



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF BYESVILLE
GUERNSEY COUNTY**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report.....	1
Appendix	
Schedule of Finding for Recovery	4

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OHIO AUDITOR OF STATE KEITH FABER



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Village of Byesville
Guernsey County
221 East Main Street
Byesville, Ohio 43723

To the Village Council, Mayor, Fiscal Officer and Village Administrator:

Background

The Auditor of State (AOS), Special Investigations Unit (SIU) conducted a criminal investigation and special audit of the Village of Byesville (the Village) predicated on issues discovered by the Village's Fiscal Officer within the Village's utility bank accounts.

The investigation began in September 2020, after SIU received a memorandum from the AOS Southeast Financial Audit Region. The Village Fiscal Officer alleged the Village Utility Clerk, Julie Neff, handled all parts of the utility collection, deposit, and reconciliation process and would not permit other staff to handle the duties when Ms. Neff was out of town. The Fiscal Officer noted a check from the Village utility account paid to the Village had bounced, which should never happen as the account operates as a sweep account. After conducting a cursory review of the Village's utility bank account, the Fiscal Officer discovered Ms. Neff had been depositing small personal checks into the utility account for unknown reasons. Additionally, customers had been disputing delinquency notices, stating their bills had been paid.

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

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

Suspect

Ms. Neff was hired by the Village in November 2014 and served as the Village's Utility Clerk until she was terminated on August 2, 2021.

Schemes

As the Village's Utility Clerk, Ms. Neff was responsible for providing a monthly report of Village customer usage to an outside company who prepared and mailed the Village's utility bills. Ms. Neff was also responsible for all phases of the utility process at the Village, including collecting and recording utility payments, preparing and transporting the deposit to the bank, and issuing a monthly check from the Village's utility bank account to the Village's general bank account (at the time, the Village maintained an account for the utility collections which was controlled by the Utility Clerk, separate from the Village's main account, which was controlled by the Fiscal Officer).

At the end of the day, after Ms. Neff posted the utility payments to their respective customer accounts, she took cash from the day's payments and used subsequent utility payments in an attempt to cover the cash stolen. This created a variance between the collections posted to the Village's utility accounting system and the deposit made at the bank. To conceal the variances, Ms. Neff wrote personal checks to cover when a deposit was short of funds, or she would post a fraudulent payment to her personal utility account when a deposit was overfunded. Ms. Neff often deposited the stolen cash into her personal bank account.

SIU compared the utility payments posted in the Village's utility accounting system to the Village's utility bank account records for the period November 17, 2014 through August 2, 2021 (the Period). We noted a total of \$46,169.93 in which Ms. Neff collected the utility payment and posted the payment to the customer account but did not deposit the payment into the utility bank account.

We reviewed Ms. Neff's personal bank account for checks made payable to the Village. We identified 185 personal checks included in the utility deposits from 2018 through 2021 for a total of \$2,910.77 (these personal checks in essence repaid previous amounts stolen by Ms. Neff). The remaining amount collected by Ms. Neff but not deposited totaled \$43,259.16.

Additionally, Ms. Neff's personal utility account was not assessed late fees or penalties for late or nonpayment. SIU reviewed Ms. Neff's personal utility accounts during the Period and recalculated the bills in accordance with the established usage rates at the time, reviewed transaction activity for any unassessed late payment penalties, and identified payments posted to her accounts which were not made by her. Ms. Neff's utility account had 33 unassessed late payment penalties in the amount of \$454.26.

Findings

Based on the special audit procedures and investigation, the Auditor of State confirmed the allegation that Ms. Neff misappropriated utility collections and manipulated her personal utility accounts over a span of nearly seven years.

We issued \$127,771.62 in a finding for recovery for misappropriated cash and audit costs during the Period.

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

Prosecution

At the conclusion of the special audit and investigation, a prosecution packet was presented to the Guernsey County Prosecutor.

On January 14, 2025, the Guernsey County Prosecutor filed a Bill of Information and on March 3, 2025, Ms. Neff entered a negotiated plea of guilty to one count of Theft in Office, in violation of Ohio Rev. Code § 2921.41, a felony of the third degree, and one count of Tampering with Records, in violation of Ohio Rev. Code § 2913.42, a felony of the third degree.

On April 23, 2025, the Honorable Judge Daniel Padden sentenced Ms. Neff to six months in jail, five years community control and ordered restitution in the amount of \$127,771.62 for the theft and audit costs.

The exit conference was waived by the Village; however, the Village Council and Management were given five days to respond to this special audit report. A response was not received from the Village.

KEITH FABER
Ohio Auditor of State



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

June 9, 2025



APPENDIX
SCHEDULE OF FINDING FOR RECOVERY

APPENDIX

FINDING FOR RECOVERY – UTILITIES

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 Village's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls. 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).

Per the Village's **Utility Policies and Procedures**, bills are to be paid by the 15th of each month. A 10% penalty will be assessed for each bill not paid in full by the due date.

As Utility Clerk, Ms. Neff was responsible for all aspects of processing Village utility transactions. Due to a control structure which lacked segregation of duties, Ms. Neff collected but did not deposit a total of \$43,259.16 in Village utility payments. Additionally, we examined Ms. Neff's personal utility accounts and identified 33 unassessed late payment penalties totaling \$454.26.

On April 23, 2025, Ms. Neff was ordered to pay restitution in the amount of \$127,771.62 in Guernsey County Common Pleas Court Case No. 25 CR 03.

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code § 117.28**, a finding for recovery for public monies converted or misappropriated is hereby issued against Julie Neff, in the amount of \$127,771.62, with \$43,713.42 in favor of the Village's Water and Sewer Funds, in amounts to be determined by the Village and \$84,058.20 in favor of the Auditor of State for audit costs.

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF BYESVILLE SPECIAL AUDIT

GUERNSEY 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 7/24/2025

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