

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

SPECIAL INVESTIGATION REPORT

OF

GARY PUBLIC LIBRARY

LAKE COUNTY, INDIANA

December 5, 2006 to February 28, 2009



FILED
12/04/2012

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Roma Ivey (Interim)	01-29-08 to 11-02-08
	Sherri Ervin	11-03-08 to 11-30-11
	Otis D. Alexander	12-01-11 to 05-01-12
	Diana Morrow (Acting)	05-01-12 to 06-25-12
	Diana Morrow (Interim)	06-26-12 to 12-31-12
Treasurer/Controller	Freddy McMillon	01-01-08 to 05-31-13
President of the Board	Andrew Ledbetter	01-01-08 to 05-31-08
	Cynthia D. Watts	06-01-08 to 05-31-09
	Donna Coleman	06-01-09 to 05-31-10
	Tony Walker	06-01-10 to 06-25-12
	Nancy Valentine	06-25-12 to 05-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE GARY PUBLIC LIBRARY, LAKE COUNTY, INDIANA

We have audited the records of the Gary Public Library (Library) for the period from December 5, 2006 to February 28, 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 Examination Results and Comments. The financial transactions of the Library are reflected in the Examination Report and Financial Statement Examination Reports for the periods January 1, 2006 to December 31, 2007; and January 1, 2008 to December 31, 2011, respectively.

STATE BOARD OF ACCOUNTS

July 3, 2012

**GARY PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS**

GHOST EMPLOYMENT

The State Board of Accounts received information regarding an employee of the Gary Public Library (Library) who had entered into outside employment contracts with two other governmental units - Calumet Township and Ivy Tech Community College. Martin Baylor, the Library's Facilities Services Manager, signed teaching contracts for electrical and plumbing classes at both of these other units. The classes Mr. Baylor taught for Calumet Township were for five weeks, twice per week, from 10:00 a.m. to 12:00 p.m. In many instances, Mr. Baylor did not deduct the two hours for the classes from his time sheet of the Library.

Most of the courses Mr. Baylor taught at Ivy Tech Community College were scheduled beginning at 5:00 p.m. two or three days per week; one course, however, was scheduled from 12:30 p.m. to 2:15 p.m. two days per week. In most instances, Mr. Baylor did not deduct the 1.75 hours for the daytime classes from his time sheet for the Library. In addition, on many evenings when Mr. Baylor had Ivy Tech classes scheduled, he claimed extra evening hours worked at the Library for the same time periods.

The following schedule documents the number of hours and the related wages and benefits amounts that Mr. Baylor claimed working at the Library and another governmental unit for the same time period:

Contract	Contract Period	Duplicate Hours	Duplicate Wages	Social Security and Medicare	PERF	Total Duplicate Wages and Benefits
Calumet Township	12-06-06 to 01-07-07	8.00	\$ 269.16	\$ 20.59	\$ 20.19	\$ 309.94
Calumet Township	02-06-07 to 03-08-07	20.00	676.20	51.73	50.72	778.64
Ivy Tech Community College	08-20-07 to 12-15-07	10.00	338.10	25.86	25.36	389.32
Ivy Tech Community College	01-14-08 to 05-10-08	56.00	1,912.40	146.30	181.68	2,240.38
Ivy Tech Community College	06-09-08 to 08-02-08	7.00	239.05	18.29	22.71	280.05
Ivy Tech Community College	08-25-08 to 12-20-08	18.25	623.24	47.68	59.21	730.12
Ivy Tech Community College	01-12-09 to 05-09-09	10.00	343.20	26.25	34.32	403.77
Totals			\$ 4,401.35	\$ 336.70	\$ 394.17	\$ 5,132.23

Prior to its repeal, effective July 1, 2012, Indiana Code 35-44-2-4 stated in part:

"(d) A person employed by a governmental entity who knowingly or intentionally accepts property from the entity for the performance of duties not related to the operation of the entity commits ghost employment, a Class D felony.

(e) Any person who accepts property from a governmental entity in violation of this section and any public servant who permits the payment of property in violation of this section are jointly and severally liable to the governmental entity for that property. The attorney general may bring a civil action to recover that property in the county where the governmental entity is located or the person or public servant resides."

We requested that Martin Baylor reimburse the Library in the amount of \$5,132.23 for compensation he received while working for other governmental units. (See Summary of Charges, page 7)

GARY PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS
(Continued)

INSURANCE COVERAGE

The Gary Public Library has commercial insurance coverage for "Employee Theft." Insurance for the period was with Hartford Fire Insurance Company and covered \$100,000 per loss "caused by, or involving, one or more 'employees', whether the result of a single act or a series of acts." MacLennan & Bain, Inc., of Valparaiso, Indiana is the agent for this policy.

ADDITIONAL EXAMINATION COSTS – GHOST EMPLOYMENT

Additional examination costs were incurred due to the investigation and documentation of the ghost employment in the amount of \$2,899.05.

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 Libraries, Chapter 4)

GARY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 3, 2012, with Freddy McMillon, Treasurer/Controller; Diana Morrow, Interim Director; and Trent A. McCain, Attorney for the Board of Trustees. The officials concurred with our findings.

The contents of this report were also sent to Martin Baylor via certified mail on June 15, 2012. No reply was received.

GARY PUBLIC LIBRARY
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Martin Baylor, Library employee: Ghost Employment, page 4	<u>\$ 5,132.23</u>	<u>\$ -</u>	<u>\$ 5,132.23</u>

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.

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AFFIDAVIT

STATE OF INDIANA)
 Lake)
) COUNTY)

I, Susan M. Lardino, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Gary Public Library, Lake County, Indiana, for the period from December 5, 2006 to February 28, 2009, is true and correct to the best of my knowledge and belief.

Susan M. Lardino
Field Examiner

Subscribed and sworn to before me this 16th day of August, 2012.

Sylvia J. Ricketts
Notary Public

My Commission Expires: 11/2/15
County of Residence: Lake

