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NEWS RELEASE

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FOR RELEASE _____ March 14, 2008 12:00 noon

Auditor of State David A. Vaudt today released a report on a special investigation of the City of Postville for the period July 1, 2000 through June 30, 2006. The special investigation was requested by the Mayor as a result of concerns regarding excessive purchases and travel reimbursements to the former Public Works Director, Gary W. Simmons, Sr.

Vaudt reported the special investigation identified \$59,058.08 of improper disbursements. The improper disbursements include \$5,993.90 for vacation and compensatory time improperly paid to Mr. Simmons following his resignation. The report also includes \$2,567.19 for vacation and compensatory time improperly paid to the City's former Clerk after her resignation. Other improper disbursements include \$11,399.11 of excess inventory purchases authorized by Mr. Simmons and \$9,240.58 of purchases for inventory that is obsolete and unusable by the City. The remaining improper disbursements include \$9,815.20 of travel reimbursements, \$3,354.40 of cash advances and \$2,042.22 of petty cash replenishments which were not made in accordance with City policy. Vaudt reported the majority of the improper disbursements were for trips taken or purchases made by Mr. Simmons.

In addition, Vaudt reported the special investigation identified \$32,536.00 of unsupported disbursements resulting from purchases made with City credit cards between May 1, 1998 and December 31, 1999. The majority of the purchases were made with the credit card issued to Mr. Simmons.

Vaudt reported of the improper and unsupported disbursements identified, \$76,509.11 and \$4,579.61 are attributable to payments to or purchases by the former Public Works Director and the former City Clerk, respectively. In addition, \$3,183.83 is attributable to actions taken by other City officials and employees. Vaudt also reported it was not possible to determine who was responsible for the remaining \$7,321.53.

Vaudt also reported the City purchased \$396,431.72 of Bacto-Dose and \$92,846.25 of Devour during fiscal years 2001 through 2006. Both products were used in the City's lagoons. The purchases were authorized by the former Public Works Director and were fully reimbursed to the City by Iowa Turkey and AgriProcessors, the City's largest employer. Based on a number of factors, Vaudt reported it appears the purchases were not necessary.

Copies of the report have been filed with the Allamakee and Clayton County Attorneys' Offices, the Attorney General's Office and the Division of Criminal Investigation. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/specials.htm>.

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**REPORT ON SPECIAL INVESTIGATION OF
THE CITY OF POSTVILLE**

**FOR THE PERIOD
JULY 1, 2000 THROUGH JUNE 30, 2006**

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Auditor of State's Report

To the Honorable Mayor and Council Members
of the City of Postville:

As a result of alleged improprieties regarding certain disbursements and travel reimbursements and at the request of the Mayor, we conducted a special investigation of the City of Postville. We have applied certain tests and procedures to selected financial transactions of the City for the period July 1, 2000 through June 30, 2006. Based on discussions with City personnel and a review of relevant information, we performed the following procedures:

- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Reviewed spreadsheets prepared by City staff documenting concerns regarding certain disbursements and travel claims.
- (3) Examined reimbursements to Gary Simmons, the former Public Works Director; Melissa Hammersland, the former City Clerk; and other City employees and officials to determine if reimbursements were properly supported and for appropriate purposes.
- (4) Examined invoices or other available supporting documentation for selected disbursements to determine if they were for appropriate purposes, properly supported and properly approved. For some disbursements, documentation was obtained from the vendor to determine if the disbursements were appropriate.
- (5) Examined payments to the former Public Works Director and the former City Clerk for unused vacation, sick leave and compensatory time to determine if they were in accordance with City policies and calculated correctly.
- (6) Examined available documentation for petty cash disbursements and cash advances to employees to determine if they were for appropriate purposes, properly supported and properly approved.
- (7) Interviewed City officials and staff to identify disbursements and purchases for which the former Public Works Director was responsible and determine the frequency of his travel.
- (8) Summarized and examined invoices from Iowa Federal Surplus Property to identify items purchased. Where applicable and possible, observed purchased items.
- (9) Obtained and reviewed the City's listing of the Public Works Department's inventory taken in February 2007. We also observed the chemicals and other inventory items on hand in the Public Works Department in February 2007 and obtained pictures of the inventory.

