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NEWS RELEASE

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FOR RELEASE October 10, 2005 6:30 p.m.

Auditor of State David A. Vaudt today released a report on a special investigation of the Rural Iowa Waste Management Association. The report covers the period July 1, 1999 through October 15, 2004. The special investigation was requested by the Board of the Rural Iowa Waste Management Association as a result of findings included in a report issued by the Brick Law Firm. The Attorney's report identified several concerns with the operations of the Landfill, including the Association's hiring practices, purchases that did not appear to be for Landfill business and the purchase of excessive fuel.

Vaudt reported on \$156,138.59 of disbursements from the Landfill, including \$85,735.21 of improper and unsupported disbursements and \$70,403.38 of questionable disbursements. The improper and unsupported amount includes \$15,912.60 for personal purchases of automotive parts and other supplies, \$3,103.28 for improper reimbursements to employees and \$32,132.66 in excess fuel purchases. The amount also includes \$29,310.42 for unauthorized and unsupported salary payments and improper vacation and sick leave payouts. The Landfill has been reimbursed \$673.20 by the former Landfill Director and Operations Manager for personal purchases they made. The questionable disbursements include \$55,195.63 in termination payments to the former Landfill Director and Operations Manager and \$15,207.75 in construction costs for an apartment at the Landfill.

Vaudt reported the purchases of automotive parts, supplies and fuel decreased significantly after the former Director and Operations Manager left the Landfill's employment during fiscal year 2005. Vaudt also reported adequate records for all disbursements were not available to determine whether additional amounts were improperly disbursed. Many of the items purchased could be for either business or personal purposes. In many cases, documentation was not available to determine the disposition of the purchase. These purchases were not included in the total improper disbursements.

The report includes recommendations to strengthen the Association's internal controls and overall operations.

Copies of the report have been filed with the Hardin County Attorney's Office, the Division of Criminal Investigation 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/specials.htm>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
RURAL IOWA WASTE MANAGEMENT ASSOCIATION
FOR THE PERIOD
JULY 1, 1999 THROUGH OCTOBER 15, 2004**

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Auditor of State's Report

To the Board Members of the
Rural Iowa Waste Management Association:

As a result of alleged irregularities and improprieties with certain disbursements and at your request, we conducted a special investigation of the Rural Iowa Waste Management Association. We have applied certain tests and procedures to selected transactions of the Association for the period July 1, 1999 through October 15, 2004. Based on our review of relevant information and discussions with Association employees, 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 report issued by the Brick Law Firm in August 2004.
- (3) Scanned all disbursements and examined selected transactions to determine if they were properly approved and supported by adequate documentation. We also:
 - evaluated disbursements for reasonableness and
 - confirmed items with vendors to determine if the disbursements were appropriate for the Landfill's operations.
- (4) Examined reimbursements made to the former Director and Operations Manager to determine if payments were properly approved and supported.
- (5) Examined payroll disbursements and vacation records to determine:
 - compliance with Chapter 71 of the *Code of Iowa* regarding nepotism,
 - if payroll amounts appeared reasonable based on employee listings and seasonal demands of the Landfill operated by the Association,
 - if gross pay for the Director complied with annual salaries established by the Board,
 - if vacation was accrued at the proper rate and
 - if vacation payouts were made in accordance with Board policy and were properly supported.
- (6) Examined the termination payments made to the former Director and Operations Manager to determine if they were appropriately approved and properly calculated.
- (7) Confirmed the Association's bank balances at June 30, 2004 to determine the completeness of the Association's funds and financial records.

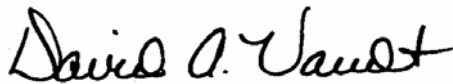
- (8) Confirmed payments to the Rural Iowa Waste Management Association by the participating County members of the Association to ensure the payments were deposited intact.
- (9) Reviewed selected deposits made to the Association's bank accounts to determine if deposits were made intact.
- (10) Observed the Association's fixed assets to determine if certain items selected for testing could be located at the Landfill.

These procedures identified \$85,735.21 of improper and unsupported disbursements and \$70,403.38 of questionable transactions. We were unable to determine whether additional amounts may have been improperly disbursed during this time period because adequate records were not available for all transactions. Many of the items purchased could be for either business or personal purposes. In many cases, appropriate documentation was not available to determine the disposition of the purchase. These purchases were not included in the improper disbursements identified. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **R** of this report.

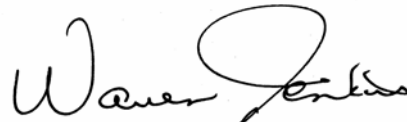
The procedures described above do not constitute an audit of financial statements conducted in accordance with U. S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of Rural Iowa Waste Management Association, other matters might have come to our attention that would have been reported to you.

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

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of Rural Iowa Waste Management Association.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

August 30, 2005

Rural Iowa Waste Management Association
Investigative Summary

Background Information

The Rural Iowa Waste Management Association (RIWMA) was established on October 26, 1994, pursuant to the provisions of Chapter 28E of the *Code of Iowa*, by the Hardin County Sanitary Solid Waste Disposal Commission, the Butler County Solid Waste Commission and the Wright County Area Landfill Authority. RIWMA was created for the purpose of effectively providing for the sanitary disposal of solid waste within the boundaries of the member counties through the joint operation of a landfill site. The terms of the agreement also specify RIWMA was established to initiate solid waste reduction or recycling programs as the member Commissions deem necessary and beneficial to the citizens they serve. The landfill operated by RIWMA is called the Rural Iowa Landfill (Landfill) and is located in Hardin County.

The Hamilton County Solid Waste Commission joined RIWMA in 1999 and subsequently withdrew at the end of fiscal year 2005 amid concerns regarding the operations of the Landfill. Prior to Hamilton County's withdrawal, RIWMA was governed by a Board of Directors composed of one member from each of the following commissions: Butler County Solid Waste Commission, Hardin County Sanitary Solid Waste Disposal Commission, Wright County Area Landfill Authority and Hamilton County Solid Waste Commission. The Association is now governed by the three representatives of the remaining counties. Representatives are chosen by the individual county commissions and serve for one year or until the Association receives a new written notification from the respective commission of the appointment of a new representative.

After hearing certain concerns about operations at the Landfill, members of the Hardin County Sanitary Solid Waste Disposal Commission engaged the Brick Law Firm to determine if various allegations were credible and to make recommendations to improve operations. According to the report issued by the firm, their investigation began May 10, 2004 and concluded August 13, 2004. The report stated, in part, the firm's investigation revealed "the following issues of concern:

- High rate of nepotism in hiring practices.
- Applicants hired with criminal records, including drug and felony charges.
- High rate of contract employees hired without Board approval.
- Purchases made in RIWMA's name that are not Landfill related.
- Excessive amounts of gasoline purchases.
- Failure to develop written procedures.
- Poor budget procedures and no long term planning."

Purchases identified by the firm that "were not Landfill related" included four "13-inch Super Ride" tires, tires and auto supplies for a Kia Sportage and items purchased for a Dodge Dakota pick-up. None of the vehicles described were used or owned by the Landfill.

The report also disclosed the investigator chose only two vendors who supplied tires and vehicle parts when reviewing purchases to determine if they were made on behalf of RIWMA. The parts, supplies and other items purchased from other vendors were not reviewed during the firm's investigation. In addition, the report stated, in part, "The use of RIWMA funds for personal use would constitute serious misconduct. The Board should determine if its funds were used unlawfully, and if so by whom. It would be appropriate to involve local law enforcement officers and or the State Auditor's Office to assist them in making this determination."

Purchases and hiring decisions were made by the Landfill's Director and/or Operations Manager. Jim Meade became the Director of the Landfill on July 1, 1996. In that position, he was responsible for performing all financial activities of the Landfill. He prepared and distributed billings to the members, received and deposited collections, paid operating expenses, and prepared and distributed payroll and reimbursement checks. He reported to the RIWMA Board, which was responsible for approving all disbursements. Mr. Meade submitted his resignation on December 31, 2004, which was effective January 31, 2005.

Alan Clapp began employment with the Landfill on June 27, 1994. As the Operations Manager, he was responsible for the day-to-day workings of the Landfill. This included on-site supervision of operations and maintaining the Landfill site and equipment. Mr. Clapp resigned on September 7, 2004 amid allegations of improper management of the Landfill.

As a result of the concerns identified by the Brick Law Firm, the Board of RIWMA requested the Office of Auditor of State conduct an investigation of the Association's financial transactions. We performed the procedures detailed in the Auditor of State's Report for the period July 1, 1999 through October 15, 2004.

Detailed Findings

These procedures identified \$85,735.21 of improper and unsupported disbursements and \$70,403.38 of questionable transactions. We were unable to determine whether additional amounts may have been improperly disbursed during this time period because adequate records were not available for all transactions. Many of the items purchased could be for either business or personal purposes. In many cases, appropriate documentation was not available to determine the disposition of the purchase. These purchases were not included in the improper disbursements identified. Our findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

Improper and Unsupported Disbursements

Purchases of Automotive Parts, Hardware and Other Supplies - As previously stated, the review of invoices performed by the law firm was limited to just two of the Landfill's vendors, yet a number of purchases were identified that were not related to Landfill operations. The purchases identified by the law firm included a number of automotive parts.

Given the concerns identified in the report issued by the law firm, we scanned all disbursements made to the Landfill's vendors. After scanning the Landfill's financial records, we identified vendors from whom automotive, hardware and supply purchases would be made for further testing. We also identified other vendors from whom the Landfill made frequent purchases or vendors that were unusual for typical landfill operations.

We reviewed invoices from the selected vendors and identified an unusually large number of purchases of automotive supplies. We also identified a number of items purchased that do not appear to be related to the Landfill's operations and appear personal in nature. These items include a 24-inch bicycle, spotting scopes and a rotisserie.

Automotive part purchases included oil, air and fuel filters, hoses, tubing, motor oil, automobile batteries, brake cleaner and transmission fluid. Other purchases included Sudafed, oxyacetylene, kerosene, paint, thinner, batteries and mineral spirits. While some of these types of purchases do not appear improper when evaluated individually, in total they appear to be beyond the supplies necessary to operate the Landfill. Because we were unable to determine if each individual purchase was appropriate, we analyzed the amounts of purchases made over the past six years at the vendors supplying these types of items.

Table 1 summarizes our analysis.

Table 1

Vendor	Fiscal Year Ended June 30,					
	2000	2001	2002	2003	2004	2005
Theisens	\$ 3,499.44	4,444.57	8,213.90	9,309.97	8,670.75	2,949.11
NAPA Auto Parts	69.25	7,952.70	1,382.59	1,456.85	539.66	-
Hardin County Tire & Service	1,519.60	885.16	2,788.53	2,629.67	1,538.05	242.07
O'Reilly Auto Parts	1,364.51	721.44	2,177.04	2,219.45	1,521.26	338.63
Eldora Auto Parts, Inc.	1,347.08	1,389.04	35.13	71.10	1,842.86	68.02
Kosanke Hardware Hank	439.48	1,026.82	1,377.75	695.11	501.56	273.77
Total	\$ 8,239.36	16,419.73	15,974.94	16,382.15	14,614.14	3,871.60

As illustrated by the Table, the amount of purchases increased significantly between July 1, 1999 and June 30, 2004. However, the purchases decreased dramatically during the fiscal year in which Mr. Clapp and Mr. Meade left the Landfill's employment.

We also analyzed the individual purchases made at the vendors listed in Table 1. Table 2 lists the items which were purchased multiple times. For some items, we were not able to determine the actual quantity of each purchase because sufficient information was not available to identify if the purchase was a single item or one package containing multiple items.

Table 2

Item	Quantity ^	Amount	Time Period of Purchases	
Tires/Tire Repairs/Service/Balance	448	\$ 10,367.26	08/03/99	- 08/10/04
Paint	80	1,774.11	11/23/99	- 04/24/04
Filters (oil, air, fuel, other)	131	1,763.79	12/21/99	- 07/16/04
Oxygen & Acetylene	30	1,416.57	08/20/02	- 07/19/04
Vehicle Batteries	27	1,407.79	11/30/00	- 05/02/04
Hoses/Clamps/Tubing	1,737	1,344.14	07/01/99	- 05/19/04
Motor Oil	362	1,295.73	07/22/99	- 06/08/04
Brake Parts/Cleaner	92	823.22	01/28/01	- 07/15/04
Batteries (9V, C, D)	335	755.21	10/12/99	- 08/05/04
Kerosene	58	775.67	12/31/00	- 06/18/04
Spray Paint	60	600.37	06/26/99	- 02/18/04
First Aid/Sudafed/Sinus Relief	#	544.41	10/04/02	- 05/17/04
Starters	5	520.84	08/10/99	- 02/17/04
Alternators	4	462.76	04/11/01	- 11/20/03
Chemicals/Cleaners *	69	424.92	11/23/99	- 05/04/04
Thinner - Paint	27	281.77	12/31/99	- 08/16/04
Transmission Fluid	61	234.13	08/07/02	- 10/10/03
Fuel Pumps/Valve	3	150.64	10/20/00	- 06/02/01
Sealer/Hardener	8	123.80	10/31/00	- 02/09/04
Mineral Spirits	18	99.84	01/09/00	- 03/08/04
Carb/Choke Cleaner	19	54.86	11/19/01	- 10/22/03
Paint equipment/strainers	71	32.20	12/14/99	- 12/31/03
Total		\$ 25,254.03		

^ - Quantity listed on invoice. Item purchased may be 1 item, a package containing multiple items or the length of hose/tubing.

- Quantity not specified on invoices. Restocked 3 times in 4 months.

* - Most of these items are from Eldora Auto Parts and are not identified on the invoices.

During the period of our review, the Landfill owned and operated two pickups, a semi tractor and an ATV. According to Mr. Meade, the pickups were used only on-site at the Landfill. For many of the automotive items listed in **Table 2**, the quantities purchased are not reasonable for the Landfill’s operations. For example, we identified 27 vehicle batteries purchased by the Landfill during a 42 month period. Vehicle batteries typically have a useful life of several years and often are guaranteed for periods of three years or more.

Also, 60 units of transmission fluid were purchased in just 14 months. Transmission fluid typically is changed in a vehicle after it is driven approximately 50,000 miles. Given that the Landfill’s pickup trucks were used only at the Landfill site, we would not expect them to incur a great deal of mileage or need their transmission fluid changed regularly. In addition, given that brake cleaner is not something that is frequently used on vehicles, the 92 units of brake cleaner should have lasted much longer than the 42 month time period over which it was purchased.

According to Landfill employees we spoke with, Mr. Clapp’s father was the proprietor of an auto repair business. In addition, many of the items listed in **Table 2** are ingredients or equipment needed for the manufacture of methamphetamine, which was a concern identified in the law firm’s report.

When possible, we confirmed the automotive parts and tire repairs with vendors to determine if the parts and services purchased were for vehicles owned and used by the Landfill. However, we found that sometimes the parts purchased could be used for several different types of vehicles, which may have included vehicles used by the Landfill. Also, in some cases, the vendor was unable to specify the actual or type of vehicle an item could be used for. In cases where we were unable to determine the vehicle type, we did not identify the purchase as inappropriate.

In addition, we contacted another landfill and inquired about the typical amount of tire repairs and purchases each year. The landfill we spoke with operates similar equipment and vehicles as those operated by RIWMA. The landfill responded they do not have a significant amount of tire repairs or purchases.

As a result of the information confirmed by the vendors, our discussions with Landfill employees and our own observations, we identified certain purchases we don’t believe were used at the Landfill. We identified \$15,912.60 of improper or unsupported purchases that are listed in **Exhibits B** through **G**. The total of the purchases is included in **Exhibit A**. The purchases are also summarized by vendor in **Table 3**.

Table 3

Vendor	Amount	Description of Purchases	Exhibit
Farm Plan*	\$ 4,074.92	Automotive parts for GMC truck, Chrysler, motorcycles, and newer vehicles than owned by Landfill (filters, oil, batteries and hoses)	B
Capital One	3,119.26	Meals, movies, flowers, PDA	C
O'Reilly Auto Parts	2,996.51	Automotive parts for a Jeep, ISUZU and trucks or cars not owned by the Landfill (filters, truck liners, starters, batteries, engine and fender)	D
NAPA Auto Parts	1,809.19	Automotive parts for vehicles not owned by the Landfill, such as a new Chevy truck, Dodge Dakota, Explorer, Kia Sportage (oil filters, fuel filters, fuel pumps and air filters)	E
Hardin County Tire & Service	978.37	Tires and service for Kia Sportage, models of trucks, cars and lawnmowers not owned by the Landfill	F
Campbell Supply Co.	165.00	Blade 14" x .125"	G
Coast to Coast	90.00	Huffy 24" bicycle not owned by the Landfill	G
Iowa Falls Glass	260.00	Sliding back glass installed on 2001 Chevrolet Silverado	G
Northern Tool & Equipment Co.	827.83	Fender, spotting scopes and tools	G
Sears	1,475.97	Tools, rotisserie, blower/vacuum	G
United Building Centers	115.55	Plywood and a 5-pound pail of screws reimbursed to the Landfill by Mr. Clapp	G
Total	\$15,912.60	Total	

* Most purchases were made at Theisen’s.

