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NEWS RELEASE

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FOR RELEASE _____ September 20, 2016

Auditor of State Mary Mosiman today released a report on a special investigation of the Center for Agricultural Law and Taxation (CALT) at Iowa State University (University), for the period April 1, 2009 through December 15, 2015. The special investigation was requested by University officials as a result of concerns regarding certain actions taken by the former CALT Director. Roger McEowen, the former Director, was employed by the University from August 15, 2004 until his resignation on January 5, 2016. He was placed on paid administrative leave on December 16, 2015.

During Mr. McEowen's tenure as the Director of CALT, he also owned and operated McEowen, PLC, a business which specialized in consulting services, educational speaking, legal writing, and the practice of law. University policy requires employees to disclose certain business interests in annual Conflicts of Interest and Commitment Disclosure forms.

Mosiman reported Mr. McEowen included disclosures regarding his personal business, McEowen, PLC, in Conflicts of Interest and Commitment Disclosure forms filed annually with the University. However, the disclosures were not specific enough for University officials to determine the services provided by McEowen, PLC were virtually the same as the services provided by CALT. Notations made by University staff on the 2011 form indicate follow-up was necessary; however, there was no evidence of follow-up.

Because McEowen, PLC performed the same functions as CALT, Mr. McEowen received collections which should have been deposited by CALT. Mosiman reported the special

investigation identified \$324,816.68 of diverted collections and improper and unsupported disbursements. The diverted collections total \$280,170.83 and consist of:

- \$278,265.83 of payments received and deposited to Mr. McEowen's personal or business bank account for speaking at seminars without reporting any vacation time from CALT and for which he used CALT materials,
- \$1,615.00 of payments received and deposited by Mr. McEowen to his personal or business bank account for speaking at CALT sponsored seminars, and
- \$290.00 of payments from the sale of Mr. McEowen's textbook to students he taught at the University.

Mosiman also reported the \$43,612.93 of improper disbursements identified include:

- excess vacation costs and an improper vacation payout;
- payment for days when Mr. McEowen did not take vacation but attended conferences or seminars as a presenter, although not as a representative of CALT; and
- travel expenses reimbursed by the University.

In addition, Mosiman reported the \$1,032.92 of unsupported disbursements identified includes travel reimbursements to Mr. McEowen.

The report includes a recommendation to strengthen internal controls and overall operations by taking an active role in confirming and evaluating potential conflicts of interest and commitment reported by employees.

Copies of the report have been filed with the University's Department of Public Safety, the Board of Regents' Office of Internal Audit, the Division of Criminal Investigation, the Story County Attorney's Office, and the Attorney General's Office. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1561-8020-BE00>.

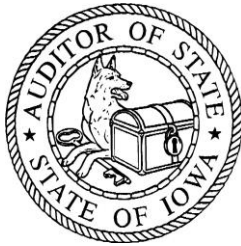
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**REPORT ON SPECIAL INVESTIGATION
OF THE
IOWA STATE UNIVERSITY
CENTER FOR AGRICULTURAL LAW AND TAXATION

FOR THE PERIOD
APRIL 1, 2009 THROUGH DECEMBER 15, 2015**

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Auditor of State's Report

To the Members of the Board of Regents State of Iowa:

As a result of alleged improprieties regarding certain financial transactions and at the request of Iowa State University (University) officials, we conducted a special investigation of the Center for Agricultural Law and Taxation (CALT) at the University. Based on a review of relevant information and discussions with University and CALT personnel and officials, we performed the following procedures for the period April 1, 2009 through December 15, 2015, unless otherwise specified:

- (1) Reviewed information gathered by University officials and CALT staff to obtain an understanding of concerns regarding actions taken by the former CALT Director, Roger McEowen.
- (2) Reviewed CALT's internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (3) Interviewed University and CALT personnel, including legal counsel and support staff, to obtain an understanding of how Mr. McEowen carried out his job duties as the Director of CALT.
- (4) Interviewed Mr. McEowen to obtain an understanding of his responsibilities as Director of CALT and information regarding the purpose and operations of McEowen, PLC.
- (5) Obtained and reviewed copies of Conflicts of Interest and Commitment Disclosure forms for all full-time employees of CALT to determine if the University's review was sufficient and if management plans were properly developed.
- (6) Obtained and reviewed copies of Conflicts of Interest and Commitment Disclosure forms and other documents related to Mr. McEowen's employment by CALT to determine if he was allowed to retain compensation received from various activities and if he reported all potential conflicts of interest, including, but not limited to, McEowen, PLC, a business owned and operated by Mr. McEowen.
- (7) Obtained and reviewed bank statements for accounts held by Mr. McEowen and an account held by McEowen, PLC to determine the source of certain deposits and the disposition of funds from the accounts.
- (8) Obtained an understanding of University and CALT policies and procedures to determine if amounts deposited by Mr. McEowen, including proceeds from the sale of textbooks and fees or collections associated with conferences and/or seminars, should have been deposited with the University.
- (9) Obtained and reviewed the following sources to create a calendar of Mr. McEowen's activities.
 - Computer images of the hard drives from Mr. McEowen's University computers recovered by the University's Department of Public Safety.
 - Copies of files from Mr. McEowen's personal and University USB drives obtained by the University.
 - E-mails recovered from Mr. McEowen's CALT e-mail account by the University.
 - Documentation, such as e-mails, calendars, Power Point® slides, and publications, provided by CALT staff.

We reviewed the information obtained to determine if it included information related to trips taken by Mr. McEowen or conferences or seminars he attended and if activities identified were related to CALT or McEowen, PLC.

- (10) Obtained and reviewed all payments from the University to Mr. McEowen to identify any additional compensation, such as bonuses, travel reimbursements, vacation payouts, and other reimbursements, and to determine the propriety of the payments.
- (11) Obtained and reviewed Power Point® presentations, agendas, or other materials used at conferences or seminars by Mr. McEowen to determine if he was representing CALT or McEowen, PLC at the presentations.
- (12) Obtained and reviewed rosters for University classes Mr. McEowen instructed to determine if students purchased the textbook Mr. McEowen authored, "Principles of Agricultural Law," directly from him instead of through the University bookstore.
- (13) Obtained and reviewed articles which were published in journals or other publications to determine if Mr. McEowen or other CALT staff authored the articles.
- (14) Reviewed vacation and leave requests for Mr. McEowen to determine if vacation or professional leave was used for days when he attended conferences or seminars as a presenter but not as a representative of CALT.

The procedures identified \$324,816.68 of diverted collections and improper and unsupported disbursements. The \$280,170.83 of diverted collections identified were deposited to Mr. McEowen's personal and business bank accounts and included proceeds from the sale of textbooks and payments for presentations at certain conferences or seminars. The \$43,612.93 of improper disbursements identified include:


- excess vacation costs and an improper vacation payout;
- payment for days when Mr. McEowen did not take vacation but attended conferences or seminars as a presenter, although not as a representative of CALT; and
- travel expenses reimbursed by the University.

The \$1,032.92 of unsupported disbursements identified includes travel reimbursements to Mr. McEowen. The detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **D** of this report.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures or had we performed an audit of the financial statements of the Center for Agricultural Law and Taxation, other matters might have come to our attention which would have been reported to you.

Copies of this report have been filed with the University's Department of Public Safety, the Board of Regents' Office of Internal Audit, the Division of Criminal Investigation, the Story County Attorney's Office, and the Attorney General's Office.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of Iowa State University and the Center for Agricultural Law and Taxation during the course of our investigation.


MARY MOSIMAN, CPA
Auditor of State

September 9, 2016

Report on Special Investigation of the
Iowa State University
Center for Agricultural Law and Taxation

Investigative Summary

Background Information

On August 15, 2004, Iowa State University (University) hired Roger McEowen as a tenured associate professor. He taught an Agricultural Law class during the spring semester each academic year of his employment. According to his job description, Mr. McEowen had an appointment base of 12 months.

On April 7, 2006, Mr. McEowen was appointed as the Leonard Dolezal Professor in Agricultural Law. The professorship allowed Mr. McEowen to enhance his research, teaching and extension in agricultural law at the University. Mr. McEowen was appointed as Director of the Center of Agricultural Law and Taxation (CALT) on December 1, 2006. Mr. McEowen continued to be an associate professor while serving as CALT's Director.

CALT was created by the Iowa Board of Regents in 2006. According to CALT's mission statement, CALT is to "provide timely, critically objective information to producers, professionals, and agribusinesses concerning the application of important developments in agricultural law and taxation and is a primary source of professional educational training in agricultural law and taxation." CALT is part of the Iowa State University (ISU) Extension and Outreach function, which carries the University's land-grant mission throughout the state. ISU Extension and Outreach serves Iowa's 99 counties by connecting the needs of Iowans with Iowa State University research and resources.

CALT's primary funding sources include the University, summer seminars and tax schools sponsored by CALT, webinars, subscriptions to CALT's website, and donations. Revenue is also received from conferences and seminars which are not sponsored by CALT but for which CALT staff provide support and act as presenters. Collections are to be deposited with the University and subsequently recorded in the University's accounting system as a specific type of revenue.

According to Mr. McEowen, his long term goal was to make CALT a separate entity and take it nationwide. He would be the Director and work with ISU to determine how to compensate ISU for resources. Mr. McEowen had begun preliminary talks with University officials about this process when the investigation started.

All disbursements are made from the University's accounting system. Mr. McEowen's salary was not paid from funds raised by CALT. Instead, it was paid by the College of Agriculture and Life Sciences Extension Programs and Outreach at the University.

CALT employs a Director, Staff Attorney, Tax Specialist, and Program Administrator. According to a Position Responsibility Statement which described Mr. McEowen's responsibilities, he was to spend 65% of his time as the CALT Director, 10% teaching/advising, and 25% providing outreach/professional services. The Position Responsibility Statement also specified Mr. McEowen was responsible for the following duties as the CALT Director:

- administering and providing leadership to CALT,
- obtaining scholarships in agricultural law and taxation which result in appropriate publications via the CALT website and other distribution channels,
- providing timely, critically objective information to producers, professionals, and agribusinesses concerning the application of importation developments in

agricultural law and taxation, such as analysis of federal and state legal opinions as well as critical legislative developments, and

- providing professional education training in agricultural law and taxation.

In addition, Mr. McEowen was expected to work with appropriate stakeholder groups, extension, and other organizations regarding agricultural law and taxation issues. Mr. McEowen was also expected to serve on departmental, college, and University committees regarding agricultural law and taxation issues.

Because Mr. McEowen was an associate professor, he reported to the Associate Dean of the Department of Agricultural Education and Studies, College of Agriculture and Life Sciences Extension Programs and Outreach. In addition, as Director of CALT, he reported to the CALT Advisory Board. According to the Interim Director of CALT, the CALT Advisory Board does not have any formal written guidance regarding the purpose or mission of the Board. The Board did not have authority to establish policies or make financial decisions; however, that Board provided guidance to CALT on how to best accomplish its mission.

In addition to Mr. McEowen's duties at the University and CALT, he owned and operated McEowen, PLC. The articles of organization for McEowen, PLC obtained from the Secretary of State's website document the entity's primary business is consulting services, educational speaking, legal writing, and the practice of law. The articles of organization were filed on December 18, 2004.

Notification to and Review by Office of Internal Audit – On May 19, 2015, a representative of the Board of Regents' Office of Internal Audit (Internal Audit) received a list of concerns regarding the Director's actions. The list was prepared for the Board's consideration and included the following concerns:

- The Director's absence on a significant number of days to conduct business for his personal professional limited liability company (McEowen, PLC).
- Sufficiency of disclosures made to the University regarding conflicts of interest and commitment in accordance with University policies.
- The Director's use of CALT e-mail, equipment, materials, slides, articles, and staff time for McEowen, PLC. In addition, articles written by CALT staff were included in publications as if written by the Director.
- Inappropriate reimbursement requests submitted by the Director and fees which should have been deposited with CALT were retained by the Director.

As a result of concerns identified in the correspondence, an Internal Audit representative contacted a representative of the Office of University Counsel (Legal Counsel). Based on their discussion, representatives of Internal Audit and Legal Counsel requested the Office of Auditor of State review the concerns identified. As a result, we performed the procedures detailed in the Auditor of State's report for the period April 1, 2009 through December 15, 2015.

When we initially spoke with CALT staff regarding the concerns identified, they also expressed concerns Mr. McEowen may have collected fees which should have been deposited with CALT.

On December 16, 2015, Mr. McEowen was placed on paid administrative leave from his duties as Director of CALT and as an associate professor at the University. Subsequently, on January 5, 2016, Mr. McEowen submitted his resignation. A copy of Mr. McEowen's resignation letter is included in **Appendix 1**.

Detailed Findings

The procedures identified \$324,816.68 of diverted collections and improper and unsupported disbursements. The diverted collections total \$280,170.83 and consist of:

- \$278,265.83 of payments received and deposited to Mr. McEowen's personal or business bank account for speaking at seminars without reporting any vacation time from CALT and for which he used CALT materials,
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- \$290.00 of payments from the sale of Mr. McEowen's textbook to students he taught at the University.

In addition, the procedures identified \$43,612.93 of improper disbursements, including:

- excess vacation costs and an improper vacation payout;
- payment for days when Mr. McEowen did not take vacation but attended conferences or seminars as a presenter, although not as a representative of CALT; and
- travel expenses reimbursed by the University.

The \$1,032.92 of unsupported disbursements identified includes travel reimbursements to Mr. McEowen. All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

ADMINISTRATIVE POLICIES AND PROCEDURES

CALT follows the policies and procedures established by the University for daily administrative operations. In order to determine if certain fees were properly collected and deposited by CALT staff, it was necessary to obtain an understanding of certain policies and procedures and how they were carried out by CALT staff. Specifically, we obtained an understanding of:

- Any restrictions regarding the use of materials developed by CALT staff, including the use of the materials at educational events not sponsored by CALT.
- Any restrictions placed on CALT staff regarding employment in addition to their positions held at CALT, including, but not limited to, consulting services, developing educational materials, and making presentations at educational events.
- The University's policies regarding professional activity leave and use of vacation.

The following paragraphs provide a summary of this information.

Misuse of Funds, Equipment and Facilities – Chapter 7.2.2.5.11 of the Iowa State Faculty Handbook states, "The use of funds, equipment or facilities provided for a specific purpose for other than that purpose is a form of misconduct. Iowa law forbids the use of funds, equipment or facilities for personal gain or benefit, or for private gain or benefit without following procedures for approval and reimbursement."

The University's policy also states it "is intended to cover all types of University property and services, including cars, supplies, telephones, typewriters and computer hardware and software, equipment, campus mail, electronic mail and copying facilities, products from University farms, and food, drugs or chemicals available from university activities. No one shall be permitted to remove for personal use from the buildings or grounds any property belonging to the University, even though it may seem to be of no value. This includes use of University equipment such as

farm machinery, trucks, or other equipment during off-hours when it is not needed for University operations.”

