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NEWS RELEASE

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FOR RELEASE _____ July 18, 2012 _____

Auditor of State David A. Vaudt today released a report on a special investigation of the Amana Colonies Land Use District (District) for the period May 21, 2007 through March 31, 2011. The special investigation was requested by District officials as a result of concerns regarding the commingling of District funds and personal funds by the former Administrator, Wallace Pasbrig. Mr. Pasbrig was employed by the District from May 21, 2007 to March 4, 2011.

Vaudt reported the special investigation identified \$48,220.88 of unsupported and improper disbursements, including:

- \$25,974.00 of unsupported and \$8,877.25 of improper payroll issued to Mr. Pasbrig,
- \$3,656.94 and \$1,253.37 for the District's FICA and IPERS contributions on the unsupported and improper payroll, respectively,
- \$2,739.35 of penalties and interest related to payroll taxes,
- \$1,084.59 for an unauthorized transfer from the District's checking account to Mr. Pasbrig's personal checking account,
- \$879.35 of improper purchases using the District's debit card,
- \$802.00 of improper payments on Mr. Pasbrig's personal credit card account and
- \$28.51 of sales tax.

The \$48,220.88 identified also includes \$1,864.90 of unsupported disbursements to Staples for office supplies. According to District personnel, the frequency and number of purchases is not reasonable for District operations. The amount also includes \$1,060.62 for unsupported mileage reimbursements.

Vaudt also reported it was not possible to determine if collections for permit fees were properly deposited because sufficient supporting documentation was not available.

The report includes recommendations to strengthen the District's internal control and overall operations, such as improvements to segregation of duties, review of supporting documentation and establishment of policies and procedures to ensure all Board meeting minutes are maintained, signed and include a listing of bills. The Board should also implement policies and procedures to ensure all transfers are properly approved prior to being made and sufficient payroll records, including timesheets for hourly employees, are maintained. The Board should also implement procedures requiring issuance of pre-numbered, pre-printed receipts for all collections.

Copies of this report have been filed with the Division of Criminal Investigation, the Iowa County Attorney's Office and the Attorney General's Office. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/1133-0050-BE00.pdf>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
AMANA COLONIES LAND USE DISTRICT
FOR THE PERIOD
MAY 21, 2007 THROUGH MARCH 31, 2011**

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Auditor of State's Report

To the Board of Trustees of the
Amana Colonies Land Use District:

At the request of the Board and as a result of concerns regarding the commingling of Amana Colonies Land Use District (District) funds with personal funds of the former Administrator, Wallace Pasbrig, we conducted a special investigation of the District. We have applied certain tests and procedures to selected financial transactions of the District for the period May 21, 2007 through March 31, 2011. Based on discussions with the Board and District personnel and a review of relevant information, we performed the following procedures.

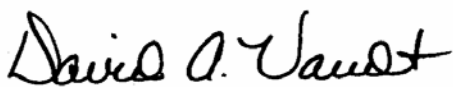
- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Reviewed the District's bank statements and redeemed checks to determine if disbursements appeared appropriate and to identify the source of certain deposits. We examined certain disbursements to determine if they were properly approved and supported by sufficient documentation.
- (3) Reviewed all transactions processed with the District's debit card to determine if the purchases appeared appropriate, were properly approved and were supported by sufficient documentation.
- (4) Reviewed payroll disbursements to determine if:
 - Disbursements were authorized and supported by timesheets.
 - Payroll was calculated using the approved hourly wage.
 - Withholdings for payroll taxes and retirement contributions were properly calculated and remitted for Mr. Pasbrig.
- (5) Obtained and reviewed Mr. Pasbrig's personal bank statements and personal credit card statements to identify the source of certain deposits and to determine if certain credit card payments were made from District accounts.

These procedures identified \$48,220.88 of unsupported and improper disbursements. We were unable to determine whether collections for permit fees were properly deposited during the period of our investigation because adequate records were not available. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **D** of this report.

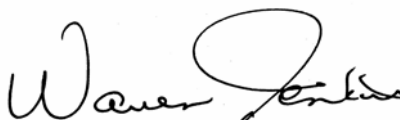
The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the Amana Colonies Land Use District, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Division of Criminal Investigation, the Iowa County Attorney's Office and the Attorney General's Office.

We would like to acknowledge the assistance extended to us by personnel of the Amana Colonies Land Use District during the course of our investigation.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

May 2, 2012

Amana Colonies Land Use District
Investigative Summary

Background Information

The Amana Colonies Land Use District (District) was created under Chapter 303, Subchapter IV, of the *Code of Iowa* in 1986 and is the sole entity formed under these Code provisions. The purpose of the District is to conserve the distinctive historical and cultural character of the area, particularly in its land use and acquisition of land. The District reviews the role of transportation, environmental controls, utilities and community facilities as they contribute to the protection and improvement of the District and is dedicated to helping preserve the history of the Amana Colonies, a group of 7 villages settled by German Pietists located along the Iowa River.

Wallace Pasbrig began employment with the District on May 21, 2007 and officially became the Administrator on June 30, 2007. As the Administrator, Mr. Pasbrig was responsible for the following:

- Planning, scheduling and conducting all administrative activities of the office in accordance with the Land Use Plan and State statutes.
- Processing all permit applications.
- Planning, coordinating and scheduling meetings of the Board and other committees, including posting notices and providing the agendas and information required for discussion and action.
- Serving as secretary for the Historic Preservation Commission and the Board of Adjustment, attending meetings, including District Board meetings, on a regular basis and writing ordinances and resolutions for Board approval.
- Assisting with development of the annual budget, including ensuring the budget process is properly followed and the budget is forwarded to the appropriate county and state officials in a timely manner.
- Monitoring day-to-day financial affairs, including payroll and purchasing, and ensuring all reserve funds, revenues and expenditures are accurately reflected in the District's financial records.
- Maintaining proper office operation through approved expenditures for purchase of office supplies and equipment and payment for rent, utilities and other functions and services as provided for in the budget.
- Ensuring federal, state and Iowa Public Employees Retirement System (IPERS) quarterly and annual reports, forms and payments are accurate and filed timely.
- Preparing applications for grants, administering grants and ensuring the annual grant reports are submitted in a timely manner.

