

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

AUDIT REPORT

OF

CALUMET TOWNSHIP ASSESSOR

LAKE COUNTY, INDIANA

January 1, 2008 to December 31, 2008



**FILED**

11/25/2009



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Calumet Township Assessor	Booker Blumenberg, Jr.	01-01-07 to 12-31-10
President of the Board of County Commissioners	Gerry J. Scheub	01-01-08 to 12-31-08
	Roosevelt Allen, Jr.	01-01-09 to 12-31-09
President of the County Council	Christine Cid	01-01-08 to 12-31-08
	Larry Blanchard	01-01-09 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF LAKE COUNTY

We have audited the records of the Calumet Township Assessor 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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of Lake County for the year 2008.

STATE BOARD OF ACCOUNTS

September 21, 2009

CALUMET TOWNSHIP ASSESSOR  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS

POSTAGE PAYMENTS USING 2007 ENCUMBRANCES

In February and March 2008, the Calumet Township Assessor's (Assessor) office submitted to the County Auditor claims totaling \$28,581 for postage which the County subsequently paid. The claims indicated that payment was for postage applicable to 2007 purchase orders and so were paid with 2007 encumbered funds. We determined that only \$10,404.96 of these claims should have been paid using 2007 appropriated funds. \$849.53 of the remaining balance should have been paid using funds from 2008 appropriations. \$17,326.51 of the remaining balance was payment for refilling of the postage meter which had not yet occurred, and therefore, should not have been paid. Documentation did support that the meter was filled for the amount paid at a later time.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Whenever a valid appropriation has been lawfully encumbered by a contract or by the issuance of a purchase order, the appropriation to the extent of the encumbrance may be carried forward to the succeeding year and made available for payment of the obligation which encumbered it. Only so much of the appropriation as is lawfully encumbered may be carried forward. All appropriations not lawfully encumbered by contract or purchase order revert at the close of the year. (The County Bulletin and Uniform Compliance Guidelines, January 2008)

COUNTY FUNDS USED FOR QUESTIONABLE MATERIALS SENT TO TAXPAYERS

In addition to the regular election of state and federal officials, a referendum vote about whether or not to retain township assessors was included on the November 4, 2008, ballot. Some concerns had been raised to the State Board of Accounts that a mass mailing had been made by the Calumet Township Assessor to the residents in Calumet Township just prior to the election on November 4, 2008, about this referendum.

Through inquiry, we obtained a copy of the three page letter that was sent out by the Calumet Township Assessor's office. Two pages of the letter directly related to the referendum in the upcoming election, with one page urging the voter to vote no to the question of "Should the assessing duties of the elected Township Assessor be transferred to the County Assessor?" The letter also provided general tax assessment information; however, the information needed by the taxpayer was also provided in a subsequent tax statement that was sent by the County in a separate mailing.

Forty thousand three page letters were purchased. Postage to mail these letters at 42 cents a letter totaled \$16,800.

It is the position of the State Board of Accounts that the notices mailed, regarding the referendum, should not be paid for by the County. Such a notice is self serving, if not political. Although the referendum was important to the taxpayers, this type of expenditure is not representative of an efficient government. We have requested Booker Blumenberg, Jr., Calumet Township Assessor, to reimburse the County \$16,800 for postage. (See Summary, page 16)

CALUMET TOWNSHIP ASSESSOR  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

IC 6-1.1-4-28.5 states:

"(a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

- (1) the general reassessment of real property, including the computerization of assessment records;
- (2) payments to assessing officials and hearing officers for county property tax assessment boards of appeals under IC 6-1.1-35.2;
- (3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;
- (4) the updating of plat books;
- (5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist assessing officials;
- (6) making annual adjustments under section 4.5 of this chapter; and
- (7) the verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to:
  - (A) the county assessor; or
  - (B) township assessors (if any);

under IC 6-1.1-5.5-3.

Money in a property tax reassessment fund may not be transferred or reassigned to any other fund and may not be used for any purposes other than those set forth in this section."