Among the items included in **Exhibits B** through **G** are wheel nuts for a 1974 Ford Mustang, thermostat and basket for a 1993 Dodge Dakota, trailer light connectors for a recreational vehicle and parts and tire service for a Kia Sportage. The Landfill has not operated any vehicles matching these descriptions. Several of the invoices identified in the **Exhibits** contain notations the part or service was for a vehicle belonging to Mr. Clapp or his wife.

Exhibits B through **G** include only the items for which an invoice, receipt or other appropriate supporting documentation was not available or items, based on the information confirmed by the vendors, our discussions with Landfill employees and our own observations, we determined to be improper purchases for the Landfill. It is likely there are additional purchases that may have been improper; however, because we were not able to identify them with any degree of certainty, they have not been included in our findings or in **Exhibit A**.

Reimbursements for Improper Purchases - After the law firm’s report was released in August 2004, Mr. Meade reimbursed the Landfill \$141.97 for some of the purchases identified in the report. According to Mr. Meade, when he saw payments to NAPA for parts for a Dodge Dakota listed in the report, he realized it was his truck and he deposited a personal check for \$141.97 to RIWMA’s bank account as reimbursement for the parts. Mr. Meade stated Mr. Clapp had repaired his Dodge Dakota and must have charged the parts for the repair to the Landfill’s account with NAPA Auto Parts. Mr. Clapp’s name was listed as the purchaser on these invoices; however, Mr. Meade prepared the payment to NAPA Auto Parts based on the invoice listing the parts.

In addition, after the law firm’s investigation began, Mr. Meade withheld \$531.23 from a vacation payout to Mr. Clapp on June 20, 2004 for settlement of personal purchases Mr. Clapp made that were billed to and paid by the Landfill. **Table 4** illustrates the vendors from whom Mr. Clapp made the personal purchases. The individual items purchased are identified in the **Exhibits** referred to in the **Table**.

Table 4

Vendor	Exhibit	Amount
Farm Plan	B	\$ 75.85
O’Reilly Auto Parts	D	14.98
Hardin County Tire & Service	F	159.85
Other Vendors	G	280.55
Total		\$ 531.23

The reimbursements made by Mr. Meade and Mr. Clapp for the improper purchases have been included in **Exhibit A**.

Excessive Fuel Purchases - As previously stated, the report prepared by the law firm included a concern the Landfill had purchased excessive amounts of fuel. According to Mr. Meade, the only Landfill equipment using unleaded gasoline or gasohol are two pickup trucks, a John Deere Gator, several chainsaws and a portable generator. During our fieldwork we observed each of these items. The trucks included a 1976 Ford and a 1979 Chevrolet. The Ford replaced a 1967 Ford pickup truck previously owned by the Association.

In addition to our observations and discussions with Landfill employees, we reviewed vehicle registration information to determine the number and types of vehicles owned by the Landfill during the period of our review. We also reviewed asset listings maintained by the Landfill. Based on the procedures we performed, we identified the vehicles and equipment listed in **Table 5**.

Table 5

Year	Make / Model	Color	Date Purchased	Date Disposed
1967	Ford Pickup	Yellow	Prior to 07/01/96	Sept. 2002
1976	Ford F150 Pickup	Red	09/27/02	On hand
1979	Chevrolet Pickup	Brown	03/01/04	On hand
1980	Freightliner/FLT8664T	White	02/02/98	Unknown#
1994	IHC Semi / 9400	Rosewood	06/13/00	On hand
1999	ATV 6 wheeler	Unknown	05/05/99	02/19/01*
Not available	John Deere Gator	Green	02/19/01*	On hand

#Potential sale discussed at September 2000 Board meeting. In January 2003, Mr. Clapp reported to the Board he had identified a potential buyer. According to Mr. Meade, it was subsequently buried at the Landfill.

*Date of Board approved sale of ATV to Mr. Clapp and purchase of John Deere Gator.

According to Mr. Meade, the John Deere Gator was not working, the Chevrolet needed a new clutch so it was not operational and the Ford truck had a flat tire at the time Mr. Clapp left the Landfill's employment. It is not known how long these vehicles were not in use. The trucks are not licensed for road use and, according to Mr. Meade, are only used on the Landfill site.

All other vehicles and heavy equipment owned by the Landfill use diesel fuel. The other vehicles and heavy equipment include two bulldozers, two scrapers, a compactor, excavator and semi.

Exhibits H and I list the amount of non-diesel and diesel fuel purchased by the Landfill each month over the past six fiscal years. The purchases are also summarized by fiscal year in **Table 6**. As illustrated by the **Exhibits** and the **Table**, the amount of fuel purchased increased significantly between fiscal years 2000 and 2004. However, the amount purchased decreased during fiscal year 2005, the year in which Mr. Clapp and Mr. Meade left the Landfill's employment.

The Landfill averaged over 326 gallons of non-diesel and 2,720 gallons of diesel fuel per month during fiscal years 2000 through 2004. During fiscal year 2005, the usage for non-diesel and diesel fuel averaged approximately 130 and 2,340 gallons per month, respectively. Mr. Meade was not able to provide an explanation for the change in level of purchases.

Table 6

Fiscal Year Ended June 30,	Unleaded / Gasohol		Diesel		Total Cost
	Number of Gallons Purchased	Cost	Number of Gallons Purchased	Cost	
2000	3,638.0	\$ 4,365.11	29,352.0	\$ 26,963.81	\$ 31,328.92
2001	3,168.6	4,562.88	24,344.7	27,736.97	32,299.85
2002	2,819.7	3,913.76	37,305.7	34,281.62	38,195.38
2003	4,552.5	6,532.08	36,173.6	37,009.47	43,541.55
2004	5,391.5	8,630.00	36,080.4	39,990.93	48,620.93
2005	1,558.2	2,838.73	28,080.1	43,494.62	46,333.35
Total	21,128.5	\$ 30,842.56	191,336.5	\$ 209,477.42	\$ 240,319.98

According to the report issued by the law firm, another landfill with this amount of fuel usage could not be located. We contacted another landfill and inquired about the amount of non-diesel fuel purchased for their operations. We were told they purchase only limited amounts of non-diesel fuel because most of their equipment requires diesel fuel, which is customary at landfills. Because of equipment differences, no comparison of diesel fuel used could be made. We also were told some landfills use a corporate gas card for fuel purchases instead of having a tank on-site.

Based on our observations of the Landfill's operations and the activity at other landfills, we believe the amount of fuel purchased each year should remain relatively constant. Using the amount of fuel purchased during 2005 and allowing for a small increase to be conservative, we estimate 1,700 gallons of unleaded fuel and 29,000 gallons of diesel fuel each year would be reasonable for the Landfill's operations. By comparing these estimates to the amount of fuel actually purchased over the past six fiscal years, we determined \$32,132.66 was inappropriately disbursed by the Landfill for fuel between July 1, 1999 and June 30, 2005. Our calculation is illustrated in **Exhibit J**. The amount of fuel purchased by the Landfill appears to be in excess of the amount needed for the vehicles operated for Landfill business. The \$32,132.66 has been included in **Exhibit A**.

Employee Reimbursements – We reviewed the reimbursements made to Landfill employees, including Mr. Meade and Mr. Clapp. We reviewed each of these reimbursements to determine if they were appropriately supported and appeared to be reasonable based on job duties and the Landfill's operations.

In order to receive payment for expenses, employees are to prepare a reimbursement report and submit it to the Director. Reimbursement reports should be supported by invoices, receipts or other appropriate documents. We identified a number of reimbursements that were not completely supported by appropriate documentation. We also identified a number of reimbursements we believe are inappropriate because they appear to be for personal purchases or for items not related to normal Landfill operations.

Exhibit K summarizes the improper reimbursements to Mr. Meade. The reimbursements total \$1,955.51. As illustrated by the **Exhibit**, a number of the reimbursements identified were for the purchase of kerosene. We also identified reimbursements for the purchase of Sudafed, batteries, mineral spirits, cigarettes, food and pop. Some of the reimbursements were for charges incurred on a credit card established in the Landfill's name and Mr. Meade's social security number.

Exhibit L summarizes the improper reimbursements to Mr. Clapp. The reimbursements total \$1,147.77. As illustrated by the **Exhibit**, we identified reimbursements for the purchase of paint thinner, fertilizer, clothing, automotive parts and candy.

For a number of the purchases identified, the nature of items purchased is similar to those identified as improper disbursements made by the Landfill to various vendors. The total of the improper reimbursements has been included in **Exhibit A**.

Vacation Payouts - According to RIWMA's written policy, "Vacation Leave may not be carried over into the next fiscal year. Vacation Leave must be taken or paid out, with a maximum payout of one week." We reviewed each vacation payout made by RIWMA and determined no one other than Mr. Clapp received a vacation payout for more than five days of vacation. All vacation payouts, with the exception of some to Mr. Clapp, were made at or near the end of the fiscal year.

We identified several concerns regarding the seven vacation payouts made to Mr. Clapp during the period of our review. **Table 7** summarizes the amount of vacation accrued for Mr. Clapp in the payroll register, the amount of used vacation recorded and the amount of unused vacation paid out to Mr. Clapp.

Table 7

Fiscal Year	Number of Days Per Payroll Register		Vacation Payout		Inappropriate Number of Days Paid Out	Excess Payout Amount
	Vacation Accrued	Vacation Used	Number of Days Paid Out	Date Paid Out		
2000	13	5	10	01/14/00	5	\$ 632.42
2001	15	4	10	01/15/00	5	632.42
2002	13	None*	-	-	-	-
2003	16	None	10	08/05/02 & 08/30/02	5	763.26
			6	06/26/03	6	915.92
2004	16	None	5	05/18/04	-	-
			11	06/29/04	11	1,799.14
Total						\$ 4,743.16

* - Vacation forfeited, see page 16.

The amount of vacation time accrued by an employee is dependent on the number of years the employee has been employed by the Landfill. The various levels of vacation accruals are documented in RIWMA's policy manual. In December 1999, the Board granted Mr. Clapp one vacation day to be accrued each year in addition to the number of vacation days established by policy. According to Board minutes, the additional accrual was to be effective July 1, 2000.

The following were identified regarding Mr. Clapp's vacation accruals, use and payouts.

- Fiscal year 2000 – While the additional day of vacation granted to Mr. Clapp by the Board was not effective until July 1, 2000, an additional day was added to his vacation balance for the fiscal year ended June 30, 2000. The additional day was included in a subsequent vacation payout disbursement.

While the payroll register showed only eight days of available vacation, Mr. Clapp was paid out for ten unused days of vacation. In accordance with Board policy, Mr. Clapp's vacation payout should have been limited to one week (or five days.)

The vacation payout occurred in January 2000, six months before the end of the fiscal year.

- Fiscal year 2001 – After allowing for the additional day of vacation granted to Mr. Clapp by the Board, the payroll register showed two more days of vacation accrued for Mr. Clapp than authorized by Board policy. An explanation of the additional accrual was not available.

Mr. Clapp was paid out for ten unused days of vacation. In accordance with Board policy, Mr. Clapp's vacation payout should have been limited to five days. Also, his vacation payout occurred in January 2000, eighteen months before the end of the fiscal year.

In addition, the payroll register shows one unused vacation day was rolled into fiscal year 2002 for Mr. Clapp. This is not in accordance with Board policy.

- Fiscal year 2002 – According to the payroll register, Mr. Clapp's fourteen days of vacation (thirteen days accrued for fiscal year 2002 and one day rolled over from fiscal year 2001) were forfeited during September 2001. According to employees we spoke with, Mr. Clapp used his vacation balance to "pay for" an all-terrain-vehicle (ATV) he purchased from the Landfill. In addition, the minutes of the October 2001 Board

meeting document Mr. Meade reported to the Board fourteen days of vacation had been deducted from Mr. Clapp's accumulated vacation in September 2001.

- Fiscal year 2003 – Mr. Clapp was paid out for all sixteen days of vacation he accrued for fiscal year 2003. The first payout was for ten days and occurred in two separate checks issued at the beginning of the fiscal year in August 2002. The second payout was for the remaining six days and occurred at the end of the fiscal year. In accordance with Board policy, Mr. Clapp's vacation payout should have been limited to five days.
- Fiscal year 2004 – Mr. Clapp was paid out for all sixteen days of vacation he accrued for fiscal year 2004. The first payout was for five days and occurred approximately six weeks before the end of the fiscal year. The second payout was for the remaining eleven days and occurred at the end of the fiscal year. In accordance with Board policy, Mr. Clapp's vacation payout should have been limited to five days.

We believe it is unusual an employee would not take any vacation from November 2000 through August 2004. According to several Landfill employees we spoke with, Mr. Clapp took annual fall hunting trips. However, time for these trips was not recorded as vacation used during the last three years of Mr. Clapp's employment. It is likely Mr. Clapp used vacation days but it was not properly recorded in the payroll register. However, because we were not able to determine what amount (if any) of vacation was used but not recorded, we cannot determine if additional amounts should be included in **Exhibit A** as inappropriate disbursements from the Landfill.

The costs incurred by RIWMA for the unauthorized vacation payouts made to Mr. Clapp total \$4,743.16 and are summarized in **Exhibit M**. These costs are also included in **Exhibit A**.

We also identified one vacation payout for another employee that was incorrectly calculated. The employee, who received a \$1 per hour wage increase effective July 1, 2000, was paid for 40 hours of vacation on June 30, 2000. However, the employee's new hourly rate was used to calculate the vacation payout, resulting in \$40 too much being paid to the employee. After adding the employer's share of FICA and IPERS to the overpayment, the amount included in **Exhibit A** totals \$45.36.

Unauthorized Salary – In accordance with Mr. Meade's employment contract and subsequent addendums, his authorized salary for the fiscal year ended June 30, 2004 was \$48,500.00. In addition, he was to receive "\$50 per month to be used at his discretion for personal or family insurance purposes."

Mr. Meade was responsible for preparing payroll checks. Rather than preparing a separate \$50 check to himself each month for insurance or adding \$50 per month to his net pay, during fiscal year 2004 Mr. Meade increased his gross pay once each month by \$108.34 so the effect on his net pay was a \$50.00 increase over his other paychecks. This \$108.34 exceeded the benefits to which Mr. Meade was entitled. As a result, the Landfill incurred additional costs of \$874.32 for the employer's share of FICA and IPERS. The additional costs have been included in **Exhibit A**. This calculation is shown in **Exhibit N**.

Mr. Meade's annual salary increased to \$51,000 effective on July 1, 2004 for the next fiscal year. However, when he calculated his new gross pay per pay period, he calculated it to be \$54.17 greater than the amount authorized by the Board. While Mr. Meade's employment contract still provided for Mr. Meade to receive \$50 per month for insurance, he no longer increased his gross pay each month. Nor did he draw separate checks for the allowance. It is unclear if he intended to somehow include the allowance in the gross pay he calculated. The net result of the unauthorized salary and the undrawn insurance allowance totaled \$571.43 for the fiscal year ended June 30, 2005. This amount has been included in **Exhibit A**. Our calculation is shown in **Table 8**.

Table 8

Description	Amount
Authorized annual salary	\$ 51,000.00
Number of hours per year	2,080
Authorized salary per hour	\$ 24.5192
Number of hours per pay period	80
Authorized gross salary per pay period	\$1,961.54
Gross salary used by Mr. Meade	2,015.71
Difference	54.17
Number of pay periods prior to resignation	15
Unauthorized gross salary, 07/01/04 – 01/22/05	812.55
Employer’s share of FICA	62.16
Employer’s share of IPERS	46.72
Total unauthorized gross salary	921.43
Less: Authorized \$50 per month for insurance	(350.00)
Net unauthorized salary	\$ 571.43

Compensation to Mr. Meade for Grant Administration – In August 2003, RIWMA was awarded an Iowa Waste Exchange (IWE) grant. Iowa Waste Exchange is a free and confidential program administered by a number of entities throughout the State that actively promote the reuse and recycling of Iowa business and industry by-products and wastes.

