

**ONTARIO LOCAL SCHOOL DISTRICT**

**OHIO FRAUD REPORTING SYSTEM HB-66**

**Acknowledgement of receipt of Auditor of State fraud-reporting system information.**

Pursuant to Ohio Revised Code 117.103(B)(1), a public office shall provide information about the Ohio fraud-reporting system and the means of reporting fraud to each new employee upon employment with the public office.

Each new employee has thirty (30) days after beginning employment to confirm receipt of this information.

By signing below you are acknowledging Ontario Local Schools provided you information about the fraud-reporting system as described by Section 117.103(A) of the Revised Code, and that you read and understand the information provided. You are also acknowledging you have received and read the information regarding Section 124.341 of the Revised Code and the protections you are provided as a classified or unclassified employee if you use the before-mentioned fraud-reporting system.

I, \_\_\_\_\_ have read the information provided by my employer regarding the fraud-reporting system operated by the Ohio Auditor of State's office. I further state that the undersigned signature acknowledges receipt of this information.

Name (printed):	Date:
Signature:	Title:

CC: Employee file

## **117.103 [Effective5/4/2012] Auditor of state's system for reporting fraud.**

(A) The auditor of state shall establish and maintain a system for the reporting of fraud, including misuse and misappropriation of public money, by any public office or public official. The system shall allow Ohio residents and the employees of any public office to make anonymous complaints through a toll-free telephone number, the auditor of state's web site, or the United States mail to the auditor of state's office. The auditor of state shall review all complaints in a timely manner.

The auditor of state shall keep a log of all complaints filed under this section, which is a public record under section 149.43 of the Revised Code. The log shall include the date the complaint was received, a general description of the nature of the complaint, the name of the public office or agency with regard to which the complaint is directed, and a general description of the status of the review by the auditor of state. If section 149.43 of the Revised Code or another statute provides for an applicable exemption from the definition of public record for the information recorded on the log, that information may be redacted.

(B)(1) A public office shall provide information about the Ohio fraud-reporting system and the means of reporting fraud to each new employee upon employment with the public office. Each new employee shall confirm receipt of this information within thirty days after beginning employment. The auditor of state shall provide a model form on the auditor of state's web site to be printed and used by new public employees to sign and verify their receipt of information as required by this section. The auditor of state shall confirm, when conducting an audit under section 117.11 of the Revised Code, that new employees have been provided information as required by this division.

(2) On the effective date of this section, each public office shall make all its employees aware of the fraud-reporting system required by this section.

(3) Divisions (B)(1) and (2) of this section are satisfied if a public office provides information about the fraud-reporting system and the means of reporting fraud in the employee handbook or manual for the public office. An employee shall sign and verify the employee's receipt of such a handbook or manual.

Added by 129th General Assembly File No. 73, HB 66, § 1, eff. 5/4/2012.

## **124.341 [Effective Until5/4/2012] Violation or misuse - whistleblower protection.**

(A) If an employee in the classified or unclassified civil service becomes aware in the course of employment of a violation of state or federal statutes, rules, or regulations or the misuse of public resources, and the employee's supervisor or appointing authority has authority to correct the violation or misuse, the employee may file a written report identifying the violation or misuse with the supervisor or appointing authority. In addition to or instead of filing a written report with the supervisor or appointing authority, the employee may file a written report with the office of internal auditing created under section 126.45 of the Revised Code.

If the employee reasonably believes that a violation or misuse of public resources is a criminal offense, the employee, in addition to or instead of filing a written report with the supervisor, appointing authority, or the office of internal auditing, may report it to a prosecuting attorney, director of law, village solicitor, or similar chief legal officer of a municipal corporation, to a peace officer, as defined in section 2935.01 of the Revised Code, or, if the violation or misuse of public resources is within the jurisdiction of the inspector general, to the inspector general in accordance with section 121.46 of the Revised Code. In addition to that report, if the employee reasonably believes the violation or misuse is also a violation of Chapter 102., section 2921.42, or section 2921.43 of the Revised Code, the employee may report it to the appropriate ethics commission.

