



Ohio Auditor of State Special Investigations Unit



Report of Miscellaneous Activity

Case Number	2023-CA13751	Case Name	City of Lorain
Date of Activity	June 30, 2023	Activity Description	Phone Call
Activity Details	Police Chief Jim McCann Law Director Pat Riley [REDACTED]		

On the above date, I received a phone call from City of Lorain Police Chief Jim McCann and Law Director Pat Riley regarding allegations of improper payroll payments in the Utilities Department. Chief McCann advised they have a few “loose ends” to tie-up and their inquiry will be done.

Mr. Riley wanted clarification regarding SIU’s process for this allegation. I explained this is a preliminary investigation where we are reviewing information to determine if we can substantiate the allegations and if so how to proceed. I explained we are too early in the process to know how this case will progress but explained the preliminary investigation could be: closed without findings; returned to the financial auditors to report any recommendations, findings for recovery (FFR), or control weaknesses; elevated to a special audit to report FFRs and/or potential criminal charges.

Mr. Riley directed us to Article 16 of the union contract and explained he and Chief McCann feel the language is poorly worded and ripe for abuse but does allow Utilities Department Managers to approve higher position pay (HPP) if the manager feels an employee is performing duties in line with a higher position. Their interpretation is the contract does not require a worker to be filling-in for an absent worker in the higher position in order to receive the HPP, but the manager merely needs to believe the worker is performing the same duties. They claim when the City Administration learned of this issue they took “immediate” steps to provide clarification and direction to the Utilities Department to curb this practice. They acknowledge there were a couple managers who were not in compliance with the new directives, but those individuals are being handled with internal discipline. Mr. Riley has also consulted with City officials to see if this language can be changed in the next contract.

Mr. Riley also shared his opinion he did not feel we could even issue an FFR based on the union contract. I shared it is possible we will come to the same conclusion but can’t make that statement at this point since I have not reviewed all of the materials. I explained we will still need to take a look and make sure from a financial perspective we feel the HPP and overtime (OT) payments were proper. I asked if they could send us any policies or ordinances regarding HPP or OT and they advised they have not found any, which is part of the problem.

Chief McCann advised they are concerned about the possibility of our two offices coming to conflicting results. Their preference is to send SIU their draft memo so we have the information they uncovered, but they will not finalize their memo until we are done with our work. I explained we do not have a problem with them finalizing their memo now, but it is solely up to them how to proceed. Chief McCann advised they will provide that draft memo upon his return from vacation after July 11th.

Respectively submitted,
Cara Yoder, FAM