

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

SPECIAL INVESTIGATION REPORT

OF

CLERK OF THE CIRCUIT COURT

ADAMS COUNTY, INDIANA

January 1, 2014 to October 24, 2014



FILED
03/12/2015

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Investigation Result and Comment: Overpayments	4
Exit Conference.....	5
Official Response	6-7
Summary of Charges	8

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk of the Circuit Court	Gayla M. Reinhart	01-01-11 to 12-31-14
President of the County Council	Randy S. Colclasure	01-01-14 to 12-31-14
President of the Board of County Commissioners	Douglas L. Bauman	01-01-14 to 12-31-14



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 ADAMS COUNTY

We performed a special investigation of the records of the Clerk of the Circuit Court's payroll expenditures for the period from January 1, 2014 to October 24, 2014. The results of our investigation are stated in the Investigation Result and Comment.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

December 18, 2014

CLERK OF THE CIRCUIT COURT
ADAMS COUNTY
INVESTIGATION RESULT AND COMMENT

OVERPAYMENTS

Jerane Guzman worked in the Clerk of the Circuit Court's Office from February 24, 2014 until May 23, 2014, as an employee of a temporary employment agency (temp agency). The Clerk of the Circuit Court and her staff communicated time off and other work schedule issues via email. These emails indicated that Jerane Guzman was off work on 3 separate days during the time period referred to above. Her payroll timesheets submitted to the temp agency show 8 hours worked on each day. These timesheets were verified by Jerane Guzman and the Clerk of the Circuit Court. Additional information provided by the Clerk of the Circuit Court indicated that Jerane Guzman worked 4.32 hours outside of her normal work schedule during the period in question. The net result was the temp agency billing the County for 19.68 hours of service that was not provided at a rate of \$15.18 per hour for a total overcharge of \$298.74. We consider Gayla M. Reinhart, Clerk of the Circuit Court, and Jerane Guzman to be jointly and severally liable for these overpayments. We have requested reimbursement in the amount of \$298.74 to the County. On December 30, 2014, Gayla M. Reinhart, Clerk of the Circuit Court, reimbursed the County \$298.74 for the overpayment. (See Summary of Charges, page 8)

On May 24, 2014, Jerane Guzman, Clerk of the Circuit Court Employee, was hired as an employee of the Clerk of the Circuit Court Office. During the period from May 24, 2014 to October 24, 2014, the Clerk of the Circuit Court Office's emails indicated Jerane Guzman, Clerk of the Circuit Court Employee, was off work 62 hours over 11 different days. Jerane Guzman's Employee Service Record (ESR) indicated she had worked full days on each of the 11 days. At the end of each pay period, the Clerk of the Circuit Court Office's employees submitted their employee service records to the Clerk of the Circuit Court who then prepared a Payroll Schedule and Voucher that was submitted to the County Auditor for processing of payroll. According to the County Auditor's payroll records, Jerane Guzman, Clerk of the Circuit Court Employee, received full pay for the days in question. Additional information provided by the Clerk of the Circuit Court indicated that Jerane Guzman, Clerk of the Circuit Court Employee, worked 13.12 hours outside of her normal work schedule during the period in question. Jerane Guzman, Clerk of the Circuit Court Employee, also accrued 8 hours of sick time during that period resulting in a net total of 40.88 hours overpaid. Jerane Guzman's, Clerk of the Circuit Court Employee, rate of pay was \$11.00 per hour for a total overpayment of \$449.68. We consider Gayla M. Reinhart, Clerk of the Circuit Court, and Jerane Guzman, Clerk of the Circuit Court Employee, to be jointly and severally liable for these overpayments. We have requested reimbursement in the amount of \$449.68 to the County. On December 30, 2014, Gayla M. Reinhart, Clerk of the Circuit Court, reimbursed the County \$449.68 for the overpayment. (See Summary of Charges, page 8)

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 Clerks of the Circuit Courts of Indiana, Chapter 13)

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

CLERK OF THE CIRCUIT COURT
ADAMS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 18, 2014, with Gayla M. Reinhart, Clerk of the Circuit Court, and Jerane Guzman, Clerk of the Circuit Court Employee.

The contents of this report were discussed on December 18, 2014, with Douglas L. Bauman, President of the Board of County Commissioners; Mary B. Beery, County Auditor; and Mark Burry, County Attorney.

MARY B. BEERY
AUDITOR OF ADAMS COUNTY
313 W. JEFFERSON STREET, ROOM 233
DECATUR, IN 46733
260-724-5303

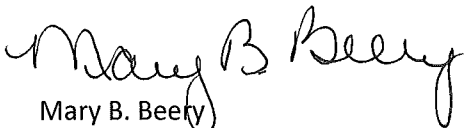
December 23, 2014

To Whom It May Concern;

The following is the response of Adams County to the matters raised in an Exit Conference with the Indiana State Board of Accounts held on Thursday, December 11, 2014 concerning the special investigation of the Adams County Clerk's Office.

Upon learning of the allegations of inaccurate payroll records and misuse of paid time off, Adams County implemented the use of new time cards beginning pay period ending December 5, 2014. The time cards will require the department heads to specify the use of all paid time off on each employee's service record and report it with each payroll to the Auditor. It has always been the responsibility of the Elected Official/Department Head to manage their office and to maintain accurate records concerning the accumulation and use of paid time off hours, overtime and compensatory time. It is believed that the new forms and secondary tracking of paid time off hours will help avoid future problems. Elected Official's and Department Heads are required to make the necessary changes on the payroll voucher for an employee's weekly salary when less than 40 hours has been worked or counted as work in any week.

Sincerely,



Mary B. Beery
Adams County Auditor

Steve Poor

SBOA

In regards to the time sheet and pay roll investigations.

There was never, NEVER any intention to commit fraud of any kind. I said this several times during the meeting with you, Stephanie and Jerane.

Jerane and I tried to be very careful with all time off and efforts to make up that time. She felt very self conscience about being off and wanted to make every effort to make up that time. We made every attempt to keep track of all time off and hours worked to make it up.

She did get the policy manual, I knew she had one. I thought I was the one who gave it to her, but it was the Auditor when she received her insurance cards.


She was shown how to do her time sheet twice; she always had documentation to prove her time was being made up.

I think it's sad that when you try to do what's right, and somehow you just don't make the grade.

I plan on paying the money to the Auditor on the 30th in hopes that it will help Jerane to keep her job. It would be sad for her loose a job when she did try hard doing what we both believed would be the right thing to do.

Sincerely,

Gayla Reinhart

A handwritten signature in cursive script that reads "Gayla Reinhart". The signature is written in black ink and is positioned below the typed name.

CLERK OF THE CIRCUIT COURT
ADAMS COUNTY
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Gayla M. Reinhart, Clerk of the Circuit Court; and Jerane Guzman; jointly and severally: Overpayments, page 4	\$ 298.74	\$ 298.74	\$ -
Gayla M. Reinhart, Clerk of the Circuit Court; and Jerane Guzman, Clerk of the Circuit Court Employee; jointly and severally: Overpayments, page 4	<u>449.68</u>	<u>449.68</u>	<u>-</u>
Totals	<u>\$ 748.42</u>	<u>\$ 748.42</u>	<u>\$ -</u>