

Russo, Stephanie

From: KRIS00@aol.com
Sent: Sunday, April 18, 2010 6:21 PM
To: Russo, Stephanie
Subject: Post-Tribune article 4/18/2010

The following is what passes for fiscal responsibility and prudent cost-cutting in a city that is insolvent:

City puts pinch on credit cards

Comments

April 18, 2010
BY JON SEIDEL, (219) 648-3068

GARY -- Mayor Rudy Clay's 2009 credit card statements reveal previously undisclosed expenses for Gary's Michael Jackson Memorial, but overall his charges were down more than half from 2008.

Now, Gary officials say all the city's elected officials have given up their credit cards.

"The accounts are closed," Controller Celita Green said.

Airfare totaling \$3,196 for singer Deniece Williams and publicist Linda Jones to travel from Los Angeles to Chicago was charged to the mayor's credit card in July, records show.

The pair were scheduled to arrive in Chicago on July 9 and leave July 11, one day after Williams, a Gary native, performed at a concert in Gary celebrating Jackson's life, weeks after he died.

"Deniece had family here," Clay said. "We wanted her here."

The mayor said that memorial was funded by donations. So far, records released by City Hall document \$7,345 in income related to the event. A city spokeswoman didn't fulfill a request for an updated income report this week.

The charges for Williams and her publicist bring the documented expenses for the memorial to \$12,892.

However, Green said money is still available in a City Hall donation fund set up to pay for the memorial.

"We continuously get donations," Green said. "I can tell you that that account is not in the red."

Local businesses also provided at least \$5,000 worth of in-kind contributions, records show.

Payment on the charges for Williams' travel was due Aug. 6, but the records weren't included when the city released documents to the media one week later outlining the cost for the memorial.

Clay couldn't explain why the records were left out.

Green said the charge might have been missed because it was applied to the wrong account. She said it should have been charged to the city's donation fund, which she said was ultimately used to pay for it.

Overall, records show Clay charged \$4,958 to his city credit card in 2009, which is a drop of more than 50 percent from 2008, when records show he spent \$10,674.

Without the Jackson charges, Clay's 2009 credit card bill would have been \$1,762.

The city paid for former actor Fred "The Hammer" Williamson to stay at the Radisson Hotel in Merrillville in July, records show. That four-night stay cost \$381 with government discounts, records show, but just \$267 was charged to Clay's card.

Williamson left the Radisson July 5, according to city's records, meaning he left days before Gary's Jackson memorial.

"We brought him in for the Fourth of July," Clay said.

Williamson stayed in the Radisson in March, also, records show, and \$91 was charged to Clay's credit card. But records also show the mayor wrote a personal check to the city to cover that cost.

The mayor also racked up \$400 in Illinois Tollway charges in 2009. His electronic I-PASS toll account required a \$40 replenishment almost monthly.

Clay said the tolls piled up because he travels frequently to Chicago to meet with Illinois politicians. "We're dealing with a lot of stuff over there as it relates to the airport," he said.

The credit card was also used to pay Clay's \$171 airfare for a trip to Washington, D.C., and for a hotel room at the Embassy Suites in Indianapolis in April. Those rooms cost a total of \$238, records show.

Gary is the only city that petitioned the state's Distressed Unit Appeals Board for budget relief in 2009 and 2010. That board could rule on this year's petition April 26.

A State Board of Accounts audit questioned the use of credit cards by some Gary officials last year.

A Post-Tribune review uncovered \$98,334 in 2008 credit card charges weeks later.

City Clerk Suzette Raggs' 2009 statements have yet to be released, but the mayor and the City Council's credit card spending totaled \$23,735 in 2009.

Green said the decision to put the credit cards away wasn't driven purely by publicity. Gary is also being forced to cut all parts of its budget severely because of the state's new property tax caps.

Last week, the City Council approved a set of recommendations from its fiscal monitor that will cut its budget by \$3.6 million this year.

The cuts include layoffs, pay cuts and insurance rate increases for city workers.

