



The Voice of Ethics Podcast Transcript

March 2026 Episode

Car Factory Caper

Susan: Hello ethical people! I'm Susan Willeke of the Ohio Ethics Commission, welcoming you to the Voice of Ethics, the podcast where we dive into stories about ethics in government. We've talked about a lot of things on this podcast so far. Weddings, Broadway shows, Halloween, parasailing, and even bourbon. But one of the things we haven't really talked about yet is one of my husband's favorite things.

Cars. Yep. Cars. If I were a witness at a bank robbery getaway, I fear my only contribution to the investigation would be, "Um, I think it was a blue car?" My husband, on the other hand, would be able to recite the make, model year, engine type, and probably how many miles were on the car, based on criteria I am completely clueless about.

So, in honor of my sweet husband, I thought it would be fun to have a podcast episode that all started with cars. Or to be more specific, a car factory. Or actually a proposed car factory - one that never got off the ground and led to ethics law felonies. But I'm getting ahead of myself. So let's go back to the beginning, all the way back to 2009, in a lovely rural county right here in Ohio.

So travel with me, won't you? Back to 2009. Maybe even in a DeLorean. *car sound effects* Ha! So here we are back in 2009, in an Ohio county that had approved a \$300,000 public loan to a company that promised to build a factory in that county and create jobs. But the paperwork was never signed. The safeguards were ignored, and somehow the money was handed over anyway.

Months later, state officials froze the county's loan fund, and taxpayers were left holding the bag, forced to repay the entire \$300,000 just to keep the program alive. What investigators eventually uncovered was even more troubling. Before the loan was approved, one county commissioner had quietly loaned the developer \$25,000 of his own money, making him personally invested in the deal he was publicly pushing.

Today, we're talking with one of the criminal investigators who worked on this case and about how a hidden conflict of interest was unraveled and what this case reveals about the real cost of broken public trust.

Bob Smith is an assistant legal counsel and special prosecutor for the Ohio Auditor of State's office. He specializes in cases investigated by the Public Integrity Assurance Team. The Ohio Ethics Commission has worked with Bob on several cases over the years, and I asked him to share his experiences on this case that I'm calling the "Car Factory Caper." Let's check in with Bob.

Bob: In this case, we have a matter involving an elected county commissioner. When we first got the case, we weren't really sure what we had. A county prosecutor called me and he told me that he had a concern with what a county commissioner had been doing.

The commissioner had been involved in getting the county to approve a \$300,000 loan through their county revolving loan fund to an individual who was trying to, or said he was going to try, and build a factory in that county for concept cars. The commissioner got involved with that, and he was also on the revolving loan fund committee.

So when the person looking for the loan pursued the loan before the revolving loan fund committee, the committee decided not to loan the money. The county commissioner then asked, "Well, do I have the authority to go to the commissioners and override this?" And they said yes.

Well, that's what he did. He gave a presentation to the county commissioners himself, who voted in favor of it, convinced the other two commissioners to vote in favor of it, and they agreed to loan \$300,000 for this concept car factory to this individual through the revolving loan fund.

Well, when you're getting a loan from the revolving loan fund, there's a lot of paperwork that has to be prepared for it. It's required by the Ohio Department of Development, and the revolving loan fund prepared all this paperwork, sent it to the county prosecutor who reviewed it, and he had some questions. So he wasn't signing off on it right away.

So it sat in his drawer for a couple months. And then the commissioner went to the secretary, who had the two \$150,000 checks, and demanded that she give them to him. Now this is her boss, so she gave him the checks. He then gave them to the person who was seeking the loan, no paperwork being signed off on. A few months go by, a county prosecutor finds out the money has been given to him without the paperwork being signed and he's not happy.

Four days after that, they get a letter from the person who borrowed the money saying, "I'm no longer going to build my car factory in this county, and I'll have to make arrangements to pay the money back because it had all been spent." So a couple days later, they were able to finally get a promissory note signed and an agreement signed.

But that's sort of closing the barn door after the horses run out. So there's a real problem. And the problem manifested itself when the Ohio Department of Development froze that county's revolving loan fund. They could no longer use it until they got the \$300,000 back.

Susan: So just to reiterate, a county commissioner helps to establish a loan from a county revolving loan fund to someone who wants to build the aforementioned car factory. After the fund committee recommended not giving the money to the requester, the commissioner overrides that recommendation and convinces the other commissioners to give the \$300,000 anyway to the requester. Mind you, this happened against the prosecutor's recommendation also and without the appropriate legal paperwork being signed.

And here's the kicker: the factory builder later says he's not even going to build the factory, but he already spent the money.

That leaves the county trying to figure out if they can get the money back, but in the meantime realize they need funds in that revolving loan fund. So the county puts county money back in that fund, leaving the taxpayers to foot the bill in replenishing that needed fund.