In addition, Mr. Pasbrig's spouse served as the District's Treasurer while Mr. Pasbrig was employed as the District's Administrator.

Mr. Pasbrig unexpectedly passed away on March 4, 2011. After his passing, the Board President and acting Administrator reviewed the District's accounts and identified a few irregularities. According to the District's attorney, the Board President contacted him on May 9, 2011 to discuss the possible commingling of District funds with Mr. Pasbrig's personal funds. On May 13, 2011, the District's attorney sent a letter to the Office of Auditor of State regarding the Board President's concerns. Subsequently, a representative of the Office of Auditor of State contacted the District's attorney and acting Administrator to determine the specific concerns identified.

As a result of the concerns identified, the Board requested the Office of Auditor of State review the District's financial management processes. We performed the procedures detailed in the Auditor of State's report for the period May 21, 2007 through March 31, 2011.

Detailed Findings

The procedures performed identified \$48,220.88 of unsupported and improper disbursements. It was not possible to determine if all collections for permit fees were properly deposited between May 21, 2007 and March 31, 2011 because adequate documentation was not available. If sufficient records had been readily available, undeposited collections and additional improper or unsupported disbursements may have been identified.

The unsupported and improper disbursements identified include:

- \$25,974.00 of unsupported and \$8,877.25 of improper payroll issued to Mr. Pasbrig,
- \$3,656.94 and \$1,253.37 for the District's FICA and IPERS contributions on the unsupported and improper payroll, respectively,
- \$2,739.35 of penalties and interest related to payroll taxes,
- \$1,084.59 for an unauthorized transfer from the District's checking account to Mr. Pasbrig's personal checking account,
- \$879.35 of improper purchases using the District's debit card,
- \$802.00 of improper payments on Mr. Pasbrig's personal credit card account and
- \$28.51 of sales tax.

The \$48,220.88 identified also includes \$1,864.90 of unsupported disbursements to Staples for office supplies. According to District personnel, the frequency and number of purchases is not reasonable for District operations. The amount also includes \$1,060.62 of unsupported mileage reimbursements.

All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

UNSUPPORTED AND IMPROPER DISBURSEMENTS

Payroll Issued to Wallace Pasbrig – As previously stated, Mr. Pasbrig began employment with the District on May 21, 2007 and officially became the Administrator on June 30, 2007. According to his employment contract, Mr. Pasbrig was authorized to receive an hourly rate of \$13.50. In addition, the contract stated, "Work hours are expected to be approximately 20 hours per week with variations due to the responsibilities of the position." We determined Mr. Pasbrig frequently recorded he worked in excess of 20 hours per week.

Mr. Pasbrig was also authorized to receive mileage reimbursements for work-related trips. He prepared a summary each month documenting the number of miles traveled, reimbursement rate per mile, number of hours worked and the calculation of his monthly payroll, including gross pay, payroll deductions and net pay. We were unable to locate this summary for 21 of the 46 months reviewed. However, based on his previous state and federal tax withholdings and employee FICA and IPERS contributions, we were able to calculate Mr. Pasbrig's gross monthly salary for the 21 months for which summaries were not available.

Using the summaries available, we determined Mr. Pasbrig increased his hourly rate to \$16.00 per hour beginning in August 2008. However, based on a review of Board minutes, this increase was not authorized. In addition, according to the former Board President, an hourly rate increase was not approved during his time on the Board. We also determined Mr. Pasbrig began paying himself a monthly salary beginning with February 2009. We reviewed the Board minutes and did not identify authorization to change from an hourly rate to a monthly salary. In addition, both the former and current Board Presidents stated they were unaware Mr. Pasbrig had changed to a

monthly rate from an hourly rate and also stated this was not discussed or approved by the Board. Based on a review of the available monthly summaries, we determined the monthly rate was calculated using 92 hours per month at an hourly rate of \$16.00.

Because Mr. Pasbrig's employment contract specified an hourly rate of \$13.50 and an increase to the hourly rate was not authorized, Mr. Pasbrig received improper payroll. The improper payroll he received is calculated by multiplying \$2.50 per hour, the difference between the authorized hourly rate of \$13.50 and the unauthorized hourly rate of \$16.00 he was paid, by the number of hours he was paid for. **Table 1** lists the number of hours he was paid for after the rate change and the calculation of the improper payroll.

Description	Amount
Number of paid hours between August 2008 and February 2011	2,927.00
x Difference between authorized and unauthorized hourly rate	\$ 2.50
Improper gross payroll	\$ 7,317.50

In addition, we identified 3 months for which Mr. Pasbrig used more hours than were recorded on the monthly summary to calculate his payroll check. **Table 2** lists the number of hours recorded on the monthly summary, the number of hours used to calculate payroll and the variance for each of the 3 months identified. Because the hours used to calculate payroll were higher than the number of hours recorded by Mr. Pasbrig on the monthly summaries, the total of \$87.75 at the contract rate of \$13.50 per hour is considered improper.

Month	Number of Hours			Improper Payroll
	Per Monthly Summary	Used to Calculate Payroll	Variance	
May 2008	98.0	98.5	.5	\$ 6.75
October 2008	90.0	91.0	1.0	13.50
January 2009	92.0	97.0	5.0	67.50
Total	280.0	286.5	6.5	\$ 87.75

We also identified 1 extra payroll check issued by Mr. Pasbrig for \$1,472.00 which is considered improper. The total improper gross payroll of \$8,877.25, along with \$1,253.37 for the District's FICA and IPERS contributions on the improper gross payroll, are included in **Exhibit A** as improper disbursements and are detailed in **Exhibit B**.