Professional Responsibilities – Chapter 7.1.2 of the Iowa State Faculty Handbook states, “As private individuals, faculty members have the same rights and obligations as others. Faculty members measure the urgency of these obligations in light of their responsibilities to the discipline, to their students, to their profession, and to their institution. When they speak or act as private persons, they avoid creating the impression of speaking or acting for their college or university.”

In accordance with this policy, a University employee should ensure they do not create the impression they are acting as a representative of their college or the University when they are actually acting on their own behalf or for another organization.

Textbooks and Class Course Packets – The Iowa State University Book Store (Book Store) is the official clearing house for course materials used in classroom instruction. All information pertaining to required textbooks, course packets, and supplies which are required or recommended for student classes must be supplied to the Book Store.

Consulting – Chapter 8.3.5 of the Iowa State Faculty Handbook states, “Members of the staff are often asked to give advice or counsel to private agencies or individuals, and sometimes they are invited to do so on a continuing basis for pay under arrangements commonly referred to as consulting. Iowa State University endorses consulting by faculty members in areas related to their academic fields of expertise, with the understanding that all members of the professional staff render full-time professional services to the university during the periods of their appointment. The decision of staff to engage in outside work or pay depends upon the nature of their responsibility to the university and the conditions of their appointment, whether the outside work contributes to a better understanding of their professional field, whether the university’s standing is enhanced by their outside contacts and services, and most important, whether the consulting work can be done without interfering with their regular university duties.”

The Handbook also states, “A staff member may undertake consulting work only after the proposed work had been mutually agreed to by both the staff member and their department chair. Consulting projects undergo a separate review process to ensure the proposed activity does not impede or interfere with the faculty or staff member’s assigned duties, and that use of campus resources is consistent with University policies. Faculty and staff must follow the ISU rules for reporting consulting activity.”

In addition, the Handbook states, “Employees who do consulting or otherwise have outside business interests should take care that their actions do not result in use of state funds, facilities, equipment or time subsidizing these outside interests. Failure to properly separate these activities can result in violation of Iowa Code 68B.2A and 721.2.”

The Handbook also specifies, “Employees are also not permitted to receive compensation from persons for performing those duties which the employee is obligated to perform for the university or the state. Iowa Code 68B2A(1). Staff members are required to report annually, through their department chair, to the dean of their college the amount of time they have spent on consulting or other professional work for which compensation has been received from other than university sources.”

Conflicts of Interest and Commitment – Both the University and the Agriculture Extension Office have policies regarding conflicts of interest and commitment. Because CALT is an Extension Office, CALT staff are to comply with the Extension Office policy regarding Conflicts of Interest and Commitment which is more restrictive and requires more disclosures than the University’s policy. Both policies are explained in further detail in the following paragraphs.

According to Chapter 8.2.2 of the Iowa State Faculty Handbook, the University “requires the disclosure, review/approval, and management of external activities or financial interests with the potential to interfere with one or more of the following:

- **Performance of Duties:** University employees are expected to devote sufficient time and attention to their university duties to perform them conscientiously. An external activity with the potential to interfere with the employee’s university duties is known as a conflict of commitment.
- **Objectivity:** University employees are expected to be objective in the decisions they make while performing their university responsibilities. Financial or other personal considerations with the potential to compromise an employee’s objectivity are known as conflicts of interest.
- **Appropriate Use of State Resources:** State law prohibits the use of state resources, including the university name and trademarks, for personal benefit when such use is detrimental to the state or university.”

The Handbook also states, in part, “All university employees are required to comply with the Conflicts of Interest and Commitment Policy in the Policy Library (COIC) and the Procedures, Applications, and Guidance established for disclosure, approval, and management of conflicts of interest and commitment... Violation of the COIC Policy may be considered faculty misconduct.”

According to CALT staff we spoke with and the Vice President for Extension and Outreach, CALT follows the Iowa State University Extension Conflict of Interest Policy. The introduction portion of the policy states, “The nature of ISU Extension work requires considerable direct public contact, and ISU Extension employees generally are viewed as the primary educational outreach component of ISU. Based on this role, it is critical that ISU Extension employees be particularly sensitive to the potential for real or perceived conflicts of interest. Employees representing the Cooperative Extension System have additional responsibilities to safeguard against real or perceived conflicts of interest. According to the Smith Lever Act and USDA federal policies affecting Cooperative Extension organizations, extension educators are expected to avoid any action that might give the appearance of using one’s position for private gain.”

The policy also states, “University faculty and specialists, because of their special knowledge, education, or research activities, may be involved in providing technical expertise for a fee outside of their normal job assignments. These consulting relationships often can provide a valuable method for transfer of expertise and technology. However, special considerations apply to ISU Extension.”

Regarding in-state consulting, the policy states, in part, “Extension employees are public employees paid with tax dollars to provide expertise to the public. Consulting in the State of Iowa for personal gain in the same specialty area as the employees assigned duties, or in another subject area covered by ISU Extension programs, 1) is contrary to Iowa Conflict of Interest law; and 2) could appear as constituting favored treatment to some clientele while denying similar treatment to other clientele. **Consulting in the State of Iowa for personal gain is not allowed.**” The policy also states, “Extension employees have certain knowledge of their clientele’s operations, which would have been gained through their normal job assignment. Consulting for a fee could result in unfair market competition.”

In addition, the University’s Conflicts of Interest and Commitment (COIC) Addendum for Extension Personnel specifically states, “Private, in-state consulting for a fee is not allowed for ISU Extension employees, because the provision of such education and services is considered and deemed part of their employment.” Also, regarding out-of-state private consulting, the Addendum states, in part, “care must be taken to avoid the perception that the employee is using his or her Extension position to advertise or promote his or her private services.”

While the Conflict of Interest Policy specifies consulting, the same concept is applicable to presentations provided by Extension employees in a seminar or conference setting. Guidance provided by the University defines consulting as giving advice or counsel to private agencies or individuals. Acting as a speaker at a seminar or conference also involves giving advice or counsel to those attending.

According to the policy, “If ISU Extension is involved in an effort to provide services outside the State of Iowa... ISU Extension specialists cannot provide like consulting services within that region or nationally. Consulting outside the State of Iowa in the area in which the employee has an expertise may be acceptable after receiving approval of the supervisor. However, any materials used by the ISU Extension specialist during the consultation outside of Iowa that were developed by ISU Extension must be acknowledged.”

In addition, according to the policy, “use of public property for personal gain is not allowed. Extension employees have access to public tax-supported facilities, educational or research materials, and equipment. If the employee uses such publicly owned items not available to the general public in outside consulting activities for personal gain, it constitutes a misuse of public property unless prior arrangement has been made to reimburse the university at audited use rates.”

The policy also addresses ownership or operation of an outside business. According to the policy, the following factors will be considered to determine if an outside business is a conflict of interest.

- “If appreciable time away from ISU Extension job is required, suitable arrangements need to be made (e.g., time arrangements, business divestiture, or employee termination).”
- “Ensure that time spent on such business is done on the employee’s own personal time (e.g., vacation, weekends, or other approved leave).”
- “Ensure that the employee’s business does not unfairly compete with similar private businesses if the employee has an unfair advantage over the businesses because of special ISU Extension job-related knowledge.”

The policies require staff and faculty to complete electronic Conflicts of Interest and Commitment Disclosure forms which are submitted to the Office of Vice President of Research for review and approval. Based on their review of the disclosures made, a management plan may be established. CALT staff are required to update their Conflicts of Interest and Commitment Disclosure forms at least annually. If staff become aware of, or performs a service which may be a conflict of interest or commitment during the year, they are required to submit an updated online disclosure form for review and approval.

Professional Activity Leave – According to University policies, with prior approval, faculty and professional and scientific employees may be permitted up to 9 days of paid Professional Activity Leave per academic term. However, the following must be met:

- conducting the activity will advance the skills and abilities of the employee,
- the employee has made adequate arrangements to cover ongoing university responsibilities,
- the activity does not interfere or compete with ongoing activities and responsibilities of the University, and
- the activity will not otherwise be detrimental to the employing unit or the University.

COMPLIANCE WITH CONFLICTS OF INTEREST AND COMMITMENT POLICY

The Conflicts of Interest and Commitment Disclosure forms electronically signed by Mr. McEowen include the following disclosures for 2011 through 2015:

- Disclosed he is the owner of McEowen, P.L.C., a legal services firm that is engaged in the business of providing professional legal services to clients. Such services include legal advice, technical legal and tax seminars and consultation to clients on legal matters.
- Disclosed he is licensed to practice law in Nebraska.
- Disclosed there are times when the subject matter of client issues overlaps with the issues Mr. McEowen was involved with in writing and researching as part of his ISU duties.

The Conflicts of Interest and Commitment Disclosure form electronically signed by Mr. McEowen in 2015 also included a disclosure he was the author/publisher of a legal treatise which was used in ISU course AGEDS 451 and sold through the Book Store.

While the disclosures Mr. McEowen included in his Conflicts of Interest and Commitment Disclosure forms specified “technical legal and tax seminars” and “consultation to clients on legal matters”, the disclosures did not specify the nature of the seminars or consultation. When we spoke with Mr. McEowen, he stated the materials used in the seminars and consultations provided by McEowen, PLC were the same materials used by CALT. As a result, it appears the disclosures Mr. McEowen included in the Conflicts of Interest and Commitment Disclosure forms were not specific enough for University officials to determine the services provided by McEowen, PLC are virtually the same as the services provided by CALT.

In instances where an employee discloses a conflict of interest or a conflict of commitment, the University, in conjunction with the employee, is to review the conflict and develop a management plan. The management plan sets forth the guidelines under which the employee may participate in the activity. The plan may also prohibit the employee from participating in the activity if the University does not approve.

According to Mr. McEowen’s Conflicts of Interest and Commitment Disclosure forms, the University noted in 2011, “It is not clear from the answers provided whether McEowen, PLC meets the definition of a significant financial interest. It appears to be a regular consulting company. A representative of the VPRED office will follow up.” In December 2011, a University representative e-mailed Mr. McEowen in response to the online Conflict of Interest disclosure he filed in February 2011. In the e-mail, Mr. McEowen stated he owned McEowen, PLC. The e-mail asked if his “work in the firm fit any of the bullets from the Conflict of Interest and Commitment Policy Procedures, Applications and Guidance document, page 4?” The e-mail also included the bullets. Specifically, it stated:

- “Sole proprietor, partner, owner or member of a partnership or limited liability for-profit entity. Sole proprietorships or other entities engaged solely in consulting are evaluated by the criteria for consulting (next two bullets). (A sole proprietorship is a form of business in which one person owns all the assets of the business and operates the business without a separate legally recognized entity such as a professional corporation.)
- Consulting related to patented or patentable intellectual property in which the employee has an interest.
- Consulting for an entity that has a financial interest in or sponsors the employee’s university scholarly activities if the compensation for the consulting exceeds \$10,000 per year.”

In his response, Mr. McEowen stated “No. It doesn’t fit any of these categories.” Based on the response, the University representative, stated “a COIC Management Plan is not needed at the VPRED [Vice President of Research and Economic Development] Level. Your Department Chair (or other appropriate supervisor) may establish a written or verbal plan at the department, college, or Extension level, if deemed appropriate. Any issues arising from your consulting activities can be handled at the department, college, or Extension level.” According to University officials we spoke with, if any action had been taken at the Department, College, or Extension level, it should have been included in Mr. McEowen’s personnel file. However, documentation was not included in the file which showed University officials addressed Mr. McEowen’s consulting activities.

The University also noted on Mr. McEowen’s Conflicts of Interest and Commitment Disclosure form for 2012 a representative would follow up to see if a management plan is needed. There was nothing noted by the University on the 2013 and 2014 forms. According to Mr. McEowen’s 2015 Conflicts of Interest and Commitment Disclosure form, the University noted no management plan is required.

When asked if Mr. McEowen reviewed the Conflict of Interest and Commitment Disclosures forms completed by CALT staff, he stated he reviewed them, but the level of detail provided on the forms was less than what he provided on his forms because the staff did not do very much speaking. However, based on our review of the disclosure forms submitted by CALT staff, the descriptions and explanations provided were very detailed and included descriptions of classes taught, articles authored, and textbooks updated.

According to staff we spoke with, they filed their conflict of interest forms as required by the policy. A staff person we spoke with stated she received a call at home from Mr. McEowen after filing her form asking her why she filed a Conflict of Interest and Commitment Disclosure form. The staff person reported she told Mr. McEowen she filed it because they were supposed to according to the policy. She also reported Mr. McEowen replied to her, “Well, they don’t need to know what we’re doing”.

Because Mr. McEowen reviewed the forms staff completed, it should have been apparent to him the level of detail provided by staff was much more complete than the information he provided on the forms he completed.

DIVERTED COLLECTIONS

As previously stated, CALT staff we spoke with expressed concerns Mr. McEowen may have retained fees which should have been deposited with CALT. In order to determine if any collections were improperly deposited by Mr. McEowen, we reviewed bank statements for Mr. McEowen’s PLC and personal bank accounts for the period April 1, 2009 through December 15, 2015 and determined the composition of certain deposits by reviewing images of documents obtained from the bank. Specifically, we reviewed the composition of deposits which exceeded \$100.

In order to determine if the collections should have been deposited with CALT, we also reviewed information from the following sources. This information allowed us to determine if the amounts deposited were a result of events related to operations of McEowen, PLC or CALT.

- Documentation obtained from certain entities, such as Kansas State University, the University of North Dakota, and the University of Illinois.
- Mr. McEowen’s ISU e-mails obtained from University IT staff.
- Information obtained from Mr. McEowen’s University computers, such as invoices, speaking notes, and annotations.

- Copies of Power Point® presentations.
- Copies of contracts, letters, and other correspondence obtained from CALT staff.
- Calendars of events from CALT staff.

Based on the information obtained, we created a calendar of Mr. McEowen's events for the period April 1, 2009 through December 15, 2015, including seminars, classes, and other activities. This information was also compared to Mr. McEowen's leave records obtained from the University. Because certain information was not readily available for the period prior to April 1, 2009, calendars were not compiled for this period.

Using the images from the bank, information available from CALT and other entities, information from Mr. McEowen's University computers, and the calendars we compiled, we determined certain collections reviewed were properly deposited to Mr. McEowen's personal and PLC bank accounts, including, but not limited to, payroll amounts from the University, travel reimbursements, and collections from other sources, such as materials sold to other universities.

However, we also identified the following categories of collections. A detailed explanation of each category follows.

- Collections from CALT conferences and seminars held in Iowa.
- Collections from CALT summer conferences.
- Collections from other conferences and seminars.
- Collections from textbooks sold directly to students enrolled in classes taught at the University by Mr. McEowen.
- Collections for which sufficient information was not available to determine the propriety of its deposit in Mr. McEowen's personal or PLC bank account.

Because of the amount of data provided and the limitations of the data available, we are unable to determine if all diverted collections for services performed by Mr. McEowen for the period April 1, 2009 through December 15, 2015 were identified. Additional diverted collections may have been identified if additional information had been available.

