

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

AUDIT REPORT

OF

COUNTY SHERIFF

LAKE COUNTY, INDIANA

January 1, 2006 to December 31, 2006



**FILED**

11/30/2007



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Rogelio Dominguez	01-01-03 to 12-31-10
President of the County Council	Will A. Smith, Jr. Elsie Franklin	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	Rudolph Clay Frances DuPey Gerry J. Scheub Roosevelt Allen, Jr.	01-01-06 to 04-07-06 04-08-06 to 05-16-06 05-17-06 to 12-31-06 01-01-07 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2006 to December 31, 2006, 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 2006.

STATE BOARD OF ACCOUNTS

September 19, 2007

COUNTY SHERIFF  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS

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 Lake County Jail. The Sheriff collected \$119,940 in inmate processing fees during 2006, which were received by the County Auditor into the General Fund. A similar comment appeared in prior audit reports.

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

UNCLAIMED PROPERTY

The Sheriff's Inmate Trust Fund has \$20,517.48 in unclaimed former inmates' funds. The Sheriff has not remitted these unclaimed funds to the Attorney General as required. Upon inquiry, it was determined that the Attorney General's office will not accept the current report format generated by the records of the Sheriff's Department; therefore, the Sheriff has ceased transferring unclaimed funds into the unclaimed property account. A similar comment appeared in prior audit reports.

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: . . . (7) 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."

CONDITION OF RECORDS – COMMISSARY AND INMATE TRUST

Financial records presented for audit were not reflective of the activity of the Inmate Trust and Commissary Funds. The records presented did not provide sufficient information to audit or establish beginning balances, receipts, disbursements, and ending balances, or the accuracy or correctness of the transactions. Accurate transactions amounts and balances as of December 31, 2006, were not determinable because recording current transactions, which originated in prior periods, such as voided checks, changed previously reconciled balances. The ending balance of one month is not always the beginning balance of the next month. These accounts were reconciled to the depository balances by a CPA firm; however, there were multiple unidentified reconciling items included in the reconcilements.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Counties in Indiana, Chapter 1)

COUNTY SHERIFF  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

BANK RECONCILIATIONS AND OVERDRAWN FUND - CIVIL DIVISION

Depository reconciliations of the fund balance to the bank account balances were not presented for audit. Outstanding check lists were prepared, but were not used to adjust the bank balances. A comparison of outstanding checks to the bank account balances indicated an overdrawn bank balance of \$49,013.74 if all checks written were cashed.

Indiana Code 5-13-6-1(e) states in part: "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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Counties in Indiana, Chapter 1)

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Counties in Indiana, Chapter 1)

RECORD INFORMATION - CIVIL DIVISION

There were several problems with the records of the Sheriff's Department Civil Division. There was up to eight months from the time of the original date of financial transactions until they were recorded in the Sheriff's Cash Book. In addition, there was a considerable number of posting errors. These errors included interest not posted and detailed disbursement amounts that did not equal the total disbursements. Posting errors were not discovered in a timely manner because, as noted in the previous comment, reconcilements were not made between the bank balances and the record balances.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Counties in Indiana, Chapter 1)

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Counties in Indiana, Chapter 1)

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Counties in Indiana, Chapter 1)

INTEREST ON ACCOUNT - CIVIL DIVISION

The bank account used by the Sheriff's Department Civil Division is an interest bearing account. The interest is being accumulated in this account and has not been remitted to the County Auditor for deposit into the General Fund. Additionally, disbursements were made from the interest earned without the proper documentation or approvals.

COUNTY SHERIFF  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

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."

Indiana Code 5-11-10-1.6 (c) states in part: "The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

UNCLAIMED PROPERTY - CIVIL DIVISION

The Sheriff's Department Civil Division has \$11,708.43 in stale dated checks held in trust that are distributable but remain unclaimed. The Sheriff has not remitted this amount to the Attorney General as required.

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: . . . (7) 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) (c), on the data 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."

LAW ENFORCEMENT CONTINUING EDUCATION FEES

Law Enforcement Continuing Education Fees have not been claimed by the County Sheriff since 2001. A similar comment appeared in prior audit reports.

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."

COUNTY SHERIFF  
LAKE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

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 fee currently being charged for accident reports and vehicle inspections is \$5.00.

