



OHIO AUDITOR OF STATE
KEITH FABER



**SOUTH CENTRAL OHIO COMPUTER ASSOCIATION REGIONAL COUNCIL OF GOVERNMENTS
PIKE COUNTY**

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FRAUD EXAMINATION REPORT

South Central Ohio Computer Association Regional Council of Governments
Pike County
100 Executive Drive
Marion, Ohio 43302

To the Board and Metropolitan Educational Technology Association:

Summary

The Auditor of State, Special Investigations Unit (SIU), in conjunction with the Federal Bureau of Investigation and Federal Communications Commission (FCC), conducted a criminal investigation and special audit of the South Central Ohio Computer Association Regional Council of Governments (SCOCA) predicated on fraud concerns regarding E-Rate reporting and funding.

The investigation identified \$3,230,974 in misappropriated E-Rate reimbursements which resulted in a finding for recovery and supported criminal charges against the former SCOCA Executive Director, Shawn Clemons. While investigating Mr. Clemons, the investigation identified additional unallowable E-Rate expenses which supported criminal charges against Kenneth Collura, a former Director of Communications and Instructional Technology for the Office of Catholic Schools, a part of the Catholic Diocese of Columbus's Department for Education.

On July 1, 2019, Mr. Collura entered a negotiated guilty plea to a Bill of Information of one felony count of False Statement or Representation Made Within the Jurisdiction of a Department or Agency of the United States, in violation of 18 U.S.C. § 1001(a)(2), in United States District Court, Southern District of Ohio Eastern Division.

On November 7, 2019, Mr. Clemons entered a negotiated guilty plea to a Bill of Information of one felony count of Making or Presenting False Claims, in violation of 18 U.S.C. § 287, in United States District Court, Southern District of Ohio Eastern Division.

On January 9, 2020, the Honorable Judge Edmond A. Sargus, Jr. sentenced Mr. Collura to 30 months of probation, including 6 months of home confinement and 100 hours of community service. On May 19, 2021, the Honorable Judge Michael H. Watson sentenced Mr. Clemons to 60 days in federal prison and three years' supervised release. On October 17, 2024, Mr. Clemons was ordered to pay \$3,230,974.40 in restitution.

Background

The investigation began on February 26, 2016, after representatives from SCOCA and the Metropolitan Educational Technology Association contacted SIU and requested an investigation and special audit into some fraud concerns related to the former Executive Director. Mr. Clemons was terminated from his position at SCOCA on February 23, 2016.

After the information obtained from interviews and preliminary examination of disbursement and E-Rate records was considered, a special audit was declared by the Auditor of State.

Scope and Approach

We defined our audit period as covering July 1, 2012 through December 31, 2015 (the Period) based on the risk factors identified.

The specific objective investigated to determine whether fraud was committed at SCOCA was to examine E-Rate documentation maintained by SCOCA and the Universal Service Administrative Company (USAC) to determine whether E-Rate funds received during the Period were accurately calculated, supported and disbursed in accordance with federal grant requirements. The objective is further described 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 Mr. Clemons provided false claims to the federal government and misappropriated E-Rate reimbursements over a two-year span and Mr. Collura authorized unallowable E-Rate expenditures over a span of three years.

Our report includes a finding 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 totaling \$3,230,974.40 for misappropriated E-Rate reimbursements against Mr. Clemons during the Period.

On June 16, 2025, we held an exit conference with the following individuals representing SCOCA:

Jim Sotler, META CEO
Jimmy Battrell, META CIO

Ashley Widby, META CFO

The attendees were informed they had five business days to respond to this fraud examination report. A response was not received.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

May 23, 2025

**SUPPLEMENT TO THE FRAUD
EXAMINATION REPORT**



SUPPLEMENT TO THE FRAUD EXAMINATION REPORT

Objective - Examine available documentation maintained by SCOCA and USAC to determine whether E-Rate funds received during the Period were accurately calculated, supported and disbursed in accordance with federal grant requirements.

PROCEDURES

We performed an examination of certain E-Rate documents and court records to determine whether SCOCA accurately received and disbursed E-Rate funds in accordance with federal grant requirements.

RESULTS

Mr. Clemons

SCOCA was established in 1979 as a voluntary cooperative within the Ohio Education Computer Network, and on July 1, 2012, organized as a Regional Council of Government. SCOCA served between 62-65 governmental entities within 23 counties of south-central Ohio. SCOCA also served a number of non-governmental entities. SCOCA provided educational services to their members (i.e. school districts, educational service centers, libraries), including E-Rate eligible internet access, telecommunication services and other technology services.

During the Period, SCOCA received federal funding from the Universal Service Fund for Schools and Libraries, commonly known as the E-Rate Program, established by the Telecommunications Act of 1996, which is administered by USAC under the FCC. The E-Rate program provides funding based on economic need, offering between a 20 and 90 percent discount for a variety of services, including telecommunication services, internet access, and internal connections. Eligible entities are verified through an application process with USAC, as well as eligible vendors and purchases. Once verified as eligible, the E-Rate program had two methods of requesting reimbursement:

1. Billed Entity Applicant Reimbursement (BEAR) - the service provider invoiced members for the full cost of services and the members requested reimbursement from USAC for the eligible E-Rate portion of the costs paid to the provider. These reimbursements were to be passed through the provider to the members within 20 business days of receipt.
2. Service Provider Invoicing (SPI) - the service provider invoiced members the E-Rate reduced portion of the services, and the service provider requested reimbursement from USAC for the eligible amount.

