

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

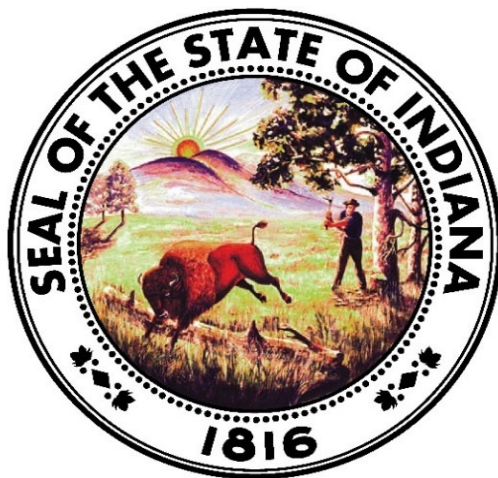
SPECIAL INVESTIGATION REPORT

OF

FAIRFIELD TOWNSHIP

TIPPECANOE COUNTY, INDIANA

January 1, 2019 to October 19, 2022



FILED
12/20/2023

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Transmittal Letter	3
Results and Comments:	
Background.....	4
Duties of the Trustee, and Functions and Purposes of a Township.....	4-5
Disbursements Either Lacking Supporting Documentation and/or Purchases Unrelated to a Township Purpose	5-17
Equipment and Furniture Purchased, Not at Township	17-20
Altered Invoice	20-22
Trustee Doing Business with Township - Conflict of Interest	23-29
Trustee Reimbursements	29-34
Rebates for Purchases	34-37
Penalties, Interest, and Other Charges	37-38
Undocumented Bank Withdrawals	38-39
Refunds Not Deposited	39
Overpayment Trustee Compensation.....	40
Special Investigation Costs	40-41
Official Bond Coverage.....	41
Advanced Payment	41-42
Tax Exemption.....	42-43
Internal Controls	43-44
Exit Conference.....	45
Summary of Charges	46
Affidavit.....	47

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STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY, INDIANA

This is a special investigation report for Fairfield Township (Township), Tippecanoe County, for the period January 1, 2019 to October 19, 2022, and is in addition to any other report for the Township as required under Indiana Code 5-11-1. All reports pertaining to the Township may be found at www.in.gov/sboa/.

We performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

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

August 28, 2023

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS

BACKGROUND

Taletha Coles (Coles) served as the Trustee for the Township for the period of January 1, 2019, until her resignation on October 19, 2022.

As Trustee, Coles was responsible for all financial processes of the Township. The financial processes included accounting for cash, investments, receipts, and disbursements, maintaining ledgers up to date, preparing financial statements, and ensuring the bank accounts were reconciled monthly. More specifically, Coles' responsibilities included: ensuring receipts were issued for all collections and that the collections were deposited timely into the Township bank account; ensuring checks written by either herself or a designated employee were only written and issued for properly supported and documented disbursements whether a vendor, credit card, or payroll disbursement. Checks should be signed by Coles, and Coles was responsible for ensuring all transactions were properly posted to the ledgers and allocated to the correct funds and appropriations.

The Indiana State Board of Accounts was notified of concerns relating to Township vendor and credit card disbursements. The Indiana State Board of Accounts examined the records and reviewed the accounting of the Township. The results of our investigation are described in the following comments.

DUTIES OF THE TRUSTEE, AND FUNCTIONS AND PURPOSES OF A TOWNSHIP

Ind. Code § 36-6-4-3 and 36-6-4-4 set forth the duties and powers of the Trustee (Executive), which include references related to the functions and purpose of a Township as follows:

Ind. Code § 36-6-4-3 Duties states in part:

"The executive shall do the following:

- (1) Keep a written record of official proceedings.
- (2) Manage all township property interests.
- (3) Keep township records open for public inspection.
- (4) Attend all meetings of the township legislative body.
- (5) Receive and pay out township funds.
- (6) Examine and settle all accounts and demands chargeable against the township.
- (7) Administer township assistance under [IC 12-20](#) and [IC 12-30-4](#).
- (8) Perform the duties of fence viewer under [IC 32-26](#).
- (9) Provide and maintain cemeteries under [IC 23-14](#).
- (10) Provide fire protection under [IC 36-8](#), except in a township that:
 - (A) is located in a county having a consolidated city; and
 - (B) consolidated the township's fire department under [IC 36-3-1-6.1](#).
- (11) File an annual personnel report under [IC 5-11-13](#). . . .

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

- (15) Provide and maintain township parks and community centers under [IC 36-10](#).
- (16) Destroy detrimental plants, noxious weeds, and rank vegetation under [IC 15-16-8](#).
- (17) Provide insulin to the poor under [IC 12-20-16](#).
- (18) Perform other duties prescribed by statute."

Ind. Code § 36-6-4-4 Powers states:

"The executive may do the following:

- (1) Administer oaths when necessary in the discharge of official duties.
- (2) Appoint an attorney to represent the township in any proceeding in which the township is interested.
- (3) Enter into certain oil and gas leases of township property under [IC 36-9](#).
- (4) Personally use a township vehicle for the performance of official duties, but only if the use is authorized by the township legislative body.
- (5) Exercise other powers granted by statute."

***DISBURSEMENTS EITHER LACKING SUPPORTING DOCUMENTATION
AND/OR PURCHASES UNRELATED TO A TOWNSHIP PURPOSE***

For the purposes of this investigation, the comment: *Duties of the Trustee, and Functions and Purposes of a Township* assisted with determining that the following purchases did not have an official Township business purpose.

Township Trustee Trainings

The Township's budgets for 2019, 2020, and 2021 included a line item for trainings in the amount of \$3,000, \$5,000, and \$5,000, respectively. Typically, Trustees attend Indiana State Board of Accounts trainings and trainings hosted by the Indiana Township Association. For the years 2019 through 2021, Coles spent \$24,268 for trainings which were not typical and lacked a clear and transparent Township business purpose, exceeding the appropriated amounts by \$11,268.

The trainings were charged to the Township credit card and consisted of 44 individual charges or transactions. The trainings had common themes of entrepreneurship and self-help for the mind, body, and spirit. These trainings were not focused on how to aid the people of the Township, provide fire protection, or provide and maintain the cemeteries, as described in the duties of the Trustee in the comment *Duties of the Trustee, and Functions and Purposes of a Township*.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

To the best of our ability per the documentation provided, we determined Coles paid for the trainings or portions of the trainings primarily from either the Township or Rainy Day Funds; however, payments were also made from the Township Assistance Fund. Per Ind. Code § 12-20, Township assistance funds are to be used by the Trustee to care for all poor individuals of the Township by providing basic necessities to these individuals. Further, Ind. Code § 12-20 allows for Township assistance money to be used to pay "necessary office and clerical or other help to properly administer township assistance."

The following is a list of the trainings, transaction dates (or summary of transaction dates), and amounts paid:

Vendor	Transaction Date	Amount Paid
<u>Tony Robbins</u>		
"7 Day Comeback Challenge PCC"	06-26-20	\$ 47.00
"Breakthrough Ultimate Edge (NEW)"	06-28-20	97.00
"Business Mastery - Paid in Full MU Client-Virtual"	08-18-20	3,995.00
"Ultimate Mastery - Momentum - MU/BM-Virtual"	07-20-20 to 07-19-21	11,695.00
"UPW-Diamond (Virtual) -w/Program Add On"	06-28-20	1,795.00
Description: Order from assessment.tonyrobbins.com	01-11-21	59.00
Tony Robbins - no order detail. Handwritten on paperwork "training for staff & township"	08-14-21	<u>99.00</u>
Total - Tony Robbins		<u>\$ 17,787.00</u>
<u>GAIA</u>		
Annual Plan	02-22-19	\$ 99.00
Annual Plan	03-23-20	99.00
No Vendor Invoice Provided	03-23-21	<u>99.00</u>
Total - GAIA		<u>\$ 297.00</u>
<u>HeartCore Business</u>		
No Vendor Invoice Provided	01-23-21	<u>\$ 2,300.00</u>
Total - HeartCore Business		<u>\$ 2,300.00</u>
<u>Masterclass</u>		
"Feb 24, 2020 - Feb 24, 2021 Annual Pass"	02-24-20	\$ 180.00
No Vendor Invoice Provided	02-25-21	<u>180.00</u>
Total - Masterclass		<u>\$ 360.00</u>

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Vendor	Transaction Date	Amount Paid
<u>Mastermind.com</u>		
No Vendor Invoice Provided	08-23-20	\$ 1.00
No Vendor Invoice Provided	09-13-20	97.00
No Vendor Invoice Provided	10-13-20	97.00
Start up plan - Dec 13 2020-Jan 13 2021 for \$97.00	11-13-20	97.00
Refund - Startup Plan - Nov 13-Dec 13 2020	12-13-20	(47.00)
Refund - Startup Plan - Dec 13 2020 -Jan 13 2021	12-13-20	(97.00)
Start up plan - Nov 13-Dec 13 2020 for \$47.00	12-13-20	47.00
No Vendor Invoice Provided	04-18-21	<u>1,997.00</u>
Total - Masterclass.com		<u>\$ 2,192.00</u>
<u>Mentorbox Online</u>		
"Powerful Audio Book Nuggets (Unlimited Access)"	06-18-19	\$ 89.00
"June 21, 2019 - Jun 21, 2020 - MentorBox Online - \$59/year"	06-21-19	59.00
No Vendor Invoice Provided	06-21-20	59.00
No Vendor Invoice Provided	06-21-21	<u>59.00</u>
Total - Mentorbox Online		<u>\$ 266.00</u>
<u>Mindvalley LC</u>		
Mindvalley Mentoring Plus - Annual Subscription	02-28-19	\$ 228.00
Mindvalley Mentoring Basic - Annual Subscription	02-28-19	95.88
Transaction Refund from Mindvalley LC for \$95.88	03-03-19	(95.88)
Mindvalley Mentoring Plus - Annual Subscription	02-28-20	228.00
No Vendor Invoice Detail of Services Provided	02-28-21	<u>228.00</u>
Total - Mindvalley LC		<u>\$ 684.00</u>
<u>Foot Lounge, Lafayette IN</u>		
No Vendor Invoice Detail of Services Provided	11-10-20	<u>\$ 270.00</u>
Total - Foot Lounge		<u>\$ 270.00</u>
<u>Silky Nails, Lafayette IN</u>		
No Vendor Invoice Detail of Services Provided	11-10-20	<u>\$ 112.00</u>
Total - Silky Nails		<u>\$ 112.00</u>
Totals		<u><u>\$ 24,268.00</u></u>

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

At the start of our investigation, for each of the trainings in the table above, 7 out of 44, totaling \$374.12, had supporting documentation (vendor invoices) that was itemized or descriptive of the services provided. Upon providing Coles a listing of all Township disbursements that did not have vendor invoices, Coles provided 22 additional vendor invoices on either April 6 or April 20, 2022, to support some of the trainings listed above. However, the supporting documentation does not substantiate the trainings were related to official Township business, which is governmental and not related to profit making or entrepreneurial endeavors. Furthermore, the online courses were generally designed for a single user. The user had to provide a user identification name and password to access the trainings on a single computer or electronic device such as a phone or tablet.

