

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

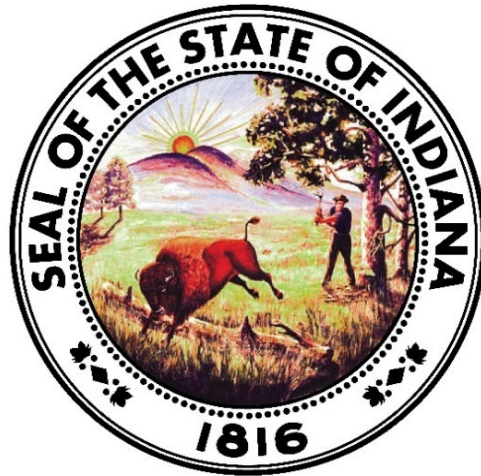
SPECIAL INVESTIGATION REPORT

OF

TOWN OF WINSLOW

PIKE COUNTY, INDIANA

August 1, 2022 to June 30, 2023



**FILED**  
04/25/2024

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**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF WINSLOW, PIKE COUNTY, INDIANA

This is a special investigation report for the Town of Winslow (Town), for the period August 1, 2022 to June 30, 2023, and is in addition to any other report for the Town as required under Indiana Code 5-11-1. All reports pertaining to the Town may be found at [www.in.gov/sboa/](http://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 and were limited to records associated with mileage claim reimbursements. 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.

The 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

January 9, 2024

## TOWN OF WINSLOW RESULTS AND COMMENTS

### **BACKGROUND**

Beth Bennett (Bennett) was appointed as the Clerk-Treasurer for the Town on August 6, 2022. Bennett assumed all responsibilities of the Clerk-Treasurer, including making bank deposits of the utilities and the Town's collections. Making bank deposits required Bennett to travel to another Town nearby, which resulted in her requesting reimbursement for mileage. Bennett prepared the mileage claims and submitted them for approval and payment along with all other claims.

In July 2023, a Town Council member became aware of irregularities on the mileage claims and contacted the Indiana State Board of Accounts in accordance with Indiana Code 5-11-1-27 to express the concerns. The Indiana State Board of Accounts examined documentation from the Town, and the following describes the results of the noncompliance with the *Accounting and Uniform Compliance Guidelines Manual for Cities and Towns*.

### **OVERPAYMENT OF MILEAGE CLAIMS**

Between August 1, 2022 to June 30, 2023, Bennett was paid a total of \$2,857.51 in mileage claim reimbursements. An investigation of the mileage claims determined that Bennett should not have been paid the amount of \$1,544.70 for the following reasons:

- The mileage rate used to calculate the reimbursement was not proper. The travel policy of the Town required the Clerk-Treasurer to use the state's mileage rate which is lower than the rate used on the mileage claims. The Town's travel policy states in part: Section 10.1.5 Reimbursement for Transportation (C.); "An employee using a personal vehicle shall be reimbursed at the same reimbursement rate as approved by the State of Indiana for State employees."
- Dates on some mileage claims were already reimbursed on a previous mileage claim.
- Dates on some mileage claims were on weekends or holidays.
- For some of the dates listed on the mileage claims, no amounts were collected, and no deposits were made.

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, 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 Cities and Towns, Chapter 1)

We requested Bennett reimburse the Town for the overpayment of mileage claims in the amount of \$1,544.70. (See Summary of Charges, page 10)

### **SPECIAL INVESTIGATION COSTS**

The State of Indiana incurred additional audit costs due to the special investigation of the Town records.

TOWN OF WINSLOW  
RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-11-1-27(m) states in part:

"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:

- (1) Costs incurred by the state board of accounts; . . ."

We requested Bennett reimburse the State of Indiana \$1,455 for special investigation costs. (See Summary of Charges, page 10)

**INTERNAL CONTROLS**

The Town Council did not implement sufficient internal controls to detect, prevent, or reduce the identified risks over mileage claims which allowed for the overpayment of mileage claims to Bennett. The Town Council should implement internal controls that ensure the mileage claims have creditable information prior to approving them for payment.

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. These 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. . . ."

**OFFICIAL BOND**

The following is information regarding the official bond for Bennett.

<u>Period</u>	<u>Amount</u>
03-03-23 to 12-31-23	\$ 50,000

TOWN OF WINSLOW  
EXIT CONFERENCE

The contents of this report were discussed on December 21, 2023, with Tara Baham, Clerk-Treasurer; Joni Stafford, President of the Town Council; Amy Barber, Town Council member; and Alexis Rusch, Town Council member.

The contents of this report were discussed on January 9, 2024, with Beth Bennett, former Clerk-Treasurer.

