

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

SPECIAL INVESTIGATION REPORT  
OF

WICKER PARK  
NORTH TOWNSHIP  
LAKE COUNTY, INDIANA

January 1, 2013 to October 8, 2015



**FILED**  
10/12/2016



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Frank J. Mrvan	01-01-11 to 12-31-18
Chairman of the Township Board	Richard Novak	01-01-11 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF NORTH TOWNSHIP

We have conducted a special investigation of the records of Wicker Park, a department of North Township, Lake County, Indiana, for the period from January 1, 2013 to October 8, 2015. Our investigation was limited to the following records: receipts issued for shelter rentals, bank deposits made by Wicker Park personnel, and shelter rental contracts. The purpose of our investigation was to determine if the accountability for cash and other assets 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 as listed in the Table of Contents.

This report has been forwarded to the Indiana Attorney General and the local prosecuting attorney.

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

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

January 19, 2016

WICKER PARK, NORTH TOWNSHIP  
LAKE COUNTY  
SPECIAL INVESTIGATION RESULTS AND COMMENTS

**PARK SHELTER COLLECTIONS NOT DEPOSITED**

The North Township (Township), owns and operates a community park, commonly known as Wicker Park. Revenues generated from the park come from multiple sources including shelter rentals. During the period of investigation, Gwendolyn Rubesha, former Park Clerk, was primarily responsible for depositing the revenues to the bank and providing the supporting documentation to the North Township main office for recording to the records.

Gwendolyn Rubesha, former Park Clerk, was solely responsible for the management of the rental of the shelters on the park grounds. Her duties included preparing the contracts, collecting fees and depositing to the bank, and submitting Picnic Daily Totals Report to the main office identifying the types of revenues that were collected from each renter. We compared the receipts issued at the Wicker Park Office for shelter rentals to the amounts deposited and reported to the main office included on the Picnic Daily Totals Report for the period January 1, 2013 to October 8, 2015. We found that \$9,732.50 of collections for shelter rentals was not deposited.

Tickets, goods for sale, billings, and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit.

The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payers. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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 Townships, Chapter 13)

We requested that Gwendolyn Rubesha, former Park Clerk, reimburse North Township \$9,732.50 for park shelter collections not deposited. (See Summary of Charges, page 9)

**BOND COVERAGE**

The Township has a "Public Employees Position Schedule Bond" for Wicker Park with the Ohio Casualty Insurance Company which provides coverage for the Park Clerk in the amount of \$1,000. The following schedule details the bond coverage:

<u>Period</u>	<u>Bond Coverage</u>
November 17, 2011 to Continuous	\$ 1,000
November 17, 2013 to November 17, 2014	1,000
November 17, 2014 to November 17, 2015	1,000

WICKER PARK, NORTH TOWNSHIP  
LAKE COUNTY  
SPECIAL INVESTIGATION RESULTS AND COMMENTS  
(Continued)

***ADDITIONAL AUDIT CHARGES***

The State of Indiana incurred additional audit costs in the investigation of the park shelter collections not deposited.

Audit costs incurred because of theft and shortage may be the personal obligation of the responsible official or employee.

Audit costs or other costs incurred because of poor records, nonexistent records or other inadequate bookkeeping practices may be the personal obligation of the responsible official or employee of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

***INTERNAL CONTROLS RELATED TO WICKER PARK***

We were unable to verify if additional collections were received by the Park Office but not remitted to the Township for the following reasons:

Due to a lack of internal controls and accountability of shelter rental contracts, we were unable to verify the number of contracts executed and the amount of shelter rental which should have been received as a result of those contracts.

Due to a lack of internal controls and accountability over the receipt process, we were unable to trace receipts to individual shelter rental contracts and determine whether payment was received for each contract.