For the 25 months for which a monthly summary was available, we traced the recorded net pay to the check issued from the District's checking account to ensure accuracy. For 3 of the 25 months, the recorded net pay amount did not agree with the amount of the check. For these months, we recalculated Mr. Pasbrig's gross pay based on the amount of the check issued and his payroll deductions. We also determined the check issued in November 2007 included Mr. Pasbrig's payroll for both September and October.

We discussed the number of hours expected to be worked with the former Board President, who served from November 2006 to November 2009. He stated he worked closely with Mr. Pasbrig and Mr. Pasbrig frequently worked more than 20 hours per week with his approval. Although it was the practice for the Board President to approve Mr. Pasbrig's hours, no documentation was maintained for that approval. Mr. Pasbrig did not maintain timesheets and the Board President did not sign or initial the monthly summaries Mr. Pasbrig prepared. However, as previously

stated, the contract allowed for variations in hours due to the responsibilities of the position. Therefore, we accepted the number of hours recorded by Mr. Pasbrig on the monthly summaries as reasonable.

Also, as previously stated, we were not able to locate 21 monthly summaries. Of these, 9 were for months between May 2007 and November 2009. Because supporting documentation was not available for these months, we consider the amount of pay received as unsupported, as illustrated by **Exhibit B**.

The current Board President was elected in November 2009. According to discussions with him, he and the current Board expected Mr. Pasbrig to complete his duties within 20 hours per week. In addition, the current Board was not aware of any reasons more than 20 hours per week would be necessary to perform the job duties. We were unable to determine if this expectation was communicated to Mr. Pasbrig. Therefore, for 3 months after November 2009 for which summaries were available, we accepted the number of hours recorded by Mr. Pasbrig as reasonable. However, monthly summaries for 12 months between December 2009 and February 2011 were not available. Because supporting documentation was not available for these months, we consider the amount of pay received to be unsupported, as illustrated by **Exhibit B**.

The unsupported payroll of \$25,974.00 and the \$3,656.94 for the District's FICA and IPERS contributions on the unsupported gross payroll are included in **Exhibit A** as unsupported disbursements.

Mileage Reimbursements - As previously stated, the monthly summaries prepared by Mr. Pasbrig included the number of miles claimed for the month. According to his employment contract, he was authorized to receive the mileage rate established by the Internal Revenue Service (IRS). The 25 monthly summaries we located did not include detailed information, such as the date or location of the travel. Although we were not able to locate 21 monthly summaries, a review of redeemed checks disclosed Mr. Pasbrig received a mileage reimbursement for 8 of the 21 months.

Exhibit C summarizes the mileage claimed and payments for mileage. As shown in the **Exhibit**, Mr. Pasbrig was paid \$1,060.62 for mileage reimbursements. We were able to locate monthly summaries totaling \$966.41 for mileage reimbursements; however, because the monthly summaries did not include detailed travel information, the total mileage reimbursements of \$1,060.62 are included in **Exhibit A** as unsupported disbursements.

Penalties and Interest - As previously stated, part of Mr. Pasbrig's duties was to ensure the District's FICA and IPERS contributions were properly remitted in a timely manner. We obtained and reviewed a payment history from both IPERS and the IRS. We identified penalties and interest totaling \$969.88 and \$1,769.47 paid to IPERS and the IRS, respectively, as a result of late payments. The total penalties and interest of \$2,739.35 is included in **Exhibit A** as improper disbursements.

Unauthorized Transfer - The District maintains a checking account at U.S. Bank in Amana, Iowa. Mr. Pasbrig, along with his spouse, maintained 3 checking accounts at the same bank. We reviewed both the District's and Mr. Pasbrig's checking accounts and identified a transfer from the District's checking account to Mr. Pasbrig's personal checking account in the amount of \$1,084.59 on December 22, 2009. According to the acting Administrator, there would be no business purpose for transferring funds from the District's checking account to Mr. Pasbrig's personal checking account. In addition, there was no Board approval in the Board meeting minutes for this transfer. Therefore, the transfer of \$1,084.59 is included in **Exhibit A** as an improper disbursement.

Debit Card Purchases - The District also holds a debit card with U.S. Bank. We reviewed all debit card purchases and the related supporting documentation, if available. **Exhibit D** lists all debit card purchases. Supporting documentation was not available for a majority of the debit card purchases. However, according to the acting Administrator, most of the purchases were from

vendors which the District frequently uses. While some of these vendors could also be used for personal purchases, we did not identify any unusual amounts or increased frequency of purchases.

As illustrated by the **Exhibit**, we identified the following 6 purchases, totaling \$879.35, which are included in **Exhibit A** as improper disbursements:

- A purchase from the Amana Meat Shop on March 2, 2009 for \$27.37. According to the acting Administrator, the District has not used this vendor previously and there would be no operational purpose for the purchase.
- Purchases from Fuel Mart in Spencer, South Dakota on September 7, 2010 for \$36.45 and from Super 8 Hotels in Deadwood, South Dakota on September 13, 2010 for \$313.23. According to the acting Administrator, there were no conferences or training events held in South Dakota. In addition, the Board did not approve any purchases for Mr. Pasbrig in South Dakota.
- A purchase of Doritos from Casey's on October 5, 2010 in Amana, Iowa for \$3.99. The purchase of food items not related to approved travel is not a proper use of District funds.
- 2 payments to the State of Iowa on January 12, 2011 for \$486.16 and \$12.15, respectively. According to a representative of the Iowa Department of Revenue, the payment of \$486.16 was posted to an individual's account, not to the District's account. In addition, the representative stated it appeared the \$12.15 was a penalty associated with the \$486.16 payment. The representative could not provide the name of the individual whose account the payment was posted to due to State confidentiality requirements.

As illustrated by **Exhibit D**, we identified 18 purchases totaling \$1,864.90 from Staples in Cedar Rapids, Iowa for which supporting documentation was not maintained. According to the acting Administrator, the District does not need a significant amount of office supplies, but would have occasional purchases of paper, ink and other general supplies. Because supporting documentation was not maintained and we are unable to determine whether the purchases were for the benefit of the District, the \$1,864.90 of purchases from Staples identified is included as unsupported disbursements in **Exhibit A**.