CALT Conferences and Seminars Held in Iowa - As the Director of CALT, Mr. McEowen was responsible for providing professional education in agricultural law and taxation and was expected to work with appropriate stakeholder groups, extension offices, and other organizations as deemed appropriate for CALT.

CALT held approximately 6 tax seminars at various locations within Iowa every year. As previously stated, using available supporting documentation, such as e-mails and Power Point® presentations, we were able to construct a calendar of events for Mr. McEowen for the period April 1, 2009 through December 15, 2015. In addition, we discussed the calendar with CALT staff to determine if the list of events was as complete as possible and if specific events identified were related to CALT.

As previously stated, the Extension Office Conflict of Interest Policy states, "**Consulting in the State of Iowa for personal gain is not allowed.**" In addition, the University's COIC Addendum for Extension Personnel states, "If ISU Extension is involved in an effort to provide services outside the State of Iowa... ISU Extension specialists cannot provide like consulting services within that region or nationally." While the Conflict of Interest Policy specifies consulting, the same concept is applicable to presentations provided by Extension employees in a seminar or conference setting. Guidance provided by the University defines consulting as giving advice or

counsel to private agencies or individuals. By presenting at a seminar or conference, Mr. McEowen gave advice or counsel to those attending.

In addition, speaking at these events was part of Mr. McEowen's job duties as Director of CALT. As a result, he is not entitled to additional compensation for speaking at a conference or seminar as a representative of CALT and should have remitted any payments received to CALT for deposit.

During our review of deposits to Mr. McEowen's personal and PLC bank accounts, we identified \$375.00 of honorariums received and deposited by Mr. McEowen for speaking at CALT events held within the State of Iowa. **Table 1** lists the honorariums he received and deposited for these events.

Table 1

Date	Source of Payment	Amount	Description per Calendar
02/10/11	Scott County Extension	\$ 125.00	Overall Women's Conference Davenport, IA
03/12/13	McQuire Auction	250.00	Holstein, IA (<i>topic not specified</i>)
Total		<u>\$ 375.00</u>	

The \$375.00 of honorariums deposited by Mr. McEowen are included in **Exhibit A** as diverted collections.

CALT Summer Conferences – In addition to the conferences and seminars held within Iowa each year, CALT held conferences each summer in the following locations:

- 2009-Grand Tetons, WY
- 2010-Estes Park, CO
- 2011-Branson, MO
- 2012-Sun Valley, ID
- 2013- Traverse City, MI and Santa Fe, NM
- 2014-West Yellow Stone, MT and West Baden Springs, IN
- 2015-Spear Fish, SD; Findley Lake, NY; and Lake Tahoe, CA

Based on our review of the materials presented by CALT at various conferences and seminars, we determined the information presented at conferences and seminars held in Iowa included both federal and State of Iowa information. However, materials presented by CALT at conferences held outside Iowa were limited to only federal information. As previously stated, CALT is part of the ISU Extension and Outreach function which was established to address the needs of Iowans. As a result, it is unclear what benefit is provided by the conferences held outside Iowa.

According to Mr. McEowen, the summer seminars were started to expand CALT regionally and nationwide. He stated he "wanted CALT to outlast him." He also indicated he wanted to operate CALT on a national level and not be restricted by the University. Mr. McEowen also stated he had discussed the possibility of expanding CALT operations with the Senior Vice President and Provost of the University (Provost). We spoke with the Provost and confirmed Mr. McEowen met with him on May 22, 2015 to discuss his desire to expand CALT nationwide and have CALT operate outside of the University's policies and procedures. According to the Provost, University officials would not consider allowing CALT to operate outside of the University. However, that decision was not communicated to Mr. McEowen during their meeting. We reviewed e-mails Mr. McEowen sent to University officials after meeting with the Provost regarding the status of his request. University officials did not respond to Mr. McEowen's e-mails.

We determined proceeds from the summer events were deposited by CALT. According to CALT staff, it was Mr. McEowen's decision to begin holding the summer seminars. They also stated the seminars are held in luxurious resorts across the country. CALT staff reported the expenses for the 2-day seminars are quite high and the attendance numbers are generally low. As a result of the travel expenses and other costs associated with the venues, they are not as profitable as other conferences and seminars held by CALT. As stated previously, Mr. McEowen resigned in January 2016. An out of state summer conference was not held in 2016.

However, we also determined Mr. McEowen deposited a \$3,000.00 check from Iowa Farm Business Association to his personal bank account for the seminars held in Spear Fish, SD and Findley Lake, NY on June 8, 2015. The check was payable to McEowen, PLC.

According to an e-mail from a representative of CALT, Iowa Farm Business Association paid Mr. McEowen \$3,000.00 for travel expenses for the South Dakota and New York CALT seminars. In exchange for paying Mr. McEowen's travel expenses, Iowa Farm Business Association was not required to pay registration fees for Iowa Farm Business Association representatives to attend CALT summer seminars or webinars. According to a CALT representative, the complimentary registrations provided to Iowa Farm Business Association totaled \$3,240.00. As a result, CALT did not receive \$3,240.00 of registration fees which should have been collected.

In addition, CALT did not incur any travel expenses for Mr. McEowen to travel to the South Dakota and New York seminars. Documentation of the travel expenses incurred by Mr. McEowen for the South Dakota and New York CALT seminars was not available. However, by reviewing supporting documentation, we determined CALT incurred \$1,907.94 of travel expenses for another CALT employee to attend the South Dakota and New York CALT seminars. The employee's travel expenses, which included airfare, car rental, lodging, meals, fuel and mileage, should have been comparable to the travel expenses incurred by Mr. McEowen. As a result, we consider the expenses incurred by the other CALT employee to estimate the amount of travel expenses incurred by Mr. McEowen for these trips. In addition, to be conservative, we increased the estimated cost of Mr. McEowen's travel expenses for the seminars to \$2,000.00.

If CALT had received the \$3,240.00 of registration fees from the Iowa Farm Business Association and paid the estimated \$2,000.00 of travel expenses for Mr. McEowen's travel to New York and South Dakota, CALT would have received net collections of \$1,240.00. The \$1,240.00 is included in **Exhibit A** as diverted collections.

Other Conferences and Seminars - As previously stated, employees are required to electronically sign Conflicts of Interest and Commitment Disclosure forms. These forms are designed to disclose instances in which an employee engages in an outside activity that interferes, or appears to interfere, with fulfillment of the employee's obligations to the University, or where it appears they compromised, or have the appearance of compromising, their professional judgment or integrity in teaching, conducting or reporting research, or performing other University obligations. A conflict of commitment or conflict of interest may be present under University policy even if the outside activity is potentially valuable to the University or might contribute to the employee's professional development and competence.

These disclosure forms are also designed to disclose instances in which employees are prevented from fulfilling their commitment to ISU and CALT or where it appears they compromise, or have the appearance of compromising, their professional judgment or integrity in teaching, conducting or reporting research, or performing other University obligations. The University requires faculty to disclose any potential conflicts to the Department Executive Officer prior to initiating the activity. Once disclosed, the potential conflict is evaluated by University staff and a management plan is developed which specifies how the conflict is to be handled.

As the Director for CALT, Mr. McEowen performed research activities and made presentations at seminars. As previously stated, CALT held seminars during the summer outside the State of Iowa and seminars around the State of Iowa during October, November, and December.

In addition, Mr. McEowen presented at seminars for which he received payments. We observed the materials and Power Point® slides presented at some of these seminars and determined the title slide made reference to CALT. We also determined the contact information Mr. McEowen provided to the participants at the seminars was his University/CALT e-mail address.

As a result, it is apparent Mr. McEowen was holding himself out to the participants of the seminar as a representative of CALT rather than on behalf of McEowen, PLC. If the seminars were sponsored by McEowen, PLC rather than CALT, the contact information provided by Mr. McEowen would have been for the PLC rather than his University/CALT e-mail address.

During our initial conversation, Mr. McEowen stated his PLC helped advance CALT. He stated he spent 15 to 20 minutes during each presentation promoting CALT and talking about CALT's website and subscription services. In a subsequent meeting, Mr. McEowen stated his PLC and CALT were comingled and he wanted to expand CALT nationwide.

Based on the documentation identified during our investigation, including e-mails, Power Point® presentations, copies of checks deposited by Mr. McEowen, bank statements, and information obtained from entities other than CALT, we determined Mr. McEowen made presentations at seminars and other events for which he used CALT materials. We also determined Mr. McEowen requested payment for the services provided and deposited the amounts collected to his personal or PLC bank account.

Many of the documents obtained illustrate the services Mr. McEowen provided included Power Point® slides with CALT's name and information, staff time, and CALT supplies for preparation of these events. The seminars and other events attended by Mr. McEowen related to agricultural law and taxation which was Mr. McEowen's area of expertise and part of his job duties as the Director of CALT.

According to CALT staff we spoke with, they were asked to attend seminars Mr. McEowen presented in North Dakota and Kansas on several occasions. Staff stated they were under the impression the speaking events were related to CALT. In addition, staff stated the sponsoring organization paid for all their travel expenses and no reimbursement was requested from the University for the events. We did not identify any reimbursements from the University to Mr. McEowen for the events he presented at in North Dakota or Kansas. Staff also stated they did not know if Mr. McEowen submitted the speaker fees he received to the University. We confirmed there were no deposits to CALT for these events.

The Conflicts of Interest and Commitment Disclosure forms completed by Mr. McEowen for 2011 through 2015 included the following disclosure:

"I am the owner of McEowen, P.L.C., a legal services firm that is engaged in the business of providing professional legal services to clients. Such services include legal advice, technical legal and tax seminars and consultation to clients on legal matters. I am licensed to practice in Nebraska. Clearly, there are times when the subject matter of client issues overlaps with the issues I am involved with in writing and researching as part of my ISU duties."

However, as previously stated, the University's COIC Addendum for Extension Personnel specifically states, in part, "If ISU Extension is involved in an effort to provide services outside the State of Iowa... ISU Extension specialists cannot provide like consulting services within that region or nationally. Consulting outside the State of Iowa in the area in which the employee has an expertise may be acceptable after receiving approval of the supervisor. However, any materials

used by the ISU Extension specialist during the consultation outside of Iowa that were developed by ISU Extension must be acknowledged.”

In addition, according to the policy, use of public property for personal gain is not allowed. CALT employees have access to public tax-supported facilities, educational or research materials, and equipment. We were unable to locate documentation illustrating Mr. McEowen received approval for presenting at seminars and other events.

During our review of the deposits to Mr. McEowen’s personal and PLC bank account, we identified a number of payments to Mr. McEowen or McEowen, PLC which were related to seminars held outside the state of Iowa. Specifically, we identified 208 dates on which events were held and for which Mr. McEowen received and deposited a payment. Of the 208 dates identified, we determined the following:

- For 28 of the dates identified, Mr. McEowen took vacation, furlough, or another type of leave from the University. In addition, 2 of the dates identified were weekend dates. As a result, the \$105,671.15 Mr. McEowen received for these 30 dates was determined to be collections which were not diverted from CALT.
- For 70 of the dates identified, we were unable to determine the nature of the event held. As a result, we are unable to determine if any funds generated by the event should have been deposited to CALT and, therefore, did not include the \$55,520.20 for these dates in the collections diverted from CALT.
- Mr. McEowen received \$278,265.83 for the remaining 108 dates identified. Information available for the events held on these dates is included in **Exhibit B**.

According to University and CALT officials we spoke with, employees are required to hold themselves out as practicing individually and not as an employee of the University and/or CALT when they perform independent seminars. All communications are to be done on their personal letterhead and they are not allowed to use University or CALT resources or time.

Based on available supporting documentation, discussions with University and CALT officials, and CALT policies, we determined the amounts listed in **Exhibit B** are diverted collections after considering the following factors:

- Violation of the policy which states, in part, “If ISU Extension is involved in an effort to provide services outside the State of Iowa... ISU Extension specialists cannot provide like consulting services within that region or nationally. Consulting outside the State of Iowa in the area in which the employee has an expertise may be acceptable after receiving approval of the supervisor. However, any materials used by the ISU Extension specialist during the consultation outside of Iowa that were developed by ISU Extension must be acknowledged.”

We were unable to locate supporting documentation illustrating Mr. McEowen received approval of a supervisor for presenting at the seminars or events.

- Mr. McEowen did not take vacation or another type of leave for the seminars or events identified.
- Mr. McEowen did not request Professional Activity Leave for the seminars or events identified. As a result, University officials were unable to determine if the event was related to his duties as the Director of CALT.
- Mr. McEowen used CALT staff time and resources for preparing the materials to provide for the seminars and events identified.

- Materials provided to attendees did not illustrate Mr. McEowen was presenting on behalf of McEowen, PLC. Instead, they contained CALT information, such as the address, logo, or phone number and Mr. McEowen's CALT e-mail address.
- By holding the summer seminars outside of the State of Iowa, CALT expanded their service area from just Iowa to providing extension service to a nationwide audience. As a result, Mr. McEowen violated the Conflict of Interest policy by providing consulting services within that region or nationally.
- As stated previously, during a meeting with Mr. McEowen, he wanted to expand CALT nationwide. As a result, the amounts collected from the speaking engagements outside of Iowa should have been deposited to CALT rather than his PLC.

As a result, the \$278,265.83 of deposits listed in **Exhibit B** are included in **Exhibit A** as diverted collections. However, because of the amount of data provided and the limitations of the data available, we are unable to determine if we have identified all the diverted collections related to seminars Mr. McEowen performed during the period April 1, 2009 through December 15, 2015.

Textbooks - According to the University educational materials policy, "ISU encourages the development of educational materials to assist in meeting its responsibilities for academic instruction, extension and research." According to a representative of the University we spoke with, faculty who are authors of their own textbooks are allowed to sell the textbooks to the Book Store at the market price. However, according to the University's textbook policy, the Book Store is the official clearing house for course materials used in classroom instruction and course materials and textbooks and supplies must be supplied to the Book Store for sale to students registered for class.

In addition, Section 8.3.6.6 of the Faculty Handbook addresses Royalties for Instructional Materials. According to the handbook, "a faculty member of Iowa State University may use, in university classes, textbooks or other instructional materials for which he/she receives royalties or remuneration provided that, for any materials so used at Iowa State, the payments that could normally accrue to the faculty member are assigned to the university or to a body mutually agreed upon by the university and the faculty member." As a result of these policies, Mr. McEowen would not be allowed any form of compensation for using his textbook in a class he instructed.

According to an e-mail thread between Mr. McEowen, a CALT staff member, and students registered for Mr. McEowen's class which was dated January 5, 2012, Mr. McEowen instructed the CALT staff member to e-mail the students to inform them the CD and textbook were available at the CALT office. As part of the thread, a student asked if the books were available in the Book Store. The response stated, "The book is not available at the bookstore. In the past, most students have only wanted the CD and ended not buying the book at the bookstore, so we have decided to offer the CD only and we can order the book if the student wants the hard copy as well." A copy of the January 5, 2012 e-mail is included in **Appendix 2**.