EMPLOYEE BLANKET BOND

Lake County has an employee blanket bond with The Ohio Casualty Insurance Company. The bond is a four year bond which provides \$15,000 of coverage for public employee dishonesty per loss. The policy period is from January 1, 2006 to January 1, 2010.

ADDITIONAL AUDIT COSTS – EXCESSIVE POSTAGE EXPENDITURES

Additional audit costs were incurred due to the additional time necessary to review the excessive postage expenditures.

Audit costs incurred because of theft or shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

CALUMET TOWNSHIP ASSESSOR  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

REASSESSMENT FUND – UNALLOWABLE EXPENDITURES

A review of the Reassessment Fund for the Calumet Township department noted the following:

1. Reassessment funds were used to pay for maintenance. Of the 39 invoices examined, 4 of the invoices billed were for clearing and salting access areas, mats, and waste service, totaling \$1,692. Disbursements do not comply with statutory requirements for property reassessment funds.
2. Late fees, over limit fees, and finance charges listed on the billed invoices were carried over from one month to the next without being resolved, totaling \$1,943.93.

IC 6-1.1-4-28.5 states:

"(a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

- (1) the general reassessment of real property, including the computerization of assessment records;
- (2) payments to assessing officials and hearing officers for county property tax assessment boards of appeals under IC 6-1.1-35.2;
- (3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;
- (4) the updating of plat books;
- (5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist assessing officials;
- (6) making annual adjustments under section 4.5 of this chapter; and
- (7) the verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to:
  - (A) the county assessor; or
  - (B) township assessors (if any);

under IC 6-1.1-5.5-3.

Money in a property tax reassessment fund may not be transferred or reassigned to any other fund and may not be used for any purposes other than those set forth in this section."

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 Counties of Indiana, Chapter 1)

CALUMET TOWNSHIP ASSESSOR  
LAKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 23, 2009, with Booker Blumenberg, Jr., Calumet Township Assessor. The official response has been made a part of this report and may be found on pages 8 through 15.



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***Booker Blumenberg Jr.***  
**Calumet Township Assessor**

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October 5, 2009

Bruce Hartman  
State Examiner  
Indiana State Board of Accounts  
302 W. Washington Street  
Room E418  
Indianapolis, IN 46204

Re: State Board of Account audit report

Dear Mr. Hartman:

This letter is in response to your correspondence dated May 18, 2009 and to the Calumet Township Audit Results and Comments report by your department concerning a mail-out by this office and other allegations made by your auditors. Some of the alleged improper procedures of the Calumet Township Assessor's Office made in the report are wrong and not supported by the facts while some are misleading with an incorrect interpretation of what actually occurred. However, I did approve a mail-out of certain correspondence, but to a significantly lesser extent than what is alleged by your department.

In the report the audit claimed I mailed out 42000 pieces of mail and that figure was based up the number of copies printed. We may have ordered 42000 pieces, but they are wrong to conclude that all of them were mailed out. I am aware that 25 or 30 boxes of the printed material was discarded and not mailed. Most households in Calumet Township did not receive a mailer, and of the few that were mailed, most were returned to the office undeliverable, so, the project terminated. Therefore the count made by the auditor is supposition, theory, and not supportable by facts.

In my view, the content of the mail-out was factual, non partisan, and not political. It served the expressed purpose of informing the taxpayers of tax related matters and a pending public question about which they had a right to be informed. As one of their representatives on property tax matters, I considered it my obligation to inform them. I did not at the time think it improper or illegal for the following reasons:

- 1) The Griffith Town Council took a vote and passed a resolution to support a ***Yes Vote*** on the public question. The Council used a mail out

to send a copy of the resolution to each household in Griffith. A copy of the Resolution is enclosed. *(See Attachment #1)*