Sales Tax - While reviewing the available supporting documentation, we determined several purchases included sales tax, but most purchases did not include sales tax. The District is a tax exempt entity which should not pay sales tax. The 7 purchases which included sales tax are listed in **Exhibit D**. Purchases for which sales tax was paid included a microphone, printer cartridges and paper. The total sales tax identified of \$28.51 is included as improper disbursements in **Exhibit A**.

We identified a purchase of a floral arrangement from the Red Geranium on July 10, 2007 for \$45.80 for which the public purpose of the purchase was not clearly documented. According to the acting Administrator and the receipt, the purchase was for a funeral. Because the purchase was not a personal purchase made by Mr. Pasbrig, it is not included as an improper disbursement in **Exhibit A**. During our review of disbursements, we did not identify any other District purchases which did not appear to meet the test of public purpose.

Credit Card Payments - We reviewed all checks written from the District's checking account and identified several recurring vendors, including utilities, legal counsel, Historical Society dues and insurance premiums. According to the acting Administrator, these vendors are frequently used by the District and payments are made routinely.

We also identified 4 checks totaling \$802.00 issued to Cardmember Services which agreed with payments posted to Mr. Pasbrig's personal credit card account. The 4 checks identified were not the standard checks used by the District. The checks were issued by the bank on behalf of the customer. Because Mr. Pasbrig's spouse served as the District's Treasurer, she was listed as the

account holder. The memo line of the checks includes Mr. Pasbrig's personal credit card account number. **Table 3** lists the date, check number and amount of each check.

Table 3

Date	Check Number	Amount
02/17/10	217	\$ 334.00
03/10/10	310	156.00
04/10/10	311	156.00
05/10/10	312	156.00
Total		\$ 802.00

In addition, we located an e-mail from Mr. Pasbrig to his spouse on April 1, 2010 stating U.S. Bank issued check numbers 217 and 310 from the District's account and applied them as payments on their personal credit card account. In the e-mail, he also stated they should return the funds to the District's account. However, we were unable to identify any repayments to the District's checking account. A copy of the e-mail is included in **Appendix 1**.

We also identified check numbers 311 and 312 from the District's checking account issued in the same manner which were applied as payments on the Pasbrig's personal credit card account. Copies of the checks are included in **Appendix 2**. The memo portion of the checks has been redacted from the copies of the checks. Because the checks were payments on the Pasbrig's personal credit card account, the \$802.00 identified is included as improper disbursements in **Exhibit A**.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Amana Colonies Land Use District to process receipts, disbursements and payroll. An important aspect of internal control is to establish procedures which provide accountability for assets susceptible to loss from error and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be noted within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the District's internal controls.

- A) Segregation of Duties – An important aspect of internal controls is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The former Administrator had control over each of the following areas for the District:
- 1) Receipts – opening mail, collecting, preparing deposit slips and maintaining cash.
 - 2) Disbursements – purchasing, receiving goods and services, preparing the disbursement listing for Board approval, maintaining supporting documentation and preparing and signing checks.
 - 3) Payroll – maintaining timesheets, calculating payroll and preparing and signing checks.
 - 4) Reporting – preparing the Treasurer's Report and Administrator's Report for presentation to the Board.

The former Administrator also established and maintained a petty cash fund. However, the Board did not approve the establishment or use of a petty cash fund. In addition, bank reconciliations were not performed.

Recommendation – We realize segregation of duties is difficult with a limited number of staff. However, the duties within each function listed above should be segregated among

the Administrator, Board President and current Board members. In addition, the Board should review financial records, review/perform reconciliations and examine supporting documentation for accounting records on a periodic basis.

- B) Board Meeting Minutes – Board meeting minutes were not consistently maintained and were not signed by a Board member. In addition, the disbursement listing was not consistently included with the meeting minutes.

Recommendation – The Board should ensure all meeting minutes and disbursement listings are maintained and signed by a Board member.

- C) Lack of Supporting Documentation – Supporting documentation was not maintained for a number of purchases.

Recommendation – The Board should implement procedures requiring all purchases made with District funds be properly supported with original invoices, receipts or other appropriate documentation. Purchases made using a debit card are an immediate payment and do not allow the proper authorization by the Board which is required by Chapter 303.67 of the Code of Iowa. As a result, the Board should consider eliminating use of the debit card.

- D) Payroll – During review of payroll, the following conditions were identified:

- 1) Timesheets were not consistently maintained.
- 2) The District does not have a policy requiring detailed time sheets be submitted and reviewed prior to payment.

Recommendation – The Board should implement procedures to ensure appropriate payroll records are maintained, including detailed timesheets for all employees paid on an hourly basis. Timesheets should also be approved and initialed by the employee’s supervisor or by an independent official who is not involved in payroll.

- E) Travel – The former Administrator listed the number of miles traveled, reimbursement rate per mile and the amount to be reimbursed for mileage on monthly summaries. However, the monthly summaries did not detail the dates, locations traveled to or the business purpose of the travel.

Recommendation – The Board should implement procedures to require the monthly summaries prepared include the date of travel, the location traveled to and the business purpose of the travel. In addition, the Board should review and approve the monthly summaries for accuracy and reasonableness.

- F) Receipts – Pre-numbered, pre-printed receipts are not issued for collections from the sale of permits. In addition, although the permits are pre-printed and pre-numbered, copies are not maintained.

Recommendation – The Board should implement procedures to ensure pre-numbered, pre-printed receipts are issued to ensure all fees are properly collected and deposited. In addition, copies of the permits should be maintained in order to account for the numerical sequence of the permits.

- G) Transfers – We identified a transfer from the District’s checking account to Mr. Pasbrig’s personal checking account.

Recommendation – The Board should ensure all transfers are approved by the Board prior to the transfer. In addition, the Board should review the bank statements to identify any transfers which were not properly approved.