If you think that this administration has either the ability or the inclination to comply with the requests of either the DUAB or PFM, you may be as delusional as they are!

One thing you may be overlooking: as the DUAB is singularly focused on getting the City's budget in line with its projected income; they have entirely overlooked the fact that the City hasn't cut any of the unnecessary fat out of its budget. It has only cut the provision of nearly

every needed service out of its budget. So here we all sit, waiting patiently for the State to tell us how much more than every other citizen in Indiana we will pay in property taxes; but at the very same time, we also sit without receiving any of the services to which our property tax payments were directed to provide.

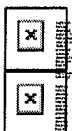
It's not just the high taxes that upset us, it is the fact that we receive absolutely nothing in return!

We deserve better! If we had no services and the lowest taxes, or the best services and the highest taxes, but to have the highest taxes and the worst services, is simply an intolerable situation--even for the people of Gary!

The City government has failed us. The County government has failed us. So now we look to the State. Please don't also fail us.

We need more than for you to simply recommend rearranging the deck chairs on the Titanic. Effectively, you may be forcing the city to pull back on the throttle, but nonetheless, they are still on a collision course with the iceberg. It will crash. And it will sink. The ship needs to be brought to a complete stop and change course completely. The sooner this happens, the better for the passengers. Until it does, their fates are sealed.

The views expressed in these blog posts are those of the author and not of the Post-Tribune.



reality wrote:

Let me get this straight: The above article proves that Clay has used the tax payers money to pay for overpriced entertainment for his friends, who are well financially able to pay their own way.



No wonder outsiders frown on Gary.

4/18/2010 11:22 AM CDT on post-trib.com

[RecommendReport Abuse](#)

tcr wrote:

This is the behavior and fiscal irresponsibility that is why nobody wants to do business in Gary.

This is a perfect example of why the DUAB would be grossly irresponsible to allow this administration to get their hands on any more tax dollars.



They have proved time and time again that they are untrustworthy, irresponsible, and reckless stewards; of both the public's money and the public's trust.

Cut them off at the knees! Just say no!

4/18/2010 10:18 AM CDT on post-trib.com

RecommendReport Abuse

ms. tired wrote:

Both are overhill performers and they can't get anyone anywhere else to pay for them to travel anywhere.



Please, don't tell me we paid for the chi-lites to come here.

4/18/2010 8:07 AM CDT on post-trib.com

RecommendReport Abuse

ms. tired wrote:

First, why did we need to have Ms. Williams publicist here. Secondly, sadly she was coming here because of death in her family. Now, why are we paying for Fred the Hammer to come here? What, services did he provide to the City? What Fourth of July event? Rudy, you have long done away with that. Why, the



Raddisson? It is not in Gary. Lastly, why are you using a credit card to pay for travel you have an account for that. Taxpayers should not have to pay for your friend to visit you. I think Rudy, should have to reimburse the taxpayers this money.

4/18/2010 8:05 AM CDT on post-trib.com

RecommendReport Abuse

gi joe wrote:

"Clay couldn't explain why the record was left out" Well it does not take a rocket scientist to know why.



And if Deniece and Fred love their cash strapped hometown so much and they have relatives here why couldn't they pay their own way? \$3200 for two to fly from L.A. to Chicago and back. Must of been first class all the way, because I paid \$650 last year, but then I didn't fly first class.

4/18/2010 6:54

From: KRIS00@aol.com
Sent: Monday, April 19, 2010 10:41 AM
To: Russo, Stephanie
Subject: Hear, hear!

Prove you can spend money well, then ask

- [Story](#)
- [Discussion](#)

Posted: Monday, April 19, 2010 12:00 am | [\(4\) Comments](#)

Font Size:

[Default font size](#)

[Larger font size](#)

Maybe Evan Bayh is just pulling our legs when he says he is puzzled by a federal decision not to send \$24 million to Gary to demolish dilapidated buildings.

"The city is struggling," Bayh said of the U.S. Housing and Urban Development decision. "These aren't rich people. ... They're folks who need a helping hand to make a go of it."

