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NEWS RELEASE

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FOR RELEASE June 21, 2013

The Office of Auditor of State today released a report on a special investigation of the Creston Water Works (Water Works) for the period July 1, 2005 through November 16, 2012. The special investigation was conducted as a result of concerns regarding certain purchases and other financial transactions authorized by the General Manager, Steve Green.

The procedures identified \$89,836.79 of improper and unsupported disbursements. The \$86,780.23 of improper disbursements identified includes \$49,720.42 of pay to Mr. Green and additional retirement contributions for inspections of 2 projects for which a separate inspector had been hired, \$30,313.15 of unauthorized vacation payouts and FICA contributions and \$2,317.27 of assets purchased by the Water Works but in Mr. Green's possession. The improper disbursements identified also include \$1,960.96 of petty cash reimbursements to Mr. Green for prescription medications and \$1,262.72 to Mr. Green for meals.

The \$3,056.56 of unsupported disbursements identified includes petty cash reimbursements to Mr. Green and other Water Works employees for meals, travel and conference expenses for which documentation was not sufficient to determine the propriety of the reimbursement.

The Water Works does not allow employees to carry over or payout their vacation balance without Board approval. However, in addition to paying out his vacation balance, Mr. Green carried his balance over from year to year. As a result, Mr. Green's vacation balance is overstated by 476 hours, which is valued at \$22,524.32.

The report includes recommendations to strengthen the Water Works' controls and procedures over inventory, payroll and other disbursements, including petty cash.

Copies of the report have been filed with the Union County Attorney's Office, the Attorney General's Office, the Union County Sheriff's Office and the Division of Criminal Investigation. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's website at <http://auditor.iowa.gov/reports/1223-0848-BE00.pdf>.

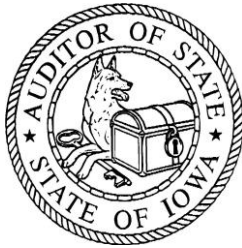
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**REPORT ON SPECIAL INVESTIGATION
OF THE
CRESTON WATER WORKS

FOR THE PERIOD
JULY 1, 2005 THROUGH NOVEMBER 16, 2012**

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Auditor of State's Report

To the Board of Trustees of the
Creston Water Works:

As a result of alleged improprieties regarding certain financial transactions, we conducted a special investigation of the Creston Water Works (Water Works). We have applied certain tests and procedures to selected transactions processed by the Water Works for the period July 1, 2005 through November 16, 2012, unless otherwise specified. The procedures we performed are summarized as follows:


- 1) Evaluated internal controls over disbursements, payroll, inventory and purchasing at the Water Works to determine whether adequate policies and procedures were in place and operating effectively.
- 2) Reviewed the reports prepared by the Water Works' independent auditing firm for the fiscal years ended June 30, 2011 and June 30, 2012 to identify issues related to the investigation.
- 3) Reviewed available minutes and bill listings to identify significant actions taken by the Board and to determine if certain payments were properly approved.
- 4) Obtained information related to the search warrant served by the Division of Criminal Investigation at the personal property of Steve Green, the General Manager, to determine if any items found at the property belonged to the Water Works.
- 5) Examined payments to Mr. Green, including payroll, vacation payouts and reimbursements, to determine propriety.
- 6) Obtained and evaluated fuel purchases paid for by the Water Works to determine propriety for the period March 1, 2009 through November 30, 2012. We also obtained and evaluated the fuel purchases of the interim General Manager from December 1, 2012 through March 31, 2013 to compare to fuel purchases made by Mr. Green.
- 7) Reviewed the Water Works' policies regarding the use of credit cards to determine if they address the use of credit cards for personal purchases. We also reviewed credit card statements and the related receipts to determine the propriety of activity for the period July 1, 2005 through November 30, 2012.
- 8) Examined all disbursements to replenish petty cash and requests for reimbursement from petty cash to determine propriety for the period July 1, 2005 through March 31, 2013.
- 9) Examined certain disbursements to determine propriety and whether appropriate supporting documentation was available.
- 10) Obtained and reviewed Mr. Green's personal bank statements to identify the source of certain deposits for the period July 1, 2005 through June 30, 2013.

These procedures identified \$89,836.79 of improper and unsupported disbursements. We were unable to determine if additional amounts were improperly disbursed because adequate records for all disbursements were not available. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **G** of this report. Based on our findings and observations, we have various recommendations for the Water Works. Our recommendations and the instances of non-compliance identified are described in the Detailed Findings 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. Accordingly, we do not express an opinion. Had we performed additional procedures, or had we performed an audit of financial statements of the Creston Water Works, other matters might have come to our attention that would have been reported to you.

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

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of the Creston Water Works during the course of our investigation.


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

April 3, 2013

Creston Water Works
Investigative Summary

Background Information

The Creston Water Works (Water Works) provides water and sewer service to approximately 7,841 residents and businesses located in Creston and to the Southern Iowa Rural Water Association (SIRWA). SIRWA accounts for approximately 80% of the revenue received by the Water Works from the sale of water. SIRWA also contributed approximately 79% of the funding for the expansion of the Water Treatment Plant.

The Water Works is comprised of a Water Treatment Plant (Plant), Distribution Center and Business Office. Each of these operations is overseen by a manager who reports to the General Manager. The General Manager oversees all operations of the Water Works and reports to the Water Works Board of Trustees. The Board is appointed by the Mayor of the City of Creston and consists of 5 members.

Steve Green was hired as the Water Works General Manager on April 1, 1981. As the General Manager, Mr. Green is responsible for the overall operations of the Water Works, including:

- Planning, coordinating and controlling the day to day operations of the Water Works through subordinate managers.
- Establishing current and long range goals, objectives, project plans and policies subject to the review of the Board.
- Overseeing the financial structure and financial position of the Water Works.
- Establishing an effective system of communication through the Water Works.
- Keeping the Board informed of all activities and progress of Water Works' projects.
- Representing the Water Works with major customers, partners and other utilities.

The Water Works' primary revenue source is the collection of fees from SIRWA and Creston households and businesses which receive services. The Water Works receives payments through the mail or in person. Collections are to be deposited to the Water Works utility account.

During the fiscal year 2012 audit, the CPA firm performing the annual audit identified unauthorized payouts of vacation benefits and was made aware of allegations of the misuse of Water Works' equipment. In accordance with section 11.6 of the *Code of Iowa*, the CPA firm notified the Office of Auditor of State of the allegations. According to information provided, Mr. Green was paid for 5 weeks of vacation when the Board authorized only 3 weeks. In addition, it was alleged the Water Works purchased equipment which was never delivered to the Water Works, but was in Mr. Green's possession at his personal garages.

A search warrant was executed by the Division of Criminal Investigation (DCI) at Mr. Green's 3 garages, located on East Page Street in Creston, on November 16, 2012. The agents who executed the search warrant found Water Works' equipment in the garages, including a generator and power washer. Search warrants were not executed at other properties owned by Mr. Green.

The Board placed Mr. Green on paid administrative leave, effective November 16, 2012. Subsequent to being placed on administrative leave, Mr. Green requested to be reinstated and

stated he would then resign under the terms of his contract. The Board has not acted on Mr. Green's request to be reinstated.

As a result of the information provided by the Water Works' CPA firm, we performed the procedures detailed in the Auditor of State's report for the period July 1, 2005 through November 16, 2012 and for other periods as considered necessary.

Detailed Findings

The procedures performed identified \$89,836.79 of improper and unsupported disbursements. We were unable to determine if additional amounts were improperly disbursed because adequate records were not available for all disbursements.

The \$86,780.23 of improper disbursements includes the following payments to Mr. Green:

- \$49,720.42 of unauthorized additional pay and retirement contributions,
- \$30,313.15 of unauthorized vacation payouts and FICA contributions,
- \$3,223.68 of prescription and meal reimbursements made from petty cash,
- \$1,135.35 of estimated improper fuel charges and
- \$2,317.27 of equipment purchased by the Water Works found in Mr. Green's possession.

The \$3,056.56 of unsupported disbursements identified include petty cash reimbursements to Mr. Green and other Water Works employees for meals and other reimbursements for which adequate documentation was not available to determine the propriety of the reimbursements. All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

IMPROPER AND UNSUPPORTED DISBURSEMENTS

We reviewed selected disbursements from the Water Works' checking account for the period July 1, 2005 through November 16, 2012. Supporting documentation was not available for all disbursements. As a result, we reviewed information recorded on individual checks and discussed the disbursements with Water Works' Board members and staff to determine if disbursements were appropriate. We identified several improper and unsupported disbursements authorized by Mr. Green. The improper and unsupported disbursements identified are explained in detail in the following sections of the report.

Payroll – At the time of our investigation, Mr. Green was under a 3-year contract for the period April 1, 2012 through March 31, 2015. We reviewed the terms of the contract and the 2 previous contracts covering April 1, 2006 through March 31, 2009 and April 1, 2009 through March 31, 2012. The contracts typically include vacation, insurance and the annual percent increase in base pay, but not the new base pay.

Additional Payments to Steve Green – During his employment as the General Manager, Mr. Green received additional pay for inspections related to the SIRWA Water Treatment Plant Expansion project and the City of Creston Summit Lake Rehabilitation project. For the period May 20, 2007 through November 25, 2012, Mr. Green was paid \$43,668.10 for inspections and meetings he reported he performed or attended. The Plant expansion is a coordinated effort between SIRWA and the Water Works to expand and update the Plant. The Summit Lake project focused on rebuilding the dam and stabilizing the banks of Summit Lake. Both projects are in the final completion stages as of the date of this report. **Exhibit B** lists the dates, description and the number of additional hours claimed by Mr. Green for these projects.

Mr. Green's contract does not include any provision authorizing payments in addition to his base pay. However, we reviewed 2 memos dated May 11, 2007 which stated Mr. Green was to be paid his hourly rate, not to exceed 3 hours per week for the SIRWA Water Treatment Plant Expansion project and 3 hours per week for the City of Creston Summit Lake Rehabilitation project. While the memos were signed by Dennis Bailey, the Board Chairman, and Ken Sharp, a Board member, the Board minutes do not document the Board approved any additional payments to Mr. Green. Board members we spoke with, including Mr. Sharp, did not recall any discussion of additional pay for Mr. Green. Mr. Sharp stated he signed the memos but did not remember any details regarding why he signed the memos. Individual Board members or Board members who represent less than a quorum of the entire Board do not have the authority to make decisions on behalf of the Board as a whole. Decisions regarding additional compensation to employees should be authorized during a formal meeting of at least a quorum of the Board members.

Table 1 summarizes the additional payments to Mr. Green by fiscal year. The **Table** also includes the related amounts of IPERS and FICA paid by the Water Works as a result of the additional payments.

Table 1

Period	Number of Hours	Additional Gross Pay	Employer Share of Additional		Total
			IPERS	FICA	
04/24/07 – 06/30/07	15.5	\$ 660.46	37.98	50.53	748.97
07/01/07 – 06/30/08	85.0	3,621.88	218.31	277.06	4,117.25
07/01/08 – 06/30/09	115.5	4,991.64	317.07	381.91	5,690.62
07/01/09 – 06/30/10	163.5	7,279.18	484.37	556.90	8,320.45
07/01/10 – 06/30/11	228.0	10,419.22	723.61	689.15	11,831.98
07/01/11 – 06/30/12	253.0	11,848.68	953.75	669.24	13,471.67
07/01/12 – 11/15/12	102.0	4,847.04	418.81	273.63	5,539.48
Total	962.5	\$ 43,668.10	3,153.90	2,898.42	49,720.42

As the General Manager, Mr. Green would be expected to attend meetings, oversee projects administered by the Water Works and perform inspections of projects being carried out for the Water Works by contractors. Mr. Green is a salaried employee who is not required to, and did not, keep timesheets. However, he reported the number of hours of vacation and sick leave he used.

According to SIRWA staff we spoke with, the Plant expansion was inspected by the Project Engineer and an independent inspector hired by SIRWA. In accordance with the Plant Expansion agreement, SIRWA paid the inspection fees to the independent inspector and was reimbursed by the Water Works for 21% of the total inspection fees. Plant staff we spoke with also stated Mr. Green rarely came out to visit the Plant or perform inspections at the Plant. Because the Project Engineer and the independent inspector hired by SIRWA inspected the project, there would be no reason to pay Mr. Green for inspections.

We also determined the same independent inspector was hired by the Water Works to perform inspections of the Summit Lake project. The independent inspector spent a total of 568 hours working on the project and was paid a total of \$16,756.00. Because there was an independent inspector for the Summit Lake project, there would be no reason to pay Mr. Green for inspections.

In order to be paid for the extra hours, Mr. Green prepared a list showing the date, what he did related to the project, such as meetings and inspections, who attended the meeting and the related number of hours. We spoke with a staff member who was included on the lists submitted by Mr. Green. The staff member stated he did not recall a number of the meetings specified by Mr. Green where he was listed as an attendee. We reviewed the list of meetings submitted by Mr. Green with 2 other staff members and determined the following:

- November 22, 2012 - Mr. Green recorded he met with an employee. However, this was Thanksgiving Day and, according to the employee, he was with family for the holiday and did not meet with Mr. Green.
- July 4, 2012 - Mr. Green recorded he met with an employee. However, the employee stated he spent the holiday with family and did not meet with Mr. Green.
- July 16 and August 10, 2011 – The calendar maintained by an employee showed Mr. Green was not at work on July 16 and August 10, 2011. However, Mr. Green’s Daily Attendance Record does not show he recorded vacation or sick leave on these days and he reported he had meetings regarding the Plant and Summit Lake projects on both days. Based on the calendar, Mr. Green was not in town and could not be at the Plant or Summit Lake on those days.
- November 11, 2010 – Mr. Green recorded he met with an employee. However, the employee stated he spent the Veterans’ Day holiday with family and did not meet with Mr. Green.
- August 23, 2010 – Mr. Green recorded he met an employee. However, the employee was in Florida and would have been unable to meet with Mr. Green. In addition, a staff member who maintained a calendar stated Mr. Green was in Illinois on August 22 and 23. As a result, Mr. Green would not have been available to meet with the employee.

Because a separate inspector was hired to monitor both the Plant expansion and Summit Lake projects, Mr. Green should not have received additional compensation from the Water Works for meetings and inspections he reported he attended or performed for the projects. In addition, as the General Manager, Mr. Green was expected to attend meetings and oversee Water Works’ projects as part of his regular job duties without receiving additional compensation. Also, the full Board did not approve the additional pay. As a result, the \$49,720.42 of additional pay and the related IPERS and FICA is included in **Exhibit A** as improper disbursements.

Vacation Payouts – In accordance with his contract, Mr. Green is entitled to 5 weeks of vacation, or 25 days (200 hours), on his anniversary date of April 1 each year. Mr. Green’s contract does not include any language allowing him to carry over his vacation balance or receive a payment in lieu of taking his vacation. Board members we spoke with stated all staff must use their vacation or lose it.

Mr. Green’s contract also includes a clause allowing him all the benefits granted other Water Works employees. The Union agreement with the Water Works includes a clause stating “Vacation shall be taken by the employee in the year following the year in which the vacation is earned. Vacation not taken will not be accumulated nor will the employee be paid for accumulated vacation not taken in the year following the year in which the vacation is earned will be lost to the employee except when required by management. Vacation may be taken in the year earned only with the permission of the Water Board.” According to Board members

and staff we spoke with, this means they either “use it or lose it,” and it applies to management staff as well as union employees.

As a result, Mr. Green is not allowed to carry over or have his vacation balance paid out without Board approval. In addition, Mr. Green’s balance should have “reset” on April 1 each year to the 200 hours he is allowed in accordance with the terms of his contract and any unused balance from the prior year should have been forfeited.

On March 8, 2011, the Board approved a motion allowing Mr. Green to pay out a portion of his vacation. The motion approved by the Board states, “for the period April 1, 2011 through April 1, 2012 be changed from 5 weeks of vacation to 2 weeks of vacation and the remaining 3 weeks of vacation would be converted to regular pay.” As a result, Mr. Green was allowed a payout totaling 120 hours of vacation at his current rate of pay. Because the motion only applied to one year, Mr. Green should have accrued 5 weeks of vacation for the period April 1, 2012 to March 31, 2013 and any unused balance at March 31, 2012 should have been lost.

During our review of Mr. Green’s payroll for the period July 1, 2005 through November 16, 2012, we identified 19 instances where Mr. Green’s payroll check included a vacation payout. **Exhibit C** lists each of the 19 instances. As illustrated by **Exhibit C**, Mr. Green was paid a total of \$33,836.00 in vacation payouts for the period July 1, 2005 through November 16, 2012, the date he was placed on administrative leave.

As previously stated, the Board only approved the payout of 3 weeks of vacation in 2011. The 3 authorized payouts during 2011 were June 12, September 18 and December 11, 2011 and totaled \$5,536.80. The 13 payouts prior to June 12, 2011 and the 3 payouts after December 11, 2011 were not approved by the Board. As a result, the 16 additional payouts are improper disbursements.

Table 2 shows the calculation of the improper vacation payouts and the related FICA paid by the Water Works as a result of the vacation payouts.

Table 2			
Description	Gross Amount	FICA	Total
Total vacation payouts	\$ 33,836.00	2,326.79	36,162.79
Less: Approved payout	5,536.80	312.84	5,849.64
Improper payouts	\$ 28,299.20	2,013.95	30,313.15

The \$30,313.15 of unauthorized vacation payouts and the employer’s share of FICA paid by the Water Works for the payouts is included in **Exhibit A** as improper disbursements.

Termination Benefits - As previously stated, the Water Works policy allows employees a specific number of vacation hours based on their years of service. The Board and union contract also require staff to use their vacation balance or lose any unused vacation at the end of the year. At the time Mr. Green was placed on administrative leave, he was entitled to 200 hours vacation per year. The Water Works also allows employees to accrue 12 hours of sick leave each month, up to a maximum of 960 hours.

