

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

MARTIN COUNTY, INDIANA

January 1, 2014 to December 31, 2015



FILED
10/05/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	January Roush	01-01-13 to 12-31-20
County Treasurer	Vicki D. Boyd Lori D. Carrico	01-01-13 to 12-31-16 01-01-17 to 12-31-20
Clerk of the Circuit Court	Julie Fithian Gerald D. Montgomery	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Sheriff	Robert F. Street James Roush	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Recorder	Gerald D. Montgomery Rhonda Sanders	01-01-13 to 12-31-14 01-01-15 to 12-31-20
President of the County Council	C. Richard Summers	01-01-14 to 12-31-17
President of the Board of County Commissioners	Paul R. George	01-01-14 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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TO: THE OFFICIALS OF MARTIN COUNTY, INDIANA

This report is supplemental to our examination report of Martin County (County), for the period from January 1, 2014 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statements Examination Report of the County, which provides our opinion on the County's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination 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.

Any Official Response to the Examination Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

April 3, 2017

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COUNTY COUNCIL
MARTIN COUNTY

COUNTY COUNCIL
MARTIN COUNTY
EXAMINATION RESULTS AND COMMENTS

COMPENSATION OVERPAYMENT TO ELECTED OFFICIALS

The 2014 salaries and wages for all employees of Martin County, including elected officials, were established by Ordinance Number 2013-26, 2014 County Ordinance for Salaries and Wages, adopted on December 2, 2013.

Ordinance Number 2013-26, 2014 County Ordinance for Salaries and Wages, reads in part:

". . . BE IT ORDAINED BY THE COUNTY COUNCIL OF MARTIN COUNTY, INDIANA that the ordinance affixing the number and compensation of employees of the county from the period January 1, 2014 to December 31, 2014, including all officers, deputies, assistants, and other employees whose salary or hourly wage is comprised of funds payable from any county fund or budget except as provided by I.C. 36-2-5; are hereby solidly fixed at the following maximum level of salary compensation shown below."

GENERAL		Total Appropriated for the Position
Clerk 0101-001		
1000.11	Clerk, Julie Fithian	\$ 27,478
Auditor 0101-002		
1000.11	Auditor, January Roush	\$ 27,797
Treasurer 0101-003		
1000.11	Treasurer, Vicki D. Boyd	\$ 27,748
Recorder 0101-004		
1000.11	Recorder, Gerald D. Montgomery	\$ 27,748
Sheriff 0101-005		
1000.11	Sheriff, Robert F. Street	\$ 69,000
Surveyor 0101-006		
1000.11	Surveyor, Nathan Hoffman	\$ 31,000
Coroner 0101-007		
1000.11	Coroner, Mark Franklin	\$ 5,026
Assessor 0101-008		
1000.11	Assessor, Carolyn S. McGuire	\$ 27,748
County Council 0101-161		
1000.11	Councilman, C. Richard Summers	\$ 3,946
1000.11	Councilman, Randy Winingar	\$ 3,946
1000.11	Councilwoman, Mary M. Gee	\$ 3,946
1000.11	Councilman, Floyd L. Hawkins	\$ 3,946
1000.11	Councilman, Warren D. Albright	\$ 3,946
1000.11	Councilwoman, Barbara D. McFeaters	\$ 3,946
1000.11	Councilman, J. Keith Gibson	\$ 3,946
Commissioners 1121-068		
1000.11	Commissioner, Paul R. George	\$ 7,775
1000.11	Commissioner, Dan Gregory	\$ 7,775
1000.11	Commissioner, Kevin R. Boyd	\$ 7,775

COUNTY COUNCIL
MARTIN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

During a special meeting of the Martin County Council, held April 4, 2014, the County Council approved a 5 percent raise for all county employees and elected officials for the year 2014. The minutes for that meeting stated in part:

"All employees will receive a 5% raise and additional funds for their Health Savings Accounts. Since elected officials cannot receive a raise once the Salary & Wage Ordinance is approved, their 5% will go into a Health Savings Account. . . . Councilwoman Gee made a motion to approve the 5% raise and additional funding for Health Savings Accounts. President Summers made the second. All were in favor and the motion passed."

Ten of the County's eighteen elected officials opted out of taking the County's insurance coverage, and, therefore, did not have a health savings account administered by the County. Those ten employees received their 5 percent increase paid to them directly instead of the payment going into a health savings account. A separate payroll was processed on May 23, 2014, to pay the 5 percent raises.

