

January 27, 2020

Mr. Theotis L. James, International Representative  
Transit, Universities, Utilities & Services Division  
Transport Workers Union of America, AFL-CIO  
2800 South High Street  
Columbus, OH 43207

**FORENSIC ACCOUNTANT'S REPORT / CRIMINAL REFERRAL**

Executive Summary

This report is being prepared at the request and direction of the Transport Workers Union of America International Union, AFL-CIO, regarding the alleged improper activity of Alesia L. Combs, former Financial Secretary-Treasurer, Transport Workers Union Local 208, Columbus, Ohio and is being referred to Detective Ed Montgomery, Economic Crime Unit of the City of Columbus, Ohio Division of Police.

Stephen M. Nelder, CFE, CPA, of Fraud Solutions, LLC ("FSLLC") was engaged on October 15, 2019, to review the financial documents to quantify the amount of loss attributed to Alesia L. Combs illicit activities. The primary documents reviewed were the monthly financial packets, payroll records, QuickBooks data, PNC bank statements and cancelled checks for the period September 2014 through October 2019. The examination was performed in accordance with standards as prescribed by the American Institute of Certified Public Accountants and the Association of Certified Fraud Examiners.

The amount of loss consisted of two major schemes. The first scheme was 519 ATM withdrawals of **\$261,765.50** from September 22, 2014 through September 3, 2019 by Alesia L. Combs. A detailed list of these transactions summarized by ATM location can be found in **Exhibit A**. Ms. Combs acknowledged possession of the debit card used to make these ATM withdrawals at the first interview with her on October 30, 2019 at the law offices of Cloppert, Latanick, Sauter, & Washburn. The second scheme was for reimbursements to Alesia L. Combs for unsupported Union business expenses from March 1, 2018 through October 3, 2019. The amount of loss identified for this scheme was **\$74,160.94**. A detailed list of these check transactions can be found in **Exhibit B**.

The total amount of the loss documented conclusively is **\$335,926.44** but may be slightly more if additional resources were utilized to investigate this matter further, which is cost prohibitive under the circumstances. This loss does not include any misuse of monies for raffles, scholarships, or other fundraising events sponsored by Local 208.



## **BACKGROUND**

Alesia L. Combs was elected to serve as Financial Secretary-Treasurer effective January 1, 2013. The other officers of the first two terms were as follows:

### **Term 1: 1/1/13 - 12/31/15**

President: Ronald Dreyfus, Jr.  
1st Vice President: Orlando D. Epps  
2nd Vice President: Joseph Lindsey  
Recording Secretary: Lynn C. Cannon

Executive Board:  
Michael Zimmerman  
Henry Cade, III  
Marcia Woods-Johnson

### **Term 2: 1/1/16 - 12/1/18**

President: Andrew J. Jordan  
1st Vice President: Jarvis Williams  
2nd Vice President: Marcia Woods-Johnson  
Recording Secretary: Davon Washington

Executive Board:  
Michael Zimmerman  
Henry Cade, III  
Jimmy L. Wadlington

Alesia L. Combs resigned from her position as Financial Secretary-Treasurer effective immediately in a letter dated October 5, 2019 to Jarvis Williams, the current President (Refer to Exhibit C). This was not before check #9370 dated October 3, 2019, made payable to Alesia L. Combs in the amount of \$6,525.00 was prepared and cleared PNC Bank on October 4, 2019. The check was signed by Jarvis Williams and Alesia L. Combs and was deposited into KEMBA Financial Credit Union transaction [REDACTED] account [REDACTED] on October 3, 2019 at 4:49 pm (Refer to Exhibit D). The Jarvis Williams signature is a forgery, according to a review of the checks with Jarvis Williams on December 19, 2019 and a statement dated January 7, 2020 (Refer to Exhibit E). A police report was made to the Columbus Division of Police on November 18, 2019 (Refer to Exhibit F).

## **FINDINGS & OBSERVATIONS**

### **Unauthorized ATM withdrawals**

PNC Bank issued a debit card ending in #5924 in September 2014 and was signed by Alesia L. Combs (Refer to Exhibit G). The debit card was first used for lunch on September 24, 2014 at the Claddish Irish Pub for five Union members including Lisa Combs who had possession of the debit card. The card is frequently used for Union business meals, refreshments, travel lodging and other miscellaneous expenses.

The first ATM withdrawal of \$500.00 was made on September 21, 2014, at 8:07 am at 4650 E. Broad Street. ATM reference - PA 1987. Funds available after this cash withdrawal were \$289,197.57 (Refer to Exhibit H). This transaction was the first unauthorized cash withdrawal using an ATM. From September 21, 2014 through December 31, 2015, \$47,765.50 of these cash withdrawals were disguised as charitable donations to YMCA Family Shelter for basic essentials and meals for over 1,397 adults through October 2015 in the monthly financial records and the QuickBooks date entered.

