

Decatur's Daughter Pleads Guilty to Corrupt Activity

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Stephanie E. Stewart to be sentenced Jan. 4

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The daughter of Stephen Decatur, who died unexpectedly Oct. 1, entered a guilty plea Tuesday to participating in a scheme to steal more than \$1.8 million in public funds from the Geauga County Auditor's Office over a nearly eight-year period.

During an Oct. 23 status conference, Stephanie E. Stewart, 36, agreed to plead guilty to one count of engaging in a pattern of corrupt activity, a second-degree felony punishable by two to eight years in prison and a maximum fine of \$10,000.

According to court records, she also agreed to pay \$481,304 in restitution to Geauga County. The amount represents her share of the embezzled funds, which primarily were used for daily living expenses, Geauga County Prosecutor Jim Flaiz said.

"Stephen Decatur was the main target of the prosecutor and unfortunately with his untimely death the state of Ohio was deprived of its day in court," Flaiz said. "I am pleased we were able to resolve his daughter's case without having to expend additional county resources on what likely would have been a lengthy trial."

Gauga County Common Pleas Court Visiting Judge Robert J. Brown will sentence Stewart — an Akron resident and mother of five — on Jan. 4, 2019, as part of a joint sentencing/restitution hearing. As part of the plea deal, prosecutors will dismiss the remaining 333 counts in her indictment at sentencing. While there is no agreement on any recommended prison sentence, Flaiz said he would seek prison time for Stewart.

Stewart also agreed to testify truthfully at any trial or other court proceeding involving any other individuals involved in the events that gave rise to the criminal case.

Pending in Judge Forrest Burt's courtroom is a related case against ITERSource Corporation, a privately held Woodlands, Texas IT company where Decatur once worked. The company along with its President/CEO Eugene Joseph Krus Jr., 63, and Vice President Administration and Operations William E. Kelly Jr., 73, were indicted in February on charges of complicity to commit aggravated theft, first-degree felonies, complicity to commit having an unlawful interest in a public contract, a fourth-degree felony, and complicity to commit theft in office, a third-degree felony.

According to court records, ITERSource and Krus have change of plea hearings scheduled for 10 a.m. Dec. 11. Charges against Kelly were dismissed Sept. 18 because discovery determined he had started at ITERSource well after the business relationship was formed and, therefore, did not have the requisite criminal culpability.

The case against all defendants began to unfold in September 2017 when prosecutors were alerted to "irregularities" relating to an IT vendor, SMCS Tech LLC, of Fairlawn, with which the county was doing business. An investigation discovered Decatur was using his daughter's company for county information technology services.

An examination of SMCS's bank records revealed the company had received more than dozens and dozens of wire transfers from ITERSource, from Feb. 1, 2010, through Oct. 25, 2017.

Investigators also learned Decatur had approached ITERSource in 2009 to supply IT services to the county. An arrangement was made whereby ITERSource would bill the county for services, keep a percentage of the money and use Stewart's company as a subcontractor, giving her a much larger percentage of the funds. Stewart would retain a portion of the money and then transfer a large portion of it to Decatur's private IT company, ISIS.

Flaiz noted ITERSource did provide some services to the county.

Decatur, Geauga County's former chief information officer, died at University Hospitals in Cleveland, where he had been hospitalized since about Sept. 11. Prosecutors learned of his hospital admission after he failed to appear for a Sept. 12 hearing.

"Through the criminal proceedings, my office has frozen a number of Mr. Decatur's assets and we will continue to pursue his estate for monetary recovery for the taxpayers of Geauga County," Flaiz said in an email statement confirming Decatur's death.

Flaiz said earlier this month that Decatur had moved out of a rental home in Munson Township and into a home he owned in Shaker Heights in Cuyahoga County. Thus, any claims against his estate would need to be filed in Cuyahoga County.

Former Geauga County Auditor Frank Gliha resigned from office in March, noting in his letter of resignation that "coming to grips with his apparent deceit has been very difficult for me."

In June, he pleaded guilty to five counts of dereliction of duty, including four charges relating to the Decatur case: failure to design and operate

internal controls for the management of the county auditor's office from July 11, 2011, through April 3, 2018; failure to obtain through competitive bidding services in excess of \$50,000 on two occasions, Jan. 8, 2013, and Feb. 12, 2014; failure to obtain the approval of the Automatic Data Processing Board for purchase or contracting of equipment, software or services over a nearly six-year period, July 11, 2011, through April 11, 2017.

A fifth charge to which Gliha pleaded no contest involved a failure to distribute annual payments held in an "undivided public housing fund" for fiscal year 2000 after it was discovered in 2012 those funds should have been distributed to the municipalities and taxing districts in which Section 8 housing was located.

The latter unrelated charge resulted from the investigation Special Prosecutor Bryan Kostura conducted into how and why Decatur was able to orchestrate his crime.

Brown sentenced Gliha to a \$1,250 fine plus court costs and barred him from running for public office for four years.

Kostura said at sentencing there was no evidence Gliha profited from Decatur and Stewart's alleged criminal activity.

Misdemeanors despite ~~pleading~~ ^{admitting} guilty to felonies