



## Ohio Auditor of State Special Investigations Unit



### Case Closing Memo

**Case Name:** Etna Township  
**Case #:** 2022-CA12933  
**County / Region:** Licking/Central  
**Investigative Team:** Gibson/Klapheke  
**Memo Date:** 8/9/2022

#### Background:

On 2/16/2022, Ohio Auditor of State (AOS) Special Investigations Unit (SIU) Chief Forensic Auditor Tiffany Ridenbaugh spoke separately with Etna Township ("Township") Trustees Rozland McKee and Mark Evans regarding a recent request by the Township for a forensic audit. This request was communicated by the trustees to the Township's IPA, Julian & Grube. Trustee McKee stated she had no concerns of fraud, but expressed interest in a forensic audit to serve as a "fresh start" due to the Township having two new trustees and a new fiscal officer. Trustee Evans, however, advised Chief Forensic Auditor Ridenbaugh of three concerns: (1) a potential "off the books" agreement for snow plowing between former Trustee John Carlisle and local developer Ron Sabatino, (2) two fireworks events held in the Township where donations appear to have been sent directly to Trustee Carlisle's residence, and (3) Township funds may have been improperly used for the planning and execution of the fireworks shows.

On 5/31/2022, SATF approved opening a preliminary audit and investigation regarding the issues noted above.

#### Work Performed:

We began by conducting an interview with Trustee Evans, who outlined his concerns. Trustee Evans was recently elected and began his term on 1/1/2022. Trustee Evans advised shortly after taking office, he received an email from a resident asking if the "agreement" was still in place for the Township to plow and salt the Villas at Cumberland subdivision. Trustee Evans advised he was concerned by this as the Villas at Cumberland contains roads that are not yet dedicated, making the plowing/salting the responsibility of the developer, Ron Sabatino. Trustee Evans stated he attempted to research any such agreement between former Trustee Carlisle (who was responsible for overseeing the Township roads) and was unable to obtain anything concrete, but also noted he could find no Township invoices or payments involving Sabatino related to this type of road maintenance.

Trustee Evans outlined his second concern, which also pertained to Trustee Carlisle and Sabatino. Trustee Evans advised two fireworks shows were held in Etna Township, in September 2020 and 2021, respectively. Trustee Evans advised this event was advertised on the Township's website, but held at Sabatino's golf course, Cumberland Trail. Trustee Evans stated a flyer was also disseminated to residents and businesses, where donations were solicited towards the cost of the fireworks show in addition to the ability of people to purchase VIP tables at the event. Trustee Evans advised the flyers stated donations and payments shall be mailed to Trustee Carlisle, but at his residence, not the Township office. Trustee Evans noted Sabatino has been a historical contributor to Trustee Carlisle's campaign fund and voiced concerns over potential impropriety. Finally, Trustee Evans stated he believed Township funds, including payroll, may have been used in the planning of the fireworks events despite no vote ever taking place during open meetings.

2

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To investigate Trustee Evans' concerns, we conducted interviews with the following parties:

- John Carlisle – former Etna Twp. Trustee
- Ron Sabatino – developer/owner, T & R Properties
- Don Copley – Etna Twp. Roads Supervisor
- Rozland McKee – current Etna Twp. Trustee
- Laura Brown – Etna Twp. Secretary
- Randy Foor – former Etna Twp. Trustee
- Jeff Johnson – current Etna Twp. Trustee

Records were obtained from the following organizations:

- T & R Properties – via subpoena
- Fifth Third Bank – via subpoena
- Lt. Chad Carson, Licking County Sheriff's Office – voluntary production
- Trustee Mark Evans – voluntary production

The following information was obtained via interviews:

John Carlisle stated he did indeed have a discussion with Ron Sabatino regarding the Township plowing and salting the Villas at Cumberland. Carlisle stated he advised Sabatino the Township could provide this service, but Sabatino would need to pay for it and Sabatino did agree to this. Carlisle stated he instructed the road crew supervisor, Don Copley, to care for the roads in the Villas at Cumberland and to keep track of the time spent and amount of salt applied. In our interview with Copley, he acknowledged Carlisle instructed him to plow and salt the Villas at Cumberland following an emergency where first responders were unable to access the call location due to the condition of the roads within the neighborhood. Copley stated he also plowed these roads a few additional times, but acknowledged he neglected to keep a formal log and could therefore not provide an exact estimate of time spent and salt used. As such, no invoice was ever issued to Sabatino. Copley did state he knew these roads would eventually be dedicated to the Township and felt that taking care of residents was the right thing to do.