If Bayh is talking about the average Joe or Jane who lives in Gary, he's right. These are not people of means, by any means.

But federal money does not go to Joe or Jane. It goes to the political administration that runs the city, and for the past 50 years or more there has been more than enough reason for even the most jaded Beltway bandit to wonder why more good money should be thrown after bad.

All right, a lot of the city is a dump. It's what happens when a city of 175,000 shrinks almost by half within three decades, and business and industry flee for the suburbs. Houses, factories, churches and schools stand abandoned, their broken windows making them look like eyeless beggars on a Third World street corner.

You can trace a climate of corruption way back, even before Mayor George "Cha Cha" Chacharis went to prison in the early 1960s for tax evasion.

The amount of money poured into Gary after Councilman Richard Hatcher was elected its first black mayor in 1967 would have sustained a small country, but all Gary ended up having to show for it was the Genesis Convention Center and the Hudson-Campbell Fitness Center, neither of which is a likely candidate for the National Register of Historic Places -- unless you are counting the history of misspent millions.

That was in a more hopeful age, when people (at least those in Washington) thought we could win the war on poverty by writing a check. Maybe they thought the money would go for infrastructure, civic construction and environmental improvement, but they soon were proven wrong.

Mayor Scott King spent \$45 million to build a \$25 million baseball field. Mayor Rudy Clay has left a legacy of a mayoral Hummer, a son working as a Gary Sanitary District photographer and a wife who is the official sealer of the county, a job many people believe could be done away with.

The city couldn't build a new police station but had to make do with a (rather well done, actually) renovation of an abandoned hospital. City Hall is crumbling, as is its twin building across Broadway, the Gary branch of the Lake Superior Court.

No, the city has not had a history of spending its money well, and nothing I've seen convinces me there has been a revelation that an influx of more federal money would mean anything other than your tax dollars at work down a rathole.

Let's face it, \$24 million isn't going to make much of a dent in ripping down the dilapidated and dangerous structures that pockmark the city.

It's going to take more like the 82nd Airborne.

The opinions are solely those of the writer. He can be reached at markk@nwitimes.com or (219) 933-4170.

Posted in [Mark-kiesling](#) on *Monday, April 19, 2010 12:00 am* | Tags: [Commentary](#)

[Share This Story](#)

[Print Email](#)

Russo, Stephanie

From: Beach46403@aol.com
Sent: Monday, April 12, 2010 9:51 AM
To: Russo, Stephanie
Subject: Sitting Gary City Council president under Federal Investigation

(He likely neglected to mention this in the City's presentation.)

Federal agents to meet with councilman

Comments

April 10, 2010
BY JON SEIDEL. (219) 648-3068

GARY -- A federal investigation of a Merrillville housing assistance agency's dealings at Gary City Hall is continuing.

City Council President Ronier Scott said a federal agent approached him at his Glen Park business Thursday to follow up on a subpoena delivered to City Hall late last year.

That subpoena sought information about Jerry Haymon and his Glen Park Coalition of Concern, according to city attorneys. Haymon couldn't be reached for comment Friday and hasn't returned other phone calls in the past.

Scott said he agreed to meet with federal authorities at a later time. He said no one has told him he's a target of the investigation.

"They just wanted to talk," Scott said of the agents.

Scott and Mayor Rudy Clay denied any knowledge of an additional visit to City Hall by federal agents Thursday.

Haymon signed a grant agreement with the city in 2007 under which the Coalition of Concern was supposed to receive \$75,000 from a pot of money controlled by Scott. The pair said at the time the money would be used to demolish vacant houses, but the written terms of the agreement were less clear.

The Coalition of Concern received at least \$103,500 in additional money from Scott's council funds between 2004 and 2006, city records have shown.

Haymon has said the money was used to fund his group's down-payment assistance housing program.

