

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

SPECIAL INVESTIGATION REPORT
OF

ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
LAKE COUNTY, INDIANA

July 1, 1999 to June 30, 2014



FILED
06/08/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Richard A. Sopko Janice Swanson	07-01-99 to 06-30-12 07-01-12 to 06-30-16
Superintendent of Schools	William J. Pfister Richard A. Sopko Dr. Jeffery Hendrix	07-01-99 to 06-30-12 07-01-12 to 06-30-14 07-01-14 to 06-30-16
President of the School Board	Melissa Higgason	01-01-16 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF SCHOOL TOWN OF MUNSTER

We have conducted a special investigation of the records of School Town of Munster relating to the salary and benefits of the administrators for the period July 1, 1999 to June 30, 2014. Our investigation was limited to the following records: Salary Contracts, Payroll Records, and Annuity payments. The purpose of our investigation was to determine if the accountability for cash and other expenditures are satisfactory and that the transactions related thereto are in compliance with the laws and regulations of the State of Indiana. The results of our investigation are fully described in the Special Investigation Results and Comments and Summary of Charges as listed in the Table of Contents.

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

Any Official Response included in this report has not been examined or verified for its accuracy.

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

May 18, 2016

ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
SPECIAL INVESTIGATION RESULTS AND COMMENTS

OVERPAYMENT OF ANNUITY STARTER

William J. Pfister

William J. Pfister (Pfister) was the Superintendent of Schools from August 12, 1991 to June 30, 2012. Pfister's salary and fringe benefits were paid based on the contracts that were approved by the School Board.

Beginning on June 27, 2001, Pfister's contract included a clause for an Annuity Starter. The contract stated: "The School Corporation shall pay the Superintendent's annual contribution to Indiana State Teachers Retirement Fund, plus an additional 2% toward his Indiana Teacher Retirement Fund." Beginning on June 27, 2002, the contract was changed to the following: "The School Corporation shall pay the Superintendent's annual contribution to Indiana State Teachers Retirement Fund, plus each year an additional 2% toward an annuity of his choice." Beginning on June 27, 2003, the contract was changed to the following: "The School Corporation shall pay the Superintendent's annual contribution to Indiana State Teachers Retirement Fund, plus each year an additional 4% toward an annuity of his choice." That language remained the same until Pfister's retirement. There were no additional payments made to the Indiana Teachers Retirement Fund for 2001, but a payment was made directly to Pfister. Starting in 2002, payments were made to an annuity of Pfister's choice.

The following schedule shows each school year, annuity percentage based on the contract, annuity percentage actually paid, contract salary amount, calculated amount of annuity based on the contract, amount actually paid, and amount overpaid:

School Year/Contract Year	Annuity Percentage Per Contract	Annuity Percentage Actually Paid	Salary Amount Per Contract	Annuity Amount Calculated Per Contract	Annuity Amount Actually Paid	Amount Overpaid
2011-2012	4%	38%	\$ 178,101.00	\$ 7,124.04	\$ 74,802.00	\$ 67,677.96
2010-2011	4%	34%	177,501.00	7,100.04	67,450.00	60,349.96
2009-2010	4%	30%	180,726.00	7,229.04	62,182.00	54,952.96
2008-2009	4%	26%	175,815.00	7,032.60	53,389.00	46,356.40
2007-2008	4%	22%	171,030.00	6,841.20	44,917.00	38,075.80
2006-2007	4%	18%	164,440.00	6,577.60	36,177.00	29,599.40
2005-2006	4%	14%	161,921.00	6,476.84	29,491.00	23,014.16
2004-2005	4%	10%	157,538.00	6,301.52	22,266.00	15,964.48
2003-2004	4%	6%	153,265.00	6,130.60	15,327.00	9,196.40
2002-2003	2%	2%	149,100.00	2,982.00	17,354.96	14,372.96
2001-2002	2%	2%	141,577.00	2,831.54	3,000.00	168.46
Totals				<u>\$ 66,627.02</u>	<u>\$ 426,355.96</u>	<u>\$ 359,728.94</u>

Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporation, Chapter 9)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
SPECIAL INVESTIGATION RESULTS AND COMMENTS
(Continued)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We are requesting that Pfister reimburse the School Town of Munster \$359,728.94 for overpayment of the Annuity Starter. (See Summary of Charges, page 25)

Richard A. Sopko

Richard A. Sopko (Sopko) was the Assistant Superintendent/Treasurer from July 1, 1998 to June 30, 2012, and Superintendent from July 1, 2012 to June 30, 2014. His salary and fringe benefits were paid based on the contracts that were approved by the School Board.

Beginning on June 27, 2001, Sopko's contract included a clause for an Annuity Starter. The contract stated: "The School Corporation shall pay the Assistant Superintendent's annual contribution to the Indiana State Teachers' Retirement Fund, plus an additional 2% toward his Indiana Teacher Retirement Fund." Beginning on June 27, 2002, the contract was changed to the following: "The School Corporation shall pay the Assistant Superintendent's annual contribution to the Indiana State Teachers' Retirement Fund, plus each year an additional 2% toward an annuity of his choice." Beginning on June 27, 2003, the contract was changed to the following: "The School Corporation shall pay the Assistant Superintendent's annual contribution to the Indiana State Teachers' Retirement Fund, plus each year an additional 3% toward an annuity of his choice." That language remained the same until the clause was removed in 2012. There were no additional payments made to the Indiana Teachers Retirement Fund for 2001, but a payment was made directly to Sopko. Starting in 2002, payments were made to an annuity of Sopko's choice.