Regarding the fireworks held in 2020 and 2021, Carlisle stated the trustees wished to hold a fireworks display but did not have a public venue within the Township suitable for holding them. Carlisle advised he asked Sabatino if the fireworks could be held at Cumberland Trail golf course and Sabatino agreed. Carlisle stated he and Sabatino agreed to solicit donations from local businesses to offset the cost of the fireworks and Sabatino created a flyer for this purpose. Carlisle advised the checks for donations, payable to Fireworks at Etna, were indeed mailed to his residence because Sabatino manages over 7,000 rentals and this was more streamlined. Carlisle stated as the checks came in, he provided them to Sabatino. Carlisle stated the donations did not cover the entire cost of the fireworks and remainder of all incurred costs were paid by Sabatino. Carlisle further noted no Township funds were spent on these events, although the Township was required by the Licking County Sheriff's Office to put up temporary no parking signs on the day of the event. Carlisle stated the Township already had these signs in their inventory and did not have to purchase any additional. Finally, Carlisle stated the Township did not make any profit from this event.

Sabatino stated it is his understanding the Township advised their roads crew to plow and salt the Villas at Cumberland, but this was not at his request. He advised he has never received an invoice from the Township for these services, but is willing to pay it if one is issued. Regarding the fireworks, Sabatino confirmed he hosted the events at his golf course because the Township did not have a suitable public location. Sabatino acknowledged the donation checks were payable to the Fireworks at Etna, which he deposited into the Cumberland Trail checking account after establishing a DBA (doing business as) between the entities. Sabatino stated the donations did not nearly cover the expenses associated with

the event and the net difference was paid by his own company. Sabatino also noted the additional incurred expense of closing his golf course on a busy holiday weekend, where profits would historically be significant, in order to host the fireworks.

Former Trustee Randy Foor and current Trustee Jeff Johnson stated no vote was held during Township meetings regarding the 2020 or 2021 fireworks shows as no Township funds were to be used, thus no vote was required. Furthermore, Foor stated he felt the fireworks event was hosted by Sabatino; not by the Township. Foor also noted the Township did not pay for the fireworks, nor did their staff assist in setup or teardown. Township secretary Laura Brown stated while she did assist with minor clerical issues related to the fireworks while being paid by the Township, those tasks were limited to supplying a list of email addresses to Sabatino of community members to invite. It should be noted Brown's timesheets were indeed reviewed and we did locate minimal tasks in her work log related to the fireworks, including "emails for fireworks" and "fireworks RSVP."

#### Audit Work Performed

Since the Township did not have a listing of which sponsors paid donations and how much for the 2020 and 2021 fireworks, Sabatino provided a listing from his own internal records. The sponsor donations totaled \$10,000 and \$5,800 in 2020 and 2021, respectively. Using the subpoenaed Cumberland Estates LLC bank records, SIU confirmed all \$10,000 and \$5,800 were deposited into the Cumberland Estates LLC accounts.

For the 2021 fireworks, Sabatino provided a listing which indicated seventeen purchases totaling \$2,361.64 were made through an Eventbrite QR code to reserve a VIP table. The total purchase amount included \$104.03 in Eventbrite fees and \$57.61 in Eventbrite taxes, for a total net sale of \$2,200. SIU confirmed six deposits into the Cumberland Estates LLC account totaling \$2,200.

#### **Recommendation**

Based on our investigation, we did not find any theft or fraud committed by former Trustee John Carlisle. After conducting financial analysis, it does appear that all fireworks donations were deposited into the Fireworks at Etna (dba Cumberland Estates LLC) checking account. It is important to note the Fireworks at Etna was a free event for the community to attend and only individuals who wished to purchase VIP packages (which included food) had an associated cost. We consider it reasonable that the donation checks were mailed directly to Carlisle instead of the Township offices, as this event was not organized by, hosted by, nor paid for by the Township. Although the Township did incur the expense of 9.75 hours of overtime for Licking County Sheriff's Office deputies for the 2020 fireworks, this does not appear to be an improper expenditure as the deputies were providing necessary security for an event occurring within the Township. Regarding the snow plowing and removal, it does not appear there was any improper agreement between Carlisle and Sabatino, but rather the failure of the Township's road crew to properly document the services performed on undedicated streets which led to no invoices being issued. Due to all of the above, we recommend closing this preliminary audit and investigation as no criminal activity has been found.

Respectively submitted,  
Investigator Marissa Gibson and SFAM Matt Klapheke

