

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

SPECIAL INVESTIGATION REPORT  
OF

LAWRENCEBURG MUNICIPAL UTILITIES  
CITY OF LAWRENCEBURG  
DEARBORN COUNTY, INDIANA

January 1, 2017 to December 31, 2019



**FILED**

11/15/2022



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**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF LAWRENCEBURG, DEARBORN COUNTY, INDIANA

This is a special investigation report for the City of Lawrenceburg (City), for the period January 1, 2017 to December 31, 2019, and is in addition to any other report for the City as required under Indiana Code 5-11-1. All reports pertaining to the City 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 personal expenditures paid on the Utility's credit card, reimbursements to the Utility Superintendent, and the Utility's vendor invoices. 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

September 27, 2022

LAWRENCEBURG MUNICIPAL UTILITIES  
CITY OF LAWRENCEBURG  
RESULTS AND COMMENTS

**BACKGROUND**

Olin Clawson (Clawson) was hired by the City on November 18, 2014, to be the Utility Superintendent over the Lawrenceburg Municipal Utilities (LMU). Clawson was terminated from his position on January 2, 2020. During an audit conducted by the Indiana State Board of Accounts (SBOA) for the period of January 1, 2017 to December 31, 2018, field examiners questioned the validity of some invoices presented to them for audit paid by the LMU. Additionally, other complaints were made concerning expenditures made by the LMU.

The SBOA examined the records and reviewed the accounting of the LMU. The following describes noncompliance with statutes or the Accounting and Uniform Compliance Guidelines Manual for Cities and Towns.

**OVERPAYMENT OF REIMBURSEMENTS - QUESTIONABLE VENDOR INVOICES**

Clawson submitted claims to the LMU for reimbursement of expenses charged on his personal credit card. In three instances, Clawson submitted insufficient supporting documentation that did not agree with the amounts charged on his personal credit card. In all three instances, the amount charged on Clawson's personal credit card was less than the amount requested for reimbursement from the LMU.

1. During an audit of the City, the SBOA determined the supporting documentation for a reimbursement made to Clawson on September 7, 2018, for Poco Buckles and Saddles in the amount of \$4,500, to be insufficient and requested additional documentation from Clawson. Clawson provided a redacted personal credit card statement, which showed a payment on July 8, 2018, to the vendor for \$4,500. A review of the credit card statement obtained directly from the credit card company showed the payment on July 8, 2018, was for \$3,500.

A receipt in the amount of \$4,500 was submitted as supporting documentation for the purchase. The receipt submitted contained the lump sum amount of \$4,500, did not provide any itemization of the purchase and was not a direct invoice from the vendor. No documentation was provided that showed Clawson personally paid the \$1,000 difference to the vendor. Poco Buckles and Saddles is owned by a relative of Clawson. Support was provided to validate that Poco Buckles and Saddles made and provided the LMU with belt buckles for the rodeo. No support was provided for the \$1,000 overpaid reimbursement to Clawson.

2. During an audit of the City, the SBOA determined the supporting documentation for a reimbursement made to Clawson on September 19, 2018, for The Embroidery House, invoice number 2164536, in the amount of \$7,190.15, to be questionable and requested additional documentation from Clawson. Field examiners attempted to contact The Embroidery House. A call to the telephone number listed on the invoice determined the number to be invalid. A search of the Colorado Secretary of State's website did not show The Embroidery House as a listed company.

LAWRENCEBURG MUNICIPAL UTILITIES  
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Clawson provided a redacted personal credit card statement, which showed a payment to "Lil's Embroidery and Silksc" (not The Embroidery House) on September 14, 2018, in the amount of \$6,122.15. Clawson stated to the SBOA that he contacted the vendor to determine the difference between the amount charged on his credit card (\$6,122.15) and the amount of the invoice (\$7,190.15). Clawson stated the difference was due to the vendor not billing for Whiskey City Utilities collared shirts in the amount of \$1,068.

Because Clawson's credit card statement showed the payment to Lil's Embroidery and Silkscreening (not The Embroidery House), field examiners requested the LMU Accountant to contact Lil's Embroidery and Silkscreening and request copies of invoices to LMU or Clawson. The vendor provided invoice number 216486, in the amount of \$6,122.15, which included a line item for Whiskey City Utilities collared shirts for \$1,068. Support was provided to validate that Lil's Embroidery and Silkscreening made and provided the LMU with shirts for the rodeo in the amount of \$6,122.15, leaving an unsupported reimbursement to Clawson of \$1,068.

