

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

SPECIAL REPORT
OF
SCHOOL CAFETERIAS
ELKHART COMMUNITY SCHOOLS
July 1, 2003 to June 30, 2006



FILED
10/22/07

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SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Memorial High School Cafeteria Manager	Angela Bails	07-01-03 to 06-30-08
Central High School Cafeteria Manager	Barbara A. Barton Robyn Bright Vacant Tracy Mendenhall	07-01-03 to 05-23-06 05-24-06 to 07-13-06 07-14-06 to 08-08-06 08-09-06 to 06-30-08
North Side Middle School Cafeteria Manager	Candy Karchner	07-01-03 to 06-30-08
West Side Middle School Cafeteria Manager	Shirley Sawyer	07-01-03 to 06-30-08
Pierre Moran Middle School Cafeteria Manager	Julianna Grubbs	07-01-03 to 06-30-08
Food Service Coordinator	Robyn Bright Vacant	07-01-03 to 07-13-06 07-14-06 to 08-02-08
Director of Food Services	Valorie J. Eads	07-01-03 to 06-30-08
Treasurer	Douglas A. Hasler	07-01-03 to 06-30-08
Superintendent of Schools	Mark T. Mow	07-01-03 to 06-30-08
President of the School Board	Dorisanne H. Nielsen Paul C. Stemm Jeri Stahr Dorisanne H. Nielsen Carolyn R. Morris	07-01-03 to 06-30-04 07-01-04 to 06-30-05 07-01-05 to 06-30-06 07-01-06 to 06-30-07 07-01-07 to 06-30-08



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TO: THE OFFICIALS OF ELKHART COMMUNITY SCHOOLS

We have examined the records of the School Cafeterias, Elkhart Community Schools, for the period from July 1, 2003 to June 30, 2006, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Results and Comments. The financial transactions of the School Cafeterias are reflected in the Examination Report of Elkhart Community Schools.

STATE BOARD OF ACCOUNTS

August 2, 2007

SCHOOL CAFETERIAS
ELKHART COMMUNITY SCHOOLS
EXAMINATION RESULTS AND COMMENTS

CAFETERIA CASH RECEIPTS AND DEPOSITS

We have determined, based on interviews and records available for examination, that cafeteria cash receipts at Memorial and Central High School, and Pierre Moran, North Side, and West Side Middle Schools of Elkhart Community Schools, were not being deposited in their entirety.

Specifically, all money received from Cafeteria employees for the purchase of food items, at all five of the schools listed above, was retained by the Cafeteria Managers at each Cafeteria. Money collected from teachers at Memorial and Central High School was also retained by the Managers at those Cafeterias.

Additionally, some collections for special functions were not deposited in their entirety at Central High School and North Side and West Side Middle Schools.

The schedule below illustrates the types and amounts of collections of each Cafeteria that were not deposited:

	<u>Memorial High School</u>	<u>Central High School</u>	<u>North Side Middle School</u>	<u>West Side Middle School</u>	<u>Peirre Moran Middle School</u>
Actual Teacher Sales	\$ 42,820	\$ -	\$ -	\$ -	\$ -
Estimated Teacher Sales	17,612	22,700	-	-	-
Actual Student Sales	-	14,541	-	-	-
Actual Special Function Sales	-	850	37	2,925	-
Actual Cafeteria Staff Sales	-	-	280	-	482
Estimated Cafeteria Staff Sales	<u>1,480</u>	<u>1,480</u>	<u>1,233</u>	<u>1,480</u>	<u>965</u>
Gross Undeposited Cash	61,912	39,571	1,550	4,405	1,447
Documented Disbursements	4,599	10,966	-	798	684
Cash Given to School Corporation	<u>701</u>	<u>1,139</u>	<u>260</u>	<u>1,289</u>	<u>72</u>
Net Undeposited Cash	<u>\$ 56,612</u>	<u>\$ 27,466</u>	<u>\$ 1,290</u>	<u>\$ 2,318</u>	<u>\$ 691</u>

Both High Schools used a manual sign-in system to record teacher Cafeteria sales during the examination period. Sign-in sheets for Central High School for the time period prior to May 2006 were not presented for examination. We used daily sign-in sheets from May, June, and August 2006 to estimate teacher Cafeteria sales for Central High School for the three year examination period. Memorial High School retained most daily adult sign-in sheets for the three school years examined. We used the sign-in sheets that were available to estimate teacher Cafeteria sales for the dates we did not have sign-in sheets. Both of these methods allowed us to estimate an amount of teacher Cafeteria sales at the two High Schools for the three year examination period.

