

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SPECIAL REPORT

OF

PIERSON TOWNSHIP

VIGO COUNTY, INDIANA

January 1, 2001 to December 31, 2002



FILED

04/13/2007

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OFFICIALS

Office

Official

Term

Trustee

Joseph M. McKee
Robin J. Brown

01-01-99 to 12-31-02
01-01-03 to 12-31-10

Chairman of the
Township Board

Duane D. Dalton

01-01-01 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PIERSON TOWNSHIP, VIGO COUNTY, INDIANA

We have examined the payroll records of Pierson Township for the period from January 1, 2001 to December 31, 2002, and certify that the records and accountability for payroll transactions are satisfactory to the best of our knowledge and belief, except as stated in the Examination Result and Comment. The financial transactions of this office are reflected in the report of Pierson Township for the period of January 1, 2001 to December 31, 2003.

STATE BOARD OF ACCOUNTS

February 20, 2007

PIERSON TOWNSHIP
VIGO COUNTY
EXAMINATION RESULT AND COMMENT

PENALTIES, INTEREST AND OTHER CHARGES

Information presented for examination indicates that payroll taxes withheld from employees were not remitted to the Internal Revenue Service for the years 1999 through 2002. Penalties and interest related to these late payments were assessed in 2005; however, the Internal Revenue Service agreed to waive the penalties.

Pierson Township remitted the full amount of delinquent taxes and interest to the Internal Revenue Service on March 24, 2005. The total amount of interest attributed to the former Trustee's term of office was \$499.81. Joseph M. McKee, former Trustee, was requested to repay the \$499.81. (See Summary, page 7)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PIERSON TOWNSHIP
VIGO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 20, 2007 with Robin J. Brown, Trustee. The official response has been made a part of this report and may be found on page 6.

Joseph M. McKee, former Trustee, was contacted but unavailable for an exit conference.



Robin J. Brown

Pierson Township Trustee/Assessor

14975 South Richey Street

Lewis, IN 47858

Phone: (812) 495-6334 Fax: (812) 495-6037

February 26, 2007

~~State Board of Accounts~~

302 W Washington St Room B418

Indianapolis, IN 46204-2765

Re: OFFICIAL RESPONSE

Pierson Township, Vigo County

To Whom it May Concern:

Thank you for your recent reconsideration in the situation regarding former Township Trustee, Joseph M. McKee, and the IRS.

As you are aware, the Township has attempted for quite some time to obtain reimbursement for the interest and expenses incurred in the settlement of unpaid IRS withholding taxes from 1999 to 2002. This has included forwarding the IRS statements to Township Attorney, Terry Modesitt, who in turn forwarded these statements to Mr. McKee, as well as verbal and written communication from Mr. Modesitt to Mr. McKee. The Township CPA, Mike Lucas, also communicated with Mr. McKee regarding this situation. Failure to obtain any restitution has resulted in Pierson Township finally filing suit against Mr. McKee, with Mr. Richard Shagley II representing the Township.

This entire problem has gone on for over four (4) years and my board and I are unclear as to why the State has been reluctant in recognizing this problem and taking action against Mr. McKee. Also, we don't understand why the State has not followed through on the statement on page 13-3 in the Indiana Township Trustee's Manual that states in part that "Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee". It seems that this would include the attorney and CPA fees incurred by the Township during the past four years.

Again, thank you for taking notice of this frustrating situation. I anticipate a written response/explanation in answer to my concerns given in the previous paragraph.

Sincerely,

Robin J. Brown

Pierson Township Trustee

cc: Pierson Township Board

Terry Modesitt & Richard Shagley II

PIERSON TOWNSHIP
VIGO COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Joseph M. McKee, former Trustee: Penalties, Interest, and Other Charges, page 4	<u>\$ 499.81</u>	<u>\$ -</u>	<u>\$ 499.81</u>

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AFFIDAVIT

STATE OF INDIANA)
)
Vigo COUNTY)

I, Laura Ping, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of Pierson Township, Vigo County, Indiana, for the period from January 1, 2001 to December 31, 2002, is true and correct to the best of my knowledge and belief.



Field Examiner

Subscribed and sworn to before me this 2nd day of April, 2007.



Clerk of the Circuit Court