A comparison of the invoice submitted by Clawson for reimbursement and the invoice obtained directly from the vendor showed differences as follows:

- The name of the vendor was not the same.
  - The address of the vendor was not the same.
  - The invoice number was not the same.
  - The price charged for the sleeve logo was not the same.
3. During the audit of the City, the SBOA determined the supporting documentation for a reimbursement made to Clawson on October 26, 2018, in the amount of \$6,200 for Poco Buckles and Saddles, to be insufficient and requested additional documentation from Clawson. Clawson did not provide any additional documentation. A review of the credit card statement obtained from the credit card company showed a payment on September 20, 2018, in the amount of \$5,200, to Poco Buckles and Saddles.

A receipt in the amount of \$6,200 was submitted as supporting documentation for the purchase. The receipt submitted contained the lump sum amount of \$6,200, did not provide any itemization of the purchase, and was not a direct invoice from the vendor. No documentation was provided that showed Clawson personally paid the \$1,000 difference to the vendor. Poco Buckles and Saddles is owned by a relative of Clawson. Support was provided to validate that Poco Buckles and Saddles made and provided the LMU with belt buckles for the rodeo. No support was provided for the \$1,000 overpaid reimbursement to Clawson.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

LAWRENCEBURG MUNICIPAL UTILITIES  
CITY OF LAWRENCEBURG  
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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 Cities and Towns, Chapter 1)

We requested Clawson reimburse the LMU for the reimbursement overages in the amount of \$3,068. (See Summary of Charges, page 15)

**IMPROPERLY ITEMIZED VENDOR INVOICES APPROVED BY CLAWSON**

In 2018, a fiber optic utility vendor paid \$66,576.26 in Whiskey City Rodeo expenses on behalf of the LMU. The vendor invoiced the LMU for the expenses. The invoices submitted by the vendor did not contain descriptions showing the proper nature of the expenditures. The following information details the nature of those expenditures.

Alcohol Purchase for 2018 Whiskey City Rodeo

In October 2018, the LMU paid a vendor invoice in the amount of \$93,010.88 with check number 2761. The invoice contained a line item in the amount of \$1,676.26 with no description. Further investigation of the invoice determined the amount was for the purchase of alcohol for the 2018 Whiskey City Rodeo. Clawson oversaw the rodeo and signed the invoice for payment by the LMU. A receipt for the alcohol purchase was not included in the supporting documentation presented for payment by the vendor. The LMU does not have a policy for the purchase of alcohol.

Prize Money Paid for 2018 Whiskey City Rodeo

In September 2018, the LMU held the 2018 Whiskey City Rodeo. Upon completion of the rodeo, the winners were issued checks by the fiber optic utility vendor totaling \$64,900 in prize money.

In October 2018, the vendor invoiced the LMU \$64,900 on invoice number 7031. The description on the invoice stated: "professional consulting and engineering services - miscellaneous services - Rodeo." A claim was prepared by the former LMU Accountant and given to Clawson for approval. Clawson never returned the claim to the former LMU Accountant. Clawson returned the invoice to the vendor to have them bill the expenditures as "fiber expenses." The vendor rebilled the LMU for the prize money over five invoices.

A review of the five invoices showed each amount billed as a flat rate for "professional services," but did not indicate the amount was, in fact, for the reimbursement of prize money for the rodeo. Clawson approved each invoice for payment from the Fiber Optics fund, and the claims were presented to the Utility Service Board for payment. Because the claims did not contain accurate descriptions of the expense, the Utility Service Board did not have the information to properly vet the claims for payment. The reimbursement of prize money for the rodeo is not a permissible expenditure from the Fiber Optics fund.

The amount of \$3,250 of the prize money was not billed to the LMU for reimbursement.

LAWRENCEBURG MUNICIPAL UTILITIES  
 CITY OF LAWRENCEBURG  
 RESULTS AND COMMENTS  
 (Continued)

The following is a schedule summarizing the vendor invoices and the amounts paid by the LMU to the vendor:

Vendor Invoice Number	Invoice Date	LMU Check Number	Professional Services
8-419	11-03-18	2874	\$ 35,000
8-425	04-09-19	3397	7,000
8-426	05-15-19	4039	7,000
8-427	06-09-19	4232	7,000
8-429	07-08-19	418655	5,650
Total			<u>\$ 61,650</u>

Indiana Code 5-11-10-1.6(c) states in part:

"The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

Expenses paid from utility funds should be directly related to the operation of the municipally owned utility. (City and Towns Bulletin, June 2021, page 14)