- 2) The Chief Justice of the Supreme Court, Randall Sheppard, was directly and actively involved on the other side of this issue and advocated for a **yes vote** on the public question. He published an opinion piece for mass media in support of his position. Therefore, I reasoned that surely he would not engage in taking such a strong position publicly if it were a political issue and one that could potentially come before his court.
- 3) In the mail out, I did not advise taxpayers and homeowners one way or the other to vote for me or vote in a certain way. Although, it seems to me that I had the right to do the same thing as the Indiana Supreme Court Chief Justice and the Griffith Town Council, both of whom clearly urged a **yes vote** on the public question.
- 4) In order to insure that I was in compliance with the law, guidelines, and rules, I relied upon and followed the legal opinion of the Lake County Commissioners' Attorney John Dull. In referring to the referendum mail-out, he said "I see nothing wrong with it ... a separate document may be included explaining the issue... this serves as information to property owners... the issue is of public importance." Enclosed is a copy of Mr. Dull's opinion. *(See Attachment #2 and #3)*
- 5) In addition, it has been reported that numerous Township Trustees and Township Assessors, and the Governor's office has used public resources in a similar manner to promote their cause. I know of no case where State Board of Account has asked the others to pay the money back. *(See Attachment #4)*
- 6) As I recalled, the Governor himself upon the appointment of the Chief Justice and Gov Kernan to the Reform Commission affirmed in substance that the referendum, a key component of his agenda, was non-political, non-partisan.

The County Council and Township Assessors had the expectation that we would be mailing out Form 11 Notices after the General Reassessment in 2008. We purchased additional stamps for that purpose. The audit report alleges that \$68,032.06 was disbursed in 2008 and that \$58,764.43 more was spent in 2008 than 2007. This too is incorrect. The \$68,032 was paid to the vendor over a two year period, 2007 and 2008. The estimated amount that was actually spent or put on the postage machine is as follows:

2007, the estimated amount used for postage was	\$10,000
2008 the estimated amount used for postage was	\$12,000
2008 postage machines were purchased	\$10,000
2009, the estimated amount used for postage was	\$ 8,500
2009, the estimated unspent amount on machine	\$31,000

The total amount accounted by the above is \$71,500 with no additional postage appropriation for 2009. Yet, there were mailing requirements in 2009 by law. For the State to claim that I owe and should pay \$16, 000 demonstrated the flaw in their

contention. With respect to purchase orders being processed improperly, auditors are wrong again. Claims for PO #2721074 in the amount \$9951.06, PO # 2718398 in the amount of \$10,000, PO #2721278 in the amount \$10,081, PO 2721468 in the amount of \$8500, and PO 2721282 in the amount of \$500.00 were billed by the vendor in 2007, and we submitted the purchase orders to the Auditor in Dec 2007 for payment. Lake County paid these claims in February 2008. Claims for PO # 2812901 in the amount of \$10,000, PO # 2824851 in the amount of \$ 10, 000, and PO # 2810126 in the amount \$10, 000 were billed 2008 and submitted by our office in 2008, and they were paid in 2008. We have no control over when end of year payments are made, but note that this is a common practice. Purchase Orders for these claims were made in the 2007 and 2008 in the year of appropriation.

Payments of \$1692 for rug cleaning, snow removal, and trash removal were made from the maintenance service line item from the reassessment funds. The County Council allocated funds in this line item for our use, which has been common during the period of the reassessment.

With respect to issues of late fees, charges for the audit, and comments that the Calumet Township Assessor should limit his expenditures on stamps to less than \$500, like North Township, these are not responsible statements by State Officials and shows a lack of understanding of the responsibility of an assessing jurisdiction the size and complexity of Calumet Township. Personal commentary regarding the mail-out influence on the outcome of the referendum are designed to pump up the case and appeal to the sensational, the controversial, and are more political than professional. We did not consider the referendum in those partisan political terms.

It seems to me that this is in part an issue of free speech. The proponents of eliminating Township Assessors wanted to sponsor a referendum but they did not want the public fully informed about it. This is anti-democratic with a small “d.”