In November 2015, no bogus receipts were provided in the financial records of the \$6,500.00 of withdrawals allegedly made to YMCA Family Shelter, and in December 2015 there were no receipts for the \$18,500.00 of petty cash expenses for community services. These disbursements were recorded as checks and coded to donations in the QuickBooks financial data prepared by Alesia Combs.

The 2016 manufactured receipts for Gordon Food Service, Big Lots, Lowes, Kroger, Giant Eagle, Costco Wholesale Club and Meijer totaling \$92,500.00 were used as supporting documentation for these expenditures classified as donations. Examples of genuine receipts for these vendors are located in Exhibit I.

In 2017, fictitious receipts were only provided for January although the ATM transaction was acknowledged by Ms. Combs on the bank statement for February, May, and June. More than likely for the preparation of the "Monthly Financial Report". There were no receipts for the remainder of the year and the amount withdrawn in 2017 was \$7,100.00.

In 2018-2019, the amount was \$31,500.00 and \$19,000.00 respectively. During these years another scheme was devised and the amount of ATM withdrawals decreased. This scheme will be discussed in detail below. The documentation used to support these withdrawals was manufactured and can be found in Exhibit J. All of these ATM withdrawals were recorded in QuickBooks by Ms. Combs as a check. The date of the actual withdrawal agrees to the date on the reimbursement form that is prepared. This reimbursement form requires all original receipts to be attached.

Donations are usually approved by the TWU Local 208 Board and recorded in the Minutes book. None of the fictitious invoices for the \$261,765.50 of ATM withdrawals were approved by the Board and recorded in the minutes. Some examples of these recorded donation approvals can be found in Exhibit K.

#### Unsupported Union Reimbursements to Alesia L. Combs

Checks written to Alesia L. Combs were allegedly for Union business reimbursements including travel, conferences, committees, food programs, supporting receipts for meals, lodging, taxi and other miscellaneous expenses. Checks were written using the QuickBooks financial software and require two signatures. A rubber stamp of the TWU Local 208 President, Andrew Jordan was used most of the time along with Ms. Combs genuine signature. None of the check stubs for these payments to Alesia Combs included any supporting receipts for the alleged business expenses incurred by Ms. Combs.

A second meeting with Ms. Combs was held at the law offices of Cloppert, Latanick, Sauter, & Washburn, on November 7, 2019. These checks were reviewed with Ms. Combs to determine the business purpose of the Union expense. Ms. Combs stated the checks with no supporting detail attached to the check stubs were fraudulent.

These checks were endorsed by Alesia L. Combs and deposited into account [REDACTED] at the KEMBA Financial Credit Union. A detailed listing of these transactions along with a copy of the check stub without any supporting documentation and the cancelled check that cleared PNC

Bank can be found in **Exhibit L**. The PNC Bank statements for the period January 1, 2014 through October 31, 2019, which reflects all of the ATM Withdrawals and checks written to Alesia L. Combs, are located in **Exhibit M**.

### Mellman and Perdue, CPAs

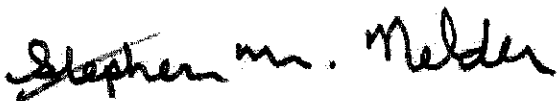
Based upon information obtained in the QuickBooks data, Mellman & Perdue CPAs have been preparing the Audited Financial Statements and Form 990 since 2005. The last report prepared for TWU Local 208 was for the year ended December 31, 2015 dated November 15, 2016. A clean unqualified opinion was given by the auditors for the period January 1, 2015 through December 31, 2015 (**Refer to Exhibit N**). A clean report is considered to be the most common type of audit report. In this report, an auditor assigned in an audit simply states that a company's financial statements that have been audited are fairly and correctly presented on their records. During this period, we identified 90 ATM withdrawals totaling \$44,705.50 that were fraudulent. These transactions were supported by fictitious invoices from YMCA Family Shelter and are located in **Exhibit J**.

The 2016 records were located and picked up at the Mellman & Perdue CPAs offices on November 1, 2019 by Theotis L James, TWU AFL-CIO International Representative from Kevin Mahan (**Refer to Exhibit O**). Allegedly the QuickBooks data jump drive was corrupt and the 2016 financial audit was never completed and the records were never returned. The 2016 records contained 177 ATM withdrawals totaling \$92,500.00. These transactions were also supported by fictitious invoices from Gordon Food Service, Big Lots, Lowes, Kroger, Giant Eagle, Costco Wholesale Club and Meijer and are located in **Exhibit J**.

### CONCLUSION

The improper financial activity at TWU Local 208 lasted over two different terms of elected Board and well into the first year of the third Board before being detected. This activity went on for more than 60 months. Several financial controls that were in place prior to any of this conduct (contained in both the Local By-Laws and the International Constitution) were not adhered to. The former Secretary-Treasurer concocted a series of schemes to evade those controls. Had the other Officers and the Board fulfilled their fiduciary duties by monitoring her activities and utilizing the financial controls/safeguards that were in place, they could have prevented her from continuing her defalcation of Union assets.

Respectfully submitted,



Stephen M. Nelder, CFE, CPA  
Fraud Solutions, LLC