The terms of the grant allow for certain administrative expenses. Between September 1, 2003 and January 31, 2005, Mr. Meade prepared seventeen checks to himself totaling \$5,260.80 for administrative services associated with the IWE grant. According to Mr. Meade, these checks were “contract payments” for administrative services he performed related to the grant. Because Mr. Meade was paid a salary by RIWMA to perform all appropriate administrative services for the Landfill and all associated activities (including grants), any administrative costs available for recovery of costs should have been paid to the Landfill rather than Mr. Meade. This amount has been included in **Exhibit A**.

Unsupported Payroll Disbursements – Timesheets were not available to support payroll disbursements to Mr. Meade and Mr. Clapp. According to Landfill employees who kept timesheets, the amount of time recorded was not always accurate. We were unable to determine if the amounts disbursed for payroll were appropriate because reliable timesheets were not available.

Because we were not able to compare payroll disbursements to timesheets, we tested payroll analytically. We reviewed all payroll disbursements to determine if any employee received more than one paycheck per pay period and if the paycheck they received was reasonable in amount. We determined two employees received an “additional” paycheck not associated with a particular pay period and not supported by any documentation. The two paychecks total \$515.20. This amount has been included in **Exhibit A**.

Contract Labor and Nepotism - The law firm’s report stated a “high rate of nepotism” occurred at the Landfill. The report stated Mr. Clapp hired several friends and relatives to work at the Landfill. According to Mr. Meade and other Landfill employees we spoke with, Mr. Clapp made hiring decisions. He sometimes hired employees without advertising the position by simply filling it with a family member or friend.

We identified a number of payments made to individuals for various forms of labor. Some of the payments were described as “contract” work. However, according to Mr. Meade, contracts were not established. According to Mr. Meade, “contract” labor is a term he used

to describe temporary workers who performed short-term tasks and employees who provided services beyond their normal job duties.

We summarized the non-payroll disbursements made to individuals between July 1, 1999 and October 15, 2004. The disbursements are listed in **Exhibit O** with the description of the payment made in the Landfill's check register. As illustrated by the **Exhibit**, the payee was simply listed as the individual's name on the check prepared by Mr. Meade. However, the payee recorded in the payroll register and in the bill listing approved by the Board was often slightly different from the payee noted on the check. Frequently, the check register included the word "Custom", such as "Custom Dirt," "Custom Hauling" or "Custom Disc," along with a portion of the individual's name.

We also determined a number of the invoices for the payments listed in **Exhibit O** were prepared by Mr. Meade. According to Mr. Meade, he prepared the invoices and had the individuals sign them to support the disbursements. We are unable to determine when the invoices were prepared or who signed them.

We identified several individuals who were paid more than \$600.00 for contract labor within a calendar year. However, the individuals were not provided IRS form 1099 in accordance with tax laws. In addition, the non-payroll payments to Landfill employees for the additional duties were not included in the Landfill's payroll register and, therefore, were not included in tax reporting forms.

In addition, Mr. and Mrs. Clapp should have received an IRS form 1099 for the \$10,000.00 of "free rent" provided in return for the labor they provided to construct the living quarters above the shop. According to documentation provided by Mr. Meade, Mrs. Clapp provided labor valued at \$4,464.49 and Mr. Clapp provided labor valued at \$5,535.51.

In addition to not complying with requirements related to completion of IRS 1099 forms, the hiring of certain individuals was not done in compliance with Chapter 71 of the *Code of Iowa*. As established by the *Code*, the Board must approve the hiring of a relative of an appointing official if the individual's salary is expected to exceed \$600.00 annually. In addition, RIWMA's by-laws require hiring of employees be approved by a majority of the Board. Also, as a matter of good business practice, all contracts should be approved by the Board.

With the assistance of Mr. Meade and other Landfill employees, we identified ten employees who were friends or relatives of Mr. Clapp or other Landfill employees. Seven of these employees were related to Mr. Clapp which violates Chapter 71 of the *Code of Iowa*. These individuals earned more than \$600.00 in at least one year between July 1, 1999 and October 15, 2004. Based on our review of the Board minutes and discussions with Mr. Meade, the Board did not take specific action to approve their hiring.

Exhibit P lists the individuals and their relationship and the amounts they received on a fiscal year basis for services provided to the Landfill. The **Exhibit** also states whether the individual was an employee of the Landfill or a contract employee at the time of payments.

While not in violation of the *Code*, three additional employees were identified as friends of Mr. Clapp or relatives of other Landfill employees. These three individuals were paid over \$16,000.00 between July 1, 1999 and October 15, 2004. The Board did not take specific action to approve their hiring.

Because we are not able to identify if any payments made for contract labor were made without services being provided to RIWMA, we have not included any of the payments in **Exhibit A**.

Improper Payroll Advances – During the period of our review, two employees received payroll advances totaling \$800.00. One employee received two advances of \$200.00 each in

March of 2002. Both of the advances were presented to the Board by Mr. Meade as a “payroll error.” However, the payments were identified as advances in the payroll register prepared by Mr. Meade. Each advance was repaid before the end of April 2002.

A second employee received an advance for \$400.00 in March 2001. Four \$100.00 deductions were made from the employee’s checks by the end of May 2001.

Because each of the advances was repaid, they have not been included in **Exhibit A**. Granting payroll advances is not a sound business practice and procedures should be implemented to prevent it from occurring in the future.

Landfill Assets:

Laptop Computer – During our review of Board minutes, we determined during the January 12, 2004 meeting the Board approved the purchase of a Dell laptop computer. According to an invoice from Dell, an Inspiron 8600 was purchased on February 16, 2004.

During our fieldwork, Mr. Meade showed us a Dell Inspiron laptop computer and stated it was the one purchased for Mr. Clapp’s use at the Landfill. The registration sticker on the machine indicated it was an Inspiron 8600. However, it was later determined the laptop we observed was actually a Dell Inspiron 1100. According to registration information located within the laptop, it was registered to Mr. Clapp.

Because the registration sticker on the laptop is not consistent with registration information within the laptop, it appears the registration stickers were swapped between the Inspiron 1100 and 8600 models. We were unable to locate another Dell laptop at the Landfill.

Because the computer purchased by the Landfill in February 2004 cannot be located, the \$2,526.25 cost of the Inspiron 8600 laptop has been included in **Exhibit A**.

All-Terrain Vehicle – In May 1999 the Board approved the purchase of an all-terrain vehicle (ATV) for use at the Landfill. An ATV was purchased for \$6,400.00 from a local vendor and subsequently used by Landfill employees to measure well levels, construct litter fences and pick up off-site litter.

As documented in the minutes of the February 19, 2001 Board meeting, Mr. Meade discussed the opportunity to purchase a used John Deere Gator from a local farmer for \$2,500.00. A local vendor valued the Gator at \$2,700.00. Mr. Clapp offered to purchase the used ATV from the Landfill for \$2,500.00 if the Board decided to purchase the Gator. The vendor the Landfill’s ATV was purchased from estimated its current value to be \$3,000.00. According to the minutes, to make up the \$500.00 difference in value, Mr. Clapp offered to keep the ATV at the Landfill for use there. He proposed the Landfill would incur no cost for the use of the ATV except for the fuel used at the Landfill.

After discussion, the Board approved the purchase of the Gator at a cost of \$2,500.00 and sale of the ATV to Mr. Clapp for \$2,500.00. Following the meeting, Mr. Clapp made a \$500.00 down payment on the ATV. However, he did not make any subsequent payments.

As documented in the minutes of the October 2001 Board meeting, Mr. Meade reported the \$2,000.00 balance due on the ATV remained unpaid. He also reported Mr. Clapp agreed in September 2001 to forfeit 14 days of accumulated vacation as full payment on the unpaid balance. Mr. Meade reported to the Board RIWMA would incur \$2,086.00 of savings by allowing Mr. Clapp to forfeit the vacation days. (He reported \$1,750.00 of payroll wages, \$235.00 of payroll taxes and \$101.00 of IPERS contributions. Mr. Meade’s calculation of payroll taxes was overstated by approximately \$101.00) While the minutes do not document the Board’s approval of this arrangement, they state Mr. Meade reported to the Board the 14 days of vacation had been deducted from Mr. Clapp’s accumulated vacation in September.

The forfeiture of vacation was not a proper payment for the ATV. As a result, the \$2,000.00 unpaid balance has been included in **Exhibit A**. The Landfill did not realize any savings by allowing Mr. Clapp to forfeit 14 days of vacation since he was still paid his full salary and the related employer's share of payroll costs was still incurred by the Landfill.

The only circumstance under which the Landfill would have realized a cost savings was if Mr. Clapp had forgone a payout of his unused vacation days at the end of the fiscal year. However, this payout was limited to 5 days, a significant difference from the 14 days allowed by Mr. Meade. Because Board policy limited vacation payouts to one week, Mr. Meade should not have allowed Mr. Clapp to convert more than 5 days of unused vacation. In addition, Mr. Meade allowed the forfeiture during the first quarter of the fiscal year rather than at year-end. As previously stated, it is likely Mr. Clapp used vacation days during the fiscal year that were not properly recorded in the payroll register. However, because we were not able to determine what amount (if any) of vacation was used but not recorded, we cannot determine if additional amounts should be reported.

As stated previously, the Board did not approve the forfeiture. Mr. Meade did not have the authority to reduce Mr. Clapp's vacation balance in lieu of payment without the Board's approval.

Also, the difference between the value of the ATV purchased by Mr. Clapp and the amount he actually paid for it should have been reported on an IRS form 1099 as a non-cash benefit. However, it was not properly reported.

Semi-Truck Engine - The law firm's report issued in August 2004 stated Mr. Meade claimed a 1980 semi belonging to the Landfill had been struck with an excavator and damaged. The rear wheel assembly was removed, all the fluids were drained from the semi and the cab and engine were buried in the Landfill.

According to the Board minutes from a September 2000 meeting, there was a party willing to pay \$750.00 to the Landfill for the engine. The Board declined to sell the semi for that amount. At the January 2003 meeting, Mr. Clapp reported to the Board he may have found a buyer for the semi and he would keep the Board informed. Subsequent Board minutes do not address or document the Board's approval of the sale or disposal of the semi or any of its components. We reviewed receipt records to determine if proceeds from the sale of the semi were recorded and properly deposited; however, we were unable to locate any record of the sale of the semi or its components.

During our fieldwork, we were notified the engine to the 1980 semi had been located at a business in Iowa Falls. It appears the engine was given or sold to an excavating business that was subsequently purchased by another firm. According to the individual we spoke with, the current owner obtained the engine and the semi it is in when his firm purchased the excavating business. We were unable to ask the owner of the excavating business how he acquired the engine.

After obtaining the vehicle identification number (VIN) from the engine, we compared it to the VIN shown on the registration on file with the Department of Transportation for the semi previously owned by the Landfill. Using this information and a confirmation from the semi's manufacturer, we were able to determine the engine found in Iowa Falls was the same one from the 1980 semi Mr. Meade stated had been buried.

We asked Mr. Meade about this discrepancy and he stated he was told the engine had been buried and knows nothing about the selling or disposing of the engine in any other way.

Based on the report to the Board at the January 2003 meeting, we determined the value of the engine was \$750.00. We have included that amount in **Exhibit A**.

Questionable Disbursements

Termination Payments – RIWMA does not have a written policy regarding severance packages or payment of unused vacation at the end of employment. During fiscal year 2005, the Landfill paid \$26,354.90 and \$55,150.65 for Mr. Clapp and Mr. Meade, respectively, as severance packages when they left the Landfill's employment. The severance packages were approved by the Board, as documented in the Board minutes. Details of the discussions related to the severance packages was not included in the minutes. According to Mr. Meade, all Board meetings were audio-taped. However, we were unable to listen to the tapes of the Board meetings in which Mr. Clapp and Mr. Meade's severance packages were approved because they were missing from the Landfill's office.

We reviewed the termination and resignation agreements between the Board and these former employees. Both agreements contain provisions not provided for in any RIWMA policy or employment contract and may not be in the best interest of the Landfill or a prudent use of public funds. We determined \$22,923.12 and \$32,272.51 of the costs incurred for Mr. Clapp's and Mr. Meade's severance packages, respectively, was questionable. We also determined \$2,430.78 and \$14,869.37 was improperly paid to Mr. Clapp and Mr. Meade, respectively. These portions have been included in **Exhibit A**. Each severance payment is discussed in greater detail in the following paragraphs.

Mr. Clapp - In late August or early September of 2004, amid allegations of improper actions and disbursements, a termination of employment agreement between RIWMA and Mr. Clapp was prepared. Mr. Clapp did not have an employment contract with the Landfill. The termination agreement was effective September 7, 2004. It was discussed and approved during the September 7 Board meeting. The agreement included the following provisions:

- “1. The Employee will remain on the Employer's payroll through February 28, 2005.
2. The Employer will maintain the Employee's benefits through February 28, 2005 except no vacation or sick leave will accrue to the Employee after September 7, 2004.
3. Unused vacation days that the Employee has accrued as of September 7, 2004 shall be paid to the Employee at his request, but not later than February 28, 2005.
4. If the Employee should apply for unemployment benefits after February 28, 2005 the Employer will not file an objection thereto.”

On September 14, 2004, a supplement to the agreement was approved by the Board and signed by the Chairman of the Board and Mr. Clapp. The supplement provided:

- “1. The Rural Iowa Waste Management Authority agrees to pay to the Employee all of the wages due to him pursuant to the Termination of Employment Agreement in a lump sum prior to October 1, 2004.
2. Felix A. Clapp agrees he will not file a claim for unemployment prior to February 28, 2005.”

The check issued to Mr. Clapp for his salary from September 7, 2004 through February 28, 2005 was dated September 14, 2004, the same date as the supplement to the agreement. The check issued to Mr. Clapp for payment of his unused vacation days was dated September 9, 2004.

Governmental entities do not usually provide severance pay for periods extending beyond the time period a departing employee leaves the entity's employment. In this case, Mr. Clapp's continued employment with the Landfill was questionable given the on-going investigation of the Landfill's operations. Therefore, we do not believe it was a prudent use of public funds to pay Mr. Clapp for any period beyond his termination date of September 7, 2004. As a result, we have questioned \$20,591.90 of payroll costs incurred by the Landfill for the period from September 7, 2004 through February 28, 2005. The value of the insurance benefits paid by the

Landfill for Mr. Clapp for the same period totals \$2,331.22. These calculations are shown in **Exhibit Q** and have been included as a questionable disbursement in **Exhibit A**.

According to RIWMA's vacation policy, Mr. Clapp was entitled to fifteen days of vacation for fiscal year 2005. The Board also approved granting him an additional day. When Mr. Meade prepared Mr. Clapp's vacation payout as part of his severance package, he paid Mr. Clapp for the full sixteen days of unused vacation. In accordance with the terms of Mr. Clapp's termination agreement, he was entitled to only the unused vacation days accrued for fiscal year 2005 as of September 7, 2004. Rounding up to a whole day of vacation, the accrual calculation should have been limited to only three days. The difference between the costs incurred for the sixteen days actually paid and the three days that should have been paid total \$2,168.78. The calculation is also shown in **Exhibit Q** and the total has been included as an improper disbursement in **Exhibit A**.

Mr. Clapp's vacation payout check was overstated by an additional \$262.00 because when Mr. Meade prepared the payment, he added State withholding tax of \$131.00 to Mr. Clapp's gross pay rather than deducting it. As a result, Mr. Clapp's vacation payout was \$262.00 larger than it should have been. This amount has been included as an improper disbursement in **Exhibits A and Q**.

Mr. Meade – Mr. Meade had an employment contract with RIWMA. The contract allowed for termination at any point by the Board for cause. In late December 2004, amid allegations of improper actions and disbursements, Mr. Meade entered into a resignation agreement with RIWMA. The resignation agreement was effective January 31, 2005. It was discussed and approved during the December 31, 2004 Board meeting. The agreement included the following provisions:

- “1. MEADE will remain on RIWMA's payroll through 31 July 2005. RIWMA agrees to pay to MEADE all of the wages due to him, in full, in a lump sum on 31 January 2005.
2. RIWMA will maintain MEADE's benefits through 31 July 2005.
3. Unused vacation days that MEADE has accrued as of 31 January 2005 shall be paid to MEADE in full on 31 January 2005. Vacation shall not accrue past 31 January 2005.
4. Unused sick days that MEADE has accrued as of 31 January 2005 shall be paid to MEADE, at the rate specified in said contract, in full on 31 January 2005. Sick days shall not accrue past 31 January 2005.
5. If MEADE should apply for unemployment benefits after 31 July 2005, RIWMA will not file an objection thereto.”

As stated previously, governmental entities do not usually provide severance pay for periods extending beyond the time period a departing employee is terminated from employment. In addition, a severance package including six months' pay to an employee who has resigned is unusual.

