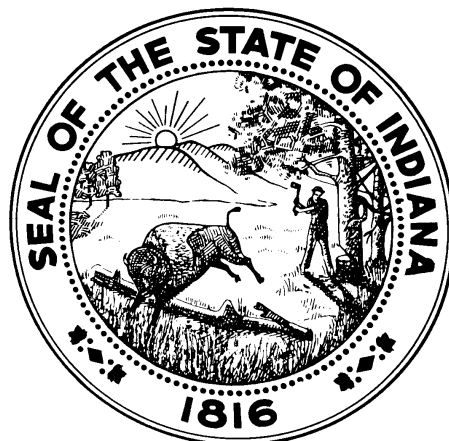


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

SPECIAL INVESTIGATIVE REPORT  
OF THE

STREET DEPARTMENT SUPERINTENDENT  
CITY OF CONNERSVILLE  
FAYETTE COUNTY, INDIANA

January 1, 2009 to June 25, 2009



**FILED**  
08/10/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	Leonard E. Urban	01-01-08 to 12-31-11
Clerk-Treasurer	Julie A. Greeson	01-01-08 to 12-31-11
President of the Common Council	Richard C. O'Neal	01-01-09 to 12-31-09
Street Department Superintendent	Darryll L. Morehead	01-01-08 to 12-31-11



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TO: THE OFFICIALS OF THE CITY OF CONNERSVILLE, FAYETTE COUNTY, INDIANA

We have audited the records of the Street Department Superintendent for the period from January 1, 2009 to June 25, 2009, 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 will be reflected in the Annual Report of City of Connersville, Fayette County, Indiana, for the years 2008 and 2009.

STATE BOARD OF ACCOUNTS

June 25, 2009

STREET DEPARTMENT SUPERINTENDENT  
CITY OF CONNERSVILLE  
AUDIT RESULTS AND COMMENTS

IMPROVEMENTS TO PRIVATE PROPERTY DRIVEWAY

On April 6, 2009, the State Board of Accounts in Indianapolis received an anonymous taxpayer complaint regarding the use of City equipment, supplies, and manpower on a private property driveway. The complaint addresses a private driveway off Eby Drive in Connersville and states that the "daughter of the superintendent of the City Street Department, Darryll Morehead, lives on this private drive."

On May 6, 2009, the above mentioned complaint was assigned to a State Board of Accounts Field Examiner performing the annual audit of the City of Connersville. The Examiner assigned inspected the driveway in question, interviewed Darryll L. Morehead, and researched property records at the courthouse to determine if the statements detailed in the complaint are true. Our investigation uncovered the following facts:

1. The driveway intersecting with Eby Drive addressed in the complaint was, in fact, newly graveled. The driveway containing the new gravel was measured and is approximately 500 feet long and averages 12.6 feet wide. The new gravel is approximately 4.5 inches in depth. Underneath the gravel there appears to be fairly new sand.
2. The records at the courthouse confirm that this driveway is owned by an individual taxpayer. The taxpayer has granted an easement to use the driveway to the three property owners living on this drive so they are not land locked. The property records also confirm that Darryll L. Morehead's daughter does live on this driveway at 2714 Eby Drive.
3. According to documents obtained from the Connersville Wastewater Utility, during the period March 28 to April 8, 2008, a new sewer line and lift station were installed by a private contractor. This required the digging of a trench of approximately 500 feet along the driveway.
4. Based on an interview with one of the property owners living on this drive, two City workers, and Darryll L. Morehead worked on the private driveway using City equipment and materials on three different dates.

On January 13, 2009, and on January 30, 2009, Darryll L. Morehead directed an employee to spread a mixture of sand and salt on the driveway.

On February 17, 2009, Darryll L. Morehead directed three employees to grade the driveway and then spread and level 52.89 tons of gravel.

STREET DEPARTMENT SUPERINTENDENT  
CITY OF CONNERSVILLE  
AUDIT RESULTS AND COMMENTS  
(Continued)

5. According to the City workers that were interviewed, Darryll L. Morehead had ordered them to work on the private driveway.
6. The estimated cost of the work performed on the private driveway is \$2,733.51. This includes: the actual cost of City employee salaries, including benefits, of \$551.69; the actual cost of materials of \$1,179.32; and the estimated cost of equipment of \$1,002.50.

As a result of the preceding information, we have requested that Darryll L. Morehead refund to the City of Connersville the dollar value of the salaries, materials, and equipment expended by the City to complete this project totaling \$2,733.51. (See Summary, page 7)

On June 18, 2009, Darryll L. Morehead reimbursed the City the full amount of the salaries, materials, and equipment expended on the project of \$2,733.51, as documented by Receipt 3300 issued by the Office of the Clerk-Treasurer.

A public servant who knowingly or intentionally assigns to an employee under his supervision any duties not related to the operation of the governmental entity that he serves commits ghost employment, a Class D felony. (IC 35-44-2-4 (b))

Generally, public funds may not be used to make improvements to property not owned by the governmental unit, unless permitted by statute, federal or state requirements, or safety concerns. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Assets of the governmental unit may not be used in a manner unrelated to the functions and purposes of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

AUDIT COSTS – INVESTIGATION

Additional audit costs were incurred by the State of Indiana in the investigation of work performed on private property by City employees. Audit costs incurred because of theft or shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

STREET DEPARTMENT SUPERINTENDENT  
CITY OF CONNERSVILLE  
EXIT CONFERENCE

The contents of this report were discussed on June 25, 2009, with Julie A. Greeson, Clerk-Treasurer; Leonard E. Urban, Mayor; Richard C. O'Neal, President of the Common Council; and Darryll L. Morehead, Street Department Superintendent.

STREET DEPARTMENT SUPERINTENDENT  
CITY OF CONNERSVILLE  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Darryll L. Morehead, Street Department Superintendent: Improvements to Private Property Driveway, pages 4 and 5	\$ 2,733.51	\$	\$
Repaid by Darryll L. Morehead, June 25, 2009, Receipt 3300	<u>                    </u>	2,733.51	<u>                    </u> -
Totals	<u>\$ 2,733.51</u>	<u>\$ 2,733.51</u>	<u>\$</u> -