Once the service provider invoiced members under one method, federal grant requirements prohibited a change in invoicing methods during a contract period (i.e. funding year). The E-Rate funds were required to be used in the allocated funding year, with no carryover.

Mr. Clemons was responsible for running the E-Rate program at SCOCA for its members. During the Period, Mr. Clemons billed members the full cost of the services triggering the BEAR reimbursement method described above. We noted the following issues during the Period related to E-Rate based on Mr. Clemons' actions:

- Although SCOCA followed the BEAR reimbursement method, Mr. Clemons also filed the reimbursement requests on behalf of their members rather than the members making the reimbursement request as the BEAR method requires, requesting the discounted portion of the services for the members. Mr. Clemons also in some instances submitted both BEAR and SPI reimbursement requests for the same expenses. This allowed SCOCA to improperly collect more than 100 percent of the cost of services.
- Members were not reimbursed within 20 business days, with exceptions spanning up to 587 days.
- Funding from one funding year was used to pay members for a prior funding year.
- Reimbursements were not made to 55 members totaling \$2,012,572.90.

SUPPLEMENT TO THE FRAUD EXAMINATION REPORT

The investigation identified SCOCA was suffering from financial difficulties, the severity unbeknownst to the Board, and did not have sufficient funds to pay the reimbursements to their members or for other debts during the Period. Mr. Clemons withheld members' E-Rate reimbursements to retain sufficient cash balances for operating costs, such as employee salaries and monthly loan obligations, in order to conceal SCOCA's fiscal distress. Based on a review of SCOCA's bank records during the Period, we noted, in the midst of this fiscal distress, Mr. Clemons took out additional loans and spent more than \$200,000.00 on Apple products.

Additionally, beginning January 1, 2016, SCOCA entered into a subcontract agreement with a service provider and began providing technology services to SCOCA members and other entities contracted with SCOCA. This subcontract agreement required SCOCA members to pay any outstanding obligations of SCOCA, as of December 31, 2015. As a result, SCOCA's members were held responsible for \$1,218,401.50 in outstanding and accumulated debt SCOCA was unable to pay after Mr. Clemons was terminated.

Mr. Collura

Mr. Collura negotiated a five-year contract for internet services between SCOCA and the Diocese of Columbus' Office of Catholic Schools (Diocese) in 2014. The contract provided internet services from SCOCA to the Diocese for \$600,180.00 annually. The investigation identified the contract was inflated by \$142,980.00 annually and the extra money was used to pay the salary and benefits of Mr. Collura's nephew, who worked at SCOCA as an Internet Technology (IT) technician dedicated to the Diocese. His nephew previously worked for the Diocese in the same IT position. Any additional funds not used for the salary and benefits of his nephew went into a Diocese account Mr. Collura administered. Mr. Collura reported the total contract amount when requesting E-Rate funding from USAC.

Additionally, SCOCA made four E-Rate reimbursement payments to the Diocese between October 2012 and November 2015, totaling \$550,853. These payments were required to be returned to the Columbus City School District's (District) Auxiliary Service Fund. However, these payments were never returned to the District and instead were deposited into the Diocese's Technology fund, as authorized by Mr. Collura. The fund was mainly used to pay the salaries of Mr. Collura and his nephew, which were not allowable expenditures. The fund also paid for professional development for Mr. Collura, including conferences in San Diego, California and Las Vegas, Nevada.



APPENDIX
SCHEDULE OF FINDINGS FOR RECOVERY

APPENDIX

FINDINGS FOR RECOVERY

Universal Service Funding

47 CFR § 54.514(c) requires, in part, service providers providing discounted services under this subpart in any funding year shall, prior to the submission of the FCC Form 471, permit the billed entity to choose the method of payment for the discounted services from those methods approved by the Administrator, including by making a full, undiscounted payment and receiving subsequent reimbursement of the discount amount from the Administrator.

USAC, as the Administrator, allows for two methods of invoicing under the E-Rate Program, of which, SCOCA utilized the BEAR method, which requires:

- The applicant pays the service provider in full for eligible equipment and services.
- The applicant invoices USAC for the discount portion of the bill using FCC Form 472.
- USAC reviews the invoice, and if approved, provides the discount to the service provider.
- The service provider remits the discount amount to the applicant as soon as possible, but in no event later than 20 business days after receipt of the reimbursement payment from USAC.