Records also show the Indiana Attorney General's consumer protection division looked into Haymon's K&L Real Estate business, based in the same office as the Coalition of Concern, and ended its work in May 2008 with no action taken.

ms. tired wrote:

I like the fact they are still investigating. The longer it takes the more evidence they have. The more evidence.... Will Robert White be home before Haymon leaves?

4/10/2010 10:56 PM CDT on post-trib.com

RecommendReport Abuse

meeee wrote:

This sounds like another

Acorn deal...

Community Action on the go.

When is somebody going to start making people accountable who receive large sums of money to spend the way they happen to want to spend it.

No wonder there are so many crooks in the world.

These agencies make it easy for people to be dishonest...

Too trusting to think people without restrictions will be honest and above board.

Then, they wait until the money is gone and nobody seems to know where it all went and nothing gets done about it because they drag it out so long that it gets forgotten.

Just think...if all the money that the Gov't doles out was spent for that which it was meant for, we sure would have a lot more help for the people and not just a few with deep pockets.

4/10/2010 12:55 PM CDT on post-trib.com

RecommendReport Abuse

tcr wrote:

Pack your toothbrush, "Mr. President".

It won't be long now.

I think that by this time next year your new peers will have another name for you!

Better start singing a real sweet melody--with lots and lots of lyrics. If not, you'll surely be singing the blues instead.

This ain't American Idol, though. Here, the first one to sing wins!

4/10/2010 7:58 AM CDT on post-trib.com

RecommendReport Abuse

mr t wrote:

No one told Dan Klein he was a target of an FBI investigation either. Funny how money forced out the door in secretive meetings during the Klein administration to Plasmatrix cannot be accounted for.

4/10/2010 6:55 AM CDT on post-trib.com

RecommendReport Abuse

binmiller wrote:

TIC TOCK TIC TOCK TIC TOCK

4/10/2010 6:51 AM CDT on post-trib.com

RecommendReport Abuse

gi joe wrote:

Good news finally Scott, Haymon and Clay's "get rich" schemes are coming to light. Love the fact that the
Feds are sniffing around city hall. I always thought Haymon was a sleaze, as well as Scott. As far as Rudy the Rat goes, he's top sleaze.

4/10/2010 5:07 AM CDT on post-trib.com

Recommend

Russo, Stephanie

From: Beach46403@aol.com
Sent: Monday, April 12, 2010 9:54 AM
To: Russo, Stephanie
Subject: Gary City Court article in Post-Tribune 4/11/2010

Gary City Court in session, barely

Deal keeps City Court open, but more cost-cutting, closure possible

Comments

April 11, 2010
BY JON SEIDEL, (219) 648-3068

GARY -- Judge Pro Tem J. Maurice Patton took the bench around 9:30 Friday morning, facing a city courtroom filled with about 50 people.

Soon he was presiding over the day's traffic trials, listening as defendants argued against citations for crimes like failing to stop for a stop sign, parking where prohibited and driving without insurance.

This was a typical Friday morning for the Gary City Court. Judge Deidre Monroe said it sees 500 to 800 people every week, funded by a shrinking budget, now set at \$1.5 million. It hears traffic, domestic violence, drug-court cases and others. Defendants are left to sit on broken chairs as maintenance is deferred.

Gary City Court continues to be a cost-cutting target as cash dries up for city government. In a report last year, Gary's fiscal monitor suggested the city close the court, putting a new burden on the county court system and county taxpayers.

If it closes, Lake Superior Court Chief Judge John Pera said the county would be obligated to take on the extra work.

"Those cases have to be heard," Pera said. "They have to be filed somewhere. Where else are they going to turn but the Lake Superior Court system?"

Gary City Court appears to be safe for this year. Monroe, Mayor Rudy Clay and City Controller Celita Green said Friday they've reached an agreement to keep it running in 2010, pending an affirmative City Council vote at a special meeting Tuesday.

Specifically, the council needs to vote on a resolution outlining Gary's full financial plan for the year. It's possible other sticking points could come up, but council members have spoken out firmly against closing the court, praising its programs.