- (10) Obtained an understanding from various vendors of when or if premiums, gifts, or bonuses are provided for purchases made in large quantities.
- (11) Obtained an understanding of the quantities and types of chemicals used by another City's Public Works Department to determine the reasonableness of certain chemicals purchased by Postville's former Public Works Director.
- (12) Examined uniform purchases for Public Works employees to determine if the purchases were made in accordance with the City's collective bargaining agreement.
- (13) Examined purchases made with the City's credit card to determine if they were appropriate for City business.
- (14) Reviewed files found on the former Public Works Director's computer.
- (15) Obtained and reviewed the former Public Works Director's personal bank statements for the period July 1, 2003 through June 30, 2006 to determine the source of funds deposited.

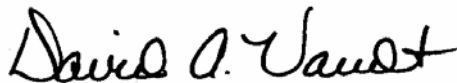
The procedures identified \$59,058.08 of improper disbursements and \$32,536.00 of unsupported disbursements. We were unable to determine if additional amounts were improperly disbursed because adequate records were not available. The procedures also identified \$489,277.97 of purchases which were not necessary and reimbursed to the City.

Several internal control weaknesses were also identified. The detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **I** of this report.

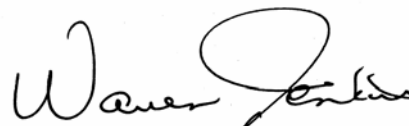
The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the City of Postville, other matters might have come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

Copies of this report have been filed with the Division of Criminal Investigation, the Allamakee and Clayton County Attorneys' Offices 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 the City of Postville during the course of our review.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

February 27, 2008

City of Postville
Investigative Summary

Background Information

Gary W. Simmons, Sr. served as the City of Postville's Public Works Director from August 18, 1997 through June 30, 2006. According to the City's job description for the Public Works Director, Mr. Simmons was responsible for managing the Postville Public Works Department, including approval of all disbursements from the Department. Disbursement typically would include purchases of equipment and supplies used by the Department, reimbursements to employees and costs associated with travel. Specifically, he was responsible for the following duties:

- Superintend and inspect all improvements including streets, alleys, sewers and public grounds of the City.
- Supervise the performance of all contracts for work to be done for the City.
- Purchase material and supplies and see that such material and supplies are received and are of the character and quality required by the contract, subject to the approval of the Council.
- Perform any and all duties that pertain to the preparation of plans and specifications for any City improvement, construction or reconstruction of sidewalks, issuing applications for building permits and other similar functions.
- Maintain and repair sidewalks, alleys and streets.
- Snow and ice removal.
- Compile written records of the purchases, accomplishments, disposition of equipment and manpower, up-to-date inventory and activities contemplated by the street, water and sewer departments; make monthly oral and written reports of the activities of the Public Works Department to the Mayor prior to the regular meeting of the Council.

The City of Postville employs a full time City Clerk who is responsible for the daily business operations of the City. The City Clerk's job duties and responsibilities include the following duties:

- Disbursements – signing and distribution of checks, posting to the accounting records and maintaining supporting documentation.
- Payroll – signing and distribution of checks, posting to the accounting records and maintenance of the payroll journal.
- Reporting – preparation of Council minutes and bill approval listings, budget-to-actual analysis and preparation of financial reports.
- Bank Accounts – reconciliation of monthly bank statements to accounting records.
- Cash - maintaining the petty cash/change fund.
- Utilities – reconciliation of monthly activity.

Melissa Hammersland started as the full time City Clerk on February 17, 1992. She resigned on March 15, 2006.

During fieldwork for the City's fiscal year 2006 financial audit, City officials voiced concerns regarding specific reimbursements to Mr. Simmons and purchases he made for the City. City officials also requested the concerns be addressed by the Office of Auditor of State. As a result of that request, we performed the procedures detailed in the Auditor of State's Report for the period July 1, 2000 through June 30, 2006.

City of Postville Investigative Summary

Detailed Findings

These procedures identified \$59,058.08 of improper disbursements for the period July 1, 2000 through June 30, 2006 and \$32,536.00 of unsupported disbursements for credit card purchases made between May 1, 1998 and December 31, 1999. We were unable to determine if additional disbursements were improper or unsupported because adequate records were not available from the City. The procedures also identified \$489,277.97 of purchases that were not necessary and reimbursed to the City along with \$183.08 of costs which may not meet the test of public purpose.