Descriptions of the trainings were obtained via researching the internet and the websites for Tony Robbins, GAIA, HeartCore Business, Masterclass, Mastermind, Mentorbox Online, and Mindvalley, LC. The following are excerpts:

- Tony Robbins: ". . . Tuition includes . . . bettering your body, emotions, physiology and finances. . . ."
- GAIA: "Answer life's deeper questions and go beyond the mainstream. . . ."
- Heartcore Business: ". . . an entrepreneurial training company . . . for building a profitable business. . . ."
- Masterclass: "Whether it be in business and leadership, photography, cooking, . . . Masterclass delivers a world class online learning experience. . . ."
- Mastermind: ". . . launching or scaling your own virtual course, workshop or mastermind . . ."
- Mentorbox: "Unlimited access to the ever-growing library of courses taught by world class authors and CEO's, . . ."
- Mindvalley: ". . . curriculum is designed to unleash the fullest potential of your mind, body, and spirit. . . ."

In an interview with Coles on August 10, 2022, Coles could not provide an explanation or had any recollection of any of the trainings she took. Coles stated that she had "various" trainings available to her staff as they all learned "differently."

As related to the Tony Robbins trainings, Coles stated that Tony Robbins provided training for business, finances, and emotional well-being. Some of the trainings included, "How to Train, How to Help Staff Learn Better, How to Help Your Staff, and How to Yourself Advance in Business." Coles stated the training was "equivalent to going to Purdue."

We interviewed two former employees, one was interviewed on July 26, 2022, and the second on August 24, 2022. The first employee stated she participated in an excel training. The second employee stated that there were no trainings and that she requested trainings, but nothing ever happened.

We contacted Tony Robbins regarding memberships. Per the Tony Robbins representative, he stated that "memberships are for an individual." We determined the above purchased memberships were not used for official Township purposes and were not indicative of group trainings for her staff.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Foot Lounge and Silky Nails

On November 10, 2020, Coles paid \$270 and \$112 to Foot Lounge and Silky Nails, respectively, both businesses in Lafayette, Indiana. Both were paid from the Rainy Day Fund. The disbursements from the Rainy Day fund are limited to the purpose as addressed in an ordinance or resolution adopted by the Township Board and subject to appropriation. The supporting documentation provided did not detail the type of services provided.

Per an interview with Coles on August 10, 2022, regarding these purchases, Coles stated the office was closed for the day; however, Coles stated this was during work hours and that she and her employees received massages and pedicures. Coles further stated that this was for employee training/bonding.

Per the interview of the two former employees on July 26, 2022, and August 24, 2022, the first employee stated she was instructed by Coles to lock the Township's doors and not let the Township Board members in for their meeting. The employees went to lunch, then went for hot stone massages and pedicures. This former employee stated it was for "team building." The second employee stated that there was "no team building, unless you consider (team building) going to the spa." This employee stated they were going to "go do a bonding day."

Equipment

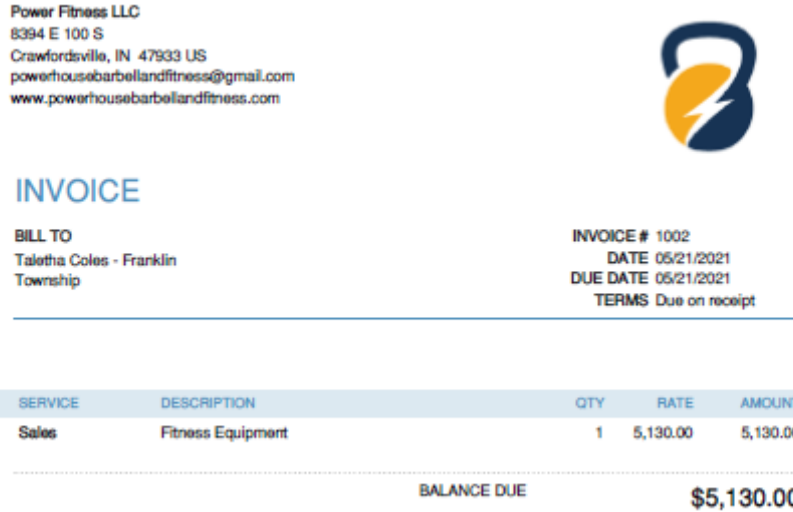
Gym Equipment - Power Fitness

On May 21, 2021, Coles paid Power Fitness, LLC \$5,130. The check was posted to the Rainy Day Fund. The invoice provided by Coles for investigation indicated "Health and Fitness Products for Fitness Room," with a listing of the equipment purchased as illustrated in the generic invoice pictured below from Coles:

<p>1/10/2022 Power Fitness LLC</p>	<p>Preview Invoice :: Skynova.com</p>	<p>INVOICE</p>																																			
<p>Fairfield Township</p>		<p>Invoice # 000000110 Invoice Date 05/21/2021 Due Date 05/21/2021</p>																																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Item</th> <th style="width: 45%;">Description</th> <th style="width: 15%;">Unit Price</th> <th style="width: 10%;">Quantity</th> <th style="width: 15%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Product</td> <td></td> <td style="text-align: right;">5130.00</td> <td style="text-align: right;">1.00</td> <td style="text-align: right;">5,130.00</td> </tr> <tr> <td colspan="4" style="padding: 5px;"> <p><small>NOTES: Health and Fitness Products for Fitness Room 3 Fitness exercise bikes, 1 Medicine Ball 1 Butterfly Machine 5 Cow Bells 1 Rowing Machine 2 Mats Large Mirror 8X6 2 Large Locker Units and 1 Step Box</small></p> </td> <td></td> </tr> <tr> <td colspan="3"></td> <td style="text-align: right;">Subtotal</td> <td style="text-align: right;">5,130.00</td> </tr> <tr> <td colspan="3"></td> <td style="text-align: right;">Total</td> <td style="text-align: right;">5,130.00</td> </tr> <tr> <td colspan="3"></td> <td style="text-align: right;">Amount Paid</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td colspan="3"></td> <td style="text-align: right;">Balance Due</td> <td style="text-align: right;">\$5,130.00</td> </tr> </tbody> </table>			Item	Description	Unit Price	Quantity	Amount	Product		5130.00	1.00	5,130.00	<p><small>NOTES: Health and Fitness Products for Fitness Room 3 Fitness exercise bikes, 1 Medicine Ball 1 Butterfly Machine 5 Cow Bells 1 Rowing Machine 2 Mats Large Mirror 8X6 2 Large Locker Units and 1 Step Box</small></p>								Subtotal	5,130.00				Total	5,130.00				Amount Paid	0.00				Balance Due	\$5,130.00
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			Balance Due	\$5,130.00																																	

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

We contacted Power Fitness, LLC and obtained a copy of their invoice. The picture below is the invoice obtained from Power Fitness, LLC:



Per the interview with Coles on August 10, 2022, she stated the equipment was purchased for a workout room at the Township, and she put the equipment in the garage behind the Township office. The garage was not heated or air conditioned. Coles stated that Township employees could use the workout equipment during their lunch or after work hours. Coles also stated that the equipment was in the way at the Cemetery Barn; however, there was an exercise bike at the Cemetery Barn which Coles would use when she went there.

On November 30, 2022, we inspected the Township properties, locating exercise equipment in the Township's garage and at the Cemetery Barn.

The official invoice obtained from Power Fitness, LLC was nondescriptive of the items purchased. In fact, the invoice indicated a quantity of "1." The generic invoice provided by Coles indicated several items were purchased. Neither invoice included details as to the make, model, or colors of the items purchased. Furthermore, the Township did not have a capital asset policy which addresses a dollar amount and/or other thresholds for determining items to be recorded as capital assets on a capital asset record. Coles did not maintain a record or listing of capital assets; therefore, we could not validate that the items we inspected were the same ones purchased on May 21, 2021, from Power Fitness, LLC.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)



(Pictures above at the Township Garage, taken by the SBOA on November 30, 2022)



(Pictures above at the Township Cemetery Barn inside and outside,
taken by the SBOA on November 30, 2022)

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Township Credit Card Transactions Reported as Fraudulent

Balance Transfer/Reported Fraud

Per the October 8, 2021 to November 7, 2021 credit card statement, 11 transactions or charges to the credit card were reversed by the credit card company, totaling \$2,290.15. Coles stated she called the credit card company to report fraudulent charges on the Township's credit card, and these charges were removed by the credit card company. However, on December 13, 2021, the credit card company added the charges of \$2,290.15 back to the Township's credit card.

There was 1 transaction totaling \$527.25 that was included with the fraudulent charges reported by Coles; however, Coles had already paid for this transaction with Township funds. The transaction was charged and listed on the prior month's credit card statement. This transaction was also supported by vendor invoice provided by Coles totaling \$527.25. A second transaction totaling \$10.44 that was included with the reported fraudulent charges was also supported by a vendor invoice. Both disbursements, totaling \$537.69, were reviewed, documented, and related to a Township purpose.