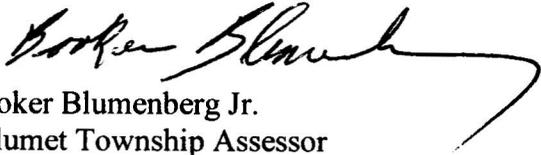
The reason this case is being pursued with such vigor when others similar cases are not is because of the actual content of the letter. In it, I am critical of and oppose the shift in tax burden from Big Industry to homeowners and small businesses. I am critical of U.S. Steel, B.P Amoco, and Mittal Steel’s getting enormous tax breaks thereby causing thousands of Gary and East Chicago taxpayers to lose their homes and property because of an inability to pay. Local governments’ ability to provide adequate service tethers on bankruptcy. These companies in North Lake County have saved about one Billion dollars over the last few years. There is something fundamentally wrong with U.S. Steel being assessed for tax purpose at \$500 Million Dollars when its pre-recession value was about \$6 Billion Dollars. It’s unconscionable.

Finally, the complaint filed against me with the State Board of Account was filed by the same Law Firm that represents U.S. Steel in tax matters. As a matter of principle, some things are worth fighting for—no matter the cost. The question for the Indiana State Government is, “Has it become a wholly owned subsidiary of Big Industry and the

Chamber of Commerce.” Based on the unfair treatment of North Lake County, I suspect that it has. Woe to the other taxpayers.

If you have questions, please call.

Sincerely,



Booker Blumenberg Jr.  
Calumet Township Assessor

Cc: Governor Daniels  
State Legislators  
Timothy J. Rushenberg, Commissioner of DLGF  
Lake County Commissioners  
Lake County Council

Enclosures

**TOWN OF GRIFFITH  
RESOLUTION NO. 2008 - 22**

**A RESOLUTION SUPPORTING THE TRANSFER OF THE DUTIES OF THE CALUMET  
TOWNSHIP ASSESSOR'S OFFICE TO THE LAKE COUNTY ASSESSOR.**

**WHEREAS**, The Griffith Town Council, as the legislative and fiscal body of the Town of Griffith, Lake County, Indiana from time to time encounters issues of public importance which invite a response from the elected representatives as part of the public discourse on the matter; and

**WHEREAS**, the Indiana State legislature has passed legislation in the form of House Enrolled Act 1001 that in part stipulates:

SECTION 693. IC 36-2-15-5, AS AMENDED BY HEA1137-2008 SECTION 261, AS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5.

**(e) A referendum shall be held under sections 7.4 through 11 of this chapter in each township in which the number of parcels of real property on January 1, 2008, is at least fifteen thousand (15,000) to determine whether to transfer to the county assessor the assessment duties prescribed by IC 6-1.1 that would otherwise be performed by the elected township assessor of the township.**

SECTION 694. IC 36-2-15-7.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7.4.

**(a) Assessment duties are transferred to the county assessor as described in section 5(e) of this chapter only if a majority of the individuals in the township who vote in a referendum that is conducted in accordance with this section and sections 8 through 11 of this chapter approved this transfer.**

**(b) The question to be submitted to the voters in the referendum must read as follows:**

**"Should the assessing duties of the elected township assessor in the township be transferred to the county assessor?" and**

**WHEREAS**, the Town of Griffith is part of Calumet Township in Lake County, Indiana; and

**WHEREAS**, Calumet Township consists of a small unincorporated area of the Township, most of the Town of Griffith, and all of Gary; and

**WHEREAS**, the Griffith Town Council acting in the best interest of the citizens of Griffith has determined that transferring the duties of the Calumet Township Assessor's

office to the Lake County Assessor will provide better service for its citizens and will effectively eliminate the Calumet Township Assessor's office, thereby all of the costs associated with said office; and

**WHEREAS**, this action should result in a reduction in property tax levies that are attributed to Calumet Township for each Griffith property tax payer; and

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY** the Town Council of the Town of Griffith, Lake County, Indiana as follows:

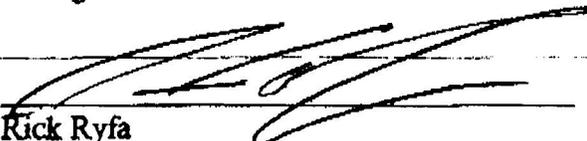
That the Griffith Town Council supports a YES vote on the pending referendum asking "Should the assessing duties of the elected township assessor in the township be transferred to the county assessor" that will be placed on the November ballot.

