

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

SPECIAL INVESTIGATION REPORT

OF

BURDETTE PARK

VANDERBURGH COUNTY, INDIANA

January 1, 2021 to November 30, 2021



FILED
05/24/2023

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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

TO: THE OFFICIALS OF VANDERBURGH COUNTY, INDIANA

This is a special investigation report for Vanderburgh County (County), for the period January 1, 2021 to November 30, 2021, 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.

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 campground receipts at Burdette Park. 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

May 8, 2023

BURDETTE PARK
VANDERBURGH COUNTY
RESULTS AND COMMENTS

BACKGROUND

Scott Thompson (S. Thompson) was the Burdette Park campground host beginning July 2018 through November 30, 2021. Vanderburgh County (County) officials reported an alleged theft of campground fees to the Indiana State Board of Accounts in accordance with Indiana Code 5-11-1-27. The Indiana State Board of Accounts examined the records and accounting of the campground receipts at Burdette Park. The following describes noncompliance with statutes or the *Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana*.

CASH CAMPGROUND RECEIPTS NOT DEPOSITED

S. Thompson and his spouse, Cathy Thompson (C. Thompson), registered campers and collected camping fees at Burdette Park. After collecting the camping fees, S. Thompson or C. Thompson were to take the fees to the park office to be deposited. The park does not have its own bank account; however, they do have their own deposit tickets. A park office employee would fill out the deposit ticket and mark it "campground." The campground fees were then deposited in the County's bank account with other general fund monies.

A campground receipt should have been written for every camping fee collected. However, only three receipt books were found at the campground office for 2021. Each receipt book had a different range of numbers and were not used in any particular order. Of the 144 receipts reviewed, 102 receipts totaling \$21,941.97 were marked cash and received by C. Thompson. All campground deposit tickets were reviewed from January through November 2021. Only \$965 in cash receipts were noted on the campground deposit tickets resulting in \$20,976.97 cash receipts not deposited. Cash campground receipts not deposited are as shown in the table below:

	<u>2021</u>
Cash Campground Receipts	\$ 21,941.97
Less Cash Receipts Deposited	<u>(965.00)</u>
Cash Campground Receipts Not Deposited	<u>\$ 20,976.97</u>

Indiana Code 36-10-3-22(d) states in part: "Money procured from fees . . . shall be deposited at least once each month with the fiscal officer of the unit."

Indiana Code 36-10-3-22(a) states "Park and recreation facilities and programs shall be made available to the public free of charge as far as possible. However, if it is necessary in order to provide a particular activity, the board may charge a reasonable fee."

Indiana Code 36-10-3-22(b) states in part:

" . . . The unit's fiscal body shall designate the fund or funds into which the unit's fiscal officer (or county treasurer) shall deposit fees from golf courses, swimming pools, skating rinks, or other major facilities requiring major expenditures for management and maintenance. Money received from fees other than from major facilities or received from the sale of surplus property shall be deposited by the unit's fiscal officer (or county treasurer) either in the special nonreverting operating fund or in the nonreverting capital fund, as directed by the board. However, if neither fund has been established, money received from fees or from the sale of surplus property shall be deposited in the unit's general fund. . . ."

BURDETTE PARK
VANDERBURGH COUNTY
RESULTS AND COMMENTS
(Continued)

Funds misappropriated, diverted, or unaccounted for through malfeasance, misfeasance, or non-feasance 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)

Officials and employees are required to use prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Tickets, goods for sale, billings, and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the unit. The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payers. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

We requested that S. Thompson and C. Thompson, jointly and severally, reimburse the County \$20,976.97 for cash campground receipts not deposited. (See Summary of Charges, page 11)

ESTIMATED CAMPGROUND REVENUE LOSS

Burdette Park did not maintain a system to track camping registrations, check-ins, or payments. Some handwritten registration forms were found in the campground office; however, they did not include the dates the registrations were taken. Occupancy logs were kept by C. Thompson and by park maintenance. C. Thompson marked the date and site when a spot was occupied; however, August and September logs were not provided for review. Park maintenance marked on a map if the site was occupied; however, the maps were not filled out every day. As stated in *Cash Campground Receipts Not Deposited*, only 144 receipts were found for January through November 2021.

A campground revenue report for January through November 2021 obtained from the County Auditor showed total revenue of \$52,911. The report was traced to supporting documentation and no issues were found. To test if \$52,911 in campground revenue was reasonable, we calculated an estimated revenue for the same time period.