The following schedule shows each school year, annuity percentage based on the contract, annuity percentage actually paid, contract salary amount, calculated amount of annuity based on the contract, amount actually paid, and amount overpaid:

School Year/Contract Year	Annuity Percentage Per Contract	Annuity Percentage Actually Paid	Salary Amount Per Contract	Annuity Amount Calculated Per Contract	Annuity Amount Actually Paid	Amount Overpaid
2012-2013	0%	36%	\$ 155,243.00	\$ -	\$ 55,887.00	\$ 55,887.00
2011-2012	3%	33%	154,643.00	4,639.29	51,032.00	46,392.71
2010-2011	3%	30%	152,619.00	4,578.57	45,786.00	41,207.43
2009-2010	3%	27%	155,077.00	4,652.31	42,338.00	37,685.69
2008-2009	3%	24%	151,069.00	4,532.07	36,659.00	32,126.93
2007-2008	3%	21%	147,161.00	4,414.83	31,246.00	26,831.17
2006-2007	3%	18%	137,766.00	4,132.98	24,798.00	20,665.02
2005-2006	3%	15%	135,629.00	4,068.87	20,575.00	16,506.13
2004-2005	3%	12%	130,740.00	3,922.20	15,865.00	11,942.80
2003-2004	3%	11%	125,237.00	3,757.11	13,794.00	10,036.89
2002-2003	2%	11%	121,819.00	2,436.38	14,233.04	11,796.66
2001-2002	2%	2%	116,484.00	2,329.68	2,450.00	120.32
Totals				\$ 43,464.29	\$ 354,663.04	\$ 311,198.75

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ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
SPECIAL INVESTIGATION RESULTS AND COMMENTS
(Continued)

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Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We are requesting that Sopko reimburse the School Town of Munster \$311,198.75 for overpayment of the Annuity Starter. (See Summary of Charges, page 25)

CASH BONUS IN LIEU OF SEVERENCE PAY

William J. Pfister

Cash Bonus in Lieu of Severance Benefits was a fringe benefit added to the contract starting on June 21, 2000, and was paid based on the administrator's salary, benefit days, bonus days, and years of service.

A comparison of the cash bonuses in lieu of severance that Pfister was entitled to based on the contracts with the amount of payments actually paid for the period July 2000 to July 2012, indicated that Pfister was overpaid \$27,222.50 as shown below:

Month Paid	60% of Accumulated Value Days	Plus Bonus Days at 100%	Plus \$1,000 for Year of Service	Equals Total Amount for Year	Amount Paid	Available Balance**
July 2000*	\$ 167,150.37	\$ -	\$ 30,000.00	\$ 197,150.37	\$ 30,000.00	\$ 167,150.37
July 2001	13,095.87	-	1,000.00	14,095.87	45,000.00	136,246.24
April 2002	11,857.07	23,596.17	1,000.00	36,453.24	45,000.00	127,699.48
March 2003	13,419.00	24,850.00	1,000.00	39,269.00	45,000.00	121,968.48
March 2004	12,835.94	25,544.17	1,000.00	39,380.11	45,000.00	116,348.59
March 2005	14,572.27	26,256.33	1,000.00	41,828.60	45,000.00	113,177.19
March 2006	10,929.67	26,986.83	1,000.00	38,916.50	45,000.00	107,093.69
March 2007	13,566.30	27,406.67	1,000.00	41,972.97	55,000.00	94,066.66
March 2008	14,323.76	28,505.00	1,000.00	43,828.76	55,000.00	82,895.42
March 2009	7,911.68	29,302.50	1,000.00	38,214.18	55,000.00	66,109.59
March 2010	9,939.93	30,121.00	1,000.00	41,060.93	55,000.00	52,170.52
March 2011^	7,414.60	29,957.97	1,000.00	38,372.57	45,000.00	45,543.10
July 2012	(3,381.66)	-	1,000.00	(2,381.66)	70,383.93	(27,222.50)
Totals	<u>\$ 293,634.79</u>	<u>\$ 272,526.64</u>	<u>\$ 42,000.00</u>	<u>\$ 608,161.43</u>	<u>\$ 635,383.93</u>	<u>\$ (27,222.50)</u>

* Beginning balance based on 485.5 accumulated "sick days" + \$1,000 for each anticipated 30 years of service.

^ Beginning in 2011, the contract no longer included 15 flex days.

**After the first year, Available Balance is calculated by adding Total Amount for Year and subtracting Amount Paid.

ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
SPECIAL INVESTIGATION RESULTS AND COMMENTS
(Continued)

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We are requesting that Pfister reimburse the School Town of Munster \$27,222.50 for overpayment of Cash Bonus in Lieu of Severance. (See Summary of Charges, page 25)

Richard A. Sopko

Cash Bonus in Lieu of Severance Benefits was a fringe benefit added to the contract starting in June 21, 2000, and was paid based on the administrator's salary, benefit days, bonus days, and years of service.

A comparison of the cash bonuses in lieu of severance that Sopko was entitled to based on the contracts with the amount of payments actually paid for the period July 2000 to January 2015 indicated that Sopko was overpaid \$20,365.77 as shown below:

Month Paid	60% of Accumulated Value Days	Plus Bonus Days at 100%	Plus \$1,000 for Year of Service	Equals Total Amount for Year	Amount Paid	Available Balance**
July 2000*	\$ 126,814.24	\$ -	\$ 30,000.00	\$ 156,814.24	\$ 25,000.00	\$ 131,814.24
July 2001	9,027.51	-	1,000.00	10,027.51	30,000.00	111,841.75
July 2002	9,440.97	15,227.38	1,000.00	25,668.35	35,000.00	102,510.10
July 2003	9,705.87	15,654.63	1,000.00	26,360.49	35,000.00	93,870.59
July 2004	10,132.35	16,342.50	1,000.00	27,474.85	35,000.00	86,345.44
July 2005	10,511.25	16,953.63	1,000.00	28,464.87	35,000.00	79,810.31
July 2006	10,676.87	22,961.00	1,000.00	34,637.87	40,000.00	74,448.18
July 2007	11,404.98	24,526.83	1,000.00	36,931.81	40,000.00	71,379.99
July 2008	11,707.85	25,178.17	1,000.00	37,886.01	40,000.00	69,266.00
July 2009	12,018.47	25,846.17	1,000.00	38,864.63	40,000.00	68,130.64
July 2010	11,827.97	25,436.50	1,000.00	38,264.47	40,000.00	66,395.11
July 2011^	6,185.72	25,773.83	1,000.00	32,959.55	40,000.00	59,354.66
July 2012	6,209.72	25,873.83	1,000.00	33,083.55	40,000.00	52,438.22
July 2013	6,209.72	25,873.83	1,000.00	33,083.55	40,000.00	45,521.77
July 2014	-	-	1,000.00	1,000.00	66,887.54	(20,365.77)
Totals	\$ 251,873.48	\$ 265,648.29	\$ 44,000.00	\$ 561,521.77	\$ 581,887.54	\$ (20,365.77)

* Based on 448 accumulated "sick days."

^ Beginning in 2011, the contract no longer included 15 flex days.

**After the first year, Available Balance is calculated by adding Total Amount for Year and subtracting Amount Paid.

ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
SPECIAL INVESTIGATION RESULTS AND COMMENTS
(Continued)

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Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We are requesting that Sopko reimburse the School Town of Munster \$20,365.77 for overpayment of Cash Bonus in Lieu of Severance. (See Summary of Charges, page 25)

INVESTMENT ALLOTMENT

William J. Pfister

Starting on October 20, 2000, Pfister's contract included an additional fringe benefit referred to as an "investment allotment." The section of the Superintendent's contract that discusses "investment allotment" states in part: "The School Corporation will pay, on or before July 1 of each year, twelve (12) percent of the Superintendent's salary toward investments selected by the Superintendent."

The "investment allotment" was disbursed by check each year payable to Pfister less federal and local taxes. There was no procedure or documentation to determine if the money went into an investment account. A comparison of the "investment allotment" Pfister was entitled to based on the contracts with the amount of payments actually paid for the period July 2000 to July 2012 indicated Pfister had been overpaid \$50,351.13 as follows:

School Year/Contract Year	Investment Allotment Per Contract	Investment Allotment Actually Paid	Amount Overpaid
2011-2012	\$ 21,372.12	\$ 21,372.00	\$ (0.12)
2010-2011	21,300.12	21,300.00	(0.12)
2009-2010	21,687.12	21,947.00	259.88
2008-2009	21,097.80	21,356.00	258.20
2007-2008	20,523.60	20,768.00	244.40
2006-2007	19,732.80	20,207.00	474.20
2005-2006	19,430.52	19,661.00	230.48
2004-2005	18,904.56	19,085.00	180.44
2003-2004	18,391.80	18,609.00	217.20
2002-2003	17,892.00	18,091.00	199.00
2001-2002	16,989.24	50,820.00	33,830.76
2000-2001	16,525.68	24,529.54	8,003.86
1999-2000	10,833.75	17,286.70	6,452.95
Totals	\$ 244,681.11	\$ 295,032.24	\$ 50,351.13

ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
SPECIAL INVESTIGATION RESULTS AND COMMENTS
(Continued)

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Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We are requesting that Pfister reimburse the School Town of Munster, \$50,351.13 for overpayment of the investment allotment. (See Summary of Charges, page 25)

Richard A. Sopko

Starting on October 20, 2000, Sopko's contract included a fringe benefit referred to as an "investment allotment." The section of the contract that discusses the "investment allotment" states in part: "The School Corporation will pay, on or before July 1 of each year, five (5) percent of the Assistant Superintendent's salary toward investments selected by the Assistant Superintendent." In 2012, the contract was changed from Assistant Superintendent to Superintendent based upon Sopko's appointment by the School Board.

The "investment allotment" was disbursed by check each year payable to Sopko less federal and local taxes. There was no procedure or documentation to determine if the money went into any investment account. A comparison of the "investment allotment" Sopko was entitled to based on the contracts with the amount of payments actually paid for the period July 2000 to January 2015 indicated Sopko had been overpaid \$33,204.78 as follows:

School Year/Contract Year	Investment Allotment Per Contract	Investment Allotment Actually Paid	Amount Overpaid
2013-2014	\$ 7,762.15	\$ 17,143.15	\$ 9,381.00
2012-2013	7,762.15	7,762.00	(0.15)
2011-2012	7,732.15	9,279.00	1,546.85
2010-2011	7,630.95	9,157.00	1,526.05
2009-2010	7,753.85	9,408.00	1,654.15
2008-2009	7,553.45	9,165.00	1,611.55
2007-2008	7,358.05	8,927.00	1,568.95
2006-2007	6,888.30	8,456.00	1,567.70
2005-2006	6,781.45	8,230.00	1,448.55
2004-2005	6,537.00	7,933.00	1,396.00
2003-2004	6,261.85	19,965.35	13,703.50
2002-2003	6,090.95	-	(6,090.95)
2001-2002	5,824.20	7,500.00	1,675.80
2000-2001	5,661.35	7,877.13	2,215.78
Totals	<u>\$ 97,597.85</u>	<u>\$ 130,802.63</u>	<u>\$ 33,204.78</u>

ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
SPECIAL INVESTIGATION RESULTS AND COMMENTS
(Continued)

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Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We are requesting that Sopko reimburse the School Town of Munster, \$33,204.78 for overpayment of the investment allotment. (See Summary of Charges, page 25)

OVERPAYMENT OF SALARIES AND STIPENDS

William J. Pfister

Pfister's salaries and stipends were paid based on contracts approved by the School Board. The schedule shows school year, salary per contract (including stipends), actual salary paid per school records, and amount overpaid:

School Year/Contract Year	Salary Per Contract	Salary Actually Paid	Amount Overpaid
2006-2007	\$ 164,440.00	\$ 176,688.00	\$ 12,248.00
2004-2005	157,538.00	157,958.00	420.00
2003-2004	153,265.00	155,165.00	1,900.00
2002-2003	149,100.00	149,000.00	(100.00)
2001-2002	141,577.00	150,577.00	9,000.00
1999-2000	120,375.00	121,527.18	1,152.18
Total Amount Overpaid			<u>\$ 24,620.18</u>

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ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
SPECIAL INVESTIGATION RESULTS AND COMMENTS
(Continued)

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Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We are requesting that Pfister reimburse the School Town of Munster \$24,620.18 for overpayment of salaries and stipends. (See Summary of Charges, page 25)

Richard A. Sopko

Sopko's salaries and stipends were paid based on contracts approved by the School Board. The schedule shows school year, salary per contract (including stipends), actual salary paid per school records, and amount overpaid:

School Year/Contract Year	Salary Per Contract	Salary Actually Paid	Amount Overpaid
2013-2014	\$ 155,243.00	\$ 155,843.00	\$ 600.00
2009-2010	155,077.00	155,577.00	500.00
2006-2007	137,766.00	139,949.00	2,183.00
2005-2006	135,629.00	135,630.00	1.00
2003-2004	125,237.00	125,236.80	(0.20)
2001-2002	116,484.00	124,304.00	7,820.00
1999-2000	99,369.00	100,521.18	<u>1,152.18</u>
Total Amount Overpaid			<u>\$ 12,255.98</u>

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ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
SPECIAL INVESTIGATION RESULTS AND COMMENTS
(Continued)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We are requesting that Sopko reimburse the School Town of Munster \$12,255.98 for overpayments of salaries and stipends. (See Summary of Charges, page 25)

OVERPAYMENT OF COMMUNITY RELATION ACTIVITIES

William J. Pfister

Beginning on June 27, 2001, the contract added another fringe benefit for community relations. It stated: "The School Corporation shall pay the Superintendent \$6,000 per calendar year for community relation activities as determined by the Superintendent." There was no documentation presented to support what type of community relations Pfister was responsible for.

For the contract year 2001-2002 Pfister was paid \$8,000 for community relation activities resulting in an overpayment of \$2,000.

Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

We are requesting Pfister reimburse the School Town of Munster \$2,000 for overpayment of community relation activities benefits. (See Summary of Charges, page 25)

Richard A. Sopko

Beginning on June 27, 2001, the contract added another fringe benefit for community relation activities. It stated: "The School Corporation shall pay the Assistant Superintendent \$4,000.00 per calendar year for community relation activities as determined by the Superintendent." There was no documentation presented to support what type of community relation activities Sopko was responsible for.

For the contract year 2001-2002 Sopko was paid \$4,450 for community relation activities resulting in an overpayment of \$450.

Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ADMINISTRATION OFFICE
 SCHOOL TOWN OF MUNSTER
 SPECIAL INVESTIGATION RESULTS AND COMMENTS
 (Continued)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

We are requesting Sopko reimburse the School Town of Munster \$450 for overpayment of community relation activities benefits. (See Summary of Charges, page 25)

ADDITIONAL AUDIT COSTS

The Indiana State Board of Accounts incurred additional costs for the audit and investigation of administrator salary and benefits at the School Town of Munster totaling \$10,053.32.

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 Cities and Towns, Chapter 7)

We are requesting Pfister and Sopko, jointly and severally, reimburse the Indiana State Board of Accounts \$10,053.32 for the additional costs of the audit and investigation of administrator salary and benefits at the School Town of Munster. (See Summary of Charges, page 25)

OFFICIAL BONDS AND INSURANCE COVERAGE

The School Town of Munster obtained official bond coverage for Sopko. Following is the coverage amounts by bond period:

Period	Amount of Coverage
01-01-03 to 01-01-04	\$ 45,000
01-01-04 to 01-01-05	45,000
01-01-05 to 01-01-06	45,000
01-01-06 to 01-01-07	45,000
01-01-07 to 01-01-08	45,000
01-01-08 to 04-29-09	45,000
04-28-09 to 04-29-10	45,000
04-29-10 to 04-29-11	45,000
04-29-11 to 04-29-12	45,000
04-29-12 to 04-29-13	45,000
04-29-13 to 04-29-14	45,000
04-29-14 to 04-29-15	45,000

ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
SPECIAL INVESTIGATION RESULTS AND COMMENTS
(Continued)

The School Town of Munster maintained a crime insurance policy for public employee dishonesty. Following is the amount of coverage by insurance period:

<u>Period</u>	<u>Amount of Coverage</u>
07-01-97 to 07-01-00	\$ 5,000
07-01-02 to 07-01-05	5,000
07-01-05 to 07-01-08	5,000
07-01-09 to 07-01-12	25,000
07-01-12 to 07-01-15	25,000

ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Richard A. Sopko, former Assistant Superintendent/Treasurer and Superintendent of Schools, and Greg A. Bouwer, Attorney.

The contents of this report were discussed on March 17, 2016, with Janice Swanson, Treasurer; Dr. Jeffery Hendrix, Superintendent of Schools; Melissa Higgason, President of the School Board; Ronald Ostojic, Vice President of the School Board; Judith Florczak, School Board Secretary; John Friend, School Board member; Paula Nellans, School Board member; Kathleen M. Maicher, Corporation Attorney; Robin Winston, Public Relations; and Vicki Swing, Payroll Specialist.

The contents of this report were discussed on March 22, 2016, with William J. Pfister, former Superintendent of Schools, and Greg A. Bouwer, Attorney.