We did note the Middle Schools were depositing teacher Cafeteria sales daily.

Our analytical review of Elementary School teacher Cafeteria sales revealed that several Schools consistently had low amounts of teacher Cafeteria sales. We found no evidence that teacher Cafeteria sales were being retained at the Elementary Schools through discussions with Cafeteria employees and tests performed on Elementary Cafeteria reports.

SCHOOL CAFETERIAS
ELKHART COMMUNITY SCHOOLS
EXAMINATION RESULTS AND COMMENTS
(Continued)

All Cafeteria Managers retained cash collected from Cafeteria employees for the meals purchased. We were able to estimate the amount of cash collected from Cafeteria employees based on the manual ledgers maintained by two of the Middle School Managers, which detailed collections received from Cafeteria employees at each Cafeteria for the meals purchased.

Special functions are events held within the School Corporation for which a School Cafeteria prepares food items for a purchasing organization. Each Cafeteria Manager in prior school years was responsible for the preparation of an invoice to bill the purchasing organization, for billing the organization, and for receiving payment from the organization. The Food Service Department has attempted to centralize the invoicing, billing and receipting process over the past several school years. However, we have found instances where not all invoices for special functions were being accounted for through the centralized School Corporation Food Service Department. The special functions sales are included in the above schedule.

We did note that the amount of special function receipts recorded by the School Corporation within the School Lunch Fund exceeds the amount of billing invoices available for examination.

The Food Service Director and the Cafeteria Satellite Manager on May 23, 2006, collected from each of the High School and Middle School Cafeteria Managers all the cash on hand that was derived from the above sources. Additional amounts were turned over to the School Corporation during the Summer and Fall by the Food Service Coordinator and the Managers as money was received from teachers and found in the buildings. The amounts are listed in the above schedule.

Tickets, goods for sale, billings, and other collections are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7) (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payors. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

DISBURSEMENT DOCUMENTATION

The High School and Middle School Cafeteria Managers, based on invoices available for examination, used the undeposited Cafeteria cash receipts discussed in the Cafeteria Cash Receipts and Deposits Examination Result and Comment, to purchase office equipment and supplies, minor Cafeteria equipment, renovate the Cafeteria building, food supplies, decorative items, staff Christmas parties, including gifts and door prizes, staff birthday gifts, and flowers for employees.

SCHOOL CAFETERIAS
ELKHART COMMUNITY SCHOOLS
EXAMINATION RESULTS AND COMMENTS
(Continued)

The purchases were made without the direct, written authorization of the Food Service Director or the Treasurer of the School Corporation through a purchase order system, accounts payable voucher approval process, or a specific written approval on invoices. The High School and Middle School Cafeteria Managers were allowed, with the exception of the Manager at Memorial High School, to spend the cash retained at the school at the Manager's discretion. The cash retained at the Memorial High School Cafeteria was used at the discretion of multiple employees. The cash was not only used for Cafeteria related items within the Memorial High School Cafeteria, but also for Cafeteria related items needed for the Elementary Schools, the School Corporation Commissary, and office supplies for the School Corporation School Lunch Office at Memorial High School.

Documentation, such as invoices, to support many of the cash disbursements were not presented for examination by the Cafeteria Managers or the School Corporation.

The invoices available at Memorial High School for examination totaled \$4,599. The Cafeteria Manager stated that most invoices which the Manager did have, were misplaced or stolen.

The Manager of the Memorial High School Cafeteria provided a list of disbursements made with cash over the past three school years for which invoices were not available for examination. The total amount listed is \$19,695. The State Board of Accounts was able to determine that \$13,470 of the costs could have been for Cafeteria related purchases.