It's only when the county prosecutor realizes that the county commissioner has been engaging in all of these behind-the-scenes activities and that the loan has been secretly given to the requester that an investigation begins.

That investigation includes interviews, records searches, and even a subpoena of the commissioner's personal bank records. And what did that reveal? For that info, back to Bob.

Bob: When we got those back a few days later, we realized what the issue was. On July 27th, 2009, the commissioner transferred \$25,000 from his personal bank account to the account of the company borrowing the money.

So we went back and re-interviewed the commissioner. He said, "Oh yeah, I forgot to tell you about that."

Susan: He forgot!? Yeah.

Bob: Yeah. We then ask him what paperwork is there in support of this. So he provided us with a handwritten promissory note, which stated that the \$25,000 owed to the county commissioner would be, quote, "paid back by funds received from either the revolving loan fund or the county bank in a month or as soon as possible pending such transactions. Consideration for said funds is four and three quarters percent annual percentage," end quote.

Susan: He FORGOT to mention that he had included \$25,000 of his own personal money into that county loan fund? And if you're wondering why the commissioner wanted to do this - well, I had the same question. So I asked Bob.

Bob: As county commissioner, this is a smaller county, they're always interested in seeing jobs added to the county. And so it wasn't surprising that he was interested in bringing this car factory into his county. But what was concerning was that he was a creditor with that particular company for whom they were seeking to make the loan. And that gave him an unlawful interest in what was a public contract.

Susan: Quick sidebar here. That's what the Ethics Law would call "having an interest in a public contract." Public money, including grants or loans, are public contracts, and public officials and employees are prohibited from engaging in any activity where they, their families, or their business associates would have some financial or fiduciary interest in those public contracts.

But again, why would he want to do that? Back to Bob.

Bob: Well, two things. Number one, he was going to stand to get his money back through the contract.

Susan: Okay.

Bob: Once the loan was made under the terms of that particular promissory note, he was going to be repaid by county money.

Susan: Right.

Bob: So in addition to getting 4³/₄% interest on it, he was going to be getting his \$25,000 back.

Susan: Right.

Bob: Which he otherwise never would have gotten back.

Susan: Right. Yeah.

Bob: So that gave him the interest in the contract, which meant that not only should he not have voted on this, he should have done nothing in favor of it. He had no business voting on it before the revolving loan fund committee. He had no business presenting this to the other county commissioners and then voting on it. He should have totally abstained in every way possible from having anything to do with this loan. And instead he was the driving force behind it.

Susan: The reason I think this case is so fascinating is because I think a lot of folks, if they're not real familiar with the Ethics Law, they would assume that, when we think of corruption or fraud in government, they would assume someone's just embezzling money or stealing - which is obviously a bad idea - this is an interesting one because it wasn't, it's not like he was emptying the pockets of the taxpayers, but yet it was still a violation both of the law and the public's trust. Is that fair to say?

Bob: That would be absolutely correct.

Susan: So there you have it. The county commissioner's actions were a violation of the public contract law because he stood to make money through the interest in a public loan.

Today, that former county commissioner is, in fact, a convicted felon, since a violation of Ohio Revised Code 2921.42(A)(1) is a felony of the fourth degree.

Before I let Bob go from our conversation, I wanted to get his perspective on why these laws are so important.

Bob: It's important that the public knows that decisions that are made like that by public officials are made without self-interest in mind.

Susan: Well said, Bob. And of course, since Bob has - I kid you not, everybody - 48 years of public service experience, I just had to get any last-minute advice from him for all of us in public service.

Bob: Well, one of the things that most elected officials do, or most public officials get when they become a public official, is training from the Ethics Commission.

Susan: Couldn't have said it better myself, Bob. Training from the Ohio Ethics Commission is available, convenient, cost-efficient, and we believe effective. One of our sayings around this office is: we'd rather educate than investigate. But when investigations are necessary, it's great to have counterparts and colleagues like Bob to work with.

And that's it for this week, everybody. A huge thank you to Bob Smith from the Ohio Auditor's Office for taking time from his busy schedule to share this story with us.

Thank you, as always, to Ohio Ethics Commission Education and Communications Specialist Nick Rohrbaugh for all of his behind-the-scenes podcasting brilliance. And most of all, thank you for joining us for another episode of The Voice of Ethics.

Join us again in two weeks for another venture into the world of ethics and government. Until then - since today's episode all centered around a potential car factory and cars - I thought you might want to know what the bartender said to the jumper cables when the jumper cables walked into his bar.

"I don't mind serving you, but you better not start anything." *car starter failing to turn over sound effect*

Take care, everyone. Be ethical. Bye.