The governing body of a unit must have a written policy concerning the purchase of alcohol using public funds. This policy must address the exact situations in which alcohol can be purchased and outline any liability issues that may arise with using public funds to purchase alcohol. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

LAWRENCEBURG MUNICIPAL UTILITIES  
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 (Continued)

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 by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, 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 Cities and Towns, Chapter 1)

We requested Clawson reimburse the LMU \$63,326.26 for the improperly itemized vendor invoices approved by Clawson paid from the Fiber Optics fund. (See Summary of Charges, page 15)

**NONBUSINESS EXPENDITURES CHARGED ON UTILITY CREDIT CARD**

Clawson charged \$13,359.32 in expenditures to the Utility credit card for the years 2017, 2018, and 2019 with no documentation to support that the purchases were related to the functions and purposes of the Utility.

The following schedule details these expenditures by description and amount:

Description	Amount
No supporting documentation or business purpose identified	\$ 8,255.25
Trip to Holland Michigan with no business purpose identified	1,258.93
Trip to Albuquerque New Mexico with no business purpose identified	594.32
Trip to French Lick Indiana with no business purpose identified	846.60
Trip to Washington D.C. with no business purpose identified	1,329.07
Trip to Albuquerque New Mexico for the 2018 Light Up Navajo planning meeting with no business purpose identified	<u>1,075.15</u>
<b>Total</b>	<b><u><u>\$ 13,359.32</u></u></b>

The City's codification #37.05, Use of Credit Cards, states in part:

". . . (B) Card and account use procedures. . . .

(2) No credit card may be used to pay for private purchases or alcoholic beverages, or to obtain cash advances.

(3) Charges made on any city credit card shall be only for items which are authorized by the Clerk-Treasurer, Officer or Department Head and are properly budgeted in the city's corresponding and current budget.

(4) Any employee who fails to provide an itemized receipt for a purchase shall be personally liable to the city for the full amount of such charge as well as any associated finance charges caused by late payment.

LAWRENCEBURG MUNICIPAL UTILITIES  
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 (Continued)

(5) Credit cards shall not be used to bypass or avoid the accounting system of the city. Charges to the city credit cards shall be paid by the Clerk-Treasurer's Department only on the basis of original receipts and from appropriate budgeted funds, accounts, and line items pursuant to the claim's procedures of the city.

(6) Payment should not be made on the basis of a statement, or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and itemized receipts must be available. Officers and employees are personally responsible for any purchases they make without provided supporting documentation and are personally responsible for any associated finance charges caused by late payment."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

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 by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, 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 Cities and Towns, Chapter 1)

We requested Clawson reimburse the LMU for the non-business expenditures charged on the Utility credit card in the amount of \$13,359.32. (See Summary of Charges, page 15)

**NONBUSINESS EXPENDITURES REIMBURSED TO CLAWSON**

Clawson requested reimbursement for expenditures totaling \$2,976.80 for the years 2017, 2018, and 2019 with no documentation to support that the purchases were related to the functions and purposes of the Utility.

The following schedule details the expenditures reimbursed by description and amount:

Description	Amount
Reimbursements with no business purpose identified	\$ 670.08
Reimbursements for airline tickets and meals with no business purpose identified	1,477.12
Reimbursements for airline tickets for a family member	829.60
<b>Total</b>	<b>\$ 2,976.80</b>

LAWRENCEBURG MUNICIPAL UTILITIES  
CITY OF LAWRENCEBURG  
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Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

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 by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, 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 Cities and Towns, Chapter 1)

We requested Clawson reimburse the LMU for the nonbusiness expenditures reimbursed in the amount of \$2,976.80. (See Summary of Charges, page 15)

**VENDOR OVERPAYMENT - DISCREPANCIES WITH VENDOR INVOICES**

A review of Clawson's hard drive on his work computer found it contained computerized vendor invoices and generic invoice templates. We compared the computerized vendor invoices to the invoices submitted for payment and found the following discrepancies:

*Vendor one*

- Invoice number was changed manually.
- Invoice amounts were different.
- Invoice date was changed manually.
- Invoice descriptions were different.
- Duplicate amount paid to vendor.

Invoice number 1129 dated May 16, 2019, for \$590, was submitted for payment and paid by the LMU on July 31, 2019. The same invoice was subsequently submitted for payment along with invoice number 1131, dated August 16, 2019, for \$575. When invoice number 1129 was submitted for payment the second time, the invoice number was manually changed to 1130. The LMU paid the two invoices that totaled \$1,165 causing the vendor to receive an overpayment of \$590. Invoice number 1129 provided by the vendor during the investigation was for \$295 and contained a different description of services.