STATE OF INDIANA

STATE BOARD OF ACCOUNTS

OFFICE EXAMINED: ADMINISTRATION OFFICE, SCHOOL TOWN OF MUNSTER,
LAKE COUNTY

PERIOD COVERED: JULY 1, 1999 TO JUNE 30, 2012

WILLIAM J. PFISTER

RESPONSE TO STATE BOARD OF ACCOUNTS REPORT

Mr. Pfister had written contracts with The School Town of Munster from July, 1999 through June, 2012. Mr. Pfister believes that he was paid according to those contracts. The State Board's Report is primarily generated from a change in interpretation of a contract provision, contrary to the interpretation that The School Town of Munster, the School Board and the State Board had for over ten years. In another area, the State Board also does not credit Mr. Pfister for his last year of employment.

Mr. Pfister was presented with a written contract almost every year, even though each one was for a three-year term. It is believed that The School Town of Munster or its attorney prepared the form. The School Board would be presented the contract, and either officers or the entire School Board would sign the contract.

Mr. Pfister's payments under the contract were either made automatically by The School Town of Munster's accounting software or otherwise were based on requests. All requests were prepared by others. The requests would be handwritten or typewritten and shared with The School Town of Munster staff, reviewed and approved by them, and processed for payment. Mr. Pfister was not a part of that process. The processing would involve submitting the claims to the School Board, and the School Board would vote on those claims in a public meeting. The payment process was shared with several people, and payment was ultimately approved by the School Board in a public meeting.

The State Board previously audited all those payments and approved them approximately five times over ten years. Mr. Pfister does not have many records relating to the payments, but the records that he does have reflect that the payments were reviewed, approved, and/or processed by others at The School Town of Munster. Mr. Pfister asked for all of the records and documentation, but the State Board would not supply any records to Mr. Pfister to review the situation.

Mr. Pfister addresses the various claims of the State Board in the same order of the State Board's Report, and he requests the opportunity to review the records relied upon. The response is limited because of a lack of access to records.

I. Annuity Starter.

In the school year of 2001/2002, Mr. Pfister's Superintendent contract contained the following

language:

The School Corporation shall pay the Superintendent's annual contribution to the Indiana State Teachers' Retirement Fund, plus an additional two percent (2%) towards the Indiana Teacher Retirement Fund.

After that year, the contract was changed to read as follows:

The School Corporation shall pay the Superintendent's annual contribution to the Indiana State Teachers' Retirement Fund, plus **each year** an additional two percent (2%) towards an annuity of his choice. (*emphasis added*).

In 2003/2004, it increased to "plus each year an additional four percent (4%) towards an annuity of his choice." After the language change, The School Town of Munster increased the annuity starter payment by 4% each year in Mr. Pfister's continued employment. The State Board's report disregards the language change and disregards the parties' performance. The State Board's report rewrites the language to "plus an additional four percent (4%) **each year** towards an annuity of his choice." (*emphasis added*).

The parties intended to change the wording by adding the words "each year" in a particular location in that sentence, so that the benefit would increase. The parties intended to have that benefit compound, as an incentive to stay employed with the School Corporation. There would have been no need to change the language if increasing was not intended. The calculations made by the State Board in its report do not factor in that language change and do not increase the benefit. The State Board has come up with a different interpretation of the contract than what the parties and State Board approved over a ten-year period. It is unfair to unilaterally and retroactively change an interpretation of a contract clause after all of the parties have performed a different way for ten years.

To support the change in the contract language, claims were clearly written out each year that explained the calculation. The calculation was either prepared by or submitted to School employees for review and processing. Mr. Pfister did not prepare the requests. The employees would submit the claims to the School Board for approval. The School Board approved these amounts in public meetings, on a yearly basis. The records of these payments were kept by The School Town of Munster in file cabinets that were available for inspection by any School Town of Munster representative and also available for audit by the State Board.

During these years of employment, the State Board audited The School Town of Munster every two years. During each of those audits, the State Board reviewed the contract of Mr. Pfister. In addition to reviewing the contract language, the State Board reviewed the payments made to Mr. Pfister. In reviewing those payments to Mr. Pfister, the State Board's auditor would have necessarily reviewed the annuity starter that was in The School Town of Munster's records. The State Board did not question any payments over ten years. The State Board did not overlook Mr. Pfister's contract, but reviewed it on every audit. If the State Board would have questioned the payments during the audits, the parties would have confirmed the intent to increase the benefit. Mr. Pfister believed this was an incentive given by The School Town of Munster to keep him employed at The School Town of Munster rather than pursuing other employment offers.

The School Town of Munster could have revised, decreased, or eliminated the benefit if it ever believed that it had become too large. The School Town of Munster decided to eliminate the benefit the year after Mr. Pfister retired.

This annuity starter for Mr. Pfister is not unreasonable. Another school district in the State of Indiana has an annuity starter that increases for each year that the superintendent is employed, which contract has similar language to Mr. Pfister's contract. Furthermore, the annuity provided in other superintendent contracts are within the general range that were supplied to Mr. Pfister over his employment term. Although the last few years of employment had significant annuity starter payments, the initial annuity starter payments were below what other superintendents receive. His average annuity starter payment does not significantly exceed what other superintendents are paid in the State of Indiana over their terms of employment, when you factor the length of Mr. Pfister's employment term. During Mr. Pfister's employment tenure, The School Town of Munster was a highly regarded school district within the State of Indiana. This benefit was consistent with the intent of The School Town of Munster in keeping Mr. Pfister there for as long as possible.