The reported fraudulent transactions, excluding the \$527.25 and \$10.44, were not documented with itemized vendor invoices and included charges to fast food restaurants, gas stations, and specialty, miscellaneous merchandise and grocery stores, as detailed below:

<u>Date</u>	<u>Description</u>	<u>Amounts</u>
10-09-21	Wendy's, Lafayette IN	\$ 27.97
10-09-21	Sherwin Williams, Lafayette IN	528.58
10-10-21	Dollar General, Lafayette IN	8.40
10-10-21	Kroger #843, Lafayette IN	105.95
10-13-21	SQ*IDOCTORINC, Lafayette IN	169.00
10-15-21	Walmart, Lafayette IN	454.94
10-16-21	Loves Travel, Demotte IN	20.00
10-17-21	BP, Demotte IN	81.67
10-17-21	Pay Less #827, Lafayette IN	355.95
	Total	<u>\$ 1,752.46</u>

Per the credit card statement, \$450 of the \$454.94 charge at Walmart was for a gift card.

Other - Credit Card Transactions

Apple.com

On July 27, 2020, there was 1 transaction paid by Coles with Township funds to Apple.com/bill totaling \$5.34. Per the vendor invoice, this was for the purchase from the App Store for "Tony Robbins Experience" app.

Bath and Body Works

On November 19, 2020, there was 1 transaction paid by Coles with Township funds to Bath and Body Works totaling \$66.34. Per the receipt, there were six body sprays purchased.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Almost two years later, per the interview with Coles on August 10, 2022, Coles stated, "It was for prizes for an Expo and the body sprays were still at the Township office in a box somewhere." Coles did not state what the Expo was, if it was cancelled, or how the body sprays would be awarded as prizes.

On November 30, 2022, there were five body sprays found in the Township office. Only two of the body spray scents were the same as the body spray scents indicated on the Bath and Body Works receipt from November 19, 2020.

CLKBANK.com

On December 30, 2019, there were 4 transactions paid by Coles with Township funds to CLKBANK.com totaling \$266.41. There was not enough information available to determine which fund each of these 4 transactions to CLKBank were posted.

Per internet research: CLKBank is a customer service website for customers who have purchased "Click Bank products online." Click Bank is an online marketplace.

The following schedule details the breakdown of payments to CLKBANK.com.

<u>Dates</u>	<u>Vendor</u>	<u>Amounts</u>	<u>Vendor Invoice Description</u>
12-30-19	CLKBANK.com	\$ 31.03	No Vendor Invoice Provided
12-30-19	CLKBANK.com	52.43	Medical Preparedness Package Digital Product: eBook
12-30-19	CLKBANK.com	84.53	The Lost Books Bundle Digital Product: eBook
12-30-19	CLKBANK.com	<u>98.42</u>	The Lost Book of Herbal Remedies Physical and Digital Physical Product Digital Product: eBook
	Total	<u>\$ 266.41</u>	

Dailyom.com

On March 29, 2020, there were 3 transactions paid by Coles with Township funds to "DailyOM.com" totaling \$45.

Per internet research, DailyOM.com offers transformational content and online courses taught by leading experts in mindfulness, personal growth, fitness, health, spirituality, and more.

The following schedule details the breakdown of payments to DailyOM.com.

<u>Dates</u>	<u>Vendor</u>	<u>Amounts</u>	<u>Vendor Invoice Description</u>
03-29-20	Dailyom.com	\$ 15	DailyOM Course - From Codependent to Independent
03-29-20	Dailyom.com	15	DailyOM Course - 14 days of strength and stretching
03-29-20	Dailyom.com	<u>15</u>	DailyOM Course - Goregous Youthful You in 21 Days
	Total	<u>\$ 45</u>	

Patriot Society

In 2021, Coles' purchases with Township funds from the Patriot Society without vendor invoices totaled \$158.42.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Per internet research: The Patriot Society ". . . takes preparedness and prudence seriously. Our goal is to deliver the best emergency products and survival gear right at your doorstep. We don't second guess, we say no to doubts, we take matters in our hands, and we want you to be part of it."

Survival

Coles used Township funds to pay \$7.44 to Survival without retaining and providing vendor invoices.

Per internet research, Survival appeared as "The Patriot Authority." The Patriot Authority ". . . was created out of a common passion for preparedness. Our goal is to be a knowledgeable and reliable source of information to help proud Americans protect their rights."

Sell It Here

Per internet research, Sell It Here is Lafayette's largest antique and resale mall.

There were 3 transactions paid by Coles with Township funds totaling \$821.62 to Sell It Here. The vendor invoices as reviewed included the purchase of bath towels, sheet sets, a blanket, a comforter, southwest style chairs, and a glass top table that we deemed related to a Township purpose since the Township maintains a shelter home which is furnished. We could not determine a Township business purpose or validate the items were on hand at any of the Township properties we inspected, including the shelter house, for the remaining items listed in the schedule below.

Dates	Vendor	Amounts	Vendor Invoice Description
02-09-19	Sell It Here, Lafayette IN	\$ 192.26	No itemized vendor invoice. Only credit card slip indicating total dollar amount.
11-16-20	Sell It Here, Lafayette IN	218.34	Shoeracks (2), Pinecone Ornament, 3pg statue, Critters, Nice Primitive Work Table, Framed Grinch Picture, Boots, Lg Green Glitter Tree, Crew Socks, Gold Glitter Tree, Old Painted Shelf Wool
11-17-20	Sell It Here, Lafayette IN	<u>67.02</u>	Wedding Memories, The Witch Is In Sign, Welcome Pig Sign, Floral Spray, Boyds Bear, Yellow Boots
	Total	<u>\$ 477.62</u>	

Venmo

Venmo is an online payment service. Venmo allows an individual or entity to pay and request money from friends. Venmo can also be used to make purchases with authorized merchants.

In 2021, there were 5 transactions paid by Coles with Township funds to "VENMO 8558124430 NY" totaling \$421.27. There weren't any vendor invoices, notations in the ledger, or other supporting documentation to indicate who was paid and for what they were paid. Per an internet search of the 10-digit number associated with the Venmo transaction, the 10-digit number was the contact phone number for Venmo.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Summary - Other Credit Card Transactions

The following schedule details the breakdown of other credit card transactions unrelated to the Township.

	2019	2020	2021	Totals
Apple.com	\$ -	\$ 5.34	\$ -	\$ 5.34
Bath and Body Works	-	66.34	-	66.34
CLKBANK.com	266.41	-	-	266.41
DailyOM.com	-	45.00	-	45.00
Patriot Society	-	-	158.42	158.42
Survival	-	-	7.44	7.44
Sell It Here	192.26	285.36	-	477.62
VENMO	-	-	421.27	421.27
Totals	<u>\$ 458.67</u>	<u>\$ 402.04</u>	<u>\$ 587.13</u>	<u>\$ 1,447.84</u>

Overall Summary - Disbursements Either Lacking Supporting Documentation and/or Purchases Unrelated to a Township Purpose: Trustee Trainings, Equipment, Township Credit Card Transactions, Other Credit Card Transactions

The following schedule summarizes and totals the *Disbursements Either Lacking Supporting Documentation and/or Purchases Unrelated to a Township Purpose* by subheadings: *Trustee Trainings, Equipment, Township Credit Card Transactions* and *Other Transactions* unrelated to the Township or a Township business purpose.

	2019	2020	2021	Totals
Township Trustee Trainings	\$ 475.00	\$ 13,682.00	\$ 10,111.00	\$ 24,268.00
Equipment	-	-	5,130.00	5,130.00
Township Credit Card Transactions	-	-	1,752.46	1,752.46
Other - Credit Card Charges	458.67	402.04	587.13	1,447.84
Totals	<u>\$ 933.67</u>	<u>\$ 14,084.04</u>	<u>\$ 17,580.59</u>	<u>\$ 32,598.30</u>

Ind. Code § 36-6-4-8 states in part:

"(a) The executive may use the township's share of state, county, and township tax revenues and federal revenue sharing funds for all categories of community services, if these funds are appropriated for these services by the township legislative body. The executive may use these funds for both operating and capital expenditures.

(b) With the consent of the township legislative body, the executive may contract with corporations for health and community services not specifically provided by another governmental entity. . . ."

Ind. Code § 12-20-4-1 states: "The township trustee may pay out of township assistance money the necessary office expense and clerical or other help necessary to properly administer township assistance."

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Ind. Code § 12-20-5-2 states:

"The township trustee, as administrator of township assistance, in each township is responsible for the oversight and care of all poor individuals in the township as long as the individuals remain in the trustee's charge. The township trustee shall see that the individuals are properly taken care of in the manner required by law."

Ind. Code § 12-7-2-20.5 states:

"Basic necessities', for purposes of [IC 12-20](#), includes those services or items essential to meet the minimum standards of health, safety, and decency, including the following:

- (1) Medical care described in [IC 12-20-16-2](#).
- (2) Clothing and footwear.
- (3) Food.
- (4) Shelter.
- (5) Transportation to seek and accept employment on a reasonable basis.
- (6) Household essentials.
- (7) Essential utility services.
- (8) Other services or items the township trustee determines are necessities."

Ind. Code § 36-1-8-5.1 states in part:

"(a) A political subdivision may establish a rainy day fund by the adoption of:

- (1) an ordinance, in the case of a county, city, or town; or
- (2) a resolution, in the case of any other political subdivision.

(b) An ordinance or a resolution adopted under this section must specify the following:

- (1) The purposes of the rainy day fund. . . .