Mr. Green’s contract includes a clause which allows him to use his accrued sick leave and vacation balance to pay for insurance upon his separation from the Water Works. Specifically, the clause states:

“Upon the manager’s termination, death, retirement or resignation, the manager’s accumulated sick leave and vacation hours can be converted to wage equal to the wage at the time of separation and be used for reimbursement by payment or payment of annual insurance premiums at the discretion of the manager. The insurance provided will be equal to what is stated in this agreement for the “Manager” and/or his spouse.”

The Board minutes for December 13, 2011 include the Board’s approval of the contract but do not include any discussion regarding the contract. The contract was signed by Mr. Green and the Board’s Chairman. Board members we spoke with remember discussing the contract and its terms, but do not recall if there was specific discussion about the additional clause.

The Board members we spoke with believe the clause may have been added by Mr. Green based on the State’s program which allows employees who retire to use their accumulated sick leave balance to cover the cost of insurance until they reach age 65 and qualify for Medicaid/Medicare and the belief he was planning on retiring during or at the end of the current contract period. According to a Board member we spoke with, the vacation and sick leave could be used for paying the full amount of the premium on the health insurance policy offered by the Water Works. No other Water Works employees are entitled to use their sick leave and vacation to pay for insurance.

As previously stated, Mr. Green is provided 200 hours of vacation on April 1 each year. Based on the Water Works’ policy, which does not allow vacation hours to be carried over or paid out without Board approval, the maximum number of vacation hours Mr. Green would have available upon his separation is 200 hours.

During the fiscal year 2011 audit, the CPA firm notified the business office Mr. Green’s vacation balance should be 80 hours rather than the 532 hours recorded in the accounting system as of June 30, 2011. According to the information provided by the CPA firm, this determination was based on the Board motion allowing Mr. Green to receive payment for 3 weeks (120 hours) of his 5 weeks (200 hours) of vacation. Additionally, the Water Works does not allow staff to carry over any unused hours. Based on the information from the CPA firm, Mr. Green’s vacation balance was adjusted to 80 hours in the accounting system. However, according to Business Office staff we spoke with, when Mr. Green saw the change in his vacation balance, he told staff they were not to do as the auditor said without talking to him and to reinstate his vacation balance. According to a staff member we spoke with, she reinstated Mr. Green’s vacation balance to the 532 hours because she felt they had no choice.

Based on the Water Works’ payroll records, Mr. Green carried over his unused vacation hours. At the time he was placed on administrative leave, his recorded vacation balance was 476 hours. Based on the payroll records, Mr. Green received an additional 200 hours on April 1, 2013, bringing his recorded balance to 676 hours.

We are unable to determine if Mr. Green properly recorded all of his vacation time. According to staff we spoke with at the Distribution Center and Business Office, Mr. Green often stated he was going to the Plant. However, staff at the Plant said he rarely visited the Plant over the last 5 years. Instead, they often saw the truck parked in front of his personal garages during normal working hours.

Table 3 compares the amount the Water Works would be required to pay for insurance on Mr. Green’s behalf based on the Water Works’ policy to the amount the Water Works would pay if Mr. Green was allowed to carryover his vacation balance.

Table 3

Description	Per Payroll Records	Water Works Policy	Variance
Vacation hours	676	200	476
Sick leave hours [^]	960	960	-
Total hours	1,636	1,160	476
x Current hourly rate	\$ 47.32	47.32	47.32
Total liability	\$ 77,415.52	54,891.20	22,524.32

[^] - At the time Mr. Green was placed on administrative leave, he had accrued the maximum of 960 hours of sick leave.

By approving a contract with a clause allowing Mr. Green to convert his vacation and sick leave balance to pay for his insurance, the Water Works may be required to pay up to \$54,891.20 for insurance premiums for Mr. Green upon his separation from the Water Works.

The **Table** shows the Water Works would incur an additional \$22,524.32 in insurance costs for Mr. Green if the incorrect vacation balance was used.

No other employee is allowed to convert their accrued balances. In addition, this benefit was not included in Mr. Green's previous contracts. According to Board members we spoke with, the clause may have been added in anticipation of Mr. Green's retirement or separation from the Water Works. Because the Board has a fiduciary responsibility to ensure Water Works funds are used for necessary and reasonable operations of the Water Works, we question the reasonableness of the clause added to Mr. Green's contract.

We have not included any amounts from **Table 3** in **Exhibit A** as improper disbursements because Mr. Green is still on paid administrative leave and the Water Works has not disbursed any funds related to the clause in his contract. Prior to Mr. Green's separation of employment from the Water Works, the Board should ensure Mr. Green's accumulated vacation balance is adjusted to the amount earned on April 1, 2013, in accordance with his contract.

Fuel Purchases – According to his contract, Mr. Green was to be provided a Water Works vehicle to be used for Water Works business. In April 2010, the Water Works purchased a 2010 Ford F-150 for Mr. Green's use. The truck was delivered in June 2010. Mr. Green previously used a 2006 Chevy truck. In addition, Mr. Green was assigned a Casey's credit card to purchase fuel for the Water Works vehicle.

Because Mr. Green drove the truck home daily, the Water Works included a \$183.75 fringe benefit on his 1st payroll check each January to cover the cost of using the vehicle for commuting to and from work during the year, which is considered personal use and subject to income tax in accordance with IRS rules. The Water Works calculated the \$183.75 many years ago based on the mileage between his home and the Distribution Center. The Water Works has never recalculated the fringe benefit using the IRS mileage rate applicable at the time the benefit is provided. As a result, the amount used for Mr. Green's fringe benefit has been understated for years.

According to Plant and Distribution staff we spoke with, Mr. Green was seen using the Water Works' truck for personal use, including buying groceries and driving around town with his family. As a result of these observations, we reviewed the fuel purchases made by Mr. Green using the Casey's charge card assigned to him to determine if the amount of fuel purchased was reasonable.

The Water Works normally uses Casey's credit cards for the purchase of fuel. The Water Works has a total of 4 Casey's credit cards. Mr. Green was assigned card #3 for use with the Water Works' vehicle assigned to him. When he was placed on administrative leave, he turned the card and truck in. The truck and card were assigned to the interim General Manager in December 2012. Of the 3 remaining cards, 1 is assigned to the Distribution Manager, 1 is kept at the Distribution Center and 1 is maintained at the Plant. The cards located at the Distribution Center and Plant are checked out by staff to fill vehicles and gas cans for equipment. The card assigned to the Distribution Manager is also used to fill the vehicles at the Distribution shop when the other card is checked out. The Distribution Manager is not assigned a specific vehicle for his use.

Table 4 summarizes the total charges made by Mr. Green by month for the period January 2009 through November 2012. Records prior to January 2009 were not readily available. The individual charges are listed in **Exhibit D**.

Table 4					
Month Charges Incurred	2009	2010	2011	2012	Total
January	\$ 226.50	390.18	427.54	376.94	
February	161.00	381.52	149.01	240.44	
March	247.73	355.03	240.51	477.11	
April	177.25	309.50	530.05	310.83	
May	^^	319.50	460.62	182.41	
June	108.01	363.32	341.54	384.56	
July	216.01	177.52	424.31	424.90	
August	163.60	293.37	259.02	319.34	
September	249.54	299.03	352.52	318.36	
October	224.71	332.01	373.03	312.58	
November	236.00	271.10	454.06	224.54	
December	279.52	369.03	281.50	**	
Total	\$ 2,289.87	3,861.11	4,293.71	3,572.01	14,016.70

^^ - The bill shows the total owed. No detail was available by card number.

** - December 2012 is not included because Mr. Green was placed on administrative leave in November 2012 and returned his card at that time.

As illustrated by the **Table**, Mr. Green charged the least amount of fuel purchases in 2009 and the annual charges increased the next 2 years. Over the 4 year period, the charges total \$14,016.70, which includes \$14,002.73 of fuel and \$13.97 for non-fuel. The receipt for the \$13.97 included a notation the charge was for "water for staff".

Water Works staff were unable to find detailed support by card number for the May 2009 bill. As a result, we could not determine the amount of purchases charged to the card assigned to Mr. Green. The last charge on Mr. Green's card prior to him being placed on administrative leave was on November 13, 2012. Because Mr. Green did not have the card after this date, we did not include the December charges in the **Table**.

As shown in **Exhibit D**, detailed invoices were not available for purchases made during the months of January 2009 through July 2009 and September 2009 through February 2010. In addition, the total purchases exclude charges made in May 2009 because the support did not

include the amount charged to each individual card. Water Works staff was unable to locate the detailed support for the May 2009 billing.

The **Exhibit** also shows the charges made on the credit card after it was assigned to the interim General Manager in mid-December 2012. Between December 1, 2012 and February 28, 2013, the interim General Manager purchased 87.6 gallons of fuel at a cost of \$275.03. Between December 1, 2011 and February 28, 2012, Mr. Green purchased 309 gallons of fuel at a cost of \$972.88. Fuel purchased by the interim General Manager for a similar period in 2013 decreased to 87.60 gallons, a decrease of 221.4 gallons.

Because of the decrease in fuel purchased by the Interim General Manager and allegations Mr. Green used the Water Works truck for personal use, we analyzed the fuel purchased with the Casey's credit card assigned to Mr. Green and the number of miles driven during the period Mr. Green was assigned a new Ford F-150 truck.

Table 5 calculates the extra fuel purchased by Mr. Green using the truck's odometer reading when he was placed on administrative leave.

Table 5	
Description	Amount
Odometer reading	39,273
Estimated miles per gallon [^]	÷ 15
Calculated gallons used	2,618.20
Actual gallons~	(2,969.70)
Extra fuel purchased	351.50
x Average cost per gallon *	\$ 3.23
Cost of fuel purchased	\$ 1,135.35

[^] - City mpg per Edmunds.com.

~ - Total gallons purchased from June 24, 2010 through November 13, 2012 from **Exhibit D**.

* - Cost per gallon is the average price per gallon paid over the period Mr. Green used the truck.

As the **Table** shows, the estimated cost of fuel which is unaccounted for is \$1,135.35. This is a conservative amount for the following reasons:

- We used the estimated fuel economy for City driving in the calculation. In addition to driving the vehicle in Creston, Mr. Green used the truck to go to Des Moines and other surrounding areas. As a result, the fuel economy would improve when driving on highways.
- Distribution staff we spoke with stated Mr. Green periodically instructed Distribution staff to fill up the truck assigned to him because he did not have his card with him. As a result, the service truck card was used instead of the card assigned to Mr. Green. As a result, there are additional fuel purchases paid by the Water Works for the truck assigned to Mr. Green. Because the Water Works does not keep records showing which vehicle fuel was purchased for or what the mileage was on the vehicle, we cannot identify any additional fuel purchases for the truck assigned to Mr. Green.
- We determined Mr. Green was also reimbursed for fuel purchases from petty cash and identified charges on his Water Works' credit card from fuel vendors. Based on support available, we cannot determine if the fuel was purchased for the Water Works' truck assigned to him.

Based on **Table 5**, the \$1,135.35 of excess estimated fuel costs and the \$13.97 of non-fuel charges are included in **Exhibit A** as improper disbursements.

Petty Cash – The Water Works maintains a petty cash fund to reimburse employees who pay the postage for water samples sent in for testing. The fund is also used to reimburse employees for prescription co-payments and meals. According to Business Office staff we spoke with, Mr. Green submitted receipts for his prescriptions for reimbursement from petty cash. As a result, we reviewed all replenishments of petty cash for the period July 1, 2005 through November 30, 2012 to identify receipts submitted by Mr. Green and other staff for reimbursement to determine if they were appropriate and properly supported.

Prescriptions - The health insurance policy offered to employees includes coverage for prescription drugs and requires employees to pay a co-payment for any portion of a prescription drug that is not fully covered by the health insurance policy. The amount covered by the health insurance policy is determined by the insurance carrier and the amount to be paid by the individual varies based on the type of medication purchased.

The Board minutes for November 9, 2004 document approval of a motion which stated "...Beginning January 1, 2005, management employees will pay a co-payment of \$10.00 on each prescription item." Because the co-payment amounts incurred by employees are dependent on the type of medication and the amount paid by the insurance carrier, the Board cannot set the amount of the co-payment to be paid by the management employees. However, according to Board members we spoke with, the motion was intended to allow management employees to be reimbursed for any co-payment which exceeded \$10.00. Management employees were to pay the co-payment charged by the vendor, but could then be reimbursed for any co-payment which exceeded \$10.00.

According to the interim General Manager, management staff would include the General Manager, Distribution Center Manager, Plant Manager and Business Office Manager. This policy was not communicated to the management staff other than Mr. Green. Based on our review of the reimbursements for prescription co-payments, no management employees other than Mr. Green received reimbursements.

Mr. Green attended Board meetings and was the Secretary for the Board. He was present at the November 9, 2004 Board meeting when the policy allowing management employees to be reimbursed for co-payments which exceeded \$10.00 per prescription was adopted. As a result, he would have known the policy required him to reduce the cost of the prescriptions he submitted for reimbursement by the co-payment of up to \$10.00 prior to requesting reimbursement.

Mr. Green prepared and submitted vouchers for reimbursement. Business Office staff refused to sign the vouchers. The support attached to the vouchers clearly showed Mr. Green was reimbursed for the full amount of his out-of-pocket cost for each prescription. There was no attempt to reduce the amount owed for the required co-pay.

We determined Mr. Green was reimbursed \$3,959.34 for prescription co-payments. By comparing the supporting documentation to the amounts reimbursed to Mr. Green, we determined he was reimbursed in full for each prescription co-payment, even though the policy allows management employees to be reimbursed for co-payments which exceed \$10.00 per prescription. **Exhibit E** lists each reimbursement to Mr. Green for prescription co-payments and the amount which should have been reimbursed to him in accordance with the Water Works policy. As illustrated by the Exhibit, Mr. Green was reimbursed \$1,960.96 more than he should have been. This includes \$1,920.40 for reimbursements related to prescriptions and \$40.56 for over-the-counter medications or medical supplies which were not covered by insurance.

Since being placed on administrative leave, Mr. Green has submitted additional prescriptions totaling \$397.68 for reimbursement. The Water Works has not reimbursed Mr. Green for these prescriptions pending the release of this report. These requests for reimbursement are not included in **Exhibit E**.

The amount reimbursed to Mr. Green is a taxable fringe benefit. According to the IRS fringe benefit guide, Section 8, because these reimbursements were not part of a FLEX spending or a Cafeteria plan where funds are withheld from the employee's pay check to cover the expenses and reimbursement for prescriptions was not offered to all employees, the amount should have been taxed at Mr. Green's normal tax rate. Because Mr. Green was reimbursed from petty cash, the amount reimbursed was not included in his payroll or in the accounting system. As a result, the appropriate taxes were not withheld or reported on his annual W-2.

During our review of disbursements from petty cash, we did not identify any requests submitted by other staff members for prescription co-payments after January 1, 2005. Management staff we spoke with indicated they were not aware of the policy or did not have a prescription for which they requested reimbursement.

Because Mr. Green was reimbursed for the total cost of his prescription co-payments, the \$1,960.96 of excess reimbursements to Mr. Green are included in **Exhibit A** as improper disbursements.

Meals - We also determined Mr. Green was reimbursed \$3,256.63 from petty cash for items such as meals, gas and conference/meeting expenses. These types of reimbursements are listed in **Exhibit F**. The following is a summary of the reimbursements made to Mr. Green:

- 97 reimbursements totaling \$1,846.41 were for food claimed for travel or meetings with staff. Based on the receipts submitted, \$1,262.72 of the meals were purchased in Creston. Some of the receipts also included manual notations which indicated meals were purchased for individuals employed by the Iowa Department of Natural Resources (DNR), the Federal Emergency Management Agency (FEMA), SIRWA and other organizations. According to SIRWA officials we spoke with, they never accepted an invitation from Mr. Green to go to lunch. We also noted instances where the amount paid for the meal would not cover the cost for multiple people.

The Water Works does not have a policy which allows reimbursement of meals. It is not reasonable for the Water Works to pay for meals for employees when they are not traveling out of town for their job responsibilities. In addition, the Water Works should not pay for meals purchased for DNR or FEMA employees as it is likely their organizations pay for their meals when they travel to Creston. In addition, these meals may be taxable benefits to Water Works employees in accordance with IRS rules because they are not related to travel.

- 6 reimbursements totaling \$160.68 were for gas. One of the 6 vendors was located in Creston. The remaining 5 were in Des Moines where a Casey's would be available. Mr. Green was assigned a Casey's credit card and a VISA credit card which was to be used to purchase gas when he was out of town. There would be no need for Mr. Green to pay with cash since he had both of these credit cards available for his use. We consider these charges to be unsupported.
- 14 reimbursements totaling \$1,080.96 were for conference and meeting related expenses, including registration fees. Mr. Green was assigned a Visa credit card which was to be used for meeting related expenses.

- 4 reimbursements totaling \$81.85 were for cab fees for a conference in Chicago.
- 5 reimbursements totaling \$86.73 were for other items we could not identify based on the supporting documentation attached. As a result, we cannot determine if the reimbursements were proper.

In addition, other Water Works employees were reimbursed a total of \$1,062.65 from petty cash for meals, parts and supplies. Of the \$1,062.65, \$170.00 was a reimbursement for Hy-Vee floral arrangements for a Board member's funeral. The support attached to other petty cash vouchers did not provide sufficient details regarding why a meal was required to be paid for, who attended the meeting, the purpose of the meeting or what was purchased. Some support included an explanation food was for staff working on a job who were not able to leave the job site do to the nature of the emergency work. Other purchases also lacked adequate support to determine the purpose of the reimbursement. The \$1,062.65 is not included in

Exhibit F.