Of the improper and unsupported disbursements identified, \$76,509.11 and \$4,579.61 are attributable to payments to or purchases by the former Public Works Director and the former City Clerk, respectively. In addition, \$3,183.83 is attributable to actions taken by other City officials and employees. We are unable to determine who was responsible for the remaining \$7,321.53.

All disbursements identified are summarized in **Exhibits A** through **I** and a detailed explanation of each finding follows.

IMPROPER AND UNSUPPORTED DISBURSEMENTS

We examined certain disbursements and reimbursements to the former Public Works Director, the former City Clerk and other City employees and officials to determine if the reimbursements were properly supported and for appropriate purposes. We also examined invoices or other available supporting documentation for other selected disbursements to determine if they were for appropriate purposes, properly supported and properly approved.

For purposes of our investigation, disbursements were considered improper if the documentation submitted did not contain a detailed description of the item(s) purchased as required by City policy, if a copy of a receipt was submitted rather than the original, if the documentation was altered in any manner or if the purchase appeared to be personal in nature. Disbursements for certain credit card payments were considered unsupported because they were not supported by individual receipts or other appropriate documentation but it appeared some documentation was available for review at the time of payment. Disbursements which may not meet the test of public purpose are those which may, but don't clearly, benefit the City's operations.

As previously stated, the City Clerk was responsible for preparing disbursements and ensuring appropriate documentation was provided to support the disbursements. During our investigation, 2 Council Members indicated they did not see the claims to be paid while Ms. Hammersland was City Clerk. And, when they asked to see the claim, Ms. Hammersland would indicate it was too cumbersome for her to pull the claims for viewing.

We identified a number of improper disbursements, unsupported disbursements and disbursements that may not meet the test of public purpose. The disbursements identified included:

- vacation and compensatory time payments to Mr. Simmons and Ms. Hammersland,
- costs associated with conferences Mr. Simmons registered for but did not attend,
- travel reimbursements to City officials and employees and other travel expenses incurred by the City,
- cash advances and disbursements from petty cash and

- purchases of uniforms, federal surplus property and excessive amounts of chemicals for the City's lagoons.

The costs of the conferences and the improper and unsupported disbursements identified have been included in **Exhibit A**. The conferences and each of the disbursements identified are discussed in greater detail in the following sections of this report.

Vacation, Sick Leave and Compensatory Time Payments – According to City personnel we spoke with, the City followed the policy for vacation and sick leave payouts included in the Collective Bargaining Agreement. The policy was followed for all employees, not just those in the union. The vacation policy provided:

- “Upon termination of employment with the City, an employee shall be paid on a pro rated basis for all unused vacation left at the time of resignation or retirement.”
- “Employees shall take their vacation within one (1) year after accrual. There shall be no carry over of vacation from one year to the next and no back vacations without prior Supervisory approval.”
- “An employee shall not be entitled to vacation prior to his anniversary date. Vacation will only be earned after the employee reaches the anniversary date and in no case can vacation be taken before earned.”

The policy also provided employees “shall be paid 100% of unused accumulated sick leave” upon separation of employment.

The City is also required to comply with the requirements of the Fair Labor Standards Act (FLSA). Under the provisions of FLSA, compensatory time and overtime are required to be accumulated and paid only to employees who are not exempt from the FLSA. The FLSA defines exempt employees as those employed in a bona fide executive, administrative or professional capacity and earning a salary or fee as opposed to an hourly rate of pay. Compensatory time and overtime are not accumulated and paid to employees who are exempt.

The Collective Bargaining Agreement included the following provisions regarding compensatory time.

- “Computed at one and one-half time worked overtime. Compensatory time not taken by January 1st or July 1st for the previous six months shall be monetarily compensated by the City in an additional check for all remaining compensatory time hours.”
- “Compensatory time can be accumulated up to a maximum of twenty-four (24) hours.”
- “Compensatory time must be used up by the employee prior to the next raise or higher rate of pay.”

According to the City Clerk, both Mr. Simmons and Ms. Hammersland were considered exempt from the requirements of FLSA. As a result, they would not be eligible to earn compensatory time.

We reviewed payments to Mr. Simmons and Ms. Hammersland for unused paid leave to determine if they complied with the policies followed by the City and requirements established by the FLSA. Our findings are summarized in the following paragraphs.