FCC Form 472 requires entities to certify, in part, "I declare under penalty of perjury that the foregoing is true and correct and that I am authorized to submit this Billed Entity Applicant Reimbursement Form on behalf of the eligible schools, libraries, or consortia of those entities represented on this Form, and I certify to the best of my knowledge, information and belief, as follows:

- A. The discount amounts listed in this Billed Entity Applicant Reimbursement Form represent charges for eligible services and/or equipment delivered to and used by eligible schools, libraries, or consortia of those entities for educational purposes, on or after the service start date reported on the associated FCC Form 486.
- B. The discount amounts listed in this Billed Entity Applicant Reimbursement Form were already billed by the Service Provider and paid for by the Billed Entity Applicant on behalf of eligible schools, libraries, and consortia of those entities.
- C. The discount amounts listed in this Billed Entity Applicant Reimbursement Form are for eligible services and/or equipment approved by the Fund Administrator pursuant to a Funding Commitment Decision Letter (FCDL)."

Mr. Clemons was responsible for invoicing members and requesting E-Rate funding from the USAC on behalf of SCOCA's eligible members. Due to a lack of oversight over the Executive Director's role with the E-Rate program, Mr. Clemons failed to reimburse \$2,012,572.90 in E-Rate funding received from USAC to SCOCA's eligible members.

Subcontract

The **January 1, 2016 subcontract agreement** between SCOCA and a service provider switched all of SCOCA's members to receiving technology services from a new service provider. The agreement required SCOCA members to pay any outstanding obligations of SCOCA as of December 31, 2015.

As a result of Mr. Clemons' mismanagement of E-Rate funds, SCOCA members were held responsible for \$1,218,401.50 in outstanding debt SCOCA was unable to pay after Mr. Clemons was terminated.

Finding for Recovery Conclusion

On October 17, 2024, Judge Watson ordered restitution of \$3,230,974.40 against Shawn Clemons in Case #2:19-cr-226, to the following entities:

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District Name	Amount Owed
Adams County/Ohio Valley School District	\$ 159,067.70
Adena Local School District	\$ 44,804.42
Bloom Vernon Local School District	\$ 38,994.42
Briggs-Lawrence County Public Library	\$ 15,360.00
Bright Local School District	\$ 94,207.82
Brown County Educational Service Center	\$ 37,455.11
Chesapeake Union Exempted Village School District	\$ 56,225.42
Chillicothe City School District	\$ 85,130.71
Circleville City School District	\$ 74,170.46
Clay Local School District	\$ 25,065.60
Dawson-Bryant Local School District	\$ 51,030.35
Eastern Local School District (Pike)	\$ 43,649.30
Fairfield Local School District	\$ 46,606.34
Fairland Local School District	\$ 101,763.11
Fayetteville-Perry Local School District	\$ 31,775.32
Gallipolis City School District	\$ 89,578.19
Georgetown Exempted Village School District	\$ 39,039.75
Green Local School District (Scioto)	\$ 26,951.50
Greenfield Exempted Village School District	\$ 161,101.21
Huntington Local School District	\$ 47,854.20
Ironton City School District	\$ 56,448.42
Collins Career Center (formerly Lawrence County Joint Vocational School District)	\$ 36,621.60
Lawrence County Educational Service Center	\$ 17,861.80
Logan Elm School District	\$ 88,480.83
Lynchburg Clay Local School District	\$ 120,046.03
Manchester Local School District (Adams)	\$ 35,639.75
Minford Local School District	\$ 62,747.69
New Boston School District	\$ 9,796.25
Northwest Local School District (Scioto)	\$ 48,915.35
Oak Hill Union Local School District	\$ 47,646.09
Paint Valley Local School District	\$ 66,464.95
Pickaway County Educational Service Center	\$ 6,858.24
Pickaway-Ross Career & Technology Center	\$ 23,970.00
Portsmouth City School District	\$ 45,037.00
Ripley Union Lewis Huntington Local School District	\$ 57,073.63
Rock Hill Local School District	\$ 92,717.96
Ross-Pike Educational Service District	\$ 32,772.93
Scioto County Career Technical Center	\$ 31,045.40
Valley Local School District	\$ 132,514.06
Sciotosville Community School	\$ 27,354.16

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Scioto Elementary Academy (Ohio Department of Education and Workforce)	\$ 5,888.50
South Point Local School District	\$ 66,969.07
Southeastern Local School District (Ross)	\$ 44,952.48
Southern Hills Joint Vocational School District	\$ 17,743.35
Symmes Valley Local School District	\$ 57,663.68
Union-Scioto Local School District	\$ 62,109.29
Vinton County Local School District	\$ 93,689.88
Washington-Nile Local School District	\$ 48,513.26
Waverly City School District	\$ 139,908.89
Western Brown Local School District	\$ 202,892.85
Western Local School District	\$ 31,563.20
Wheelersburg Local School District	\$ 47,711.54
Zane Trace Local School District	\$ 54,250.14
Westfall Local School District	\$ 31,435.20
Scioto Valley Local School District	\$ 15,840.00
Total	\$ 3,230,974.40

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 Shawn Clemons in the amount of \$3,230,974.40, in favor of the entities named above.

OHIO AUDITOR OF STATE KEITH FABER



SOUTH CENTRAL OHIO COMPUTER ASSOCIATION REGIONAL COUNCIL OF GOVERNMENTS SPECIAL AUDIT

PIKE 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 7/1/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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