During our review of the deposits in Mr. McEowen's personal and PLC bank accounts, we identified deposits of checks which included "textbook" and "Ag Law" in the memo line. We also obtained class rosters from the University's Registrar's Office for the agricultural law classes taught by Mr. McEowen for the period April 1, 2009 through December 15, 2015. By comparing the students listed on the rosters to the individuals who issued the checks deposited in Mr. McEowen's personal and PLC bank accounts, we identified 4 payments issued directly to Mr. McEowen by students which total \$290.00.

In addition, we identified an e-mail dated January 15, 2013 regarding the sale of textbooks to 2 students. A copy of the e-mail is included in **Appendix 3**. As illustrated by the **Appendix**, the e-mail states, "Prof. McEowen has just confirmed that he will have the textbooks you both ordered with him tomorrow in class. Please bring your checkbook with you. Also, please note you will

need to write two checks: One for \$80 to 'McEowen, P.L.C.' and the other for \$100 to 'Iowa State University'." We determined an \$80 deposit in Mr. McEowen's PLC bank account from 1 of the 2 students was included in the \$290.00 deposited to the McEowen, PLC bank account, but we did not identify a deposit from the other student.

We also identified several other checks issued to and deposited by Mr. McEowen which stated "textbook" or "Ag law" in the memo line, but we were unable to trace the name of the individual who issued the check to a class roster. In addition, we identified several e-mails to Mr. McEowen in which students asked to purchase the textbook or CD of the textbook directly from Mr. McEowen. However, we were unable to identify a deposit to Mr. McEowen's personal or PLC bank accounts from these students. It is possible the students paid cash.

We have included the \$290.00 from the sale of textbooks in **Exhibit A** as a diverted collection. However, due to the lack of available supporting documentation, we are unable to determine if we have identified all the diverted collections related to the sale of textbooks during the period April 1, 2009 through December 15, 2015.

When we spoke with Mr. McEowen about the amounts collected for the textbooks, he stated the textbooks were not purchased from the Book Store because students enrolled late or the Book Store was out of the books. He also stated he spoke with a representative of the Book Store and he was instructed "to handle it." He stated the Book Store markup went to CALT. However, as previously stated, we identified certain payments for the textbooks in Mr. McEowen's personal and PLC bank accounts. We did not identify any amounts deposited to CALT for the sale of textbooks.

During our review, we noted several e-mails between Mr. McEowen and CALT staff regarding formatting and editing of Mr. McEowen's textbook. CALT staff we spoke with also stated they contributed to the textbook. However, due to the lack of detailed supporting documentation, we were unable to determine the amount of time spent by CALT staff on Mr. McEowen's textbook. CALT staff we spoke with were also unable to provide any estimates of the amount of time spent on Mr. McEowen's textbook. As a result, a cost is not included in **Exhibit A**.

IMPROPER DISBURSEMENTS

We reviewed disbursements by the University to Mr. McEowen for the period of our investigation to determine their propriety. The improper and unsupported disbursements identified are explained in more detail in the following sections of this report.

Excess Vacation Costs - As previously stated, using the supporting documentation available, such as e-mails and Power Point® presentations, we were able to construct a calendar of events for Mr. McEowen for the period April 1, 2009 through December 15, 2015. In addition, we discussed the calendar with CALT staff to determine if the list of events was as complete as possible and if the event was a CALT related event or an event in which Mr. McEowen had personal interest.

We also obtained Mr. McEowen's records of vacation and sick leave and absence request forms from University officials. We compared Mr. McEowen's vacation and sick leave usage to the calendar we compiled for Mr. McEowen to determine if he used vacation for seminars or events identified as held outside the State of Iowa. Based on this comparison, we determined Mr. McEowen did not take vacation to attend certain events or seminars.

Exhibit C compares Mr. McEowen's vacation accrual, usage, and balances reported by the University to the balance we calculated based on the calendar we prepared. **Table 2** summarizes the beginning balances, accruals, usage, and ending balances recorded by the University and calculated by the Office of Auditor of State.

Table 2

Description	Recorded	Calculated	Difference
Beginning balance of vacation hours	384.00	384.00	-
Total vacation hours accrued	434.60	1,282.60	848.00
Total vacation hours used	(472.00)	(1,880.00)	(1,408.00)
Ending balance of vacation hours	346.60	(213.40)	(560.00)

The **Table** illustrates the amount of accrued vacation recorded by the University totaled 434.60 hours while the calculated amount of accrued vacation hours totaled 1,282.60. As illustrated by **Exhibit C**, once Mr. McEowen's accrued vacation balance recorded by the University totaled the maximum allowed of 384 hours, additional vacation was not accrued. However, when the amount of vacation taken by Mr. McEowen but not recorded was considered, his vacation balance was often below the 384 hour maximum allowable balance. As a result, the calculation included additional accrued vacation hours.

The **Table** also illustrates Mr. McEowen would have used more vacation than he earned had he properly reported his vacation time. Because Mr. McEowen used more vacation than he earned, the additional time required to attend out-of-state events identified should have been unpaid leave. As illustrated by **Exhibit C**, the amount Mr. McEowen earned for the time which should have been taken as unpaid leave totals \$14,910.00. In addition, the University incurred \$1,140.62 for the employer's share of FICA and \$1,491.00 for the employer's share of TIAA/CREF contributions for these days. These costs total \$17,541.62 and are included in **Exhibit A** as improper disbursements.

According to Mr. McEowen, he worked 80 to 90 hours per week on CALT and his PLC; however, he did not record the amount of time he spent working for each entity each week. Mr. McEowen also stated when he was speaking for a full day at a non-CALT event, he responded to CALT e-mail, reviewed information prepared by CALT staff, and returned phone calls for CALT. When we initially spoke to Mr. McEowen regarding taking vacation or professional leave, he stated he used his vacation each year and did not carry a balance over at the end of the year and he did not know what professional leave was. During a subsequent interview, Mr. McEowen stated he would work 80-90 hours per week so he did not even need to take vacation. He would keep track of general hours on a monthly basis. At the end of the year he would look at things and may take some vacation for things he did earlier in the year.

In addition, he stated he never considered working for McEowen, PLC without taking vacation to be an issue because he believed CALT and McEowen, PLC were comingled and he was helping reach the goal of creating CALT as a separate entity which would operate nationwide. When asked if he tracked his time and the amount of staff time used for his PLC, he stated it was comingled and time was not tracked.

Excess Vacation Payout - As illustrated by **Table 2**, according to the University payroll system, Mr. McEowen had a balance of 346.60 vacation hours on the date on his resignation on January 5, 2016. As a result, he received gross pay of \$22,978.25 for the 346.60 hours. However, if Mr. McEowen would have reported/requested vacation for events which were not related to CALT, he would have not received any vacation payout at the time of his resignation.

The University also incurred \$1,757.84 for the employer's share of FICA for the vacation payout. As a result, the \$24,736.09 of total costs incurred by the University for the improper vacation payout is included in **Exhibit A** as an improper disbursement.

Travel Reimbursements - As previously stated, Mr. McEowen was entitled to travel reimbursements for expenses incurred as a result of traveling for CALT related seminars or events. We reviewed travel reimbursements issued by the University to Mr. McEowen for the period April 1, 2009 through December 15, 2015 to determine if the reimbursements were properly supported, reasonable, and not duplicated by payments from other parties or businesses.

We reviewed the 150 travel reimbursements issued by the University to Mr. McEowen which total \$16,002.77. As illustrated by **Exhibit D**, we identified 50 claims which include \$1,335.22 of improper payments and 4 claims which include \$1,032.92 of unsupported payments. The improper payments identified are described in detail in the following paragraphs.

- A travel claim was submitted for Mr. McEowen for a dinner on April 7, 2015 and mileage from Ames to Goose Lake, IA. The purpose for the trip documented on the travel claim was “Spoke at Eastern Iowa Agricultural Forum.”

According to an e-mail dated April 5, 2015, Mr. McEowen stated he planned to ride the Mega bus from Des Moines to Davenport on Monday, April 6, 2015. The e-mail also documented he had a meeting in Goose Lake on Tuesday, April 7, 2015, but he would get a ride from Davenport to Goose Lake. His plans then included a return to Davenport where he would spend the night and his wife would pick him up in Davenport on Wednesday, April 8, 2015, to go to Indiana for a family funeral. Mr. McEowen also planned to attempt to schedule a taping time for a program in Indiana on Friday, then return to Iowa later that day.

On April 8, 2015, Mr. McEowen e-mailed a CALT staff member to request they prepare a travel voucher for 365 roundtrip miles and a meal of \$13.57 for the previous night. In the e-mail, he also stated he spoke at the Eastern Iowa Agricultural Forum. As part of the e-mail thread, the CALT staff member replied, “I thought you took the Mega bus? Did you end up driving?” Mr. McEowen replied, “I did. I am making up for when I get shorted throughout the year. I am bringing you a fat check from the event.” According to CALT staff, he had taken the Mega Bus and his wife picked him up so they could go to a family funeral in Indiana later in the week.

In the same e-mail thread to the staff person, Mr. McEowen stated “I am taping with AgDay/Farm Journal in South Bend on Friday morning. So, I will pick up some mileage out of the check for that – help pay for the thing that flew off of a truck in Chicago this morning and smashed my passenger side fog-light on the BMW!”

Because Mr. McEowen rode the Mega bus, he was not entitled to a mileage reimbursement. In addition, Mr. McEowen stayed in Davenport on Tuesday night for personal reasons. As a result, CALT was not responsible for reimbursing the \$13.57 meal. A copy of the e-mail correspondence is included in **Appendix 4**.

As illustrated by the **Appendix**, Mr. McEowen acknowledged he had ridden the Mega Bus to Davenport and was instructing a staff member to submit a claim for mileage so he could recover costs to repair his car. As a result, the \$118.51 travel claim was falsified.

- We identified 6 trips Mr. McEowen claimed for Ames to Des Moines to drop off materials or meet with a former Internal Revenue Service (IRS) employee at her office. However, when we spoke with the former IRS employee about the instances described on Mr. McEowen’s travel claims, she stated he did not drop off materials to her office. Instead, she picked materials up from his home. In addition, the former IRS employee provided copies of detailed calendars she maintained for 2009 through 2015. Using the calendars, we determined she did not meet with Mr. McEowen or did not receive any information from him on the dates listed in the claims. Specifically, we determined the following:

- Mr. McEowen's travel claim shows he dropped materials off on October 28, 2011. However, on that date the former IRS employee was not in the office and she stated materials were not left for her in her absence.
- Mr. McEowen's travel claim shows he dropped materials off on November 11, 2011. However, November 11 is Veteran's Day and the former IRS employee's office would have been closed that day.
- Mr. McEowen's travel claim shows he dropped materials off on November 16, 2011. However, the former IRS employee's calendar shows she picked up the materials from Mr. McEowen on that date.
- Mr. McEowen's travel claim shows he dropped materials off on December 4, 2011. However, December 4, 2011 was a Sunday and the former IRS employee's office would have been closed that day.
- Mr. McEowen's travel claim shows he met with the former IRS employee on August 12, 2013. However, her calendar does not include a meeting with him.

The improper amount paid to Mr. McEowen for the 6 meetings totals \$290.81.

- We identified 4 trips Mr. McEowen claimed from Ames to Algona, IA. The purpose for the travel on each claim was to meet with a Board member who was also the registered agent for McEowen, PLC and Mr. McEowen's personal accountant.

For 2 of the 4 trips, the date listed on the travel claim was the same date a check was issued from the McEowen, PLC bank account to the firm which employed the Board member. The checks were dated March 20, 2012 and February 19, 2013 and included memos which stated "tax prep" and "tax prep work", respectively. As a result, it is apparent the purpose of the trips was personal in nature. In addition, the claim submitted in 2013 included a notation a staff member also attended the meeting. Based on the staff member's calendars, she did not attend a meeting with Mr. McEowen and the Board member on February 19, 2013.

We also identified 2 additional checks issued from the McEowen, PLC bank account to the firm which employed the Board member. The checks were dated April 10, 2014 and April 14, 2015. The check issued in 2014 did not include a memo, but the 2015 check stated "fee" in the memo portion. The dates of travel on the claims submitted by Mr. McEowen in 2014 and 2015 were February 11, 2014 and February 19, 2015. As a result, it appears the firm billed Mr. McEowen following the services he received.

In addition, it is not clear why it would be necessary for Mr. McEowen to travel to Algona to meet with this Board member. He was not the Board Chairman and would not have been authorized to act on behalf of the Board. Discussions regarding CALT operations could have been held with the Board member over the phone, if necessary, or Mr. McEowen could have met with CALT Board members who were located in the Ames area.

The 4 claims, which total \$259.94, are listed in **Exhibit D**.

- During our review of Mr. McEowen's travel claims, we determined the departure and return points were primarily listed as Ames. However, based on information available for some trips, Mr. McEowen started from and/or returned to his home in Ankeny. As a result, he should not have claimed miles from/to Ames.

Using the calendars referred to previously, we identified 25 trips where the departure and return points were listed as Ames but should have been Ankeny. We also used MapQuest® to calculate the proper amount of mileage from Ankeny to the location

listed on the claim and added 10 miles to allow for any travel in the vicinity. We compared this calculation to the amount reported on his travel claim and questioned the miles in excess of the amount calculated. The 25 claims resulted in \$530.64 of improper payments.

- We identified 14 trips for which Mr. McEowen claimed excess miles. Using Mapquest®, we determined the number of miles from the departure to the destination cities and allowed 10 additional miles for vicinity travel. However, when a certain location or address within a destination city was specified on the travel claim, we determined the number of miles from the CALT office to the location or address specified. The excess miles claimed by Mr. McEowen resulted in \$135.32 of improper payments.

The \$1,335.22 of improper travel reimbursements identified are included in **Exhibit A**.

Of the 4 unsupported travel reimbursements identified, 3 were issued to Mr. McEowen for taping of Ag Day TV and Farm Journal TV in South Bend, IN. The 3 claims total \$783.09. Due to the lack of supporting documentation, we were unable to determine if Mr. McEowen taped the programs on behalf of CALT or on behalf of McEowen, PLC.

The remaining unsupported travel reimbursement identified was issued to Mr. McEowen in the amount of \$249.83 for attending a tax case in St. Paul, MN. According to McEowen, PLC's articles of organization, the primary business of McEowen, PLC is consulting services, educational speaking, legal writing and the practice of law. Due to the lack of detailed supporting documentation, we were unable to determine if Mr. McEowen attended the tax case on behalf of CALT or on behalf of McEowen, PLC.

The \$1,032.92 of unsupported travel reimbursements identified are included in **Exhibit A**. Because calendars were not available prior to April 1, 2009 we were unable to determine if reimbursements made prior to April 1, 2009 were supported and reasonable for the operations of CALT.