Indiana Code 9-29-11-1 (a) states in part: ". . . 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 five dollars (\$5) for each report."

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)."

MEDICAL CO-PAYMENT FEE

Lake County Jail inmates requiring medical attention must pay a \$10 co-payment. This medical co-payment has not been approved by an ordinance of the County Council. A similar comment appeared in prior audit reports.

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."

COUNTY SHERIFF  
LAKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 27, 2007, with Joseph Kumstar, Deputy Chief; Michael Reily, Commander; and Laura M. Cave, Finance. The official response has been made a part of this report and may be found on pages 9 and 10.

# LAKE COUNTY SHERIFF'S DEPARTMENT

2293 N. MAIN STREET  
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Rogelio "Roy" Dominguez  
Sheriff

"To Serve & Protect"

## Indiana State Board of Accounts Lake County Audit Response to Comments

### **Inmate Processing Fee**

The Sheriff's Department is required to abide by Ordinance No. 12178 as adopted by the Lake County Council. The fee is to cover the cost of processing, rather than a penalty as noted in the audit. The Sheriff's attorney has notified the attorney for the Lake County Council of this issue and made recommendation to the council for revisions to the ordinance to meet state and federal requirements (i.e., create provisions to refund the fee when inmates are indigent and/or charges dismissed or found innocent and other changes that have been recommended already to the Council and the Commissions to bring the ordinance into compliance).

### **Unclaimed Property**

The Sheriff's Department has made numerous attempts to remit unclaimed funds as prescribed by law. However, the Attorney General's Office refuses to accept the format generated by the Sheriff's Department. It should be noted that the law does not prescribe a specific format or provide the Attorney General's Office with the authority to set such a format. The Sheriff's Department will once again meet with the Attorney General's Office in the hope of resolving this matter.

### **Condition of Records- Commissary and Inmate Trust**

As the audit notes, certain transactions such as voided checks were not being recorded accurately, timely or to the standards that the Sheriff expected. In order to rectify this matter, a CPA firm was hired to balance the account as of 12/31/06. The account is now being maintained accurately.

### **Bank Reconciliations and Overdrawn Fund- Civil Division**

The audit notes that on several occasions an account maintained by the Civil Division had an overdrawn account balance. This situation was the result of several checks that had been deposited with insufficient funds (NSF). The matter was complicated by not being able to readily obtain processing information (located on the backsides of the checks) from the bank. The matter has now been resolved by implementing new procedures to address the recording of NSF checks.

[www.lakecountysheriff.com](http://www.lakecountysheriff.com)



**Record Information- Civil Division**

This matter was discovered by the Sheriff's Department, resulting in the hiring of a CPA firm to reconcile posting errors. The issues of properly recording transactions in a timely manner have since been resolved.

**Interest on Account- Civil Division**

The Department was not aware that the fund in question was interest-bearing, and the matter was rectified once it was noted by auditors.

**Unclaimed Property- Civil Division**

The Sheriff's Department has made numerous attempts to remit 6 checks, totaling \$11,708.43 to the Indiana Attorney General's Office, which has refused to accept the funds. This matter is influenced by the ongoing issue of the Attorney General's Office refusing to accept the format in which unclaimed funds are remitted. Civil Division staff was told that the Attorney General's Office did not want to accept a transfer from only one division within the Sheriff's Department; rather it wanted to accept funds only from the entire department.

**Law Enforcement Continuing Education Fees**

The claiming of Law Enforcement Continuing Education Fees is the responsibility of the Lake County Auditor and not the Sheriff's Department. The Department will work with the Auditor's Office to make sure such funds are claimed/accessed, following the examples provided by State Board of Accounts field staff.

**Accident Report and Vehicle Inspection Fees**

The Department will work with the Lake County Council to rectify this matter. The Sheriff's attorney has been meeting with the County Council Attorney to review all fees and the ordinances that authorize them.

**Medical Co-Payment Fee**

The Department provides quality care which costs hundreds of thousands of dollars annually, and was not aware that the co-payment fee had not been adopted in ordinance form and will work with the County Council to rectify this matter. The provisions of the co-payment statute had already been incorporated into the *Lake County Sheriff Department's Corrections Manual* in 2004 and the *Lake County Jail's Inmate Handbook* in early 2007. The Sheriff's attorney has already submitted requested revisions to the county ordinance to the Council's attorney.