As with Mr. Clapp, Mr. Meade's continued employment with the Landfill was questionable given the on-going investigation of the Landfill's operations. In addition, Mr. Meade's employment contract provided “The Director may be terminated at anytime for just cause.” Therefore, we do not believe it was a prudent use of public funds to pay Mr. Meade for any period beyond his resignation date of January 31, 2005. As a result, we have questioned \$29,911.45 of payroll costs incurred by the Landfill for the period from February 1, 2005 through July 31, 2005. The value of the insurance benefits paid by the Landfill for Mr. Meade for the same period totals \$2,361.06. These calculations are shown in **Exhibit R** and have been included in **Exhibit A** as questionable disbursements.

The amount Mr. Meade received for a vacation payout was also inappropriate. According to the worksheet prepared by Mr. Meade to calculate his payout for unused vacation and sick leave, he had 94.98 days of unused vacation time.

Because Mr. Meade's contract did not address payment of unused vacation, he was subject to policies found in RIWMA's policy manual. RIWMA's policy allows employees to receive a one-week payout each year of any unused vacation; however, unused vacation is not to be carried over into the next fiscal year. Therefore, Mr. Meade could have accrued only 8.75 days of vacation for fiscal year 2005 as of January 31, 2005. For our calculations, we rounded this accrual up to 9 days.

The amount paid to Mr. Meade for unused sick leave days was also incorrectly calculated. His contract provided for payment of unused sick leave at the rate of \$5 per hour at the end of his employment. However, the worksheet prepared by Mr. Meade to calculate his payout for unused sick leave included an improper number of days for sick leave.

According to the worksheet, Mr. Meade had accrued 119.72 days of sick leave as of January 31, 2005. Mr. Meade's employment contract provided for 12 days per year. Given that Mr. Meade started employment with RIWMA on July 1, 1996, the maximum number of sick leave days he could have accrued by January 31, 2005 would be 103 days. This calculation assumes he took no sick leave during his eight and one-half years of employment.

The difference between the costs of the unused vacation and sick leave days calculated by and paid to Mr. Meade and the nine days of unused vacation and 103 days of unused sick leave that should have been paid to him total \$14,110.95 and \$758.42, respectively. These calculations are shown in **Exhibit R** and included in **Exhibit A** as improper payments. To determine the amount the Landfill should have paid Mr. Meade for his unused vacation and sick leave, we allowed the maximum accruals of 9 and 103 days, respectively. This is a conservative calculation; we didn't reduce the maximum accruals for any vacation or sick leave that may have been used by Mr. Meade but were not recorded.

In addition to the incorrect number of vacation and sick leave days used to calculate his payout, Mr. Meade used an incorrect wage rate when calculating his final payouts from the Landfill. These miscalculations are included in **Exhibit R** and their effect is included in the amounts listed above.

Construction of Apartment – At its August meeting, the Board approved the construction of living quarters above the Landfill's shop with the Landfill paying for the cost of materials and Mr. Clapp providing the labor. It was determined in August that when the project was complete, the Board would determine a suitable rental fee from which the labor cost would be deducted.

The minutes of the October 22, 2001 Board meeting document the Board discussed Mr. Clapp's proposed rental of the living quarters. According to the minutes, the Board discussed the proposal at length and agreed it would be beneficial to the Landfill for the Operations Manager to live at the site. According to Mr. Meade, it was discussed that by Mr. Clapp living on the site, security would be improved. The minutes also document the Board established a monthly rental rate of \$500.00, less compensation for the construction labor provided by Mr. and Mrs. Clapp at the rate of \$10.00 per hour. The Board anticipated total construction would not exceed 1,000 hours.

According to documentation provided to us by Mr. Meade, Mr. and Mrs. Clapp began working on the remodeling project on July 23, 2001, prior to the Board's approval of the construction at its August meeting. According to the listing Mr. Clapp submitted of dates and hours worked, he and Mrs. Clapp each worked between four and nineteen hours every day from July 23 through October 21, with the exception of September 1st, 2nd and 17th and October 17th. **Appendix 1** includes copies of some of the sheets submitted by Mr. Clapp. The hours submitted by Mr. Clapp total 1,722. However, they were allowed to use only 1,000 hours of the labor to offset monthly rent.

Mr. and Mrs. Clapp moved into the apartment in October 2001. Mr. Meade tracked the \$10,000.00 “contract labor” due to Mr. and Mrs. Clapp for the construction. Each month he deducted \$500.00 from the balance for the monthly rent on the apartment. The \$10,000.00 of “contract labor” was exhausted once the rental fee for May 2003 was deducted.

During the Board meeting held on June 16, 2003, the Board again discussed the appropriate amount of rent to charge for the apartment. A statement from a local realty company was distributed for the Board’s review. The statement indicated the apartment was not rentable due to its location and a reasonable rent would be the cost of the utilities used. A copy of the statement is included in **Appendix 2**. After further discussion, the Board approved lowering the monthly rent from \$500.00 to \$50.00 effective June 1, 2003.

Mr. and Mrs. Clapp made \$50.00 monthly rental payments from June 2003 through March 2004, when they moved from the apartment. No one has lived on-site since the Clapps.

The Landfill paid \$15,207.75 for the materials to complete the construction project. Because it appears the apartment was constructed solely for the convenience of the former Operations Manager by providing him with housing at a very minimal cost, we believe the expenditures were not an appropriate use of public funds. As a result, the \$15,207.75 incurred by the Landfill has been included in **Exhibit A**.

Rental Income

Rent from Farm Land – Because the Landfill owned land that had not bet been needed for expansion, the Board authorized renting it to local farmers for planting. Based on the information available, it appears the Landfill was not consistent in how the land was rented and farmed. We identified purchases made by the Landfill of seed and fertilizer for the land one year. However, in other years, no farming supply purchases were identified. We also were unable to determine what agreements, if any, were in place for sharing of proceeds from the harvest. As a result, we are unable to determine if the appropriate amount of proceeds were properly deposited to the Landfill’s bank account.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by RIWMA to hire employees and process receipts, disbursements, and payroll. An important aspect of internal control is to establish procedures that provide accountability for assets susceptible to loss from error and irregularities. These procedures provide that the actions of one individual will act as a check of those of another and provide a level of assurance that 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 RIWMA's internal controls.

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The former Director had control over each of the following areas for the Landfill.
- (1) Disbursements - preparation of claims and checks, distribution and posting.
 - (2) Payroll – preparation and distribution.
 - (3) Receipts – collecting, depositing, journalizing and posting.
 - (4) Financial records – bank reconciliations and comparison of cancelled checks to recorded disbursements.

In addition, checks were not properly safeguarded and the Board approved keeping an inactive Board member on the bank signature cards even after his term on the Board expired. The approval followed a request made by the former Director, Mr. Meade. According to Mr. Meade, the former Board member was located in close proximity to RIWMA at the Hardin County Sanitary Solid Waste Commission.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the functions listed above should be segregated. In addition, Board Members should review financial records, perform reconciliations and examine supporting documentation for accounting records on a periodic basis.

Also, checks should be properly safeguarded and the Landfill should not retain a non-Board member as an authorized signer of checks.

- B. Disbursements – During our review of disbursements for the period July 1, 1999 through October 15, 2004, the following conditions were identified:
- (1) Some disbursements were not supported by invoices or other documentation.
 - (2) Some disbursements were not properly approved by the Board prior to their payment.
 - (3) Disbursements approved by the Board were not always of the nature presented to the Board.
 - (4) Payments were made on personal credit cards issued to the former Director.

Recommendation – All disbursements should be presented to the Board in an accurate, complete manner for approval.

Reimbursements for purchases made on a personal credit card should be paid to the individual requesting reimbursement, not directly to the credit card

company. The reimbursement request should be presented along with appropriate supporting documentation and approved by an independent party.

In addition, the Board should ensure the public purpose served by all disbursements is evident or documented before authorizing any payments.

- C. Payroll and Leave Records – Timesheets were not available to support payroll disbursements to the Landfill’s former Operations Manager and Director. According to Landfill employees who kept timesheets, the amount of time recorded was not always accurate. We were unable to determine if the amounts disbursed for payroll were appropriate because reliable timesheets were not available.

In addition, reliable documentation of vacation and sick leave used was not available. The vacation used or paid out for all employees, with the exception of the former Director and former Operations Manager, appeared reasonable. According to available documentation, neither the former Director or former Operations Manager took vacation or sick leave for extended periods of time.

Recommendation – Accurate timesheets should be prepared and maintained to support payments made to employees. They should be reviewed and approved by an individual with appropriate oversight responsibilities.

- D. Payroll Advances and Vacation Payouts – During the period of our review, two employees received payroll advances totaling \$800.00. Both of the advances were presented to the Board by Mr. Meade as a “payroll error.” However, the payments were identified as advances in the payroll register prepared by Mr. Meade. Each advance was properly repaid by the employee.

In addition, we identified several concerns regarding the vacation payouts made to Landfill employees during the period of our review. One employee received payouts prior to the end of the fiscal year and for amounts greater than the amount allowed by policy.

Recommendation – To improve controls over purchases, procedures should be implemented that prevent granting of payroll advances in the future. In addition, procedures should be implemented to ensure compliance with policies regarding payouts of unused vacation time.

- E. Employee Reimbursements – During our review of payments to the former Operations Manager and Director, we identified a number of reimbursements for supply and equipment purchases. Where possible, payments for supply and equipment purchases for the Landfill should be paid by the Landfill directly to the vendor.

Recommendation – To improve controls over purchases, procedures should be implemented to ensure payments for Landfill purchases are made directly to the appropriate vendor, where possible.

- F. Credit Cards - The former Landfill Director had a credit card in the Rural Iowa Waste Management Association’s name and his social security number. The Landfill has not adopted a formal policy to regulate the use of credit cards and to establish procedures for the proper accounting of credit card charges. Additionally, supporting documentation was not always available to support credit card charges.

Recommendation - The Board should adopt a formal written policy regulating the establishing of credit card accounts and the use of credit cards. At a minimum, the policy should address who controls credit cards, who is

authorized to use credit cards and for what purpose, as well as the types of supporting documentation required to substantiate charges.

- G. Capital Assets – The Landfill does not have a written policy regarding the use, safeguarding and recording of capital assets. In addition, written authorization is not required from the Landfill’s Board prior to deleting items from the capital asset listing.

During our testing of capital assets, we observed a number of items that were not included on the Landfill’s capital asset listing. Items observed included three 250-gallon oil drums, two 55-gallon drums, radios, various tools and two trailers.

Recommendation – Written policies regarding the use, safeguarding and recording of the Landfill’s capital assets should be prepared and approved by the Board. A physical observation of capital assets should be periodically performed by an employee having no responsibility for the assets. In addition, written authorization from the Board should be required before capital assets are deleted from the capital asset listing.

- H. Electronic Check Retention – In accordance with section 554D.114 of the *Code of Iowa*, the Landfill is allowed to retain cancelled checks in an electronic format. However, the Code also requires an image of both the front and back of each redeemed check. The Landfill retains electronic images of redeemed checks but does not obtain an image of the back of each redeemed check as required.

Recommendation – The Landfill should obtain and retain an image of both the front and back of each redeemed check in accordance with section 554D.114 of the *Code of Iowa*.

- I. Code Compliance – As established by Chapter 71 of the *Code of Iowa*, the Board must approve the hiring of a relative of an appointing official if the individual’s salary is expected to exceed \$600.00 annually. We identified a number of individuals for whom this requirement should have applied. However, Board approval was not obtained prior to hiring those individuals.

Recommendation – The Landfill should implement procedures to ensure compliance with Chapter 71 of the *Code of Iowa*.

Exhibits

Rural Iowa Waste Management Association

Rural Iowa Waste Management Association
 Summary of Findings
 For the period July 1, 1999 through October 15, 2004

Description	Exhibit / Table / Page Number	Amount
Improper and Unsupported Disbursements:		
Purchases of Automotive Parts, Hardware and Other Supplies	Table 3	\$ 15,912.60
Excessive Fuel Purchases	Exhibit J	32,132.66
Employee Reimbursements:		
Mr. Meade	Exhibit K	1,955.51
Mr. Clapp	Exhibit L	1,147.77
Vacation Payouts:		
Unauthorized payouts to Mr. Clapp	Exhibit M	4,743.16
Incorrectly calculated payment	Page 13	45.36
Unauthorized Salary:		
Fiscal Year 2004	Exhibit N	874.32
Fiscal Year 2005	Table 8	571.43
Compensation to Mr. Meade for Grant Administration	Page 14	5,260.80
Unsupported Payroll Disbursements	Page 14	515.20
Termination Payments:		
Mr. Clapp	Exhibit Q	2,430.78
Mr. Meade	Exhibit R	14,869.37
Landfill Assets:		
Laptop Computer	Page 16	2,526.25
All-Terrain Vehicle	Pages 16-17	2,000.00
Semi-Truck Engine	Page 17	750.00
Total improper and unsupported disbursements		<u>85,735.21</u>
Less: Reimbursements for Improper Purchases:		
By Jim Meade	Page 9	(141.97)
By Alan Clapp	Table 4	(531.23)
		<u>(673.20)</u>
Net improper and unsupported disbursements		<u>85,062.01</u>
Questionable Disbursements:		
Termination Payments:		
Mr. Clapp	Exhibit Q	22,923.12
Mr. Meade	Exhibit R	32,272.51
Construction of Apartment	Pages 20-21	15,207.75
Total questionable disbursements		<u>70,403.38</u>
Total		<u>\$ 155,465.39</u>

Exhibit B

Rural Iowa Waste Management Association
Improper Purchases – Farm Plan
For the period July 1, 1999 through October 15, 2004

Invoice Date	Product Description	Additional Description Provided by Vendor	Quantity	Total
10/28/99	^^			\$ 65.36
03/15/00	^^			272.17
03/15/00	^^			46.51
06/22/00	^^			68.75
06/26/00	Ponch - Rodeo	Raincoat		44.25
06/26/00	^^			30.27
09/22/00	Oil filter	Ford or Chrysler vehicle	1	3.19
09/22/00	Oil, Durablend		2	4.18
11/17/00	Compressor, air auto 12v w/lite&gaug	Trailer accessory	1	19.95
11/17/00	5 gallon air tank	GMC vehicle	1	21.95
11/17/00	Chevy brake light hitch cover	Any vehicle	1	12.95
03/12/01	^^			5.69
02/22/01	Battery, HD A 925 CCA 12v reg post		1	59.95
03/24/01	Air filter	GMC vehicle	1	4.49
03/24/01	Oil filter	Ford or Chrysler vehicle	1	3.19
04/26/01	Battery, HD A 925 CCA 12v reg post		1	69.99
04/26/01	Battery core \$5.00		1	5.00
07/09/01	^^			93.80
08/02/01	Battery, garden tractor 12v 288 CA	##	1	21.99
08/04/01	Oil filter	Ford or Chrysler vehicle	1	2.87
09/06/01	Battery, motorcycle 1PV 14AA-2		1	34.95
12/16/01	Driving lite kit, sport and utility	@ Trailer accessory	1	29.95
12/16/01	Chevy brake light hitch cover	Any vehicle	1	11.96
12/20/01	Air filter	Newer vehicle	1	18.95
12/20/01	Oil filter	GMC vehicle	1	2.99
12/14/01	Chevy brake light hitch cover	Any vehicle	1	14.95
12/14/01	Mudguard, GMC		1	15.95
12/14/01	Mats, floor rubber van rear gray		1	11.96
12/14/01	Mat, floor all season II gray		1	7.96
12/14/01	Mat, floor all season II gray		1	7.96
12/16/01	Litemate, adapter/way blade 4 fl	@	1	6.95
12/16/01	Ties, cable black 7"		1	8.98
12/16/01	Wire, trailer light cable 100'		1	0.35
01/02/02	Battery, auto 770 CCA 12v dual term		1	69.95
01/02/02	Battery core \$5.00		1	5.00
01/27/02	Missing ticket - Thiesens			480.75
03/08/02	Air filter	GMC vehicle	1	3.99
03/08/02	Oil filter	Pontiac vehicle	1	3.59
03/14/02	Brake, controller, electronic	Pickup accessory for trailer - pulling	1	54.95
04/04/02	Oil filter	Pontiac vehicle	1	4.49

Rural Iowa Waste Management Association
 Improper Purchases – Farm Plan
 For the period July 1, 1999 through October 15, 2004

Invoice Date	Product Description	Additional Description Provided by Vendor	Quantity	Total
06/04/02	Battery, watch, key 3.0 volt, silver		1	1.99
06/20/02	Battery, auto 630 CCA 12v dual term		1	44.95
06/20/02	Battery Core \$5.00		1	1.00
07/26/02	^^			111.93
07/18/02	Battery, DP cycle/Marine 160 Min 12v	sump pump/fencer/boat	1	57.95
07/18/02	Battery core \$5.00		1	5.00
07/18/02	Box, battery group 27		1	8.99
10/21/02	^^			77.21
12/14/02	Battery, HD commercial 675 CCA 12v	Vehicle battery	3	134.85
12/14/02	Battery, motorcycle 1PV 14AA-2		1	34.95
02/28/03	Battery, auto 850 CCA 12v dual term		1	54.95
06/13/03	Battery, HD commercial 675 CCA 12v	Vehicle battery	1	44.95
07/07/03	Malathion gal. clean crop		2	79.90
07/07/03	Battery, garden tractor 12v 288 CA		1	19.99
07/07/03	Battery core \$5.00		1	5.00
07/11/03	Air filter	GMC vehicle	1	4.99
07/11/03	Air filter	Newer vehicle	1	11.95
06/19/03	Spear, 3 point bale 1,800 LB	Bale mover	1	129.95
07/07/03	Sprayer, 25 gal L/G trailer 12 volt	Sprayer for ATV or garden tractor	1	279.95
07/07/03	Roundup, 1/2 bal. concentrate 25x		1	41.95
07/07/03	Spray, weed 2-4D Amine		1	33.95
07/07/03	Pump, 12 Volt		1	99.95
09/25/03	Air filter	GMC vehicle	1	3.99
09/25/03	Air filter	Newer vehicle	1	9.56
10/15/03	Light, towing kit	Trailer accessory	1	39.95
01/13/04	Battery, DP cycle/Marine 160 Min 12v	sump pump/fencer/boat	1	57.95
01/13/04	Battery core \$5.00		1	5.00
01/13/04	Battery cable		1	15.90
12/19/03	Driving lite kit, sport and utility	Trailer accessory	1	27.95
01/21/04	^^			40.44
02/08/04	Snow plow, snowbear	Any pickup for snow removal	1	799.00
05/28/04	Battery, auto 850 CCA 12v dual term		1	54.95
05/28/04	Battery core \$5.00		1	5.00
05/28/04	Spray gun, spot 24" brass ext w/tip		1	38.95 ^
05/28/04	Hose clamp		1	6.95 ^
05/19/04	Trailer light kit submersible	Trailer accessory	1	29.95 ^
			Total	\$ 4,074.92

^^ - Invoice not available

- Statement contained a handwritten notation of "Gator battery & caulk."

