

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

SPECIAL COMPLIANCE REPORT

OF

ADAMS TOWNSHIP

ALLEN COUNTY, INDIANA

January 1, 2016 to December 31, 2018



**FILED**  
02/03/2020



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**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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TO: THE OFFICIALS OF ADAMS TOWNSHIP, ALLEN COUNTY, INDIANA

This is a special compliance report for Adams Township (Township), Allen County, for the period January 1, 2016 to December 31, 2018, and is in addition to any other report for the Township as required under Indiana Code 5-11-1. All reports pertaining to the Township 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. 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.

Any 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

October 30, 2019

ADAMS TOWNSHIP, ALLEN COUNTY  
RESULTS AND COMMENTS

**PENALTIES, INTEREST, AND OTHER CHARGES**

A similar comment also appeared in prior Reports B41297 and B46500.

*Condition and Context*

As part of his official duties, Brian Yoh (Yoh), former Township Trustee, was responsible for making timely payroll tax withholding payments to the Internal Revenue Service (IRS). Payroll taxes withheld were not properly remitted to the IRS during the review period and through the first quarter of 2019. Late filing and late payments resulted in penalties and interest being paid by the Township in the amount of \$733.92 during 2018. Additional penalties and interest paid on May 2, 2019, totaled \$1,701.17, with \$1,294.45 assessed for amounts due as of December 31, 2018, and \$406.72 assessed for amounts due for the tax period ending March 31, 2019. The additional penalties and interest were netted against amounts overpaid through June of 2019. A total net overpayment of \$10,093.48 is expected to be refunded based on an IRS notice dated June 17, 2019. The Township has not received the refund as of October 30, 2019.

<u>Fee</u>	<u>Amount</u>
IRS Penalties and Interest assessed for period 2016-2018, paid 2018	\$ 733.92
IRS Penalties and Interest assessed for period 2016-2018, netted against overpayments 2019, paid in 2019	1,294.45
IRS Penalties and Interest assessed for period 2019, paid in 2019	406.72

*Criteria*

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

We requested Yoh to reimburse the Township in the amount of \$2,028.37. (See Summary of Charges, page 8)

**OFFICIAL BOND**

A \$30,000 official bond for Yoh was obtained from Western Surety Company and covers the review period beginning January 1, 2016 and ending December 31, 2018.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, employee, or contractor of a political subdivision . . . shall file the bond with the fiscal officer of the political subdivision and in the office of the county recorder. . . ."

ADAMS TOWNSHIP, ALLEN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 29, 2019, with Brian Yoh, former Trustee, and Kimberly Yoh, former Township Clerk.

The contents of this report were discussed on October 30, 2019, with Denita Washington, Trustee; Loren Stewart, Chairman of the Township Board; Janet McComb, Clerk; and Lisa Starks, Township Attorney.

November 15, 2019

To Whom It May Concern,

This information is in response to the late fees paid during my time at Adams Township Trustee's Office.

The Internal Revenue Service has changed from sending in payments and forms via US mail to online electronic payments. During some of that transition, there were payments made electronically and the 941 forms sent in the mail. Later we found that by doing this the forms were not being processed at the same time so there were times that we showed a payment without letting them know where to credit the payment. When this happened, it was usually 6-9 months after the payment and paperwork was sent, that we were notified. The IRS were not very timely in sending out notices. Therefore, unfortunately, when one of these occurred it caused things to back up when trying to correct the paperwork.

The IRS actually sent a refund check a couple of times for money that they said we had overpaid. This money was actually a payment that should have been credited to our accounts but was not properly deposited by them. When we got the check, we cashed it. Later, after speaking with the IRS, they told me I should not have cashed the check. I should have voided the check and sent them a response by email. I did not know that by cashing the check the Township account was then delinquent because we had "accepted" the check. As you can see this process was very confusing and usually took about a year to complete.

In the meantime, we did the following to get information about clearing up our ledger book and clearing up the M-column of our ledger book. With the tax situation going back and forth with the IRS taking so long to respond it was very hard to get a final total.