OTHER ADMINISTRATIVE ISSUES

During our testing and fieldwork, we determined Mr. McEowen violated a number of additional policies and procedures established by the University and CALT. These concerns are discussed in detail in the following paragraphs.

Use of CALT Staff and Resources – Chapter 7.2.2.5.11 of the University handbook states, “The use of funds, equipment or facilities provided for a specific purpose for other than that purpose is a form of misconduct. Iowa law forbids the use of funds, equipment or facilities for personal gain or benefit, or for private gain or benefit without following procedures for approval and reimbursement.” The policy includes examples, such as personal use of computers, e-mail, and supplies.

In addition, CALT's policy states use of public property for personal gain is not allowed. CALT employees have access to public tax-supported facilities, educational or research materials, and equipment.

As previously stated and based on e-mails and discussions with CALT staff, Mr. McEowen used CALT staff and resources for preparation of his textbook and non-CALT related seminar materials. The use of CALT/University resources was not approved by Mr. McEowen's supervisor as required by University policy.

In addition, during review of available information, we noted Mr. McEowen used his CALT e-mail for personal business and included his CALT e-mail on his contact pages for his presentations.

Nepotism – The Board of Regents’ policy manual includes sections on Employment and Supervision of Immediate Family Members. In accordance with the policy, “No employee of a Regent Institution or the Board Office may participate in the decisions to hire, retain, promote, grant tenure to or determine the salary of an immediate family member”. According to a CALT staff we spoke with, she was instructed by Mr. McEowen to hire his daughter at approximately the time his daughter was returning to Iowa.

According to e-mails between the staff member and a representative of the University’s Human Resources Department (HR), a position as a casual hourly employee was created and approved by HR for Mr. McEowen’s daughter. According to University officials, a casual hourly employee is limited to 480 hours per year and does not receive any benefits. Because the position for Mr. McEowen’s daughter was a casual hourly employee, no additional review was required.

According to e-mails and payroll records, Mr. McEowen’s daughter worked for CALT from November 8, 2010 to December 21, 2010 on a part-time basis. During the period of her employment, she worked a total of 76.8 hours and received total gross pay of \$638.21. No one filled the position after she left.

Because the Board of Regents’ policy prohibits hiring, retaining, promoting or granting tenure to, or determining the salary of an immediate family member, Mr. McEowen should not have instructed staff to hire his daughter.

Publications – As previously stated, an initial concern reported to Internal Audit was articles written by CALT staff were included in publications as if written by the Director. During our review of Mr. McEowen’s detailed deposits, we determined Mr. McEowen received approximately \$210,000 for publishing articles, tax manuals, and from the sale of his textbook during the period April 1, 2009 through December 15, 2015.

In addition, Mr. McEowen had previously been alleged to have reproduced text and ideas from an individual he worked with in an article he published in November 2006. According to the information provided, the University reviewed the issue and noted the following concerns:

- The article made no reference to his private firm. Rather he referred to his title at the University.
- The article directed readers to send any questions to his Iowa State e-mail account.
- Mr. McEowen also used his University e-mail to communicate with the individual regarding the article.

The correspondence concludes “if you are using your Iowa State e-mail account to conduct business on behalf of your private firm, then you may be in violation of Section 7.2.2.5.10 of the *Faculty Handbook*. Section 7.2.2.5.10 and Iowa law prohibit the use of Iowa State equipment for personal gain or benefit. This conduct may also violate other sections of the *Faculty Handbook*, such as Section 7.2.2.1 (Conflicts of Interest), 7.2.2.1.3 (Outside Activities), and 8.3.5 (Consulting).”

As a result of the University’s internal review, the matter was to be resolved informally if Mr. McEowen undertook training on proper use of citation, conflict of interest, and if he had not already done so, report his outside business interest to his department chair.

We also identified an e-mail dated January 28, 2009, in which Mr. McEowen communicated to the University that his articles published in the Kansas Farm and Estate Law publication were through his PLC. The e-mail also includes the statement, “It is not part of my job duties at ISU, ISU does not compensate me for it, does not evaluate me on the basis of its production, no ISU staff time, or equipment is utilized in its production, and it is entirely separate and distinct from the Center’s website.”

However, according to staff we spoke with and our review of e-mails, Mr. McEowen requested staff work on articles which were used on CALT's website, in presentations, in his textbook, and other publications. As a result, we were unable to determine if proper recognition was provided as required by publication standards. In addition, we were unable to determine if the publications were written on behalf of CALT or McEowen, PLC.

Lack of University Follow-Up – As previously stated, the University and CALT require staff and faculty to complete electronic Conflicts of Interest and Commitment Disclosure forms. CALT staff are required to update forms at least annually. If the staff become aware of, or perform, a service which may be a conflict of interest or commitment during the year, they are required to submit an updated online disclosure form for review and approval.

As previously stated, the disclosures Mr. McEowen included in his Conflicts of Interest and Commitment Disclosure forms did not specify the nature of the seminars or consultation. When we spoke with Mr. McEowen, he stated the materials used in the seminars and consultations provided by McEowen, PLC were the same materials used by CALT. As a result, it appears the disclosures Mr. McEowen included in the Conflicts of Interest and Commitment Disclosure forms were not specific enough for University officials to determine the services provided by McEowen, PLC were virtually the same as the services provided by CALT.

Also as previously stated, the University noted on Mr. McEowen's Conflicts of Interest and Commitment Disclosure forms in 2011, "It is not clear from the answers provided whether McEowen, PLC meets the definition of a significant financial interest. It appears to be a regular consulting company. A representative of the VPRED will follow up." In December 2011, a University representative contacted Mr. McEowen via e-mail to inquire if his work at McEowen, PLC matched any of the descriptions included in the Conflict of Interest policy. He replied it did not.

The University also noted a representative will follow up to see if a management plan is needed in 2012. With the assistance of the University Legal Counsel, we were unable to determine if a University representative followed up with Mr. McEowen to obtain more information regarding the purpose and services McEowen, PLC provided. There was nothing noted by the University in the disclosure forms for 2013 and 2014. According to Mr. McEowen's 2015 Conflicts of Interest and Commitment Disclosure form, the University noted no management plan is required.

During our review, we determined Mr. McEowen disclosed his personal business in the Conflicts of Interest and Commitment Disclosure forms for 2011 through 2015. However, the University and CALT did not conduct proper follow-up to obtain a better understanding of the purpose of McEowen, PLC and the legal functions McEowen, PLC performs in relation to Mr. McEowen's position as the Director of CALT. As a result, a management plan was not created.

Implementation of a management plan which addresses the potential conflicts identified by employees is a fiduciary responsibility of the University. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity. The lack of appropriate fiduciary oversight and the failure to ensure implementation of adequate controls over the potential conflicts reported by employees may result in the University not providing the appropriate guidance.

Based on our testing and observations, McEowen, PLC performed the same functions as CALT and Mr. McEowen used his position as the Director of CALT to further the interests of McEowen, PLC. As a result, there was a clear conflict of interest.

Recommended Control Procedures

As part of our investigation, we reviewed the controls used by Iowa State University, Center for Agricultural Law and Taxation. An important aspect of internal control is to establish procedures that provide accountability for assets susceptible to loss from errors or 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 University's and CALT's internal controls.

- (A) Conflict of Interest - The University and CALT require all employees to complete Conflicts of Interest and Commitment Disclosure forms annually and to review the conflict of interest policy. The University and CALT do not attempt to verify the information provided by the employees is complete or accurate. The University and CALT rely on the employee's ethics to properly disclose all required or potential conflicts. Such reliance is not sufficient. University officials should take an active role in identifying unreported conflicts of interest.

Based on our testing and observations, it was not difficult for the former Director of CALT to establish a business which represented a conflict of interest and use his position as the Director of CALT to further the interests of the business he created.

Recommendation – The University and CALT should require employees to include the date the conflict of interest began when disclosing any conflict of interest. The disclosure should include any information related to publications and research in which the University and CALT could have intellectual property rights. In addition, the disclosure should include any information related to a personal business, such as the purpose of the business and particular field of study for the business. The University and CALT should then review the personal business to determine if the personal business is similar to the employee's job duties.

The University and CALT should also continue to stress employees should report concerns related to conflict of interest, conflict of commitment, or other concerns to the University's Compliance hotline or the Office of Internal Audit. The University could communicate this to employees during CALT training events and during annual employee evaluations. In addition, updated forms should be signed by employees which include any revisions.

- (B) Unreported Vacation – We identified 1,408 hours for which Mr. McEowen should have reported vacation. Because Mr. McEowen did not properly report his vacation time used, he was paid more vacation time than he was entitled to receive.

Recommendation – The University and CALT should implement procedures which ensure all employees properly record all leave time, including vacation, sick leave, or other types of leave. In addition, University and CALT officials should emphasize with supervisory personnel who approve employee leave reports the necessity to review the accuracy of leave time recorded by employees.

- (C) Policies and Procedures – During our review, we identified the following policies were not complied with:
- Textbooks – Mr. McEowen directly sold his textbook to students instead of having the students purchase them from the Book Store.
 - Use of CALT staff and resources – Mr. McEowen frequently had staff work on his textbook, tax manuals and non-CALT related seminar

materials during CALT work hours. In addition, Mr. McEowen used his CALT e-mail for McEowen, PLC business.

- Travel claims – We identified the following concerns regarding travel claims submitted for Mr. McEowen.
 - The travel claims document trips were primarily from Ames, IA, even when the claims should have identified a different starting location.
 - A number of the travel claims showed Mr. McEowen traveled from 8:00 a.m. to 5:00 p.m. without regard for the times he was actually away from the office.
 - We identified travel claims which included excess miles.
 - We identified travel claims which were for miles from Ankeny to Ames or from Ames to Ankeny on days he worked from his home. Because Mr. McEowen resided in Ankeny and worked in Ames, he was not eligible for mileage between the cities.

Recommendation – The University and CALT should implement procedures to ensure compliance with policies. Employees should sign a statement they have read and understand the policies found in the policy handbook available online.

In addition, travel claims should be accurately prepared, and reviewed and approved by an independent party to ensure the amounts claimed are appropriate.

Exhibits

Report on Special Investigation of the
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Summary of Findings
For the period April 1, 2009 through December 15, 2015

Description	Exhibit/Table/ Page Number	Improper	Unsupported	Total
Diverted collections:				
CALT conferences and seminars held in Iowa	Table 1	\$ 375.00	-	375.00
CALT summer conferences	Page 15	1,240.00	-	1,240.00
Other conferences and seminars	Exhibit B	278,265.83	-	278,265.83
Textbooks sold to ISU students	Page 19	290.00	-	290.00
Subtotal diverted collections		280,170.83	-	280,170.83
Improper and unsupported disbursements:				
Excess vacation costs	Exhibit C	17,541.62	-	17,541.62
Vacation payout	Page 20	24,736.09	-	24,736.09
Travel reimbursements	Exhibit D	1,335.22	1,032.92	2,368.14
Subtotal improper and unsupported disbursements		43,612.93	1,032.92	44,645.85
Total		\$ 323,783.76	1,032.92	324,816.68

Report on Special Investigation of the
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Diverted Collections from Conferences and Seminars
For the period April 1, 2009 through December 15, 2015

Event Date	Description per Calendar, Power Point® Presentations, Curriculum Vitae, Information from CALT staff, and/or E-mails	Amount
04/03/09	Exam #2 for class; seminar in St. Cloud MN for Ag Law Section of MN Bar	\$ 419.35
05/15/09	Speak at Texas Bar Ag Law conference, Texas Tech Law School, Lubbock	773.09
06/02/09	Speak at West River Estate Planning Council Seminar, Rapid City, SD; travel to Riverton, WY pm	2,117.52
06/16/09	Speak at 2009 NAFBAS conference, St. Louis	1,929.31
06/22/09	Seminar in Mound City, Mo - Wind Energy Legal Issue	750.00
09/22/09	California (Seminars in Stockton and Fresno)	300.00
09/23/09	California (Seminars in Stockton and Fresno)	500.00
09/24/09	California (Seminars in Stockton and Fresno)	500.00
10/22/09	Topeka KS (speak at Kansas Accountant's Tax Conference)	335.10
10/30/09	KSU Olathe Tax School	2,625.00
11/02/09	Kansas Tax Institutes (Garden City, Colby, Hays)	2,625.00
11/04/09	Kansas Tax Institutes (Garden City, Colby, Hays)	2,625.00
11/06/09	Kansas Tax Institutes (Garden City, Colby, Hays)	4,128.11
11/18/09	UND Fargo tax school	3,250.00
11/20/09	UND Bismark Tax school	4,258.29
12/01/09	Topeka KS (KSU Tax School)	2,625.00
12/10/09	Salina, KS (KSU Tax School)	2,625.00
12/11/09	Wichita, KS (KSU Tax School)	2,625.00
12/16/09	Pittsburg, KS (KSU Tax School)	4,550.41
01/21/10	Speak at Pfister seminar (Moline)	690.00
02/25/10	Speak at 2010 meeting of Kansas Chapter of ASFMRA	1,421.51
04/23/10	Speak at Bankruptcy conference, Lawrence KS	388.51
05/27/10	Work at home (CHS Webinar, Minneapolis, MN - Domestic Production Deduction and Cooperatives)	1,750.00
08/24/10	Speak in Fargo - Agri-Country Tax Seminar	7,734.47

Honorarium	Remaining Amount*	Source of Payment
-	419.35	Minnesota CLE
-	773.09	State Bar of Texas
1,500.00	617.52	West River Estate Planning Council
-	1,929.31	National Farm Management Conference
750.00	-	Bart and Joy Geieger
300.00	-	Stockton Estate Planning Council
500.00	-	Fresno Estate Planning Council
500.00	-	Society of Financial Service Professionals - Fresno Chapter
-	335.10	Public Accountants Assn. of Kansas Inc
2,625.00	-	State of Kansas (Kansas State University)
2,625.00	-	State of Kansas (Kansas State University)
2,625.00	-	State of Kansas (Kansas State University)
2,625.00	1,503.11	State of Kansas (Kansas State University)
3,250.00	-	University of North Dakota
3,250.00	1,008.29	University of North Dakota
2,625.00	-	State of Kansas (Kansas State University)
2,625.00	-	State of Kansas (Kansas State University)
2,625.00	-	State of Kansas (Kansas State University)
2,625.00	1,925.41	State of Kansas (Kansas State University)
-	690.00	Pfister
-	1,421.51	Kansas Chapter ASFMRA
-	388.51	Kansas Bar Association
1,750.00	-	CHS
-	7,734.47	AgCounty Farm Credit Services

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For the period April 1, 2009 through December 15, 2015

