

IN THE MATTER :  
BETWEEN :  
JEFFERSON TOWNSHIP LOCAL SCHOOL :  
DISTRICT BOARD OF EDUCATION :  
AND :  
CHRISTOPHER FRAME :

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**REPORT OF REFEREE**

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**REFEREE:** **Bruce B. McIntosh**  
**Impartial Referee**

**APPEARANCES:**

**For the Township:**

**Nicholas Subashi, Esq.**  
**Attorney at Law**

**For Christopher Frame:**

**Robert M. Harrelson, Esq.**  
**Attorney at Law**

Pursuant to O.R.C. 3319.16 the Board furnished Mr. Frame a Resolution signed by the Board on March 23, 2017, terminating the Employment Contract of Mr. Frame advising that the Board has resolved:

- (1) The Board authorizes and directs the Treasurer *pro tem* to notify Frame in writing of its intention to consider the termination of his contract;
- (2) The Board authorizes and directs its general counsel, Nicholas E. Subashi and Tabitha Justice, to initiate termination proceedings against Frame pursuant to Ohio Revised Code sections 3313.22 and 3319.16;

- (3) The Board authorizes the Superintendent and the Treasurer *pro tem* to take whatever steps are reasonable and necessary to effectuate and carry out this Resolution; and
- (4) For the foregoing reasons, the Board places Frame on unpaid administrative leave, effective immediately.

**RESOLUTION RE; TERMINATION OF THE EMPLOYMENT CONTRACT OF  
CHRISTOPHER FRAME**

**WHEREAS**, former Treasurer, Christopher Frame (“Frame”) has committed acts of misfeasance, malfeasance, nonfeasance, dereliction of duty, violations of his contract of employment, and violations of Ohio law, to wit:

1. In 2014, the Ohio Department of Education (“ODE”) informed the Board of “a prolonged practice of the district’s financial books being behind.
2. The ODE informed the Board that, as of August 2014, the district’s financial books had not been reconciled since late 2013.
3. Frame was tardy in preparing Board meeting minutes.
4. Frame was tardy in making required financial postings.
5. Frame failed to do what was necessary to ensure that the application for the Stratight0-A grant application was filed on time.
6. Frame failed to timely communicate with the Auditor of State’s Office, and failed to respond to their questions and requests for information.
7. On August 8, 2014, the ODE notified the Board that the “the district’s books are unauditabile.”
8. The ODE requested “that the Auditor of State consider declaring Jefferson Twp. Local Schools, to be in Fiscal watch.”
9. The ODE’s findings and comments, directly caused by Frame’s negligence, malpractice, malfeasance, misfeasance, nonfeasance, and dereliction of duty, brought embarrassment, disrepute, and dishonor to the Board and to the entire Jefferson Township school community.

10. All of these failures on Frame's part constituted a breach of his contract of employment, a breach of Ohio law, and a breach of the standard of care for a school board treasurer.
11. In the Summer and Fall of 2014, Frame was apprised of all of these deficiencies and failures and he was given an opportunity to improve.
12. In last year's audit, it was reported that the district's financial books and records were not being kept [kept] up-to-date.
13. The aforesaid deficiencies and failures persisted and continued from 2014 until and including the time that Frame was placed on administrative leave.
14. The Board has learned that much of the school district's fiscal operations are being completed "off the system."
15. Financial record-keeping is substandard and not up to "industry standards."
16. Once again the district's financial records and books have been declared "inauditable" by the Auditor of State.
17. The Auditor of State issued a press released that was highly critical of Frame and the school district in general.
18. The news media disseminated information to the general public that was extremely embarrassing to Superintendent, Dr. Richard Gates, and to the members of the Board.
19. Because of Frame's malfeasance, misfeasance, nonfeasance, and overall dereliction of duty, the reputation of Jefferson Township Local Schools was sullied and damaged.
20. The Auditor of State's February 3, 2017 letter to Frame, et al is specifically incorporated by reference herein.
21. From 2014 until and including the date that Frame was placed on administrative leave, Frame has continued to be tardy, dilatory, and late in his assigned duties.
22. Frame has misled and lied to the Board's Financial Committee. On numerous occasions, Frame repeatedly assured the Board members on the Financial Committee that "everything was fine" (or words to that effect). That was not true.