ADOPTED this 1<sup>ST</sup> day of JULY, 2008, by the Town Council of the Town of Griffith, Lake County, Indiana.

COUNCIL MEMBERS OF THE TOWN OF GRIFFITH, LAKE COUNTY, INDIANA

\_\_\_\_\_  
Glen Gaby

  
\_\_\_\_\_  
George Jerome

  
\_\_\_\_\_  
Rick Ryfa

  
\_\_\_\_\_  
Michael Gulley

Attest:

  
\_\_\_\_\_  
Ronald J. Szafarczyk  
Clerk-Treasurer

  
\_\_\_\_\_  
Stan Dobosz



OFFICE OF THE ATTORNEY  
TO THE BOARD OF COMMISSIONERS

John S. Dull

LAKE COUNTY GOVERNMENT CENTER  
2293 NORTH MAIN STREET  
CROWN POINT, IN 46307  
PH. -219/755-3058 • FAX 219/755-3064

To: Commissioners  
Councilpersons  
Assessor  
Treasurer  
Auditor  
Township Assessors

RECEIVED

JUL 10 2008

CALUMET TOWNSHIP ASSESSOR

From: John Dull

Subject: Legal Opinion

I was asked whether the tax bills could be mailed out and include a separate letter regarding the township assessor issue that is going to be on the November 2008 ballot.

To date, no one has issued an opinion.

I have been informed that the DLGF has an opinion but nothing has been put in writing.

Until the DLGF does that, county officials are to rely upon my opinion. My legal opinion is as follows:

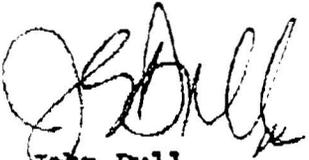
1. When the tax bills are sent out, a separate document may be included explaining the issue on the November 2008 ballot regarding whether townships with 15,000 or more parcels should have separate existence and an elected township assessor
2. This serves as information to property owners.
3. Some of the property owners may be voters.
4. The issue is of public importance.

CC: news media  
DLGF

Office of the Attorney  
to the  
Board of Commissioners

2293 N. Main St. • Crown Point, IN 46307  
219-753-3058 ~ Fax 219-648-6138

**TO:** John Matonovich  
North Township Assessor

**From:**   
John Dull  
Commissioners' Attorney

**Date:** June 26, 2008

**Re:**

**CC:**

I reviewed your letter. I see nothing wrong with it. However, as I understand the situation the use of a reference to the vote along with any tax bill reference has been vetoed by the hire ups, therefore I would not do it because you would be criticized by the cost.

CALUMET TOWNSHIP ASSESSOR  
LAKE COUNTY  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Booker Blumenberg, Jr., Calumet Township Assessor: County Funds Used for Questionable Materials Sent to Taxpayers, pages 4 and 5	<u>\$ 16,800</u>	<u>\$ -</u>	<u>\$ 16,800</u>

AFFIDAVIT

STATE OF INDIANA            )  
  )  
LAKE COUNTY            )

We, Cynthia M. David, Jane E. Elder, and Christina Barriga, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Calumet Township Assessor, Lake County, Indiana, for the period from January 1, 2008 to December 31, 2008, is true and correct to the best of our knowledge and belief.

Cynthia M. David

Jane E. Elder

Christina Barriga  
Field Examiners

Subscribed and sworn to before me this 9<sup>th</sup> day of November, 2009.

Stella McDaniels  
Notary Public

My Commission Expires: 2-28-2015

County of Residence: Porter