The purpose of petty cash is usually to make change and pay for items for which it is not reasonable to issue a check or when payment is due immediately, such as postage. Disbursements for meals and other travel related expenditures are normally done through a reimbursement process. The process requires the employee to submit a request for reimbursement along with the supporting documentation and the reason why the expense was incurred. After being reviewed by the appropriate supervisory personnel and approved, a reimbursement check is issued to the employee.

We requested a copy of the Water Works' policies and procedures for reimbursing expenses to employees. The Water Works does not have any policies or procedures addressing reimbursement of travel or food. We also requested copies of the City of Creston's policies regarding meals and travel. In accordance with the City's policies, meals eaten in Creston are not allowable for reimbursement. The City's policies allow for meal reimbursement when the meals are related to travel outside of Creston for job-related duties.

Because adequate supporting documentation was not available, the \$1,262.72 of reimbursements to Mr. Green for meals while in Creston are included in **Exhibit A** as improper disbursements. The remaining unsupported reimbursements totaling \$3,056.56, including \$1,993.91 paid to Mr. Green and \$1,062.65 paid to other employees, are included in **Exhibit A** as unsupported disbursements.

VISA Credit Card – Mr. Green was assigned a VISA credit card issued to the Water Works. The VISA card was to be used for travel, registration and other costs related to training and conferences. Business Office staff we spoke with stated Mr. Green kept the credit card locked in the office unless he needed it to make a reservation. The Board of Trustees has not established a written credit card usage policy.

During our review of the monthly credit card statements for the period January 3, 2009 through November 3, 2012, we identified the following:

- 1 motel bill could not be located for a training event held in Washington D.C. Based on other charges and support with the statement, we were able to support Mr. Green attended the event.
- The Water Works does not have detailed policies documenting what support is required to be submitted for charges on the credit card.
- A total of \$56.39 of unallowable charges, including \$21.19 spent in a hotel gift shop with no description of what was purchased and \$35.20 shown as "ref ctr" on a hotel bill, were identified.

The \$56.39 of unallowable charges to the credit card are included in **Exhibit A** as improper disbursements.

Equipment – During our investigation, we identified concerns regarding Water Works equipment not maintained at the Plant or Distribution Center. We also identified items stored at the Distribution Center which did not belong to the Water Works. Our findings are detailed in the following paragraphs.

Water Works Equipment - The Water Works purchases vehicles, equipment and tools as needed for various jobs or as equipment and tools need to be replaced. Equipment and tools are maintained at the Distribution Center and the Plant. In addition, vehicles are located at both facilities. The Water Works does not track all small tools, such as pliers and hammers, but it does maintain an informal list of larger equipment, such as vehicles, generators, tractors and similar equipment.

As stated previously, the Water Works' CPA firm and a Board member were informed by Water Works staff members of concerns Mr. Green used Water Works equipment for personal use. The concerns identified included:

- According to staff from the Distribution Center we spoke with, a generator and power washer, paid for by the Water Works, were never delivered to the Distribution Center or Plant.
- Staff stated they routinely saw Mr. Green's Water Works truck parked in front of his personal garages during business hours.
- Staff also stated they observed new grass and retaining wall blocks installed at Mr. Green's garages. Staff indicated the Water Works had recently purchased grass seed and retaining wall blocks and some of the purchases had been removed from the Distribution Center where they had been stored. At the time the grass seed and blocks were removed, Water Works projects which would have required grass seed or retaining wall blocks had not been started.

During a search of Mr. Green's garages on November 16, 2012, a Honda Generator, model EU2000IAN, a "MI-T-M 2700 Cold water pressure washer, model WP-2700-4MHB" and 2 ladders were located. Mr. Green told the DCI agent these items were the property of the Water Works. **Table 7** lists the items seized and the value of each item.

Table 7

Item Description	Source of Valuation	Valuation
Honda generator	Invoice	\$ 929.99
Power washer	Invoice	529.99
4000 psi hose	Invoice	72.99
Ladders (2)	Estimated by staff^	158.00
Total		<u>\$ 1,690.97</u>

^ - Water Works staff used recent purchases of ladders to estimate the value.

The generator, power washer and hose were the same make and model purchased by the Water Works from a Des Moines vendor on April 30, 2012. A copy of the purchase order and invoice showing the purchase of the Honda generator, the power washer and the hose are included in **Appendix 1**. The purchase order and invoice show the items were ordered for the Water Works

by Mr. Green and were to be picked up by Mr. Green. The generator and power washer were picked up on April 30, 2012 and the hose for the power washer was picked up on May 2, 2012. According to Water Works staff, the generator, power washer and hose were never received at the Distribution Center or the Plant.

Because the Water Works purchases ladders from various suppliers, the staff used a current purchase order for the same brand and type of ladder to value the ladders found in Mr. Green's garage. Because the items listed in the **Table** were located in Mr. Green's personal garage and the generator, power washer and hose were paid for by the Water Works and were never delivered to the Water Works, the \$1,690.97 cost of the equipment is included in **Exhibit A** as improper disbursements. Because the equipment has been recovered and will be returned by DCI to the Water Works, the \$1,690.97 cost of the equipment is also included in **Exhibit A** as a reduction of improper disbursements.

A staff person we spoke with stated Mr. Green stopped by their home on the evening of November 16, 2012 and dropped off a "locator", which is similar to a metal detector. The locator was owned by the Water Works. After Mr. Green returned the locator, a staff member compared it to the serial numbers of the locators owned by the Water Works. The locator returned by Mr. Green did not match any of the locator serial numbers which were listed on invoices paid by the Water Works. Based on the list of serial numbers, a locator owned by the Water Works is missing. It is possible Mr. Green substituted the locator he returned for the locator which is unaccounted for.

According to a staff person we spoke with, Mr. Green contacted a staff member at the Plant on November 17, 2012, and asked him if he could meet him at his garage so he could give him a rake and shovel which belonged to the Water Works. The staff member stated he met Mr. Green at Mr. Green's home. After Mr. Green opened his garage, they proceeded to load the staff member's truck with 4 rakes, a shovel, a push broom, a bag of grass seed, various hand tools and a set of coveralls. After loading the equipment, the staff member returned to the Plant and he and a staff member unloaded the truck and took pictures of the items. The items were then placed in a location segregated from the rest of the Water Works' equipment. Water Works staff reviewed the list of items returned and assigned a value to selected items based on the purchase of similar items. Items which the Water Works had not purchased in over 6 years, or items which the staff could not support with a similar purchase, were not assigned a value.

Exhibit G lists the individual items recovered and the value assigned to the items returned by Mr. Green. As illustrated by the **Exhibit**, the items were valued at \$626.30. The \$626.30 estimated total is included in **Exhibit A** as improper disbursements. Because the equipment has been recovered and will be returned by DCI to the Water Works, the \$626.30 value of items returned by Mr. Green are included in **Exhibit A** as a reduction of improper disbursements.

Staff at the Plant we spoke with stated an air compressor located at the Plant was taken to Precision Optical, a local business. The air compressor was replaced as part of the Plant renovation. Plant staff also stated Mr. Green took the air compressor to Precisions Optical, which had agreed to buy it if it worked. A Plant staff person we spoke with stated Mr. Green asked him to go to Precision Optical and help them get the compressor running after it was delivered. He was asked to do this during his normal work day.

A DCI agent interviewed the owners of Precision Optical regarding the compressor. According to the agent, the owners of Precision Optical told him Mr. Green brought the compressor to them because he knew they used the same type of equipment. They also stated they agreed to buy it if it worked. They remember paying Mr. Green for the compressor, but could not locate a check for the purchase. During a separate discussion, the owners stated Mr. Green said the purchase would be added to their water bill until paid off.

The Water Works' Business Manager queried the accounting system and did not find a check from Precision Optical being deposited. Staff also reviewed all water bills to Precision Optical and determined Precision Optical's water bill was not adjusted for the purchase of the compressor. According to Plant staff we spoke with, the air compressor would have been worth approximately \$400.00. When the DCI agent followed up with the owners of Precision Optical, they told him "guess we got it for free." The owners also stated they did not pay cash because they do not do business that way.

According to Distribution staff we spoke with, there was a concern about a stainless steel sink the Water Works ordered which was installed in Mr. Green's home. Based on supporting documentation, the Water Works ordered a stainless steel sink and additional parts on January 21, 2005. The sink and related parts cost \$800.00. The Water Works paid for the sink and parts upon delivery on March 9, 2005. On March 28, 2005, Mr. Green wrote a check to the Water Works for \$800.00. The memo line on the check indicated it was for a "stainless vanmark." Employees of the Water Works should not use City resources to pay for personal purchases. By having the Water Works order the sink, Mr. Green may have gained a benefit of a lower cost, free or reduced shipping and avoided paying sales tax on the item.

According to Plant staff we spoke with, Mr. Green also instructed staff to complete some repairs on the Water Works' "gator", a small utility vehicle. Once the repairs were completed, Mr. Green traded the gator for a diesel powered gator with more hours of use on it. According to staff, the new gator operated on diesel fuel, which was available on-site at the Plant. The Water Works spent \$92.85 on repairs prior to trading in the old gator and paid \$6,400 on November 4, 2009, after a \$500.00 trade-in allowance, for the used gator. We observed a customer purchase order from the dealer which included Mr. Green's name as the purchaser of the gator traded in by the Water Works. However, there was also a line through Mr. Green's name on the customer purchase order. As a result, we are unable to determine if Mr. Green purchased the gator which had been traded in by the Water Works.

Personal Property - Mr. Green stored personal items at the Distribution Center. Photos taken by staff show his boats being stored in the Distribution Center garage. During a tour of the Distribution Center, staff showed us several of Mr. Green's personal items stored in the loft of the building. At our request, staff prepared a list of items stored in the Distribution Center which were Mr. Green's property. According to staff we spoke with, these items have been stored in the Distribution Center for several years. The listing of items is included in **Appendix 2**. During our investigation, Mr. Green contacted staff requesting he be able to pick up several of the items, including a boat propeller and a rubber mat, which he later picked up.

According to Distribution staff we spoke with, they also stored certain pieces of equipment at the Distribution Center in exchange for letting the Water Works use the equipment for projects instead of purchasing equipment which would only be used on rare occasions. For example, personal wood working equipment stored at the Distribution Center was used to build some cabinets and shelves for the Business Office. The Water Works does not have a policy regarding use of personal equipment or how the equipment would be replaced if the building was broken into or a fire occurred and the equipment was lost.

OTHER ITEMS

Labor Concerns - During the investigation, it was brought to our attention Mr. Green periodically asked staff members to work on personal projects for him during their normal business day. According to Distribution and Plant staff we spoke with, they were pulled off jobs to help lay concrete at Mr. Green's home and work on cabinets for his garages.

We are unable to determine the number of hours staff may have worked on Mr. Green's projects rather than on their normal job duties. Staff were unable to provide detailed records of the time spent on personal jobs for Mr. Green or specific dates and times when they were pulled

from a Water Works' job. Because we cannot determine the amount of time or the value of the hours Mr. Green asked staff to work on his personal projects, an amount is not included in **Exhibit A**.

Board Oversight and Internal Control – The Board has a fiduciary responsibility to exercise authority over its funds, efficiently and effectively achieve its mission, provide oversight of the Water Works operations and maintain the public trust. Oversight is typically defined as the “watchful and responsible care” a governing body exercises in its fiduciary capacity.

Based on our observations and procedures performed, we determined the Board failed to exercise proper fiduciary oversight. The lack of appropriate fiduciary oversight and the failure to ensure implementation of adequate internal controls permitted an employee to exercise too much power over the operations of the Water Works. The following are examples of the lack of oversight by the Board and decisions which do not demonstrate fiduciary responsibility:

- Allowing Mr. Green to use his accumulated vacation and sick leave balance to pay for insurance upon his separation. This resulted in an additional obligation of Water Works' funds. There is no indication in the Board minutes the Board considered the financial impact on the Water Works or if the policy was considered for other Water Works employees.
- Mr. Green's payroll information was not periodically reviewed by the Board or a member of the Board. Had the Board periodically reviewed payroll records, it would have been able to identify Mr. Green's unauthorized payout of vacation in a timely manner. The Board would also have been able to determine Mr. Green carried over vacation hours in violation of the Water Works' policy. In addition, if it had reviewed Mr. Green's payroll, the Board would have identified Mr. Green had reinstated unauthorized vacation hours.

If the Board had periodically reviewed payroll records, it would have been able to identify the additional payments to Mr. Green associated with the Summit Lake and Plant Expansion projects.

- The Board reviewed and approved payments to an independent inspector for work related to the Summit Lake and Plant Expansion projects. In addition to authorizing payments to the inspector, 2 Board members authorized additional compensation to Mr. Green for meetings and inspections he reported he performed for the projects. As the General Manager, the Board should have made it clear to Mr. Green his duties included all aspects of the Water Works' operations, including providing oversight regarding the Summit Lake and Plant Expansion projects.

Individual Board members or Board members who represent less than a quorum-of the entire Board do not have the authority to make decisions on behalf of the Board as a whole. Decisions regarding additional compensation to employees should be authorized during a formal meeting of at least a quorum of the Board members. As a result, the 2 Board members should not have approved the additional compensation to Mr. Green.

- The Board failed to establish written policies and procedures regarding reimbursements. Reimbursements should not be made from petty cash without adequate support or explanation as to the purpose of the reimbursement.
- Mr. Green was placed on paid administrative leave on November 16, 2012 instead of placing him on unpaid administrative leave and allowing him to use his vacation balance. As a result, the Water Works has paid Mr. Green a total of \$78,385.41, as of June 10, 2013, since being placed on administrative leave. The Water Works has also incurred \$4,200.79 of FICA and \$6,796.03 of IPERS as a result of the additional salary paid to Mr. Green.

Recommended Control Procedures

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

- (A) Payroll – The Board and Mr. Green entered into a 3-year contract which specifies his salary and other benefits. In addition, 2 members of the Board approved additional pay for Mr. Green to attend meetings and inspect various projects. We reviewed the minutes and could not find where the full Board approved the additional pay for Mr. Green. In addition, an independent inspector had been hired to inspect the same 2 projects Mr. Green was being paid to inspect. Also, management staff we spoke with stated they did not attend meetings Mr. Green claimed he had with them. As a result, Mr. Green was allowed to claim additional hours above his salary for carrying out job duties which would be expected of a General Manager of a Water Works.

Recommendation – The Board should develop a job description for the General Manager position and review and approve all changes to employee salaries and benefits. As the General Manager, Mr. Green is responsible for all operations of the Water Works and projects carried out by Water Works staff and any contractors. This would include attending meetings and inspecting the work performed by staff and contractors.

- (B) Vacation Payouts – We reviewed payments to Mr. Green and identified the following:

- Mr. Green's accrued and carried over his vacation balance annually.
- There is no written policy allowing vacation to be paid out unless approved by the Board. Mr. Green paid out his vacation balance without Board approval on 16 of 19 occasions.
- Because Mr. Green was carrying over his vacation balance from year to year, his vacation balance is overstated by \$22,524.32.

Recommendation – The Board should ensure vacation and sick leave policies are followed and any payout of vacation is authorized by the Board. The Board should also establish policies which ensure all leave taken by Water Works employees is properly recorded as vacation or sick leave. Usage of vacation and sick leave should be reviewed and approved by an independent party in a timely manner.

In addition, Mr. Green's accrued vacation balance should be adjusted to the 200 hours he is allowed as of April 1, 2013, less any vacation used.

- (C) Employee Medical Costs – The Water Works provides health, dental and vision insurance for employees. The policy requires employees to pay the non-covered portion of any prescriptions. On November 9, 2004, the Board minutes document approval of a motion which stated, "...Beginning January 1, 2005, management employees will pay a co-payment of \$10.00 on each prescription item."

Because the co-payment amounts incurred by employees are dependent on the type of medication and the amount paid by the insurance carrier, the Board cannot set the amount of the co-payment to be initially paid by management employees. In addition, the policy was not communicated to all management staff. Mr. Green submitted his prescriptions and was reimbursed from petty cash. The reimbursements paid to Mr. Green included the \$10.00 co-pay he was required to pay. The Water Works did not maintain a complete listing of all payments.

Recommendation – The Board should develop written procedures regarding the specific types of prescription out-of-pocket costs which are eligible for payment or reimbursement. If the Board determines the out-of-pocket costs will continue to be paid by the Water Works, procedures should be established to ensure the Water Works tracks the payments and considers the taxability of the reimbursement. In addition, payments for out-of-pocket prescription costs should be made in a consistent manner, such as reimbursement to employees after receiving, reviewing and approving the related supporting documentation.

- (D) Credit Cards/Gas Cards – Although credit cards and gas cards are issued in the Water Works name, the Board has not established a written card usage policy. Appropriate supporting documentation was not available for a number of purchases made with the cards assigned to Mr. Green.

Recommendation – The Board should establish a written policy regarding the use of Water Works credit cards and gas cards. The policy should specifically prohibit the use of the credit cards/gas cards for personal purchases and require repayment for any purchases which are not properly supported or are not appropriate for Water Works operations.

The Board should also implement procedures to ensure all purchases made with the Water Works credit cards/gas cards are properly supported with invoices, receipts or other appropriate documentation and are properly approved. The Board should also consider implementing a policy which requires employees who do not submit appropriate documentation for the purchases made with the Water Works credit cards/gas cards be held personally liable for the related costs.

- (E) Water Works Vehicles - Logs were not prepared which document the use and maintenance of Water Works vehicles and the Board has not established a written vehicle usage policy.

Recommendation – The Board should establish a written vehicle usage policy which specifically prohibits the personal use of Water Works vehicles. In addition, logs should be maintained which document the use and maintenance of each Water Works vehicle. The logs should include specific dates, what the vehicle was used for, who used the vehicle, the number of miles driven, the amount of fuel purchased for the vehicle and other maintenance performed, such as oil changes or tire replacement. The logs should be periodically reviewed by the Board or a Board member to ensure the vehicles are used only for Water Works purposes. Also, vehicle maintenance costs paid by the Water Works should be traced to the logs by an independent party to ensure their propriety. If a vehicle is used for personal use, the Board should ensure the proper rate is used when calculating the amount to be charged as a taxable fringe benefit.

