



Bazetta Township Trustees

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PRESS RELEASE

FOR IMMEDIATE RELEASE

Bazetta Township Demands Accountability from Martha Yoder, Trumbull County Auditor, for Fraudulent Fund Transfer

Bazetta Township, OH – October 23, 2024 — Bazetta Township calls on Trumbull County Auditor Martha Yoder to take responsibility for the loss of \$80,857 in taxpayer funds, transferred by her office to a fraudulent online-only bank account. Ohio law prohibits deposit of public funds into such a bank. Auditor Yoder distributed a lengthy press release Monday, blaming the Bazetta Township Fiscal Officer for not using “multi-factor authentication” on her email account, which was hacked. However, this loss did not occur because of a lack of multi-factor authentication but because Auditor Yoder’s office failed to verify the legitimacy of a bank change request received by email. The failure to verify violates the policies and practices mandated by the Ohio Auditor of State in Bulletin 2024-003, “Payment Re-Direct and Business Email Compromise Schemes,” issued April 12, 2024.

Key points from AOS Bulletin 2024-003:

- All public offices must **verify and validate** requests for bank changes in person or by phone.
- Email cannot be used to verify a payment change request.
- Failure to follow the guidance in this Bulletin may result in an AOS finding when a loss occurs, and the employee is **considered liable as a result of negligence** or performing duties without reasonable care.

Auditor Yoder's office ignored multiple red flags that the email request was fraudulent, including the misspelled “bazettawtp.org” email address in the cc’s, the incorrect telephone number given for the township, and the odd phrasing. Auditor Yoder’s employee did not take any action to verify that she was communicating with the Township Fiscal Officer, saying “just an email from you with the routing and account number would be ok.” Auditor Yoder admits that she had no policies in place requiring employees to verify that requests to re-direct payments were authentic, as Bulletin 2024-003 requires. Auditor Yoder is responsible for this negligence under Ohio Revised Code Section 319.14.

Auditor Yoder’s staff made multiple deposits of public tax funds totaling more than \$160,000.00 into the unauthorized bank account. The loss was discovered only when the Bazetta Township Fiscal Officer inquired why the township had not received their tax payment, and the township’s quick action allowed half of the funds to be recovered.

Bazetta Township rejects the Auditor’s attempts to shift blame to the Township Fiscal Officer. The Auditor and her staff are bonded or have errors and omissions insurance, which is intended to protect the taxpayers from such losses. The Auditor has an obligation to promptly deposit the Bazetta Township property taxes which were collected into the legitimate township account.

Michael J. Hovis, Chairman
Bazetta Township Board of Trustees