Event Date	Description per Calendar, Power Point® Presentations, Curriculum Vitae, Information from CALT staff, and/or E-mails	Amount
10/22/10	Speak at National AICPA Farm Tax Conference, Denver	2,793.97
10/28/10	Speak at Farm/Ranch Agribusiness Bankruptcy Conference (Texas Tech Law School)	363.96
10/29/10	KSU Topeka Tax School	2,700.00
11/09/10	KSU Garden City Tax School	2,700.00
11/10/10	KSU Colby, KS Tax School	2,700.00
11/11/10	KSU Hays, KS Tax School	4,080.51
11/17/10	NDSU Fargo Tax School	3,500.00
11/19/10	NDSU Mandan, ND Tax School	4,294.51
11/30/10	KSU Tax School (Olathe, KS)	2,700.00
12/08/10	KSU Tax Institute (Salina, KS)	2,700.00
12/09/10	KSU Tax Institute (Wichita, KS)	2,700.00
12/16/10	KSU Tax Institute (Pittsburg, KS)	4,193.14
06/21/11	Seminar in Columbia City (Whitley County Commissioners, Wind Energy Meeting)	592.79
07/06/11	Hays, KS (Western Kansas Estate Planning Council - Estate Planning; Ethics)	3,527.96
09/20/11	Speaking at seminar in Fresno pm (Fresno/Visalia Estate Planning Councils, Fresno, CA)	1,000.00
09/29/11	Speak at Ketel, Thorstensen Tax seminar in Rapid City, SD; return home at night	3,524.26
10/03/11	Champaign, IL (University of Illinois Ag Tax Seminar - Farm Business Planning/Succession)	3,100.00
10/27/11	KSU Income Tax Institute (Topeka, KS)	3,070.37
10/28/11	Manhattan, KS (Kansas Bar Association, Ag Law Conference - Agricultural Law Update)	296.76
11/08/11	KSU Income Tax Institute (Hayes, KS)	2,775.00

Honorarium	Remaining Amount*	Source of Payment
2,000.00	793.97	AICPA
-	363.96	Farm, Ranch & Agri-Business Bankruptcy Institute
2,700.00	-	State of Kansas (Kansas State University)
2,700.00	-	State of Kansas (Kansas State University)
2,700.00	-	State of Kansas (Kansas State University)
2,700.00	1,380.51	State of Kansas (Kansas State University)
3,500.00	-	University of North Dakota
3,500.00	794.51	University of North Dakota
2,700.00	-	State of Kansas (Kansas State University)
2,700.00	-	State of Kansas (Kansas State University)
2,700.00	-	State of Kansas (Kansas State University)
2,700.00	1,493.14	State of Kansas (Kansas State University)
-	592.79	Whitley County Concerned Citizens INC
2,750.00	777.96	The Western Kansas Council on Estate Planning & Giving
1,000.00	-	Fresno Estate Planning Council
-	3,524.26	Ketel Thorstenson, LLP
3,100.00	-	University of Illinois
2,775.00	295.37	State of Kansas (Kansas State University)
-	296.76	Kansas Bar Association
2,775.00	-	State of Kansas (Kansas State University)

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Diverted Collections from Conferences and Seminars
For the period April 1, 2009 through December 15, 2015

Event Date	Description per Calendar, Power Point® Presentations, Curriculum Vitae, Information from CALT staff, and/or E-mails	Amount
11/09/11	KSU Income Tax Institute (Garden City, KS)	2,775.00
11/10/11	KSU Income Tax Institute (Colby, KS)	3,795.17
11/18/11	Overland Park, KS (Kansas Society of CPAs, Tax Conference - Farm Income Tax Update)	741.41
01/18/12	Speak in Indianapolis (Annual Meeting of the Independent Professional Seed Association)	1,201.01
05/10/12	Kansas Society of CPAs (Manhattan)	3,767.09
05/23/12	Speak at Quincy, IL (Quincy Estate Planning Council Meeting)	3,000.00
10/31/12	Garden City Tax School	2,850.00
11/01/12	Colby Kansas Tax School	2,850.00
11/02/12	Hays Kansas Tax School	3,894.28
11/14/12	Salina Kansas Tax School	2,850.00
11/15/12	Wichita, KS; Kansas Society of CPAs Annual Tax Conference	3,326.85
11/16/12	Wichita, KS; Kansas Society of CPAs Annual Tax Conference	1,060.38
11/29/12	Topeka, Kansas for KSU	2,850.00
11/30/12	Olathe, Kansas for KSU	3,389.11
12/05/12	Mandan, North Dakota	3,500.00
12/07/12	Fargo, North Dakota	4,387.57
12/13/12	Pittsburg, Kansas for KSU	3,347.23
01/29/13	Kansas City, MO; 2013 Ag Connect Expo and Summit	205.05
03/27/13	Speaking in Salina, KA (Erika to do class)	475.00
05/09/13	Kansas City, MO; 2013 MOKAN Midwest Trust and Financial Services Conference	1,011.77
06/06/13	Speak at National Society of Ag Cooperatives Conference, Wichita	1,488.40
06/10/13	Speak at National Association of Farm Business Analysis Specialists Conference, Kansas City	893.29

Honorarium	Remaining Amount*	Source of Payment
2,775.00	-	State of Kansas (Kansas State University)
2,775.00	1,020.17	State of Kansas (Kansas State University)
-	741.41	The Kansas Society of Certified Public Accountants
-	1,201.01	Independent Professional Seed Association
3,300.00	467.09	The Kansas Society of Certified Public Accountants, INC
3,000.00	-	Transitions Foundation
2,850.00	-	State of Kansas (Kansas State University)
2,850.00	-	State of Kansas (Kansas State University)
2,850.00	1,044.28	State of Kansas (Kansas State University)
2,850.00	-	State of Kansas (Kansas State University)
2,850.00	476.85	State of Kansas (Kansas State University)
750.00	310.38	The Kansas Society of Certified Public Accountants, INC
2,850.00	-	State of Kansas (Kansas State University)
2,850.00	539.11	State of Kansas (Kansas State University)
3,500.00	-	University of North Dakota
3,500.00	887.57	University of North Dakota
2,850.00	497.23	State of Kansas (Kansas State University)
-	205.05	Ag Connect Joint Venture
-	475.00	Salina Area Chamber of Commerce
750.00	261.77	Mokan Conference Association INC
-	1,488.40	National Society of Accountants for Cooperatives
-	893.29	National Farm Management Conference NFRBMEA

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Diverted Collections from Conferences and Seminars
For the period April 1, 2009 through December 15, 2015

Event Date	Description per Calendar, Power Point® Presentations, Curriculum Vitae, Information from CALT staff, and/or E-mails	Amount
08/02/13	In office; RCALF presentation via web from campus	400.00
09/16/13	A.L. - Seminar for Kline CPAs, Huntington, IN	500.00
09/25/13	A.L. (Seminar for ID CPAs, Boise, ID) (Income Tax Issues for Agricultural Clients & Rural Landowners)	3,833.45
10/04/13	Seminar in Champaign, IL (<i>Farm Tax Strategies</i>)	3,550.45
10/22/13	Lansing, MI; Michigan CPAs Megaconference (Estate Planning in Agriculture)	2,104.55
10/30/13	Kansas City Tax School	2,925.00
10/31/13	Topeka, KS Tax School (AL)	2,925.00
11/06/13	Garden City, Kansas Tax School	2,925.00
11/07/13	Colby, Kansas Tax School	2,925.00
11/08/13	Hays, Kansas Tax School	4,583.51
11/20/13	Mandan, ND Spoke for University of North Dakota Tax School <i>CALT staff member drove Mr. McEowen for this event (11/18-23)</i>	3,500.00
11/22/13	Fargo, ND Spoke for University of North Dakota Tax School <i>CALT staff member drove Mr. McEowen through ND for this event (11/18-23)</i>	4,537.88
12/03/13	Wichita, KS Tax School	2,925.00
12/04/13	Salina, KS Tax School (<i>Mr. McEowen likely sold material for, but did not speak at</i>) Des Moines, IA; ISBA 74th Annual Bloethe Tax School	2,925.00
12/05/13	Hays, KS; Adams, Brown, Beran, and Ball In-House Training	3,878.41
12/12/13	Pittsburg, Kansas Tax School	3,812.48
03/01/14	Farm Estate & Succession Planning Workshop for KSU Research & Extension Blaine, KS (PLC)	399.16
05/06/14	Manhattan, KS; Kansas Society of CPAs Agricultural Taxation Workshop	3,681.19
05/08/14	Austin, TX; AICPAs Agriculture Conference (Session 8: Estate Technical Update & Tax Update) (General Session: General Estate & Succession Planning Update)	6,349.36

Honorarium	Remaining Amount*	Source of Payment
-	400.00	RCALF
500.00	-	Kline's CPA Group PC
-	3,833.45	The Idaho Society of Certified Public Accountants
3,100.00	450.45	University of Illinois
1,500.00	604.55	The Michigan Association of Certified Public Accountants
2,925.00	-	State of Kansas (Kansas State University)
2,925.00	-	State of Kansas (Kansas State University)
2,925.00	-	State of Kansas (Kansas State University)
2,925.00	-	State of Kansas (Kansas State University)
2,925.00	1,658.51	State of Kansas (Kansas State University)
3,500.00	-	University of North Dakota
3,500.00	1,037.88	University of North Dakota
2,925.00	-	State of Kansas (Kansas State University)
2,925.00	-	State of Kansas (Kansas State University)
3,500.00	378.41	Adams, Brown, Beran & Ball, CHTD.
2,925.00	887.48	State of Kansas (Kansas State University)
-	399.16	Pottawatomie County Extension Council
-	3,681.19	The Kansas Society of Certified Public Accountants
-	6,349.36	AICPA

Report on Special Investigation of the
Iowa State University
Center for Agricultural Law and Taxation

Diverted Collections from Conferences and Seminars
For the period April 1, 2009 through December 15, 2015

Event Date	Description per Calendar, Power Point® Presentations, Curriculum Vitae, Information from CALT staff, and/or E-mails	Amount
05/13/14	Agricultural Tax Update Lorman Webinar	130.00
07/08/14	Speak at Univ of MO tax school (Columbia, MO)	2,191.08
07/17/14	Speak at Western KS E.P. Council, Hays, KS <i>CALT staff member drove Mr. McEowen to this event and spoke, but CALT received no income)</i>	4,004.98
08/14/14	Kennewick, Washington; Washington Society of CPAs Farm Tax Conference	4,278.09
08/25/14	Bismark, ND; North Dakota Society of CPAs Farm Tax Update Conference	3,500.00
08/26/14	Grand Forks, ND; North Dakota Society of CPAs Farm Tax Update Conference	4,178.72
08/28/14	Fargo, ND; Ag Country Tax Conference	5,748.44
10/23/14	Speak at MI CPA Agribusiness Tax Conference, Frankenmuth, MI	2,438.80
11/14/14	Manhattan, KS; 2014 KBA Agricultural Law CLE (Agricultural Law Update) (<i>KSCPA</i>)	764.84
11/19/14	Speak at Mandan, ND, University of North Dakota Tax Practitioner's Institute	3,500.00
11/21/14	Speak at Fargo, ND, University of North Dakota Tax Practitioner's Institute	4,565.36
11/25/14	Kansas Income Tax Institute Overland Park	3,000.00
12/04/14	Kansas Income Tax Institute, Topeka	3,000.00
12/11/14	Kansas Income Tax Institute, Pittsburg	4,628.34
01/07/15	Topeka, KS; Kansas Soybean Expo	833.07
03/06/15	Oil and Gas Seminar, Kansas Bar	507.00
03/19/15	Sioux Falls, SD; Sioux Falls Estate Planning Council	1,306.07
05/05/15	Fresno, CA; San Joaquin Planned Gifts Council & Association of Fundraising Professionals	1,543.66
07/07/15	Columbia, MO; 2015 MU Extension Summer Tax School Seminar	2,197.36
07/10/15	Tipton, IN; McNeal-Jones CPAs, LLC Aricultural Business and Tax Semiar	1,525.00

Honorarium	Remaining Amount*	Source of Payment
130.00	-	Lorman Education Services
1,800.00	391.08	Audrain County University Extension Council
3,300.00	704.98	The Western Kansas Council on Estate Planning & Giving
-	4,278.09	Washington Society of CPA's
3,500.00	-	-
3,500.00	678.72	North Dakota Society of Certified Public Accountants
-	5,748.44	AgCountry Farm Credit Services
1,750.00	688.80	The Michigan Association of Certified Public Accountants
385.15	379.69	Kansas Bar Association
3,500.00	-	University of North Dakota
3,500.00	1,065.36	University of North Dakota
3,000.00	-	State of Kansas (Kansas State University)
3,000.00	-	State of Kansas (Kansas State University)
3,000.00	1,628.34	State of Kansas (Kansas State University)
-	833.07	Kansas Soybean Commission
-	507.00	Kansas Bar Association
-	1,306.07	Sioux Falls Estate Planning Council
1,000.00	543.66	San Joaquin Valley Planned Gifts Council
1,900.00	297.36	Audrain County University Extension Council
1,000.00	525.00	McNeal- Jones

Report on Special Investigation of the
Iowa State University
Center for Agricultural Law and Taxation

Diverted Collections from Conferences and Seminars
For the period April 1, 2009 through December 15, 2015

Event Date	Description per Calendar, Power Point® Presentations, Curriculum Vitae, Information from CALT staff, and/or E-mails	Amount
07/13/15	AICPA conference (Indianapolis, IN)	402.50
07/16/15	Hays, KS; Westen Kansas Estate Planning Council Seminar	3,864.68
08/27/15	2015 Florida Agriculture Financial Management Conference (Current Agricultural Taxation Issues & Planning Strategies)	1,209.89
10/22/15	Lansing, MI Michigan Society of CPAs CPE Mega Conference Agribusiness Track with the Agribusiness and Fall Accounting Conferences	1,750.00
Total		<u>\$ 278,265.83</u>

Notes from CALT staff members are in italics.

* - May include honorarium, mileage, meals, and lodging; however, we were unable to
determine an accurate breakout because sufficient detailed records were not available.