(B) Except as otherwise provided in division (C) of this section, no officer or employee in the classified or unclassified civil service shall take any disciplinary action against an employee in the classified or unclassified civil service for making any report authorized by division (A) of this section, including, without limitation, doing any of the following:

- (1) Removing or suspending the employee from employment;
  - (2) Withholding from the employee salary increases or employee benefits to which the employee is otherwise entitled;
  - (3) Transferring or reassigning the employee;
  - (4) Denying the employee promotion that otherwise would have been received;
  - (5) Reducing the employee in pay or position.
- (C) An employee in the classified or unclassified civil service shall make a reasonable effort to determine the accuracy of any information reported under division (A) of this section. The employee is subject to disciplinary action, including suspension or removal, as determined by the employee's appointing authority, for purposely, knowingly, or recklessly reporting false information under division (A) of this section.
- (D) If an appointing authority takes any disciplinary or retaliatory action against a classified or unclassified employee as a result of the employee's having filed a report under division (A) of this section, the employee's sole and exclusive remedy, notwithstanding any other

provision of law, is to file an appeal with the state personnel board of review within thirty days after receiving actual notice of the appointing authority's action. If the employee files such an appeal, the board shall immediately notify the employee's appointing authority and shall hear the appeal. The board may affirm or disaffirm the action of the appointing authority or may issue any other order as is appropriate. The order of the board is appealable in accordance with Chapter 119. of the Revised Code.

(E) As used in this section:

(1) "Purposefully," "knowingly," and "recklessly" have the same meanings as in section 2901.22 of the Revised Code.

(2) "Appropriate ethics commission" has the same meaning as in section 102.01 of the Revised Code.

(3) "Inspector general" means the inspector general appointed under section 121.48 of the Revised Code.

Effective Date: 10-31-1990; 07-01-2007; 2007 HB166 02-14-2008

This section is set out twice. See also § 124.341, as amended by 129th General Assembly File No. 73, HB 66, § 1, eff. 5/4/2012.

**124.341 [Effective5/4/2012] Violation or misuse – whistleblower protection**

(A) If an employee in the classified or unclassified civil service becomes aware in the course of employment of a violation of state or federal statutes, rules, or regulations or the misuse of public resources, and the employee's supervisor or appointing authority has authority to correct the violation or misuse, the employee may file a written report identifying the violation or misuse with the supervisor or appointing authority. In addition to or instead of filing a written report with the supervisor or appointing authority, the employee may file a written report with the office of internal auditing created under section 126.45 of the Revised Code or file a complaint with the auditor of state's fraud-reporting system under section 117.103 of the Revised Code.

If the employee reasonably believes that a violation or misuse of public resources is a criminal offense, the employee, in addition to or instead of filing a written report or complaint with the supervisor, appointing authority, the office of internal auditing, or the auditor of state's fraud-reporting system, may report it to a prosecuting attorney, director of law, village solicitor, or similar chief legal officer of a municipal corporation, to a peace officer, as defined in section 2935.01 of the Revised Code, or, if the violation or misuse of public resources is within the jurisdiction of the inspector general, to the inspector general in accordance with section 121.46 of the Revised Code. In addition to that report, if the employee reasonably believes the violation or misuse is also a violation of Chapter 102., section 2921.42, or section 2921.43 of the Revised Code, the employee may report it to the appropriate ethics commission.

(B) Except as otherwise provided in division (C) of this section, no officer or employee in the classified or unclassified civil service shall take any disciplinary action against an employee in the classified or unclassified civil service for making any report or filing a complaint as authorized by division (A) of this section, including, without limitation, doing any of the following:

(1) Removing or suspending the employee from employment;

