opportunity to create and alter vendors without any reviews or secondary approvals, and post entries in the system.
- The Executive Director printed pre-signed checks from Yardi, which included a Board member's signature printed on the check. The Board knew these checks included this signature yet did not review the checks prior to payment, nor did the Board review a check register.
- The Executive Director was an authorized check signer, but also the only employee completing bank reconciliations and the primary person responsible for making bank deposits.
- The Executive Director instructed fellow staff she was the only employee permitted to access or review the Authority's bank statements.

Failure of the Authority to maintain proper segregation of duties resulted in the theft of over \$2 million by the former Executive Director, as the checks and balances were not in place to catch the impropriety.

We recommend duties be segregated to ensure no single individual has control over all phases of a transaction. In some operations, it is not always possible to have enough staff to adequately segregate duties. Understanding this, the Board should take an active role in the operations of the Authority, including obtaining and reviewing financial information on a regular basis, such as reviewing the check register for missing or skipped check numbers, payments to unusual vendors and/or excessive or unexpected payments to employees, as well as reviewing bank statements for unexpected activity. We also recommend the Authority review Yardi system roles and ensure the system is designed to limit access to only those functions necessary to perform the duties of those positions, such as reviewing access within the system and implementing read-only access when full access is not necessary for the position. Finally, we recommend the Authority ensures its policies and procedures are being followed, such as ensuring the employee making bank deposits and creating check payments is not the same employee completing bank reconciliations.

### Falsifying Audit Records

**Ohio Rev. Code § 2913.42(A)(1)** states no person, knowing the person has no privilege to do so, and with the purpose to defraud or knowing the person is facilitating a fraud, shall falsify, destroy, remove, conceal, alter, deface, or mutilate any writing, computer software, data, or record.

As a means to conceal her theft, Ms. Rickard submitted altered bank statements to the financial audit team, removing the checks paid component, as this particular bank account was meant to receive funds by ACH and transfer funds to other bank accounts to cover specific expenditures. In addition, Ms. Rickard altered vendor data in Yardi, created checks for zero dollars, and then altered the checks to pay her personal bills. Further, two separate fires occurred in the records room at the time of audit, conveniently making certain items unavailable for review.

Submitting false bank records to the audit team and altering payment data in the system resulted in the Authority showing inaccurate fund balances and increased the risk of the Authority overdrawing its bank balances.

We recommend the Authority implement monitoring controls to ensure data provided to auditors is unaltered and accurate, and payment data has not been tampered with. We also recommend the Authority examine the responsibilities of its employees to ensure the proper segregation of duties.

# OHIO AUDITOR OF STATE KEITH FABER



## ATHENS METROPOLITAN HOUSING AUTHORITY SPECIAL AUDIT

ATHENS COUNTY

### AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 8/7/2025

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