@ - Statement contained a handwritten notation of "Alan."

^ - Reimbursed by Mr. Clapp. Reimbursed purchases total \$75.85.

Note: All purchases were made at Thiesen's with the following exceptions:

Purchase on 10/28/99 was made at Phelps Implement.

Purchases on 03/15/00 were made at Held Inc.

Rural Iowa Waste Management Association

Rural Iowa Waste Management Association
 Improper Purchases – Capital One
 For the period July 1, 1999 through October 15, 2004

Transaction Date [^]	Vendor	Description		Total
		Per Invoice	Per Check Register or Report to Board	
10/23/01	Radisson Hotel; Davenport, IA	2 glasses of beer with meal purchase	Fall conference	\$ 5.50
10/24/01	Radisson Hotel; Davenport, IA	Movies , Clapp's room	Fall conference	13.90
10/25/01	Radisson Hotel; Davenport, IA	<i>Detailed invoice not provided</i>	Fall conference	23.49 #
11/02/01	Flowerama; Ames, IA	<i>Detailed invoice not provided</i>	Fall conference	36.01
12/10/01	Porters on Main; Iowa Falls, IA	<i>Detailed invoice not provided</i>	Board & EE annual dinner ^^	311.95 #
02/14/02	Inovex Industries, Inc.; VA	<i>Detailed invoice not provided</i>		512.18
05/04/02	Farm and Fleet; Cedar Falls, IA	<i>Detailed invoice not provided</i>	Laser, tripod, miter, compress.	1,305.19 *
05/11/02	Farm and Fleet; Cedar Falls, IA	<i>Detailed invoice not provided</i>		
06/27/02	Wildwood Lodge; Clive, IA	Long distance		4.35
06/27/02	Wildwood Lodge; Clive, IA	Movie/game, tax		11.61
07/06/02	Office Depot; Des Moines, IA	<i>Detailed invoice not provided</i>		17.36
10/22/02	Embassy Suites; Des Moines, IA	Movie		10.49
01/04/03	Porters on Main; Iowa Falls, IA	<i>Detailed invoice not provided</i>		305.27 #
04/30/03	Dell Marketing, L.P.; TX	Dell Marketing, L.P. ,AXIM X5 (PDA) with travel cable and leather carrying case		235.31 @
10/29/03	Collins Plaza Hotel; Cedar Rapids, IA	<i>Detailed invoice not provided</i>		183.88
12/04/03	The Signal-Cellular In; PA	<i>Detailed invoice not provided</i>		35.00
03/19/04	Get Organized; PA	<i>Detailed invoice not provided</i>		76.19
09/23/04	Capital One	Past due fee		29.00
09/23/04	Capital One	Finance charge		2.58
Total				<u>\$ 3,119.26</u>

[^] - Per credit card statement

- Purchase at a restaurant

* - Handwritten notation on invoice: Called manager (John) on 07 Jun 2004 and requested copies of receipts. He will forward next week."

@ - Not located during equipment observations. According to Mr. Meade, the PDA was purchased for Mr. Clapp.

^^ - EE represents employee.

Exhibit D

Rural Iowa Waste Management Association

Improper Purchases – O'Reilly Auto Parts
For the period July 1, 1999 through October 15, 2004

Invoice Date	Product Description	Additional Description per Invoice or Statement	Additional Description Provided by Vendor	Quantity	Total
12/21/99	Reman Engine		Chevy engine	1	\$ 1,274.00
12/30/99	Air cleaner	Handwritten notation: Allen Clapp Truck	Universal - Chevy 350	1	29.99
12/30/99	Oil filter	Handwritten notation: Allen Clapp Truck	Ford	1	2.99
12/30/99	A/cl adapter	Handwritten notation: Allen Clapp Truck		1	4.99
01/03/00	Reman Engine		core	1	(125.00)
06/28/00	Air filter		Astro/ FD truck	1	51.24
08/28/00	^^				28.68
01/28/01	Air filter		Chevy	1	8.99
02/27/01	Fuel filter		Cummins	2	24.02
02/27/01	Oil filter		87-92 Cummins	1	25.33
03/28/01	^^				12.51
08/17/01	Bed coating		Bed liner	2	99.98
08/18/01	Bed coating		Bed liner	1	49.99
09/07/01	Bed coating		Bed liner	1	49.99
09/21/01	Profile		Bug shield	1	29.99
09/21/01	Seat cover		Universal	1	24.95
10/10/01	Fuel filter	@	Cummins 60-95	1	5.41
10/10/01	Fuel filter	@	Ford Trk 82	1	7.53
10/10/01	Filter	@	Old GM	1	39.95
10/10/01	Oil filter	@	ISUZU	1	32.93
10/10/01	Oil filter		Chevy filter	2	5.98
10/11/01	Fuel filter		Car/Universal	1	7.53
10/11/01	Air filter	@	GMC truck	1	57.03
10/11/01	Oil filter	@	Dodge cummins	1	6.01
11/09/01	Oil filter		Chevy filter	1	2.99
12/07/01	Oil filter		New Chevy pickup	1	5.70
03/14/02	Idle air vlv		92 - 96 Dodge idle air valve	1	34.91
04/12/02	Air filter		GMC truck	1	57.03
04/12/02	Oil bth seal		End loader	1	19.98
04/12/02	Oil bth seal		End loader	1	19.98
06/17/02	Oil filter		Chevy	1	2.99
06/22/02	Air filter		99 new filter	1	13.77

Rural Iowa Waste Management Association
 Improper Purchases – O’Reilly Auto Parts
 For the period July 1, 1999 through October 15, 2004

Invoice Date	Product Description	Additional Description per Invoice or Statement	Additional Description Provided by Vendor	Quantity	Total
06/22/02	Oil filter		Chevy filter	1	2.99
06/22/02	Oil filter		Chrysler, Jeep filter	1	3.39
08/21/02	Oil filter	1993 Dodge Truck Dakota V8-318 5.2L	Chrysler, Jeep filter	1	3.29
08/22/02	Oil filter	Handwritten notation: 67 Ford	Chrysler, Jeep filter	1	3.29
10/18/02	Stick-it gold		Sandpaper	1	38.84
10/18/02	Gold disc		Sandpaper	1	83.61
10/18/02	Gold disc		Sandpaper	1	83.61
10/18/02	Monro-Matic+		GM Trk 69-91	2	33.98
10/18/02	Monro-Matic+		GM Trk 69-91	2	33.98
10/19/02	Inner fender		Chevy truck	1	32.61
10/19/02	Inner fender		Chevy truck	1	32.61
10/19/02	Rocker panel		Chevy truck	1	21.50
10/19/02	Rocker panel		Chevy truck	1	21.50
10/19/02	Rub b cabmot		Chevy truck	2	74.77
10/21/02	Ign wire set		GM V8 ??? 76-78	1	18.99
10/23/02	Air filter		Chevy	1	5.49
10/24/02	Cab corner		Chevy truck	1	19.99
10/24/02	Cab corner		Chevy truck	1	19.99
10/29/02	Cab mount		Chevy truck	2	43.56
11/29/02	Oil filter		Chevy p/u	1	4.81
12/23/02	Filter kit	1978 GMC Truck C+K 1500-3500 PU V8-350 5.7L	TA350 Trans Kit	1	4.38
12/23/02	ATF fluid			12	15.48
12/30/02	Rad arm bush	1979 Ford Truck F100-350 P/U	65-89 Ford	2	11.38
01/22/03	Blower motor	1978 Ford Truck F100-350 P/U	Ford 68-87 Trk	1	23.99
02/06/03	Terry bonnet	1979 Ford Truck F100-350 P/U		1	11.18
02/25/03	Connector		7 pole RV Connector	1	7.49
03/05/03	V-belt		Universal	1	8.34
03/05/03	Oil filter		Chevy filter	1	2.99
03/05/03	Oil filter		Chevy filter	1	2.99
03/12/03	Starter	1975 Ford Truck F100-350 P/U V8-360 5.9L	63-78 Ford	1	46.78
04/17/03	Gasket	1971 Ford Truck F100-350 P/U V8-360 5.9L		1	0.59
07/12/03	^^				69.60
08/25/03	Fuel filter		Dodge & GM 67-79	1	0.84

Exhibit D

Rural Iowa Waste Management Association
Improper Purchases – O'Reilly Auto Parts
For the period July 1, 1999 through October 15, 2004

Invoice Date	Product Description	Additional Description per Invoice or Statement	Additional Description Provided by Vendor	Quantity	Total
08/25/03	Fuel filter		GM 76-79	1	0.89
08/25/03	Mech f/pump		GM 69-88	1	11.64
09/28/03	Therm gasket	1993 Dodge Truck Dakota V8 -318 5.2L		1	0.64
09/28/03	Thermostat	1993 Dodge Truck Dakota V8 -318 5.2L		1	4.55
10/01/03	Wheel nuts	74 Ford Mustang		4	3.00
10/01/03	Wheel stubs	74 Ford Mustang		4	5.88
10/08/03	Oil filter		Chevy filter	1	3.29
10/09/03	Filter kit	2001 Chevy Truck Silverado 1500 PU	4L8OE Trans Kit	1	21.99
10/17/03	Chroma base			1	53.55
11/06/03	Starter		71-81 GM	1	29.39
01/14/04	Hercu liner		Bed kit	1	89.99
02/09/04	Oil filter		83-86 AMC, Jeep	1	4.79
02/09/04	Motor oil			7	34.93
04/20/04	Hub cap		Truck hub	1	15.81
05/01/04	Promo kit		Electrical connection universal	1	14.98 ^
				Total	<u>\$ 2,996.51</u>

^ - Reimbursed by Mr. Clapp. Reimbursed purchases total \$14.98.

^^ - Invoice not available.

@ - According to Mr. Meade, the Landfill was reimbursed for these purchases; however, we could not locate the deposit of the reimbursements.

Rural Iowa Waste Management Association
 Improper Purchases – NAPA Auto Parts
 For the period July 1, 1999 through October 15, 2004

Invoice Date	Product Description per Invoice	Handwritten Notations on Invoices	Description in Attorney's Report	Additional Description Provided by Vendor	Quantity	Total
10/03/00	Oil filter		Chevy Pick-Up Oil filters		2	\$ 9.98
01/12/01	Oil filter	P.U. by Alan, Old Ford Trk	GM Truck and Car Oil Filters for Early 1980s-mid 1990s, 4-wheel Drive Chevy Pick-Up Oil filters		2	10.98
01/12/01	Gauge			Digital Tire Gauge	1	32.02
02/09/01	Booster			Booster Cable	1	59.45
02/27/01	Air fil		Air filter for a Kia Sportage. <i>Handwritten: "Air Filter, Kia Sportage, Al's wife's car"</i>		1	13.99
03/03/01	V-belt	pickup	A V-Belt for a Chevy Pick-Up		1	33.49
03/05/01	Solenoid	pickup	Started Solenoid for a mid 1970s-mid 1980s Chevy Pick-Up		1	36.49
04/04/01	Battery, core deposit	semi	Lawn Mower Battery (Not a small mower)		1	50.97
04/11/01	Alternator	semi	Alternator for a Chevy Pick-Up or GM Car		1	144.00
04/11/01	Starter	truck	Starter for Chevy Pick-Up		1	98.79
04/11/01	Fuel pump	truck	Fuel pump for a late 1980s and up Chevy Pick-Up or GM Car		1	59.99
04/11/01	Strainer	truck		Fuel pump strainer Chevy pickup	1	7.35
04/12/01	Fuel filt	lawn mower		Small Engine	1	2.29
04/23/01	F clutch	semi	Clutch for late 1980's-2000 Chevy Pick-up		1	109.00
04/23/01	Rotor	semi		1988 Chevy Pickup	2	57.98
05/01/01	Airfil	rock trailer		Tecumseh small engine	1	5.32
05/07/01	Rotor	semi	Dodge Dakota Pick-Up		2	112.98
05/07/01	Disc pad	semi	Dodge Dakota Pick-Up		1	28.99
05/09/01	U joint			1994-1995 Dodge pickup	2	44.98

Exhibit E

Rural Iowa Waste Management Association

Improper Purchases – NAPA Auto Parts
For the period July 1, 1999 through October 15, 2004

Invoice Date	Product Description per Invoice	Handwritten Notations on Invoices	Description in Attorney's Report	Additional Description Provided by Vendor	Quantity	Total
06/01/01	Fuel filt		Fuel filter for a 1994 and up Chevy Pick-Up (S-10)		1	19.99
06/02/01	Fuel pump		Fuel pump for late 1980's and up Chevy pick-up or GM Car		1	77.99
06/16/01	^^				1	15.51
07/12/01	Element			K&N Filter for 1995 and up Chevy pickup	1	49.66
07/12/01	Air fil		High performance air filter for Chevy Pick-Up		1	67.73
07/12/01	Mount				1	6.99
07/29/01	Alternator	89 pickup my personal truck	Late 1980's and up Chevy Pick-Up		1	134.00
07/29/01	Belt	89 pickup my personal truck	Late 1980's and up Chevy Pick-Up		2	53.98
08/02/01	Wat pump		Water pump for a Ford Explorer or Ranger Pick-Up (newer model)		1	44.99
08/02/01	Core depo			1990 Ford pickup	1	8.89
03/26/02	Air fil		Tecumseh Air Filter for a small engine (lawn mower)		1	9.29
07/25/02	Fuel filt		Fuel filter for lat 1980s and up GM Car or Pick-UP		1	12.79
10/09/02	Fuel filt	maint #496 service Ford light for 826	Oil filter for new GM truck		1	6.49
10/17/02	Fuel filt	maint #496 service Ford light for 826	Oil filter for new GM truck		1	6.49
11/07/02	Fuel filt	oil filter for new GM truck"	Oil filter for new GM truck		1	6.49
11/13/02	T-connector		1999-2002 Full Size Chevy Pickup		1	29.52
11/13/02	Connector		Hitch connector for camper	RV trailer light wire connector	1	9.52
11/21/02	Air fil			GMC IHC Trucks	1	73.58
12/04/02	Air fil		Air filter for chevy pick up		1	16.83
05/02/03	Connectr			RV trailer light wire connector	1	11.49

Rural Iowa Waste Management Association
 Improper Purchases – NAPA Auto Parts
 For the period July 1, 1999 through October 15, 2004

Invoice Date	Product Description per Invoice	Handwritten Notations on Invoices	Description in Attorney's Report	Additional Description Provided by Vendor	Quantity	Total
05/02/03	Connectr			RV trailer light wire connector	1	9.59
05/02/03	Butt conn				1	10.59
05/02/03	Tir valv				1	2.49
05/02/03	Stylus le				1	17.02
06/16/03	Air fil	Meade's notation: "Alan this air filter is for which piece of equipment". Response: "The fuses are for the semi truck the other is for my truck unreadable"		1999 - 2004 Chevy Pickup	1	15.67
07/11/03	Battery		Small automotive batt or lawnmower		1	67.99
07/11/03	Core depo		Small automotive batt or lawnmower		1	4.00
10/14/03	Fuel filt		Fuel filter for lat 1980s and up GM Car or Pick-Up		1	12.86
02/11/03	Alternator			1975 to 1984 GM cars and trucks	1	87.72
					Total	<u>\$ 1,809.19</u>

^^ - Invoice not available.