"I don't think that our city and our residents should be deprived of having our own court," Carolyn Rogers, D-4th District, said.

The Indiana Distressed Unit Appeals Board will also need to approve the plan. Gary is petitioning the board for a second year of budget relief, which comes in the form of higher property tax caps for Gary property owners. A decision could be made on the petition April 26.

No other city in Indiana is seeking DUAB relief, and the board's goal in Gary is to gradually enforce the state's property tax caps here by 2012.

That means Gary faces at least two more years of deeper budget cuts, and the court could be a perennial target for cost-cutting or closure.

Public Financial Management Inc., Gary's fiscal monitor, argues the court's criminal case filings dropped significantly from 29,892 in 2004 to 13,300 in 2007.

PFM said court revenue declined along with the filings, dropping 12 percent from 2007 to 2008. It said the state received more than 60 percent of the \$890,538 collected in fines, fees and other court costs.

Monroe attributes the drop in criminal filings to retirements at the Gary Police Department at the time, and she said criminal filings are starting to go back up. The court had 16,000 filings in 2008, she said, and 17,000 in 2009.

"The more, of course, cases come in, the more you collect," Monroe said.

Meanwhile, Lake County Councilman Larry Blanchard, R-Crown Point, sent a letter to the DUAB earlier this year to let its members know the county is not prepared to take on the financial burden of the Gary City Court.

"There's a cost associated with that," Blanchard said Friday. "It has to be something that is well thought out."

Assuming the court is saved this year, Clay said he wants Monroe to pursue federal grants to fund its drug court program.

"We've already found some federal grant money that we're going to ask her to apply for," Clay said.

Monroe said she already pursues federal drug-court grants aggressively. Gary was turned down for two last year, she said. She has applied for them again this year and has an eye on another two.

But she said such federal grants are typically intended to help start drug courts, not fund them indefinitely.

"It is not the intent of the federal government to sustain these things forever," Monroe said.



wizone wrote:

ITS OBVIOUS THAT SOME OF U HAVE NEVER HAD A PROBLEM. GARY'S COURT HELPS FAMILIES AND I WAS ON MY WAY DOWN TO TELL THE COUNCIL HOW MUCH WE NEED THIS COURT RIGHT HERE. THANK YOU JUDGE MONROE AND STAFF FOR CARING FOR EVERYDAY PEOPLE

4/12/2010 12:24 AM CDT on post-trib.com

RecommendReport Abuse

meeee wrote:

Gimme...gimme...gimme

Think the hand would get tired being outstretched and begging for gov't grants so often.

Got a lot of welfare recipients (young able men)...give them a hammer some nails and let them make some benches for the court room.

Gary is so out of hand with the crime and drivers breaking the law, they should be making a lot of money if they are making these law breakers pay a hefty fine.

4/11/2010 2:59 PM CDT on post-trib.com

RecommendReport Abuse

djuro jebi wrote:

Gary City Court operates so that friends of "important" people can have jobs where they make money for doing very little. It's the worst court in the state. It may be the worst in the country. The Clerk's office couldn't find its collective rear ends with both hands. And God's help.

4/11/2010 1:33 PM CDT on post-trib.com

[RecommendReport Abuse](#)

ms. tired wrote:

Monroe cut your salary!!!! With all the contracts you receive you still make a decent living. Oh, that's right you want the taxpayers to pay for your new home.

4/11/2010 10:27 AM CDT on post-trib.com

[RecommendReport Abuse](#)

ms. tired wrote:

Why was the court open on Friday? The City was closed, including the Stadium Grill. The Court is open but, departments that are grant funded are closed. The City is not saving money when individuals that are

paid with grant dollars work. Yet the Grill health department, community development and redevelopment were closed. WHY!!!!!!!!!!!!!! Most people are still unaware that the City is shutting down on furlough days.

4/11/2010 10:25 AM CDT on post-trib.com

[RecommendReport Abuse](#)

tcr wrote:

The Gary City Court is not about service; it's about power, control, nepotism, and cronyism.

