

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

AUDIT REPORT

OF

COUNTY SHERIFF

MONTGOMERY COUNTY, INDIANA

January 1, 2010 to December 31, 2010



**FILED**  
08/23/2011



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Luther J. Blanton Mark A. Casteel	01-01-07 to 12-31-10 01-01-11 to 12-31-14
President of the County Council	Richard Chastain	01-01-10 to 12-31-11
President of the Board of County Commissioners	Phillip Bane	01-01-10 to 12-31-11



**STATE OF INDIANA**  
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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 MONTGOMERY COUNTY

We have audited the records of the County Sheriff for the period from January 1, 2010 to December 31, 2010, 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(s) and Comment(s). The financial transactions of this office are reflected in the Annual Report of Montgomery County for the year 2010.

STATE BOARD OF ACCOUNTS

June 1, 2011

COUNTY SHERIFF  
MONTGOMERY COUNTY  
AUDIT RESULT(S) AND COMMENT(S)

**WORK RELEASE**

As stated in prior Report B37446 and Report B35082, the County Sheriff maintained a program whereby inmates are temporarily released from custody to work. A portion of the inmates' earnings were collected by the Sheriff for room and board. These collections were not submitted to the County but were retained in an outside bank account. Expenditures were made from this bank account without a claim and without Board approval.

On March 10, 2011, newly elected Sheriff, Mark A. Casteel, authorized the liquidation of the Work Release Funds to the County. Collections from the work release inmates will be submitted to the County on a monthly basis. All expenditures from the Work Release Fund will be processed through the County's claim process.

Indiana Code 11-12-5-3 states in part:

". . . Unless otherwise ordered by the court, the remaining earnings shall be distributed in the following order:

- (1) To pay state and federal income taxes and Social Security deductions not otherwise withheld.
- (2) To pay the cost of membership in an employee organization.
- (3) Not less than fifteen percent (15%) of the person's gross earnings, if that amount of the gross is available after the above deductions, to be given to that person or retained for the person, with accrued interest, until the person's release or discharge.
- (4) To pay for the person's room and board provided by the county.
- (5) To pay transportation costs to and from work, and other work related incidental expenses.
- (6) To pay court ordered costs, fines, or restitution."

**CONTRACT**

A payment totaling \$17,353.59 from the work release fund was made to Phillip Asphalt Paving for parking lot surfacing in 2010 without a contract.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1.

COUNTY SHERIFF  
MONTGOMERY COUNTY  
AUDIT RESULT(S) AND COMMENT(S)  
(Continued)

**CONFLICTS OF INTEREST**

Paul Davis, Deputy Sheriff, sole proprietor of Source One, had an agreement with the Sheriff's Department to purchase and install lights and sirens on patrol vehicles. A Uniform Conflict of Interest Disclosure Statement was not filed.

Paul Davis also invoiced the Sheriff's Department through his Dr. Clean carpet cleaning and restoration business. The invoice dated November 6, 2010, for \$3,897.30 was paid from the Sheriff's Commissary Fund. A Uniform Conflict of Interest Disclosure Statement was not filed.

Bob Weliever, Sheriff's Department Transport Officer, received monthly rent of \$2,000 for providing the Sheriff's Department use of his building to store equipment and conduct training sessions. Beginning in January 2011, the Sheriff's Department no longer used the building and has not sought an alternative site for storage. A Uniform Conflict of Interest Disclosure Statement was not filed.

Gary Truax, former Chief Deputy, sold a 1995 Ford 2120 tractor and attachments to the Sheriff's Department on April 8, 2010. The bill of sale indicates \$18,350.00 was paid to Truax from the Sheriff's Commissary Fund. The Sheriff is in the process of disposing of the tractor since it has little value to the department. A Uniform Conflict of Interest Disclosure Statement was not filed.

Indiana Code 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. . . .

COUNTY SHERIFF  
MONTGOMERY COUNTY  
AUDIT RESULT(S) AND COMMENT(S)  
(Continued)

(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."

COUNTY SHERIFF  
MONTGOMERY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 1, 2011, with Mark A. Casteel, Sheriff; Ryan Needham, Sheriff's Chief Deputy; Michael Plant, County Council; Daniel L. Taylor, County Attorney; Michelle R. Cash, Auditor; and Terry Hockersmith, County Commissioner.

The contents of this report were discussed on June 28, 2011, with Luther J. Blanton, former Sheriff.