(c) The rainy day fund is subject to the same appropriation process as other funds that receive tax money. . . ."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

We request Coles reimburse \$32,598.30 to the Township for disbursements unrelated to the Township. (See Summary of Charges, page 46)

EQUIPMENT AND FURNITURE PURCHASED, NOT AT TOWNSHIP

On November 30, 2022, we entered the Township offices, shelter house, garage, and cemetery grounds and buildings (all Township owned properties) to look for furniture and equipment paid for with Township funds for the period of this report. The following schedule is a breakdown of the transaction date of the purchase, a description of the purchase, and the amount paid for items not located at Township owned properties:

<u>Transaction Dates</u>	<u>Description</u>	<u>Amounts</u>
03-22-19	3 pc. Dining Room Set - Table and 2 Chairs	\$ 167.99
04-11-19	White Caresoft Plus Executive Conference Chair	245.00
06-25-19	Metrovac Peak HP Portable Vacuum Cleaner/Blower	269.99
06-25-19	Invation 70 Pint Energy Star Dehumidifier - Large Capacity	219.99
07-06-19	2.7 cu ft Refrigerator	109.00
08-12-19	9" Gas Edger	<u>229.00</u>
	TOTAL - 2019	<u>1,240.97</u>
08-05-20	Pruning saw	649.95
08-05-20	Easy2start edger	259.95
08-14-20	Apple Headphones	169.99
10-31-20	Cordless Rotary Hammer	329.00
11-07-20	7" 120V Rigid Tabletop Tile Saw	<u>99.00</u>
	TOTAL - 2020	<u>1,507.89</u>
04-03-21	Umbrella	59.67
04-12-21	Hand held Steamer	<u>39.96</u>
	TOTAL - 2021	<u>99.63</u>
04-25-22	Kslim Kcup Brewer 46oz Reservoir	<u>82.20</u>
	TOTAL - 2022	<u>82.20</u>
	Total - 2019-2022	<u><u>\$ 2,930.69</u></u>

Repairs to Item, Not at Township

On April 13, 2021, there was one transaction paid by the Township to "LS*VIRTUOUS CCYLES LAFAYETTE IN" totaling \$240.58.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

The vendor invoice was for a work order on a traditional 24 Trike Black bike with 24" wheels. The vendor invoice stated, "customer would like us to order and install a replacement rear wheel with new washer and nut, install 3 matching tires, fix front brake, fix chain guard, straighten stem, repair anything else that needs it 03/31/21." We could not determine a Township business purpose for the repairs to the trike bike.

Per inquiry with Township employee, Dan Donahoe (Donahoe), maintenance worker, on August 28, 2023, this was a black trike bike brought to the cemetery by Coles. The bike was not at the Township very long because it took up too much space. Donahoe did not recall the exact period when this took place. Due to the lack of capital asset listing and/or a capitalization policy, it is unclear if this bike was Township property, how it was disposed of, or if it was something that belonged to Coles.

Apple iPhone

In March 2019, using Township funds, Coles began making monthly payments to the Township's mobile phone service provider for the purchase of an Apple iPhone. The Apple iPhone was financed for 30 monthly installments of \$48.34. On August 16, 2021, Coles paid off the Apple iPhone totaling \$1,449.99.

The Apple iPhone was not located at the Township after Coles resigned.

Apple Watch

In November 2020, using Township funds, Coles began making monthly payments to the Township's mobile phone service provider for the purchase of an Apple watch. The Apple watch was financed for 30 monthly installments of \$11.00 per month. On November 14, 2022, the month after Coles resigned, the Township's acting Trustee paid off the Apple watch totaling \$76.99.

The Apple watch could not be located at the Township after Coles resigned.

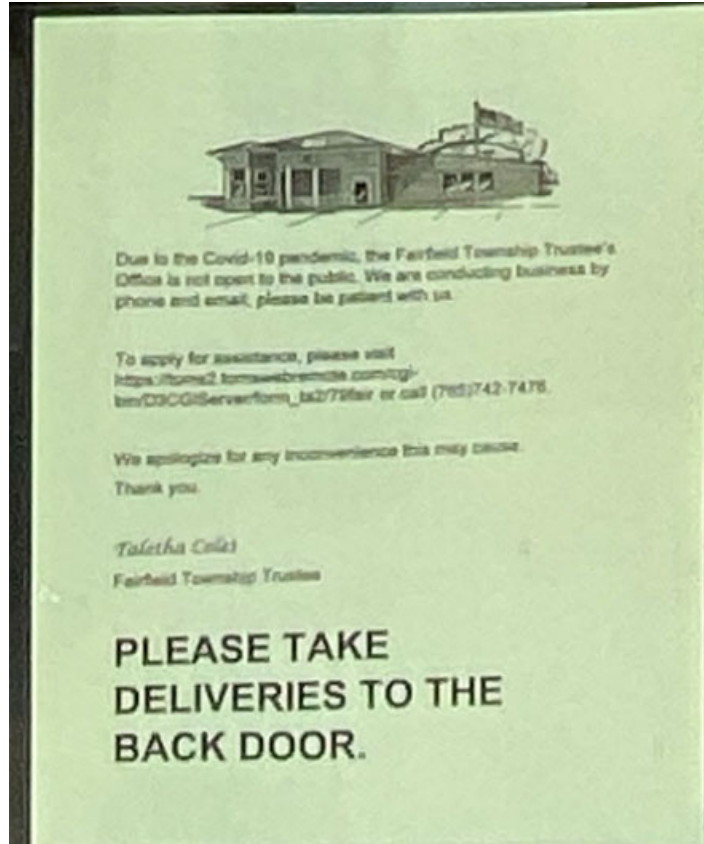
The following schedule details the breakdown of the Apple phone and watch payments by year:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Totals</u>
Apple iPhone	\$ 483.40	\$ 580.08	\$ 386.51	\$ -	\$ 1,449.99
Apple Watch	-	22.00	132.00	175.99	329.99
Totals	<u>\$ 483.40</u>	<u>\$ 602.08</u>	<u>\$ 518.51</u>	<u>\$ 175.99</u>	<u>\$ 1,779.98</u>

The payments to the mobile service provider for mobile services, including the purchase payments for the Apple iPhone and Apple Watch were recorded to the Township, Township Assistance, and/or Rainy Day funds. The phone numbers associated with each of these mobile devices were not made available to the public as required to be considered an allowable disbursement from the Township Assistance funds.

As indicated by the picture below, when the office was closed due to COVID, it was the office phone number, not any of the mobile phone or mobile device numbers, that was provided for those in need of assistance.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)



(Picture above from the Township outside door,
taken by Indiana State Police on May 5, 2022)

Per review of the ledgers, receipts, and deposit tickets, we did not note where any of the above items had been sold or otherwise disposed of by Coles. In addition to the items not being located at any of the Township properties, none of the items were recorded as capital assets as a capital asset register was not maintained by Coles.

Summary - Equipment and Furniture Purchased, Not at Township

The following schedule details the breakdown of equipment and furniture purchased, but not found at the Township.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Totals</u>
Equipment and Furniture Purchased, Not at Township	\$ 1,240.97	\$ 1,507.89	\$ 99.63	\$ 82.20	\$ 2,930.69
Repairs to Item, Not at Township	-	-	240.58	-	240.58
Apple iPhone	483.40	580.08	386.51	-	1,449.99
Apple Watch	-	22.00	132.00	175.99	329.99
Totals	<u>\$ 1,724.37</u>	<u>\$ 2,109.97</u>	<u>\$ 858.72</u>	<u>\$ 258.19</u>	<u>\$ 4,951.25</u>

Please be advised Indiana Code 12-20-5.5-3 provides the Trustee shall ensure adequate access to Township assistance services, including a published telephone number in the name of the Township.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Documentation should be retained to provide evidence that a personal phone number has been provided to the public as the contact number for the Township office. Common examples of acceptable documentation would include: a copy of the listing in a telephone directory, signage at the township office or a public building, listing on a governmental unit's website, etc. Using Township funds to pay for personal use of telephone, cell phone, or internet services without a documented and approved Township policy may be the personal obligation of the responsible official or employee.

The State Board of Accounts will not take audit exception to reasonable cellular phone expenditures if Township owned cellular telephone(s) exist for which the Township has a listing in the telephone directory in the name of the Township. The Township must maintain a detailed listing from the cellular service company showing the Township business nature of all calls made.

The State Board of Accounts will not take audit exception to reasonable internet expenditures if the township Internet service is in the name of the township and approved by the township board in accordance with IC 36-6-8-3.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

Assets of the unit may not be used in a manner unrelated to the functions and purposes of the unit.

Each unit must have policies in place governing the use and safekeeping of assets. This should include the use of logs, i.e. vehicle use, and de minimis use as appropriate.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

We request Coles reimburse the Township for furniture and equipment purchased by Coles with Township funds, but were not found at the any of the Township properties in the amount of \$4,951.25. (See Summary of Charges, page 46)

ALTERED INVOICE

On September 4, 2020, a charge was made on the Township's credit card to Tire Barn for \$120.36. Based upon the invoice provided for the investigation, there was a handwritten notation on the invoice "Crown Vic" as pictured below:

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
 RESULTS AND COMMENTS
 (Continued)



TIRE BARN # 1103
 423 SAGAMORE PARKWAY NORTH
 LAFAYETTE, IN 47904
 (765)448-6161

PAGE 1

Guest ID: 1103160164	Year:	Date/Time: 09/04/20 16:35:42
Name: TALETHA COLES	Make:	Estimate #: 639846
Address: 1	Model:	Invoice #: 475843
Address 2:	Lic No:	PO Number:
City, State, Zip: 1, IN, 1	VIN:	Unit Number:
Home Phone: (765) 426-7438	Color:	Email Address: x
Work Phone: () -	Engine:	Fleet/Wholesale: N
Other Phone: () -	Mileage In: 0	Est Created On: 09/04/20 10:43:07
Fax Exempt #:	Mileage Out: 0	
Manager: ZECHARIAH WORLEY	Inspect Due:	

Services Requested:
 LOOSE

Qty	Part #	Car Loc	Description	Part	Labor	Amount
Tire Pressure Spec: FRONT: 32 REAR: 32 Wheel Torque: 80						
INCLUDED WITH EVERY VISIT						
1	CI		COURTESY INSPECTION			NO CHARGE
1		A	* COP ULTRA TOURNG		114.99	114.99
DOT Numbers: k65caaad2419						
1	TR2	A	Mfg. Date: 24th week of 2019		3.65	3.65
1	INTT	A	TIRE RECYCLING FEE		0.25	0.25
			IN STATE TIRE TAX			118.89
			TOTAL TIRE:			
1	LTI	A	Lifetime Install Package Includes: Mounting, Balancing, Standard Valve Stem, TPMS Inspection&Reset if applicable Alignment Check, Wheel Torque PLUS: Lifetime Balancing, Lifetime Rotation, Lifetime Tire Repair		29.99	29.99
			TOTAL TIRE SERVICE:			29.99