Exhibits

Report on Special Investigation of the
Amana Colonies Land Use District

Summary of Findings
For the Period May 21, 2007 through March 31, 2011

Description	Exhibit/Table/ Page Number	Unsupported	Improper	Total
Unsupported and improper disbursements:				
Payroll issued to Wallace Pasbrig:				
Gross payroll	Exhibit B	\$ 25,974.00	8,877.25	34,851.25
District's FICA and IPERS contributions	Exhibit B	3,656.94	1,253.37	4,910.31
Mileage reimbursements	Exhibit C	1,060.62	-	1,060.62
Penalties and interest	Page 8	-	2,739.35	2,739.35
Unauthorized transfer	Page 8	-	1,084.59	1,084.59
Debit card purchases	Exhibit D	1,864.90	879.35	2,744.25
Sales tax	Exhibit D	-	28.51	28.51
Credit card payments	Table 3	-	802.00	802.00
Total unsupported and improper disbursements		\$ 32,556.46	15,664.42	48,220.88

Exhibit B

Report on Special Investigation of the
Amana Colonies Land Use District

Unsupported and Improper Payroll Issued to Wallace Pasbrig
For the Period May 21, 2007 through March 31, 2011

Check Date	Check Number		Per Monthly Payroll Summaries			Unsupported Gross Payroll	Improper Gross Payroll	Unsupported FICA/IPERS	Improper FICA/IPERS	
			Hours Worked	Hourly Rate	Total Payroll					
06/04/07	5086	*	22.00	\$ 13.50	297.00	-	-	-	-	
07/02/07	5123		79.00	13.50	1,066.50	-	-	-	-	
08/06/07	5131	*	94.50	13.50	1,275.75	-	-	-	-	
09/10/07	5137		87.00	13.50	1,174.50	-	-	-	-	
11/19/07	5092	#	192.00	13.50	2,592.00	-	-	-	-	
12/07/07	5094		106.00	13.50	1,431.00	-	-	-	-	
01/07/08	5100		110.00	13.50	1,485.00	-	-	-	-	
02/04/08	5109		115.00	13.50	1,552.50	-	-	-	-	
03/03/08	5151		105.00	13.50	1,417.50	-	-	-	-	
04/03/08	5163		105.00	13.50	1,417.50	-	-	-	-	
05/08/08	5168		98.50	13.50	1,329.75	-	6.75	-	0.93	
06/04/08	5177		98.00	13.50	1,329.75	^^	-	-	-	
06/30/08	5192		84.00	13.50	1,134.00	-	-	-	-	
08/01/08	5197		92.00	16.00	1,472.00	-	230.00	-	32.21	
09/08/08	5201		91.00	16.00	1,456.00	-	227.50	-	31.85	
10/01/08	5219	##	##	##	1,520.00	1,282.50	237.50	179.55	33.25	
10/10/08	5209		90.00	16.00	1,456.00	^^	-	241.00	-	33.74
10/29/08	5220		84.00	16.00	1,344.00	-	210.00	-	29.41	
01/05/09	5231		92.00	16.00	1,552.00	^^	-	310.00	-	43.41
02/02/09	5246		88.00	16.00	1,408.00	-	220.00	-	30.80	
03/02/09	5256	##	##	##	1,472.00	1,242.00	230.00	173.88	32.21	
04/13/09	5265		92.00	16.00	1,472.00	-	230.00	-	32.21	
04/22/09	5267	##	##	##	1,472.00	1,242.00	230.00	173.88	32.21	
06/01/09	5275		92.00	16.00	1,472.00	-	230.00	-	32.21	
07/08/09	5280	##	##	##	1,472.00	1,242.00	230.00	173.88	32.21	
07/30/09	5286	##	##	##	1,472.00	1,242.00	230.00	177.60	32.90	
09/03/09	5292	##	##	##	1,472.00	1,242.00	230.00	177.60	32.90	
10/05/09	5303	##	##	##	1,472.00	1,242.00	230.00	177.60	32.90	
11/02/09	5310	##	##	##	1,472.00	1,242.00	230.00	177.60	32.90	
12/07/09	5320	##	##	##	1,472.00	1,242.00	230.00	177.60	32.90	
01/04/10	5362	##	##	##	1,472.00	1,242.00	230.00	177.60	32.90	
02/01/10	5363	@	@	@	1,472.00	-	230.00	-	32.90	
03/01/10	5365	##	##	##	1,472.00	1,242.00	230.00	177.60	32.90	
04/01/10	5366	##	##	##	1,472.00	1,242.00	230.00	177.60	32.90	
04/28/10	5367	##	##	##	1,472.00	1,242.00	230.00	177.60	32.90	

Report on Special Investigation of the
Amana Colonies Land Use District

Unsupported and Improper Payroll Issued to Wallace Pasbrig
For the Period May 21, 2007 through March 31, 2011

Check Date	Check Number	Per Monthly Payroll Summaries			Unsupported Gross Payroll	Improper Gross Payroll	Unsupported FICA/IPERS	Improper FICA/IPERS
		Hours Worked	Hourly Rate	Total Payroll				
06/01/10	5370	##	##	1,472.00	1,242.00	230.00	177.60	32.90
June 2010	5372 &	-	-	1,472.00	-	1,472.00	-	210.48
06/07/10	5371	##	##	1,296.00	1,093.50	202.50	156.37	28.96
07/14/10	5374	@	@	1,472.00	-	230.00	-	32.90
08/31/10	5376	@	@	1,472.00	-	230.00	-	32.90
09/22/10	5380	##	##	1,472.00	1,242.00	230.00	177.60	32.90
11/01/10	5384	##	##	1,472.00	1,242.00	230.00	177.60	32.90
12/02/10	5330	##	##	1,472.00	1,242.00	230.00	177.60	32.90
12/30/10	5331	##	##	1,472.00	1,242.00	230.00	177.60	32.90
01/31/11	5389	##	##	1,472.00	1,242.00	230.00	156.49	28.99
03/03/11	5334	##	##	1,472.00	1,242.00	230.00	156.49	28.99
Total				<u>\$ 65,806.75</u>	<u>25,974.00</u>	<u>8,877.25</u>	<u>3,656.94</u>	<u>1,253.37</u>

* - Check was issued for payroll and mileage. Check is also included in **Exhibit C**.