II. Cash Bonus in Lieu Severance Pay

The State Board has come up with a calculation that disregards Mr. Pfister's last year of employment. The initial payouts in March of each year would be for that contract year. For instance, the payment in March of 2011 was for the contract year of July, 2010 to June, 2011. The final payment was delayed until July of 2012 because the final calculation could only be made after the benefit year had been completed because the number of absences affected the final calculation. The State Board eliminated Mr. Pfister's last year of contract from July of 2011 to June of 2012 in its analysis.

Another employee made this calculation each year, and it was kept in The School Town of Munster's records. Mr. Pfister had used up many benefit days over his employment that decreased the benefit paid out. In his last year of employment, the School Town's records show that Mr. Pfister was entitled to 14.5 benefit days and 40 bonus days. The School Town added those days to the carryover balance and paid Mr. Pfister his final cash bonus in lieu of severance. The calculation was available for inspection during his employment with The School Town of Munster for this contract provision.

The State Board does not explain why Mr. Pfister was not credited for this benefit over the last year of his contract. The contract language clearly requires it. If Mr. Pfister receives the benefit for the last year of his contract, he was paid the appropriate benefit under the State Board's analysis and The School Town of Munster's records.

III. Investment Allotment.

The Investment Allotments were submitted to The School Town of Munster employees on written sheets prepared by other employees, and Mr. Pfister believes he was paid according to those written sheets. Mr. Pfister does not have copies of most of those sheets. The written sheets should be reviewed by the State Board to assist in properly reconciling the amounts it claims were paid. Essentially, the amounts claimed by the State Board arise from 1999 until

2002, and Mr. Pfister would like to review those records with The School Town of Munster personnel and the State Board to determine what caused the discrepancies approximately fifteen years ago. The State Board did not find an issue fourteen years ago when it audited the payments.

Mr. Pfister had two different pay rates over a contract year, that would be averaged to arrive at the contract rate. One rate would apply July 1 – December 31 and another rate would apply January 1 – June 30. That may explain minor calculation differences between the contract amount and the paid amount from 2002 until 2012. The minimal differences over the last ten years could be explained by the increased salary after January 1 that may have been used for the calculation rather than the average rate under the contracts.

IV. Overpayment of Salary and Stipends.

Mr. Pfister had no control over how he was paid salary by The School Town of Munster because the amounts would be entered into the computer by another person and paychecks would be automatically issued based on that. Mr. Pfister does not have a history of his payments. Mr. Pfister was not involved in inputting the information into the computers. The State Board had previously audited these amounts from 1999 to 2006. Over his last five years of employment, there are no issues.

V. Overpayment of Community Relations Activities

Mr. Pfister was not presented any information that reflects that he was overpaid for community relations in the 2001/2002 year. The Report claims that he was overpaid by \$2,000.00 in 2001/2002, but that \$2,000.00 could have been additional community relations activities that were appropriately reimbursed by The School Town of Munster. Mr. Pfister has not seen the records that the State Board is relying upon. Over his last ten years of employment, there are no issues.

CONCLUSION

Mr. Pfister believes that all payments to him were previously approved by the School Board and the State Board. The State Board had previously not questioned any of the payments made by The School Town of Munster. Many of the claims by the State Board are barred by the statute of limitations, estoppel, waiver and other defenses. To complete his response, Mr. Pfister needs the records relied upon and the correspondence from The School Town of Munster to the State Board. Mr. Pfister reserves and does not waive any defenses he may have to the claims being made at this time. Mr. Pfister reserves the right to supplement the response after a full review of the records.

Respectfully submitted,

Greg A. Bower, Esq.
Koransky, Bower & Poracky, P.C.
425 Joliet Street, Suite 425
Dyer, IN 46311
On behalf of William J. Pfister

STATE OF INDIANA

STATE BOARD OF ACCOUNTS

OFFICE EXAMINED: ADMINISTRATION OFFICE, SCHOOL TOWN OF MUNSTER,
LAKE COUNTY

PERIOD COVERED: JULY 1, 1999 TO JUNE 30, 2014

RICHARD A. SOPKO

RESPONSE TO STATE BOARD OF ACCOUNTS REPORT

Mr. Sopko had written contracts with The School Town of Munster from July, 1998 through June, 2014. Mr. Sopko believes that he was paid according to those contracts. The State Board's Report is primarily generated from a change in interpretation of a contract provision, contrary to the interpretation that The School Town of Munster, the School Board and the State Board had for over ten years. In another area, the State Board also does not credit Mr. Sopko for his last year of employment.

Mr. Sopko was presented with a written contract each year, even though each one was for a three-year term. The School Town of Munster or its attorney prepared the form. Mr. Sopko was not involved in the preparation of the contract. The School Board would be presented the contract, and either officers or the entire School Board would sign the contract.

Mr. Sopko's payments under those contracts were either made automatically by The School Town of Munster's accounting software or otherwise were based on requests. Some requests were prepared by Mr. Sopko and some by others. The requests would be handwritten or typewritten and shared with The School Town of Munster staff, reviewed and approved by them, and processed for payment. The processing would involve submitting the claims to the School Board, and the School Board would vote on those claims in a public meeting. The payment process was shared with several people and was ultimately approved by the School Board in a public meeting.

The State Board previously audited all those payments and approved them approximately five times over ten years. Mr. Sopko does not have many records relating to the payments, but the records that he does have reflect that the payments were reviewed, approved, and/or processed by others at The School Town of Munster. Mr. Sopko asked for all of the records and documentation, but the State Board would not supply any records to Mr. Sopko to review the situation.

Mr. Sopko addresses the various claims of the State Board in the same order of the State Board's Report, and he requests the opportunity to review the records relied upon. The response is limited because of a lack of access to records.

I. Annuity Starter.

In the school year of 2001/2002, Mr. Sopko's Assistant Superintendent contract contained the

following language:

The School Corporation shall pay the Assistant Superintendent's annual contribution to the Indiana State Teachers' Retirement Fund, plus an additional two percent (2%) towards the Indiana Teacher Retirement Fund.