To determine an estimated campground revenue for January through November 2021, we obtained the camping rates from Burdette Park and used C. Thompson's logs for the occupancy. We abstracted the occupancy for each camping site, every day, for January, February, March, April, May, June, July, October, and November. We multiplied the camping rate times the occupancy for each site to determine the total revenue for each month.

C. Thompson's occupancy logs for August and September were not provided for review. We averaged the revenue for the preceding month of July and the following month of October. We used that average revenue for August and September. The total estimated camping revenue for January through November 2021 is shown in the table below:

BURDETTE PARK
VANDERBURGH COUNTY
RESULTS AND COMMENTS
(Continued)

Month	Estimated Revenue
January	\$ 6,562.50
February	5,237.50
March	6,695.00
April	9,035.00
May	9,050.00
June	10,490.00
July	9,915.00
August	10,420.00
September	10,420.00
October	10,925.00
November	7,185.00
Total	\$ 95,935.00

*Logs for August and September were not provided for review. An average of the collections for the months of July and October was used.

Based on the review of C. Thompson's logs, an estimated \$95,935 in camping fees should have been collected during the period January through November 2021. However, only \$52,911 was received by the County Auditor. We identified cash campground receipts not deposited totaling \$20,976.97, resulting in \$22,047.03 in estimated campground revenue loss. A summary of the estimated campground revenue loss is shown in the table below:

Estimated campground revenue	\$ 95,935.00
Amount collected by County	(52,911.00)
Cash Campground Receipts Not Deposited	(20,976.97)
Estimated Campground Revenue Loss	\$ 22,047.03

Funds misappropriated, diverted, or unaccounted for through malfeasance, misfeasance, or non-feasance 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)

Indiana Code 36-10-3-22(d) states in part: "Money procured from fees . . . shall be deposited at least once each month with the fiscal officer of the unit."

Officials and employees are required to use prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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

BURDETTE PARK
VANDERBURGH COUNTY
RESULTS AND COMMENTS
(Continued)

Tickets, goods for sale, billings, and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the unit. The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payers. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Park and recreation facilities and programs shall be made available to the public free of charge as far as possible. However, if it is necessary in order to provide a particular activity, the board may charge a reasonable fee.

The County Council shall designate the fund or funds into which the County Treasurer shall deposit fees from golf courses, swimming pools, skating rinks, or other major facilities requiring major expenditures for management and maintenance. Money received from fees other than from major facilities or received from the sale of surplus property shall be deposited by the County Treasurer either in the special nonreverting operating fund or in the nonreverting capital fund, as directed by the Board. However, if neither fund has been established, money received from fees or from the sale of surplus property shall be deposited in the unit's general fund. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 3)

We requested that S. Thompson and C. Thompson, jointly and severally, reimburse the County \$22,047.03 for estimated campground revenue loss. (See Summary of Charges, page 11)

SPECIAL INVESTIGATION COSTS

The State of Indiana incurred additional costs in the investigation of Burdette Park.

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 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 Counties of Indiana, Chapter 1)

We requested S. Thompson and C. Thompson, jointly and severally, reimburse the State of Indiana \$21,411 for special investigation costs. (See Summary of Charges, page 11)

INTERNAL CONTROLS

There were no internal controls evident, such as an oversight and review, over camping registration and the collection and remittance of camping fees.

The campground host and his spouse registered campers for their campsite rental, collected camping fees for campsite rentals, and remitted the camping fees to the Burdette Park Office.

BURDETTE PARK
VANDERBURGH COUNTY
RESULTS AND COMMENTS
(Continued)

- There was no oversight to ensure each camper registered for their stay.
- There was no oversight and review that each camper was charged the proper fee and the fee was collected.
- There was no oversight and review that a receipt was written, maintained, and remitted with fees to the Burdette Park office.
- There was no reconciliation between camping registrations, collections, and remittances.

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. These 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 LAW ENFORCEMENT AGENCY

An investigation into Burdette Park has also been conducted by the Vanderburgh County Sheriff's Department. S. Thompson and C. Thompson were both charged with a felony of theft.

CRIME INSURANCE

The County had employee crime insurance coverage as shown in the table below:

<u>Period</u>	<u>Coverage</u>
01-01-21 until canceled	\$ 5,000

BURDETTE PARK
VANDERBURGH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 8, 2023, with Jill Anne Hahn, President of the County Council; David Jones, County Attorney; Brian Gerth, County Auditor; Zachary Wathen, Burdette Park Director; Paige Dodson, Burdette Park Receptionist; and Justin Elpers, County Commissioner.