Quite often, the court personnel far outnumber the defendants.

Too bad Mr. Blanchard. I don't think you have a choice in the matter. More municipalities than not in Lake County utilize the county court system in lieu of having their own. What are you really trying to say here? That your South County republican constituency doesn't want to bear the burden of Gary's cases? Hmmmm...some might consider that racist--well if not racist, classist to be sure.

The Gary City Court is about favoritism: it's all about who gets a pass and who gets the shaft.

Certain people in Gary will fight losing the court tooth and nail; because then all cases may suddenly get the objectivity that they are ALL entitled to receive.

The closure of the court would mark the dawning of a new day for Gary.

Broken chairs? More than half of the chairs in the courtroom are broken. And what do they do about it? Not a thing. And this is in this recently builtout courtroom!

They still are crying broke; but did they ever consider that maybe they should quit stealing so much?

4/11/2010 9:32 AM CDT on post-trib.com

[RecommendReport Abuse](#)

reality wrote:

I am sure Clay and Monroe will find a way to keep "Monroe laughing all the way to the bank; in spite of these hard economic times.

4/11/2010 9:29 AM CDT on post-trib.com

[RecommendReport Abuse](#)

w.d wrote:

Gary's court system is underfunded because there is no enforcement of the law. Gary motorists are the worst offenders on the road. Traffic signals and stop signs are disregarded like they don't exist. Turn signals never turn on. Vehicles sit on blocks with no plates. No mufflers,brakes or lights. Boom box noise

breaking ordinance's. Not only is this a treasure of revenue for any City court system but is is also a public safety issue. Gary by itself needs a return of the vehicle safety inspection sticker on the windshield's, if there is one. This inspection like the Gary branch of BMV was stopped because of scams and theft. With all this potential, Gary Mayor Rudy is alone in line begging for handouts and crying wolf. Go after offenders and open Night Court for new revenue and clean your dirty City.

4/11/2010 9:22 AM CDT on post-trib.com

Recommend

Russo, Stephanie

From: KRISekRIS00@aol.com
Sent: Wednesday, April 07, 2010 2:39 PM
To: Russo, Stephanie; KAPLAND@pfm.com; MANNG@pfm.com; barrickj@pfm.com
Subject: Gary City Council, Administration, et al

Ms. Russo et al,

I think that the members of the DUAB, as well as individuals from PFM, should make it a priority to get a copy of last night's Gary Common Council meeting (4/6/2010). After viewing it, I think it would be safe to say, that they could only conclude that the City of Gary--in its many forms, has no interest in coming into compliance with either the recommendations of the State, the DUAB, or PFM; nor do they seem prepared to adapt to any real-world budgets dictated by the actual money available to them. They are quite adept at telling the aforementioned groups what they think they'd like to hear, however, their actions contradict their words.

It was clear after listening carefully to last night's meeting, that both the majority of the council, and numerous members of the administration, are loath--if not completely averse--to complying with most of the recommendations being thrust on them. One senior member of the city council actually made a statement which was something to the effect that he wishes these people from Indy would all go to hell. Caren Jones made a statement to the effect that sometimes we are better off just having faith--that God may take care of things for the city. And you should hear what they said about the RDA!

If you think that cutting these people some slack is actually going to help the city, then you all might be just as misguided as they are. Very simply, they have no intention of doing the things that you want them to do; when you want them to; and most certainly not the way that you want them to. They plan to fight this thing every inch of the way. They have little or no connection to reality--absolutely none to any fiscal reality.

At the end of the meeting, the Mayor stated that he has laid off over 400 people--people, not positions! He lamented how difficult it was for him to make these cuts. He also stated that he has cut the budget over 37-million dollars. We all know that none of this is true. He though, really seems to believe it. Just more lies!

These people need a cold, hard dose of reality. Only the DUAB can deliver this much-needed dose by means of implementing the full brunt of the legislated tax caps. Anything less will just enable a very sick patient to endure a slower death. The sooner you pull the plug on this hopelessly diseased entity, the sooner we can begin nurturing some normal growth of the tax base. This diseased entity displaces the ability to grow the city's tax base; which I think everybody involved recognizes as the *ONLY* solution to Gary's woes.