*Vendor two*

- There were two invoices that totaled \$2,214.13 found on Clawson's computer. These invoices were generic and did not contain any vendor information. However, the invoices submitted for payment contained a heading with the vendor's name, vendor address, corporate address, and corporate logo. The details presented in the invoices were identical.

LAWRENCEBURG MUNICIPAL UTILITIES  
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Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, 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 Cities and Towns, Chapter 1)

We requested Clawson reimburse the LMU for the vendor overpayment in the amount of \$590. (See Summary of Charges, page 15)

### **SPECIAL INVESTIGATION COSTS**

The State of Indiana incurred additional audit costs due to the special investigation of the LMUs' records.

Indiana Code 5-11-1-27(m) states in part:

"If the attorney general institutes civil proceedings related to this section or under [IC 5-11-5-1](#), the attorney general shall seek, in addition to the recovery of any funds misappropriated, diverted, or unaccounted for, restitution of:

(1) costs incurred by the state board of accounts; . . ."

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

Audit costs incurred because of poor records, nonexistent records or any other inadequate book-keeping practices, or because of theft or a shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

We requested Clawson reimburse the State of Indiana \$68,877 for special investigation costs. (See Summary of Charges, page 15)

### **INTERNAL CONTROLS**

The Utility Service Board (USB) did not implement sufficient internal controls over expenditures from the utility funds allowing unauthorized expenditures to be paid with public funds. The written comments demonstrate a lack of segregation of duties, management override of internal controls, and lack of monitoring activities by the USB.

#### *Segregation of Duties*

- Clawson entered contracts on behalf of the LMU without the express approval of the USB. Indiana Code 8-1.5-3-4 states the powers and duties of the USB. It gives the authority to enter contracts on behalf of the LMU to the USB.

LAWRENCEBURG MUNICIPAL UTILITIES  
CITY OF LAWRENCEBURG  
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(Continued)

*Management Override of Controls*

1. Clawson approved claims from vendors without proper supporting documentation.
2. Clawson frequently paid vendor invoices on the LMU credit card and his personal credit card that should have gone through the normal claims process.
3. Clawson requested reimbursement on expenditures made to his personal credit card without proper supporting documentation.
4. As the Utility Superintendent, Clawson was considered a part of the LMU's management responsible for overseeing compliance with the LMU policies and procedures.

*Monitoring*

1. The USB approved claims at its meetings which included claims without proper supporting documentation, credit card claims, and reimbursements to Clawson.
2. The USB did not monitor the cash balance of the Electric Utility as expenditures for the Fiber Optic Utility and Whiskey City Rodeos caused the balance to decrease from \$9,673,586 on December 31, 2016, to \$2,229,541 on December 31, 2019. The cash balance dropped by 77 percent. The following schedule shows the cash balance for the Electric Utility between 2016 and 2019.

	Cash Balance 12-31-16	Cash Balance 12-31-17	Cash Balance 12-31-18	Cash Balance 12-31-19
Electric Operating	\$ 8,506,139	\$ 10,099,146	\$ 4,759,031	\$ 1,537,274
Electric Depreciation	506,833	506,833	211,168	211,168
Electric Reserve	488,126	488,126	292,975	292,975
Electric Customer Deposits	172,488	177,566	184,812	188,124
Electric Utility Year-End Cash Balances	<u>\$ 9,673,586</u>	<u>\$ 11,271,671</u>	<u>\$ 5,447,986</u>	<u>\$ 2,229,541</u>
Percentage Change (Base Year 12-31-16)		17%	-44%	-77%

3. The USB allowed expenditures in the amount of \$6,958,184 for the Fiber Optic Utility from the Electric Operating fund between 2017 and 2019. Indiana Code 8-1.5-3-11(f) allows for a loan between two utilities, but only using a cash reserve fund. The cash reserve fund of the Electric Utility was insufficient to cover the expenditures, so the Fiber Optic Utility expenditures were paid from the Electric Operating fund. The November 6, 2017 USB minutes showed the USB approved a loan between the two utilities for the Data Center Project to be paid back over 5 years at 4 percent interest rate. However, no loan documentation was presented for examination. The following is a schedule of the expenditures made for the Fiber Optic Utility between 2017 and 2019.