The amount of the increased compensation paid to elected officials for the year 2014 is summarized below:

Official	Annual Salaries Per Approved 2014 Salary Ordinance Number 2013-26	2014 Compensation Paid	Amount Paid in Excess of Annual Approved Salaries
Clerk of the Circuit Court, Julie Fithian	\$ 27,478	\$ 28,852	\$ 1,374
County Auditor, January Roush	27,797	29,187	1,390
County Treasurer, Vicki D. Boyd	27,748	28,852	1,104
County Recorder, Gerald D. Montgomery	27,748	28,852	1,104
County Sheriff, Robert F. Street	69,000	72,450	3,450
County Surveyor, Nathan Hoffman	31,000	32,550	1,550
County Coroner, Mark Franklin	5,026	5,277	251
County Assessor, Carolyn S. McGuire	27,748	28,852	1,104
County Council member, C. Richard Summers	3,946	4,143	197
County Council member, Randy Wininger	3,946	4,143	197
County Council member, Mary M. Gee	3,946	4,143	197
Council member, Floyd L. Hawkins	3,946	4,143	197
County Council member, Warren D. Albright	3,946	4,143	197
County Council member, Barbara D. McFeaters	3,946	4,143	197
County Council member, J. Keith Gibson	3,946	4,143	197
President of the Board of County Commissioners, Paul R. George	7,775	8,164	389
County Commissioner, Dan Gregory	7,775	8,164	389
County Commissioner, Kevin R. Boyd	7,775	8,164	389
Totals	<u>\$ 294,492</u>	<u>\$ 308,365</u>	<u>\$ 13,873</u>

Indiana Code 36-2-5-13(a) states: "Except as provided in subsection (b), the compensation of an elected county officer may not be changed in the year for which it is fixed . . ."

We requested that Julie Fithian, former Clerk of the Circuit Court; January Roush, County Auditor; Vicki D. Boyd, former County Treasurer; Gerald D. Montgomery, former County Recorder; Robert F. Street, former County Sheriff; Nathan Hoffman, County Surveyor; Mark Franklin, County Coroner; Carolyn S. McGuire, County Assessor; C. Richard Summers, County Council member; Randy Wininger, County Council member; Mary M. Gee, County Council member; Floyd L. Hawkins, former County Council member; Warren D. Albright, County Council member; Barbara D. McFeaters, County Council member; J. Keith Gibson,

COUNTY COUNCIL
MARTIN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

County Council member; Paul R. George, President of the Board of County Commissioners; Dan Gregory, County Commissioner; and Kevin R. Boyd, County Commissioner, reimburse Martin County for the overpayment of compensation paid to elected officials. As of September 15, 20017, Nathan Hoffman, C. Richard Summers, Randy Wininger, Warren D. Albright, Barbara D. McFeaters, J. Keith Gibson, and Dan Gregory had reimbursed the County in full. January Roush, Vicki D. Boyd, Carolyn S. McGuire, Mark Franklin, Mary M. Gee, Floyd L. Hawkins, and Keven R. Boyd have entered into repayment plans and any reimbursements made as of September 15, 2017, are reflected. (See Summary of Charges, page 12)

OFFICIAL BOND COVERAGE

Martin County had a public employees blanket bond through Western Surety Company (Bond No. 68338863) for the term of January 4, 2014 through January 4, 2015. The positions covered and the coverage amounts were as follows:

Position	Amount
County Assessor	\$ 15,000
County Recorder	15,000
County Coroner	15,000
County Surveyor	15,000
County Treasurer	175,000
County Auditor	30,000
Clerk of Circuit Court	30,000
County Sheriff	30,000

LETT and JONES

ATTORNEYS AT LAW

Mark J. Jones
J. David Lett

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Loogootee, Indiana 47553
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Michael B. Lett
(1944-2009)

April 8, 2017

Indiana State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

RE: Martin County Examination for 2014 and 2015

Gentlemen/Ladies:

I write to respond on behalf of the Board of Commissioners and the County Council to the exit conference conducted on April 3, 2017. One issue discussed at said conference was the payment of a 5% increase to Martin County employees and office holders as approved by the Martin County Council at a meeting on April 7, 2014. The Board of Commissioners, on behalf of all Martin County office holders on said date, respectfully disagrees with the conclusion of the State Board of Accounts.

As all Indiana county governments face the problem of conducting the business of governing with reduced funding in this era, it is particularly difficult to enlist and retain courthouse employees. The Martin County Council determined that it had the opportunity in April of 2014 to honor its employees in a small manner with an award equivalent to 5% of their respective salaries. At that time, the Council recognized that the elected officeholders should be honored as well. In the view of the Council, the elected officeholders work alongside their deputies and other employees, so honoring those officeholders should be appropriate as well.

This action, while nominal at the rate of 5%, was taken to recognize the performance of our Martin County employees and officeholders. The Martin County Board of Commissioners and the County Council respectfully request that the State Board of Accounts reconsider its determination that requires that the officeholders repay the 5% honorarium paid to those officeholders.