*** Customer Wishes To Discard Old Parts ***

RAY TYPE: M/C 120.36 Date: 9/4/2020 APPROVAL #: 00412E ENTRY: CHIP
 CREDIT CARD #: XXXX-XXXX-XXXX-7967
 ID: A000000041010 Terminal ID: 092498001

Crown Vic

SEE NEXT PAGE


INVOICE INVOICE TIRE BARN # 1103 INVOICE

If we gave you great service today, please give us a 5-star review. <https://goo.gl/ypxJhn>

CUSTOMER COPY

In looking at the invoice, we observed much of the information at the top was missing, such as the year and the make and model of the vehicle, so we contacted Tire Barn. Tire Barn provided us with their store copy of the invoice. The Tire Barn store copy of the invoice indicated it was for a 2016 Honda Civic as pictured below:

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)



TIRE BARN # 1103
423 SAGAMORE PARKWAY NORTH
LAFAYETTE, IN 47904
(765)448-6161

PAGE 1

Guest ID: 1103150154 Name: TALETHA COLES Address: 1 Address 2: City/State/Zip: 1, IN, 1 Home Phone: (765) 426-7438 Work Phone: () - Other Phone: () - Tax Exempt #: Manager: ZECHARIAH WORLEY	Year: 2016 Make: HONDA Model: CIVIC EX-L Lic No: VIN: Color: Engine: L4 1.5L 16V DOHC TBO ID-L15B7 Mileage In: 0 Mileage Out: 0 Inspect Due:	Date/Time: 09/04/20 16:35:42 Estimate #: 638940 Invoice #: 475843 PO Number: Unit Number: Email Address: x Fleet/Wholesale: N Est Created On: 09/04/20 10:43:07
--	---	--

Services Requested:
LOOSE

Qty	Part #	Car Loc	Description	Part	Labor	Amount
Tire Pressure Spec: FRONT: 32 REAR: 32 Wheel Torque: 80						
1	90000020210C	A	COP ULTRA TOURING CS5 Tire Size: 215/55R16 Speed Rating: H Ply: 04 Load Range: B Sidewall: BLK Load Index: 93 Mileage Warranty: 70000	114.00	0.00	114.00
DOT Numbers: K85caad2419						
1	TR2	A	Mfg. Date: 24th week of 2019 TIRE RECYCLING FEE	3.85	0.00	3.85
1	INTT	A	IN STATE TIRE TAX	0.25	0.00	0.25
TOTAL TIRE:						118.89
1	LTI	A	Lifetime Install Package Includes: Mounting, Balancing, Standard Valve Stem, TPMS Inspection&Reset if applicable Alignment Check, Wheel Torque PLUS: Lifetime Balancing, Lifetime Rotation, Lifetime Tire Repair	0.00	29.99	29.99
TOTAL TIRE SERVICE:						29.99

*** Customer Wishes To Discard Old Parts ***

PAY TYPE: MIC 120.36 Date: 9/4/2020 APPROVAL #: 00412E ENTRY: CHIP
 CREDIT CARD #: XXXX-XXXX-XXXX-7967
 AID: A0000000041010 Terminal ID: 092498001

SEE NEXT PAGE
THIS IS A REPRINT OF AN INVOICE. DO NOT PAY THIS INVOICE TWICE! (Reprinted: 02/09/22 10:16:51)

CUSTOMER COPY

Per an interview with Coles on August 10, 2022, Coles stated that she wrote "Crown Vic" on the invoice she provided to us for the investigation. When presented with the invoice we obtained from Tire Barn, Coles confirmed that she had a Honda Civic. Coles stated that she could not explain the invoice discrepancies, but stated if the Tire Barn invoice was correct, she would repay the money to the Township.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

We requested Coles reimburse the Township for the altered invoice in the amount of \$120.36. Coles reimbursed \$121 to the Township on August 31, 2022. (See Summary of Charges, page 46)

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

TRUSTEE DOING BUSINESS WITH TOWNSHIP - CONFLICT OF INTEREST

Per an interview with Coles on August 10, 2022, Coles stated that she would examine all of the invoices, post the payments to the Township's financial software, and prepare and sign the checks. There were numerous instances where Coles sold the Township her own personal property. These transactions in the aggregate exceeded \$250 per year.

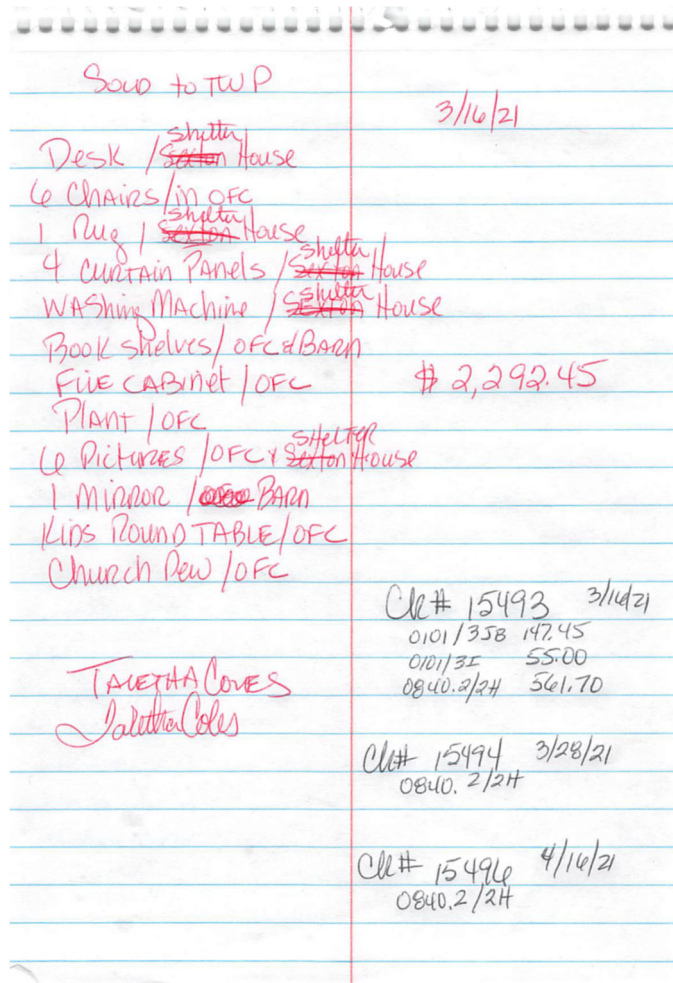
Based upon the circumstances, the Indiana State Board of Accounts would have expected to receive conflict of interest disclosures for all of these purchases and transactions. There were not any on file during the investigation period that covered any of these matters.

The following parts of the report will discuss the circumstances surrounding the aforementioned purchases.

Circumstances involving Conflict of Interest Disclosure

Checks 15493, 15494, 15496

The following image is the supporting documentation provided by Coles for the three checks, check numbers 15493, 15494, and 15496, Coles issued to herself for items she sold to the Township totaling \$2,292.45.



FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Check 15534

On May 14, 2021, Coles issued check number 15534 to herself in the amount of \$1,650.78. This check included items totaling \$935 that Coles sold to the Township. These items are included on the invoices pictured in the comment titled *Trustee Reimbursements*, subheading: *Partial Undocumented and Duplicate Reimbursement* (Illustration A and B) (See page 31). Based upon the supporting documentation, the following details the items and cost of the items sold by Coles to the Township, totaling \$935:

Location	Detail	Amounts per Illustration B	Paid to Coles	Cost of Items Sold by Coles
Office	Table	\$ 54.00	\$ 18.00	\$ 18.00
Not Indicated	Stain for Planters	66.00	22.00	22.00
Board Rm/Shelter	Furniture	400.00	133.33	133.33
Shelter House	Curtains	320.00	106.67	106.67
Shelter House	Rug	200.00	66.67	66.67
Not Indicated	Furniture	700.00	233.33	233.33
Not Indicated	Mattresses (2 twin, 1 Queen)	350.00	116.67	116.67
Cemetery	Lawn tools, "Plater", Yellow Bike	55.00	18.33	18.33
Not Applicable	Stookey's Diner	102.00	34.00	-
	Subtotal for Illustration B	<u>\$ 2,247.00</u>	<u>\$ 749.00</u>	
Not Applicable	Still owed - Breakdown from Illustration B		\$ 749.00	\$ -
Barn	Table		20.00	20.00
Office	Patio Furniture		200.00	200.00
Office	Plants and Office Cleaner 5/14/21*		150.00	-
Not Applicable	Electric Permit 10/20/20*		200.00	-
Not Applicable	Gas*		7.50	-
Not Applicable	Food/Employee Appreciation*		20.07	-
Not Applicable	Gas*		23.20	-
Not Applicable	Gas*		20.01	-
Not Applicable	Gas*		61.00	-
Not Applicable	3/27/2021*		200.00	-
	Total Illustration A, Paid to Coles		<u>\$ 1,650.78</u>	<u>\$ 935.00</u>

* - Addressed in Comment Titled:
"Trustee Reimbursements - Partial Undocumented and Duplicate Reimbursement"

Per an email follow-up to Coles on September 22, 2022, we inquired with Coles on where these items were purchased from and if Coles could provide vendor invoices for the items. We also inquired if these were items that Coles sold directly to the Township. Coles responded and stated, "These were items I sold directly to the Township."

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Check 16145

On June 28, 2022, Coles issued check number 16145 to herself for \$3,500 based upon the following generic invoice copies, which clearly indicates the vendor as "Taletha Coles."

INVOICE			
Taletha Coles		Date: 6/28/22 INVOICE # 001	
		To: Fairfield Township Trustee 718 Wabash Ave Lafayette, IN 47905	
Salesperson		Job	Due Date
		Due on receipt	
Qty	Description	Unit Price	Line Total
1	Mahogany Desk		
1	Mahogany Hutch		
2	Armless chairs		
			Subtotal 3,500.00
			Sales Tax
			Total 3,500.00

Make all checks payable to Company Name
Thank you for your business!