- Represents 2 months' payroll.

^^ - Mr. Pasbrig did not correctly calculate gross payroll on these monthly payroll summaries. The gross payroll used by Mr. Pasbrig is shown.

- Monthly payroll summary could not be located. Calculated gross payroll based on net payroll check and deductions.

& - Represents an extra payroll check. As a result, there would not be a monthly summary.

@ - Although a monthly summary was prepared, Mr. Pasbrig did not include the number of hours worked or the hourly rate.

Report on Special Investigation of the
Amana Colonies Land Use District

Unsupported Mileage Reimbursements Issued to Wallace Pasbrig
For the Period May 21, 2007 through March 31, 2011

Month	Number of Miles Claimed	Check Date	Check Number	Mileage per Check
May-07	32	06/04/07	5086	* \$ 15.52
June-07	116	07/02/07	5122	56.26
July-07	186	08/06/07	5131	* 90.21
August-07	46	09/10/07	5138	22.31
October-07	63	11/19/07	5093	33.32
November-07	29	12/07/07	5095	16.16
December-07	32	01/07/08	5101	16.16
January-08	282	02/04/08	5110	136.77
February-08	314	03/03/08	5152	158.57
March-08	214	04/03/08	5164	108.07
April-08	104	05/08/08	5169	52.52
May-08	80	06/04/08	5178	40.40
June-08	66	06/30/08	5193	33.33
July-08	64	08/01/08	5198	33.33
August-08	64	09/08/08	5202	37.44
September-08	60	-	-	-
October-08	#	-	-	-
November-08	50	11/29/08	5221	29.25
December-08	50	01/05/09	5230	29.25
January-09	##	02/02/09	5247	22.00
February-09	#	03/02/09	5258	10.00
March-09	50	04/13/09	5266	10.00
April-09	#	05/04/09	5269	41.75
May-09	##	-	-	-
June-09	#	07/30/09	5287	16.00
July-09	#	-	-	-
August-09	#	09/14/09	5298	16.00
September-09	#	10/05/09	5301	8.00
October-09	#	11/02/09	5313	4.00
November-09	#	12/09/09	5321	8.00
December-09	#	01/04/10	5327	8.00
January-10	##	02/01/10	5364	8.00
February-10	##	-	-	-

Report on Special Investigation of the
Amana Colonies Land Use District

Unsupported Mileage Reimbursements Issued to Wallace Pasbrig
For the Period May 21, 2007 through March 31, 2011

Month	Number of Miles Claimed	Check Date	Check Number	Mileage per Check
March-10	#	-	-	-
April-10	#	-	-	-
May-10	#	-	-	-
June-10	#	-	-	-
July-10	#	-	-	-
August-10	##	-	-	-
September-10	#	-	-	-
October-10	#	-	-	-
November-10	#	-	-	-
December-10	#	-	-	-
January-11	#	-	-	-
February-11	#	-	-	-
Total				<u>\$ 1,060.62</u>

* - Check was issued for payroll and mileage. Check is also included in **Exhibit B**.

- Monthly payroll summary could not be located. Based on a review of the redeemed checks, Mr. Pasbrig received a mileage reimbursement for 8 of the 21 months.

- Amount listed for mileage only included the total amount reimbursed and not the number of miles or the mileage rate.

Exhibit DReport on Special Investigation of the
Amana Colonies Land Use DistrictDistrict Debit Card Transactions
For the Period May 21, 2007 through March 31, 2011

Date	Payee**	Amount	Description per Receipt	Supported/ Reasonable	Unsupported	Improper	Sales Tax
06/08/07	Staples	\$ 23.93	Binders, folders, office supplies	\$ 23.93	-	-	-
06/20/07	U.S. Postal Service	7.40	First class large envelopes	7.40	-	-	-
06/29/07	U.S. Postal Service	7.40	First class large envelopes	7.40	-	-	-
07/10/07	The Red Geranium	45.80	Floral arrangment	45.80	-	-	-
07/16/07	Staples	94.59	-	-	94.59	-	-
07/27/07	University of Iowa Surplus	79.50	File cabinet	79.50	-	-	-
07/31/07	U.S. Postal Service	6.38	-	6.38	-	-	-
08/01/07	Staples	125.25	-	-	125.25	-	-
08/14/07	U.S. Postal Service	9.10	Postage	9.10	-	-	-
09/05/07	Staples	34.97	-	-	34.97	-	-
09/06/07	Symantec	29.95	-	29.95	-	-	-
09/07/07	U.S. Postal Service	8.42	-	8.42	-	-	-
09/13/07	U.S. Postal Service	7.04	-	7.04	-	-	-
09/13/07	Best Buy	1,059.96	-	1,059.96	-	-	-
09/26/07	Staples	21.68	-	-	21.68	-	-
09/27/07	U.S. Postal Service	10.41	-	10.41	-	-	-
10/01/07	1&1 Internet	14.97	-	14.97	-	-	-
10/03/07	Best Buy	33.91	Digital desk microphone	31.99	-	-	1.92
10/09/07	U.S. Postal Service	2.90	-	2.90	-	-	-
10/09/07	Newegg	19.30	-	19.30	-	-	-
10/29/07	Barnes & Noble	38.15	-	38.15	-	-	-
10/30/07	U.S. Postal Service	9.18	Postage	9.18	-	-	-
11/07/07	Staples	317.98	Color laserjet printer and ink cartridge	317.98	-	-	-

Report on Special Investigation of the
Amana Colonies Land Use District

District Debit Card Transactions
For the Period May 21, 2007 through March 31, 2011