Sincerely,

LETT & JONES

J. David Lett
Attorney for Martin County, Indiana

Official Response

Pursuant to the Indiana State Board of Accounts request for money to be repaid, I respectfully do not agree with their decision. Furthermore, I am unable unwilling to pay any monies back at this time. Some of the factors leading to this decision are listed below.

1. According to the minutes of April 7, 2014 County Council meeting, the council stated they were aware that elected officials could not receive an increase in salary but went ahead and issued checks to the elected officials. This was a decision that was agreed upon by the County Council, County Commissioners, County Auditor, and the County Attorney. Therefore, if they made an error in their job, they are the ones responsible.
2. According to the April 7, 2014 County Council minutes, elected officials would receive money to offset the increase of insurance or to assist those as an "opt out" payment for those who chose not to take county insurance and not as an increase in salary.
3. This occurred in April of 2014, three years ago. In my opinion, the State Board of Accounts had ample time to conclude the investigation way before 3 years after the fact.
4. According to the State Board of Accounts Auditor (Bill Brown), I owe back \$3,450 when in fact the money deposited for my insurance opt out was \$2,897.02 which is less than any amount I received.

Thank you!

Robert F. Street



Gerald D. Montgomery
Martin Circuit Court Clerk
90 th Judicial Circuit
129 Main Street
PO Box 120
Shoals, IN 47581
(812) 247-3651/fax (812) 247-2791

09-27-2017

In Re: Examination

Dear Sir:

I received your report and cannot agree on any point. I find grave errors in this report. You will notice that we are not all charged the same amount. Though we received the same compensation. But more importantly we were paid \$4500 less than the year before and you call this "Compensation Overpayment". I ask that you please check the math. Also the Field Examiner told us we will not touch the Health Savings Fund. I'm sure you know this \$1,104.00 was paid to our Health Savings Fund.

Please include this letter with the report. If I in anyway owed this I would be the first to pay. But as this was not the result of anything I have done. And because it is not built on fact I believe you should reconsider your report.

Thank You,

Gerald Montgomery

COUNTY COUNCIL
MARTIN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 3, 2017, with January Roush, County Auditor; Paul R. George, President of the Board of County Commissioners; C. Richard Summers, President of the County Council; Gerald D. Montgomery, former County Recorder; Julie Fithian, former Clerk of the Circuit Court; Floyd L. Hawkins, former County Council member; Mary M. Gee, County Council member; Vicki D. Boyd, former County Treasurer; Warren D. Albright, County Council member; Randy Winger, County Council member; J. Keith Gibson, County Council member; Dan Gregory, County Commissioner; Barbara D. McFeaters, County Council member; Robert F. Street, former County Sheriff; and J. David Lett, County Attorney.

The contents of this report were discussed on April 4, 2017, with Kevin R. Boyd, County Commissioner.

MARTIN COUNTY
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	Charges	Credits	Balance Due
Compensation Overpayment to Elected Officials, pages 6 through 7			
Former Clerk of the Circuit Court, Julie Fithian	\$ 1,374.00	\$ -	\$ 1,374.00
County Auditor, January Roush	1,390.00	877.92	512.08
Former County Treasurer, Vicki D. Boyd	1,104.00	-	1,104.00
Former County Recorder, Gerald D. Montgomery	1,104.00	-	1,104.00
Former County Sheriff, Robert F. Street	3,450.00	-	3,450.00
County Surveyor, Nathan Hoffman	1,550.00	1,550.00	-
County Coroner, Mark Franklin	251.00	-	251.00
County Assessor, Carolyn S. McGuire	1,104.00	-	1,104.00
County Council member, C. Richard Summers	197.00	197.00	-
County Council member, Randy Wininger	197.00	197.00	-
County Council member, Mary M. Gee	197.00	120.00	77.00
Former County Council member, Floyd L. Hawkins	197.00	125.00	72.00
County Council member, Warren D. Albright	197.00	197.00	-
County Council member, Barbara D. McFeaters	197.00	197.00	-
County Council member, J. Keith Gibson	197.00	197.00	-
President of the Board of County Commissioners, Paul R. George	389.00	-	389.00
County Commissioner, Dan Gregory	389.00	389.00	-
County Commissioner, Kevin R. Boyd	389.00	150.00	239.00
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 13,873.00</u>	<u>\$ 4,196.92</u>	<u>\$ 9,676.08</u>

This report was forwarded to the Office of the Indiana Attorney General.

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AFFIDAVIT

STATE OF INDIANA)
)
Lawrence COUNTY)

We, William Brown, Marty Holmes, and Bryant Cornelius, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of Martin County, Indiana, for the period from January 1, 2014 to December 31, 2015, is true and correct to the best of our knowledge and belief.

William Brown CPA

Marty Holmes

Bryant Cornelius
Field Examiners

Subscribed and sworn to before me this 26th day of September, 2017.

Jean A. Joyner
Notary Public

My Commission Expires: 12/2/2022

County of Residence: Lawrence