- (2) Withholding from the employee salary increases or employee benefits to which the employee is otherwise entitled;
  - (3) Transferring or reassigning the employee;
  - (4) Denying the employee promotion that otherwise would have been received;
  - (5) Reducing the employee in pay or position.
- (C) An employee in the classified or unclassified civil service shall make a reasonable effort to determine the accuracy of any information reported under division (A) of this section. The employee is subject to disciplinary action, including suspension or removal, as determined by the employee's appointing authority, for purposely, knowingly, or recklessly reporting false information under division (A) of this section.
- (D) If an appointing authority takes any disciplinary or retaliatory action against a classified or unclassified employee as a result of the employee's having filed a report or complaint under division (A) of this section, the employee's sole and exclusive remedy, notwithstanding any other provision of law, is to file an appeal with the state personnel board of review within thirty days after receiving actual notice of the appointing authority's action. If the employee files such an appeal, the board shall immediately notify the employee's appointing authority and shall hear the appeal. The board may affirm or disaffirm the action of the appointing authority or may issue any other order as is appropriate. The order of the board is appealable in accordance with Chapter 119. of the Revised Code.
- (E) As used in this section:
- (1) "Purposely," "knowingly," and "recklessly" have the same meanings as in section 2901.22 of the Revised Code.
  - (2) "Appropriate ethics commission" has the same meaning as in section 102.01 of the Revised Code.
  - (3) "Inspector general" means the inspector general appointed under section 121.48 of the Revised Code.
- Amended by 129th General Assembly File No. 73, HB 66, § 1, eff. 5/4/2012.
- Effective Date: 10-31-1990; 07-01-2007; 2007 HB166 02-14-2008
- This section is set out twice. See also § [124.341](#), effective until 5/4/2012.



- **US MAIL** a written complaint:

Ohio Auditor of State's Office  
Special Investigations Unit  
88 East Broad Street  
P.O. Box 1140  
Columbus, OH 43215

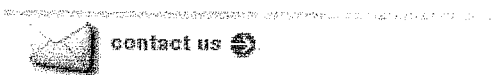
- **CALL** the SIU **Fraud Hotline**  
**1-866-FRAUD OH (1-866-372-8364)**

#### FACT SHEETS

- [Roles and Responsibilities Related to Fraud \(pdf\)](#)
- [The Five Principles of Fraud Risk Management \(pdf\)](#)
- [Foundations of Fraud: Need, Opportunity, Rationalization \(pdf\)](#)

#### RELATED RESOURCES

- [Best Practices: Special Fraud Issue](#)
- [SIU Training Request \(pdf\)](#)
- [AOS News Releases on Special Investigations](#)
- [Special Investigations Unit Brochure \(pdf\)](#)
- [ACFE's Report to the Nation on Occupational Fraud & Abuse](#)



## **Investigating Fraud**

**Auditor of State Dave Yost takes allegations of fraud in government seriously. His office is committed to the timely and consistent review of all tips and complaints of suspected fraud. This work is performed by four units within the Auditor of State's Office:**

### **Special Audit Task Force**

Each year, the Auditor of State's Office receives hundreds of tips regarding suspected fraud in government. These tips come from many sources, including public employees and concerned citizens as well as state auditors who find suspicious activity in the course of a routine financial audit. The Special Audit Task Force – comprised of auditors, investigators and attorneys on the Auditor of State's staff – evaluates tips and discusses the best course of action on a case-by-case basis.

This task force meets on a regular basis and determines how to best address each complaint. If the Special Audit Task Force decides that a case falls under the authority of the Auditor of State's Office, it is sent to the Special Audit Section and Special Investigations Unit for further review. Cases that are not subject to the Auditor of State's authority may be referred to other local, state or federal government agencies, prosecutors and law enforcement officers.

### **Special Audit Section**

In some situations, it is possible to investigate suspicions of fraud during the course of a regular financial audit. The Special Audit Section works with financial auditors to ensure proper testing is done to identify if public funds have been misused.

At other times, a separate special audit may be necessary. For example, the allegation might require significant amounts of detailed testing or a timely review of the complaint may not be possible during the course of a regular audit. During a special audit, members of the section manage and supervise regional auditors who perform detailed testing of an entity's financial records to determine if there is fraud.

### **Special Investigations Unit**

The Auditor of State's Special Investigations Unit (SIU) is comprised of peace officers who work to gather information that is not readily available during the special audit. This information might include bank statements or credit card records that must be obtained through a subpoena. Additionally, SIU investigators may conduct interviews to collect additional information to identify how public funds were spent. SIU investigators work to determine if criminal activity has occurred and build a case for prosecution against individuals who are accused of stealing taxpayer money.

### **Prosecution**

Once fieldwork has been completed, the Auditor of State's Office will work with the local county prosecutor to determine the next steps for a case. During each investigation, the Auditor of State's Office develops a case file containing all information necessary to try a

case in court. County prosecutors have the option to work independently or to request the help of the Auditor's special prosecutor. The special prosecutor provides the benefit of being more familiar with a case and having expertise in public-sector crime.