23. Frame has mismanaged the Treasurer's Office as demonstrated by the above enumerated failures. In addition, Frame has failed to properly train or work with an assistant whom he recommended the Board hire.
24. Frame has failed to timely file the required Maintenance of Effort forms regarding the Federal grants that are available to the school district.
25. Frame has failed to disclose pertinent information to the Board.
26. Frame has failed to complete assigned and required tasks in a timely manner.
27. Frame has failed to file directives of the Board, and he has failed to follow Board policy.
28. Through Frame's errors, acts and/or omissions he has caused embarrassment, humiliation, and dishonor to the Board of Education and to the school community at large.
29. Through Frame's errors, acts and/or omissions, he has caused the Board and the school community at large to be seen in a bad light in the public eye.
30. Frame has been grossly negligent, inefficient, and neglectful in the performance of his official duties; and
31. Frame has continued to violate his contract of employment, the legal requirements placed upon school treasurers, requirements of Ohio law, and the standard of care of school treasurers, and
32. Such other errors, acts, and omissions which constitute good and just cause for Frame's termination.

Pursuant to R.C. 3319.161, Bruce B. McIntosh was selected to serve as Referee.

After selection, the hearing dates were agreed upon by the parties beginning on June 7 and continuing to June 8, 13, 19 and 20 after which the parties were given the opportunity to brief their respective positions and select a date for that purpose.

Although the Referee was not involved in the process of being selected, the challenge in the brief by counsel for Mr. Frame may require some historical perspective. The Referee had no contact or any involvement with either counsel prior to his appointment.

To the extent that Mr. Frame's counsel is challenging the Referee's selection on the basis of some past history with his opposing counsel, the only involvement he has had with Mr. Subashi is in litigation in which we presented different and, in most scenarios, adverse positions and never had any personal interaction outside of the aforementioned except, to the extent that we and Mr. Harrelson may have, fortuitously, attended local and/or State Board functions and seminars at the same time.

### **STATEMENT OF THE CASE**

The Jefferson Township Local School District Board of Education ("Board") entered into contracts with the last renewed on August 1, 2014 through January 31, 2019.

On March 2<sup>nd</sup> the Board passed a resolution to place Mr. Frame on paid administrative leave beginning on March 11, 2017. He notified the Board and requested a *Louder Mill hearing* for the purpose of giving Mr. Frame an opportunity to respond to the charges and allegations against him, at which hearing, his counsel was present.

### **CHARGES, FINDINGS OF FACT AND CONCLUSIONS OF LAW**

Counsel for Mr. Frame appropriately argues that the charges against his client requires a full specification of the grounds for such consideration. He first, challenged charges 1, 2, 7, 9, 10, 11 and 21 as being conclusory allegations of negligence, malpractice, malfeasance, nonfeasance, and dereliction of duty.

Charge #1 does have specificity as the testimony and exhibits clearly specify there was a prolonged practice of the District's financial books being behind; #2 that, as of August 2014, the District's financial books had not been reconciled since 2013. Both, unquestionably, the obligation of the Treasurer; #7 the August 8, 2014, letter to the District from ODE informed it that the District's books were "unauditable"; #8 that the

Auditor of the State was considering declaring Jefferson Twp. Schools to be in Fiscal “watch”; #9 ODE findings brought embarrassment, disrepute and dishonor to the Board and to the entire Jefferson Township community when publicized in a local newspaper; #10 & #11 in the summer and fall of 2014 and, up to and including when he was placed on administrative leave, he was given the opportunity to improve.

Mr. Frame ignores charges 2 through 6 which provide the specificity in #3, #4, #5, #6 that Mr. Frame was tardy in preparing Board meeting minutes, required financial postings, failed to do what was necessary to ensure that the Straight-A Grant Application was filed on time and failed to timely communicate with the Auditor of the State and failed to respond to their questions and requests for information.

Charge #23 he testified under oath that he certainly had the input if not the direction to properly train and work with the assistant “whom he recommended that the Board hire”.

The challenge to Charges 4, 6, 13, 14, 15, 16, 20, 26, 27, 28, 30 and 31 have all been either directly or, at the very least, indirectly, discussed. Additionally, Mr. Frame has acknowledged that it is uncontested that he failed to upload certain data to the State Data Base in 2016.

