

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

SPECIAL INVESTIGATION REPORT  
OF  
BOARD OF COUNTY COMMISSIONERS  
GRANT COUNTY, INDIANA  
December 1, 2018 to May 31, 2019



**FILED**  
03/06/2020



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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

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF GRANT COUNTY, INDIANA

This is a special investigation report for Grant County (County), for the period December 1, 2018 to May 31, 2019, 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 the transactions associated with the credit card issued in the name of the Board of County Commissioners (County Commissioners) for the period December 1, 2018 to May 31, 2019. 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

November 20, 2019

BOARD OF COUNTY COMMISSIONERS  
GRANT COUNTY  
RESULTS AND COMMENTS

**BACKGROUND**

In accordance with Indiana Code 5-11-1-27, the Indiana State Board of Accounts was notified by County officials of improper use of the County Commissioners' credit card by former Administrative Assistant Tamaría Miller (Miller). The Indiana State Board of Accounts conducted a special investigation of the records for the period December 1, 2018 to May 31, 2019. Our investigation included a review of credit card transactions that were initiated by Miller to determine the nature of those transactions.

**PERSONAL PURCHASES**

A credit card was issued in the name of the County Commissioners. Historically, the credit card was generally used by the Information Technology (IT) Department to order/purchase various technology equipment and supplies. In 2018, Miller, as the Administrative Assistant to the County Commissioners, was added to the account as an authorized user, which allowed her to make purchases using the County Commissioners' credit card.

During an interview with law enforcement on November 7, 2019, Miller admitted to using the County Commissioners' credit card to purchase personal items. Miller identified \$2,938.92 as her personal expenses from a detailed list provided during the interview. These transactions included cellular phone service, utility services, gasoline, and multiple charges to a local large retail chain.

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 Indiana Counties, 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 Indiana Counties, Chapter 1)

We requested Miller reimburse the County \$2,938.92 for personal items charged to the County Commissioners' credit card. (See Summary of Charges, page 9)

**INTEREST AND OTHER FEES**

At the request of the County, the credit card company initiated an investigation into the questionable charges. Pending the results of their investigation, the questionable charges were removed from the County's account; however, the credit card company determined since Miller was an authorized user of the credit card, all charges in dispute were added back to the County's account, including any interest and late fees. The total amount of interest incurred by the County was \$207.84.

In addition, Miller wrote a personal check to the credit card company in an effort to cover the expenses she charged in December and January; however, the check was returned for non-sufficient funds (NSF). The County was assessed a \$35 NSF fee.

The County was assessed a \$39 late fee in February. The County's payment was late because the Accounts Payable Clerk was informed by Miller that she was disputing the charges.

BOARD OF COUNTY COMMISSIONERS  
GRANT COUNTY  
RESULTS AND COMMENTS  
(Continued)

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 Indiana Counties, 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 Indiana Counties, Chapter 1)

We requested Miller reimburse the County \$281.84 for interest and other fees charged to the County Commissioners' credit card. (See Summary of Charges, page 9)

***SPECIAL INVESTIGATION COSTS***

The State of Indiana incurred costs, in the amount of \$2,671.70, due to the special investigation of the County Commissioners' credit card transactions.

Audit costs incurred because of theft and shortage may be the personal obligation of the responsible official or employee.

Audit costs or other costs incurred because of poor records, nonexistent records or other inadequate bookkeeping practices may be the personal obligation of the responsible official or employee of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Counties, Chapter 1)

We requested that Miller reimburse the State of Indiana for special investigation costs in the amount of \$2,671.70. (See Summary of Charges, page 9)

***EMPLOYEE DISHONESTY INSURANCE COVERAGE***

The County has insurance policies which protect them from employee theft. Each policy has a limit of insurance of \$100,000 per occurrence for the periods from February 15, 2018 to February 15, 2019, and February 15, 2019 to February 15, 2020.

***INTERNAL CONTROLS***

The County adopted Resolution #6-2017. The objective was to establish internal controls over the use of County credit cards by employees. Internal controls are designed to detect and/or prevent errors or irregularities; however, there may be cases whereby the controls may be circumvented by personnel as described above. Although the controls established by the County did not prevent irregularities to occur, the controls were effective causing early detection and preventing additional losses to accumulate.

