

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

AUDIT REPORT
OF

STREET DEPARTMENT
CITY OF ANDERSON
MADISON COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED
09/17/2008

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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Street Commissioner	Nicholas M. Vores Todd R. Lever	01-01-07 to 12-31-07 01-01-08 to 12-31-08
Controller	Morris D. Long Morris D. Long (Contractual) C. Karen Carpenter	01-01-07 to 09-12-07 09-13-07 to 12-31-07 01-01-08 to 12-31-08
Mayor	Honorable Kevin S. Smith Honorable M. Kris Ockomon	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Board of Public Works	Robert Sparks Greg Graham	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Common Council	Donna Davis Joseph Newman	01-01-07 to 12-31-07 01-01-08 to 12-31-08



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TO: THE OFFICIALS OF THE CITY OF ANDERSON, MADISON COUNTY, INDIANA

We have audited the records of the Street Department for the period from January 1, 2007 to December 31, 2007, 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 Audit Result and Comment. The financial transactions of this office are reflected in the Comprehensive Annual Financial Report of the City of Anderson for the year 2007.

STATE BOARD OF ACCOUNTS

July 21, 2008

STREET DEPARTMENT
CITY OF ANDERSON
AUDIT RESULT AND COMMENT

MISSING FUNDS INVESTIGATION

According to a City of Anderson Police report, on March, 7, 2008, an inquiry was made into monies missing from the City of Anderson Street Department. According to sources, the former Street Commissioner may have failed to deposit funds received from the Recycling Center, Inc., (Richmond, Indiana) as payment for scrap metal.

The report further states that Recycling Center, Inc., provided a dump trailer for the City of Anderson Street Department. When the dumpster was near capacity, Recycling Center, Inc., would send a truck to exchange the dump trailer. The driver would provide the Street Department with a sequentially numbered ticket. Once the trailer had returned to Recycling Center, Inc., the load was weighed and calculated for payment. A Recycling Center official explained that he would then visit the Street Department and make cash payment with a receipt for the disposal service. He further explained that the payments were made directly to the former Street Commissioner except on one occasion where he recalled leaving the cash and receipt with a secretary.

Per the police report, based on evidence obtained from Recycling Center, Inc., since 2005, Recycling Center, Inc., paid from \$3,964 to \$4,054 to the City of Anderson for disposal of scrap metal. The total amount of monies receipted by the City of Anderson Controller's office since 2005 is \$1,678. The difference of \$2,286 to \$2,376 remains missing per the report.

On April 18, 2008, an Anderson Police Department officer prepared a probable cause affidavit for violation of Indiana Code 35-43-4-2, nine counts of theft, versus the former Street Commissioner and forwarded it to the Madison County Prosecuting Attorney's office. The status of these proceedings will be reviewed by the State Board of Accounts during a subsequent audit of the City.

STREET DEPARTMENT
CITY OF ANDERSON
EXIT CONFERENCE

The contents of this report were discussed on July 21, 2008, with Todd R. Lever, Street Commissioner; and William C. Kreegar, Assistant City Attorney.

The contents of this report were discussed on July 28, 2008, with C. Karen Carpenter, Controller; and Joseph Newman, President of the Common Council.