Due to a lack of internal controls and segregation of duties, records were manipulated such that we were unable to determine the total amount of receipts which should have been remitted to the Township. During our investigation we noted the following receipt alterations and deficiencies:

1. There were instances where duplicate receipts were removed/"torn from" the receipt books; therefore, we were unable to determine if all collections were properly remitted to Township.
2. There were duplicate receipts and contracts that appeared to be altered by using "white out" so that the amounts could be altered. Also, the duplicate receipts were written over instead of voiding it and issuing a new receipt.
3. Receipts did not always designate whether the collections were in cash or check; therefore, we were unable to determine if monies were deposited in the same form in which they were received.
4. We observed instances where duplicate receipts for shelter rentals were marked with red dots. After further investigation, we determined these receipts marked with red dots corresponded with the receipts not deposited.
5. Some receipts were marked as "void" but the original receipt was not retained for examination.

WICKER PARK, NORTH TOWNSHIP  
LAKE COUNTY  
SPECIAL INVESTIGATION RESULTS AND COMMENTS  
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

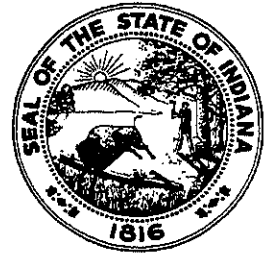


WICKER PARK, NORTH TOWNSHIP  
LAKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on January 19, 2016, with Frank J. Mrvan, Trustee; Lori Polgar, Deputy Trustee; Richard Novak, Chairman of the Township Board; Lisa-Salinas Matonovich, Township Board member; Brett Bireman, Park Superintendent; and Doug Walker, Township Attorney.

# FRANK J. MRVAN

## NORTH TOWNSHIP TRUSTEE



LAKE COUNTY  
INDIANA

(MAIN OFFICE)  
5947 Hohman Ave.  
Hammond, IN  
46320

(219) 932-2530  
Fax (219) 937-4412

2105 Broadway  
East Chicago, IN  
46312

(219) 398-2435  
Fax (219) 397-2190

January 26, 2016

State Board of Accounts  
302 West Washington Street, Room E 418  
Indianapolis, IN 46204-2765

**Re: OFFICIAL RESPONSE**

Dear State Board of Accounts:

The purpose of this letter is to respond to the results and comments of the State Board of Accounts' Special Investigation Report of Wicker Park, a department of North Township, Lake County, Indiana covering the time period from January 1, 2013 through October 8, 2015.

**Park Shelter Collections Not Deposited**

The result of the Special Investigation revealed that North Township employee Gwendolyn Rubesha who had been responsible for the collection and deposit of Wicker Park shelter rentals had misappropriated, diverted or failed to account for \$9,732.50 in shelter rental collections. Ms. Rubesha's employment with the North Township was officially terminated on January 12, 2016.

**Internal Controls Related to Wicker Park**

The North Township has taken appropriate steps to implement further internal controls such as requiring numbering of all contracts to match receipts; computerization of receipt generation; requiring triplicate receipts for all cash receipts and notations of check numbers on all receipts for check payments with duplicates required to be maintained in the shelter rental files; split of responsibility for cash handling and cash receipt reporting among North Township employees; and the installation of video cameras to monitor cash collection points and cash deposit points. The cash collection and receipt process will also be routinely monitored.

Sincerely Yours,

Frank J. Mrvan

WICKER PARK, NORTH TOWNSHIP  
LAKE COUNTY  
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Gwendolyn Rubesha, former Park Clerk: Park Shelter Collections Not Deposited, page 4	\$ 9,732.50	\$ -	\$ 9,732.50
Totals	<u>\$ 9,732.50</u>	<u>\$ -</u>	<u>\$ 9,732.50</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 )  
Porter )  
COUNTY)

We, Kristin Campbell and Michelle M. Janosky, Field Examiners, 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 North Township, Lake County, Indiana, for the period from January 1, 2013 to October 8, 2015, is true and correct to the best of our knowledge and belief.

Kristin Campbell

mm  
Field Examiners

Subscribed and sworn to before me this 17<sup>th</sup> day of March, 2016

Judy A. Hittle  
(Notary Public)

My Commission Expires: 6-26-2021

County of Residence: Jasper