# OFFICIAL RESPONSE

JANUAURY 18, 2024

**REFERENCE:** SPECIAL INVESTIGATION REPORT

TOWN OF WINSLOW

PIKE COUNTY, INDIANA

August 1, 2022, to June 30,2023

To Whom It May Concern;

In response to the audit of records associated with mileage claim reimbursements, the following statements are true to the best of my ability.

## **Mileage Claims**

I, Beth A. Bennett, was provided copies of the Town of Winslow's bank statements pertaining to the Water and Wastewater accounts dated August 2022 to June 2023. It is my understanding the audit focused on said mileage claim dates the corresponded with the deposit dates on the said bank statements.

However, it was not considered that I made deposits into various bank accounts belonging to the Town of Winslow. An example would be the general account and others. ***Please note, I was not provided with bank statements other than Water and Wastewater.***

Also, note that several times a week I drove to the bank to obtain change for the cash drawer in the office when customers made their utility payments. **Many** times, I went to the bank twice in one day because it was not communicated to me that the office needed change. *I did not charge the town for those trips.*

**\*\*Mileage claim spreadsheet attached in the email with explanations for dates in question.**

There were also occasions when I was required to go to the Dollar General store for office supplies. As the clerk treasurer, I was required to take documentation to the county courthouse to be recorded. Up until the last few months I was the clerk treasurer, I was the only one bonded and allowed to take the money to the bank.

### **Mileage Rate**

Using the Federal mileage rate instead of the State mileage rate was a complete oversight. Beginning in August 2022, I followed suit from what the previous clerk had used. Using the incorrect mileage rate was not deliberate.

The town council that served in office for the term of 2022, approved the mileage claims so it did not occur to me that I was using the incorrect rate. In either January or February 2023, the new town council approved the mileage rate. I do not have a copy of those meeting minutes although I requested documentation from the current clerk treasurer, Tara Baham and received no response.

Nothing was brought up about the mileage claims until one of the claims I had presented to Town Council President, Joni Stafford and I was not able to provide her with an acceptable answer pertaining to the claim. Shortly after that, an investigation was launched to audit mileage claims I had written.

### **Investigation**

When the investigation began, I was not informed of anything. I was not told who the two men were that showed in town hall or what their purpose was. I reached out to the State Board of Accounts for answers on several occasions and did not receive a response from them. I was ignored by the town president and my deputy clerk.

All of this was happening while I was going through an exceedingly tough time with my health. My diabetes was out of control, and I was unable to be in the office and I needed to leave early. But although I was ill, I made sure the banking was done.

I was completely kept in the dark when it came to functions of the office. I received no updates from anyone.

In the beginning of March 2023, I was diagnosed with Stage Four colon cancer. I kept the town council and deputy clerk updated on the status of my health. During the time I was out of the office, online transfers and other transactions were being done that I was not aware of.

### **Town of Winslow Audit**

The Town of Winslow also received an audit around the same time in which the State Board of Accounts identified the town had not established a *system of internal controls*. The towns' travel policy that was provided for the Investigaton was never shown to me.

### **In Conclusion**

I feel that if there had been better communication between myself and the town council, this could have been avoided.

I am currently on permanent disability due to being diagnosed with Stage Four colon cancer.

The Town of Winslow is a small community in which I have resided most of my life and my character and morals are in question. This entire situation has taken a toll on my health. I certainly am not the only one at fault.

Respectively,

Beth A. Bennett

TOWN OF WINSLOW  
SUMMARY OF CHARGES  
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Beth Bennett, former Clerk-Treasurer:			
Overpayment of Mileage Claims, page 3	\$ 1,544.70	\$ -	\$ 1,544.70
Special Investigation Costs, pages 4 and 5	<u>1,455.00</u>	<u>-</u>	<u>1,455.00</u>
Totals	<u>\$ 2,999.70</u>	<u>\$ -</u>	<u>\$ 2,999.70</u>

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

AFFIDAVIT

STATE OF INDIANA            )  
Jefferson COUNTY) )

I, Chris Sedam, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Town of Winslow, Pike County, Indiana, for the period from August 1, 2022 to June 30, 2023, is true and correct to the best of my knowledge and belief.

Chris Sedam  
Field Examiner

Subscribed and sworn to before me this 25 day of April, 2024

Suzette C. McDowell  
Notary Public

My Commission Expires: 4-11-2030

County of Residence: Jefferson



**SUZETTE C. MCDOWELL**  
Notary Public, State of Indiana  
Commission # NP0740450  
My Commission Expires  
April 11, 2030