

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

SPECIAL INVESTIGATION REPORT

OF

WA-NEE COMMUNITY SCHOOLS

ELKHART COUNTY, INDIANA

July 1, 2005 to June 30, 2014



FILED
07/21/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Janet Grewell Roger Zentz	07-01-05 to 03-23-08 03-24-08 to 06-30-15
Superintendent of Schools	Joseph Sabo	07-01-05 to 06-30-15
President of the School Board	Cletis Miller Chris Gillam Eric Brown	07-01-05 to 06-30-06 07-01-06 to 06-30-08 07-01-08 to 06-30-15



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 WA-NEE COMMUNITY SCHOOLS

We have conducted a special investigation of the records of the Wa-Nee Community Schools for the period from July 1, 2005 to June 30, 2014. Our investigation was limited to the following records: payment vouchers, invoices, and other documentation relating to purchases made from Continental Maintenance Specialties, Inc. The purpose of our investigation was to determine if the transactions related to Continental Maintenance Specialties, Inc., were in compliance with the laws and regulations of the State of Indiana. The results of our investigation are fully described in the Special Investigation Result and Comment and Summary of Charges as listed in the Table of Contents.

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

Any Official Response included herein has not been examined or verified for its accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

June 4, 2015

WA-NEE COMMUNITY SCHOOLS
SPECIAL INVESTIGATION RESULT AND COMMENT

EXCESSIVE OR UNREASONABLE COSTS

In connection with an investigation at another school corporation, we determined that the Wa-Nee Community Schools (School Corporation) incurred excessive or unreasonable costs related to the purchase of kitchen drain maintenance products from Continental Maintenance Specialties, Inc. (CMS). Brian K. Stowers, CMS Owner, installed and maintained the automatic dispensing equipment used to disburse these products. This included setting the amount to be disbursed daily.

Between July 1, 2005 and June 30, 2014, the School Corporation spent \$29,051 on kitchen drain maintenance products (495 gallons). Based on inquiries with School Corporation maintenance personnel, other vendors selling similar products, and other units using the same products, we determined the maximum reasonable cost to be \$5,282.10 (90 gallons). This resulted in the School Corporation incurring excessive or unreasonable costs of \$23,768.90.

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We requested Brian K. Stowers, Owner of Continental Maintenance Specialties, Inc., to reimburse the School Corporation in the amount of \$23,768.90 for these excessive or unreasonable costs. (See Summary of Charges, page 6)

WA-NEE COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on June 4, 2015, with Roger Zentz, Treasurer; Joseph Sabo, Superintendent of Schools; and Eric Brown, President of the School Board.

WA-NEE COMMUNITY SCHOOLS
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Brian K. Stowers, Owner of Continental Maintenance Specialties, Inc. (CMS): Excessive or Untreasonable Costs, page 4	<u>\$ 23,768.90</u>	<u>\$ -</u>	<u>\$ 23,768.90</u>

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

AFFIDAVIT

STATE OF INDIANA)
Kosciusko COUNTY)

I, Stephen R. Poor, Special Investigator, being duly sworn on my oath, state that the foregoing report based on the official records as described in our letter to the officials of Wa-Nee Community Schools, Elkhart County, Indiana, for the period from July 1, 2005 to June 30, 2014, is true and correct to the best of my knowledge and belief.

Step R. Poor
Special Investigator

Subscribed and sworn to before me this 16th day of July, 2015

Kelly A Geiger
Notary Public

My Commission Expires: 10/26/2022
County of Residence: KOSCIUSKO