Date	Payee**	Amount	Description per Receipt	Supported/ Reasonable	Unsupported	Improper	Sales Tax
11/13/07	U.S. Postal Service	7.37	Postage	7.37	-	-	-
11/13/07	Staples	23.30	Magenta and black ink cartridges	23.30	-	-	-
11/26/07	U.S. Postal Service	16.40	-	16.40	-	-	-
11/27/07	U.S. Postal Service	6.84	-	6.84	-	-	-
12/06/07	Best Buy	206.66	-	206.66	-	-	-
12/12/07	U.S. Postal Service	6.67	-	6.67	-	-	-
12/28/07	Office Max	29.64	-	29.64	-	-	-
12/28/07	Intuit	171.15	-	171.15	-	-	-
01/02/08	U.S. Postal Service	4.85	-	4.85	-	-	-
01/18/08	U.S. Postal Service	4.85	-	4.85	-	-	-
01/28/08	U.S. Postal Service	6.84	-	6.84	-	-	-
02/08/08	U.S. Postal Service	9.51	-	9.51	-	-	-
02/08/08	Staples	77.58	-	-	77.58	-	-
02/15/08	Target	21.19	-	21.19	-	-	-
02/20/08	Staples	79.49	-	-	79.49	-	-
03/17/08	Office Max	37.60	-	37.60	-	-	-
03/05/08	Staples	24.36	-	-	24.36	-	-
03/11/08	U.S. Postal Service	23.97	-	23.97	-	-	-
03/31/08	U.S. Postal Service	15.00	-	15.00	-	-	-
04/07/08	Geospatial Services	10.81	-	10.81	-	-	-
04/03/08	1&1 Internet	29.94	-	29.94	-	-	-
04/15/08	U.S. Postal Service	32.80	-	32.80	-	-	-
04/23/08	Staples	45.56	-	-	45.56	-	-
04/29/08	U.S. Postal Service	6.72	-	6.72	-	-	-

Exhibit DReport on Special Investigation of the
Amana Colonies Land Use DistrictDistrict Debit Card Transactions
For the Period May 21, 2007 through March 31, 2011

Date	Payee**	Amount	Description per Receipt	Supported/ Reasonable	Unsupported	Improper	Sales Tax
04/30/08	Sam's Club	542.34	-	542.34	-	-	-
05/06/08	Casey's	10.44	-	10.44	-	-	-
05/15/08	U.S. Postal Service	5.85	-	5.85	-	-	-
05/21/08	Staples	37.09	-	-	37.09	-	-
05/28/08	U.S. Postal Service	5.00	-	5.00	-	-	-
07/01/08	U.S. Postal Service	29.03	-	29.03	-	-	-
07/09/08	Staples	395.83	-	-	395.83	-	-
09/03/08	Staples	65.57	-	-	65.57	-	-
09/10/08	U.S. Postal Service	42.00	-	42.00	-	-	-
09/25/08	U.S. Postal Service	13.46	-	13.46	-	-	-
10/02/08	1&1 Internet	29.94	-	29.94	-	-	-
10/08/08	Staples	78.40	-	-	78.40	-	-
10/15/08	Staples	23.82	-	-	23.82	-	-
10/20/08	U.S. Postal Service	9.51	-	9.51	-	-	-
10/28/08	U.S. Postal Service	8.19	First class envelopes	8.19	-	-	-
11/13/08	U.S. Postal Service	6.70	-	6.70	-	-	-
01/28/09	U.S. Postal Service	4.68	None	4.68	-	-	-
01/29/09	U.S. Postal Service	8.19	-	8.19	-	-	-
02/05/09	U.S. Postal Service	13.05	-	13.05	-	-	-
02/18/09	Staples	76.30	-	-	76.30	-	-
02/26/09	U.S. Postal Service	5.85	None	5.85	-	-	-
03/02/09	Amana Meat Shop	27.37	-	-	-	27.37	-

Report on Special Investigation of the
Amana Colonies Land Use District
Debit Card Transactions
For the Period May 21, 2007 through March 31, 2011

Date	Payee**	Amount	Description per Receipt	Supported/ Reasonable	Unsupported	Improper	Sales Tax
03/25/09	Staples	90.09	-	-	90.09	-	-
04/02/09	1&1 Internet	29.94	-	29.94	-	-	-
04/08/09	U.S. Postal Service	8.19	-	8.19	-	-	-
04/08/09	Staples	73.34	-	-	73.34	-	-
04/30/09	U.S. Postal Service	14.14	None	14.14	-	-	-
05/12/09	U.S. Postal Service	4.88	None	4.88	-	-	-
05/28/09	U.S. Postal Service	8.54	-	8.54	-	-	-
06/18/09	McAfee	39.99	-	39.99	-	-	-
06/26/09	U.S. Postal Service	3.08	-	3.08	-	-	-
07/14/09	U.S. Postal Service	4.85	-	4.85	-	-	-
07/29/09	U.S. Postal Service	9.36	-	9.36	-	-	-
08/28/09	U.S. Postal Service	44.00	Post office box renewal	44.00	-	-	-
09/09/09	Staples	53.48	6 pk photo ink cartridges, National Geographic	49.98	-	-	3.50
09/14/09	South Slope Cooperative	228.90	-	228.90	-	-	-
10/28/09	U.S. Postal Service	7.83	-	7.83	-	-	-
11/12/09	1&1 Internet	29.94	-	29.94	-	-	-
12/03/09	U.S. Postal Service	13.42	Postage	13.42	-	-	-
12/16/09	Staples	253.49	-	-	253.49	-	-
12/30/09	U.S. Postal Service	8.54	-	8.54	-	-	-
02/08/10	Staples	63.95	Printer paper and markers	59.77	-	-	4.18
02/25/10	U.S. Postal Service	1.22	Postage	1.22	-	-	-
03/03/10	Staples	119.79	Black ink cartridge, folders, light bulbs, office supplies	111.95	-	-	7.84
03/05/10	Staples	267.49	-	-	267.49	-	-
04/01/10	1&1 Internet	82.80	-	82.80	-	-	-

Exhibit D

Report on Special Investigation of the
Amana Colonies Land Use District
Debit Card Transactions
For the Period May 21, 2007 through March 31, 2011