Exhibit F

Rural Iowa Waste Management Association

Improper Purchases – Hardin County Tire & Service
 For the period July 1, 1999 through October 15, 2004

Invoice Date	Description per Invoice	Quantity	Parts	Labor/ Excise Tax	Total
12/03/99	11R225 G G132 STTL MC3TMPRW339	2	\$ 167.19	-	334.38
	Change medium truck tire	2	-	20.00	40.00
	Tire disposal charge	2	5.00	-	10.00
	<i>Handwritten notation: 98 Trk, miles 28,756, License #064-XXX</i>				
04/13/00	Repair auto tire flat	1	3.00	9.00	12.00
^^	^^	-	-	-	163.14
08/31/01	Dismounts	4	-	2.50	10.00
	Change auto tire, dismount & mount	4	-	5.00	20.00
	Wheel balance - computer spin	4	1.00	5.00	24.00
	<i>Handwritten notation: Alan's truck</i>				
02/05/02	Repair auto tire flat	1	4.00	10.00	14.00
	Extra patch repair	1	3.00	-	3.00
	<i>Hand written notation: Kia Tire</i>				
09/30/02	Repair auto tire flat Allen Kia tire				15.00
10/24/02	Repair auto tire flat Kia tire	1	4.00	11.00	15.00
11/27/02	Repair auto tire flat	2	4.00	11.00	30.00
12/23/02	Repair auto tire flat	1	4.00	11.00	15.00
02/24/03	Repair auto tire flat	1	4.00	11.00	15.00
05/19/03	Repair light truck flat	1	4.00	11.00	15.00
	Reinforcement patch	1	5.00	-	5.00
	<i>Handwritten notation: Alan Clapp, brought down by Dale Howard</i>				
06/11/03	Repair auto tire flat	1	4.00	11.00	15.00
	<i>Hand written notation: Allan's truck tire</i>				
11/10/03	Repair auto tire flat	1	4.00	11.00	15.00
05/18/04	Repair light truck flat	2	4.00	11.00	30.00
05/07/04	Repair auto tire flat	2	4.00	11.00	30.00 ^
06/07/04	13x6.50-6 Turf 4 Ply	1	21.74	-	21.74 ^
	Repair auto tire flat	2	4.00	11.00	30.00 ^
	Extra patch repair	1	3.00	-	3.00 ^
	<i>Hand written notation: brought in by Al</i>				

Rural Iowa Waste Management Association
 Improper Purchases – County Tire & Service
 For the period July 1, 1999 through October 15, 2004

Invoice Date	Description per Invoice	Quantity	Parts	Labor/ Excise Tax	Total
06/07/04	P205/75R15 97S S1 TRL MRK RD APR OWL TL	1	66.11	-	66.11 ^
	New valve stem	1	2.00	-	2.00 ^^
	Wheel balance - computer spin	1	1.00	6.00	7.00 ^^
06/29/04	Repair auto tire flat	1	4.00	11.00	15.00
	Extra patch repair	1	3.00	-	3.00
				Total	<u>\$ 978.37</u>

^ - Reimbursed by Mr. Clapp during his employment. Reimbursed purchases total \$159.85.

^^ - Invoice not available.

Rural Iowa Waste Management Association

Rural Iowa Waste Management Association
 Improper Purchases – Other Vendors
 For the period July 1, 1999 through October 15, 2004

Vendor	Invoice Date	Product Name per Invoice	Quantity	Total	Customer Signature
Campbell Supply Co.					
	06/09/04	Blade 14" X .125" WDP3 SEG	1	\$ 165.00	^
Coast to Coast					
	06/14/99	Huffy 24" bicycle	1	90.00	Alan Clapp
Iowa Falls Glass					
	07/31/03	1 Sliding Back Window Installed - 2001 Chevrolet Silverado	1	260.00	
Northern Tool & Equipment Co.					
	02/21/02	Fender/Jeep/Splash 36	2	94.46	Ordered by Alan Clapp
	10/16/02	30 x 50 Spotting Scope	1	50.73	Ordered by Alan Clapp
	10/21/02	20 - 50 x 50 Spotting Scope	1	66.71	Ordered by Alan Clapp
	07/09/03	1/2" Impact wrench; <i>Handwritten notation: "It is in my trunk HA HA"</i>	1	69.99	CLAPP
	12/31/03	Snow Plow Unit	1	545.94	Ordered by Alan Clapp
				<u>827.83</u>	
Sears					
	02/20/02	Craftsman professional 10-drawer tool chest, 46" wide, professional ball bearing, black	1	1,200.00	Ordered by Alan Clapp
	02/20/02	Rotary tool, 7.2V Dremel	1	44.99	Ordered by Alan Clapp
	02/20/02	Organizer, socket	2	31.98	Ordered by Alan Clapp
	07/20/02	Rotisserie, Elite 6 burner	1	59.91	# Ordered by Alan Clapp
	07/20/02	Blower/Vac, Gas	1	139.09	# Ordered by Alan Clapp
				<u>1,475.97</u>	
United Building Centers					
	03/19/04	4X8Z15/32 CDX SYP Plywood	4	89.56	^ Alan Clapp & Jim Meade
	03/19/04	5# Pail 10X2 - 1/2 TORX Screw	1	25.99	^ Alan Clapp & Jim Meade
				<u>115.55</u>	
			Total	<u>\$ 2,934.35</u>	

^ - Reimbursed by Mr. Clapp. Reimbursed purchases total \$280.55.

- Shipping address is Mr. Clapp's home address.

Exhibit H

Rural Iowa Waste Management Association

Gasohol and Unleaded Fuel Purchases
For the period July 1, 1999 through October 15, 2004

Month	Number of Gallons Purchased During Fiscal Year					
	2000	2001	2002	2003	2004	2005
July	265.0	115.0	249.0	395.5	435.6	291.1
August	321.0	287.0	367.7	400.0	454.2	367.6
September	295.0	281.0	377.0	376.0	182.7	401.6
October	340.0	129.0	0.0	404.3	394.3	-
November	335.0	281.0	250.0	409.8	384.6	-
December	521.0	292.0	202.0	693.6	864.8	-
January	296.0	352.0	250.0	369.4	288.7	-
February	202.0	0.0	250.0	281.8	522.0	497.9
March	124.0	331.0	0.0	210.9	264.2	-
April	348.0	254.5	424.0	357.7	605.1	-
May	335.0	403.9	200.0	406.5	252.5	-
June	256.0	442.2	250.0	247.0	742.8	-
Total	3,638.0	3,168.6	2,819.7	4,552.5	5,391.5	1,558.2
Total Cost	\$ 4,365.11	4,562.88	3,913.76	6,532.08	8,630.00	2,838.73
Average cost per gallon	\$ 1.20	1.44	1.39	1.43	1.60	1.82
Average number of gallons per month*	303.17	264.05	234.98	379.38	449.29	129.85

* Average number of gallons per month for the period
July 1, 1999 through June 30, 2004 totaled 326.17.

Rural Iowa Waste Management Association

Diesel Fuel Purchases
For the period July 1, 1999 through October 15, 2004

Month	Number of Gallons Purchased During Fiscal Year					
	2000	2001	2002	2003	2004	2005
July	2,991.0	1,818.0	4,379.1	5,026.8	5,158.2	5,104.5
August	4,653.0	2,464.0	3,036.1	5,160.0	6,833.9	4,564.1
September	3,356.0	2,260.0	3,341.5	4,779.6	5,271.8	2,291.4
October	1,532.0	1,312.0	2,691.8	2,305.2	2,477.3	2,908.7
November	2,106.0	800.0	1,756.8	1,646.7	1,733.5	1,311.2
December	1,320.0	1,798.0	2,485.6	2,603.3	1,221.6	1,392.2
January	1,723.0	4,878.0	5,059.4	2,251.0	1,585.4	2,044.7
February	1,864.0	1,499.0	2,869.8	2,623.5	1,992.5	1,174.0
March	1,869.0	1,241.0	1,701.7	2,003.6	2,486.1	1,827.1
April	2,253.0	1,532.4	2,849.0	2,568.4	2,337.8	1,599.2
May	3,110.0	1,908.5	3,510.8	2,045.4	2,025.1	1,517.9
June	2,575.0	2,833.8	3,624.1	3,160.1	2,957.2	2,345.1
Total	29,352.0	24,344.7	37,305.7	36,173.6	36,080.4	28,080.1
Total Cost	\$ 26,963.81	27,736.97	34,281.62	37,009.47	39,990.93	43,494.62
Average cost per gallon	\$ 0.92	1.14	0.92	1.02	1.11	1.55
Average number of gallons per month*	2,446.00	2,028.73	3,108.81	3,014.47	3,006.70	2,340.01

* Average number of gallons per month for the period
July 1, 1999 through June 30, 2004 totaled 2,720.94.

Rural Iowa Waste Management Association

Estimated Costs of Excessive Fuel Purchases
For the period July 1, 1999 through October 15, 2004

Fiscal Year	Unleaded / Gasohol Fuel				
	Number of Gallons Purchased	Estimated Gallons Needed	Estimated Excess Purchases	Average Cost per Gallon[^]	Estimated Excess Cost
2000	3,638.0	1,700.0	1,938.0	\$ 1.20	\$ 2,325.60
2001	3,168.6	1,700.0	1,468.6	1.44	2,114.78
2002	2,819.7	1,700.0	1,119.7	1.39	1,556.38
2003	4,552.5	1,700.0	2,852.5	1.43	4,079.08
2004	5,391.5	1,700.0	3,691.5	1.60	5,906.40
2005	1,558.2	1,700.0	(141.8)	1.82	(258.08)
Total	21,128.5	10,200.0	10,928.5		\$ 15,724.16

[^] - Per **Exhibits H** and **I**, respectively.

Diesel Fuel

Number of Gallons Purchased	Estimated Gallons Needed	Estimated Excess Purchases	Average Cost per Gallon[^]	Estimated Excess Cost	Total Estimated Excess Cost
29,352.0	29,000.0	352.0	\$ 0.92	\$ 323.84	\$ 2,649.44
24,344.7	29,000.0	(4,655.3)	1.14	(5,307.04)	(3,192.26)
37,305.7	29,000.0	8,305.7	0.92	7,641.24	9,197.63
36,173.6	29,000.0	7,173.6	1.02	7,317.07	11,396.15
36,080.4	29,000.0	7,080.4	1.11	7,859.24	13,765.64
28,080.1	29,000.0	(919.9)	1.55	(1,425.85)	(1,683.93)
<u>191,336.5</u>	<u>174,000.0</u>	<u>17,336.5</u>		<u>\$ 16,408.51</u>	<u>\$ 32,132.67</u>

Rural Iowa Waste Management Association

Improper Reimbursements to Jim Meade
For the period July 1, 1999 through October 15, 2004

Per Receipt or Other Supporting Documentation

Check Number	Transaction Date	Vendor	Description
3769	07/08/99	Hy-Vee	HV Cat Food
4103	12/13/99	Water Buffaloes	Meals, tip
4103	01/07/00	Hy-Vee	Bakery Case, 2 Kell Honey Crunch Co, HV Isoprpylene alcohol
4163	##	##	-
4320	04/26/00	Adventureland Inn	172 Long Dist 515-456-XXXX (<i>Jim Meade's home phone</i>)
1143	##	##	-
4573	08/09/00	Joan Seaton	AM-FM TV Radio
4624	10/06/00	Fairfield Inn	Movies
4678	##	##	-
4788	##	##	-
4848	##	##	-
4898	02/19/01	Water Buffaloes	2 Meals and tip
4954	##	##	-
5084	05/25/01	Kramer Ace Hardware **	Battery - alkline AA E24pk
5352	09/27/01	Fareway	Groceries
5496	12/01/01	Sam's Club	Poppycock, Vidalia onion, Trail mix
5635	01/08/02	Kramer Ace Hardware	Sign Car 4 sale 9x12 Plstc (2)
5635	01/16/02	Kramer Ace Hardware	Spray Paint - 2
5710	02/16/02	PDQ	Kerosene
5710	02/21/02	PDQ	Kerosene
5710	03/06/02	PDQ	Kerosene

Handwritten Notes on Reimbursement Report	Improper	Unsupported	Total
	\$ 4.23	-	4.23
EE Christmas Dinner @	165.00	-	165.00
Supplies (semi)	15.04	-	15.04
washer and dryer	-	50.00	50.00
	2.45	-	2.45
used lawnmower	-	40.00	40.00
TV radio for scale	20.00	-	20.00
	9.44	-	9.44
downspout turn and 2 extensions	-	19.56	19.56
clock for office	-	20.00	20.00
Princess Café - 01/15/01 meeting	30.50	-	30.50
EE & Board Dinner @	74.50	-	74.50
used microwave	-	45.00	45.00
supplies	-	11.08	11.08
EE Picnic @	37.05	-	37.05
Paper products & Board meeting	13.85	-	13.85
2-signs	2.10	-	2.10
spray paint	7.40	-	7.40
Kerosene	19.35	-	19.35
Kerosene	8.75	-	8.75
Kerosene	18.00	-	18.00

Rural Iowa Waste Management Association

Improper Reimbursements to Jim Meade
For the period July 1, 1999 through October 15, 2004

Check Number	Per Receipt or Other Supporting Documentation		
	Transaction Date	Vendor	Description
5781	03/14/02	Fareway	Salt
5852	04/13/02	PDQ	Kerosene
5852	04/25/02	PDQ	Kerosene
5852	05/04/02	Sam's Club	Guac.Chips, mcwv popcorn
5916	06/07/02	Wal-Mart	Pall Mall (<i>cigarettes</i>)
5916	06/07/02	Wal-Mart	Alcohol
5987	07/02/02	PDQ	Kerosene
5987	07/08/02	Hy-Vee	Cookies, foam cups
6148	08/20/02	PDQ	Kerosene
6148	08/27/02	PDQ	Kerosene
6217	09/11/02	Pizza Hut	4 large pizzas and pop
6217	09/19/02	PDQ	Kerosene
6217	09/21/02	Fareway - Eldora	Groceries, ice, Pepsi
6217	09/21/02	Pamida	<i>Not readable</i>
6217	09/25/02	PDQ	Kerosene
6292	10/03/02	PDQ	Kerosene
6292	10/08/02	PDQ	Kerosene
6353	12/01/02	PDQ	Kerosene
6429	12/07/02	Wal-Mart	Mach 3 Turbo, cooler, bodywash 2 pack
6429	12/30/02	PDQ	Kerosene
6488	01/16/03	PDQ	Kerosene

Handwritten Notes on Reimbursement Report	Improper	Unsupported	Total
Board supplies	7.42	-	7.42
Kerosene	18.00	-	18.00
Kerosene	19.75	-	19.75
paper supplies	8.98	-	8.98
supplies - 1st Aid	2.46	-	2.46
supplies - 1st Aid	0.44	-	0.44
Kerosene	20.00	-	20.00
meeting meal	13.63	-	13.63
kerosene	20.50	-	20.50
kerosene	20.00	-	20.00
meals for OT EE's @	53.15	-	53.15
Kerosene	20.00	-	20.00
EE Picnic	78.35	-	78.35
EE Picnic	13.95	-	13.95
Kerosene	19.50	-	19.50
Kerosene	20.00	-	20.00
Kerosene	20.00	-	20.00
Kerosene	20.00	-	20.00
paper supplies, shop & sampling supplies	49.83	-	49.83
11.11 gal Kerosene	20.00	-	20.00
Kerosene	20.00	-	20.00

Rural Iowa Waste Management Association

Improper Reimbursements to Jim Meade
 For the period July 1, 1999 through October 15, 2004