As referenced in #9, the Auditor did issue a press release that was highly critical and devastating to the School District (#17) which was decimated to the general public and was embarrassing to all involved with the Board (#17 & #18). If not malfeasance, his failure to act certainly is misfeasance or nonfeasance and an overall dereliction of duty that sullied the reputation of the Jefferson Township Schools and gave the school community at large “to be seen in a bad light in the public eye.”

When Mr. Frame was hired by the Board in December of 2008, it had a high turnover rate of treasurers and had been declared by the Ohio Department of Education as having a fiscal emergency status. As part of the fiscal emergency process was a Board called the Fiscal Oversight Commission (“Commission”) was required to approve Board actions. It appointed an individual who was on-site probably once a week throughout this fiscal emergency.

As part of the oversight process, the State loaned Jefferson Township schools 1.5 Million Dollars to become solvent. By the end of 2011, two payments of \$750,000.00 each were made resulting in being released from the fiscal emergency status. Mr. Frame was part of the team in dealing with the State along with the Board’s Superintendent and Chairman of Finance.

When Mr. Frame was first hired as Treasurer, he had an assistant who had been an employee since 2002. Her responsibilities had been payroll.

When Mr. Frame’s first assistant left, she was replaced in March of 2014. He created a job description for her and she worked as his assistant. During 2016, he testified that, at no time, he never complained about her nor did he tell the Board that he was overworked or needed more help.

The Ohio Standard for Fiscal Treasurers and School Business Managers were approved in October of 2010. It provides Treasurers have the responsibility for maintaining the public trust and financial integrity of a school district. They are to follow and adhere to acceptable financial accounting, auditing and reporting procedures. The Treasurer is also required to comply with State and Federal laws governing school finances. The laws include collection, analysis, interpretation of financial data,

budgeting, forecasting and decision making to effectively manage financial accounts including cash, budgets, debt service, revenue and grant management.

The renewal for Mr. Frame's contract dated August 1, 2014 was not signed until November 25, 2014. During the interval, the ODE requested the Auditor to consider declaring Jefferson Township to be in Fiscal Watch, pursuant to O.R.C. 3316.03(A). In line with their monitoring process, they advised that the District's books were un-auditable. On August 9, 2014, he e-mailed to her that he had just learned, about 7:00 P.M. Friday, August 8, 2014, of the serious conditions that existed and the recommendation of the Fiscal watch for the school's failure to act reasonably to eliminate and/or correct practices or conditions that prompted the consideration of a Fiscal Watch. More specifically, he advised her that the School's Finance Committee met every month at least three days before regular Board meetings to preview the Treasurer's Finance and Investment Reports. He added that he had been meeting with the Treasurer for the past six months and was told that the School's postings were current. He, then, said that he and the Board were "devastated" to learn that this recommendation has been made and he "humbly" requested that your recommendation for Fiscal Watch be rescinded for at least six (6) months so that for whatever problem exists, we will have time to correct any current or remaining problems. He added that he still has an important levy on the ballot this coming November and a "designation of Fiscal Watch will make passage of the levy virtually impossible in these difficult times." The Assistant Director responded that the recommendation for the Fiscal Watch was

"made based on a prolonged practice of the District's financial books being behind. As reported to my office from January to May of this year, the books had not been



reconciled since late 2013. This is a practice or condition that would prompt a fiscal oversight recommendation.”

Mr. Frame’s counsel resourcefully argues that the Contract with the Jefferson Township School District dated to begin on August 1, 2014, providing for a salary of \$87,500.00 for FY 14-15 and an increase to \$90,000.00 FY 15-16 demonstrates the satisfaction for his performance which was found to be misplaced when the hammer of Fiscal watch fell seven days after his new contract was to begin. Thus, whether the result of carelessness, negligence, misfeasance, malfeasance and/or dereliction of duty, all of which were in the control of Mr. Frame, good and just cause exists for his termination.

**RECOMMENDATIONS**

The Referee recommends:

That the Treasurer’s Contract and employment with the Jefferson Township Local School District be terminated;  
and

Any and all compensation and benefits that may have been received cease.

Dated: November 24, 2017

/s/ Bruce B. McIntosh  
REFEREE