Being nice does not fit into the equation anywhere. This matter calls for a swift, hard hand. Nothing less will do!

They are without any doubt, ruining the city. This city has never been as bad as it is now. Why would you want to be complicit in its ruination? You instead have a golden opportunity to help rescue it. Don't squander this opportunity as they have. It may not come up again!

No guts, no glory!

Sincerely,
Kris Edwards

Russo, Stephanie

From: Gary Votes [garyvotes@yahoo.com]
Sent: Monday, March 22, 2010 9:46 AM
To: Russo, Stephanie
Cc: D2ogg1@aol.com; Tom Eaton; Jon Seidel; Carole Carlson; Ted Prettyman; Carole Barnes; Carol Smith; Dan Lowery; Lee Botts; Lori Peterson; Pat Lee; Andy Young
Subject: Audit for Gary, Indiana - Lack of Compliance to State Law

Good morning, Ms. Russo,

This past weekend I was reading the State Board of Accounts Annual Financial Report for 2008 on the City of Gary.

It was interesting to note the concern of the State Board of Accounts over the non-compliance of the City of Gary with state law and procedure on management of its finances. There are 115 references throughout the document to issues of Gary's lack of compliance and it is of significant concern. Here is an excerpt from their Report (Page 107)

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance. Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

We consider the deficiencies in internal control over compliance described in items 2008-1 and 2008-3 through 2008-6 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

End of Text

I would strongly recommend that the Distressed Units Appeal Board NOT approve exemption of tax caps for the City of Gary until such time as they address their compliance with state law with regard to management of tax dollars.

I don't believe the DUAB can, in good conscience, approve any concession to the City of Gary until such time as the City of Gary comes into compliance with state law and regulations with regard to governance.

Respectfully submitted,

Richard Barnes, Ph.D.
Gary, Indiana

Russo, Stephanie

From: Gary Votes [garyvotes@yahoo.com]
Sent: Friday, March 12, 2010 11:12 AM
To: AYoung7550@aol.com; g.reising@sbcglobal.net
Cc: Gene@MillerBeach.com; GeneAyers@MillerBeach.com; george@roggeinsurance.com; D2ogg1@aol.com
Subject: Re: Fwd: FW: Hammond tax rates/?

Thanks, Andy...

I am in the process of digesting the information from DLGF but thank you for raising the question. To be sure, our taxes are directly affected by excessive government spending at the local level. Bad judgment on the part of Gary city officials impact our taxes.

For example of real neglect and/or incompetency, the State Board of Accounts in examining the 2008 financials for the City of Gary pointed out that:

From January 22 through 24, 2008, the Mayor was scheduled for a trip to Columbia, South Carolina through "FunJet Vacations" for himself and the Special Assistant to the Mayor, at a cost of \$1,724.80. The trip was subsequently canceled. A memo from "FunJet Vacations" regarding a refund indicated that the airline would allow an exchange of the airline tickets by January 14, 2009. The airline tickets were purchased at \$657 each, and the airline would require an exchange fee of \$150 each. Documentation was provided on July 13, 2009, to show that the Mayor exchanged the tickets on January 5, 2009, for a personal vacation; thus, the City did not receive any type of credit on the credit card. On June 26, 2009, the City received a check from the Mayor in the amount of \$1,102.40 to reimburse the City for the cost of exchanged tickets. Therefore, the City lost \$622.40.

and again...

In September, the Mayor and his assistant had hotel reservations at the Hyatt in Washington DC from September 24 through 27. The two did not keep the reservations, but did not cancel until October 1, resulting in a cancellation fee for the two rooms totaling \$566.78.

Either this is complete disregard for the taxpayer's money, or just plain indifference and/or incompetence. How difficult is it for Rudy Clay to turn to his secretary and say "Will you call Washington, DC and cancel those reservations?"

