

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

AUDIT REPORT  
OF

CITY CLERK  
CITY OF GARY  
LAKE COUNTY, INDIANA

January 1, 2010 to December 31, 2010



**FILED**  
10/05/2011

This report was reissued  
on 11-02-11 with addition  
of page 8.



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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Suzette Raggs	01-01-08 to 12-31-11
Controller	M. Celita Green	01-01-10 to 12-31-11
Mayor	Rudolph Clay, Sr.	01-01-08 to 12-31-11
President of the Common Council	Ronier Scott	01-01-10 to 12-31-11
President of the Board of Public Works and Safety	Geraldine B. Tousant	01-01-10 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF GARY

We have audited the records of the City Clerk 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 and Comment. The financial transactions of this office are reflected in the Annual Report of the City of Gary for the year 2010.

STATE BOARD OF ACCOUNTS

July 21, 2011

CITY CLERK  
CITY OF GARY  
AUDIT RESULT AND COMMENT

**CONDITION OF RECORDS**

A complete and accurate Cash Bond Register and Trust Register that reflect the Cash Book balances of \$ 821,103.92 and \$117,103.39, respectively, were not available for audit. The manual trust registers were maintained but they were not reconciled to the Cash Book balances for cash bond and trust.

The Clerk's office personnel have been researching the manually maintained records to find the posting errors from prior years in both the Cash Bond Register and the Trust Register from the Criminal Division. Transactions since April 30, 2005, have been recorded using a computer system. They have been researching the old dockets from 1985 to 2005 to determine an accurate detail of the amount on hand as of April 30, 2005, for both Cash Bonds and Trust items. As the officials have been researching the old dockets, they have posted in the computer system the detail amounts from prior to April 30, 2005, that are still held in Cash Bonds or Trust.

According to the Clerk's records, approximately 81 percent (\$664,410) of the Cash Bond Register balance reflects open balances prior to 2005. While the Clerk's office is researching open balances, there is a substantial amount of open cash bond deposits still on hand as of December 31, 2010. Some bonds have been held since 1990. Indiana Code requires the court to forfeit bonds when a defendant fails to appear in court and transfer the amount to the state common school fund.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

IC 35-33-8-7 states that, if a defendant;

1. was admitted to bail under IC 35-33-8-3.2(a)(2); and
2. has failed to appear before the court as ordered; the court shall issue a warrant for the defendant's arrest.

CITY CLERK  
CITY OF GARY  
AUDIT RESULT AND COMMENT  
(Continued)

In a criminal case, if the court having jurisdiction over the criminal case receives written notice of a pending civil action or unsatisfied judgment against the criminal defendant arising out of the same transaction or occurrence forming the basis of the criminal case, funds deposited with the clerk of the court under IC 35-33-8-3.2(a)(2) may not be declared forfeited by the court, and the court shall order the deposited funds to be held by the clerk. If there is an entry of final judgment in favor of the plaintiff in the civil action, and if the deposit and the bond are subject to forfeiture, the criminal court shall order payment of all or any part of the deposit to the plaintiff in the action, as is necessary to satisfy the judgment. The court shall then order the remainder of the deposit, if any, and the bond forfeited.

Any proceedings concerning the bond, or its forfeiture, judgment, or execution of judgment, shall be held in the court that admitted the defendant to bail.

After a bond has been forfeited, the clerk shall mail notice of forfeiture to the defendant. In addition, unless the court finds that there was a justification for the defendant's failure to appear, the court shall immediately enter judgment, without pleadings and without change of judge or change of venue, against the defendant for the amount of the bail bond, and the clerk shall record the judgment.

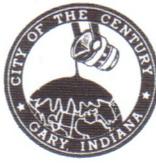
If a bond is forfeited and the court has entered a judgment, the clerk shall transfer to the state common school fund:

1. any amount remaining on deposit with the court (less the fees retained by the clerk); and
2. any amount collected in satisfaction of the judgment.

The amount transferred to the State Common School Fund shall be sent to the county auditor on a monthly basis as Bond Forfeitures. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 3)

CITY CLERK  
CITY OF GARY  
EXIT CONFERENCE

The contents of this report were discussed on July 21, 2011, with Suzette Raggs, Clerk; Barbara J. Cox, Chief Deputy Clerk; and Beverly Collinsworth, Fiscal Manager. The official response has been made a part of this report and may be found on page 7.



Criminal Division

555 Polk Street  
Gary, Indiana 46402  
(219) 881-1263  
Fax (219) 881-1182

**Gary City Clerk**  
**Suzette Raggs**

Civil Division

555 Polk Street  
Gary, Indiana 46402  
(219) 881-1354  
Fax (219) 881-1439

July 27, 2011

Mr. Bruce Hartman  
State Examiner  
State Board of Accounts  
302 W. Washington Street, Room B-418  
Indianapolis, Indiana 46204

Re: Official Response to the 2010 Audit Results & Comments

Dear Mr. Hartman:

This correspondence is in response to the receipt of the 2010 results and comments from the State Board of Accounts regarding its audit for the Criminal & Civil Divisions of the Gary City Clerk's office for the period of January 1, 2010 to December 31, 2010.

As noted in previous audits, we continue to appreciate the observations and comments shared by the State Board of Accounts' representatives. We reiterate that our ongoing advancements in the general operations and internal controls of the Gary City Clerk's office continue to reflect our commitment toward implementing a more efficient and professional work environment. Our progress has been clearly acknowledged and well received by the general public as well as the State Board of Accounts' representatives.

The State Board of Accounts' representatives met with the Clerk, Chief Deputy Clerk, and Fiscal Manager during a scheduled exit conference to discuss the contents of their report. The following is hereby submitted as our official response to that report.

CONDITION OF RECORDS

(Response)

State Board of Accounts noted that "a complete and accurate Cash Bond Register and Trust Register that reflects the cash book balances of \$821,103.92 and \$117,103.39, respectively, was not available for audit. The manual trust registers were maintained but they were not reconciled to the cash book cash bond and trust balances."

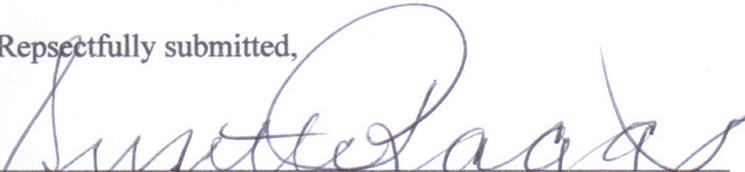
State Board of Accounts  
2010 Audit Results & Comments  
July 27, 2011

Cash Bond and Trust Registers went unreconciled for so many years prior to my administration and various records are physically unavailable to my staff. Additionally, budget cuts have further impacted our ability to progress as swiftly as desired.

However, our office continues to make significant progress in processing older cases (some dating back to 1985) and disbursing funds through developed procedures using prescribed forms and pursuant to State guidelines.

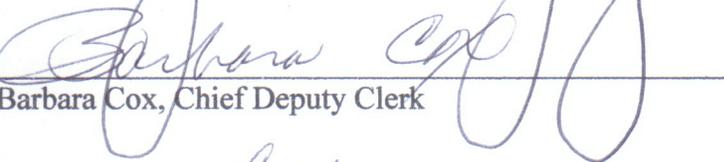
As we continue to move forward in this and other areas of our office, we remain committed in our vow to render quality service to the citizens of our city and those individuals from outside of the city who conduct business with us.

Respectfully submitted,



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Suzette Raggs, Gary City Clerk



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Barbara Cox, Chief Deputy Clerk



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Beverly Collinsworth, Fiscal Manager