Honorarium	Remaining Amount*	Source of Payment
-	402.50	AICPA
3,300.00	564.68	The Western Kansas Council on Estate Planning & Giving
-	1,209.89	Florida Specialty Crop Foundation
-	1,750.00	The Michigan Association of Certified Public Accountants
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195,515.15	82,750.68	
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Report on Special Investigation of the
Iowa State University
Center for Agricultural Law and Taxation

Excess Vacation Costs
For the period April 1, 2009 through December 15, 2015

Month	Vacation per ISU				Calculated Vacation			
	Beginning Balance	Earned*	Used	Ending Balance	Beginning Balance	Earned	Used	Ending Balance
April 2009	384.00	-	-	384.00	384.00	8.00	8.00	384.00
May 2009	384.00	-	-	384.00	384.00	8.00	8.00	384.00
June 2009	384.00	-	-	384.00	384.00	16.00	28.00	372.00
July 2009	384.00	16.00	40.00	360.00	372.00	16.00	64.00	324.00
August 2009	360.00	16.00	-	376.00	324.00	16.00	32.00	308.00
September 2009	376.00	8.00	-	384.00	308.00	16.00	24.00	300.00
October 2009	384.00	-	-	384.00	300.00	16.00	32.00	284.00
November 2009	384.00	-	-	384.00	284.00	16.00	40.00	260.00
December 2009	384.00	-	-	384.00	260.00	16.00	44.00	232.00
January 2010	384.00	-	-	384.00	232.00	16.00	8.00	240.00
February 2010	384.00	-	-	384.00	240.00	16.00	12.00	244.00
March 2010	384.00	-	-	384.00	244.00	16.00	-	260.00
April 2010	384.00	-	-	384.00	260.00	16.00	4.00	272.00
May 2010	384.00	-	-	384.00	272.00	16.00	-	288.00
June 2010	384.00	-	-	384.00	288.00	16.00	8.00	296.00
July 2010	384.00	-	-	384.00	296.00	16.00	8.00	304.00
August 2010	384.00	16.00	40.00	360.00	304.00	16.00	100.00	220.00
September 2010	360.00	16.00	-	376.00	220.00	16.00	24.00	212.00
October 2010	376.00	16.00	32.00	360.00	212.00	16.00	72.00	156.00
November 2010	360.00	16.00	-	376.00	156.00	16.00	36.00	136.00
December 2010	376.00	8.00	-	384.00	136.00	16.00	8.00	144.00
January 2011	384.00	-	-	384.00	144.00	16.00	8.00	152.00
February 2011	384.00	-	-	384.00	152.00	16.00	-	168.00
March 2011	384.00	-	-	384.00	168.00	16.00	-	184.00
April 2011	384.00	-	-	384.00	184.00	16.00	-	200.00
May 2011	384.00	-	-	384.00	200.00	16.00	-	216.00
June 2011	384.00	8.00	8.00	384.00	216.00	16.00	52.00	180.00
July 2011	384.00	8.00	8.00	384.00	180.00	16.00	8.00	188.00
August 2011	384.00	-	-	384.00	188.00	16.00	20.00	184.00

Report on Special Investigation of the
Iowa State University
Center for Agricultural Law and Taxation

Excess Vacation Costs
For the period April 1, 2009 through December 15, 2015

Month	Vacation per ISU				Calculated Vacation			
	Beginning Balance	Earned*	Used	Ending Balance	Beginning Balance	Earned	Used	Ending Balance
September 2011	384.00	-	-	384.00	184.00	16.00	20.00	180.00
October 2011	384.00	8.00	8.00	384.00	180.00	16.00	40.00	156.00
November 2011	384.00	8.00	8.00	384.00	156.00	16.00	8.00	164.00
December 2011	384.00	16.00	40.00	360.00	164.00	16.00	40.00	140.00
January 2012	360.00	16.00	-	376.00	140.00	16.00	8.00	148.00
February 2012	376.00	8.00	-	384.00	148.00	16.00	-	164.00
March 2012	384.00	-	-	384.00	164.00	16.00	16.00	164.00
April 2012	384.00	-	-	384.00	164.00	16.00	-	180.00
May 2012	384.00	8.00	8.00	384.00	180.00	16.00	24.00	172.00
June 2012	384.00	-	-	384.00	172.00	16.00	-	188.00
July 2012	384.00	-	-	384.00	188.00	16.00	-	204.00
August 2012	384.00	16.00	40.00	360.00	204.00	16.00	92.00	128.00
September 2012	360.00	16.00	-	376.00	128.00	16.00	-	144.00
October 2012	376.00	16.00	32.00	360.00	144.00	16.00	80.00	80.00
November 2012	360.00	16.00	-	376.00	80.00	16.00	-	96.00
December 2012	376.00	8.00	-	384.00	96.00	16.00	-	112.00
January 2013	384.00	8.00	8.00	384.00	112.00	16.00	8.00	120.00
February 2013	384.00	-	-	384.00	120.00	16.00	8.00	128.00
March 2013	384.00	16.00	24.00	376.00	128.00	16.00	40.00	104.00
April 2013	376.00	8.00	-	384.00	104.00	16.00	-	120.00
May 2013	384.00	-	-	384.00	120.00	16.00	8.00	128.00
June 2013	384.00	-	-	384.00	128.00	16.00	16.00	128.00
July 2013	384.00	16.00	16.00	384.00	128.00	16.00	40.00	104.00
August 2013	384.00	16.00	16.00	384.00	104.00	16.00	40.00	80.00
September 2013	384.00	-	-	384.00	80.00	16.00	24.00	72.00
October 2013	384.00	-	-	384.00	72.00	16.00	44.00	44.00
November 2013	384.00	-	-	384.00	44.00	16.00	28.00	32.00
December 2013	384.00	-	-	384.00	32.00	16.00	24.00	24.00
January 2014	384.00	-	-	384.00	24.00	16.00	8.00	32.00

Report on Special Investigation of the
Iowa State University
Center for Agricultural Law and Taxation

Excess Vacation Costs
For the period April 1, 2009 through December 15, 2015

Month	Vacation per ISU				Calculated Vacation			
	Beginning Balance	Earned*	Used	Ending Balance	Beginning Balance	Earned	Used	Ending Balance
February 2014	384.00	-	-	384.00	32.00	16.00	24.00	24.00
March 2014	384.00	-	-	384.00	24.00	16.00	16.00	24.00
April 2014	384.00	-	-	384.00	24.00	16.00	-	40.00
May 2014	384.00	-	-	384.00	40.00	16.00	16.00	40.00
June 2014	384.00	-	-	384.00	40.00	16.00	16.00	40.00
July 2014	384.00	8.00	8.00	384.00	40.00	16.00	16.00	40.00
August 2014	384.00	-	-	384.00	40.00	16.00	32.00	24.00
September 2014	384.00	-	-	384.00	24.00	16.00	-	40.00
October 2014	384.00	8.00	8.00	384.00	40.00	16.00	32.00	24.00
November 2014	384.00	16.00	32.00	368.00	24.00	16.00	76.00	(36.00)
December 2014	368.00	16.00	16.00	368.00	(36.00)	16.00	40.00	(60.00)
January 2015	368.00	16.00	-	384.00	(60.00)	16.00	20.00	(64.00)
February 2015	384.00	-	-	384.00	(64.00)	16.00	-	(48.00)
March 2015	384.00	-	-	384.00	(48.00)	16.00	8.00	(40.00)
April 2015	384.00	-	-	384.00	(40.00)	16.00	24.00	(48.00)
May 2015	384.00	-	-	384.00	(48.00)	16.00	8.00	(40.00)
June 2015	384.00	-	-	384.00	(40.00)	16.00	16.00	(40.00)
July 2015	384.00	-	-	384.00	(40.00)	16.00	44.00	(68.00)
August 2015	384.00	-	-	384.00	(68.00)	16.00	-	(52.00)
September 2015	384.00	-	-	384.00	(52.00)	16.00	24.00	(60.00)
October 2015	384.00	8.00	16.00	376.00	(60.00)	16.00	68.00	(112.00)
November 2015	376.00	16.00	40.00	352.00	(112.00)	16.00	80.00	(176.00)
December 2015	352.00	16.00	24.00	344.00	(176.00)	16.00	56.00	(216.00)
January 2016	344.00	2.60	-	346.60	(216.00)	2.60	-	(213.40)
Subtotal		434.60	472.00			1,282.60	1,880.00	
Vacation payout	346.60	-	346.60	-	(213.40)	-	-	(213.40)
Total		434.60	818.60			1,282.60	1,880.00	

* - Additional vacation was not earned if the maximum balance of 384 hours had been accumulated.

Excess Cost	Employer Share		Total
	FICA 7.65%	TIAA/CREF 10%	
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,018.52	154.42	201.85	2,374.79
1,345.68	102.94	134.57	1,583.19
224.28	17.16	22.43	263.87
-	-	-	-
-	-	-	-
448.56	34.31	44.86	527.73
-	-	-	-
-	-	-	-
1,585.64	121.31	158.56	1,865.51
-	-	-	-
453.04	34.66	45.30	533.00
2,944.76	225.27	294.48	3,464.51
3,624.32	277.26	362.43	4,264.01
2,265.20	173.29	226.52	2,665.01
-	-	-	-
14,910.00	1,140.62	1,491.00	17,541.62
-	-	-	-
<u>\$ 14,910.00</u>	<u>1,140.62</u>	<u>1,491.00</u>	<u>17,541.62</u>

Report on Special Investigation of the
Iowa State University
Center for Agricultural Law and Taxation

Improper Travel Reimbursements Paid by ISU
For the period April 1, 2009 through December 15, 2015

Reimbursement Number	Departure City	Arrive City	Per ISU Database	
			Departure Date	Return Date
259580	Ames, IA	Riverside, IA	04/09/09	04/09/09
268087	Ames, IA	Moravia, IA	07/23/09	07/23/09
271897	Ames, IA	Des Moines, IA	09/14/09	09/14/09
277134	Ames, IA	Altoona, IA	11/10/09	11/10/09
277137	Ames, IA	Ottumwa, IA	11/12/09	11/12/09
282819	Ames, IA	Bettendorf, IA	02/08/10	02/08/10
282930	Ames, IA	West Des Moines, IA	02/09/10	02/09/10
291244	Ames, IA	Des Moines, IA	05/18/10	05/18/10
293736	Ames, IA	Des Moines, IA	06/16/10	06/16/10
302605	Ames, IA	Omaha, NE	10/08/10	10/09/10
314320	Ames, IA	Des Moines, IA	03/22/11	03/22/11
315574	Ames, IA	Estherville, IA	04/04/11	04/05/11
317651	Ames, IA	Des Moines, IA	04/27/11	04/27/11
318844	Ames, IA	West Des Moines, IA	05/10/11	05/10/11
325075	Ames, IA	Des Moines, IA	08/02/11	08/02/11
325927	Ames, IA	West Des Moines, IA	08/12/11	08/12/11
327734	Ames, IA	Des Moines, IA	09/07/11	09/07/11
329462	Ames, IA	West Des Moines, IA	09/27/11	09/27/11
332367	Ames, IA	Des Moines, IA	10/28/11	10/28/11

Trip Justification/Description	Expense Total	Reasonable	Improper	Unsupported
Speak at IA Association of Justice Annual Family Law Seminar	\$ 84.36	80.94	3.42	-
Traveled to Honey Creek Resort to speak at Iowa State Bar Association Solo & Small Firm Seminar.	81.55	74.71	6.84	-
Spoke at Des Moines Estate Planning Council Monthly Meeting.	42.75	23.50	19.25	-
Spoke at Polk Co. Ext./Farm Bureau meeting.	40.70	34.10	6.60	-
Spoke at the 2009 Farm Income Tax School in Ottumwa.	85.10	80.54	4.56	-
Spoke at the 2010 Overall Women Conference.	123.83	116.13	7.70	-
Meeting with Iowa Society of CPAs concerning a seminar that CALT will potentially do in collaboration with them in June.	43.00	23.50	19.50	-
Spoke at IRS/Practitioner Liaison Conference	41.00	17.50	23.50	-
Attend ISBA Tax Committee Meeting and Ag law Section Committee Meeting. Also speak at the ISBA Annual Meeting.	45.00	23.50	21.50	-
Spoke at and attended the 2010 AALA Annual Conference	171.06	163.77	7.29	-
Spoke at the Iowa Chapter of American Society of Farm Managers and Rural Appraisers.	42.84	17.85	24.99	-
Estate Planning Extension Meetings (Emmet County and Kossuth County)	282.71	260.27	22.44	-
Meeting at Hoover Building with IDOR Director and staff along with IRS. Topic was Farm Tax Schools and how to handle recent late-enacted IA tax legislation.	42.84	34.68	8.16	-
Spoke at the 2011 Iowa Practitioner Liaison Meeting; Marriott Hotel, West Des Moines	49.47	23.97	25.50	-
Meeting with Kristy Maitre (Day 1 speaker) regarding the 2011 Farm Income Tax Schools.	39.20	-	39.20	-
Spoke at the Successful Farming's Generating Success Conference.	53.84	25.85	27.99	-
Meeting with the Dept. of Revenue regarding 2011 Farm Income Tax Schools.	44.40	37.74	6.66	-
Spoke at the meeting of the Iowa Public Accountants' Association.	48.84	25.85	22.99	-
Dropped off materials at the IRS for Kristy to take to the 2011 Farm Income Tax Schools (Kristy Maitre is a speaker at the Tax Schools).	41.63	-	41.63	-

Report on Special Investigation of the
Iowa State University
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Improper Travel Reimbursements Paid by ISU
For the period April 1, 2009 through December 15, 2015

Reimbursement Number	Departure City	Arrive City	Per ISU Database	
			Departure Date	Return Date
332361	Ames, IA	Sheldon, IA	10/30/11	10/31/11
333682	Ames, IA	Des Moines, IA	11/11/11	11/11/11
334246	Ames, IA	Various Cities	11/16/11	11/21/11
335715	Ames, IA	Des Moines, IA	12/04/11	12/04/11
338583	Ames, IA	Waterloo, IA	01/27/12	01/27/12
339795	Ames, IA	Burlington, IA	02/10/12	02/10/12
340852	Ames, IA	Iowa City, IA	02/22/12	02/22/12
342995	Ames, IA	Algona, IA	03/20/12	03/20/12
343334	Ames, IA	Atlantic, IA	03/26/12	03/26/12
345236	Ames, IA	Des Moines, IA	04/12/12	04/12/12
351958	Ames, IA	Des Moines, IA	06/19/12	06/19/12
335807	Ames, IA	Ankeny, IA	08/07/12	08/07/12
366783	Ames, IA	Red Oak, IA	12/11/12	12/11/12
370856	Ames, IA	Algona, IA	02/19/13	02/19/13
381374	Ames, IA	West Des Moines, IA	06/18/13	06/18/13
384358	Ames, IA	Ankeny, IA	07/25/13	07/25/13
384439	Ames, IA	Ankeny, IA	07/30/13	07/30/13
385499	Ames, IA	Des Moines, IA	08/12/13	08/12/13

