

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

AUDIT REPORT

OF

COUNTY SHERIFF

LAPORTE COUNTY, INDIANA

January 1, 2009 to December 31, 2009



FILED

01/04/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Commissary Expenditures.....	4-5
Approval of Claims	5
Public Purchases Law	5
Exit Conference.....	6
Official Response	7

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Michael Mollenhauer	01-01-07 to 12-31-10
President of the County Council	Mark Yagelski	01-01-09 to 12-31-10
President of the Board of County Commissioners	Barbara Huston	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF LAPORTE COUNTY

We have audited the records of the LaPorte County Sheriff for the period from January 1, 2009 to December 31, 2009, 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 LaPorte County for the year 2009.

STATE BOARD OF ACCOUNTS

August 17, 2010

COUNTY SHERIFF
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS

COMMISSARY EXPENDITURES

For the period January 1, 2009 through July 7, 2010, the Sheriff's Department expended \$6,069 from the Commissary Fund for items such as full page ads in festival and parade programs, full page ads in local high school yearbooks and athletic media guides, and donations to various charitable organizations. There was no indication that these expenditures were related to public safety or crime prevention. In addition, there was no indication that the Sheriff and the County Council agreed that the expenditures benefitted his department in other ways.

IC 36-8-10-21 states:

"(d) The sheriff, or the sheriff's designee, at the sheriff's or the sheriff's designee's discretion and without appropriation by the county fiscal body, may disburse money from the fund for:

- (1) merchandise for resale to inmates through the commissary;
- (2) expenses of operating the commissary, including, but not limited to, facilities and personnel;
- (3) special training in law enforcement for employees of the sheriff's department;
- (4) equipment installed in the county jail;
- (5) equipment, including vehicles and computers, computer software, communication devices, office machinery and furnishings, cameras and photographic equipment, animals, animal training, holding and feeding equipment and supplies, or attire used by an employee of the sheriff's department in the course of the employee's official duties;
- (6) an activity provided to maintain order and discipline among the inmates of the county jail;
- (7) an activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity, including the following:
 - (A) Substance abuse.
 - (B) Child abuse.
 - (C) Domestic violence.
 - (D) Drinking and driving.
 - (E) Juvenile delinquency;

COUNTY SHERIFF
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- (8) expenses related to the establishment, operation, or maintenance of the sex and violent offender registry web site under IC 36-2-13-5.5; or
- (9) any other purpose that benefits the sheriff's department that is mutually agreed upon by the county fiscal body and the county sheriff."

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 5)

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 5)

APPROVAL OF CLAIMS

The Sheriff's Commissary issued checks for \$37,510 in 2009 for departmental expenditures for which they were later reimbursed by the County Auditor. The Sheriff paid these expenditures from the Commissary Fund in order to pay in a timelier manner. Therefore, the disbursements were not officially approved by the Board of County Commissioners prior to payment.

IC 5-11-10-2(a) states in part:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

PUBLIC PURCHASES LAW

The LaPorte County Sheriff's Department did not comply with the Public Purchases Law by inviting bids for a purchase made in 2009. In car videos were purchased in the amount of \$374,548 after a prolonged decision making process; however, bids were not solicited.

IC 5-22-7-8 states:

"A contract must be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder."

COUNTY SHERIFF
LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 17, 2010, with Michael Mollenhauer, Sheriff; James T. Sosinski, Chief Deputy; Gary E. Broling, Major; Scott A. Bell, Jail Commander; George E. Ritter, Captain; and Jeanne L. Albers, Commissary Secretary. The official response has been made a part of this report and may be found on page 7.



MICHAEL F. MOLLENHAUER
LaPorte County Sheriff

Chief Deputy
JAMES T. SOSINSKI

Major
GARY E. BROLING

809 State Street, Suite 202 A
LaPorte, IN 46350-3387
Phone: (219) 326-7700
(219) 879-3530
FAX: (219) 324-6205
Jail: (219) 362-6548
(219) 878-9132

July 21, 2010

Bruce Hartman, CPA
State Board of Accounts
302 West Washington Street, Room E418
Indianapolis, Indiana 46204-2765

OFFICIAL RESPONSE

In reviewing the sheets and various expenditures given to me I would like to take this opportunity to comment further about a group of these expenditures. Since being involved in the purchase process, bill approval and bill payment process we have continually attempted to provide the highest standard of documentation for all of our payments. I sincerely believe that we have succeeded commendably in that process. Purchases for donations and sponsorship to school youth sporting teams, donations to towns and community organizations with festivals, the purchase of pens, pencils, date books, calendars and other items distributed to the public at the county fair, community meetings and talks put on by the Sheriff's Office and staff have followed exactly with exact items that have been purchased by several previous Sheriff administrations. In some cases the only change in the items from one administration to the next being the change of the name of the individual presently in office. I can easily understand that audits need to be done on a yearly basis and that at times opinions change on what can be done or not done. That being said, the La Porte County Sheriff's Office and staff will always conform to the rule of law and the opinion of the state board of accounts. We only ask that you take into account that what was correct in years past was what was utilized as correct in 2009 and 2010 to date. If changes in our processes are deemed necessary from this time forward we will make those changes immediately. Our intent has always been to document our purchases to the very best of our abilities, to always balance each and every one our accounts to the penny and to make sure we are meeting the letter of the law as given to us by the State Board of Accounts.

Respectfully,

A handwritten signature in black ink that reads "Michael F. Mollenhauer".
Michael F. Mollenhauer
Sheriff