

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

SPECIAL INVESTIGATION REPORT
OF

CITY CLERK
CITY OF HAMMOND
LAKE COUNTY, INDIANA

January 27, 2012 to April 24, 2013



FILED
03/06/2014

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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk	Robert J. Golec	01-01-12 to 12-31-15
Mayor	Thomas M. McDermott, Jr.	01-01-12 to 12-31-15
City Controller	Robert Lendi, CPA	01-01-12 to 12-31-13
President of the Common Council	Michael Opinker	01-01-12 to 12-31-13



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 THE CITY OF HAMMOND

We have audited the records of the City Clerk for the period from January 27, 2012 to April 24, 2013, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of the City of Hammond for the year 2012.

STATE BOARD OF ACCOUNTS

August 15, 2013

CITY CLERK
CITY OF HAMMOND
AUDIT RESULTS AND COMMENTS

BACKGROUND INFORMATION

On April 24, 2013, the Clerk's office discovered a tampered docket and a duplicate fraudulent receipt. With no reasonable explanation for the docket tampering or fraudulent receipt, an investigation was initiated which uncovered additional discrepancies in several dockets. All discrepancies documented were executed by the Senior Clerk. At the time the discovery (April 24, 2013) was made, the Senior Clerk was not allowed access to the dockets and electronically maintained files until the investigation was completed. After meeting with the City Clerk Attorney, the Senior Clerk, Debra Scott, was dismissed on April 30, 2013. The State Board of Accounts was notified on July 1, 2013, and a special investigation was performed on the dockets in question. Following are the results of our review.

COLLECTIONS NOT DEPOSITED

Financial transactions of cases established prior to February 2010 were recorded in the WRIT system (computer software). In addition to receipts being written and recorded in the WRIT system, all receipts are recorded on a handwritten defendant case docket, including the amount, date, and receipt number.

In 13 cases, WRIT receipts were found to have been duplicated. Per the handwritten defendant case dockets, the same WRIT receipt number recorded on one defendant's case docket was also recorded to another defendant's case docket, but with different dollar amounts and dates. The original WRIT receipt amount was deposited and recorded in the financial software; however, the duplicate, copied receipt was not deposited or recorded as follows:

<u>Time Period</u>	<u>Number of Cases</u>	<u>Amount</u>
April 1, 2011 to March 31, 2012	1	\$ 641.50
April 1, 2012 to April 24, 2013	12	<u>3,664.50</u>
Total		<u>\$ 4,306.00</u>

We requested that Debra Scott, former Senior Clerk, reimburse the Clerk \$4,306 for the collections not deposited. (See Summary of Charges, page 8)

Indiana Code 5-13-6-1(c) states in part: ". . . Public funds deposited . . . shall be deposited in the same form in which they were received."

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 4)

CITY CLERK
CITY OF HAMMOND
AUDIT RESULTS AND COMMENTS
(Continued)

DISMISSED CASES WITHOUT PROPER DOCUMENTATION OR PAYMENT

For cases established after February 2010, the Court uses Courtview computer software to record the financial transactions of a case, and monitor case activities by defendant or case. The Court enters the decisions made by the judge on the handwritten defendant case dockets. The Clerk's office is to document those decisions in the Courtview software and, if necessary, submit documentation to the Bureau of Motor Vehicles (BMV). The Courtview software has a file tracking system which records each time a case is checked in or out of the Clerk's office by scanning the bar code. The software also has an event tracking system in which each court date is recorded and reported in an Event Tracking report. A dismissal noted on the manual docket should correspond to the file having been checked out and then back in and an "event" recorded in Courtview.

If a defendant's license has been suspended and the Court has dismissed the case, payment has been received, or the judge has submitted an "Order of Dismissal," a SR-16 Form to release the suspension is submitted by fax or electronically to the Indiana BMV. The same process takes place if the defendant has an Illinois driver's license except the SR-16 Form is given to the defendant. In either case, a copy of the SR-16 Form is to be retained in their case file.