Per Receipt or Other Supporting Documentation

Check Number	Transaction Date	Vendor	Description
6488	01/25/03	PDQ	Kerosene
6488	01/25/03	##	##
6488	01/25/03	##	##
6488	01/25/03	##	##
6550	02/13/03	PDQ	Kerosene
6550	02/21/03	Wal-Mart	Mineral sprt; AA-2 Photo (<i>batteries</i>); AA-4 Photo (<i>batteries</i>)
6550	02/21/03	PDQ	Kerosene
6621	03/19/03	Wal-Mart	AA-2 Photo
6621	03/19/03	Target	Sudafed 10CT
6621	##	##	Kerosene
6621	##	##	Kerosene
6621	03/24/03	PDQ	Kerosene
6683	##	PDQ	Kerosene
6753	04/08/03	Wal-Mart	Sudafed
6753	05/15/03	PDQ	Kerosene
6829	07/02/03	PDQ	Kerosene
6889	07/20/03	PDQ	Kerosene
6889	08/06/03	PDQ	Kerosene
6984	09/02/03	Wal-Mart	AA-4 Photo (<i>batteries</i>)
6984	09/02/03	Wal-Mart	Oil Filter
7055	10/07/03	PDQ	Kerosene
7055	09/20/03	Hy-Vee	Krispy Crème donuts & Powerade
7124	10/23/03	Wal-Mart	watch batt

Handwritten Notes on Reimbursement Report	Improper	Unsupported	Total
Kerosene	20.00	-	20.00
Kerosene	20.00	-	20.00
p. supplies	-	63.66	63.66
sharpener	-	21.19	21.19
Kerosene	20.00	-	20.00
misc supplies	20.33	-	20.33
Kerosene	20.00	-	20.00
devel. Pic	5.58	-	5.58
1st aid kit	7.09	-	7.09
Kerosene	20.00	-	20.00
Kerosene	20.00	-	20.00
Kerosene	20.00	-	20.00
Kerosene	20.00	-	20.00
Board table / 1st aid	7.07	-	7.07
Kerosene	20.00	-	20.00
Kerosene	20.00	-	20.00
Kerosene	20.00	-	20.00
Kerosene	20.00	-	20.00
batteries - laser	10.54	-	10.54
Ford - pu	9.83	-	9.83
Kerosene	20.75	-	20.75
nite shift - 10 hours	8.36	-	8.36
filter and battery	2.95	-	2.95

Rural Iowa Waste Management Association

Improper Reimbursements to Jim Meade
For the period July 1, 1999 through October 15, 2004

Check Number	Per Receipt or Other Supporting Documentation		
	Transaction Date	Vendor	Description
7124	10/23/03	Wal-Mart	Oil Filter
7124	11/13/03	PDQ	Kerosene
7198	11/19/03	Theisen's	Cleaner- Drain Mister, spray paint - 4
7198	12/10/03	PDQ	Kerosene
7345	01/15/04	PDQ	Kerosene
7345	01/28/04	PDQ	Kerosene
7345	02/01/04	Wal-Mart	battery
7409	02/27/04	Theisen's	Filter, Oil, ATF 3 Qt
7488	03/23/04	PDQ	kerosene
7488	04/03/04	Fareway Stores Hampton	Tostito Scoops, crackers, refried beans, taco seasoning, Mt. Dew, et. al.
7488	04/03/04	Pizza Hut	10 medium pizza
7488	04/03/04	<i>unreadable</i>	<i>unreadable</i>
7488	<i>unreadable</i>	Fareway - Hampton	Kraft Parm., Ortega refried beans
7537	04/24/04	Home Depot	2 paint
7616	06/18/04	Rock C Store (Iowa Falls)	Kerosene (2)
7673	06/07/04	Rock C Store (Iowa Falls)	Kers CA #07
7767	<i>unreadable</i>	Rock C Store	Kerosene
7767	<i>unreadable</i>	Rock C Store	Kerosene
7767	<i>unreadable</i>	Rock C Store	Kerosene

- Supporting documentation not available.

** - Receipt was actually for \$9.52. Receipt showed \$11.08 as change back.

@ - EE represents employee.

Handwritten Notes on Reimbursement Report	Improper	Unsupported	Total
filter and battery	10.42	-	10.42
Kerosene	20.00	-	20.00
paint and drain cleaner	22.91	-	22.91
Kerosene	20.00	-	20.00
Kerosene	20.00	-	20.00
Kerosene	20.00	-	20.00
PDA	2.95	-	2.95
1-oil, 1-trans.	6.34	-	6.34
Kerosene	20.00	-	20.00
EE-Apprec. @	48.76	-	48.76
EE-Apprec. @	67.81	-	67.81
EE-Apprec. @	53.00	-	53.00
EE-Apprec. Supplies @	6.76	-	6.76
paint-metal	7.95	-	7.95
Kerosene	22.00	22.00	44.00
Kerosene	22.00	-	22.00
Kerosene	22.00	-	22.00
Kerosene	22.00	-	22.00
Kerosene	22.00	-	22.00
Total	\$ 1,663.02	292.49	1,955.51

Rural Iowa Waste Management Association

Improper Reimbursements to Alan Clapp
For the period July 1, 1999 through October 15, 2004

Per Receipt or Other Supporting Documentation

Check Number	Date of Transaction	Vendor	Description
3950	10/02/99	In Stitches	Embroidery on 6 shirts
4269	02/18/00	Best Western Hotels	Unknown
4899	02/23/01	Eldora Auto Parts	Wire Cable @
5085	Unknown	Unknown	Unknown
5233	08/19/01	Menards	3 Candy Brachs Gummi Worm/spicett
5276	##	##	-
5497	10/24/01	Citi Card - Mandarin Chinese - Davenport	-
	10/24/01	Citi Card - Radisson Hotel - Davenport	-
5988	06/24/02	Wildwood Lodge	Movie/game (3 charges)
	06/24/02	Target - West Des Moines	
6796	06/22/03	Farm & Fleet of Cedar Falls	2 - Paint Thinner, low odor, 2 1/2 gal; Turf & Pasture Fert, Liz, 2 1/2 gal; Supreme Bak-Pak Sprayer, 4 gal
	06/22/03	Farm & Fleet of Cedar Falls	T-shirt, Hunting Find Line, Navy, M-XXL; T-Shirt, Top 10 Hunt, Moss, M-XXL
6885	08/07/03	##	5 tires and rims; 1 radiator
6918	08/12/03	Pamida	John Deere Tee; 38 x 36 DK Stn Reg; 38 x 34 DK Stn Reg; 30 x 32 carpenter; 38 x 34 carpenter; Huey carpenter
7230	12/03/03	Comfort Suites	2 pints of ice cream; movies (2)
7756	08/22/04	Alan's Lawn Care	4 bin rings

- Supporting documentation not available.

@ - Invoice was to Alan's Lawn Care.

* - Uniform payout made 2 months previous.

Explanations on Reimbursement Report	Improper	Related Party	Unsupported	Total
-	\$ 109.42	-	-	109.42
difference on motel	-	-	15.34	15.34
	11.20	-	-	11.20
Purchased used air jack	-	-	200.00	200.00
-	2.64	-	-	2.64
Notation by Meade: Fuel Tractor - Alan's	-	-	250.00	250.00
-	13.66	-	-	13.66
-	20.32	-	-	20.32
-	46.34	-	-	46.34
film processing (2)	-	-	33.67	33.67
Handwritten note: "erosion control \$92.98 structure \$11.58"	104.56	-	-	104.56
Handwritten note: "payout for pants per 16 June 2003 Board Meeting (FYE 30Jun03)"	19.48	-	-	19.48
Handwritten note: "C & V Repair" (<i>Auto business of Clapp's father.</i>)	-	100.00	-	100.00
Handwritten note: "Uniform Pants Payout \$85.80"	85.80	-	-	85.80
-	35.34	-	-	35.34
-	-	100.00	-	100.00
Total	\$ 448.76	200.00	499.01	1,147.77

Exhibit M

Rural Iowa Waste Management Association

Unauthorized Vacation Payouts to Alan Clapp
For the period July 1, 1999 through October 15, 2004

Fiscal Year	Date of Payout	Gross Salary Paid for Payout	Maximum Payout Allowed by Board Policy^	Amount Overpaid			
				Employer's Share of Payroll Costs			
				Gross Salary	FICA	IPERS	Total
2000	01/14/00	\$ 1,115.38	557.69	557.69	42.66	32.07	632.42
2001	01/15/00	1,115.38	557.69	557.69	42.66	32.07	632.42
2003	##	1,346.15	673.08	673.07	51.49	38.70	763.26
2003	06/26/03	807.69	-	807.69	61.79	46.44	915.92
2004	05/18/04	721.15	721.15	-	-	-	-
2004	06/29/04	1,586.54	-	1,586.54	121.37	91.23	1,799.14
			Total	\$ 4,182.68	319.97	240.51	4,743.16

Sum of two checks issued on 8/5/02 and 8/30/02.

^ - Based on Mr. Clapp's authorized salary for the fiscal year.

Rural Iowa Waste Management Association

Unauthorized Salary Payments to Jim Meade
 For the period July 1, 1999 through October 15, 2004

Fiscal Year	Check Number	Check Date	Gross Salary per Payroll Register	Authorized Gross Salary per Pay Period	Unauthorized Salary			
					Gross Salary	FICA	IPERS	Total Cost
2004	6823	07/16/03	\$ 1,973.72	1,865.38	108.34	8.29	6.23	122.86
	6947	08/27/03	1,973.72	1,865.38	108.34	8.29	6.23	122.86
	7016	09/25/03	1,973.72	1,865.38	108.34	8.29	6.23	122.86
	7091	10/22/03	1,973.72	1,865.38	108.34	8.29	6.23	122.86
	7158	11/19/03	1,973.72	1,865.38	108.34	8.29	6.23	122.86
	7220	12/17/03	1,973.72	1,865.38	108.34	8.29	6.23	122.86
	7273	01/14/04	1,973.72	1,865.38	108.34	8.29	6.23	122.86
	7383	02/25/04	1,973.72	1,865.38	108.34	8.29	6.23	122.86
	7442	03/24/04	1,973.72	1,865.38	108.34	8.29	6.23	122.86
	7503	04/21/04	1,973.72	1,865.38	108.34	8.29	6.23	122.86
	7566	05/19/04	1,973.72	1,865.38	108.34	8.29	6.23	122.86
	7607	06/16/04	1,973.72	1,865.38	108.34	8.29	6.23	122.86
Total					<u>\$ 1,300.08</u>	<u>99.48</u>	<u>74.76</u>	<u>1,474.32</u>
Less:					Authorized payment of \$50 per month for 12 months			(600.00)
					Net overpayment			<u>\$ 874.32</u>

Rural Iowa Waste Management Association
Contract Payments
For the period July 1, 1999 through October 15, 2004

Check Number	Check Date	Payee per Check	Payee per Check Register and Bill Listing Approved by Board
3848	08/19/99	Rose Kolthoff	Rose Kolthoff
3880	09/03/99	Dennis Rieks	D Riekes Hauling
3879	09/03/99	Kelly Goodnight	K Goodknight
3881	09/03/99	Kent Estes	K Estes - Hauling
3944	10/06/99	Ron Kadolph	Kadolph Custom Disc
3945	10/06/99	Rose Clapp	Rose Custom Hauling
4123	01/14/00	Riekes	Riekes
4143	01/20/00	Kelly P Eubanks	Kelly P. Eubanks
4189	02/16/00	Kelly Eubanks	Kelly Eubanks
4227	03/11/00	Kelly Eubanks	Kelly Eubanks
1077	07/13/00	Melissa Clapp	Melissa Clapp
4594	09/21/00	Rose Kolthoff	Rose Kolthoff (32)
4703	11/13/00	Kelly Haskin	Kelly Haskin
4814	01/25/01	Dennis Rieks	Rieks Custom Hauling
4836	01/31/01	Dennis Rieks	Rieks Custom Hauling
4837	02/08/01	^ Scott Garman	Garman Custom Dirt
4926	03/23/01	^ Scott Garman	Scott Garman Custom
4957	04/12/01	Rose Kolthoff	Rose Koltoff
4956	04/12/01	^ Scott Garman	Scott Garr
4999	04/26/01	Scott Garr	Scott Garr
5002	05/04/01	<i>Check image not available</i>	Scott Garr
5060	05/23/01	<i>Check image not available</i>	Scott Garr (purchase)
5113	06/25/01	Felix Clapp	C & V Repair
5310	07/21/01	Greg Standorf	Standorf Drywalling

Description from Check Register	Amount
custom compacting	\$ 26.00
69.5 hours at \$8.00	556.00
Hauling 68.5 hours at \$8.00	548.00
63.5 hours at \$8.00	508.00
2.50 hours at \$20.00	50.00
21.0 hours at \$8.00	168.00
new scale equipment & install	2,234.69
44.25 hrs. litter control	283.64
labor litter control	225.88
labor litter control	273.00
6 hrs. making signs	39.00
custom litter control	208.00
Backhoe 8 hours at \$12.50	100.00
cut new waterway	1,610.00
cut new waterway	1,075.00
cut waterway (81) - expans.	810.00
95.5 hrs. mechanical	955.00
contract litter removal	470.00
contract mechanical	740.00
contract mechanical	575.00
contract mechanical	510.00
12' disk & drag, wrenchs	250.00
24 hours mech. 615 & D8	240.00
49.0 hrs. on remodel	490.00

Rural Iowa Waste Management Association
 Contract Payments
 For the period July 1, 1999 through October 15, 2004

Check Number	Check Date	Payee per Check	Payee per Check Register and Bill Listing Approved by Board
5195	08/01/01	Scott Garr	Scott Garr
5348	10/10/01	Greg Standorf	Standorf Drywalling
5427	11/15/01	* Dennis Rieks, Inc.	Dennis Riekes, Inc.
5606	01/22/02	* Dennis Rieks	Rieks Custom Dirt Work
5626	01/31/02	* Dennis Rieks	Dennis Rieks - Custom
5666	02/18/02	Todd Fisher	Todd Fisher Custom
5692	03/08/02	Al Fisher	Al Fisher Custom
5691	03/08/02	Ron Fisher	Ron Fisher Custom
5693	03/08/02	Susan Clapp	Susan Clapp - B.Vista
5862	05/15/02	Sue Clapp	Sue Clapp - Computer
5922	06/08/02	Sue Clapp	Sue Clapp - Computer scale training & forms
6195	10/03/02	* David Rieks	David Rieks Custom
6192	10/03/02	* Dennis Rieks	Dennis Rieks Custom
6194	10/03/02	Randy Smuck	Randy Smuck Custom
6193	10/03/02	Robert Hattuck	Robert Hattuck Custom
6404	12/26/02	* David Rieks	D Rieks Custom Haulin
6423	01/08/03	* David Rieks	David Rieks
6455	01/21/03	* Dennis Rieks	Dennis Rieks
6489	02/10/03	Shelene Codner	Shelene Codner - Web
6553	03/12/03	Shelene Codner	Shelene Codner - Web
6622	04/12/03	Shelene Codner	Shelene Codner - Web
6684	05/10/03	Shelene Codner	Shelene Codner - Web
6754	06/14/03	Shelene Codner	Shelene Codner
6791	06/26/03	* Rose Kolthoff	Rose Kolthoff

Description from Check Register	Amount
25' - 2" cable (pulling)	500.00
21.5 hrs. on remodel	215.00
blow out #11 & lines	400.00
28 hours expansion	280.00
45.5 hrs. dirt work	445.00
32.0 hrs custom dirt work	320.00
27.25 hrs custom dirt work	272.50
25.75 hrs custom dirt work	257.50
3 week college internship	500.00
scale training - 65.5 (partial)	655.00
scale training & forms	495.00
night dirt hauling (23.00 hr)	230.00
night dirt hauling (27.25 hr)	299.75
night dirt hauling (4.50 hr)	40.50
night dirt hauling (46.00 hr)	460.00
night dirt moving	270.00
contract dirt hauling - night	297.00
contract dirt hauling - night	291.50
1 mo. Service (4 entities) \$150	600.00
1 mo. Service (4 entities) \$150	600.00
1 mo. Service (4 entities) \$150	600.00
1 mo. Service (4 entities) \$150	600.00
1 Month Service (4 entities) \$150	600.00
29.0 Hr Dirt Hauling	290.00

Rural Iowa Waste Management Association
 Contract Payments
 For the period July 1, 1999 through October 15, 2004

