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

EXAMINATION REPORT

OF

COUNTY COUNCIL

BENTON COUNTY, INDIANA

January 1, 2007 to December 31, 2007

FILED

11/05/2008

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COUNTY OFFICIALS

| Office | Official | Term |
|---|---|---|
| President of the County Council | Bruce A. Buchanan | 01-01-07 to 12-31-08 |
| President of the Board of County Commissioners | Mel A. Budreau | 01-01-07 to 12-31-08 |

# STATE OF INDIANA

**AN EQUAL OPPORTUNITY EMPLOYER**

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TO: THE OFFICIALS OF BENTON COUNTY

We have examined the records of the County Council for the period from January 1, 2007 to December 31, 2007, 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 Examination Result and Comment. The financial transactions of this office are reflected in the Annual Report of Benton County for the year 2007.

STATE BOARD OF ACCOUNTS

September 16, 2008

CONFLICT OF INTEREST

Three members of the Benton County Council, James Schoen, Bernard Gick, and Bruce Buchanan, have financial interests in contracts or purchases connected with actions by the Benton County Council or Benton County Commissioners. Conflict of Interest statements were not properly filed.

James Schoen owns Hoosier Associates Inc. The County Commissioners purchased the County' s insurance from Hoosier Associates Inc. Mr. Schoen' s Conflict of Interest statement was not presented to and approved by the County Commissioners before submission to the State Board of Accounts.

BP Wind Energy North America Inc., and Benton County Wind Farm LLC have and are in the process of constructing electricity generating wind turbines in Benton County. Both companies requested and received real and personal property tax reductions through a ten-year tax abatement program from the Benton County Council. Mr. Gick receives land easement payments and has a blanket purchase order for compaction materials directly related to this construction project. Mr. Buchanan has signed agreements to receive lease and royalty payments for at least two of these wind turbines to be constructed on property he owns. Neither Mr. Gick or Mr. Buchanan filed conflict of interest statements as required for 2007 transactions.

Indiana Code 35-44-1-3 states in part:

> "(a) 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 servant commits conflict of interest, a Class D felony. . . ."
>
> "(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant. . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6)."
>
> "(d) A disclosure required by this section must: (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 prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (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. . . ."
>
> "(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant.
>
> "(k) As used in this section, ' dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-9-2-2) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (2) of whose support is provided during a year by the public servant."

COUNTY COUNCIL
BENTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 16, 2008, with Mel A. Budreau, President of the Board of County Commissioners; Joan Schluttenhofer, Auditor; James Schoen, County Council member; and Bernard Gick, County Council member. The officials concurred with our examination finding.

The contents of this report were discussed on September 16, 2008, with Bruce A. Buchanan, President of the County Council.