

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

SPECIAL INVESTIGATION REPORT
OF

TIMBERGATE GOLF COURSE
TOWN OF EDINBURGH
JOHNSON COUNTY, INDIANA

April 13, 2015 to June 4, 2015



FILED
10/26/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Scott Finley	01-01-13 to 12-31-19
President of the Town Council	Ron Hoffman Kami Ervin	01-01-15 to 12-31-15 01-01-16 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF EDINBURGH

We have conducted a special investigation of the records of the Timbergate Golf Course, Town of Edinburgh, for the period from April 13, 2015 to June 4, 2015. 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 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 to the Special Investigation Results and Comments, incorporated within this report, was not verified for accuracy.

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

May 18, 2016

TIMBERGATE GOLF COURSE
TOWN OF EDINBURGH
SPECIAL INVESTIGATION RESULTS AND COMMENTS

THEFT OF FUNDS

Ethan W. Duke, former golf course employee (Duke), was responsible for collecting Pro Shop and green fees at Timbergate Golf Course on the evening of May 30, 2015. At the close of business, Duke placed his cash register drawer, as well as the snack bar cash register drawer, in the safe.

On May 31, 2015, while reconciling the Pro Shop and snack bar drawer cash activity from May 30, 2015, a golf course employee discovered that collections were short in the amount of \$229.73. The employee notified Wayne Gibbs, Golf Course Manager (Gibbs).

On June 1, 2015, Gibbs reviewed the financial activity from May 30, 2015, and noted that no cash transactions were entered into the cash register after 2:00 p.m. Gibbs watched surveillance video from May 30, 2015, and discovered that Duke had not rung up all sales in the cash register.

Gibbs met with Duke on June 4, 2015. At that time, Duke stated he had stolen cash collections from the golf course by not ringing up the cash sales in the cash register.

Duke submitted a signed confession to Gibbs stating that he estimated he had stolen \$4,000 from the golf course between April 18, 2015 and May 30, 2015, by not ringing up cash sales in the cash register. Duke also stated that he would pay the Town back in full by paying \$250 per week.

Duke was arrested by the Edinburgh Police Department on June 4, 2015.

On January 25, 2016, Duke pled guilty and was ordered to pay \$4,000 in restitution to the Town.

On February 4, 2016, the Town received \$317 from the Clerk of Shelby County Circuit/Superior Courts from the release of Duke's Cash Bond (See Summary of Charges, page 7). The Town has received no payments from Duke.

TIMBERGATE GOLF COURSE
TOWN OF EDINBURGH
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 Cities and Towns, Chapter 7)

We requested that Duke reimburse the Town of Edinburgh \$4,000 for the theft of the funds. (See Summary of Charges, page 7)

SPECIAL INVESTIGATION COSTS

The State of Indiana incurred additional investigation costs in the special investigation of Timbergate Golf Course totaling \$808.10.

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 Cities and Towns, Chapter 7)

We requested that Duke reimburse the State of Indiana \$808.10 for special investigation costs. (See Summary of Charges, page 7)

CRIME INSURANCE COVERAGE

The Town obtained the following crime insurance policy to cover the employees of the Town:

<u>Period</u>	<u>Amount</u>
06-25-14 to 06-25-15	<u>\$ 50,000</u>

TIMBERGATE GOLF COURSE
TOWN OF EDINBURGH
EXIT CONFERENCE

The contents of this report were discussed on May 18, 2016, with Scott Finley, Clerk-Treasurer; Kami Ervin, President of the Town Council; Wayne Gibbs, Golf Course Manager; Jerry Lollar, Town Council member; and Wade Watson, Town Manager.

TIMBERGATE GOLF COURSE
TOWN OF EDINBURGH
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Ethan W. Duke, former golf course employee:			
Theft of Funds, pages 4 and 5	\$ 4,000.00	\$ -	\$ 4,000.00
Release of Cash Bond, page 5	-	(317.00)	(317.00)
Special Investigation Costs, page 5	<u>808.10</u>	<u>-</u>	<u>808.10</u>
Totals	<u>\$ 4,808.10</u>	<u>\$ (317.00)</u>	<u>\$ 4,491.10</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)
)
 MARION COUNTY)

I, Tammy Baker, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records as described in our letter to the officials of the Town of Edinburgh, Johnson County, Indiana, for the period from April 13, 2015 to June 4, 2015, is true and correct to the best of my knowledge and belief.

Tammy L. Baker
Field Examiner

Subscribed and sworn to before me this 25TH day of October, 2016

Juanita M. Hendricksen
Notary Public

My Commission Expires: 10-19-23

County of Residence: Hendricks