After that year, the contract was changed to read as follows:

The School Corporation shall pay the Assistant Superintendent's annual contribution to the Indiana State Teachers' Retirement Fund, plus **each year** an additional two percent (2%) towards an annuity of his choice. (*emphasis added*).

The following year it was changed to "plus each year an additional three percent (3%) towards an annuity of his choice." After the language change, The School Town of Munster increased the annuity starter payment by 3% each year of Mr. Sopko's continued employment. The State Board's report disregards the language change and disregards the parties' performance. The State Board's report rewrites the language to "plus an additional three percent (3%) **each year** towards an annuity of his choice." (*emphasis added*)

The parties intended to change the wording by adding the words "each year" in a particular location in that sentence so that the benefit would increase. The parties intended to have that benefit compound, as an incentive to stay employed with the School Town. There would have been no need to change the language if increasing were not intended. The calculations made by the State Board in its report do not factor in that language change and do not increase the benefit. The State Board has come up with a different interpretation of the contract than what the parties and State Board approved over a ten-year period. It is unfair to unilaterally and retroactively change an interpretation of a contract clause after all of the parties have performed a different way for ten years.

To support the change in the contract language, claims were clearly written out each year that explained the calculation. The calculation was either prepared by or submitted to School employees for review and processing. In years 2003-2006 and 2008, the records appear to have been prepared by the treasurer of The School Town of Munster. The other ones were prepared at the request of School employees. The employees would submit the claims to the School Board for approval. The School Board approved these amounts in public meetings, on a yearly basis. The records of these payments were kept by The School Town of Munster in file cabinets that were available for inspection by any School Town of Munster representative and also available for audit by the State Board.

During these years of employment, the State Board audited The School Town of Munster every two years. During each of those audits, the State Board reviewed the contract of Mr. Sopko. In addition to reviewing the contract language, the State Board reviewed the payments made to Mr. Sopko. In reviewing those payments to Mr. Sopko, the State Board's auditor would have necessarily reviewed the annuity starter that was in The School Town of Munster's records. The State Board approved all the payments over ten years. The State Board did not overlook Mr. Sopko's contract, but reviewed it on every audit. Mr. Sopko believed this was an incentive given by The School Town of Munster to keep him employed at The School Town of Munster rather than pursuing other employment offers.

In 2012/2013, The School Town of Munster unilaterally and without disclosure made a change in the contract and deleted that benefit. The changes in the contracts from 2001 to 2003 and the deletion in 2013 demonstrate that The School Town of Munster was well aware of this benefit. It is obvious that someone at The School Town of Munster determined that the benefit had become large because the benefit was not reduced to 3% in 2012/2013, but it was eliminated in its entirety. Nevertheless, the request for this benefit payment for 2012/2013 was submitted to The School Town of Munster's employees who reviewed it and processed it. The School Board approved that payment. In discussions for the 2013/2014 contract year, it was mentioned that the clause was removed from the contract. The School Board told Mr. Sopko that it was not concerned about the payment made in the 2012/2013 employment year.

This annuity starter for Mr. Sopko is not unreasonable. Another school district in the State of Indiana has an annuity starter that compounds for each year that the superintendent is employed, which contract has similar language to Mr. Sopko's contract. Furthermore, the annuity provided in other superintendent contracts are within the general range that were supplied to Mr. Sopko over his employment term. Although the last few years of Mr. Sopko's employment had significant annuity starter payments, the initial annuity starter payments were below what other superintendents receive. Mr. Sopko's average annuity starter payment does not significantly exceed what other superintendent personnel are paid in the State of Indiana over their terms of employment, when you factor the length of Mr. Sopko's employment term. The School Town of Munster was a highly regarded school district during Mr. Sopko's tenure. The benefit paid was consistent with the intent of The School Town of Munster in keeping Mr. Sopko there for as long as possible.

II. Cash Bonus in Lieu Severance Pay

The State Board has come up with a calculation that disregards Mr. Sopko's last year of employment. The payout in July of each year would be for the preceding contract year. For instance, the payment in July of 2013 was for the contract year of July, 2012 to June, 2013. This benefit was calculated after the benefit year was completed because the number of absences affects the calculation. The State Board eliminated Mr. Sopko's last year of contract from July of 2013 to June of 2014 in its analysis.

Written records regarding this calculation of the Cash Bonus in Lieu of Severance were updated each year of his employment, and the records were held by The School Town of Munster. In his last year of employment, the School Town of Munster's records show that Mr. Sopko was entitled to 16 benefit days and 40 bonus days. Credit for those days should increase the bonus approximately \$35,000.00. The calculation was available for inspection during his employment with The School Town of Munster for this contract provision.

The State Board does not provide him any Cash Bonus in Lieu of Severance for the last year of his employment. Based on Mr. Sopko's calculations and the State Board's analysis, if Mr. Sopko is given a Cash Bonus in Lieu of Severance for the last year of his contract, Mr. Sopko has actually been underpaid for this benefit. The State Board calculated Mr. Sopko's carryover balance of \$45,521.77 for 2013 to 2014. The School Town of Munster's records only had a carryover balance at that time of \$34,485.14. His last year of employment from July, 2013 to June, 2014 should have provided an additional bonus of \$35,083.55, using the State Board's

calculation from the previous year. The total of Cash Bonus in Lieu of Severance should have been \$79,605.35 in July of 2014, but Mr. Sopko was paid \$66,887.54.

The State Board does not explain why Mr. Sopko was not credited for this benefit over the last year of his contract. The contract clearly requires it.