- (F) Petty Cash – The Water Works maintains a petty cash fund to make change and to reimburse employees who pay the shipping charges for water samples. The petty cash is balanced and replenished weekly or as needed, depending on activity.

We determined Mr. Green was reimbursed for his prescriptions out of petty cash instead of being issued a reimbursement check. In addition, Mr. Green and other staff were reimbursed for meals described as related to Water Works meetings. The receipts did not always include the purpose of the meeting, who attended or a detailed copy of the meal receipt. The amount reimbursed to employees may be taxable as a fringe benefit if the reimbursement is not related to travel or to their job duties, such as paying postage for sending water samples.

Recommendation – The Board should determine the need for petty cash. If it is determined to be necessary, the Board should develop and implement policies and procedures on the proper use of petty cash and the support required in order for payments to be made.

Employee reimbursements including meals, travel expenses and prescription reimbursements should be processed through the normal disbursement process and include adequate supporting documentation to support the reimbursement.

The Board should also consider if a contract with UPS or another vendor for shipping water samples is more advantageous than reimbursing staff. The Board should work with the IRS to determine the tax implications for amounts reimbursed to employees when not traveling for their jobs and to determine how to handle these cases in the future.

(G) Equipment Records – The Water Works purchases and maintains various tools and equipment used to work on projects. During the investigation, we identified the following:

1. The Water Works does not maintain a centralized equipment listing or require an individual not responsible for purchasing and maintaining the equipment to periodically perform an inventory of all Water Works equipment and assets. In addition, items are not tagged with identifying information, such as a numeric tag or a tag stating “Property of Creston Water Works.”
2. Staff are allowed to store personal equipment in the Distribution Center in exchange for allowing the Water Works to use the equipment instead of the Water Works purchasing equipment which is not used frequently.

Recommendation – To strengthen controls over Water Works equipment, a detailed equipment listing should be maintained by the Water Works. In addition, an individual not responsible for purchasing and maintaining the equipment should periodically perform an inventory of all Water Works equipment and assets. All assets and tools should be tagged with identifying information showing it is the property of the Creston Water Works.

(H) Personal Use of Water Works Equipment - During a search of Mr. Green’s personal garages on November 16, 2012, a generator, pressure washer, a hose and 2 ladders were located. Mr. Green told the DCI agent these items were the property of the Water Works. The generator, power washer and hose were the same make and model purchased by the Water Works from a Des Moines vendor on April 30, 2012. In addition, a staff member met Mr. Green at his home and picked up 4 rakes, a shovel, a push broom, a bag of grass seed, various hand tools and a set of coveralls which also were the property of the Water Works.

Section 721.2 of the *Code of Iowa* is titled “Nonfelonious misconduct in office” and provides, in part, any public officer or employee who “uses or permits any other person to use the property owned by the state or any subdivision or agency of the state for any private purpose and for personal gain, to the detriment of the state or any subdivision thereof” commits a serious misdemeanor.

Recommendation – The Board should implement procedures to ensure all disbursements are reviewed to determine if they are necessary and reasonable for the operations of the Water Works and are supported by appropriate documentation. In addition, purchases of equipment, supplies and other items should be matched to receiving reports or other supporting documentation to ensure items purchased or services provided were received.

- (I) Sale of Equipment – Bids were not obtained for the sale of a Water Works air compressor and minutes of Board meetings do not include documentation the sale was approved by the Board.

Recommendation – The Water Works should ensure all sales or trade in of vehicles and major equipment are properly authorized by the Board. In order to obtain the best possible sale price, the Water Works should advertise for bids to sell any vehicle or major equipment.

Exhibits

**Report on Special Investigation
of the
Creston Water Works**

Special Investigation of the
Creston Water Works

Summary of Findings
For the period July 1, 2005 through November 16, 2012

Description	Exhibit/ Table	Improper	Unsupported	Total
Additonal pay for inspections	Table 1	\$ 49,720.42	-	49,720.42
Vacation payouts	Table 2	30,313.15	-	30,313.15
Fuel cost	Table 5	1,135.35	-	1,135.35
Non-fuel charges	Page 14	13.97	-	13.97
Petty cash:				
Prescriptions	Exhibit E	1,960.96	-	1,960.96
Meal reimbursements	Exhibit F/ Page 16	1,262.72	3,056.56	4,319.28
Visa credit card	Page 16	56.39	-	56.39
Equipment:				
Seized property - garages	Table 7	1,690.97	-	1,690.97
Returned property	Exhibit G	626.30	-	626.30
Total improper and unsupported disbursements		86,780.23	3,056.56	89,836.79
Less: Seized property	Page 18	(1,690.97)	-	(1,690.97)
Returned property	Page 18	(626.30)	-	(626.30)
Net amount		\$ 84,462.96	3,056.56	87,519.52

Exhibit BSpecial Investigation of the
Creston Water WorksAdditional Compensation Issued to Steve Green
For the period July 1, 2005 through November 16, 2012

Check Number	Pay Period Ended	Additional Hours Per Support Submitted by Mr. Green				Gross Amount per Pay Stub	IPERS	FICA	Total
		Summit Lake	Plant Expansion	Unknown	Total Hours				
22681	05/20/07	4.00	2.50	-	6.50	\$ 276.97	15.93	21.19	314.09
22715	06/03/07	2.00	-	-	2.00	85.22	4.90	6.52	96.64
22819	06/17/07	2.00	5.00	-	7.00	298.27	17.15	22.82	338.24
Total fiscal year 2007		8.00	7.50	-	15.50	660.46	37.98	50.53	748.97
22845	07/01/07	4.00	-	-	4.00	170.44	9.80	13.04	193.28
22962	07/15/07	2.50	3.00	-	5.50	234.36	13.80	17.93	266.09
23107	08/12/07	-	2.00	1.00	3.00	127.83	7.74	9.78	145.35
23285	09/23/07	-	2.00	-	2.00	85.22	5.16	6.52	96.90
23365	10/07/07	-	1.50	3.00	4.50	191.75	11.61	14.67	218.03
23429	10/21/07	2.50	1.00	0.50	4.00	170.45	10.32	13.04	193.81
23486	11/04/07	1.00	1.50	-	2.50	106.53	6.45	8.15	121.13
23602	11/18/07	4.00	3.00	-	7.00	298.27	18.05	22.82	339.14
23731	12/16/07	5.00	2.00	-	7.00	298.27	18.05	22.82	339.14
23766	12/30/07	-	2.00	1.00	3.00	127.83	7.74	9.78	145.35
23846	01/13/08	3.00	4.00	-	7.00	298.27	18.05	22.82	339.14
23883	01/27/08	2.50	1.00	-	3.50	149.14	9.03	11.41	169.58
23962	02/10/08	3.00	3.00	-	6.00	255.66	15.47	19.56	290.69
24011	02/24/08	2.00	2.00	-	4.00	170.44	10.32	13.04	193.80
24045	03/09/08	1.00	2.00	-	3.00	127.83	7.74	9.78	145.35
24123	03/23/08	3.00	2.00	-	5.00	213.05	12.90	16.30	242.25
24197	04/06/08	2.00	2.00	-	4.00	170.44	10.32	13.04	193.80
24253	04/20/08	3.00	-	-	3.00	127.83	7.73	9.78	145.34
24455	06/15/08	-	3.00	-	3.00	127.83	7.73	9.78	145.34
24534	06/29/08	-	4.00	-	4.00	170.44	10.30	13.00	193.74
Total fiscal year 2008		38.50	41.00	5.50	85.00	3,621.88	218.31	277.06	4,117.25

Special Investigation of the
Creston Water Works

Additional Compensation Issued to Steve Green
For the period July 1, 2005 through November 16, 2012

Check Number	Pay Period Ended	Additional Hours Per Support Submitted by Mr. Green				Gross Amount per Pay Stub	IPERS	FICA	Total
		Summit Lake	Plant Expansion	Unknown	Total Hours				
24665	07/27/08	2.00	-	-	2.00	85.22	5.42	6.52	97.16
24734	08/10/08	-	-	3.00	3.00	127.83	8.12	9.78	145.73
24875	09/07/08	2.00	3.00	-	5.00	213.05	13.53	16.30	242.88
24944	09/21/08	3.00	-	-	3.00	127.83	8.12	9.78	145.73
24999	10/05/08	2.00	-	-	2.00	85.22	5.42	6.52	97.16
25085	10/19/08	2.00	2.00	-	4.00	170.44	10.82	13.04	194.30
25126	11/02/08	6.00	6.00	-	12.00	511.32	32.48	39.12	582.92
25218	11/16/08	6.00	-	-	6.00	255.66	16.24	19.56	291.46
25250	11/30/08	4.00	3.00	-	7.00	298.27	18.94	22.82	340.03
25332	12/14/08	-	3.00	2.00	5.00	213.05	13.53	16.30	242.88
25373	12/28/08	7.00	-	-	7.00	298.27	18.94	22.82	340.03
25402	01/11/09	3.00			3.00	127.83	8.12	9.78	145.73
25497	01/25/09	1.00	2.50	-	3.50	152.85	9.70	11.69	174.24
25556	02/08/09	1.00	3.00	-	4.00	174.68	11.09	13.36	199.13
25642	02/22/09	3.00	3.00	-	6.00	263.28	16.72	20.14	300.14
25669	03/08/09	1.00	4.00	-	5.00	219.40	13.94	16.79	250.13
25770	03/22/09	1.00			1.00	43.88	2.79	3.36	50.03
25853	04/06/09	2.00	3.00	-	5.00	219.40	13.93	16.78	250.11
25929	04/19/09	2.00	3.00	-	5.00	219.40	13.93	16.78	250.11
25970	05/03/09	2.00	3.00	-	5.00	219.40	13.93	16.78	250.11
26062	05/17/09	3.00	3.00	-	6.00	263.28	16.72	20.14	300.14
26092	05/31/09	1.00	4.00	-	5.00	219.40	13.94	16.79	250.13
26163	06/14/09	5.00	-	3.00	8.00	351.04	22.30	26.86	400.20
26228	06/28/09	1.00	2.00	-	3.00	131.64	8.40	10.10	150.14
Total fiscal year 2009		60.00	47.50	8.00	115.50	4,991.64	317.07	381.91	5,690.62

Exhibit B

Special Investigation of the
Creston Water Works

Additional Compensation Issued to Steve Green
For the period July 1, 2005 through November 16, 2012

Check Number	Pay Period Ended	Additional Hours Per Support Submitted by Mr. Green				Gross Amount per Pay Stub	IPERS	FICA	Total
		Summit Lake	Plant Expansion	Unknown	Total Hours				
26315	07/12/09	2.00	3.00	-	5.00	219.40	14.59	16.78	250.77
26369	07/26/09	2.00	5.00	-	7.00	307.16	20.43	23.49	351.08
26430	08/09/09	2.00	2.00	-	4.00	175.52	11.68	13.42	200.62
26520	08/23/09	2.00	-	2.00	4.00	175.52	11.68	13.42	200.62
26617	09/06/09	2.50	2.00	-	4.50	197.46	13.14	15.10	225.70
26680	09/20/09	3.00	5.00	-	8.00	351.04	23.35	26.86	401.25
26751	10/04/09	5.00	3.00	-	8.00	351.04	23.36	26.85	401.25
26834	10/18/09	5.00	6.00	-	11.00	482.68	32.12	36.93	551.73
26871	11/01/09	5.00	3.00	-	8.00	351.04	23.35	26.85	401.24
26947	11/15/09	3.00	3.00	-	6.00	263.28	17.52	20.16	300.96
26989	11/29/09	3.00	4.00	-	7.00	307.16	20.44	23.50	351.10
27076	12/13/09	3.00	3.00	-	6.00	263.28	17.52	20.16	300.96
27120	12/27/09	2.00	3.00	-	5.00	219.40	14.60	16.79	250.79
27196	01/10/10	1.00	4.00	-	5.00	225.95	15.04	17.29	258.28
27239	01/24/10	2.00	2.00	-	4.00	180.76	12.03	13.83	206.62
27279	02/07/10	2.00	5.00	1.00	7.00	316.33	21.05	24.20	361.58
27365	02/21/10	2.00	2.00	1.00	5.00	225.95	15.04	17.29	258.28
27402	03/07/10	1.00	5.00	-	6.00	271.14	18.04	20.74	309.92
27517	03/21/10	4.00	2.00	-	6.00	271.14	18.05	20.75	309.94
27556	04/04/10	3.00	4.00	1.00	8.00	361.52	24.06	27.66	413.24
27652	04/18/10	1.00	2.00	1.00	4.00	180.76	12.03	13.83	206.62
27686	05/02/10	2.00	3.00	2.00	7.00	316.33	21.05	24.20	361.58
27768	05/16/10	1.00	5.00	2.00	8.00	361.52	24.06	27.66	413.24
27790	05/30/10	1.00	3.00	4.00	8.00	361.52	24.06	27.66	413.24
27938	06/13/10	1.00	4.00	1.00	6.00	271.14	18.05	20.75	309.94
27962	06/27/10	4.00	2.00	-	6.00	271.14	18.03	20.73	309.90
Total fiscal year 2010		64.50	85.00	15.00	163.50	7,279.18	484.37	556.90	8,320.45

Special Investigation of the
Creston Water Works

Additional Compensation Issued to Steve Green
For the period July 1, 2005 through November 16, 2012

Check Number	Pay Period Ended	Additional Hours Per Support Submitted by Mr. Green				Gross Amount per Pay Stub	IPERS	FICA	Total
		Summit Lake	Plant Expansion	Unknown	Total Hours				
28070	07/11/10	3.00	1.00	4.00	8.00	361.52	24.58	27.66	413.76
28107	07/25/10	2.00	1.00	3.00	6.00	271.14	18.84	20.75	310.73
28178	08/08/10	3.00	2.00	-	5.00	225.95	15.70	17.29	258.94
28241	08/22/10	2.00	4.00	1.00	7.00	316.33	21.98	24.20	362.51
28291	09/03/10	6.00	5.00	-	11.00	497.09	34.54	38.02	569.65
28390	09/19/10	4.00	4.00	-	8.00	361.52	25.12	27.66	414.30
28427	10/03/10	3.00	4.00	-	7.00	316.33	21.98	24.20	362.51
28503~	10/17/10	4.00	4.00	-	8.00	361.52	25.12	27.66	414.30
28559	10/31/10	5.00	4.00	-	9.00	406.71	28.26	31.10	466.07
28652	11/14/10	4.00	4.00	-	8.00	361.52	25.12	27.64	414.28
28675	11/28/10	2.00	4.00	1.00	7.00	316.33	21.98	24.20	362.51
28741	12/12/10	5.00	6.00	-	11.00	497.09	34.54	38.03	569.66
28775	12/26/10	6.00	5.00	-	11.00	497.09	34.54	38.02	569.65
28799	01/09/11	6.00	4.00	-	10.00	461.40	32.07	30.68	524.15
28867	01/23/11	4.00	5.00	2.00	11.00	507.54	35.28	28.68	571.50
28890	02/06/11	6.00	4.00	-	10.00	461.40	32.06	26.06	519.52
28957	02/20/11	2.00	4.00	2.00	8.00	369.12	25.67	20.87	415.66
28981	03/06/11	4.00	3.00	-	7.00	322.98	22.45	18.25	363.68
29054	03/20/11	4.00	5.00	2.00	11.00	507.54	35.29	28.69	571.52
29072	04/03/11	5.00	5.00	-	10.00	461.40	32.06	26.06	519.52
29154	04/17/11	5.00	6.00	-	11.00	507.54	35.27	28.67	571.48
29184	05/01/11	4.00	5.00	-	9.00	415.26	28.87	23.47	467.60
29249	05/15/11	5.00	3.00	-	8.00	369.12	25.67	20.87	415.66
29261	05/29/11	5.00	6.00	-	11.00	507.54	35.29	28.69	571.52
29320	06/12/11	5.00	5.00	-	10.00	461.40	32.08	26.08	519.56
29371	06/26/11	2.00	3.00	1.00	6.00	276.84	19.25	15.65	311.74
Total fiscal year 2011		106.00	106.00	16.00	228.00	10,419.22	723.61	689.15	11,831.98

Exhibit B

Special Investigation of the
Creston Water Works

Additional Compensation Issued to Steve Green
For the period July 1, 2005 through November 16, 2012

