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April 6, 2021

VIA EMAIL - keith.shumate@squirepb.com

Keith Shumate, Esq.
Chairman of the Board
Columbus Zoo & Aquarium

RE: Investigation of Columbus Zoo and Aquarium – Significant
Preliminary Findings and Recommendations

Dear Keith:

The Board of Directors of The Columbus Zoological Park Association, dba The Columbus Zoo and Aquarium (“the Zoo”) retained Porter Wright Morris & Arthur, LLP, to conduct an immediate, limited scope investigation into and provide legal advice regarding certain suspicious and potentially improper conduct involving members of Zoo management. Over a period of two weeks, we interviewed 20 witnesses and reviewed hundreds of pages of internal Zoo documents. We interviewed current Zoo employees, former employees, and some third parties. We interviewed certain key witnesses twice, including former CEO Tom Stalf and CFO Greg Bell, both of whom have resigned. After drawing certain initial conclusions, we provided Stalf and Bell a final opportunity to fully respond to the information we had acquired as of that point. None of the witnesses testified under oath, and we did not have the legal authority to subpoena witnesses. Stalf and Bell were represented by counsel during their respective interviews.

After reviewing documents, interviewing witnesses, and fully considering the responses of all the witnesses, including Stalf and Bell, we have made the significant preliminary findings set forth below. We have also made preliminary recommendations based on those findings. Our recommendations follow the below-listed preliminary findings.

Significant Preliminary Findings

1. The Zoo’s former Vice President of Marketing created a marketing strategy to entertain corporate clients and potential sponsors at sporting and entertainment events. A review of emails and witness statements substantiates that Stalf and Bell used tickets paid for by the Zoo for personal use without reimbursing the Zoo. This took two forms. First, for a period of time the Zoo had a suite for Ohio State basketball games and a suite for Columbus Blue Jackets’ games that Stalf and Bell used. Second, the Zoo procured and paid for tickets for events for Stalf and his family for other events. The Zoo no longer has those suites.

With respect to Zoo suites, Stalf and Bell used the suites and the accompanying food and beverage privileges for themselves and/or their family members without reimbursement to the Zoo. The documentation for the use of the suites does not disclose the specific individuals attending the event – a fact that is in itself a matter of concern – but numerous emails support a

finding that the suites were used for personal use, including cost of the food and drink. Stalf admits to only one personal use of the suite – taking his son’s basketball team, at the Zoo’s expense, to an Ohio State basketball game.

In addition, documents indicate that the Zoo procured tickets and paid for events beyond the Ohio State and Blue Jackets. For example, the Zoo obtained and paid the costs incurred for the use of a suite for Stalf’s family at a Cincinnati Reds game – evidenced in part by a family photograph of the occasion posted on Facebook. On another occasion, the Zoo obtained tickets so Stalf’s wife could attend a performance of The Phantom of the Opera. Bell admitted he caused the Zoo to obtain approximately 60 tickets from the Columbus Blue Jackets so his son, who is also a contractor at the Zoo, could attend Columbus Blue Jackets’ games with his friends, solely for their personal use. We were not presented with, and have not located, any records demonstrating that the Zoo was reimbursed for any of the above tickets and related food and drink used personally by Stalf and Bell or members of their families.

Although the Zoo had for a period of time a marketing plan that utilized suites for Columbus Blue Jackets and Ohio State basketball, those marketing opportunities were largely confined to Stalf, Bell, and the Zoo’s former Vice President of Marketing. The philanthropic function of the Zoo – which has responsibility for donor relationships – had little access to these tickets.

2. Stalf and Bell arranged for their relatives to live in houses owned by the Zoo pursuant to arrangements by Stalf and Bell personally without the opportunity having been publicized or offered to Zoo employees. In 2013, the Zoo was gifted a house on Frobisher Drive in Dublin several miles from the Zoo. At Stalf’s direction, Zoo funds were used to renovate the property. Witnesses suggested that between \$18,000 and \$28,000 were spent on the renovations. Stalf’s in-laws moved into the property and the Zoo charged them \$900 per month rent. Stalf said it was a coincidence that his in-laws became available to live in the house while it was under renovation.