	Expenditures 12-31-17	Expenditures 12-31-18	Expenditures 12-31-19	Total Expenditures
Fiber Optic Utility	<u>\$ 328,983</u>	<u>\$ 2,690,771</u>	<u>\$ 3,938,430</u>	<u>\$ 6,958,184</u>

LAWRENCEBURG MUNICIPAL UTILITIES  
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4. The USB allowed expenditures to be made from the Electric Operating fund to conduct the 2018 Whiskey City Rodeo (rodeo). In 2018, a total of \$596,955.68 in expenditures were made for the rodeo. The rodeo did yield revenue in the amount of \$336,111.57, resulting in a net loss to the Electric Utility of \$260,844.11.

Indiana Code 8-1.5-3-4 states in part:

"(a) The board has general supervisory powers over the utilities under its control, with responsibility for the detailed supervision of each utility to be vested in its superintendent, who is responsible to the board for the business and technical operation of the utility. The board shall:

(10) award contracts for:

(A) the purchase of capital equipment;

(B) the construction of capital improvements; or

(C) other property or purposes that are necessary for the full and efficient construction, management, and operation of each utility; . . ."

Indiana Code 8-1.5-3-11(f) states:

"A cash reserve fund, if authorized by ordinance, may be used to make loans to another utility owned by the same municipality, for periods not to exceed five (5) years, at any interest rate. The repayment of the loan and interest shall be returned to the cash reserve fund."

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* (Manual). All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The Manual states in part the following:

"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 LAW ENFORCEMENT**

It is our understanding that an investigation was completed by the Indiana State Police and the Federal Bureau of Investigation.

LAWRENCEBURG MUNICIPAL UTILITIES  
CITY OF LAWRENCEBURG  
RESULTS AND COMMENTS  
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**BOND INFORMATION**

The following is information regarding official bonds obtained by the LMU:

<u>Period</u>	<u>Amount</u>
01-01-17 to 12-31-17	\$ 300,000
01-01-18 to 12-31-18	300,000
01-01-19 to 12-31-19	300,000

The following is information regarding official bonds obtained by the City:

<u>Period</u>	<u>Amount</u>
01-01-17 to 01-01-18	\$ 2,000,000
01-01-18 to 01-01-19	2,000,000
01-01-19 to 01-01-20	2,000,000

LAWRENCEBURG MUNICIPAL UTILITIES  
CITY OF LAWRENCEBURG  
EXIT CONFERENCE

The contents of this report were discussed on September 27, 2022, with Kelly Mollaun, Mayor; Mark Fette, Clerk-Treasurer; Brett Bondurant, Common Council member; Justin Noppert, Common Council member; Lennie Fryman, Common Council member; Thomas L. Rowlett Sr., Common Council member; Anthony A. Abbott, Common Council member; Billy Kinnett, Utility Superintendent; Delmar Weldon, City Attorney; and Judson G. McMillin, Attorney.

LAWRENCEBURG MUNICIPAL UTILITIES  
CITY OF LAWRENCEBURG  
SUMMARY OF CHARGES  
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Olin Clawson, former Utility Superintendent:			
Overpayment of Reimbursements - Questionable Vendor Invoices, pages 3 through 5	\$ 3,068.00	\$ -	\$ 3,068.00
Improperly Itemized Vendor Invoices Approved by Clawson, pages 5 through 7	63,326.26	-	63,326.26
Nonbusiness Expenditures Charged On Utility Credit Card, pages 7 and 8	13,359.32	-	13,359.32
Nonbusiness Expenditures Reimbursed To Clawson, pages 8 and 9	2,976.80	-	2,976.80
Vendor Overpayment - Discrepancies With Vendor Invoices, pages 9 and 10	590.00	-	590.00
Special Investigation Costs, page 10	<u>68,877.00</u>	<u>-</u>	<u>68,877.00</u>
Totals	<u>\$ 152,197.38</u>	<u>\$ -</u>	<u>\$ 152,197.38</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            )  
  )  
Marion COUNTY)

I, Christopher G. Sedam, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the City of Lawrenceburg, Dearborn County, Indiana, for the period from January 1, 2017 to December 31, 2019, is true and correct to the best of my knowledge and belief.

Christopher G. Sedam  
Field Examiners

Subscribed and sworn to before me this 19 day of October, 2022

[Signature]  
Notary Public

My Commission Expires: 9-7-24

County of Residence: Hamilton

IAN HAUER  
NOTARY PUBLIC  
SEAL  
HAMILTON COUNTY, STATE OF INDIANA  
MY COMM. EXP. 9-7-2024  
NO. 690504