Of the cases reviewed, 17 had dismissals documented on the handwritten defendant case docket and in the Courtview docket, but there was not a Court date (event) documented in Courtview for that date. In 15 of the 17 cases, there was no documentation in Courtview indicating that the file had been checked out of the Clerk's office. In the 2 cases where the file was checked out on the dismissal date, there was no Court date scheduled for the case on that date. Copies of SR-16 Forms were in the file for 8 of the 17 cases. There were 4 of these marked "Payment," indicating the defendant had satisfied or paid all traffic fines and court costs; the remaining 4 SR-16 Forms were marked "Reopened and Disposed" which indicates the individual appeared in court and a court finding was determined.

The summary of cases that were dismissed without the appropriate supporting documentation or payment collected or deposited is as follows:

Description	Number of Cases	April 1, 2011 to March 31, 2012	April 1, 2012 to April 24, 2013	Totals
Dismissals with SR-16 marked Payment or Reopened and Disposed	8	\$ 769.50	\$ 1,160.00	\$ 1,929.50
Dismissals with no event or file tracking on the dismissal date (No SR-16 on file)	7	354.00	1,000.00	1,354.00
Dismissals with no event tracking on the dismissal date	2	-	491.50	491.50
Totals		<u>\$ 1,123.50</u>	<u>\$ 2,651.50</u>	<u>\$ 3,775.00</u>

Since a dismissal would require an action by the Court or Prosecutor, either fees were collected and not recorded or deposited, or the fees were waived without authority.

We requested that Debra Scott, former Senior Clerk, reimburse the Clerk \$3,775 for the dismissals without proper documentation or payment. (See Summary of Charges, page 8)

CITY CLERK
CITY OF HAMMOND
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 4)

ADDITIONAL AUDIT COSTS

The State of Indiana incurred additional audit costs in the investigation of the collections not deposited and dismissed cases without proper documentation or payment totaling \$3,103.16. We requested Debra Scott, former Senior Clerk, reimburse the State of Indiana \$3,103.16 for the additional audit costs incurred in the investigation. (See Summary of Charges, page 8)

Audit costs incurred because of theft or shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 4)

COMMERCIAL CRIME POLICY

The Clerk's office has Crime Insurance which covers employee theft. The policies for the periods April 1, 2009 to April 1, 2012 and April 1, 2012 to April 1, 2015 are with the Travelers Casualty and Surety Company of America and provide \$50,000 of coverage per loss with a \$1,000 deductible for employees of the Clerk's office.

CITY CLERK
CITY OF HAMMOND
EXIT CONFERENCE

The contents of this report were discussed on August, 15, 2013, with Robert J. Golec, Clerk; Susan D. Dimopoulos, Chief Deputy Clerk; and Kathryn Knapp, Office Manager. The officials concurred with our audit findings.

The contents of this report were sent by certified mail to Debra Scott, former Senior Clerk.

CITY CLERK
CITY OF HAMMOND
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Debra Scott, former Senior Clerk:			
Collections Not Deposited, page 4	\$ 4,306.00	\$ -	\$ 4,306.00
Dismissed Cases Without Proper			
Documentation or Payment, pages 5 and 6	3,775.00	-	3,775.00
Additional Audit Costs, page 6	<u>3,103.16</u>	<u>-</u>	<u>3,103.16</u>
Totals	<u>\$ 11,184.16</u>	<u>\$ -</u>	<u>\$ 11,184.16</u>

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

AFFIDAVIT

STATE OF INDIANA)
)
Porter COUNTY)

We, Carla Wenger and Susan Lardino, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the City Clerk, City of Hammond, Lake County, Indiana, for the period from January 27, 2012 to April 24, 2013, is true and correct to the best of our knowledge and belief.

Carla Wenger

Susan Lardino

Field Examiners

Subscribed and sworn to before me this 5th day of November, 2013

Judy A. Stubb

Notary Public

My Commission Expires: June 26, 2021

County of Residence: Jasper