BOARD OF COUNTY COMMISSIONERS  
GRANT COUNTY  
RESULTS AND COMMENTS  
(Continued)

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.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

***INVESTIGATION BY OTHER GOVERNMENTAL AGENCIES***

An investigation of the credit card purchases by the Indiana State Police and the Grant County Prosecutor is ongoing.

***HEALTH INSURANCE PREMIUM***

As a fringe benefit, the County offered the option to retirees to remain enrolled on the County's group health insurance plan. The retiree reimbursed the County for the monthly cost of the employee and employer share combined. Miller was a participant in this fringe benefit until her termination. Per a letter written by the County Commissioners notifying Miller of her termination, Miller owed the County \$560 for insurance premiums. Miller's benefits terminated on May 1, 2019.

Units have a responsibility to collect amounts owed to the unit pursuant to procedures authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Indiana Counties, Chapter 1)

BOARD OF COUNTY COMMISSIONERS  
GRANT COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on January 15, 2020, with Mark Bardsley, County Commissioner; Ron Mowery, County Commissioner; Justin Saathoff, County Administrator/Human Resources; and Nancy Bender, Human Resources Director.

OFFICIAL RESPONSE

January 17, 2020

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, IN 46204-2765

Re: Board of Commissioners of Grant County, Indiana  
Special Investigation Report December 1, 2018 to May 31, 2019

The Board of Commissioners of Grant County, Indiana (“Commissioners”) are committed to integrity, accountability, and transparency in the proper expenditures of public funds. In furtherance of such responsibilities the Commissioners have adopted internal control procedures to ensure that the above goals are met and practiced in Grant County. Unfortunately, due to the inappropriate actions of one individual the procedures were required to be put to use.

As described in this report an employee of the Commissioners made improper use of taxpayer funds for personal expenses. Regrettably, the procedures put in place by the Commissioners did not stop such actions but lead to the discovery of abuse in quick fashion and limited further potential misuse. Once made aware of the misappropriation of public funds the Commissioners initiated an immediate investigation which lead to a prompt termination of the employee. In addition, further questionable expenditures from the employee were addressed as swiftly as possible and the Commissioners also made a report to the proper law enforcement officials and the State Board of Accounts for further investigation.

The Commissioners are saddened by the actions taken from an employee in their office but are determined to pursue any and all available remedies to ensure that the employee returns any and all misappropriated Grant County funds attributable to her actions.

The Commissioners are also grateful to all the employees of Grant County, the Indiana State Police and the State Board of Accounts who all assisted in the investigation of this matter. Each were extremely thorough and professional in their duties of ensuring that all avenues of possible wrongdoing action were explored. The citizens of Grant County were well represented in obtaining all the facts in this matter. The Commissioners pledge to continue to be vigilant in

January 22, 2020  
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the proper use of the citizens of Grant County taxes and hold all of its employees to the same standard.

Very Truly Yours,

  
Mark E. Bardsley, President  
Grant County Commissioners

BOARD OF COUNTY COMMISSIONERS  
 GRANT COUNTY  
 SUMMARY OF CHARGES  
 (Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Tamaria Miller, former Administrative Assistant:			
Personal Purchases, page 3	\$ 2,938.92	\$ -	\$ 2,938.92
Interest and Other Fees, pages 3 and 4	281.84	-	281.84
Special Investigation Costs, page 4	<u>2,671.70</u>	<u>-</u>	<u>2,671.70</u>
 Total	 <u>\$ 5,892.46</u>	 <u>\$ -</u>	 <u>\$ 5,892.46</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            )  
  )  
PORTER COUNTY)

I, Michelle Janosky, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of Grant County, Indiana, for the period from December 1, 2018 to May 31, 2019, is true and correct to the best of my knowledge and belief.

*Michelle Janosky*  
Field Examiner

Subscribed and sworn to before me this 27 day of JANUARY, 2020.

*Judy A. Hittle*  
Notary Public

My Commission Expires: 06-26-2021  
County of Residence: JASPER