The invoices at Central High School available for examination relating to the examination period totaled \$10,966.

The Manager of the Central High School Cafeteria provided a list of disbursements made with cash over the past three school years for which invoices were not available for examination. The total amount listed is \$14,390. The State Board of Accounts was able to determine that \$8,660 of the costs could have been for Cafeteria related purchases.

The invoices at Pierre Moran Middle School available for examination totaled \$684. The purchases agreed to a manual ledger maintained by the Manager for the 2005-2006 school year. The Manager stated that the invoices relating to the cash purchases made for the 2004-2005 school year were given to the School Corporation School Lunch Office at Memorial High School. These invoices could not be found by the Memorial High School Cafeteria staff.

No invoices were available for examination at North Side Middle School. A manual ledger which detailed purchases made with undeposited lunch collections totaled \$311 for the time period January 2006 through June 2006.

The invoices at West Side Middle School available for examination totaled \$798.

The State Board of Accounts has included the amounts listed above for which invoices were available for examination as a reduction in the amount of undeposited cash included in the table within the Cafeteria Cash Receipts and Deposits Examination Result and Comment.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SCHOOL CAFETERIAS
ELKHART COMMUNITY SCHOOLS
EXAMINATION RESULTS AND COMMENTS
(Continued)

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Tickets, goods for sale, billings, and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

INTERNAL CONTROLS

The controls over the receipting, disbursing, recording, and accounting for the School Cafeterias financial activities were insufficient.

Receipts are written at the School Corporation Office, based on deposits made by Cafeteria staff, not on actual collections which is due to not all money being deposited by the Cafeteria staff. Additionally, receipts are written to eliminate cash short or long amounts.

Some receipt amounts are allocated and posted to receipt accounts of the School Lunch Fund based on prior collection history. The total amount deposited by a particular Cafeteria for instance is allocated 60% to student lunch, 25% to student ala carte, 10% to adult ala carte, and 5% to adult lunch. These percentages may not represent the true amounts collected at the Cafeteria. Arbitrary assignment of amounts to receipt accounts causes incorrect financial reporting for the School Lunch Fund.

Cash disbursements were not recorded on the records of the School Corporation due to the School Corporation Office being unaware of the disbursements made at the Cafeterias.

Documentation to support the cash disbursements being made at the Cafeterias was not presented for examination. Some Managers were told to retain invoices for one year, then dispose of them. At the direction of the Food Service Coordinator, other Managers maintained manual ledgers to record their use of the cash, but did not retain the invoices.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SCHOOL CAFETERIAS
ELKHART COMMUNITY SCHOOLS
EXAMINATION RESULTS AND COMMENTS
(Continued)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

STUDENT LUNCH RECEIPTS (Applies to Central High School)

Students of Elkhart Community Schools may deposit with the School Corporation monies in advance of the purchase of lunch and breakfast items. The monies are accounted for in an account maintained for each student. The student may then draw on money advanced throughout the school year to purchase food from the Cafeteria.

Credit adjustments were made to the student lunch accounts during the 2005-2006 school year in the amount of \$14,541. The adjustments allowed cash to be retained by the Cafeteria Manager. The Cafeteria Manager, Barbara A. Barton, stated the cash was retained to reimburse herself for Cafeteria costs totaling \$19,166 personally incurred over the past seven years. However, information provided for examination by Barbara A. Barton showed some of the purchases cannot be specifically tied to use in the Cafeteria, and many were for consumable items. The above transactions by Barbara A. Barton were without the specific approval of the School Corporation.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

ADDITIONAL EXAMINATION COSTS

Examination costs were incurred during this examination due to food service collections not being deposited and improper accounting for the use of these collections. The examination revealed substantial amounts of collections were retained at the School Cafeterias and used or consumed by the School Cafeterias during the normal course of business operations without proper accounting. Examination costs totaled \$23,228.49.