1) Gary Simmons – As previously stated, Mr. Simmons was the Public Works Director from August 18, 1997 to June 30, 2006. In a letter dated June 6, 2006, Mr. Simmons reported to the Mayor his resignation was effective June 30, 2006. A copy of the letter is included in **Appendix 1**. As illustrated by the **Appendix**, the letter stated “I will be using up my earned comp time starting June 12th and will be available by phone.”

During June 2006, Mr. Simmons used and was paid for 104 hours of compensatory time. Mr. Simmons was paid his typical salary amount for the compensatory time used. **Table 1** lists the dates Mr. Simmons was paid for compensatory time and the amount he was paid for the time

used. As illustrated by the **Table**, Mr. Simmons received \$2,479.36 gross pay for compensatory time used and the City paid an additional \$332.23 for the employer's share of FICA and IPERS contributions.

Table 1

Date Paid	Number of Compensatory Hours Used	Amount Paid for Compensatory Hours Used		
		Gross Payroll Amount	City's Share of FICA and IPERS	Total
06/06/06	16	\$ 381.44	51.11	432.55
06/23/06	8	190.72	25.56	216.28
07/07/06*	80	1,907.20	255.56	2,162.76
Total	104	\$ 2,479.36	332.23	2,811.59

* - Mr. Simmons' resignation was effective 06/30/06.

Mr. Simmons also received a final payment from the City for 156 hours of unused vacation time, 776 hours of unused sick leave and 16 hours of unused compensatory time. The payment made to Mr. Simmons for the unused vacation and sick leave was calculated using his annual salary converted to an hourly rate. However, the 16 hours of unused compensatory time was paid to Mr. Simmons at a rate of time and a half. **Table 2** summarizes the amounts Mr. Simmons was paid for the unused leave time and the additional amounts paid by the City for the employer's share of FICA. In accordance with IPERS regulations, neither the City nor Mr. Simmons made a contribution to IPERS because of the payment for his unused leave time.

Table 2

Description	Number of Unused Hours Paid	Amount Paid for Unused Leave Hours		
		Gross Payroll Amount	City's Share of FICA	Total
Vacation	156	\$ 3,719.04	284.50	4,003.54
Sick leave	776	18,499.84	1,415.23	19,915.07
Compensatory time	16	572.16	43.77	615.93
Total	948	\$ 22,791.04	1,743.50	24,534.54

As illustrated by the **Table**, Mr. Simmons was compensated for 156 hours of unused vacation. However, according to the City's payroll records, Mr. Simmons' vacation balance at June 30, 2006 totaled only 56 hours. In a memorandum dated June 23, 2006 to the Mayor and Council members, Mr. Simmons stated he was entitled to an additional 100 hours of accrued vacation. He also stated "As provided for by City policy I will be paid for these hours." A copy of the memorandum is included in **Appendix 2**. The City's policy allows employees to accrue vacation on their anniversary dates. Because Mr. Simmons had not yet reached his anniversary date of August 18, 2006, he was not entitled to the 100 additional hours of vacation he claimed.

As illustrated by **Appendix 2**, Mr. Simmons reported to the Mayor and Council he was to be compensated for 789 hours of unused sick leave. However, as illustrated by the **Table**, the City paid for only 776 hours of unused sick leave. The City Clerk explained she used the payroll records to determine 776 hours was the correct amount of Mr. Simmons' unused sick leave hours.

As illustrated by the **Appendix**, Mr. Simmons also stated in the memorandum "Over my eight years and nine months with the City of Postville I have put in long hours and worked many

weekends to achieve the progress Postville has enjoyed during my tenure. On the average 12 hours a day were spent on City Business. That would equal an enormous amount of comp time. I only ever recorded 120 of those hours.” However, with the assistance of City personnel, we could not locate any compensatory time recorded by Mr. Simmons.

Mr. Simmons was not eligible to earn compensatory time because he was considered an exempt employee. However, as illustrated by **Tables 1** and **2**, Mr. Simmons was paid for 120 hours of compensatory time. Even if Mr. Simmons had been eligible to earn compensatory time, City policy would have limited the accumulated compensatory time to 24 hours.

We reviewed the minutes from Council meetings around the period of Mr. Simmons’ resignation. Based on our review of the minutes, the Council did not discuss any payment to Mr. Simmons for unused leave time. According to the City Clerk, no one discussed or questioned whether Mr. Simmons should be paid for the unused hours he claimed. It appears the final payment to Mr. Simmons was made without Council approval.