LAW DEPARTMENT

20 N.W. Third Street, Suite 400
P.O. Box 1065
Evansville, Indiana 47706
(812) 402-7994
Fax No. (812) 402-7977

Cheryl Musgrave, President
Justin Elpers, Vice President
Ben Shoulders, Member
Vanderburgh County Commissioners

David L. Jones, County Attorney
Craig R. Emig, Assistant County Attorney
Lauren K. Jones, RP, IRP
Law Dept. Chief of Staff

May 10, 2023

VIA EMAIL: officialresponse@sboa.in.gov
AND CERTIFIED MAIL: 9314 8699 0430 0107 7751 71
RETURN RECEIPT REQUESTED

Indiana State Board of Accounts
302 W. Washington Street, Room E418
Indianapolis, IN 46204-2765

RE: OFFICIAL RESPONSE
Report of Indiana State Board of Accounts
Regarding Missing Campground Fees
Burdette Park, Vanderburgh County, 1/1/21 - 11/30/21
Vanderburgh County - Burdette Park, Our Client No. 2019.007

Vanderburgh County submits the following response to the report of the State Board of Accounts ("SBOA") audit report of Burdette Park Campground fees for the period 1/1/21 - 11/30/21.

On December 3, 2021, former Burdette Park Director, Gerald Grannan, contacted the County Law Department to advise that during the annual year-end accounting, it was discovered campground revenue was down by approximately fifty percent (50%). Further investigation revealed approximately Twenty-Four Thousand Dollars (\$24,000.00) in cash receipts were written in the books but never deposited. The Law Department, in conjunction with the County Commissioners, instructed the Park Director to remove the campground Manager from his duties and to seize all books, records, receipts, and ledgers. The matter was then simultaneously referred to the SBOA and to the Vanderburgh County Sheriff's Office (the "VCSO"). The forensic audit investigation by the SBOA and criminal investigation by the VCSO ensued.

After obtaining all available information pertaining to campground operations and documentation, the campground Manager and his wife, Mr. and Mrs. Thompson, were dismissed.

In January 2022, significant changes were implemented at Burdette Park in the campground operations. These changes include the following:

1. There are no longer live-in campground hosts.
2. Campground financial transactions are managed by campground main office assistants.
3. There are no cash payments accepted in the campground office. Reservations are made with a credit card. Cash and checks are only accepted in the main office with multiple corresponding entries.
4. Each transaction is processed through the Burdette Park online reservation system, Civic Rec. This process allows each payment to be tracked in real time.
5. The reservation system has been reconfigured to provide for online reservations in advance.
6. The campground assistant greets campers and obtains signatures on campground permits which are logged into the system.
7. Burdette Park management periodically reviews the campground transactions in addition to the year-end annual report.
8. Campground leases were revised to provide for greater identification and financial tracking.
9. Sheriff's deputies check license plates of RV's and campers at night to verify vehicles listed on permits.

In summary, Vanderburgh County believes that within forty-five (45) days of discovery of this situation it implemented policies and procedures to detect, prevent or reduce the risks identified in the SBOA report and which meet or exceed the acceptable minimum level of internal control standards set forth in the Uniform Internal Control Standards for Indiana Political Subdivisions.

Very truly yours,

VANDERBURGH COUNTY
LAW DEPARTMENT



David L. Jones

DLJ/cdh

BURDETTE PARK
 VANDERBURGH COUNTY
 SUMMARY OF CHARGES
 (Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Scott Thompson, former Campground Host, and Cathy Thompson, jointly and severally:			
Cash Campground Receipts Not Deposited, pages 3 and 4	\$ 20,976.70	\$ -	\$ 20,976.70
Estimated Campground Revenue Loss, pages 4 through 6	22,047.03	-	22,047.03
Special Investigation Costs, page 6	<u>21,411.00</u>	<u>-</u>	<u>21,411.00</u>
 Total for Scott Thompson, former Campground Host, and Cathy Thompson, jointly and severally	 <u>\$ 64,434.73</u>	 <u>\$ -</u>	 <u>\$ 64,434.73</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)
Vigo COUNTY)

I, Gina Gambaiani, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of Vanderburgh County, Indiana, for the period from January 1, 2021 to November 30, 2021, is true and correct to the best of my knowledge and belief.

Gina Gambaiani
Field Examiner

Subscribed and sworn to before me this 24th day of May, 2023

[Signature]
Notary Public

My Commission Expires: 1/25/30

County of Residence: Vigo