TALETHA COLES

3,500.00

NON-NEGOTIABLE

Posted to financial and appropriation record

INVOICE			
Taletha Coles		Date: 6/28/22 INVOICE # 001	
		To: Fairfield Township Trustee 718 Wabash Ave Lafayette, IN 47905	
Salesperson		Job	Due Date
		Due on receipt	
Qty	Description	Unit Price	Line Total
1	Mahogany Desk		
1	Mahogany Hutch		
2	Armless chairs		
			Subtotal 3,500.00
			Sales Tax
			Total 3,500.00

6/28/22
TALETHA COLES SOLD
OFFICE DESK/HUTCH/chairs
to the township for \$3,500.00
TRUSTEES OF FURNITURE

T. Coles
Taletha Coles
6/28/22

to Company Name
ur business!

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Deposit - October 17, 2022

On October 17, 2022, a deposit was made into the Township's bank account for \$520. Per the Township receipt and ledger, the transaction was recorded as "Sale of Investments." The deposit ticket image follows:

8043
DEPOSIT TICKET

Lafayette Bank & Trust
Lafayette Bank and Trust Company, National Association
Lafayette, Indiana

#700 DATE 10/17/22

Bought bed room
slip & scrap
flooring

	DOLLARS	CENTS
CURRENCY	520	00
COIN		
LIST EACH CHECK		
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
TOTAL FROM OTHER SIDE OR ATTACHED LIST		
\$	520.00	

FAIRFIELD TOWNSHIP
718 WABASH AVE
LAFAYETTE, IN 47905-1053

↑ Trip owed ML \$200 difference in currency
Deposit - \$200 + \$320.00 = \$520.00

Sold washer & Dryer to Trip & Grace
I bought grey Dryer from Trip for \$400

PLEASE BE SURE ALL ITEMS ARE PROPERLY EMPLOYED. COMMENSURATE WITH PURCHASE.

TOTAL ITEMS

71-100-749

520.00

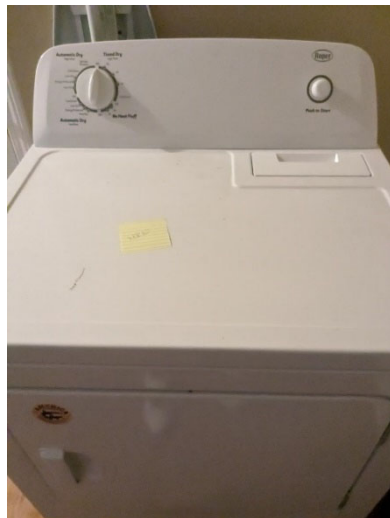
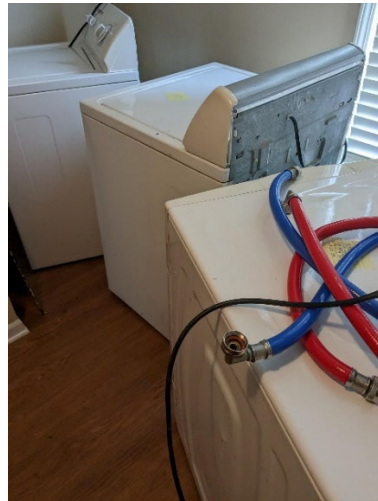
(The SBOA edited out the Township account number on the document above.)

The illustrated deposit ticket above is incomplete and inadequate supporting documentation for any of the transactions listed on the deposit ticket.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Per a walk-through to inventory furniture and equipment on hand at Township properties, we noted four washing machines and three dryers at the Township shelter house. Only one washer and one dryer were hooked up, and they were both Roper brands. Vendor invoices from Lowes indicated the purchase of a new Roper branded washer and dryer on December 31, 2018. Invoices and/or checks indicated Coles purchased other washers and dryers from individuals as well.

There were not any records of appraisals or determinations of the fair market values of the items sold by Coles to the Township or purchased by Coles for the Township from other individuals. There were not any makes, models, or other identifiers of the furniture, appliances, and equipment purchased to enable us to validate the items were at the Township. Furthermore, there was not any capital asset register maintained to validate items purchased by Coles from Township funds were the same as those located at the Township.



FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Summary - Trustee Doing Business with Township - Conflict of Interest

The following schedule details the checks paid to Coles for items Coles sold to the Township.

<u>Check Dates</u>	<u>Check Numbers</u>	<u>Check Amounts</u>
03-16-21	15493	\$ 764.15
03-28-21	15494	764.15
04-16-21	15496	764.15
05-14-21	15534	935.00
06-28-22	16145	<u>3,500.00</u>
Total		<u>\$ 6,727.45</u>

Pursuant to Ind. Code § 35-44.1-1-4(b) states:

"A public servant who knowingly or intentionally:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with an action by the governmental entity served by the public commits conflict of interest, a Level 6 felony."

Per Indiana Code 35-31.5-2-261, Coles, as Trustee, was an elected "public servant" for purposes of Ind. Code § 35-44.1-1-4(b). Further, Coles' "purchases" over a 12 month period exceeded \$250. See Ind. Code § 35-44.1-1-4(c)(2).

In certain circumstances, it will not be a conflict of interest if a "disclosure" is properly completed and filed in accordance with the enumerated list at Indiana Code 35-44.1-1-1(d). See Ind. Code § 35-44.1-1-4(c)(6). In any event, Coles did not file any disclosures for any of the "purchases" identified below.

A disclosure in compliance with Ind. Code § 35-44.1-4-4(d), must meet the following requirements:

- "(1) be in writing;
- (2) describe the contract or purchase to be made by the governmental entity;
- (3) describe the pecuniary interest that the public servant has in the contract or purchase;
- (4) be affirmed under penalty of perjury;
- (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;
- (6) be filed within fifteen (15) days after final action on the contract or purchase with:

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

(A) the state board of accounts; and

(B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

Conflict of interest disclosures must be completed on Gateway.

The attorney for the unit or a private attorney must be consulted in regard to whether a conflict of interest disclosure statement must be filed and whether the format of the disclosure is sufficient.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

We requested Coles reimburse \$6,727.45 to the Township for the Trustee doing business with the Township - Conflict of Interest. (See Summary of Charges, page 46)

TRUSTEE REIMBURSEMENTS

As part of the investigation, we examined all reimbursements made to Coles and found the following issues related to the reimbursements:

- Disbursements claimed for reimbursement were undocumented and/or did not have supporting documentation;
- Reimbursement amounts exceeded the total of the invoices provided to support the reimbursement;
- Disbursements claimed for reimbursement had been refunded directly to Coles personally by the vendor;
- Disbursements claimed for reimbursement were not related to a Township business purpose.

Undocumented Reimbursements

No mileage claims forms, mileage logs, or vendor invoices were provided for the following reimbursements made to Coles in 2019, 2020, and 2021, despite numerous requests to Coles for supporting documentation.

Check Date	Check Amount	Information from Check or Ledger
12-31-19	\$ 2,267.92	Mileage for 2019 Year
12-31-19	144.94	Reimbursements for 2019
12-01-20	22.97	Reimbursements for Charges on personal card from Michaels
09-14-21	289.97	Materials for office flooring
Total Undocumented Reimbursements:	<u>\$ 2,725.80</u>	

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

On June 25, 2019, Coles purchased and paid for flooring on the Township credit card. Coles paid Seth Bell (Bell), a former Township employee as well as a former contractor who did work for the Township, to install flooring in July and August 2019. Coles paid Bell to install the flooring in July and August 2019 as a contractor. Payments to Bell totaled \$2,120; however, the invoices include more than just installation of flooring.

On December 1, 2020, Coles paid RJ McCormick \$9,500 for carpet removal and tile installation based upon a proposal signed on November 3, 2020.

No invoices for floor installation were found in 2021; therefore, we were unable to determine what or where the materials were used for the additional office flooring reimbursed to Coles on September 14, 2021. While at the Township on November 30, 2022, we discovered a significant stock of flooring materials that remains unused, but we could not determine when the flooring was purchased.



(Picture above at the Township garage,
taken by the SBOA on November 30, 2022)

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Partial Undocumented and Duplicate Reimbursement

On May 14, 2021, Coles issued check 15534 to herself for \$1,650.78 based upon the following:

Description	Amount
5/14/21	
+ 20.00 table @ room GB	
+ 200.00 PATIO FURNITURE sold to twp ofc	
+ 749.00 still camp	
+ 150.00 Plants & ofc cleaner 5/14/21 GB/ofc	
+ 200.00 Elec permit 10/22/20 GB	
7.50 gas	
20.07 gas Food/Employee appreciation	
23.20 gas	
200.00 already paid of \$749	
20.01 gas	
61.00 gas	
200.00 - 3/21/21 100/100 GB/ofc	
1650.78	
Gas = 111.71	
GB = 375.00	
OP = 395.07	

(Illustration A)

Description	Amount
Bath @ Harrison	
Letter of Direction - Showing I'm in	
Chair of the estate &	
Death Certificate	
Reimburse 102.00 dinner for	
help/guidance/etc for 4 rounds	
@ Columbus	
54.00 TABLE ofc - Home	
106.00 Stain for Planters	
400.00 Furniture Shutter BO Room	
320.00 Curtains Shutter house	
200.00 New LV Shutter house	
700.00 P&P FURNITURE	
350.00 MATTRESSES (2 TWIN - 100 ea)	
(1 queen - 150)	
55.00 LAWN tools GB & PATIO - yellow bike	
\$2145 TWP owes me	
+ \$102 Steakys Diner - Business Dinner on	
way back from Newbery	
\$2297.00 TOTAL TWP owes me	
= 3	
749.00 3 parts	
20.00 for table @ room 4 parts	
200.00 PATIO FURNITURE for ofc	
gas	

(Illustration B)

The following is an analysis of the \$1,650.78 check amount Coles paid to herself:

Description	Amounts
Total Check Amount	\$ 1,650.78
Less: Included in Comment:	
Trustee Doing Business with Township -	
Conflict of Interest, (see page 23-29)	(935.00)
Less: Supported by Undisputed Vendor Invoices	(135.08)
Balance Remaining	<u>\$ 580.70</u>

Of the remaining balance of \$580.70 above, \$380.70 remains as undocumented reimbursements paid to Coles, and \$200 is considered a duplicate payment as follows.