Date	Payee**	Amount	Description per Receipt	Supported/ Reasonable	Unsupported	Improper	Sales Tax
09/07/10	Fuel Mart	36.45	-	-	-	36.45	-
09/13/10	Super 8 Hotels	313.23	-	-	-	313.23	-
10/05/10	Casey's	12.21	Paper towels, chips, cleanser	7.68	-	3.99	0.54
10/18/10	U.S. Postal Service	44.00	Post office box renewal	44.00	-	-	-
10/27/10	Staples	35.29	Paper clips and weekly planner	32.98	-	-	2.31
11/14/10	U.S. Postal Service	2.41	Postage	2.41	-	-	-
11/16/10	UniBlue Systems Ltd.	30.54		30.54	-	-	-
11/17/10	PC Tools	29.99	-	29.99	-	-	-
11/17/10	PC Tools	39.99	-	39.99	-	-	-
11/22/10	Casey's	50.00	-	50.00	-	-	-
11/24/10	Winzip Computing	36.90	-	36.90	-	-	-
11/26/10	1&1 Internet	29.94	-	29.94	-	-	-
01/05/11	Staples	125.68	Printer paper and ink cartridges	117.46	-	-	8.22
01/12/11	State of Iowa	12.15	-	-	-	12.15	-
01/12/11	State of Iowa	486.16	-	-	-	486.16	-
Total		<u>\$ 7,092.07</u>		<u>\$ 4,319.31</u>	<u>1,864.90</u>	<u>879.35</u>	<u>28.51</u>


** - Payee was determined from supporting documentation, if available. However, for most payees, the District's bank statements listed only the address of the payee. Therefore, auditor determined payees through an internet search.

Report on Special Investigation of the
Amana Colonies Land Use District

Staff

This special investigation was performed by:

Jennifer Campbell, CPA, Manager
Lara K. Van Wyk, Staff Auditor


Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

Report on Special Investigation of the
Amana Colonies Land Use District

Copy of an E-mail Sent by Wallace Pasbrig

Wally Pasbrig

From: "Wally Pasbrig" [REDACTED]
Date: Thursday, April 01, 2010 11:33 AM
To: "Paula Pasbrig" [REDACTED]
Subject: Checks Out Of Aloud Account
Hey –

Here is the information you need to get this withdrawal thing done on the ACLUD account. Phone Number for US Bank 1-800-673-3555.

Our ACLUD Account Number is [REDACTED] and they took two checks out of the ACLUD account and applied both towards your US Bank Charge Card Balance.

#217 February 17 in the amount of 334.00
#310 March 11 in the amount of \$156.00

Couple of things they might say. #1 that I gave them this account number which is not true. It was done because they can search the data base for other "paula" accounts. As mentioned, you were on the ACLUD signature card, but Lorri has taken you off.

Both withdrawals, to my way of thinking, are not legal.

We need to get that money back into the ACLUD account.

Our paying the bills out of our account is a separate issue.

If they start giving you a problem, have them call me at home and authorize my ability to speak on both the ACLUD account and our personal account. DON'T SAY ANYTHING ABOUT THE B WORD.

Me

Report on Special Investigation of the
Amana Colonies Land Use District

Copies of Certain Checks

PASBRIG, PAULA L
PASBRIG, PAULA L
PO BOX 127
SOUTH AMANA, IA 52334

ID #: 4485375

0217

February 17, 2010

Pay to
order of: **Cardmember Service**

\$ ****334.00

(Includes a fee of \$10.00)

U.S. BANK NATIONAL ASSOCIATION
431 E LOCUST ST
DES MOINES, IA
(515) 248-7700

Memo: [REDACTED]

By Cardmember Service
as authorized signatory for PASBRIG, PAULA L

[REDACTED] ⑈0217 ⑈0000033400⑈

71532 032 18 1 02182010
25031501540562 US BANKNA
0910000224 ST PAUL, MN
2326242334

PASBRIG, PAULA L
PASBRIG, PAULA L
PO BOX 127
SOUTH AMANA, IA 52334

ID #: 4579591

0310

March 10, 2010

Pay to
order of: **Cardmember Service**

\$ ****156.00

U.S. BANK NATIONAL ASSOCIATION
431 E LOCUST ST
DES MOINES, IA
(515) 248-7700

Memo: [REDACTED]

By Cardmember Service
as authorized signatory for PASBRIG, PAULA L

[REDACTED] ⑈0310 ⑈0000015600⑈

71224 032 18 1 03112010
25031501540562 US BANKNA
0910000224 ST PAUL, MN
2425301805

Report on Special Investigation of the
Amana Colonies Land Use District

Copies of Certain Checks

PASBRIG, PAULA L
PASBRIG, PAULA L
PO BOX 127
SOUTH AMANA, IA 52334

ID #: 4710073

311

April 10, 2010

Pay to
order of: **Cardmember Service**

\$ ****156.00

U.S. BANK NATIONAL ASSOCIATION
431 E LOCUST ST
DES MOINES, IA
(515) 248-7700

Memo: [REDACTED]

By Cardmember Service
as authorized signatory for PASBRIG, PAULA L

[REDACTED] ⑆0311 ⑆0000015600⑆

T1961 032 18 1 04122010
?????????????? US BANKNA
0910000224 ST PAUL, MN
2022539910

PASBRIG, PAULA L
PASBRIG, PAULA L
PO BOX 127
SOUTH AMANA, IA 52334

ID #: 4837410

312

May 10, 2010

Pay to
order of: **Cardmember Service**

\$ ****156.00

U.S. BANK NATIONAL ASSOCIATION
431 E LOCUST ST
DES MOINES, IA
(515) 248-7700

Memo: [REDACTED]

By Cardmember Service
as authorized signatory for PASBRIG, PAULA L

[REDACTED] ⑆0312 ⑆0000015600⑆

70234 032 18 1 05112010
25031501540562 US BANKNA
0910000224 ST PAUL, MN
1824981370