

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

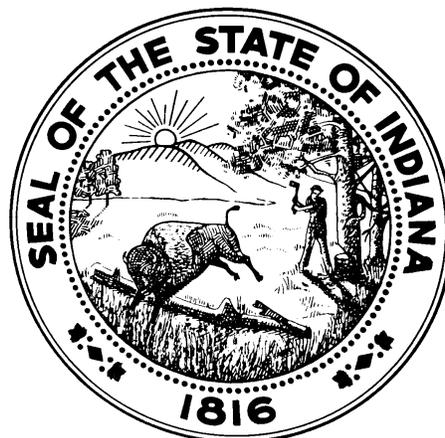
AUDIT REPORT

OF

COUNTY COMMISSIONERS

MONTGOMERY COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

11/06/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Result and Comment: Conflict of Interest.....	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Michelle R. Cash	10-16-07 to 12-31-10
President of the County Council	James D. Fulwider	01-01-08 to 12-31-09
President of the Board of County Commissioners	Harry A. Siamas	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MONTGOMERY COUNTY

We have audited the records of the County Commissioners for the period from January 1, 2008 to December 31, 2008, 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 Annual Report of Montgomery County for the year 2008.

STATE BOARD OF ACCOUNTS

August 26, 2009

COUNTY COMMISSIONERS
MONTGOMERY COUNTY
AUDIT RESULT AND COMMENT

CONFLICT OF INTEREST

During the period in which financial statements are presented, the County had material transactions with Bill McCormick, County Commissioner in relation to his job as a salesman for CPI, Inc., a manufacturer of culvert pipe, in the amount of \$251,315. The County also had material transactions with Denny Phillips, a County highway employee, in relation to his personal business as an excavator in the amount of \$177,887. A conflict of interest statement was not provided.

IC 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony. . . ."

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served under any of the following conditions: . . . (3) If the public servant: (A) is an elected public servant. . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6)."

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase. . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant. . . ."

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-9-2-2) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (1/2) of whose support is provided during a year by the public servant."

MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 26, 2009, with Harry A. Siamas, President of the Board of County Commissioners; Richard Chastain, County Councilman; and Michelle R. Cash, Auditor.