Check Number	Pay Period Ended	Additional Hours Per Support Submitted by Mr. Green				Gross Amount per Pay Stub	IPERS	FICA	Total
		Summit Lake	Plant Expansion	Unknown	Total Hours				
29477	07/04/11	5.00	3.00	-	8.00	369.12	27.72	20.86	417.70
29397	07/10/11	5.00	3.00	-	8.00	369.12	29.78	20.86	419.76
29503	08/07/11	4.00	5.00	-	9.00	415.26	33.50	23.47	472.23
29572	08/21/11	6.00	4.00	-	10.00	461.40	37.23	26.07	524.70
29593	09/04/11	5.00	6.00	-	11.00	507.54	40.95	28.68	577.17
29668	09/18/11	4.00	6.00	-	10.00	461.40	37.22	26.08	524.70
29695	10/02/11	5.00	5.00	-	10.00	461.40	37.23	26.07	524.70
29787	10/16/11	5.00	3.00	2.00	10.00	461.40	37.23	26.07	524.70
29807	10/30/11	5.00	6.00	-	11.00	507.54	40.95	28.68	577.17
29897	11/12/11	3.00	6.00	-	9.00	415.26	33.49	23.48	472.23
29920	11/27/11	5.00	5.00	-	10.00	461.40	37.23	26.07	524.70
29993	12/11/11	3.00	5.00	2.00	10.00	461.40	37.23	26.07	524.70
30028	12/25/11	4.00	6.00	-	10.00	461.40	37.23	26.07	524.70
30062	01/08/12	5.00	4.00	-	9.00	427.68	34.50	24.15	486.33
30143	01/22/12	4.00	5.00	-	9.00	427.68	34.49	24.14	486.31
30172	02/05/12	5.00	4.00	-	9.00	427.68	34.50	24.15	486.33
30252	02/19/12	4.00	5.00	-	9.00	427.68	34.50	24.15	486.33
30279	03/04/12	3.00	1.00	2.00	6.00	285.12	23.00	16.10	324.22
30349	03/18/12	4.00	6.00	-	10.00	475.20	38.34	26.84	540.38
30369	04/01/12	5.00	4.00	2.00	11.00	522.72	42.17	29.52	594.41
30436	04/15/12	4.00	6.00	-	10.00	475.20	38.32	26.82	540.34
30449	04/29/12	6.00	6.00	-	12.00	570.24	45.99	32.19	648.42
30531	05/13/12	5.00	5.00	1.00	11.00	522.72	42.16	29.51	594.39
30554	05/27/12	5.00	6.00	-	11.00	522.72	42.15	29.50	594.37
30600	06/10/12	4.00	6.00	-	10.00	475.20	38.31	26.81	540.32
30667	06/24/12	5.00	5.00	-	10.00	475.20	38.33	26.83	540.36
Total fiscal year 2012		118.00	126.00	9.00	253.00	11,848.68	953.75	669.24	13,471.67

Special Investigation of the
Creston Water Works

Additional Compensation Issued to Steve Green
For the period July 1, 2005 through November 16, 2012

Check Number	Pay Period Ended	Additional Hours Per Support Submitted by Mr. Green				Gross Amount per Pay Stub	IPERS	FICA	Total
		Summit Lake	Plant Expansion	Unknown	Total Hours				
30702	07/08/12	5.00	6.00	-	11.00	522.72	43.89	29.51	596.12
30796	07/22/12	6.00	4.00	-	10.00	475.20	41.20	26.82	543.22
30828	08/05/12	5.00	6.00	-	11.00	522.72	45.32	29.51	597.55
30905	08/19/12	3.00	6.00	-	9.00	427.68	37.08	24.14	488.90
30928	09/02/12	2.00	6.00	3.00	11.00	522.72	45.32	29.51	597.55
31014	09/16/12	4.00	6.00	-	10.00	475.20	41.20	26.83	543.23
31028	09/30/12	4.00	6.00	-	10.00	475.20	41.20	26.82	543.22
31108	10/14/12	5.00	5.00	-	10.00	475.20	41.20	26.83	543.23
31130	10/28/12	2.00	6.00	-	8.00	380.16	32.96	21.46	434.58
31206	11/11/12	4.00	5.00	-	9.00	427.68	37.08	24.15	488.91
31243	11/25/12	1.00	2.00	-	3.00	142.56	12.36	8.05	162.97
Total fiscal year 2013 *		41.00	58.00	3.00	102.00	4,847.04	418.81	273.63	5,539.48
Total		436.00	471.00	56.50	962.50	\$ 43,668.10	3,153.90	2,898.42	49,720.42

* - Through November 25, 2012.

**Report on Special Investigation
of the
Creston Water Works**

Special Investigation of the
Creston Water Works

Vacation Payouts Issued to Steve Green
For the period July 1, 2005 through November 16, 2012

Check Number	Check Date	Number of Hours	Gross Amount	FICA	Total
20571	01/29/06	40	\$ 1,549.20	118.51	1,667.71
21935	12/03/06	40	1,704.40	130.39	1,834.79
22144	01/14/07	40	1,704.40	130.39	1,834.79
23644	12/02/07	40	1,704.40	130.39	1,834.79
23962	02/10/08	40	1,704.40	130.39	1,834.79
24875	09/07/08	40	1,704.40	130.39	1,834.79
25497	01/25/09	40	1,746.80	133.63	1,880.43
26947	11/15/09	40	1,755.20	134.27	1,889.47
27120	12/27/09	40	1,755.20	134.27	1,889.47
27365	02/21/10	40	1,807.60	138.28	1,945.88
27686	05/02/10	40	1,807.60	138.28	1,945.88
28390	09/19/10	40	1,807.60	138.28	1,945.88
29054	03/20/11	40	1,845.60	104.28	1,949.88
29320 *	06/12/11	40	1,845.60	104.28	1,949.88
29668 *	09/18/11	40	1,845.60	104.28	1,949.88
29993 *	12/11/11	40	1,845.60	104.28	1,949.88
30172	02/05/12	40	1,900.80	107.40	2,008.20
30279	03/04/12	40	1,900.80	107.40	2,008.20
30613	06/10/12	40	1,900.80	107.40	2,008.20
Total		760	\$ 33,836.00	2,326.79	36,162.79

* - Approved by the Board to be paid out.

Exhibit D

Special Investigation of the
Creston Water Works

Selected Casey's Credit Card Charges
For the period July 1, 2005 through November 16, 2012

Credit Card Number	Statement Date		Purchase Date	Location	Gallons	Amount Charged
3	02/02/09	@	January 2009	@	@ \$	226.50
3	03/02/09	@	February 2009	@	@	161.00
3	03/31/09	@	March 2009	@	@	247.73
3	05/01/09	@	April 2009	@	@	177.25
#	06/03/09	#	May 2009	@	-	-
3	06/30/09	@	June 2009	@	@	108.01
Total fiscal year 2009					-	920.49
3	07/31/09	@	July 2009	@	@	216.01
3	08/31/09		08/05/09	Stuart IA	22.59	56.00
3	08/31/09		08/12/09	Creston #3	22.41	56.00
3	08/31/09		08/23/09	Creston #2	21.51	51.60
3	09/30/09	@	September 2009	@	@	249.54
3	11/02/09	@	October 2009	@	@	224.71
3	11/30/09	@	November 2009	@	@	236.00
3	12/31/09	@	December 2009	@	@	279.52
3	02/01/10	@	January 2010	@	@	390.18
3	03/01/10	@	February 2010	@	@	381.52
3	03/31/10		03/04/10	Creston #3	22.77	61.00
3	03/31/10		03/11/10	Creston #3	22.77	61.00
3	03/31/10		03/17/10	Stuart	22.91	60.00
3	03/31/10		03/22/10	Creston #3	18.85	52.01
3	03/31/10		03/26/10	Creston #3	22.40	60.01
3	04/30/10		03/31/10	Creston #3	22.94	61.01
3	04/30/10		04/02/10	Creston #3	23.17	63.00
3	04/30/10		04/06/10	Creston #3	22.33	62.50
3	04/30/10		04/11/10	Creston #3	22.07	60.00
3	04/30/10		04/17/10	Creston #3	22.62	61.50
3	04/30/10		04/24/10	Creston #3	22.99	62.50
3	06/01/10		05/03/10	Creston #3	22.87	64.00
3	06/01/10		05/10/10	Creston #4	23.56	65.00
3	06/01/10		05/14/10	Creston #3	23.54	68.00

Special Investigation of the
Creston Water Works

Selected Casey's Credit Card Charges
For the period July 1, 2005 through November 16, 2012

Credit Card Number	Statement Date	Purchase Date	Location	Gallons	Amount Charged
3	06/01/10	05/19/10	Creston #3	23.16	62.50
3	06/01/10	05/24/10	Creston #2	22.91	60.00
3	06/30/10	06/01/10	Creston #3	23.62	59.50
3	06/30/10	06/10/10	Creston #3	22.25	58.50
3	06/30/10	06/13/10	Creston #4	22.61	56.51
3	06/30/10	06/19/10	Ladd IL	23.34	65.80
3	06/30/10	06/24/10	Creston #3	22.19	61.01
Total fiscal year 2010				542.38	3,426.43
3	08/02/10	06/30/10	Creston #3	22.97	62.00
3	08/02/10	07/06/10	Creston #3	24.23	61.51
3	08/02/10	07/18/10	Creston #3	20.08	54.00
3	08/02/10	07/20/10	Creston #3	23.06	62.01
3	08/31/10	08/07/10	Creston #3	24.65	68.50
3	08/31/10	08/12/10	Creston #2	4.86	13.35
3	08/31/10	08/12/10	Creston #4	8.21	21.50
3	08/31/10	08/16/10	Creston #3	21.18	54.00
3	08/31/10	08/21/10	Creston #3	24.41	61.01
3	08/31/10	08/24/10	Creston #4	4.49	13.01
3	08/31/10	08/29/10	Creston #3	25.11	62.00
3	09/30/10	09/07/10	Creston #2	22.97	59.00
3	09/30/10	09/10/10	Creston #3	25.30	67.02
3	09/30/10	09/18/10	Creston #4	25.01	67.00
3	09/30/10	09/23/10	Creston #4	25.20	66.01
3	09/30/10	09/27/10	Afton IA	14.55	40.00
3	11/01/10	10/04/10	Creston #3	24.82	67.00
3	11/01/10	10/12/10	Creston #3	24.38	67.01
3	11/01/10	10/18/10	Creston #3	23.91	65.00
3	11/01/10	10/26/10	Creston #4	24.29	68.00
3	11/30/10	10/31/10	Creston #3	24.54	65.00
3	11/30/10	11/10/10	Creston #3	24.66	69.01

Exhibit D

Special Investigation of the
Creston Water Works

Selected Casey's Credit Card Charges
For the period July 1, 2005 through November 16, 2012

Credit Card Number	Statement Date	Purchase Date	Location	Gallons	Amount Charged
3	11/30/10	11/18/10	Creston #3	23.94	67.00
3	11/30/10	11/24/10	Creston #3	23.20	66.09
3	01/03/11	11/30/10	Creston #3	24.22	69.00
3	01/03/11	12/04/10	Creston #3	12.29	36.50
3	01/03/11	12/06/10	Creston #4	24.14	68.52
3	01/03/11	12/11/10	Creston #4	23.80	69.00
3	01/03/11	12/17/10	Creston #3	23.69	67.50
3	01/03/11	12/22/10	Creston #3	24.93	73.51
3	01/03/11	12/26/10	Creston #2	18.31	54.00
3	01/31/11	01/01/11	Creston #4	23.18	69.51
3	01/31/11	01/07/11	Creston #3	23.40	70.00
3	01/31/11	01/14/11	Creston #2	22.87	72.01
3	01/31/11	01/22/11	Creston #3	23.69	71.51
3	01/31/11	01/26/11	Creston #4	21.57	67.50
3	02/28/11	01/31/11	Creston #3	24.85	77.01
3	02/28/11	02/06/11	Creston #3	24.52	76.00
3	02/28/11	02/13/11	Creston #3	23.56	73.01
3	03/31/11	03/25/11	Creston #3	21.36	77.51
3	03/31/11	03/11/11	Creston #3	24.06	83.00
3	03/31/11	03/16/11	Creston #3	23.54	80.00
3	05/02/11	04/01/11	Creston #3	23.01	80.50
3	05/02/11	04/07/11	Creston #4	24.45	88.01
3	05/02/11	04/14/11	Creston #3	25.07	92.00
3	05/02/11	04/21/11	Creston #3	24.60	91.01
3	05/02/11	04/24/11	Creston #4	22.48	86.53
3	05/02/11	04/27/11	Creston #3	24.74	92.00
3	05/31/11	05/04/11	Creston #3	22.71	91.50
3	05/31/11	05/06/11	Creston #3	24.62	95.00
3	05/31/11	05/12/11	Creston #4	23.66	91.08
3	05/31/11	05/19/11	Creston #4	24.67	93.00
3	05/31/11	05/26/11	Creston #2	24.21	90.04

Special Investigation of the
Creston Water Works

Selected Casey's Credit Card Charges
For the period July 1, 2005 through November 16, 2012

Credit Card Number	Statement Date	Purchase Date	Location	Gallons	Amount Charged
3	06/30/11	06/05/11	Creston #3	25.01	93.02
3	06/30/11	06/15/11	Creston #2	19.84	71.00
3	06/30/11	06/21/11	Creston #4	24.45	88.01
Total fiscal year 2011				1,251.52	3,863.82
3	08/01/11	06/30/11	Creston #4	25.15	89.51
3	08/01/11	07/04/11	Creston #3	23.53	83.75
3	08/01/11	07/07/11	Creston #2	24.16	85.01
3	08/01/11	07/17/11	Creston #3	25.29	91.03
3	08/01/11	07/21/11	Creston #3	20.43	72.50
3	08/01/11	07/28/11	Creston #4	25.57	92.02
3	08/31/11	08/03/11	Creston #4	24.87	89.50
3	08/31/11	08/17/11	Creston #4	25.16	84.51
3	08/31/11	08/29/11	Creston #4	23.62	85.01
3	09/30/11	09/01/11	Creston #2	21.67	78.00
3	09/30/11	09/01/11	Creston #4	2.58	10.00
3	09/30/11	09/09/11	Creston #4	25.42	91.50
3	09/30/11	09/16/11	Creston #4	24.59	87.02
3	09/30/11	09/23/11	Creston #4	25.30	86.00
3	10/31/11	10/02/11	Creston #4	24.56	81.02
3	10/31/11	10/06/11	Creston #4	22.65	72.00
3	10/31/11	10/12/11	Creston #4	25.16	85.01
3	10/31/11	10/20/11	Creston #4	24.27	82.00
3	10/31/11	10/28/11	Creston #4	15.51	53.00
3	11/30/11	11/01/11	Creston #4	24.25	80.01
3	11/30/11	11/08/11	Creston #4	23.67	79.03
3	11/30/11	11/11/11	Creston #4	21.52	71.00
3	11/30/11	11/17/11	Creston #4	24.38	78.00
3	11/30/11	11/26/11	Creston #4	22.51	72.02
3	12/31/11	11/30/11	Creston #4	23.72	74.00
3	12/31/11	12/08/11	Creston #4	23.18	73.00

Exhibit D

Special Investigation of the
Creston Water Works

Selected Casey's Credit Card Charges
For the period July 1, 2005 through November 16, 2012

Credit Card Number	Statement Date	Purchase Date	Location	Gallons	Amount Charged
3	12/31/11	12/15/11	Creston #4	23.07	71.50
3	12/31/11	12/22/11	Creston #3	24.01	72.00
3	12/31/11	12/29/11	Creston #4	20.89	65.00
3	01/31/12	01/03/12	Creston #4	25.50	79.03
3	01/31/12	01/06/12	Creston #4	23.66	74.02
3	01/31/12	01/12/12	Creston #3	23.97	75.00
3	01/31/12	01/18/12	Creston #3	24.39	78.01
3	01/31/12	01/25/12	Afton IA	24.85	77.00
3	01/31/12	01/31/12	Fuel Discount	-	(6.12)
3	02/29/12	02/02/12	Creston #3	23.94	78.50
3	02/29/12	02/09/12	Creston #3	23.99	82.03
3	02/29/12	02/28/12	Creston #3	23.86	83.50
3	02/29/12	02/29/12	Fuel Discount	-	(3.59)
3	04/02/12	03/03/12	Creston #4	25.57	92.02
3	04/02/12	03/08/12	Afton IA	11.14	40.00
3	04/02/12	03/13/12	Creston #3	23.81	88.06
3	04/02/12	03/20/12	Creston #3	24.14	90.50
3	04/02/12	03/26/12	Creston #4	21.58	83.04
3	04/02/12	03/30/12	Creston #3	24.01	90.00
3	04/02/12	03/31/12	Fuel Discount	-	(6.51)
3	04/30/12	04/07/12	Creston #3	23.79	88.00
3	04/30/12	04/14/12	Creston #4	22.26	80.12
3	04/30/12	04/18/12	Creston #4	2.50	10.01
3	04/30/12	04/22/12	Creston #4	18.50	67.51
3	04/30/12	04/25/12	Creston #4	19.05	69.50
3	04/30/12	04/30/12	Fuel Discount	-	(4.31)
3	05/31/12	05/07/12	Creston #4	24.88	87.06
3	05/31/12	05/14/12	Creston #4	4.36	17.00
3	05/31/12	05/15/12	Creston #2	23.83	81.00
3	05/31/12	05/31/12	Fuel Discount	-	(2.65)
Total fiscal year 2012				1,124.27	3,821.68

Special Investigation of the
Creston Water Works

Selected Casey's Credit Card Charges
For the period July 1, 2005 through November 16, 2012

Credit Card Number	Statement Date	Purchase Date	Location	Gallons	Amount Charged
3	07/02/12	06/06/12	Creston #3	24.86	82.00
3	07/02/12	06/13/12	Creston #4	23.35	77.04
3	07/02/12	06/19/12	Creston #4	19.92	70.51
3	07/02/12	06/22/12	Creston #4	23.78	81.80
3	07/02/12	06/28/12	Creston #2	23.95	79.00
3	07/02/12	06/30/12	Fuel Discount	-	(5.79)
3	07/31/12	07/03/12	Creston #4	23.86	77.52
3	07/31/12	07/09/12	Creston #3	24.40	80.50
3	07/31/12	07/18/12	De Soto #2	24.42	83.01
3	07/31/12	07/20/12	Creston #3	25.08	89.01
3	07/31/12	07/21/12	Creston #2	<i>Non gas</i>	13.97
3	07/31/12	07/25/12	Creston #3	24.51	87.00
3	07/31/12	07/31/12	Fuel Discount	-	(6.11)
3	08/31/12	08/01/12	Creston #3	23.78	82.00
3	08/31/12	08/07/12	Creston #3	22.32	80.32
3	08/31/12	08/13/12	Creston #4	19.47	72.01
3	08/31/12	08/29/12	Creston #2	24.20	89.50
3	08/31/12	08/31/12	Fuel Discount	-	(4.49)
3	10/01/12	09/03/12	Creston #4	17.11	65.01
3	10/01/12	09/09/12	Creston #3	24.88	94.50
3	10/01/12	09/15/12	Creston #4	18.47	72.01
3	10/01/12	09/24/12	Creston #3	24.29	91.08
3	10/01/12	09/30/12	Fuel Discount	-	(4.24)
3	11/01/12	10/02/12	Creston #3	24.67	92.00
3	11/01/12	10/06/12	Creston #3	16.99	62.51
3	11/01/12	10/19/12	Creston #3	24.03	85.05
3	11/01/12	10/29/12	Creston #3	23.85	77.50
3	11/01/12	10/31/12	Fuel Discount	-	(4.48)
3	11/30/12	11/01/12	Creston #4	23.40	76.01
3	11/30/12	11/08/12	Creston #2	21.35	71.50
3	11/30/12	11/13/12	Creston #3	24.78	80.51
3	11/30/12	11/30/12	Fuel Discount	-	(3.48)
Total fiscal year 2013 *				571.72	1,984.28
Total				3,489.89	\$ 14,016.70

Exhibit D

Special Investigation of the
Creston Water Works

Selected Casey's Credit Card Charges
For the period July 1, 2005 through November 16, 2012

Credit Card Number	Statement Date	Purchase Date	Location	Gallons	Amount Charged
<u>Interim General Manger</u>					
3	12/31/12	12/18/12	Creston # 3	19.40	\$ 59.34
3	12/31/12	12/29/12	Creston # 3	20.50	64.77
3	12/31/12	12/31/12	Fuel Discount	-	(2.00)
3	01/31/13	01/02/13	Oskaloosa	4.20	13.02
3	01/31/13	01/22/13	Creston	21.50	67.06
3	01/31/13	01/31/13	Fuel Discount	-	(1.29)
3	02/28/13	02/06/13	Creston	22.00	75.22
3	02/28/13	02/28/13	Fuel Discount	-	(1.10)
Total				87.60	\$ 275.02

* - Through November 30, 2012.