FURTHER INVESTIGATION

Due to the unresolved nature of the information provided herein, we have forwarded this report to the Indiana State Police, Prosecuting Attorney of St. Joseph County, and the Attorney General of the State of Indiana for further investigation and resolution.

SCHOOL CAFETERIAS
ELKHART COMMUNITY SCHOOLS
EXIT CONFERENCES

The contents of this report were discussed on July 26, 2007, with Mark T. Mow, Superintendent of Schools; Douglas A. Hasler, Treasurer; Carolyn R. Morris, President of the School Board; Karen S. Carter, School Board member; and Valorie J. Eads, Director of Food Services. The contents of this report were also discussed on August 1, 2007, with Angela Bails, Memorial High School Cafeteria Manager; and Pam Melcher, Cafeteria Satellite Manager. The official response of the School Corporation has been made a part of this report and may be found on pages 10 through 12.

The contents of this report were discussed on August 1, 2007, with Barbara A. Barton, former Central High School Cafeteria Manager.

The contents of this report were discussed on August 2, 2007, with Robyn Bright, former Food Service Coordinator. The official response of the School Corporation has been made a part of this report and may be found on pages 13 through 15.

Elkhart Community Schools

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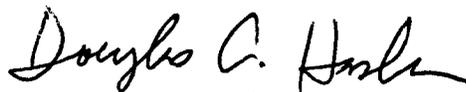
August 1, 2007

State Board of Accounts
302 W. Washington Street
Room E418
Indianapolis, IN 46204-2765

RE: Official Response – Elkhart Community Schools Cafeteria Audit

On behalf of Elkhart Community Schools, I have prepared the attached response to the recent State Board of Accounts Audit of the Elkhart Community Schools Cafeteria Program. Please include this response in the publication of the final audit report.

Sincerely,



Douglas A. Hasler

Executive Director of Support Services

DAH:ks

Elkhart Community Schools

J.C. RICE EDUCATIONAL SERVICES CENTER
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ELKHART, INDIANA 46514

August 1, 2007

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State Board of Accounts
302 W. Washington Street
Room E418
Indianapolis, IN 46204-2765

RE: Official Response – Elkhart Community Schools Cafeteria Audit

Elkhart Community Schools does not dispute the audit results or comments presented in the State Board of Accounts Audit Report of the Elkhart Community Schools Cafeteria Audit. On behalf of Elkhart Community Schools, I do want to report on the corrective actions taken by ECS in response to the audit findings.

CAFETERIA CASH RECEIPTS AND DEPOSITS

The SBA audit report indicates that the cafeteria managers at Memorial and Central High Schools were retaining moneys collected from school staff for meals purchased through the school cafeteria program. As of May 23, 2006, moneys collected from school employees for meals purchased are no longer retained at the buildings. Such moneys are deposited in their entirety along with all moneys received for student meal purchases on a daily basis.

In addition, the SBA audit report indicates that Memorial and Central High Schools used a sign-in sheet for teachers and other school staff to record food sales, with billing done at a later time. This practice has been terminated, and school staff are required to pay for their meals at the time of purchase.

DISBURSEMENT DOCUMENTATION

The SBA audit indicates that disbursements were made out of undeposited cafeteria cash receipts retained at secondary school buildings. Such disbursements were unauthorized by the Food Services Director and the School Corporation Treasurer. Purchases were made for school and non-school uses, though documentation was incomplete and all purchases could not be substantiated.

Cafeteria managers have been directed to make purchasing requests through regular purchasing procedures requiring authorization from the Food Services Director. In addition, since all moneys received for adult and student meal purchases are deposited

on a daily basis, no moneys are retained at the building to support any disbursements at the building level.

INTERNAL CONTROLS

The SBA audit indicates that internal controls were lacking or insufficient in specified areas. Receipts were prepared at the School Corporation office on the basis of prior collection history, not necessarily on actual collections. As has been indicated, unauthorized cash disbursements were made with moneys retained by the building cafeteria programs, sometimes without retaining documentation to support such disbursements.