The house’s availability was not advertised to the general public or all Zoo employees. According to Bell, Stalf himself determined the rental price, which never changed after it was initially established in 2014. Stalf asserts that the rent was in exchange for his in-laws making improvements to the property. There are no contemporaneous records demonstrating that his in-laws committed to or in fact improved the property, although Stalf made a list of the improvements shortly before commencement of this investigation. The Zoo paid utilities, real estate taxes, and for major repairs to the property. The Zoo sold the property as part of its sale of assets to address the pandemic for \$267,500. The Zoo had previously been gifted another house located in Maine through a bequest. In that instance, the Zoo immediately sold the home rather than renting it.

Greg Bell rented a house owned by the Zoo on Powell Road to a college roommate of his daughter. His daughter also became a tenant of the property in Autumn 2017. Bell set the rental price for the property, and the rental price did not change while Bell’s daughter lived there. The Zoo paid utilities, real estate taxes, and provided maintenance. Bell admitted that he planned for his daughter to move into the house after her roommate. The property was not advertised to the general public nor offered to Zoo employees. Bell’s daughter vacated the house about two weeks ago, around the time this investigation began.

Additional Preliminary Findings

3. Zoo CEO Tom Stalf directed that a \$2 million contract for the construction of cabins and a meeting space at The Wilds be awarded to a specific construction company selected by him without competitive bidding. Payment and accounting for the unbid contract work did not flow through the normal Wilds accounting process but rather was directed through CFO Greg Bell. At the end of the project, the

construction company billed the Zoo a substantial cost overrun. According to Greg Bell, Stalf instructed him to pay the overrun bill, despite objections by Zoo and Wilds management. We are continuing to examine if there were any personal benefits associated with the award of this contract.

4. At Stalf's direction, the Zoo purchased a recreational vehicle for \$45,000 for Stalf's exclusive use. Stalf inspected and evaluated the RV, along with another Zoo employee, before directing the Zoo to purchase it. Stalf stated that he directed that the purchase be made so he would have a place to stay when he attended events at The Wilds. It appears that Stalf used the RV at The Wilds one time. He admitted he used the RV for a personal trip to Put-in Bay with his family.

The RV was either stored at an off-site location or at Stalf's home. The Zoo sold the RV for approximately \$37,000 as part of the disposition of assets to address falling revenues from the pandemic. Stalf did not reimburse the Zoo for personal use of the RV.

5. The Zoo traded Zoombezi Bay admission tickets to the Wedgewood Country Club in exchange for a number of Wedgewood golf memberships. However, it appears that the only users of these memberships were Stalf, Bell, and possibly two others. This arrangement was terminated last week.

6. The Zoo utilizes a company that serves as a clearinghouse for trading products and services. For example, the Zoo "trades" golf at its Safari golf course for other vendor services. With the limited time and the limited scope of the investigation, this program was not reviewed, but in light of other instances of the use of Zoo assets for personal benefit, the program should be reviewed.

Preliminary Recommendations

Based upon the above preliminary findings, we make the following initial recommendations:

1. The Zoo should review any policies or practices concerning competitive bidding and require competitive bidding for all contracts, except certain specialty services, for products or services exceeding a certain monetary threshold.
2. The Zoo should undertake a forensic audit to determine any amounts that Stalf and Bell and their families should reimburse the Zoo and to determine whether there have been other instances of misuse of Zoo assets.
3. The Board should work with the Zoo's Human Resources Department to facilitate employee trust, engagement, and compliance.
4. The Zoo should consider separating the function of chief executive officer from chief operating officer rather than having one person fill both roles, as Stalf did.
5. The Zoo should review its present conflict of interest and ethics policies, specifically as they relate to use of any rental properties.
6. The Zoo should review its audit procedures to (i) rotate its auditors periodically, and (ii) to establish procedures that ensure effective oversight and protection of public and donor funds. The Zoo should review how adherence to those policies is ensured.

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Our investigation remains ongoing, and we will advise you and the Board of any additional findings and recommendations.

Very truly yours,

Fred G. Pressley, Jr.

Fred G. Pressley, Jr., Esq.

Scott North, Esq.
Arslan Sheikh, Esq.