@ - The statement only included the total charged by credit card number. No detail was available.

- The statement did not provide a breakout by credit card number. The Water Works was unable to obtain the breakout by card number from the vendor.

**Report on Special Investigation
of the
Creston Water Works**

Special Investigation of the
Creston Water Works

Reimbursements to Steve Green for Prescription Co-payments
For the period July 1, 2005 through November 16, 2012

Check Date	Check Number	Receipt Date	Prescription Date	Description
03/20/06	20753	03/20/06	03/17/06	Steve Green Co-pay Ins
04/11/06	20885	blank	04/08/06	Reimburse medical perscp ded
		blank	04/08/06	Reimburse medical perscp ded
03/13/07	22434	03/08/07	03/01/07	Steve Green Co-pay Ins
		03/08/07	03/05/07	Steve Green Co-pay Ins
		03/08/07	03/06/07	Steve Green Co-pay Ins
		03/08/07	03/07/07	Steve Green Co-pay Ins
		03/08/07	03/07/07	Steve Green Co-pay Ins
		03/13/07	03/12/07	Steve Green Co-pay Ins
		03/13/07	03/13/07	Steve Green Co-pay Ins
04/17/07	22577	04/10/07	04/06/07	Co-Ins Drugs
		04/10/07	04/06/07	Co-Ins Drugs
		04/17/07	04/13/07	Steve Green Ins Co Pay
05/07/07	22669	04/24/07	04/20/07	Co-Ins Steve Green
05/22/07	22712	05/07/07	05/07/07	Steve Green Co-Ins
		05/17/07	05/10/07	Steve Green Ins Co Pay - Medication
06/22/07	22843	06/11/07	06/08/07	Steve Green Co Pay - Pharmacy
		06/14/07	06/11/07	Steve Green Co Pay Pharmacy
07/09/07	22940	06/22/07	06/18/07	Ins. Co-Pay Pharmacy
08/08/07	23096	07/11/07	06/08/07	Steve Green Reimb/Drug
		07/11/07	06/29/07	Steve Green Reimb/Drug
08/20/07	23147	08/16/07	08/10/07	Medication Reimb
		08/16/07	08/13/07	Medication Reimb
09/10/07	23280	09/10/07	09/08/07	Reimb Ins Co Pay Medicine
		09/10/07	09/08/07	Reimb Ins Co Pay Medicine
		09/10/07	09/08/07	Reimb Ins Co Pay Medicine
		09/10/07	09/10/07	Reimb Ins Co Pay Medicine
10/09/07	23423	10/08/07	10/05/07	Prescpt Reimb
10/16/07	23447	10/12/07	10/12/07	Pharmacy Reimbursement
11/07/07	23558	10/18/07	10/12/07	Reimb Drug
		10/30/07	10/30/07	Insurance Co-Pay
11/16/07	23626	11/15/07	11/12/07	Drug Reimb.
12/05/07	23689	11/20/07	11/20/07	Drug Reimbursement

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Special Investigation of the
Creston Water Works

Reimbursements to Steve Green for Prescription Co-payments
For the period July 1, 2005 through November 16, 2012

Check Date	Check Number	Receipt Date	Prescription Date	Description
		11/20/07	11/20/07	Drug Reimbursement
01/07/08	23796	12/19/07	12/13/07	Steve Green Drug Reimb
		12/19/07	12/13/07	Steve Green Drug Reimb
		01/02/08	12/22/07	Steve Green Reimb drugs
01/15/08	23879	1/xx/08	01/11/08	Drug Reimbursement
02/05/08	23943	01/24/08	01/23/08	Drug Reimb
		01/24/08	01/23/08	Drug Reimbursement
		01/29/08	01/29/08	Drug Reimb
02/07/08	23987	02/05/08	02/01/08	Drug Reimbursement
		02/06/08	02/04/08	Drug Reimb
		02/05/08	02/05/08	Drug Reimbursement
02/15/08	24004	02/14/08	02/09/08	Drug Reimb
		02/14/08	02/09/08	Drug Reimb
		02/14/08	02/11/08	Drug Reimb
03/06/08	24069	03/06/08	03/04/08	Steve Green Drug Remb
		03/06/08	<i>Unreadbale</i>	Steve Green Drug Remb
03/31/08	24183	03/26/08	03/20/08	Drug Reimb Steve Green
04/04/08	24228	04/04/08	04/04/08	Drug Reimb
04/21/08	24274	04/18/08	04/09/08	Reimb Drug expense
05/20/08	24413	05/15/08	05/09/08	Drug Reimb
06/17/08	24518	06/17/08	06/06/08	Steve Green - Drug Reimb
		06/17/08	06/06/08	Steve Green - Drug Reimb
07/01/08	24582	06/25/08	06/18/08	Drug Reimbursement
07/14/08	24656	07/14/08	07/09/08	Drug Reimb
07/28/08	24696	07/25/08	07/25/08	3 mo Drug Reimb Steve Green
08/11/08	24801	08/12/08	07/25/08	Steve Green Drug
		08/12/08	08/08/08	Steve Green Drug
		08/12/08	08/08/08	Steve Green Drug
08/13/08	24808	08/11/08	07/25/08	Steve Green Drug Reimb
09/11/08	24942	<i>blank</i>	09/02/08	<i>blank (Prescription support attached)</i>
		<i>blank</i>	09/02/08	<i>blank (Prescription support attached)</i>
11/05/08	25181	10/29/08	10/28/08	Steve Green drug Reimb
		10/29/08	10/28/08	Steve Green drug Reimb

Amount Submitted for Reimbursement	Employee's Share	Water Works' Share	Amount Reimbursed to Steve Green	Improper Reimbursement
10.00	10.00	-	10.00	10.00
15.00	10.00	5.00	15.00	10.00
15.00	10.00	5.00	15.00	10.00
15.00	10.00	5.00	15.00	10.00
15.00	10.00	5.00	15.00	10.00
20.00	10.00	10.00	20.00	10.00
15.00	10.00	5.00	15.00	10.00
15.00	10.00	5.00	15.00	10.00
20.00	10.00	10.00	20.00	10.00
15.00	10.00	5.00	15.00	10.00
20.00	10.00	10.00	20.00	10.00
20.00	10.00	10.00	20.00	10.00
11.99	10.00	1.99	11.99	10.00
20.00	10.00	10.00	20.00	10.00
20.00	10.00	10.00	20.00	10.00
4.00	4.00	-	4.00	4.00
20.00	10.00	10.00	20.00	10.00
60.00	10.00	50.00	60.00	10.00
20.00	10.00	10.00	20.00	10.00
20.00	10.00	10.00	20.00	10.00
20.00	10.00	10.00	20.00	10.00
15.00	10.00	5.00	15.00	10.00
20.00	10.00	10.00	20.00	10.00
20.00	10.00	10.00	20.00	10.00
60.00	10.00	50.00	60.00	10.00 ^
60.00	10.00	50.00	60.00	10.00
20.00	10.00	10.00	20.00	10.00
20.00	10.00	10.00	20.00	10.00
22.84	10.00	12.84	22.84	10.00
60.00	10.00	50.00	60.00	10.00
60.00	10.00	50.00	60.00	10.00
15.00	10.00	5.00	15.00	10.00
4.00	4.00	-	4.00	4.00

Special Investigation of the
Creston Water Works

Reimbursements to Steve Green for Prescription Co-payments
For the period July 1, 2005 through November 16, 2012

Check Date	Check Number	Receipt Date	Prescription Date	Description
11/24/08	25268	11/23/08	11/22/08	Steve Green Drug Reimb
		11/23/08	11/22/08	Steve Green Drug Reimb
		11/23/08	11/22/08	Steve Green Drug Reimb
12/04/08	25294	12/02/08	12/02/08	Steve A. Green
01/07/09	25434	12/31/08	12/29/08	S G Medical
01/09/09	25472	01/09/09	01/07/09	Steve Green Drug
01/27/09	25549	01/27/09	01/24/09	Steve Green Med. Reimb
02/09/09	25625	02/09/09	02/06/09	Steve Greed Meds
02/17/09	25660	02/22/09	02/17/09	Steve - Reimburse prescription
03/12/09	25769	03/11/09	03/11/09	Steve Green Mecical Reimb. Drug
04/07/09	25917	03/31/09	03/30/09	Meds - Steve Green
		03/31/09	03/30/09	Meds - Steve Green
04/13/09	25928	04/13/09	04/09/09	Reimburse for Medication
04/27/09	25967	04/27/09	04/24/09	Reimb Drug expense Steve Green
07/16/09	26368	07/13/09	07/10/09	Steve Green Drug Reimb
		07/15/09	07/14/09	Steve Green Drug Reimb
07/30/09	26416	07/30/09	07/27/09	Steve Green Drug Reimb 3 mo
08/11/09	26499	08/11/09	08/11/09	Steve Green Reimb Drugs
10/16/09	26853	10/14/09	09/30/09	Steve Green - Drug
11/05/09	26944	10/27/09	10/23/09	SG - Drug
11/20/09	26976	11/20/09	11/16/09	Reimb Drugs
12/04/09	27028	11/24/09	11/20/09	Reimb Drugs - Steve G
		11/30/09	11/25/09	Steve G. - reimb drugs
		12/04/09	12/03/09	Steve Green Reimb Drugs
12/14/09	27100	<i>blank</i>	12/07/09	Reimb - Drugs
12/31/09	27148	12/23/09	12/16/09	Reimb Drugs
		12/23/09	12/21/09	Reimb Drugs
02/03/10	27341	01/25/10	01/20/10	Steve - pharmacy
		01/25/10	01/20/10	Steve - pharmacy
02/22/10	27393	02/19/10	02/19/10	Steve Green Prescription
03/05/10	27460	02/25/10	02/21/10	Steve Green Prescriptions
03/29/10	27553	03/24/10	03/19/10	Meal for DNR Mtg in Knoxville & Prescription
		03/29/10	03/23/10	Prescriptions - S.G.

Amount Submitted for Reimbursement	Employee's Share	Water Works' Share	Amount Reimbursed to Steve Green	Improper Reimbursement
4.00	4.00	-	4.00	4.00
15.00	10.00	5.00	15.00	10.00
4.80	4.80	-	4.80	4.80
4.80	4.80	-	4.80	4.80
12.75	10.00	2.75	12.75	10.00
6.00	6.00	-	6.00	6.00
60.00	10.00	50.00	60.00	10.00
15.00	10.00	5.00	15.00	10.00
60.00	10.00	50.00	60.00	10.00
20.00	10.00	10.00	20.00	10.00
13.39	10.00	3.39	13.39	10.00
4.00	4.00	-	4.00	4.00
75.00	10.00	65.00	75.00	10.00
75.00	10.00	65.00	75.00	10.00
12.04	10.00	2.04	12.04	10.00
15.54	10.00	5.54	15.54	10.00
75.00	10.00	65.00	75.00	10.00 ^
75.00	10.00	65.00	75.00	10.00
25.00	10.00	15.00	25.00	10.00
25.00	10.00	15.00	25.00	10.00
75.00	10.00	65.00	75.00	10.00
10.00	10.00	-	10.00	10.00
6.74	6.74	-	6.74	6.74
10.00	10.00	-	10.00	10.00
25.00	10.00	15.00	25.00	10.00
10.00	10.00	-	10.00	10.00
10.00	10.00	-	10.00	10.00
10.00	10.00	-	10.00	10.00
25.00	10.00	15.00	25.00	10.00
75.00	10.00	65.00	75.00 *	10.00
10.00	10.00	-	10.00	10.00
4.00	4.00	-	4.00	4.00
25.00	10.00	15.00	25.00	10.00

Special Investigation of the
Creston Water Works

Reimbursements to Steve Green for Prescription Co-payments
For the period July 1, 2005 through November 16, 2012

Check Date	Check Number	Receipt Date	Prescription Date	Description
		03/29/10	03/23/10	Prescriptions - S.G.
05/05/10	27733	04/30/10	04/25/10	Reimb Prescription
05/27/10	27819	05/26/10	05/22/10	Steve Green Reimb Prescription
05/27/10	27818	05/27/10	05/27/10	Prescription - S.G.
06/03/10	27869	06/03/10	05/26/10	Steve Green Prescription
06/16/10	27961	06/09/10	06/06/10	Prescription - Steve Green
08/03/10	28194	08/02/10	07/27/10	Prescription - S.G.
		08/02/10	07/27/10	Prescription - S.G.
08/31/10	28279	08/23/10	08/14/10	Reimb Prescriptions Steve G.
		08/23/10	08/18/10	Reimb Prescriptions Steve G.
		08/30/10	08/22/10	Prescriptions - Steve G
		08/30/10	08/22/10	Prescriptions - Steve G
09/23/10	28409	09/22/10	09/17/10	Reimb Prescriptions S. Green
		09/22/10	09/20/10	Reimb Prescriptions S. Green
		09/22/10	09/20/10	Reimb Prescriptions S. Green
09/23/10	28410	09/22/10	09/22/10	Reimb Steve G. prescriptions
10/12/10	28464	10/04/10	09/28/10	Reimb Prescription S. Green
11/08/10	28624	10/21/10	10/19/10	Reimb Prescriptions Steve Green
		10/21/10	10/19/10	Reimb Prescriptions Steve Green
11/22/10	28668	11/22/10	11/16/10	Reimb Prescriptions Steve Green
		11/22/10	11/16/10	Reimb Prescriptions Steve Green
		11/22/10	11/16/10	Reimb Prescriptions Steve Green
		11/22/10	11/16/10	Reimb Prescriptions Steve Green
01/11/11	28837	12/17/10	12/13/10	Re-imburse prescription Steve Green
		12/28/10	12/17/10	Reimburse prescription
		12/29/10	12/23/10	Reimb Prescription - Steve Green
01/31/11	28884	01/20/11	01/16/11	Reimb Prescriptions S. Green
		01/20/11	01/16/11	Reimb Prescriptions S. Green
		01/20/11	01/16/11	Reimb Prescriptions S. Green
		01/20/11	01/16/11	Reimb Prescriptions S. Green
02/11/11	28950	01/28/11	01/27/11	Reimb Prescription SG
02/28/11	28976	02/28/11	02/16/11	Reimb Prescriptions S.G.
		02/28/11	02/24/11	Reimb Prescriptions S.G.

