

**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2765**

AUDIT REPORT  
OF  
COUNTY SHERIFF  
LAKE COUNTY, INDIANA  
January 1, 2005 to December 31, 2005



**FILED**  
11/29/2006



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Roy Dominguez	01-01-03 to 12-31-06
President of the County Council	Will A. Smith, Jr.	01-01-05 to 12-31-06
President of the Board of County Commissioners	Gerry J. Scheub Rudolph Clay Frances DuPey Gerry J. Scheub	01-01-05 to 12-31-05 01-01-06 to 04-07-06 04-08-06 to 05-16-06 05-17-06 to 12-31-06



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF LAKE COUNTY

We have audited the records of the County Sheriff for the period from January 1, 2005 to December 31, 2005, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Lake County for the year 2005.

STATE BOARD OF ACCOUNTS

July 19, 2006

COUNTY SHERIFF  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS

SHERIFF'S SHARE OF CIVIL FEES

The Sheriff receives a percentage of fees collected on tax warrants issued, in accordance with Indiana Code 6-8.1-8-3. This fee is based upon the amount of the delinquent taxes collected by the Sheriff. At the end of each month, a check is issued to the Sheriff for these fees. These fees are additional income to the Sheriff and are not included in his salary. These fees have not been reported to the Sheriff, the Internal Revenue Service, and the Indiana Department of Revenue on a Miscellaneous Income Tax Form 1099. The amount remitted to the Sheriff in 2005 was \$52,758.39. A similar comment appeared in the prior audit report.

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 statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

LAW ENFORCEMENT CONTINUING EDUCATION FEES

Law Enforcement Continuing Education Fees have not been claimed by the Sheriff during 2002, 2003, 2004, and 2005. There were no receipts in the Sheriff's Law Enforcement Continuing Education Fund (Fund 148) during the four years. A similar comment appeared in the prior report.

Indiana Code 5-2-8-1 states in part: "(f) To make a claim under IC 33-19-8-6 a law enforcement agency shall submit to the fiscal body a verified statement of cause numbers for fees collected that are attributable to the law enforcement efforts of that agency."

INTEREST EARNED ON TRUST ACCOUNT

The bank account used by the Sheriff's Civil Department is an interest bearing account. The interest is being accumulated in this account, but has not been posted to the ledger maintained by the Sheriff. Additionally, the interest has not been remitted to the County Auditor for deposit into the General Fund. A similar comment appeared in the prior audit report.

Indiana Code 5-13-9-6 (a) states, "All interest derived from an investment by a political subdivision or by any other local public officer under the authority granted by section 3 of this chapter shall be deposited, except as otherwise provided by law, in the general fund of the investment authority or in any other fund its governing body designates specifically or by rule, subject to the modifications and limitations in this section."

ACCIDENT REPORT AND VEHICLE INSPECTION FEES

As stated in prior audit reports, fees charged for accident reports and vehicle inspections have not been established by local ordinance. The fees currently being charged for accident reports and vehicle inspections are \$5.00.

Indiana Code 9-29-11-1 (a) states: "The main department, office, agency, or other person under whose supervision a law enforcement officer carries on the law enforcement officer's duties may charge a fee that is fixed by ordinance of the fiscal body in an amount not less than three dollars (\$3) for each report."

COUNTY SHERIFF  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 9-29-4-2 states, "A person described in subdivision (3) who makes an inspection under IC 9-17-2-12 may charge a fee. A fee charged under this section is subject to the following:

- (1) The fee must be established by ordinance adopted by the unit (as defined in IC 36-1-2-23).
- (2) The fee may not exceed five dollars (\$5)."

INMATE PROCESSING FEE

On July 10, 2001, the County Council approved Ordinance 1217B establishing an inmate processing fee. Specifically, the ordinance assesses a processing fee of \$25 each time an inmate is booked into the County Jail. The Sheriff collected \$176,309.54 in inmate processing fees during 2005, which were receipted by the Auditor into the General Fund. A similar comment appeared in the prior report.

Indiana Code 36-1-3-8 states, in part: "(a) a unit does not have the following: (8) the power to prescribe a penalty for conduct constituting a crime or infraction under statute".

MEDICAL CO-PAYMENT FEE

Inmates of the Lake County Jail requiring medical attention are assessed a \$10 co-payment. The medical co-payment has not been approved by an ordinance of the County Council. A similar comment appeared in the prior report.

Indiana Code 11-10-3-5 (b) states: "Except as provided in subsection (c), a person committed to the department may be required to make a co-payment in an amount of not more than ten dollars (\$10) for each provision of any of the following services: (1) Medical care. (2) Dental care. (3) Eye care. (4) Any other health care related service."

BANK RECONCILEMENTS

The Commissary and Inmate Trust Fund bank accounts are reconciled by an outside accounting firm. The bank reconciliements are not being performed monthly, but several months are reconciled at one time. Adjustments by month are accumulated on the December reconciliation for the Inmate Trust Fund. The adjustments include both additions and deductions which must be made to the ledger balance. The amounts to be deducted range from \$20.58 to \$1,575.18, and amounts that must be added to the ledger balance range from \$.03 to \$291.24. No attempt was made by the Sheriff or the consultant to identify these differences.

Additionally, an amount of \$2,525 is being carried as a reconciling item from May 2002, under the heading, "Fraudulent Withdrawals to be reversed by Bank". Documents indicate funds were withdrawn from the account through telephone wire transfers on May 1, May 3, and May 10, 2002, in the amounts of \$225, \$1,100, and \$1,200, respectively. From the records reviewed, no indications were given as to when or if these funds would ever be returned by the bank and no indications have been given as to whether or not there is follow up by the Sheriff regarding the return of these funds. A similar comment appeared in the prior audit report.

COUNTY SHERIFF  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-13-6-1 (e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

UNCLAIMED PROPERTY

The Sheriff's Inmate Trust Fund has \$20,517.48 in unclaimed former inmates' monies. The Sheriff has not remitted these unclaimed funds, held in excess of five years to the Attorney General. A similar comment appeared in the prior report.

Indiana Code 32-34-1-20(c) states in part: "Property that is held, issued, or owed in the ordinary course of a holder's business is presumed abandoned if the owner or apparent owner has not communicated in writing with the holder concerning the property or has not otherwise given an indication of interest in the property during the following times: . . . (8) For property held by a state or other government, governmental subdivision or agency, or public corporation or other public authority, one (1) year after the property becomes distributable . . ."

Indiana Code 32-34-1-26(a) states in part: "A holder of property that is presumed abandoned and that is subject to custody as unclaimed property under this chapter shall report in writing to the attorney general concerning the property . . ."

Indiana Code 32-34-1-27(a) states "Except as provided in subsections (b) and (c), on the date a report is filed under section 26 of this chapter, the holder shall pay or deliver to the attorney general the property that is described in the report as unclaimed."

OPTICAL IMAGES OF WARRANTS

The financial institution used by the Sheriff's Civil Division supplies an optical image of the cancelled warrants. This image does not show the reverse side of the warrant. A similar comment appeared in the prior report.

Indiana Code 5-15-6-3 states in part: ". . . 'original records' includes the optical image of a check . . ."

Indiana Code 26-2-8-111(e) states: "If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

COUNTY SHERIFF  
LAKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 20, 2006 with Bennie Freeman, Deputy Chief of Police; Melanie Dillon, Finance Director; Dennis Heaps, Deputy Commander and Marco Kayacchich, Chief of Police. Although the officials chose to make an official response, no response had been received as of September 28, 2006.