Let's keep on top of the spending issue since it directly affects what we pay in taxes. There is no evidence that Rudy Clay and his administration have made any changes in how they operate in mismanaging city funds.

Richard Barnes
Gary, IN

From: "AYoung7550@aol.com" <AYoung7550@aol.com>
To: g.reising@sbcglobal.net
Cc: Gene@MillerBeach.com; GeneAyers@MillerBeach.com; george@roggeinsurance.com; garyvotes@yahoo.com; D2ogg1@aol.com
Sent: Fri, March 12, 2010 9:17:58 AM
Subject: Fwd: FW: Hammond tax rates/????????????????????????????????

Note: Forwarded message is attached.

What do you think?

Russo, Stephanie

From: Gary Votes [garyvotes@yahoo.com]
Sent: Monday, March 08, 2010 11:05 AM
To: Russo, Stephanie
Cc: D2ogg1@aol.com
Subject: Status of Gary's Request for Exemptions

Good monring, Ms. Russo,

I would like to request an update on the status of the DUAB's position on granting the City of Gary's request for exemption from property tax caps.

I would like to share your report with members of the MCC at tonight's meeting. Have they made a decision or when can we expect it to be made public?

As you know, the MCC is against granting the City of Gary the right to assess its residents higher property taxes than other cities and towns in Indiana. The City of Gary has the highest tax rate for real estate in the state of Indiana and there is no indication that the city administration is making any changes in its management to cut city spending. Without having a recall provision in Indiana law, there is nothing Gary residents can do to correct this situation until the next election cycle (2011).

We really need members of the DUAB to deny the City of Gary its request. We feel that changes will not be made at the local level until the city administration is forced to make those changes. Granting them exemption for another year will only prolong the suffering of our property owners.

While the people of Indiana pay 1.7 percent of their annual income to property taxes, the people of Gary are paying 4.64 percent of their income on property taxes.

With higher property taxes we will be seeing more abandoned properties, more empty houses, more defaults on mortgages, more delinquencies on property tax payments, more property sold at the Sheriff's Tax Sale. (In November, the city of Gary listed 1,160 properties and only 464 were sold at the Sheriff's Tax Sale.)

The action of the DUAB is counter productive to the general health and welfare of the people of Gary. Please do not grant the City of Gary exemptions from the property tax caps that other citizens of Indiana enjoy.

Richard Barnes, Ph.D.
Vice-President
Miller Citizens Corporation

Allison G. Harrison
5934 Juniper Avenue
Gary, IN 46403
(219) 938-8847

Dear Ms. Russo:

Thank you so much for taking the time to listen to me and my husband's concerns about the property taxes we recently received. We have been living here for twenty (20) years and paying taxes...while making improvements on our home. Last year we found ourselves in this same situation, but there was a big difference. My husband was still working, and I had been laid-off for almost a year. We paid the taxes, even though they were nearly double the amount we paid previously. The problem is that we are using our retirement funds to stay afloat until something positive happens to stop this downward spiral. We cannot take another blow to our finances.

This letter is to express our concern with the pending DUAB vote, on 4-26-10, for approval of additional monies requested by the City of Gary, IN. Please note that **we do not** agree with the City's request because the burden of financial reimbursement to the DUAB falls disproportionately on the citizens in the Miller District. We reside in the Miller District in Gary and our property tax increased over \$1,600.00 dollars, as a result of the DUAB approval of additional money, for the 2008 pay 2009 tax year.

As you are aware, these are tough economic times for most people. Therefore, we understand why the City is unable to collect 100% of the property tax, but it is not fair for the City to expect the citizens who are paying taxes to make up the difference by increasing our property tax.

In addition, over the years, the City has routinely abused the City operating budget with excessive spending practices that were not warranted nor necessary to conduct City business. This situation is unfortunate for all parties involved. Besides, the City of Gary needs to learn to budget their expenses and operate within that budget. Please forward our concerns to the Distressed Unit Appeals Board.

Sincerely,

Allison G. Harrison