Amount Submitted for Reimbursement	Employee's Share	Water Works' Share	Amount Reimbursed to Steve Green	Improper Reimbursement
10.00	10.00	-	10.00	10.00
10.00	10.00	-	10.00	10.00
10.00	10.00	-	10.00	10.00
75.00	10.00	65.00	75.00	10.00
25.00	10.00	15.00	25.00	10.00
10.00	10.00	-	10.00	10.00
4.00	4.00	-	4.00	4.00
4.00	4.00	-	4.00	4.00
10.00	10.00	-	10.00	10.00
10.00	10.00	-	10.00	10.00
4.00	4.00	-	4.00	4.00
4.00	4.00	-	4.00	4.00
10.00	10.00	-	10.00	10.00
25.00	10.00	15.00	25.00	10.00
4.00	4.00	-	4.00	4.00
75.00	10.00	65.00	75.00	10.00
3.75	3.75	-	3.75	3.75
4.00	4.00	-	4.00	4.00
10.00	10.00	-	10.00	10.00
10.00	10.00	-	10.00	10.00
4.00	4.00	-	4.00	4.00
4.00	4.00	-	4.00	4.00
25.00	10.00	15.00	25.00	10.00
16.88	10.00	6.88	16.88	10.00
10.00	10.00	-	10.00	10.00
4.00	4.00	-	4.00	4.00
4.00	4.00	-	4.00	4.00
4.00	4.00	-	4.00	4.00
25.00	10.00	15.00	25.00	10.00
10.00	10.00	-	10.00	10.00
3.78	3.78	-	3.78	3.78
10.00	10.00	-	10.00	10.00
4.00	4.00	-	4.00	4.00

Special Investigation of the
Creston Water Works

Reimbursements to Steve Green for Prescription Co-payments
For the period July 1, 2005 through November 16, 2012

Check Date	Check Number	Receipt Date	Prescription Date	Description
03/22/11	29065	03/18/11	03/17/11	Reimb Prescription Steve Green
		03/22/11	03/18/11	Reimb Prescriptions S.G.
		03/22/11	03/18/11	Reimb Prescriptions S.G.
		03/22/11	03/18/11	Reimb Prescriptions S.G.
		03/22/11	03/19/11	Reimb Prescriptions S.G.
04/07/11	29139	03/29/11	03/28/11	reimb Prescriptions
		04/04/11	04/01/11	Reimb Precrptions S. Green
04/19/11	29165	04/19/11	04/17/11	Reimb Steve Green Prescriptions
		04/19/11	04/18/11	Reimb Steve Green Prescriptions
		04/19/11	04/18/11	Reimb Steve Green Prescriptions
05/05/11	29229	04/25/11	04/25/11	Reimb Prescription S.G.
05/20/11	29255	05/17/11	05/17/11	Reimb. Prescription SG
		05/17/11	05/17/11	Reimb. Prescription SG
05/20/11	29256	05/18/11	05/17/11	Reimb Prescriptions SG
		05/18/11	05/17/11	Reimb Prescriptions SG
		05/18/11	05/17/11	Reimb Prescriptions SG
05/27/11	29273	05/20/11	05/18/11	Reimb Prescriptions S.G.
		05/20/11	05/18/11	Reimb Prescriptions S.G.
		05/20/11	05/18/11	Reimb Prescriptions S.G.
		05/20/11	05/18/11	Reimb Prescriptions S.G.
06/20/11	29362	06/20/11	06/16/11	Reimb Precrptions S.G.
07/15/11	29472	07/05/11	07/01/11	Reimb Prescriptions S. Green
		07/05/11	07/01/11	Reimb Prescriptions S. Green
		07/12/11	07/12/11	Reimb Prescription S. Green
07/27/11	29490	07/21/11	07/14/11	Reimb Prescriptions S.G.
		07/21/11	07/14/11	Reimb Prescriptions S.G.
		07/21/11	07/14/11	Reimb Prescriptions S.G.
		07/21/11	07/14/11	<i>prescription receipt not on photocopy</i>
		07/21/11	07/21/11	Reimb Prescriptions S.G.
08/01/11	29498	07/27/11	07/26/11	Reimb Prescription SG
		07/27/11	07/26/11	Reimb Prescription SG
08/30/11	29607	08/22/11	08/13/11	Reimb Prescription S. Green
		08/24/11	08/24/11	Reimb Prescription S. Green

Amount Submitted for Reimbursement	Employee's Share	Water Works' Share	Amount Reimbursed to Steve Green	Improper Reimbursement
6.87	6.87	-	6.87	6.87
10.00	10.00	-	10.00	10.00
25.00	10.00	15.00	25.00	10.00
4.00	4.00	-	4.00	4.00
4.00	4.00	-	4.00	4.00
8.58	8.58	-	8.58	8.58
10.00	10.00	-	10.00	10.00
4.00	4.00	-	4.00	4.00
10.00	10.00	-	10.00	10.00
10.00	10.00	-	10.00	10.00
8.58	8.58	-	8.58	8.58
6.74	6.74	-	6.74	6.74
8.47	8.47	-	8.47	8.47
8.58	8.58	-	8.58	8.58
75.00	10.00	65.00	75.00	10.00
7.56	7.56	-	7.56	7.56
25.00	10.00	15.00	25.00	10.00
4.00	4.00	-	4.00	4.00
10.00	10.00	-	10.00	10.00
4.00	4.00	-	4.00	4.00
10.00	10.00	-	10.00	10.00
10.00	10.00	-	10.00	10.00
10.00	10.00	-	10.00	10.00
7.94	7.94	-	7.94	7.94
4.00	4.00	-	4.00	4.00
25.00	10.00	15.00	25.00	10.00
10.00	10.00	-	10.00	10.00
8.58	8.58	-	8.58	8.58
7.56	7.56	-	7.56	7.56
5.69	5.69	-	5.69	5.69
8.20	8.20	-	8.20	8.20
10.00	10.00	-	10.00	10.00
8.58	8.58	-	8.58	8.58

Special Investigation of the
Creston Water Works

Reimbursements to Steve Green for Prescription Co-payments
For the period July 1, 2005 through November 16, 2012

Check Date	Check Number	Receipt Date	Prescription Date	Description
09/20/11	29672	09/19/11	09/15/11	Reimb prescriptions SG
		09/19/11	09/15/11	Reimb prescriptions SG
		09/19/11	09/15/11	Reimb prescriptions SG
		09/19/11	09/15/11	Reimb prescriptions SG
09/26/11	29688	09/23/11	09/23/11	Reimb S.G. - Prescriptions
10/20/11	29796	10/17/11	10/14/11	Reimb Prescriptionsn SG
		10/17/11	10/15/11	Reimb Prescriptionsn SG
		10/17/11	10/15/11	Reimb Prescriptionsn SG
11/08/11	29875	10/25/11	10/24/11	Reimb Prescriptions - S.G.
11/18/11	29911	11/17/11	11/14/11	Reimb Lunch-Cont Ed. & Prescriptions - S.G.
		11/17/11	11/14/11	Reimb Lunch-Cont Ed. & Prescriptions - S.G.
		11/17/11	11/16/11	Reimb Lunch-Cont Ed. & Prescriptions - S.G.
11/29/11	29962	11/29/11	11/20/11	Reimb - S.G. for Prescriptions
		11/29/11	11/29/11	Reimb - S.G. for Prescriptions
12/22/11	30041	12/20/11	12/14/11	Reimb Prescription S.G.
12/28/11	30045	12/23/11	12/23/11	Reimb Prescriptions S.G.
		12/23/11	12/23/11	Reimb Prescriptions S.G.
		12/23/11	12/23/11	Reimb Prescriptions S.G.
01/09/12	30136	12/28/11	12/22/11	Reimb Prescriptions S.G.
01/17/12	30138	01/16/12	01/12/12	Reimb. Prescriptions SG
		01/16/12	01/12/12	Reimb. Prescriptions SG
		01/16/12	01/14/12	Reimb. Prescriptions SG
01/27/12	30161	01/23/12	01/19/12	Reimb. Prescriptions SG
02/03/12	30228	02/02/12	01/23/12	Reimb - Gas & Prescriptions S.G.
02/27/12	30273	02/14/12	02/12/12	Reimb. Prescriptions SG
02/29/12	30292	02/27/12	02/20/12	Reimb. Prescriptions SG
03/30/12	30382	03/19/12	03/12/12	Reimb. Prescriptions SG
		03/19/12	03/12/12	Reimb. Prescriptions SG
04/09/12	30430	04/09/12	04/07/12	Reimb. Prescription SG
		04/09/12	04/07/12	Reimb. Prescription SG
		04/09/12	04/07/12	Reimb. Prescription SG
04/18/12	30443	04/16/12	04/10/12	Reimb. Prescriptions SG
05/04/12	30508	04/18/12	04/16/12	Reimb S.G. prescriptions
		04/18/12	04/16/12	Reimb S.G. prescriptions

Amount Submitted for Reimbursement	Employee's Share	Water Works' Share	Amount Reimbursed to Steve Green	Improper Reimbursement
25.00	10.00	15.00	25.00	10.00
4.00	4.00	-	4.00	4.00
10.00	10.00	-	10.00	10.00
10.00	10.00	-	10.00	10.00
75.00	10.00	65.00	75.00	10.00
10.00	10.00	-	10.00	10.00
8.58	8.58	-	8.58	8.58
7.56	7.56	-	7.56	7.56
4.00	4.00	-	4.00	4.00
25.00	10.00	15.00	25.00	10.00
10.00	10.00	-	10.00	10.00
4.00	4.00	-	4.00	4.00
4.00	4.00	-	4.00	4.00
8.58	8.58	-	8.58	8.58
10.00	10.00	-	10.00	10.00
8.50	8.50	-	8.50	8.50
7.56	7.56	-	7.56	7.56
75.00	10.00	65.00	75.00	10.00
4.00	4.00	-	4.00	4.00
25.00	10.00	15.00	25.00	10.00
10.00	10.00	-	10.00	10.00
4.00	4.00	-	4.00	4.00
10.00	10.00	-	10.00	10.00
4.00	4.00	-	4.00	4.00
10.00	10.00	-	10.00	10.00
4.00	4.00	-	4.00	4.00
25.00	10.00	15.00	25.00	10.00
10.00	10.00	-	10.00	10.00
17.95	10.00	7.95	17.95	10.00
7.56	7.56	-	7.56	7.56
75.00	10.00	65.00	75.00	10.00
10.00	10.00	-	10.00	10.00
10.00	10.00	-	10.00	10.00
10.00	10.00	-	10.00	10.00

Special Investigation of the
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Reimbursements to Steve Green for Prescription Co-payments
For the period July 1, 2005 through November 16, 2012

Check Date	Check Number	Receipt Date	Prescription Date	Description
05/23/12	30581	05/23/12	05/12/12	Reimb. Prescriptions
		05/23/12	05/12/12	Reimb. Prescriptions
06/05/12	30607	06/01/12	06/01/12	Prescrip Reimburse
		<i>blank</i>	06/01/12	Prescrip Reimburse
06/19/12	30660	06/08/12	06/07/12	Reimb. Prescription SG
		06/18/12	06/11/12	Reimb Prescriptions
07/13/12	30785	07/02/12	07/02/12	Reimb. Prescription SG
07/16/12	30792	07/16/12	07/12/12	Reimb. Prescriptions SG
		07/16/12	07/12/12	Reimb. Prescriptions SG
07/24/12	30803	07/20/12	07/19/12	Reimb. Prescriptions SG
		07/20/12	07/19/12	Reimb. Prescriptions SG
08/20/12	30910	08/15/12	08/10/12	Steve Green - Reimburse prescription
09/05/12	30978	08/31/12	08/29/12	Reimb Steve Green Prescriptions
09/13/12	31017	09/13/12	09/09/12	Reimb Prescriptions Steve Green
		09/13/12	09/09/12	Reimb Prescriptions Steve Green
09/20/12	31023	09/14/12	09/14/12	Reimb. Prescription Steve Green
		09/14/12	09/14/12	Reimb. Prescription Steve Green
		09/20/12	09/15/12	Reimb Prescriptions Steve Green
10/15/12	31121	10/15/12	10/10/12	Reimb Prescriptions Steve Green
		10/15/12	10/10/12	Reimb Prescriptions Steve Green
		10/15/12	10/12/12	Reimb Prescriptions Steve Green
10/26/12	31168	10/26/12	10/26/12	Reimb. Prescriptions S. Green
11/13/12	31239	11/13/12	11/08/12	Reimburse Prescriptions Steve Green
		11/13/12	11/08/12	Reimburse Prescriptions Steve Green
		11/13/12	11/08/12	Reimburse Prescriptions Steve Green
Total				

^ - This is a prescription for a 3-month supply. Only a \$10.00 copayment is allowable.

* - Mr. Green put \$51.09 of his \$75.00 reimbursement toward his daughter's water bill and took the remaining \$23.91 in cash.

- Includes over-the-counter medications and non-prescription supplies.

Amount Submitted for Reimbursement	Employee's Share	Water Works' Share	Amount Reimbursed to Steve Green	Improper Reimbursement
10.00	10.00	-	10.00	10.00
25.00	10.00	15.00	25.00	10.00
25.00	10.00	15.00	25.00	10.00 #
15.76	15.76	-	15.76	15.76
7.56	7.56	-	7.56	7.56
10.00	10.00	-	10.00	10.00
35.00	10.00	25.00	35.00	10.00
8.00	8.00	-	8.00	8.00
50.00	10.00	40.00	50.00	10.00
105.00	10.00	95.00	105.00	10.00
7.56	7.56	-	7.56	7.56
8.00	8.00	-	8.00	8.00
7.57	7.57	-	7.57	7.57
8.00	8.00	-	8.00	8.00
50.00	10.00	40.00	50.00	10.00
8.00	8.00	-	8.00	8.00
8.00	8.00	-	8.00	8.00
4.00	4.00	-	4.00	4.00
8.00	8.00	-	8.00	8.00
50.00	10.00	40.00	50.00	10.00
4.00	4.00	-	4.00	4.00
7.57	7.57	-	7.57	7.57
4.00	4.00	-	4.00	4.00
8.00	8.00	-	8.00	8.00
8.00	8.00	-	8.00	8.00
\$ 3,959.34	1,960.96	1,998.38	3,959.34	1,960.96

Special Investigation of the
Creston Water Works

Selected Petty Cash Reimbursements to Steve Green
For the period July 1, 2005 through November 16, 2012

Date	Check Number	Description	Location
07/09/04	4070117	Meeting SIRWA selecting of engineer	NA
09/23/04	16711^	Gas- Cont. Education (DSM)	Des Moines
09/24/04	16713^	Gas- Cont. education (DSM)	Des Moines
10/08/04	4100063	Trip to Des Moines Purchase Tools	Des Moines
10/22/04	4100180	Cont. Education (Dubuque)	Dubuque
11/04/04	4110108	Cont. Education (Dubuque)	Dubuque
11/29/04	4110171	To DSM	Des Moines
11/29/04	4110171	SIRWA cont. Ed	NA
01/03/05	18513	Trip To DSM & Wal Mart Meeting	Des Moines
01/03/05	18513	Trip to DSM office chair	Des Moines
03/01/05	18870	Trip to Dunly wood for Cabinets shop	NA
03/01/05	18870	Steve- DSM- Lunch	Des Moines
05/04/05	19199	AWWA- Cont. Education in DSM	Des Moines
06/07/05	19365	DNR - 12 mile lake	NA
06/07/05	19365	AWWA convention	NA
07/08/05	19551	Rick and Steve (Mincipal pipe)	NA
09/09/05	19877	DSM - Rotary Hammer & Re bar	Des Moines
11/15/05	20190	Cont. Ed DSM IA (AWWA)	Des Moines
02/08/06	20596	Trip 12. mile plant study,	NA
03/17/06	20672	12 mile lake DNR Inspectors meeting	NA
03/17/06	20672	500,000 gal. water Tower	NA
06/19/06	21183	AWWA conference	NA
12/11/06	22029	H. Manning- IDED/S. Green -CCWW/ T. Ostroski-SICOG	NA
01/26/07	22220	DNR Meeting S. Green & S. Marley plant projects	NA
04/02/07	22495	23.402 gallons Gas W-1 TRK	Creston
05/07/07	22669	DNR Meeting-Pizza Ranch	Creston
06/07/07	22758	To DSM DNR plant Meal-Cracker barrel	Des Moines
06/07/07	22758	Pop for crew (Water Main replacement)	NA
06/22/07	22843	DNR Meeting -Summit Lake-8pm	Creston
10/03/07	23387	Plant Expansion Meeting	NA
10/03/07	23387	Summit Lake DNR, Steve and Mike McGee	Creston

Amount					Improper Reimbursement
Continuing					
Meals	Gas	Education	Miscellaneous		
\$	11.42	-	-	-	11.42
	-	20.00	-	-	-
	-	10.00	-	-	-
	-	-	-	13.12	-
	-	-	84.79	-	-
	-	-	72.02	-	-
	12.06	-	-	-	-
	-	-	19.14	-	-
	19.70	-	-	-	-
	9.54	-	-	-	-
	15.58	-	-	-	-
	16.82	-	-	-	-
	-	-	10.06	-	-
	13.36	-	-	-	13.36
	-	-	500.00	-	-
	12.93	-	-	-	12.93
	-	-	-	21.58	-
	-	-	20.29	-	-
	29.13	-	-	-	29.13
	18.47	-	-	-	18.47
	-	-	-	15.39	-
	-	-	108.89	-	-
	-	-	-	27.08	-
	11.74	-	-	-	11.74
	-	58.01	-	-	-
	29.17	-	-	-	29.17
	21.79	-	-	-	-
	7.58	-	-	-	-
	26.73	-	-	-	26.73
	12.73	-	-	-	12.73
	16.05	-	-	-	16.05

Special Investigation of the
Creston Water Works

Selected Petty Cash Reimbursements to Steve Green
For the period July 1, 2005 through November 16, 2012

Date	Check Number	Description	Location
11/15/07	23624	IAMU school P.M -Meal Macaroni Grill & Famous Dave's	Des Moines
12/05/07	23689	Steve Green, Rick Reed, Wade H Meal	Creston
01/07/08	23796	IDNR Meeting Summit Lake Proj	NA
01/07/08	23796	(Blank)-Meal @ Windrow Restaur. & Lounge.	Creston
01/22/08	23902	Barkee Lemar Summit Lake Meeting	Creston
04/11/08	24245	IDNR DSM Summit Lake	NA
04/17/08	24272	Des Moines-Supplies (Lunch)-Culver's	West Des Moines
05/20/08	24413	To Des Moines (Kum & Go, Gas)	Des Moines
06/17/08	24519	AWWA cont. education (food, cab, exp.)	Atlanta
07/14/08	24656	McDonalds-Waukeee	Waukeee
08/08/08	24781	Windrow Restaurant FEMA inspector.	Creston
08/13/08	24808	Windrow Restaurant FEMA Rep, Summit & 12-mile	Creston
09/09/08	24939	Burger King parts in DSM	Des Moines
11/17/08	25236	Windrow Restaurant & Lounge-Water tower inspection,	Creston
11/24/08	25268	KFC-Mgt- IDNR D.M. Bedford water notice	Des Moines
03/23/09	25799	The Windrow Restaurant- Conf. Co. Eng.	Creston
04/07/09	25917	Kum & Go - Fuel	NA
04/07/09	25917	Applebees	Ames
05/06/09	26009	Meal for Continuing Ed AWWA mgt-Cheddar's S. Green	Des Moines
05/31/09	26117	Burger King-mgt w/fox -S. Green & S. Marley	Stuart
06/04/09	26159	Windrow Restaurant (SIRWA) Continuing ED - 5 Men	Creston
06/04/09	26159	Pizza Ranch (SIRWA) Continuing ED - 5 Men	Creston
06/25/09	26248	Cab Fares AWWA Cont. Ed	NA
07/10/09	26350	Walmart-Meals for men worked all night	Creston
10/05/09	26783	Windrow Restaurant summit lake proj. DNR lunch	Creston
10/05/09	26783	Meal in Des Moines mgt IDNR- Brickhouse	Des Moines
10/16/09	26853	The Windrow-IDNR Summit Lake Planning	Creston
12/14/09	27101	Creston Family Restaurant - Shop Meeting	Creston
01/07/10	27219	Applebees-took ck to Indianola- USDA office (Meal Reimb.)	Des Moines
01/07/10	27219	Windrow Restaurant Mtg w/Fox Eng., Alliant Energy	Creston
03/16/10	27534	Meals with State I-Jobs-Windrow Restaurant	Creston