1. Called the IRS many times
2. Talked to George Helton from DLGF about what needed to be in the M-Column
  - a. When he looked at our book annually, he saw no problems with our totals compared to our annual report.
3. Had a CPA work on the book to see if they could clarify the M-column
  - a. She showed us the corrections to make and we did this. This cleared up the differences and she showed us that making a notation was the way to show the auditor what we had done.
4. We were able to balance the ledger book exactly with the corrections given. At the end of the years, we had a balance in the M-column but could explain the difference was from outstanding tax information that we were waiting on a final response from the IRS.

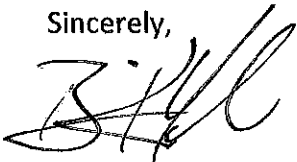
5. We also spoke with Greg Guerrataz from Financial Solution Group about the situation and had him look at the ledger book also.

Lastly, I would like to note that there is still another \$10,000+ adjustment pending from the IRS. This is proof that there are still ongoing problems with the account that have not been settled even after my employment ended.

I hope this information helps to clarify that the fees and penalties were not made due to carelessness. They were made from mistakes that were not easily, or quickly, able to be corrected due to the IRS being almost 2 years behind in notifying organizations of errors and then sending checks back but not expecting businesses to cash them unless they admit fault. Lastly, as I stated in the exit interview, it's challenging to properly respond to this audit not being in office. My term ended December 31, 2018. My records were left in the Township offices. During the audit I was asked for records by current township staff and the SBA Auditor. All requests were for records that were in place at my exit. I was informed by the Loren Stewart, Chairperson of the Advisory Board, that he learned my records were found in box in the office. This is not where I kept official records.

I hope you can understand the difficulty I face trying to respond to this given the timing of events and my inability to adequately respond since I left office at the end of 2018 when I turned over custody and control of township records.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Yoh', written in a cursive style.

Brian K. Yoh

# Adams Township Trustee

*Committed to Community through Service and Accountability*

1125 Hartzell Street  
New Haven, IN 46774

Denita L. Washington, Trustee

(260) 493-2590 Trustee  
(260) 749-4162 Assistance  
(260) 749-6086 Fax  
info@adamstownship.org

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## OFFICIAL RESPONSE

*Sent via e-mail to: [ldavid@sboa.in.gov](mailto:ldavid@sboa.in.gov)*

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

Dear Sir or Madam:

I am writing in response to the results and comments in the initial report by the State Board of Accounts regarding Adams Township. As you know, I took over as Trustee on January 1, 2019. Shortly after my election, I learned that the Township needed to make certain tax payments to the IRS, but I needed key information relating back to the time before my term of office to determine the amount of the required payment. I made several contacts in an effort to obtain the necessary information, but was not provided with the necessary information. When the time came for the required payment, I authorized a payment based on the best estimate possible given the information available. When the IRS indicated that there was an overpayment, my office made the appropriate corrections and paid the applicable fines.

If I had not made the IRS payment by the applicable deadline, the Township would have received even greater fines from the IRS. I acted in the best interest of the Township given the limited information available to me. I would be happy to provide any additional information that you need upon request.

Sincerely,

Denita L. Washington,  
Adams Township Trustee

ADAMS TOWNSHIP, ALLEN COUNTY  
 SUMMARY OF CHARGES  
 (Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Brian Yoh, former Trustee:			
Penalties, Interest, and Other Charges, page 3	\$ 2,028.37	\$ -	\$ 2,028.37
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

AFFIDAVIT

STATE OF INDIANA )  
Adams COUNTY )

I, Natasha J. Turk, being duly sworn on my oath, state that the foregoing report based on the official records of Adams Township, Allen County, Indiana, for the period from January 1, 2016 to December 31, 2018, is true and correct to the best of my knowledge and belief.

Natasha J. Turk  
Field Examiner

Subscribed and sworn to before me this 9 day of January, 2020.

C. Garner  
Notary Public

My Commission Expires: 1/16/22

County of Residence: Adams