On October 23, 2020, Coles issued a check to Bell for \$200 for an electric permit based upon the following supporting document (generic invoice):

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

From		INVOICE		
Seth Bell				
Your address				
To				
Fairfield Township				
Customer address				
		Invoice # 0000009		
		Invoice Date 10/23/2020		
		Due Date 10/23/2020		
Item	Description	Unit Price	Quantity	Amount
Service		200.00	1.00	200.00
		0.00	0.00	0.00
<input type="button" value="New Line"/>				
Notes				
Seth paid for electrical permit for Greenbush Cemetery				
		Subtotal 200.00		
		Total 200.00		
		Amount Paid 0.00		
		Balance Due \$200.00		

https://www.skynova.com/template/invoice?c1=MSN_SE_NW&source=USA_INV&kw=invoice_exm&cr5=77240825954792&cr7=nc&agc=1400000&key... 1/1

The vendor invoice provided to support this May 14, 2021 reimbursement to Coles was a copy of the invoice from the City of Lafayette for a commercial electric permit dated October 20, 2020. The City of Lafayette invoice was stamped paid on October 22, 2020, but indicated it was paid by Electric Plus, Inc., not by either Bell or Coles; however, we did not observe a payment to Electric Plus, Inc for any work performed at the Township.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Summary - Trustee Reimbursements

The following is a summary of Trustee reimbursements:

Trustee Reimbursements	2019	2020	2021	Totals
Undocumented Reimbursements	\$ 2,412.86	\$ 22.97	\$ 289.97	\$ 2,725.80
Partial Undocumented and Duplicate Reimbursement	-	-	580.70	580.70
Reimbursements in Excess of Supporting Documentation	-	-	29.50	29.50
Refunded Reimbursements	209.46	-	-	209.46
Township Purpose Reimbursement	11.00	-	-	11.00
Totals	<u>\$ 2,633.32</u>	<u>\$ 22.97</u>	<u>\$ 900.17</u>	<u>\$ 3,556.46</u>

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

We requested Coles reimburse the Township for trustee reimbursements in the amount of \$3,556.46. (See Summary of Charges, page 46)

REBATES FOR PURCHASES

Menards Rebates

Menards, a home improvement store, frequently offers 11 percent rebates on purchases made at their stores as well as other rebate offers. The rebates can only be used at Menards on future purchases. On the Menards website, there is a link to the "Rebate Center." The "Rebate Center" provides information on the rebates issued, including: the name of the individual or entity a rebate was issued to, the address of the recipient, the purchase dates and amounts for which a rebate was issued, a description of rebate, the rebate number, rebate amounts, and when the rebates were redeemed. When rebates are redeemed on future purchases, the vendor invoices indicate the rebate number and the rebate redemption amount used towards the purchase.

In total, there were 55 rebates issued for Township purchases, with 8 of the rebates being issued to Bell via his residential address and 47 were issued to Coles via either the Township office address (8) or her residential address (39).

Coles

The following schedule details the total Menards purchases made on the Township's credit card and the total rebate amounts received by Coles and redeemed.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Years of Redeemed Rebates	Township Purchases from Menards for Rebates	Menards Rebate	Rebate Amounts Redeemed
2019	\$ 676.65	11%	\$ 74.43
2020	-	11%	-
2021	8,690.25	11%	955.95
2022	<u>4,191.65</u>	11%	<u>461.07</u>
Totals	<u>\$ 13,558.55</u>	11%	<u>\$ 1,491.45</u>

Bell

The following schedule details the total Menards purchases made on the Township's credit card and the total rebate amounts received by Bell and redeemed.

Years of Redeemed Rebates	Township Purchases from Menards for Rebates	Menards Rebate	Rebate Amounts Redeemed
2020	\$ 521.54	11%	\$ 57.36
2021	537.87	11%	59.16
2022	<u>94.58</u>	11%	<u>10.40</u>
Totals	<u>\$ 1,153.99</u>	11%	<u>\$ 126.92</u>

We did not find any of the rebates redeemed by either Coles or Bell being applied to Township purchases, as the use of the rebates would have been documented on the invoices paid by the Township.

Unredeemed Rebates

There were 6 remaining rebates issued to Coles for Menards purchases that have not been redeemed as of March 22, 2023. We did not find on any Menards invoices paid by the Township where any portion of these rebates were applied to the purchase prices of items purchased for the Township, as they would have been documented on the invoices paid by the Township. These rebates need to be returned to the Township.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Years of Township Purchases	Township Purchases from Menards for Rebates	Menards Rebate	Rebate Amounts Not Redeemed
2019	\$ 71.85	11%	\$ 7.90
2020	2,075.34	11%	228.29
2022	<u>58.90</u>	11%	<u>6.48</u>
Totals	<u>\$ 2,206.09</u>	11%	<u>\$ 242.67</u>

Per an interview with Coles on August 10, 2022, Coles stated that she would sometimes take advantage of the rebates to help offset the costs for doorknobs and materials. Furthermore, Coles stated that the rebates were in the name of the Township with Coles name and delivered to the Township office, except during COVID, when she had the mail delivered to her home. We inquired with Coles as to why Bell would have received rebates for Menards purchases made by the Township, but Coles did not directly answer that question.

Summary - Menards Rebates

The following schedule summarizes the total Menards purchases made on the Township's credit card and the total rebate amounts redeemed that were received by Coles and Bell.

Years of Redeemed Rebates	Township Purchases from Menards for Rebates	Menards Rebate	Rebate Amount Redeemed by Coles	Rebate Amount Redeemed by Bell	Total Rebate Amount Redeemed by Coles and Bell
2019	\$ 676.65	11%	\$ 74.43	\$ -	\$ 74.43
2020	521.54	11%	-	57.36	57.36
2021	9,228.12	11%	955.95	59.16	1,015.11
2022	<u>4,286.23</u>	11%	<u>461.07</u>	<u>10.40</u>	<u>471.47</u>
Totals	<u>\$ 14,712.54</u>	11%	<u>\$ 1,491.45</u>	<u>\$ 126.92</u>	<u>\$ 1,618.37</u>

Any compensation, premium, bonus, or product earned as a result of the purchase of goods or services by the unit becomes the property of the unit. Any amounts received by an official or employee may be the personal obligation of the responsible official or employee. (Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Uniform Compliance Guidelines Manual for Townships, Chapter 1)

We requested Coles reimburse the Township for purchasing bonuses or rebates redeemed by Coles in the amount of \$1,491.45. (See Summary of Charges, page 46)

We requested Bell reimburse the Township for purchasing bonuses or rebates redeemed by Bell in the amount of \$126.92. (See Summary of Charges, page 46)

PENALTIES, INTEREST, AND OTHER CHARGES

From January 1, 2019 to August 10, 2022, the Township incurred and paid penalties, interest, and other charges to the credit card company totaling \$1,665.06 because Coles did not properly or timely remit payments. The payments of the penalties, interest, and other charges were determined to have been paid from the Township, Township Assistance, and Rainy Day funds.

As addressed in Ind. Code § 12-20, Township assistance funds are to be used by the Trustee to care for all poor individuals of the Township by providing basic necessities to these individuals. Further, Ind. Code §12-20 allows for Township assistance money to be used to pay "necessary office and clerical or other help to properly administer township assistance."

Further, as addressed by Ind. Code § 36-1-8-5.1, rainy day funds are restricted to use established by the ordinance or resolution adopted by the Township Board and appropriation.

Ind. Code § 12-20-4-1 states: "The township trustee may pay out of township assistance money the necessary office expense and clerical or other help necessary to properly administer township assistance."

Ind. Code § 12-20-5-2 states:

"The township trustee, as administrator of township assistance, in each township is responsible for the oversight and care of all poor individuals in the township as long as the individuals remain in the trustee's charge. The township trustee shall see that the individuals are properly taken care of in the manner required by law."

Ind. Code § 12-7-2-20.5 states:

"Basic necessities', for purposes of [IC 12-20](#), includes those services or items essential to meet the minimum standards of health, safety, and decency, including the following:

- (1) Medical care described in [IC 12-20-16-2](#).
- (2) Clothing and footwear.
- (3) Food.
- (4) Shelter.
- (5) Transportation to seek and accept employment on a reasonable basis.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

- (6) Household essentials.
- (7) Essential utility services.
- (8) Other services or items the township trustee determines are necessities."

Ind. Code § 36-1-8-5.1 states in part:

"(a) A political subdivision may establish a rainy day fund by the adoption of:

- (1) an ordinance, in the case of a county, city, or town; or
- (2) a resolution, in the case of any other political subdivision.

(b) An ordinance or a resolution adopted under this section must specify the following:

- (1) The purposes of the rainy day fund. . . .

(c) The rainy day fund is subject to the same appropriation process as other funds that receive tax money. . . ."

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

We requested Coles reimburse the Township for late fees and interest incurred in the amount of \$1,665.06. (See Summary of Charges, page 46)

UNDOCUMENTED BANK WITHDRAWALS

Coles withdrew cash from the Township's bank account on two occasions in 2021. Both were recorded on the bank statements as check transactions, with each designated as check number 99. Detailed records from the bank showed that both transactions were supported by checking account withdrawal slips, both signed by Coles.

The cash withdrawals were recorded in the Township ledger with vendor names of two different individuals, the following illustrates the dates, funds, appropriation and amounts of each:

<u>Date</u>	<u>Fund</u>	<u>Appropriation</u>	<u>Amounts</u>
03-19-21	Township Assistance	Shelter	\$ 800
05-17-21	Township	Care of Cemeteries	620
Total			<u>\$ 1,420</u>

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

We requested supporting documentation from Coles on March 30, 2022, May 9, 2022, and September 21, 2022, to support how the funds were used; however, Coles did not provide any supporting documentation for these withdrawals.

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by law. (Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

We requested Coles reimburse the Township for undocumented bank withdrawals in the amount of \$1,420. (See Summary of Charges, page 46)

REFUNDS NOT DEPOSITED

On July 6, 2019, purchases were made at Walmart and charged to the Township's credit card totaling \$184.87. Subsequently, on July 12, 2019, items that were included on the July 6, 2019 invoice were returned to Walmart. A credit was not applied to the Township's credit card for the return, instead a refund of \$74 cash was tendered.

