

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

SPECIAL INVESTIGATION REPORT

OF

COUNTY SHERIFF

WAYNE COUNTY, INDIANA

June 26, 2017 to September 22, 2017



**FILED**  
02/21/2018



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**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WAYNE COUNTY, INDIANA

This is a special investigation report for the County Sheriff, Wayne County (County), for the period June 26, 2017 to September 22, 2017, and is in addition to any other report for the County as required under Indiana Code 5-11-1. All reports pertaining to the County may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

We performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts and were limited to records associated with phone cards issued to inmates through the Commissary system. The 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.

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

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

December 18, 2017

COUNTY SHERIFF  
WAYNE COUNTY  
RESULTS AND COMMENTS

**PHONE CARDS**

Timothy Knight (Knight), former Corrections Officer of the County Sheriff's Department, admitted to giving away phone cards at no cost from the Commissary to inmates of the County Jail during the period June 26, 2017 to September 22, 2017.

Based on a review of phone cards delivered in June 2017, the inventory of phone cards on hand at November 13, 2017, and the sale of phone cards for the period June 26, 2017 to November 13, 2017, there were 215 phone cards unaccounted for. Each phone card had a purchase price of \$10, resulting in \$2,150 in lost revenue for the County Sheriff's Department's Commissary fund.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

We requested Knight to reimburse the County \$2,150 for the lost revenue due to giving away phone cards at no cost. (See Summary of Charges, page 5)

**INTERNAL CONTROL DEFICIENCIES**

Phone cards were stored in a locked box in the locked Commissary room; however, all Commissary Officers had access to the phone cards. No log was maintained to track phone cards issued. The failure to establish proper controls on the phone card inventory or reconcile remaining inventory with sales records enabled the issuance of free phone cards to go undetected.

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes. . . ."

COUNTY SHERIFF  
WAYNE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 18, 2017, with Jeff Cappa, County Sheriff; Kenneth Paust, President of the Board of County Commissioners; and Peter Zaleski, President of the County Council.

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

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Timothy Knight, former Corrections Officer: Phone Cards, page 3	<u>\$ 2,150</u>	<u>\$ -</u>	<u>\$ 2,150</u>

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.

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AFFIDAVIT

STATE OF INDIANA                    )  
Randolph. COUNTY) )

I, Stephanie Heath, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the County Sheriff, Wayne County, Indiana, for the period from June 26, 2017 to September 22, 2017, is true and correct to the best of my knowledge and belief.

Stephanie Heath  
Field Examiner

Subscribed and sworn to before me this 9<sup>th</sup> day of January, 2018

Kaylene Straley  
Notary Public

My Commission Expires: 12-11-2023

County of Residence: Randolph