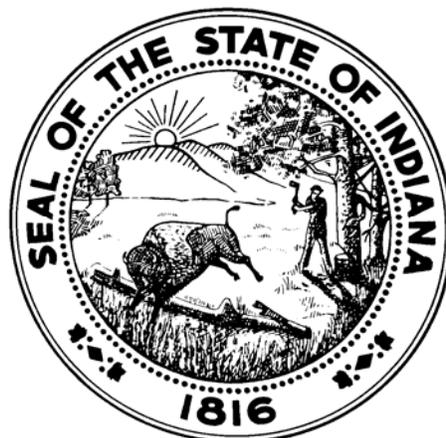


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

REVIEW OF ADMINISTRATION AGREEMENT
BETWEEN
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
AND
BEASLEY MINISTRIES, INC., dba, LIVING WORD OF GOD MINISTRIES

STATE OF INDIANA

January 1, 2003 to June 30, 2006



FILED
05/01/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director, Indiana Housing and Community Development Authority	Sherry Seiwert	02-14-05 to 12-31-06
Policy and Research Manager, Indiana Housing and Community Development Authority	David A. Kaufmann	07-11-05 to 12-31-06
Community Development Corporation Administrator, Beasley Ministries, Inc.	Pastor Jesse M. Beasley, III	01-01-03 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF STATE OF INDIANA

We have reviewed the Agreement between the State of Indiana acting by and through the Indiana Housing and Community Development Authority and Beasley Ministries, Inc., dba, Living Word of God Ministries, for the period from January 1, 2003 to June 30, 2006, and certify that the accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Agreement Results and Comments.

STATE BOARD OF ACCOUNTS

January 11, 2007

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
REVIEW OF ADMINISTRATION AGREEMENT
AGREEMENT RESULTS AND COMMENTS

INTRODUCTION

A review of the agreement between the State of Indiana acting by and through the Indiana Housing and Community Development Authority (the State) and Beasley Ministries, Inc., dba, Living Word of God Ministries (the Community Development Corporation (CDC), has disclosed questionable expenditures.

RELATIONSHIP BETWEEN THE STATE AND BEASLEY MINISTRIES

The agreement between the State and the CDC was entered into for the purpose of the CDC to administer the Individual Development Account (IDA) Program established by Indiana Code 4-4-28 and the federal Assets for Independence Act Program (AFIA). Until May 2005 the Indiana Department of Commerce, Community Development Division had authority over the agreement. In May 2005, the Indiana Housing and Community Development Authority was created and assumed responsibility for the agreement.

The IDA Program and AFIA Programs were established to help low-income Hoosiers build assets, become self-sufficient, learn personal financial skills, and improve their quality of life. The program is administered through a network of 36 nonprofit community organizations and 42 financial institutions. Living Word of God Ministries offered this program in Allen County.

HOW THE PROGRAM WORKS

For every \$1 a participant saves in an IDA account, the State of Indiana contributes an additional \$3 up to \$900 a year. Some participants also receive an additional 3:1 match from the AFIA grant, thus creating a \$6 match for every \$1 saved.

IDA savings can be used to pay for higher or vocational education, to purchase a home, or to start or expand a small business. Financial institutions participating in the IDA program provide interest-bearing savings accounts with no minimum-balance requirements or monthly fees. IDA participants take classes and receive counseling and support through Living Word of God Ministries as they pursue their savings goals.

NOTIFICATION OF IRREGULARITIES

In a meeting with the Indiana State Police (ISP) and the Indiana Housing and Community Development Authority held on July 6, 2005, we were informed of possible irregularities concerning an agreement between the State of Indiana acting by and through the Indiana Housing and Community Development Authority (the State), Community Development Division, and Beasley Ministries, Inc., dba, Living Word of God Ministries, Jesse M. Beasley, III, Pastor (the Community Development Corporation (CDC). We were asked to review the agreement to determine if there were any irregularities.

PROCEDURES PERFORMED

We reviewed all receipts and expenditures pertaining to the contract and traced them to Individual Development Accounts (IDA) set up at Tower Bank in Fort Wayne, Indiana. The period of the review was January 17, 2003, which was when the first deposit was made, up to June 30 2006.

There were 23 participants in the program. Two irregularities were noted: unauthorized telephone transfers and a conflict of interest with two participants in the program.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
REVIEW OF ADMINISTRATION AGREEMENT
AGREEMENT RESULTS AND COMMENTS
(Continued)

TELEPHONE TRANSFERS TO PERSONAL ACCOUNT

Pastor Jesse M. Beasley, III, Administrator of the program, authorized two telephone transfers from the IDA bank account to his personal bank account as follows:

<u>Date of Transfer</u>	<u>Amount</u>
February 15, 2005	\$ 1,000
March 28, 2005	<u>1,200</u>
Total	<u>\$ 2,200</u>

These transfers were unallowable. Pastor Beasley was requested to reimburse the IDA account in the amount of \$2,200.

CONFLICT OF INTEREST

Pastor Jesse M. Beasley, III, as Administrator of the Community Development Corporation (CDC), authorized all withdrawals from the Individual Development Accounts (IDA). On five occasions he authorized withdrawals from the program to be paid to Breaking Ground Landscaping, Inc. The corporation is a for profit corporation according to the Articles of Incorporation from the Secretary of State. The principal given is Jesse Beasley who lives at 3404 Congress Ave., Fort Wayne, IN 46806. This is the address of Pastor Jesse M. Beasley, III. The five withdrawals deposited into Breaking Ground Landscaping, Inc., are as follows:

<u>Date of Withdrawal</u>	<u>Amount</u>
May 22, 2003	\$ 2,095
April 22, 2004	2,100
October 10, 2004	1,680
February 25, 2005	2,100
March 1, 2005	<u>2,100</u>
Total	<u>\$ 10,075</u>

The total amount paid consists of \$1,435 from individual contributions and \$4,320 each from State and Federal grants.

Pastor Beasley, as Administrator of the grant, signed an administration agreement which contained an ethics requirement. One of the requirements states that you can't do business with yourself. This requirement states that the administrator shall abide by all ethical requirements set out by the State of Indiana.

Pastor Beasley was asked to reimburse the IDA account \$10,075.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
REVIEW OF ADMINISTRATION AGREEMENT
EXIT CONFERENCE

The contents of this report were discussed on January 11, 2007, with Pastor Jesse M. Beasley, III, Community Development Corporation Administrator, Beasley Ministries, Inc.

INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
 REVIEW OF ADMINISTRATION AGREEMENT
 SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Pastor Jesse M. Beasley, III, Community Development Corporation Administrator, Beasley Ministries, Inc:			
Telephone Transfers to Personal Account, page 5	\$ 2,200	\$ -	\$ 2,200
Conflict of Interest, page 5	<u>10,075</u>	<u>-</u>	<u>10,075</u>
 Totals	 <u>\$ 12,275</u>	 <u>\$ -</u>	 <u>12,275</u>

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