We reviewed the Township's receipts and deposits from July 1, 2019 to October 19, 2022. We did not find \$74 cash receipted and deposited back to the Township.

Proceeds generated by the sale or rental of property must be receipted into the fund which originally purchased the property unless otherwise provided by law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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 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 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

We requested Coles reimburse the Township for refunds not deposited in the amount of \$74. (See Summary of Charges, page 46)

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

OVERPAYMENT TRUSTEE COMPENSATION

Coles received \$54,999.88, \$58,160.46, and \$56,045.08 in Trustee compensation for the years, 2019, 2020, and 2021, respectively; however, in 2019 and 2020 Coles received paychecks on January 3, 2019, and January 2, 2020, respectively, in the amount of \$2,115.38 each, which effectively was Trustee compensation paid in advance of services provided. This advance compensation, beginning in 2019, resulted in an overpayment of \$2,115.46 in 2020 when the compensation received exceeded the salary approved in the resolution of \$56,045.

Per the February 9, 2021 Township Board minutes, Coles presented the Township Board a repayment agreement for salary overpayment. Coles proposed and the Township Board signed a repayment schedule that stated \$44.91 would be deducted from each of Coles' paychecks for the next 48 pay periods totaling \$2,155.68.

From March 11, 2021 to December 2, 2021, Coles withheld a total of \$898.20 from her paycheck for the salary overpayment. The repayment stopped after December 2, 2021. We determined that \$1,217.26 is still owed by Coles for the salary overpayment for the year 2020.

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 law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

The trustee cannot receive any compensation in excess of what is noted on the salary resolution for the trustee. It is very important that the township board makes it clear what that total salary of the trustee will be and for what duties he/she will perform on the salary resolution. The State Board of Accounts is of the audit position that the compensation provided by a township board in accordance with IC 36-6-6-10 on the salary resolution is all inclusive for all duties performed. We will request reimbursement for any payments received above the compensation established for the trustee, board members or other employees. (Township Bulletin and Uniform Compliance Guidelines, March 2020)

We requested Coles reimburse the Township for the overpayment of compensation in the amount of \$1,217.26. (See Summary of Charges, page 46)

SPECIAL INVESTIGATION COSTS

The State of Indiana incurred costs in the amount of \$84,483.17 due to the special investigation of the Township.

Ind. Code § 5-11-1-27(m) states:

"If the attorney general institutes civil proceedings related to this section or under [IC 5-11-5-1](#), the attorney general shall seek, in addition to the recovery of any funds misappropriated, diverted, or unaccounted for, restitution of

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

- (1) costs incurred by the state board of accounts; and
- (2) all costs and reasonable attorney's fees incurred by the attorney general;
in connection with the civil proceedings."

Audit costs incurred because of poor records, nonexistent records, or any other inadequate book-keeping practices, or because of theft or a shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

We requested Coles reimburse the State of Indiana for the special investigation costs in the amount of \$84,483.17. (See Summary of Charges, page 46)

OFFICIAL BOND COVERAGE

The Trustee obtained the following official bonds:

<u>Period</u>	<u>Amounts</u>
01-01-19 to 12-31-19	\$ 30,000
01-01-20 to 12-31-20	30,000
01-01-21 to 12-31-21	30,000
01-01-22 to 12-31-22	30,000

ADVANCED PAYMENT

On December 16, 2022, the Township requested and received copies of a contract and invoices between the Township and a law firm. The contract stated that "the Client shall not be required to pay the law firm an initial retainer. All amounts will be billed monthly and are payable upon receipt."

There was one invoice that Coles paid that was not included with the invoices sent from the law firm.

On October 11, 2022, just eight days prior to Coles' resignation, Coles used Township funds to pay \$10,000 to the law firm. Per the invoice from the law firm, also dated October 11, 2022, the payment was for "replenishment for continued representation."

The current Trustee has made requests for the contract, and details on how the \$10,000 advance payment has been used, as well as if there is a balance remaining. As of the date of this report, no details have been provided to the Township as to how the funds have been or to show the remaining balance left, if any.

Ind. Code § 36-6-4-4 states in part:

"The executive may do the following: . . .

- (2) Appoint an attorney to represent the township in any proceeding in which the township is interested. . . ."

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Compensation and any other payments for goods and services must not be paid in advance of receipts of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

TAX EXEMPTION

Use of Tax Exemption Certificate by an Individual

Purchases for non-Township items were made by Coles, and others using the Township's tax exemption certificate; thus, not being charged sales tax on the purchases. Methods of payments included cash, and non-Township credit cards.

There were 16 transactions totaling \$3,330.75 that were paid by Coles personal credit cards using the Township's tax-exemption certificate. Some of the known purchases included: a ceiling light, fence panels, a yard game, essential oils, a beekeeping guide, and a window air conditioner. We calculated unpaid sales tax on these known items to be \$233.15.

General Rules for use of Menards' Rebates

The dollar amount of purchases paid with Menard's rebates are exempt from sales tax, regardless of tax exemption status i.e., an individual subject to payment of sales tax on a purchase would receive goods tax-free for the portion of the purchase paid with a Menards' rebate.

Use of Menard's Rebates by Coles and Bell

Both Coles and Bell used rebates earned on Township purchases, but none of the items purchased were found at the Township and none of the rebates were shown as redeemed on other Township purchases from Menards.

For example, on June 5, 2021, Coles made two significant purchases which were paid entirely from Menards rebates. The purchases included a 40-gallon water heater totaling \$438 and a sliding barn door trolley kit, bathtub spout, cat food, cat litter, and other miscellaneous items totaling \$313.70. The items were not located at Township properties and/or did not have a Township related purpose; thus, Coles bypassed paying sales tax of \$52.62 on purchases benefitting herself rather than the Township.

If these rebates had not been used inappropriately, Coles and Bell would have paid sales tax totaling \$104.40, and \$8.88, respectively.

For the Menards rebates used by Coles and Bell, we calculated the amount of the sales tax bypassed by using the total dollar amount of the rebate used, without the consideration of any amounts for items purchased which would have been tax exempt, such as food purchases.

An Indiana Electronic Sales Tax-Exempt Certificate was signed electronically by Coles for qualifying purchases made at Menards. The following was certified by Coles per the Certificate:

"Items are being purchased by the 0003125424 of the United States Federal Government and the Federal Identification Number is 35-6003251.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

I hereby certify under the penalties of perjury that the property purchased by the use of this exemption certificate is to be used for an exempt purpose pursuant to the State Gross Retail Sales Act, Indiana Code 6-2.5, and the item is not a utility, vehicle, water craft, or aircraft. I confirm my understanding that misuse, (either negligent or intentional), and/or fraudulent use of this certificate may subject both me personally and/or the business entity I represent to the imposition of tax, interest, and civil and/or criminal penalties."

Other Tax-Exempt Purchases

If there were purchases made by the Township credit card or by Township check, that was deemed as not a Township related purpose as addressed in other comments throughout this report, we did not calculate the amount of sales tax that was not paid.

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

INTERNAL CONTROLS

Deficiency in Internal Control - Segregation of Duties

There were no internal controls evident, such as oversight, review, or approval processes, over the Township funds, including disbursements. Coles was the sole person responsible for all financial processes of the Township, including:

- writing, issuing, and posting checks for disbursements;
- obtaining and maintaining supporting documents (invoices) for vendor disbursements;
- approving disbursements and ensuring compliance with budget;
- reconciliation of the bank accounts;
- preparation of the Township budget; and
- preparation of the financial statements.

There was no oversight of Township financial activity on an ongoing basis by another individual. The failure to establish these internal controls enabled misstatements or irregularities to go undetected.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Adoption of the Township Budget

The Township budgets for 2021 and 2022 were not submitted or approved by the Township Board.

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 27, 2023, with Monica Casanova, Trustee; and Susan Schechter, Secretary of the Township Board.

FAIRFIELD TOWNSHIP, TIPPECANOE COUNTY
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Taletha Coles, former Trustee:			
Disbursements Either Lacking Supporting Documentation and/or Purchases Unrelated to a Township Purpose, pages 5 through 17	\$ 32,598.30	\$ -	\$ 32,598.30
Equipment and Furniture Purchased, Not at Township, pages 17 through 20	4,951.25	-	4,951.25
Altered Invoice, pages 20 through 22	120.36	121.00	(0.64)
Trustee Doing Business with Township - Conflict of Interest, pages 23 through 29	6,727.45	-	6,727.45
Trustee Reimbursements, pages 29 through 34	3,556.46	-	3,556.46
Rebates for Purchases, pages 34 through 37	1,491.45	-	1,491.45
Penalties, Interest, and Other Charges, pages 37 and 38	1,665.06	-	1,665.06
Undocumented Bank Withdrawals, pages 38 and 39	1,420.00	-	1,420.00
Refunds not Deposited, page 39	74.00	-	74.00
Overpayment Trustee Compensation, page 40	1,217.26	-	1,217.26
Special Investigation Costs, pages 40 and 41	<u>84,483.17</u>	-	<u>84,483.17</u>
 Total - Taletha Coles, former Trustee	 <u>138,304.76</u>	 <u>121.00</u>	 <u>138,183.76</u>
 Seth Bell, former Township employee:			
Rebates for Purchases, pages 34 through 37	<u>126.92</u>	-	<u>126.92</u>
 Totals	 <u>\$ 138,431.68</u>	 <u>\$ 121.00</u>	 <u>\$ 138,310.68</u>

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

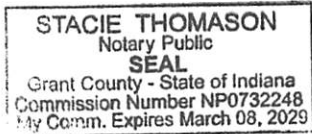
AFFIDAVIT

STATE OF INDIANA)
)
GRANT COUNTY)

I, Kristin Campbell, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of Fairfield Township, Tippecanoe County, Indiana, for the period from January 1, 2019 to October 19, 2022, is true and correct to the best of my knowledge and belief.

Kristin Campbell
Field Examiner

Subscribed and sworn to before me this 11th day of December, 2023



Stacie Thomason
Notary Public

My Commission Expires: 3-8-29

County of Residence: Grant