Check Number	Check Date	Payee per Check	Payee per Check Register and Bill Listing Approved by Board
6832	07/19/03	# Alan Clapp	Alan Clapp
6830	07/19/03	Shelene Codner	Shelene Codner
6861	07/28/03	Becky Weitch	Becky Weitch Custom
6886	08/07/03	John Coldren	J. Coldren Custom Hauling (John Coldren)
6890	08/09/03	Shelene Codner	Shelene Codner
6954	08/29/03	# Jim Meade	Jim Meade- IWE
6952	08/29/03	Joanie Welch	J. Welch Custom Haul (Joanie Welch)
6953	08/29/03	Shelene Codner	Shelene Codner -IWE
6963	09/09/03	Becky Weitch	Weitch Custom Hauling (Becky Weitch)
6959	09/09/03	* Mike Welch	Welch Custom Hauling (Mike Welch)
6985	09/17/03	Shelene Codner	Shelene Codner - Web
7022	09/27/03	* Mike Welch	Welch Custom Hauling (Mike Welch)
7026	09/29/03	# Jim Meade	Jim Meade - IWE
7025	09/29/03	Shelene Codner	Shelene Codner - IWE
7056	10/13/03	Shelene Codner	Shelene Codner - Web
7098	10/27/03	# Jim Meade	Jim Meade - IWE
7097	10/27/03	Shelene Codner	Shelene Codner - IWE
7125	11/14/03	Shelene Codner	Shelene Codner - Web
7169	11/25/03	# Jim Meade	Jim Meade - IWE
7168	11/25/03	Shelene Codner	Shelene Codner - IWE
7199	12/12/03	Shelene Codner	Shelene Codner - Web
7202	12/13/03	Mackenzie L. Blandau	Mackenzie Litter Control
7232	12/22/03	# Jim Meade	Jim Meade - IWE
7231	12/22/03	Shelene Codner	Shelene Codner - IWE

Description from Check Register	Amount
Snow removal - HCSSWDC Ck# 1163	250.00
1 Month Service (4 entities) \$150	600.00
32.00 contract hauling	288.00
hauling dirt (35 hours)	297.50
1 mo. Service (4entities) \$150	600.00
July & Aug contract labor - IWE 8-25-2003 (IWE July & Aug)	600.00
dirt hauling (31 hrs)	294.50
July & Aug contract labor - IWE 8-25-2003 (IWE July & Aug)	1,732.00
contract 40.0 hours	360.00
5025yd clay basin	954.75
1 mo. Service (4 entities) \$150	600.00
1425 yd sand to expansion	270.75
September contract labor	300.00
September contract labor	866.00
1 mo. Service (4 entities) \$150	600.00
October contract labor	300.00
October contract labor	866.00
1 mo. Service (4 entities) \$150	600.00
Nov contract labor - IWE grant	300.00
Nov contract labor - IWE grant	866.00
1 mo. Service (4 entities) \$150	600.00
56.25 hr litter (40 acres)	450.00
Dec contract labor - IWE grant	300.00
Dec contract labor - IWE grant	866.00

Rural Iowa Waste Management Association
Contract Payments
For the period July 1, 1999 through October 15, 2004

Check Number	Check Date	Payee per Check	Payee per Check Register and Bill Listing Approved by Board
7263	01/11/04	Shelene Codner	Shelene Codner - Web
7297	01/24/04	# Jim Meade	Jim Meade - IWE
7296	01/24/04	Shelene Codner	Shelene Codner - IWE
7346	02/14/04	Shelene Codner	Shelene Codner - Web
7364	02/21/04	# Jim Meade	Jim Meade - IWE
7363	02/21/04	Shelene Codner	Shelene Codner - IWE
7412	03/14/04	Shelene Codner	Shelene Codner - Web
7430	03/23/04	# Jim Meade	Jim Meade - IWE
7429	03/23/04	Shelene Codner	Shelene Codner - IWE
7489	04/17/04	Shelene Codner	Shelene Codner - Web
7510	04/24/04	# Jim Meade	Jim Meade - IWE
7509	04/24/04	Shelene Codner	Shelene Codner - IWE
7538	05/16/04	Shelene Codner	Shelene Codner - Web
7575	05/24/04	# Jim Meade	Jim Meade - IWE
7574	05/24/04	Shelene Codner	Shelene Codner -IWE
7617	06/16/04	Shelene Codner	Shalene Codner
7631	06/25/04	# Jim Meade	Jim Meade - IWE
7630	06/25/04	Shelene Codner	Shalene Codner
7674	07/12/04	Shelene Codner	Shelene Codner -IWE
7708	07/22/04	# Jim Meade	Jim Meade - IWE
7707	07/22/04	Shelene Codner	Shelene Codner -IWE
7733	08/07/04	* Rose Kolthoff	Rose Kolthoff
7734	08/07/04	Sue Clapp	Sue Clapp - labor

Description from Check Register	Amount
1 mo. Service (4 entities) \$150	600.00
Jan contract labor - IWE grant	300.00
Jan contract labor - IWE grant	866.00
1 mo. Service (4 entities) \$150	600.00
Feb contract labor - IWE grant	300.00
Feb contract labor - IWE grant	866.00
1 mo. Service (4 entities) \$150	600.00
Mar contract labor - IWE grant	300.00
Mar contract labor - IWE grant	866.00
1 mo. Service (4 entities) \$150	600.00
Apr contract labor - IWE grant	300.00
Apr contract labor - IWE grant	866.00
1 mo. Service (4 entities) \$150	600.00
May contract labor - IWE grant	300.00
May contract labor - IWE grant	866.00
1 mo. Service (4 entities) \$150	600.00
Jun contract labor - IWE grant	300.00
1 mo. Service (4 entities) \$150	866.00
1 mo. Service (4 entities) \$150	600.00
Jul contract labor - IWE grant	300.00
Jul contract labor - IWE grant	866.00
23.5 hrs at \$9.00	211.50
6.0 hrs (\$10) 16.0 hrs (\$8)	188.00

Rural Iowa Waste Management Association
Contract Payments
For the period July 1, 1999 through October 15, 2004

Check Number	Check Date	Payee per Check	Payee per Check Register and Bill Listing Approved by Board
7768	08/22/04	Shelene Codner	Shelene Codner - Web
7788	08/26/04	# Jim Meade	Jim Meade -IWE
7787	08/28/04	Shelene Codner	Shelene Codner
7817	09/12/04	Shelene Codner	Shelene Codner - Web
7858	09/30/04	# Jim Meade	Jim Meade IWE
7857	09/30/04	Shelene Codner	Shelene Codner - IWE

^ - According to Mr. Meade, the payee should have been Scott Garr. When the check was prepared, he mistakenly believed Mr. Garr's last name was Garman.

- Either RIWMA employee or employee's brother.

* - Work performed prior or after employment with Landfill.

Description from Check Register	Amount
1 mo. Service (4 entities) \$150	600.00
Aug contract labor - IWE grant	300.00
Aug contract labor - IWE grant	866.00
1 mo. Service (4 entities) \$150	600.00
Sep contract labor - IWE grant	300.00
Sep contract labor - IWE grant	866.00
	<hr/>
Total	<u><u>\$ 52,518.96</u></u>

Rural Iowa Waste Management Association
 Compliance with Nepotism Laws
 For the period July 1, 1999 through October 15, 2004

Name	Relationship to Mr. Clapp	Employment Status	Employment	
			2000	2001
Sue Clapp	Wife	Contract Employee	\$ -	-
Melissa Clapp	Daughter	Contract Employee	-	39.00
Andrew Freese	Step-son	Employee	-	-
Bruce Rewoldt	Brother-in-law	Employee	-	-
Rose Kolthoff	Sister	Employee	-	-
		Contract Employee	-	678.00 ^
Jeremy Kolthoff	Nephew	Employee	-	-
Dennis Rieks	Sister's live-in companion	Employee	-	-
		Contract Employee	-	2,685.00 ^
Total			\$ -	3,402.00

^ - Amount paid to individual exceeded \$600.00 for the year.

* - As of October 15, 2004.

For the Fiscal Year Ended June 30,

2002	2003	2004	2005*	Total
1,650.00 ^	-	-	188.00	1,838.00
-	-	-	-	39.00
-	-	3,192.06 ^	1,437.48 ^	4,629.54
12,283.06 ^	17,641.40 ^	19,276.54 ^	4,646.88 ^	53,847.88
-	-	4,928.72 ^	-	4,928.72
-	290.00	-	211.50	1,179.50
8,941.56 ^	8,422.11 ^	-	-	17,363.67
1,906.18 ^	4,323.91 ^	7,422.38 ^	1,975.06 ^	15,627.53
1,125.00 ^	591.25	-	-	4,401.25
25,905.80	31,268.67	34,819.70	8,458.92	103,855.09

Rural Iowa Waste Management Association

Payments to Alan Clapp for Termination Payout
For the period July 1, 1999 through October 15, 2004

Description	Amount Paid to Mr. Clapp	Amount Due to Mr. Clapp	Difference
Questionable Disbursements:			
Payroll:			
Gross Salary:			
For the period 09/05/04* -02/28/05	\$ 18,600.00	-	
For the period 09/05/04* - 09/07/05	-	441.36	
Employer's share of payroll costs:			
FICA (7.65% of gross salary)	1,422.90	33.76	
IPERS (5.75% of gross salary)	1,069.50	25.38	
Subtotal payroll	<u>21,092.40</u>	<u>500.50</u>	20,591.90
Insurance costs:			
Premiums, 10/01/04 - 02/28/05	1,967.55	-	
Deductibles paid by the Landfill	363.67	-	
	<u>2,331.22</u>	<u>-</u>	2,331.22
Total questionable disbursements	<u>\$ 23,423.62</u>	<u>500.50</u>	<u>22,923.12</u>
Improper Disbursements:			
Vacation pay-out:			
Gross Salary:			
16 days	\$ 2,353.86	-	
3 days	-	441.36	
Employer's share of payroll costs:			
FICA (7.65% of gross salary)	180.07	33.76	
IPERS (5.75% of gross salary)	135.35	25.38	
Subtotal vacation payout	<u>2,669.28</u>	<u>500.50</u>	2,168.78
Deduction miscalculation [^]	<u>262.00</u>	<u>-</u>	<u>262.00</u>
Total improper disbursements	<u>\$ 2,931.28</u>	<u>500.50</u>	<u>2,430.78</u>

* - Preceding pay period ended on 09/04/04.

[^] - Mr. Meade added Mr. Clapp's State tax withholding amount of \$131.00 to his payout rather than deducting it as appropriate. As a result, Mr. Clapp's check was \$262.00 larger than it should have been.

Rural Iowa Waste Management Association

Payments to Jim Meade for Termination Payout
For the period July 1, 1999 through October 15, 2004

Description	Amount Paid to Mr. Meade [^]	Amount Due to Mr. Meade	Difference
Questionable Disbursements:			
Payroll:			
Gross Salary:			
For the period 01/24/05* - 07/31/05	\$ 27,553.91	-	
For the period 01/24/05* - 01/31/05	-	1,176.96	
Employer's share of payroll costs:			
FICA (7.65% of gross salary)	2,107.87	90.04	
IPERS (5.75% of gross salary)	1,584.35	67.68	
Subtotal payroll	<u>31,246.13</u>	<u>1,334.68</u>	29,911.45
Insurance costs:			
Premiums, 02/01/05 - 07/31/05	2,361.06	-	2,361.06
Total questionable disbursements	<u>\$ 33,607.19</u>	<u>1,334.68</u>	<u>32,272.51</u>
Improper Disbursements:			
Vacation pay-out:			
Gross Salary:			
94.98 days	\$ 14,208.96	-	
9 days	-	1,765.44	
Employer's share of payroll costs:			
FICA (7.65% of gross salary)	1,086.99	135.06	
IPERS (5.75% of gross salary)	817.02	101.51	
Subtotal vacation payout	<u>16,112.96</u>	<u>2,002.01</u>	14,110.95
Sick leave pay-out:			
Gross salary:			
119.72 days (957.76 hours)	4,788.80	-	
103 days (824 hours)	-	4,120.00	
Employer's share of payroll costs:			
FICA (7.65% of gross salary)	366.34	315.18	
IPERS (5.75% of gross salary)	275.36	236.90	
Subtotal sick leave payout	<u>5,430.50</u>	<u>4,672.08</u>	758.42
Total improper disbursements	<u>\$ 21,543.46</u>	<u>6,674.09</u>	<u>14,869.37</u>

[^] - Base amount used by Mr. Meade to determine gross pay for his payouts was incorrect.

* - Preceding pay period ended on 01/23/05.

Rural Iowa Waste Management Association

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
Billie Jo Heth, Senior Auditor
Donald N. Miksch, Assistant Auditor

A handwritten signature in black ink that reads "Tamera S. Kusian". The signature is written in a cursive style with a prominent initial 'T'.

Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

Appendix 1

Rural Iowa Waste Management Association

Copies of Time Summaries Submitted by Mr. Clapp

July 23 2001

Alan and Sue worked on the south side of Stoves rework the floor and taking the Sted off

6:00 - 1:00 Alan 7 ✓ Sue 7 ✓

July 24 - 01 worked on Finishing taking Sted off

Sue 5:00 - 11:00 6 ✓

Alan 6:00 1:00 7 ✓

July 25 - 01 Took Insulation out of the south wall and work on the window

Sue 4:00 11:00 7 ✓

Alan 6:00 1:00 7 ✓

July 26 - 01 working on the south east wall getting it ready around the ElotH box

Sue 3:00 - 11:00 8 ✓

Alan 5:00 - 1:00 8 ✓

July 27 - 01 Taking Nails out of some of the old lumber and starting to frame in the south room

Sue 1:00 - 11:00 10 ✓

Alan 5:00 - 2:00 9 ✓

Rural Iowa Waste Management Association

Copies of Time Summaries Submitted by Mr. Clapp

July 28-01

Tacking some of the wires out of the South
 walls so we can work on framing it in
 around window

Sue 7:00 - 9:00 (14) ✓

Alan 7:00 - 9:00 (14) ✓

July 29-01 worked on framing the west wall in
 the South room

Sue 7:00 5:00 (9) ✓

Alan 7:00 10:00 (14) ✓

July 30-01 steel putting frames ^{studs} in South room

Sue 5:00 - 10:00 (5) ✓

Alan 6:00 - 1:00 (7) ✓

July 31-01 Driving holes for wires to be pulled
 in on framing in ceiling

Sue 5:00 - 11:00 (6) ✓

Alan 6:00 - 2:00 (8) ✓

Appendix 1

Rural Iowa Waste Management Association

Copies of Time Summaries Submitted by Mr. Clapp

Sept 7 - 01 worked on Sheetrock and mudding and Vaper
bank in North room

Sue 10:00 8:00 (10) ✓

Alan 5:00 2:00 (9) ✓

Sept 8 - 01 finished the window to the east in hallway, waded
Sheetrock in closet put screws and mud on

Sue 7:00 8:00 (13) ✓

Alan 7:00 12:00 (17) ✓

Sept 9 - 01 Puttin up sheetrock in little room and top and
mudding in South room puttin in screws

Sue 8:00 7:00 (11) ✓

Alan 8:00 12:00 (16) ✓

Sept 10 - 01 worked on Sandin and mudding little room and
South room and puttin in screws

Sue 2:00 - 8:00 (6) ✓

Alan 4:00 1:00 (9) ✓

Sept 11 - 01 putting some ceiling and mudding in closet
and room making gut top in little room to

Sue 1:00 - 7:00 (6) ✓

Alan 4:00 2:00 (10) ✓

Rural Iowa Waste Management Association

Copies of Time Summaries Submitted by Mr. Clapp

Oct 18-01 worked on both van floor and walls

Sun 9:00 4:00 (7) ✓

Mon 3:00 1:00 (10) ✓

Oct 19-01 worked on walls in bathroom and floor and
bucket every thing up and it worked

Sun 9:00 9:00 (12) ✓

Mon 3:00 1:00 (10) ✓

Oct 20 put sub floor in bathroom and started putting
tile down

Sun 7:00 9:00 (14) ✓

Mon 7:00 12:30 (17 1/2) ✓

Oct 21 worked on the partition and entry way
put sub floor down and tile

Sun 7:00 11:00 (16) ✓

Mon 7:00 2:00 (19) ✓

Went to
Mentor

Sun 49

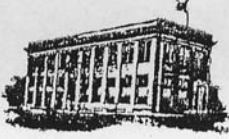
Mon 56.5

and Horton

have to submit an order after the 1st of Oct

Rural Iowa Waste Management Association

Copy of Statement from Leonard Realty



LEONARD REALTY

BOX 488
1300 EDGINGTON AVENUE
ELDORA, IOWA 50827
(515) 858-5555

February 8, 2003

To Whom It May Concern,

I've been a Realtor and apartmentowner in Eldora for over 27 years.

I looked at the apartment that was built over the office of the maintenance shed at the Land Fill. I feel it has no value as a rental to the general public because of its location, the big machinery that is being used and worked on and the odor of Diesel fuel and oil that will be in the apartment. I would think the only person who would want to live there would be someone who works at the site. I feel a fair rent would be the value of the utilities used.

Sincerely,

Leon C Ramunkh