Amount				Improper Reimbursement
Meals	Gas	Continuing Education	Miscellaneous	
-	-	46.55	-	-
17.18	-	-	-	17.18
8.75	-	-	-	8.75
16.86	-	-	-	16.86
18.68	-	-	-	18.68
9.05	-	-	-	-
12.28	-	-	-	-
-	42.67	-	-	-
-	-	154.47	-	-
7.92	-	-	-	-
32.68	-	-	-	32.68
29.53	-	-	-	29.53
10.68	-	-	-	-
41.23	-	-	-	41.23
13.12	-	-	-	-
16.65	-	-	-	16.65
-	10.00	-	-	-
26.08	-	-	-	-
9.58	-	-	-	-
5.34	-	-	-	-
46.73	-	-	-	46.73
38.47	-	-	-	38.47
-	-	41.00	-	-
-	-	-	9.56	-
30.75	-	-	-	30.75
10.60	-	-	-	-
18.80	-	-	-	18.80
48.10	-	-	-	48.10
24.98	-	-	-	-
38.93	-	-	-	38.93
21.57	-	-	-	21.57

Special Investigation of the
Creston Water Works

Selected Petty Cash Reimbursements to Steve Green
For the period July 1, 2005 through November 16, 2012

Date	Check Number	Description	Location
03/29/10	27553	Meal Taco Bell DNR mgt in Knoxville	Knoxville
04/06/10	27619	Meals mgt w/ IDNR-12 mile proj. - Pizza Ranch	Creston
05/05/10	27733	Meals- Windrow Restaurant- Fox Eng.	Creston
05/10/10	27765	Meals Creston Family Rest. Disc. Plant-DNR-wtr-works	Creston
06/28/10	27992	Meals for Traning in Chicago From 6/21/10-6/23/10	Chicago
06/28/10	27992	Meals for Traning in Chicago From 6/21/10-6/23/11	Chicago
06/28/10	27992	Meals for Traning in Chicago From 6/21/10-6/23/12	Chicago
06/28/10	27992	Meals for Traning in Chicago From 6/21/10-6/23/13	Chicago
06/28/10	27992	Meals for Traning in Chicago From 6/21/10-6/23/14	Chicago
06/28/10	27992	Cab Fees for Training in Chicago from 6/21/10-6/23/10	Chicago
06/28/10	27992	Cab Fees for Training in Chicago from 6/21/10-6/23/11	Chicago
06/28/10	27992	Cab Fees for Training in Chicago from 6/21/10-6/23/12	Chicago
06/28/10	27992	Cab Fees for Training in Chicago from 6/21/10-6/23/13	Chicago
08/23/10	28257	Meals for Rick & Steve in Des Moines @ Mama Laconas	Des Moines
08/31/10	28279	Meals 12 mile plant mtg	NA
09/13/10	28382	Lunch-FEMA mtg @ subway	Creston
10/12/10	28464	The Windrow-Meals for Inspection meeting	Creston
10/14/10	28525	Lunch for Rick and Steve G for Fema Meeting	Creston
11/08/10	28624	Meal-DNR Meeting Windrow Restrnt.	Creston
11/08/10	28624	Meal-Fema Inspection Windrow Restrnt.	Creston
11/22/10	28667	Meal-Reimburse Steve Green for Fema Meeting	Creston
12/10/10	28748	Meals in DSM for water plant - For Parts	Des Moines
01/17/11	28858	Reimburse Meals summit lake rock project	Creston
01/31/11	28884	Meal-Rick and Steve Meeting with Fema	Clive
01/31/11	28884	Meal- Fema Meeting - subway	Creston
02/11/11	28950	Meals-2 Separate Meetings-Culvers & Perkins	Altoona/W DSM
02/11/11	28950	Meals-Fema meeting in DSM- Perikins	Des Moines
04/07/11	29139	Lunch @ Culver's for, Meeting w/Seryder & Assoc.	Des Moines
04/19/11	29165	Windrow Restaurant & Lounge	Creston
04/19/11	29165	KFC/ Tacobell	Osceola
05/05/11	29229	Meal Reimbursement -Pizza Ranch - FEMA mgt	Creston

Amount				Improper Reimbursement
Meals	Gas	Continuing Education	Miscellaneous	
18.59	-	-	-	-
23.97	-	-	-	23.97
16.35	-	-	-	16.35
29.85	-	-	-	29.85
10.66	-	-	-	-
22.49	-	-	-	-
18.99	-	-	-	-
15.62	-	-	-	-
7.60	-	-	-	-
-	-	-	9.85	-
-	-	-	11.00	-
-	-	-	45.00	-
-	-	-	16.00	-
28.52	-	-	-	-
20.93	-	-	-	-
6.96	-	-	-	6.96
22.00	-	-	-	22.00
17.90	-	-	-	17.90
20.93	-	-	-	20.93
20.93	-	-	-	20.93
8.34	-	-	-	8.34
24.89	-	-	-	-
20.93	-	-	-	20.93
20.68	-	-	-	-
6.96	-	-	-	6.96
46.62	-	-	-	-
11.32	-	-	-	-
13.44	-	-	-	-
19.55	-	-	-	19.55
4.69	-	-	-	-
7.48	-	-	-	7.48

Special Investigation of the
Creston Water Works

Selected Petty Cash Reimbursements to Steve Green
For the period July 1, 2005 through November 16, 2012

Date	Check Number	Description	Location
05/24/11	29274	Lunch IDNR Mt Training Creston Family Restrnt	Creston
06/21/11	29364	Meals Reimb. From D.C. Meeting	Washington D.C.
06/21/11	29364	Meals Reimb. From D.C. Meeting	Washington D.C.
06/21/11	29364	Meals Reimb. From D.C. Meeting	Washington D.C.
06/21/11	29364	Cab Reimb. From D.C. Meeting	Washington D.C.
06/21/11	29364	Cab Reimb. From D.C. Meeting	Washington D.C.
06/30/11	29391	Lunch @ Pizza Ranch for FEMA Mtg	Creston
06/30/11	29391	Lunch for Plant Project	NA
08/01/11	29498	Reimb lunch Steve Green	Creston
08/30/11	29607	Reimb Lunch - SIRWA mgt	Creston
09/01/11	29662	Lunch FEMA Micehlle /lean 12 mile plant tanks	Creston
11/08/11	29875	Summit Lake Meeting Creston Family Restrnt	Creston
11/17/11	29909	Steve Lunch FEMA	Creston
11/18/11	29911	Reimb Lunch - cont ed - Bennigan Grill & Tavern	Urbandale
11/29/11	29962	FEMA small project meeting	Creston
11/29/11	29962	Reimb WIRP 12 mile watershed- donuts	Creston
12/22/11	30041	Reimb Linch - steve / FEMA Creston Restrnt	Creston
01/09/12	30136	Lunch -take info to DSM-IDNR- Red Lobster	West Des Moines
01/17/12	30138	Lunch Reimb. For St Grant & Bid date mtg	Creston
01/23/12	30149	Lunch Reimb. Burger King	Stuart
02/03/12	30228	Reimburs. Gas - Trip to DSM for Snyder Eng. Adams -S. Green	Des Moines
02/08/12	30245	Pizza Ranch for FEMA mgt	Creston
02/29/12	30292	Creston Family Rest. FEMA mtg	Creston
03/30/12	30382	FEMA-closeout Meal Reimb.	Creston
05/04/12	30508	Meal Reimb. Water Plant Mgt - Windrow Restrnt	Creston
06/05/12	30607	Windrow Rest. & Lounge Reimb. Mgt	Creston
06/29/12	30693	Lunch w/ S. Green & Steve Y. SIRWA/CCWW Contract	Creston
07/13/12	30785	Reimb. Lunch w/Steve Y. & S. Green mgt	Creston
08/20/12	30910	Lunch W/S. Green & Steve Y. Mgt. W/Fox Eng.	Creston
11/02/12	31202	Windrow Restaurant Lounge mgting on water permit	Creston
11/09/12	31228	Reimb. S. Green Lunch Long John Silver to DSM for repair	Urbandale
Total			

NA - Not available.

Amount				Improper Reimbursement
Meals	Gas	Continuing Education	Miscellaneous	
47.51	-	-	-	47.51
6.00	-	-	-	-
6.06	-	-	-	-
13.29	-	-	-	-
-	-	13.25	-	-
-	-	10.50	-	-
17.10	-	-	-	17.10
14.23	-	-	-	14.23
21.57	-	-	-	21.57
31.18	-	-	-	31.18
8.71	-	-	-	8.71
23.12	-	-	-	23.12
15.28	-	-	-	15.28
22.85	-	-	-	-
26.22	-	-	-	26.22
3.98	-	-	-	3.98
20.73	-	-	-	20.73
13.73	-	-	-	-
22.04	-	-	-	22.04
13.03	-	-	-	-
-	20.00	-	-	-
7.64	-	-	-	7.64
34.72	-	-	-	34.72
26.21	-	-	-	26.21
22.64	-	-	-	22.64
21.57	-	-	-	21.57
8.51	-	-	-	8.51
20.82	-	-	-	20.82
19.97	-	-	-	19.97
20.18	-	-	-	20.18
10.99	-	-	-	-
\$ 1,846.41	160.68	1,080.96	168.58	1,262.72

Exhibit G

Special Investigation of the
Creston Water WorksEquipment Returned by Steve Green
For the period July 1, 2005 through November 16, 2012

Quantity	Item Description		Value	Total
1	14 Piece "Wisdom" wrench set	^	\$ 14.99	14.99
1	8 piece screwdriver set (2 missing)	^	18.49	18.49
1	20 piece 3/8" socket set		-	-
1	Tool tray with various tools		-	-
1	Tool box included the above items		-	-
2	Lawn sprinklers with shutoff adapters	^	14.25	28.50
1	Lawn sprinklers	^	8.30	8.30
1	2 lb. hammer	^	18.35	18.35
2	Large jaw vice grips	^	16.95	33.90
1	Large rubber mallet		-	-
1	30 ft. Stanley tape measure	^	15.49	15.49
1	Large bag of grass seed - not opened		48.50	48.50
1	Box of shop hand towels		8.85	8.85
3	Roles of paper towel		1.27	3.81
6	Sea Foam Motor Treatment		7.90	47.40
1	Carhart brand bib overalls - new	@	82.95	82.95
1	Carhart brand gloved - new	@	18.95	18.95
1	Berne brand gloves - new	@	12.97	12.97
1	Carhart brand coat - new	@	69.99	69.99
1	Carhart brand coat - used	#	69.99	69.99
1	Round nose shovel with fiberglass handle	^	39.77	39.77
2	Garden rakes with fiberglass handle - ne	^	19.99	39.98
1	Push broom like new	^	27.14	27.14
2	Leaf rakes - new	^	8.99	17.98
35	Total			\$ 626.30

^ - Based on quote from Farm and Home.

@ - The price tag was still on the item.


- Value is based on the purchase of a new Carhart coat.

Report on Special Investigation of the
Creston Water Works

Staff

This investigation was performed by:

Annette K. Campbell, CPA, Director
James S. Cunningham, CPA, Manager
Philip A. Rethwisch, Assistant Auditor


Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

**Report on Special Investigation
of the
Creston Water Works**

Appendix 1

Special Investigation of the Creston Water Works

Purchase Invoice for a Generator and Power Washer
For the period July 1, 2005 through November 16, 2012

01-10337 ** ACME TOOLS - DES MOINES **

030568 06/12/2012

DATE	I.D.	PO #	G/L DISTRIBUTION	DESCRIPTION	AMOUNT
04/30/2012	1294014	23183		SHOP PRESSURE WSHR/GENER	1,459.98

PAID
JUN 13 2012

WATER WORKS
CITY OF CRESTON

** ACME TOOLS - DES MOINES **
629 SW 9TH ST
DES MOINES, IA 50309

CHECK TOTAL 1,459.98
CRESTON CITY WATERWORKS • CRESTON, IOWA

Creston City Water Works PURCHASE ORDER

No 23183

To Acme Tools Creston, Iowa, 4-30-12
Name of Person or Firm

Address Charge to

This order must be attached to your invoice. Send in 1st of month following purchase.

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	WP-2700-4MHB pressure washer	529.99	
1	EU2000IAN Inverter Generator	929.99	
1	15-0270-3/8"-50' hose	72.99	
			1532.97

Requested by Steve Green Approved by Steve Green

Appendix 1

Special Investigation of the Creston Water Works

Purchase Invoice for a Generator and Power Washer
For the period July 1, 2005 through November 16, 2012



Acme Tools - Des Moines
629 SW 9th St
DES MOINES, IA 50309-4513
USA
Phone: (515) 244-4189 / Fax: (515) 244-6366

INVOICE

PAGE	1
INVOICE NO.	1294014
INVOICE DATE	4/30/12

5801
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O
CRESTON CITY WATER W
820 S PARK ST
CRESTON, IA 50801-3300
USA

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P
T
O
Acme Tools - Des Moines
629 SW 9th St
DES MOINES, IA 50309-4513
USA

CUSTOMER PURCHASE ORDER NO.	SHIP VIA	TERMS	DATE SHIPPED	SLMN 1	SLMN 2	ORDER NO
23183 STEVE GREEN	Customer Pick Up	Net 30 Days	4/30/12	410	4210	9418728-000
SPECIAL INSTRUCTIONS >						
QTY. ORDERED	QTY. SHIPPED	QTY. BACK ORDERED	U/M	ITEM NO. / DESCRIPTION	PRICE	AMOUNT
1.00	1.00	.00	EA	WP-2700-4MHB	529.9900	529.99
1.00	1.00	.00	EA	MI T M 2700 PSI Cold water pressure washer EU20001AN	929.9900	929.99
1.00	.00	1.00	EA	HONDA 2000W Super Quiet Inverter Generator S/N EAAJ2312516 15-0270 MI T M 3/8" x 50' 4000psi Pressure Washer Hose SHIP HOSE OUT NC UPS	72.9900	.00
				<div style="text-align: center;"> </div>		
				355-5560		
SUB-TOTAL	HANDLING	TAX	SUB-TOTAL	DEPOSIT	BALANCE DUE	Original Signature
1459.98	.00	.00	1459.98	.00	1459.98	<i>Steve Green</i>

Special Investigation of the
Creston Water Works

Listing of Steve Green's Personal Equipment Stored at the Water Works
For the period July 1, 2005 through November 16, 2012

Personal Property Belonging to Steve Green at Water Works Shop

<u>Picture #</u>	<u>Item</u>
0994	Pallet of wood mulch
0995	Boat Trailer Axle
0996	4 Pallets of Brick
0997/0998/0999	8 Pallets of Misc. Stone
1000	2 Boat Props/Misc sandpaper
1001	Fishing Lures/ Misc Boat parts
1002	Rubbing compound/Glazing compound/Marine batter charger
1003	File Box/Battery Box Top
1004	Ram mount/Ratchet strap/Marker Bouys
1005	2 Rubber mats
1006/1007/1008	Box of Misc. boat parts
1009/1010	DADD Blade set
1011	Router
1012	Upolstered stool
1013	Box of Misc(tissues, wax)
1014	Bags of Misc
1015	Bathroom counter top/Propane tank
1016	Bicycle
1017	For Sale Sign
1018	Box-Prop Hubs & Misc
1019	Partial Bucket Concrete Sealer

Special Investigation of the
Creston Water Works

Listing of Steve Green's Personal Equipment Stored at the Water Works
For the period July 1, 2005 through November 16, 2012

<u>Picture #</u>	<u>Item</u>
1020	Used seat cover
1021	Misc cabinet hardware
1022	Hydraulic cable
1023	Misc Boat Parts
1024	Misc Dishes
1025	Sprayer/Light/Bait Bucket
1026	2- 4' fluorescent lights
1027	Sand box
1028	2- storm windows & screen
1029	Ceramic tile
1030	Air mat
1031	ATV Cover
1032	2- Back rack chairs
1033	Toy
1034	Ice Auger Box-Empty
1035	Mower Bumper
1036	Pickup ATV tailgate
1037	Gas cans & oil
1038	Fishing lures & misc
1039	Tool box & Wood box
1040	Misc
1041	Light Bar/Shingles
1042	Umbrella

Special Investigation of the
Creston Water Works

Listing of Steve Green's Personal Equipment Stored at the Water Works
For the period July 1, 2005 through November 16, 2012

<u>Picture #</u>	<u>Item</u>
1043	Basketball hoop
1044	Misc nails & screws
1045	Misc-bird house/stool
1046	Garmin Locator
1047	Saw horses
1048	Fish fryer
1049	Boat motor stand/shovel
1050	Mower
1051	Bar stools & air diffuser
1052	Tailgate cover
1053	Bug Deflector
1054	Cedar Chest
1055	Misc building materials
1056	Smoker