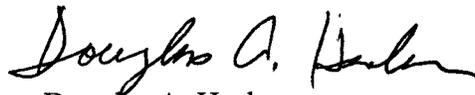
All moneys received through cafeteria operations are deposited on a daily basis. Such deposits specify the actual character of the receipt source – student meal purchase, student a la carte purchase, adult meal purchase, or adult a la carte purchase. With receipts recorded in this manner, the Food Service Director will be better able to detect unusual practices in the receipt of moneys by cafeteria managers by making use of the school corporation financial system.

STUDENT LUNCH RECEIPTS

The SBA audit indicates that the Central High School cafeteria manager made credit adjustments to student accounts for the purpose of retaining cash. This cash was retained by the cafeteria manager to reimburse herself for unauthorized cafeteria-related purchases she had incurred for a period of up to seven years. The credit adjustments were made by the cafeteria manager using Food Service software that is used to track student accounts. The cafeteria manager's use of this software for this purpose was unauthorized, and was accomplished through use of a login/password that the cafeteria manager had observed another Food Service employee using.

Only two individuals are authorized to use the Food Service software to make credit adjustments to student accounts. (Neither of these individuals have responsibility for receiving and/or handling moneys paid by students or staff for meal purchases through the Food Service Department.) Passwords for these individuals have been changed since the unauthorized use was discovered. Regular reports of credit adjustments to student accounts are also reviewed by the Director of Food Services to determine if unusual activity is taking place.

Sincerely,



Douglas A. Hasler
Executive Director of Support Services

ANDERSON • AGOSTINO
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September 6, 2007

Indiana State Board of Accounts
Official Response
302 W. Washington Square
Room E 418
Indianapolis, IN 46204

UPS Overnight Delivery

Re: Elkhart Community Schools Lunch Audit
Official Response of Robyn Bright

Dear Sir/Madam,

On behalf of my client, Robyn Bright I provide you this Official Response.

Robyn Bright, the Food Service Coordinator, was only made aware of the scope of this audit after the first draft of this report was discussed with her on August 2, 2007. Except for the meeting in September 2006 when she met with a State Auditor for a brief time to discuss information on a particular employee, Robyn had no other conversations with the State Auditor until the draft of this audit was discussed with her on that August 2nd meeting.

At no time before or during Robyn's employment as Food Service Coordinator were policies or procedures in place requiring written authorization for the use of petty cash from the Food Service Director. After reviewing a draft of the preliminary report Robyn gave the State Auditor information and many documents supporting the facts that the Food Service Director had working knowledge of petty cash and its usages. The Director controlled its use as a discretionary fund as she deemed fit. At no time did the Food Service Director offer or inform Robyn or the managers that written authorization was needed for petty cash. There was only one procedural change regarding petty cash on May 23, 2006 from the Director of Food Service. This was the first change in the

operation of petty cash during Robyn's employment. That is not to say that the Manager of Memorial High School may have had those conversations with the Food Service Director, as all Elkhart School managers were the direct responsibility of the Food Service Director.

As of July 2006 when Robyn left employment of Elkhart Community Schools, the manager of Memorial High School had never discussed with her at any time that there were misplaced or stolen receipts. All receipts should have been made available by the Director as they were to be kept in the locked storage area at Memorial High School for a period of three years.

At no time while Robyn was employed as Food Service Coordinator was she involved with allocating percentages to student lunch accounts, student ala carte, adult ala carte or adult lunches that would cause incorrect financial reporting to the school lunch fund. Those tasks were solely done by the Food Service Director's office, and it seems the dailies were manipulated to force balance the books.

While employed as Food Service Coordinator Robyn's responsibilities never included the collection of monies or deposits of monies, except on May 23, 2006 while filling in for Central High School Manager for approximately two weeks, she made the daily deposits of all funds at Central High School that were collected.