III. Investment Allotment.

The Investment Allotments were submitted to The School Town of Munster employees on written sheets, and Mr. Sopko believes he was paid according to those written sheets. Mr. Sopko has copies of those sheets. The written sheets should be reviewed by the State Board to assist in properly reconciling the amounts it claims were paid. For instance, in the State Board's analysis of 2002/2003, it reflects that Mr. Sopko was not paid the Investment Allotment, but the records from The School Town of Munster actually reveal that Mr. Sopko was paid the amount for 2002/2003. In November 21, 2003, notes reveal that Mr. Sopko was paid that Investment Allotment because the parties had failed to pay him that Investment Allotment in March, 2003 for the 2002/2003 contract year.

The State Board believes Mr. Sopko was paid an Investment Allotment of \$19,965.35 for the year 2003/2004, but the accounting by the State Board includes the payment in November, 2003 for the 2002/2003 year. The records reflect that two payments, one in July of 2003 and one in March of 2004, were made for the Investment Allotment resulting in an overpayment that employment year. The payments were initially made in July for the oncoming year, but the payments shifted to March, and that may have led to the confusion in 2003/2004. After 2003/2004, all payments were made in March for the contract year.

To complicate this calculation further, Mr. Sopko had two different pay rates over a contract year, that would be averaged to determine the contract rate. One rate would apply July 1 – December 31 and another rate would apply January 1 – June 30. That may explain minor calculation differences.

The amounts in question were submitted to The School Town of Munster employees, approved and processed, and they were submitted to and approved by the School Board for payment in a public hearing. The State Board's prior audits did not find an issue, but there does appear to be a calculation error for some years that the parties should be able to resolve.

IV. Overpayment of Salary and Stipends.

Mr. Sopko had no control over how he was paid salary by The School Town of Munster because the amounts would be entered into the computer by another person and paychecks would be automatically issued based on that. The majority of the claims are from 1999/2000 and 2001/2002, and Mr. Sopko does not have a history of his payments. Mr. Sopko was not involved in inputting the information into the computers. When Mr. Sopko was promoted to Superintendent, his salary was kept at his Assistant Superintendent level for the previous year. That salary was approximately \$23,000.00 less than the previous Superintendent.

V. Overpayment of Community Relations Activities

The Report claims that Mr. Sopko was overpaid by \$450.00 in 2001/2002, and a record of The School Town of Munster shows that Mr. Sopko was paid a “net amount” of \$2,000.00 in July of 2001 that would have been for the 2001/2002 school year. The note from July of 2001 has a handwritten entry of \$450.00 next to it, so another employee of The School Town of Munster may have added taxes to that payment. Mr. Sopko was not involved in that payment or the note.

CONCLUSION

Mr. Sopko believes that all payments to him were previously approved by the School Board and the State Board. The State Board had previously not questioned any of the payments made by The School Town of Munster to Mr. Sopko. Many of the claims by the State Board are barred by the statute of limitations, estoppel, waiver and other defenses. To complete his response, Mr. Sopko needs the records relied upon and the correspondence from The School Town of Munster to the State Board. Mr. Sopko reserves and does not waive any defenses he may have to the claims being made at this time. Mr. Sopko reserves the right to supplement the response after a full review of the records.

Respectfully submitted,

Greg A. Bouwer, Esq.
Koransky, Bouwer & Poracky, P.C.
425 Joliet Street, Suite 425
Dyer, IN 46311
On behalf of Richard A. Sopko

ADMINISTRATION OFFICE
SCHOOL TOWN OF MUNSTER
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
William J. Pfister, former Superintendent of Schools:			
Overpayment of Annuity Starter, pages 4 through 6	\$ 359,728.94	\$ -	\$ 359,728.94
Cash Bonus in Lieu of Severance Pay, pages 6 through 8	27,222.50	-	27,222.50
Investment Allotment, pages 8 through 10	50,351.13	-	50,351.13
Overpayment of Salaries and Stipends, pages 10 through 12	24,620.18	-	24,620.18
Overpayment of Community Relation Activities, page 12 and 13	<u>2,000.00</u>	<u>-</u>	<u>2,000.00</u>
Subtotal	<u>463,922.75</u>	<u>-</u>	<u>463,922.75</u>
Richard A. Sopko, former Assistant Superintendent/ Treasurer and Superintendent of Schools:			
Overpayment of Annuity Starter, pages 4 through 6	311,198.75	-	311,198.75
Cash Bonus in Lieu of Severance Pay, pages 6 through 8	20,365.77	-	20,365.77
Investment Allotment, pages 8 through 10	33,204.78	-	33,204.78
Overpayment of Salaries and Stipends, pages 10 through 12	12,255.98	-	12,255.98
Overpayment of Community Relation Activities, pages 12 and 13	<u>450.00</u>	<u>-</u>	<u>450.00</u>
Subtotal	<u>377,475.28</u>	<u>-</u>	<u>377,475.28</u>
William J. Pfister, former Superintendent of Schools, and Richard A. Sopko, former Assistant Superintendent/Treasurer and Superintendent of Schools, Jointly and Severally:			
Additional Audit Costs, page 13	<u>10,053.32</u>	<u>-</u>	<u>10,053.32</u>
Totals	<u>\$ 851,451.35</u>	<u>\$ -</u>	<u>\$ 851,451.35</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)

We, Mary Jo Small, Field Examiner, and Karen Tetrault, Field Examiner, being duly sworn on our oaths, state that the foregoing report based on the official records as described in our letter to the officials of the School Town of Munster, Lake County, Indiana, for the period from July 1, 1999 to June 30, 2014, is true and correct to the best of our knowledge and belief.

Mary Jo Small

Karen Tetrault
Field Examiners

Subscribed and sworn to before me this 7 day of JUNE, 2016

Juanita M. Hendricksen
Notary Public

My Commission Expires: 10-19-23

County of Residence: HENDRICKS