Trip Justification/Description	Expense Total	Reasonable	Improper	Unsupported
Spoke at the 2011 Sheldon Farm Income Tax School.	234.36	222.71	11.65	-
Dropped off materials at the IRS for Kristy to take to 2011 Farm Income Tax School in Denison, Iowa. Kristy Maitre is a Day 1 speaker at all of the Tax Schools.	43.29	-	43.29	-
1) 11/16/2011 - Delivered tax school workbooks to Kristy Maitre at the IRS (she is a day 1 speaker at the 2011 Tax Schools 2) 11/17/2011 - Spoke at the Ottumwa Farm Income Tax School 3) 11/18/2011 - Delivered tax school workbooks to Kristy	245.83	165.91	79.92	-
Dropped off materials at the IRS for Kristy to take to 2011 Farm Income Tax School in Griswold, Iowa. Kristy Maitre is a Day 1 speaker at all of the Tax Schools.	44.40	-	44.40	-
CALT Board Meeting	63.83	57.17	6.66	-
Spoke for SE Iowa Extension Meeting at Southeastern Community College	125.78	122.73	3.05	-
Spoke at the ISU Johnson County Extension meeting	102.13	87.98	14.15	-
Meeting with Dave Bibler for the 2012 Summer Seminar (Sun Valley, Idaho) and 2012 Farm Income Tax Schools. Dave is a speaker for both events.	56.61		56.61	-
Spoke at the ISU Extension Boots to Heels Conference.	69.67	58.58	11.09	-
Visited Drake University Law School for tax research for the 2012 Tax Schools.	44.40	37.19	7.21	-
Attended the Iowa Bar Association Ag Law Committee Meeting.	49.95	19.25	30.70	-
Spoke at 6th Annual Meeting of Iowa Women in Agriculture	27.20	-	27.20	-
Spoke at the Red Oak Tax School	132.54	127.54	5.00	-
Meeting with Dave Bibler and Kristy Maitre for the 2013 Tax Schools.	72.03	-	72.03	-
Spoke at the Iowa State Bar Association Annual Meeting	65.58	38.79	26.79	-
Spoke at the Hertz Farm Management Landowner Seminar	31.64	-	31.64	-
Spoke at the Iowa Women in Ag Seminar.	31.64	-	31.64	-
Meeting with Kristy Maitre regarding CALT Seminar: Taxation Ethics - Circular 230 Webcast	42.37	-	42.37	-

Report on Special Investigation of the
Iowa State University
Center for Agricultural Law and Taxation

Improper Travel Reimbursements Paid by ISU
For the period April 1, 2009 through December 15, 2015

Reimbursement Number	Departure City	Arrive City	Per ISU Database	
			Departure Date	Return Date
390697	Ames, IA	Des Moines, IA	10/15/13	10/15/13
397195	Ames, IA	Des Moines, IA	01/09/14	01/09/14
399809	Ames, IA	Algona, IA	02/11/14	02/11/14
410848	Ames, IA	St. Paul, MN	06/10/14	06/11/14
413778	Ames, IA	Des Moines, IA	07/16/14	07/16/14
427705	Ames, IA	South Bend, IN	01/04/15	01/05/15
431140	Ames, IA	Algona, IA	02/19/15	02/19/15
435490	Ames, IA	Goose Lake, IA	04/07/15	04/07/15
435869	Davenport, IA	South Bend, IN	04/08/15	04/08/15
437707	Ames, IA	Ankeny, IA	04/27/15	04/27/15
439057	Ames, IA	West Des Moines, IA	05/08/15	05/08/15
439059	Ames, IA	West Des Moines, IA	05/09/15	05/09/15
446181	Ankeny, IA	Lake Tahoe, CA	07/28/15	08/01/15
453188	Ankeny, IA	South Bend, IN	10/20/15	10/20/15
456046	Ames, IA	Waterloo, IA	11/09/15	11/09/15
456058	Ames, IA	Maquoketa, IA	11/22/15	11/23/15
456907	Ames, IA	Denison, IA	12/07/15	12/07/15
Total				


Trip Justification/Description	Expense Total	Reasonable	Improper	Unsupported
Spoke to the Mid-Iowa Estate and Financial Planners at their October meeting.	41.81	19.60	22.21	-
Meeting with Kristy Maitre (IRS Senior Stakeholder Liaison for Iowa) about the January 20 Tax Webinar	42.56	19.60	22.96	-
Met with CALT Board Member, Dave Bibler, regarding Tax Schools and CALT Seminars	57.96	-	57.96	-
Attended the 8th Circuit Oral Argument in CRP S.E. Tax Case in St. Paul, MN.	249.83	-	-	249.83
Spoke at Annual Summer Meeting of American Society of Farm Managers and Rural Appraisers	41.44	19.60	21.84	-
January 5 Taping for Ag Day TV and Farm Journal TV	473.07	-	-	473.07
Meeting with Dave Bibler (CALT Board Member)	73.34	-	73.34	-
Spoke at Eastern Iowa Agricultural Forum	118.51	-	118.51	-
Taping programs for AgDay and Farm Journal TV	183.52	-	-	183.52
Meeting with Brad Haight, Haight Law Firm. RE: Wind Energy Leases	31.05	-	31.05	-
CALT Board Retreat	55.20	26.79	28.41	-
CALT Board Retreat	55.20	26.79	28.41	-
Spoke at the Summer Seminar in Lake Tahoe, California	1,180.93	1,164.25	16.68	-
Tape programs for AgDay	126.50	-	-	126.50
Spoke at Waterloo, Sheldon, Red Oak, and Ottumwa Tax Schools	423.84	413.51	10.33	-
Spoke at the Maquoketa Tax School	221.52	206.57	14.95	-
Spoke at Denison Tax School	88.98	85.53	3.45	-
	\$ 6,352.63	3,984.49	1,335.22	1,032.92

Report on Special Investigation of the
Iowa State University
Center for Agricultural Law and Taxation

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
James S. Cunningham, CPA, Manager
Melissa J. Knoll, Senior Auditor II


Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

**Report on Special Investigation of the
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Report on Special Investigation of the
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Center for Agricultural Law and Taxation

Copy of Roger McEowen's Resignation Letter

Roger A. McEowen
1105 S.E. Michael Dr.
Ankeny, Iowa 50021

January 5, 2016

Dr. Wendy Wintersteen
Iowa State University
College of Agriculture and Life Sciences
138 Curtiss Hall
Ames, Iowa 50011

Dear Dr. Wintersteen:

Please accept this letter as notice of my resignation, effective immediately.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. A. McEowen', with a long horizontal flourish extending to the right.

Roger A. McEowen

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Copy of E-Mail Thread Dated January 5, 2012

Kayser, Tiffany L [CALTX]

From: Kayser, Tiffany L [CALTX]
Sent: Thursday, January 05, 2012 1:25 PM
To: [REDACTED]
Subject: RE: Clarify Costs - AGEDS 451 - Agricultural Law

Hi [REDACTED] -

Yes, that's right. The book is not available at the bookstore. In the past, most students have only wanted the CD and ended not buying the book at the bookstore, so we have decided to offer the CD only and we can order the book if the student wants the hard copy as well.

Thanks!

Tiffany L. Kayser
Program Administrator
Center for Agricultural Law and Taxation
Iowa State University
2321 N. Loop Drive - Ste 200
Ames, IA 50010
Phone: 515-294-5217
Fax: 515-294-0700
www.calt.iastate.edu

From: [REDACTED]
Sent: Thursday, January 05, 2012 1:22 PM
To: Kayser, Tiffany L [CALTX]
Subject: Re: Clarify Costs - AGEDS 451 - Agricultural Law

Hello Tiffany,
Does this mean we can not purchase the book from the bookstore?
Let me know! Thanks! :-)

[REDACTED]
Sent from my U.S. Cellular BlackBerry® smartphone

From: "Kayser, Tiffany L [CALTX]" <tlkayser@iastate.edu>
Date: Thu, 5 Jan 2012 19:19:13 +0000
To: [REDACTED]

Subject: Clarify Costs - AGEDS 451 - Agricultural Law

Just to clarify, if I caused any confusion on the cost of everything:

CD: \$35

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Copy of E-Mail Thread Dated January 5, 2012

Book and CD: \$110 (the book is discounted to \$85)
Book: \$120 (no CD)

Thanks!

Tiffany L. Kayser
Program Administrator
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Ames, IA 50010
Phone: 515-294-5217
Fax: 515-294-0700
www.calt.iastate.edu

From: Kayser, Tiffany L [CALTX]
Sent: Thursday, January 05, 2012 12:22 PM
To: [REDACTED]

Subject: AGEDS 451 - Agricultural Law - Required Text on CD Available

Good Afternoon!

Prof. McEowen requested I get in touch with everyone regarding the text for AGEDS 451. I have the CD available in the office and the cost to purchase is \$35. If you would also like to buy a hard copy of the text, the cost is \$85. If you don't want the CD and just the book, the cost is \$120. The books will have to be ordered from the publisher and Prof. McEowen will get you your book when it comes in. Please make the check payable to Agricultural Law Press or you can give me cash as well.

Prof. McEowen would like everyone to have the CD by start of class on Monday. I am in the office today from 1-3:30. And tomorrow morning between 9-11:15. I will be in and out tomorrow afternoon but I can meet a bunch of you on campus (if this is easier) tomorrow afternoon sometime. I just need a time and place.

If you have any questions, please call or text me on my cell at [REDACTED] or my office phone at 515-294-5217 or email.

Thanks!

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Copy of E-Mail Dated January 15, 2013

Kayser, Tiffany L [CALTX]

From: Kayser, Tiffany L [CALTX]
Sent: Tuesday, January 15, 2013 12:04 PM
To: [REDACTED]
Subject: AGEDS 451 - Textbook

[REDACTED]

Prof. McEowen has just confirmed that he will have the textbooks you both ordered with him tomorrow in class. Please bring your checkbook with you. Also, please note you will need to write two checks:

One for \$80 to "McEowen, P.L.C." and the other for \$100 to "Iowa State University".

Thanks!

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Copies of E-Mails From April 2015

From: McEwen, Roger A [AGEDS]
To: Tidgren, Kristine A [CAL TX]
Cc: Kayser, Tiffany L [CAL TX]; Maitre, Kristy S [CAL TX]
Subject: Schedule for the week
Date: Sunday, April 05, 2015 5:32:14 PM

Kristine, Kristy and Tiffany:

I finally have figured out my schedule for the week given the arrangements in Indiana.

I will be in the office early in the morning - before 7 a.m. Kristy will be helping me with taping the class lecture for Friday. I will then be in the office until 9:30 a.m. when I leave for class on campus. Immediately after class I head home to grab my bags and head to downtown Des Moines where I am catching the Megabus at 12:35 p.m. for the trip to Davenport. At this point, I am trusting that Melissa Mommsen or someone on her behalf will come down to Davenport and give me a ride to the hotel in Clinton for the evening. Kristine, I will need you to handle the lab session Monday afternoon. I have it finished and ready to go. I can go over it with you when you get to the office in the morning. If there are any topics left remaining to be discussed in class for purposes of the exam, I will let you know and you can clean that up during the lab session before the students start working on the lab.

I will do the meeting in Goose Lake on Tuesday and then trust that someone will give me a ride back down to Davenport where I will spend the night on Tuesday. Jean will leave home early Wednesday morning and pick me up in Davenport. We will head to Indiana. The viewing is scheduled for Wednesday from 2-8 p.m. in the small town where we all went to school. The funeral is Thursday at 11:00 a.m. (Indiana time) followed by the graveside service and the dinner.

We will most likely head back on Friday. I am in the process of scheduling taping time in the South Bend studio with Tyne on Friday morning, with hopes that we can be home Friday night. Kristine will be heading to Wichita sometime on Thursday to cover the seminar for me that I was scheduled to do for the KS Bar Association.

Exam No. 2 is scheduled for the students for Wednesday. Kristine will need to proctor that for me. It is done and I will give that to Tiffany and Kristine in the morning. A couple of students need to take it early (Tuesday) and I will let you know what times are decided for those students.

The session that I am taping in the morning will be for the Friday class session.

I think I have it all covered. Thanks Kristine for adjusting to be able to cover the loose ends for me.

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Copies of E-Mails From April 2015

■

I will be reachable all week. Just working in different spots, and not available during the funeral for a few hours.

Thanks for helping me out on this.

Roger

041

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Copies of E-Mails From April 2015

From: [Kayser, Tiffany L \[CALTX\]](#)
To: [Tidgren, Kristine A \[CALTX\]](#)
Subject: FW: Voucher
Date: Wednesday, April 08, 2015 1:35:14 PM

Tiffany L. Kayser
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From: McEowen, Roger A [AGEDS]
Sent: Wednesday, April 08, 2015 1:32 PM
To: Kayser, Tiffany L [CALTX]
Subject: Re: Voucher

yeah. It was a clean shot. It took out the fog light and didn't leave a scratch anywhere else that I can find. Amazing.

Roger

From: Kayser, Tiffany L [CALTX]
Sent: Wednesday, April 08, 2015 1:28 PM
To: McEowen, Roger A [AGEDS]
Subject: RE: Voucher

Thank goodness!

Tiffany L. Kayser
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From: McEowen, Roger A [AGEDS]
Sent: Wednesday, April 08, 2015 1:27 PM
To: Kayser, Tiffany L [CALTX]

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Copies of E-Mails From April 2015

Subject: Re: Voucher

Had it been higher it would have caused a whole bunch of damage. I will pull into the barn tonight and rig something to cover the hole so I don't get road grime and moisture in there.

Roger

From: Kayser, Tiffany L [CALTX]
Sent: Wednesday, April 08, 2015 1:25 PM
To: McEowen, Roger A [AGEDS]
Subject: RE: Voucher

Oh my gosh!! That's awful!!

Darn trucks!

Tiffany L. Kayser
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From: McEowen, Roger A [AGEDS]
Sent: Wednesday, April 08, 2015 1:22 PM
To: Kayser, Tiffany L [CALTX]
Subject: Re: Voucher

I am taping with AgDay/Farm Journal in South Bend on Friday morning. So, I will pick up some mileage out of the check for that - help pay for the thing that flew off of a truck in Chicago this morning and smashed my passenger side fog-light on the BMW!

Roger

From: Kayser, Tiffany L [CALTX]
Sent: Wednesday, April 08, 2015 1:18 PM
To: McEowen, Roger A [AGEDS]
Subject: RE: Voucher

WOW!

Tiffany L. Kayser

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From: McEowen, Roger A [AGEDS]
Sent: Wednesday, April 08, 2015 1:18 PM
To: Kayser, Tiffany L [CALTX]
Subject: Re: Voucher

Yeah. It's \$1,500

From: Kayser, Tiffany L [CALTX]
Sent: Wednesday, April 08, 2015 1:16 PM
To: McEowen, Roger A [AGEDS]
Subject: RE: Voucher

Okie dokie.

And that's wonderful (about the check)!

Thanks!

Tiffany L. Kayser
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From: McEowen, Roger A [AGEDS]
Sent: Wednesday, April 08, 2015 1:03 PM
To: Kayser, Tiffany L [CALTX]
Subject: Re: Voucher

I did. I am making up for when I get shorted throughout the year. I am bringing you a fat check from the event.

Roger

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Copies of E-Mails From April 2015

From: Kayser, Tiffany L [CALTX]
Sent: Wednesday, April 08, 2015 12:15 PM
To: McEowen, Roger A [AGEDS]
Subject: RE: Voucher

Hi Roger –

I thought you took the Megabus? Did you end up driving?

Thanks!

Tiffany L. Kayser
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From: McEowen, Roger A [AGEDS]
Sent: Wednesday, April 08, 2015 9:34 AM
To: Kayser, Tiffany L [CALTX]
Subject: Voucher

Tiffany:

Please prepare a travel voucher for me for the event yesterday. 365 roundtrip miles and a meal of \$13.57 last night. I spoke at the Eastern Iowa Agricultural Forum.

Thanks.

Roger