At no time was the Food Service Coordinator also the keeper of petty cash. It was mentioned in the audit that the Food Service Coordinator told some managers to keep receipts for one year and then dispose of them. This is not true. All managers were told to keep receipts, invoices, and production records for three years. The documents were boxed and labeled at the end of every school year. The Memorial High School receipts, invoices, production records were kept in a locked storage area at Memorial High School. When Robyn left employment all boxes of production records, invoices, receipts, and summer feeding records were kept in that locked storage area from the previous three school years. Custodial Staff, Food Service Drivers, Memorial High Manager, Satellite Manager and Food Service Director have keys to this locked storage. The State Auditor stated that he was only made aware of this storage about the time the first draft of this audit was made. Robyn made sure he got the exact location of this locked storage area at Memorial High School. As of August 27th the State Auditor advised he had not been inside this locked storage area.

I am greatly concerned that the State Auditor, John Pajakowski, was made aware of the storage room at Elkhart Memorial High School that contained three years of the invoices, receipts, production records, etc. yet he never investigated this. Mr. Pajakowski was advised of this on or about August 2, 2007. It is my belief that to date no one has gained access to that area to verify the documentation. I feel this is quite important in that if the documents have remained undisturbed they will be able to establish for the auditors the cash flow and its uses. If these documents are missing they certainly have been purloined well after Robyn Bright was no longer an employee of the School Corporation. I think it would be incumbent upon the successor investigators to 1.) See if

there are any documents contained in that area; 2.) If there are no documents perform an investigation to determine who retrieved them and under whose direction such theft occurred.

We are also greatly concerned that for a period of four months following the termination of Robyn's employment that her email account was accessible to and utilized by the Food Service Director. Robyn had received a call from Josh at Information Technology for the School Corporation advising that her email account had been left open and that the Food Service Director had requested Robyn's password. Robyn's password was given to the Director and on November 7th Robyn was notified of its use. On November 10th I wrote to Attorney Doug Thorne as counsel for the School Corporation advising of the fact that this email account had been improperly utilized. We demanded that the School Corporation close the account and cease and desist from further use. I would strongly suggest that email account be forensically examined to determine whether it was in fact used as a surreptitious route to hide communications by the Director to others. I do demand that we be given information as to what is discovered as we have concerns that other parties may have been able to use this email account for other inappropriate or illegal purposes.

It is clear that the investigation was very incomplete and that the auditor was misled. I feel it is incumbent upon the representatives of the School Corporation and/or the State Police to conduct a further inquiry into the lack of truth and candor in the information that was provided to them by the employees of the Elkhart School Corporation. In particular I want to stress that I believe the underlying circumstances were benign and that there was no theft or fraud of any kind. Rather there was an improper accounting procedure and a misuse of the funds for what was perceived to be a good purpose. We now have a circumstance where the cover up is worse than the act and that by the falsifications and lies that have been perpetrated I contend the need for further investigation is self-evident. This is an incomplete and woefully inadequate investigation. Robyn Bright's good reputation and character have been blemished by dissemination of the first highly inaccurate report. I hope that upon further reflection and evaluation a more comprehensive follow up audit and investigation will be forthcoming. We contend ample evidence has been presented of lies, cover up, and misinformation to warrant a thorough follow up and remedy to the attempted "set up" of Robyn Bright.

I look forward to your response.

Sincerely,



Michael J. Anderson

MJA/tkr

Cc: Mrs. Robyn Bright
Atty. Doug Thorne

SCHOOL CAFETERIAS
ELKHART COMMUNITY SCHOOLS
SUMMARY OF DISCREPANCIES

	<u>Discrepancies</u>
Cafeteria Cash Receipts and Deposits, pages 4 and 5:	
Memorial High School:	
Angela Bails, Cafeteria Manager, Net Undeposited Lunch Sales	\$ 56,612
Central High School:	
Barbara A. Barton, Cafeteria Manager, Net Undeposited Lunch Sales	12,925
West Side Middle School:	
Shirley Sawyer, Cafeteria Manager, Net Undeposited Lunch Sales	2,318
North Side Middle School:	
Candy Karchner, Cafeteria Manager, Net Undeposited Lunch Sales	1,290
Pierre Moran Middle School:	
Julianna Grubbs, Cafeteria Manager, Net Undeposited Lunch Sales	691
Student Lunch Receipts, page 8:	
Central High School:	
Barbara A. Barton, Cafeteria Manager, Student Account Credit Adjustments	14,541