Table 3 summarizes the costs incurred by the City for the 120 hours of compensatory time and the 100 excess hours of vacation paid to Mr. Simmons. As illustrated by the **Table**, the City incurred \$415.82 for the employer’s share of FICA. As previously stated, in accordance with IPERS regulations, neither the City nor Mr. Simmons needed to make a contribution to IPERS for the amount paid to Mr. Simmons for his unused vacation and compensatory time. However, the City did pay \$142.56 for the employer’s share of IPERS for 104 hours of compensatory time used by Mr. Simmons. The total of \$5,993.90 has been included in **Exhibit A**.

Table 3				
Description	Gross Payroll Amount	City’s Share of FICA	City’s Share of IPERS	Total
104 hours of compensatory time used	\$ 2,479.36	189.67	142.56	2,811.59
16 hours of unused compensatory time	572.16	43.77	-	615.93
100 hours of excess vacation hours	2,384.00	182.38	-	2,566.38
Total	\$ 5,435.52	415.82	142.56	5,993.90

2) Melissa Hammersland – Ms. Hammersland was the City Clerk from February 17, 1992 through March 15, 2006. In accordance with the City’s policy to accrue vacation on employee anniversary dates, Ms. Hammersland was authorized to receive 120 hours of vacation on her anniversary date of February 17, 2006.

According to the City’s March 30, 2006 payroll records, Ms. Hammersland’s vacation balance totaled 120 hours. Because employees are not authorized to carry unused vacation balances into the next year, Ms. Hammersland’s authorized vacation balance should not have exceeded 120 hours. However, in an e-mail dated April 16, 2006, Ms. Hammersland reported she calculated her vacation balance to be 176 hours. A copy of the e-mail is included in **Appendix 3**.

As illustrated by the **Appendix**, Ms. Hammersland also reported she had 77 hours of unused compensatory time at the time of her resignation. After the March 15, 2006 effective date of Ms. Hammersland’s resignation, she remained on the City’s payroll until the unused vacation and compensatory balances she reported were exhausted.

According to City personnel we spoke with, Ms. Hammersland was considered an exempt employee and there was no support available from the City to document the 77 hours of compensatory time claimed by Ms. Hammersland. As a result, she should not have been paid for compensatory time. In addition, she should not have been paid for the 56 hours of vacation which exceeded the 120 hours of authorized time.

Table 4 summarizes the dates Ms. Hammersland was paid for the 56 vacation hours in excess of the authorized amount and 77 hours of compensatory time which she was not eligible to receive. As illustrated by the **Table**, Ms. Hammersland received \$2,263.84 of gross pay to which she was not entitled. The **Table** also illustrates the City incurred \$303.35 for the employer's share of FICA and IPERS contributions in addition to the gross pay.

Table 4			
Date Paid	Vacation Hours Paid	Comp Time Hours Paid	Total
04/14/06	-	16	16
04/28/06	56	24	80
05/12/06	-	37	37
Total	56	77	133
x Hourly Rate			\$17.02*
Gross Pay			\$ 2,263.84
City's share of FICA & IPERS			303.35
Total			\$ 2,567.19

* Calculated by converting her annual salary to an hourly rate.

Conferences – During our investigation, we reviewed disbursements related to meetings, training events, conferences and other extended out-of-town trips taken by Mr. Simmons and other City employees and officials. The vast majority of the disbursements reviewed were for trips taken by Mr. Simmons. The trips taken by other employees and City officials were much less frequent and significantly less expensive.

The City personnel we spoke with stated Mr. Simmons reported he attended the events to obtain the continuing education units (CEU's) required to maintain his operation certificate through the Iowa Department of Natural Resources (DNR). We obtained Mr. Simmons' CEU information from the Operator Education Database maintained by DNR for the period April 2001 through June 2006. Mr. Simmons' CEU history shows he attended only 3 sessions and received only 2.600 CEU's during this period. According to the database, the most recent session Mr. Simmons attended was on June 11, 2004. Information prior to April 2001 is not available on the database.

Because DNR does not have CEU's recorded for a number of training events and conferences for which the City incurred costs, we attempted to contact the sponsors of the events to confirm Mr. Simmons' attendance. **Exhibit B** lists the events for which the City incurred over \$100.00 for Mr. Simmons' registration, lodging, travel, meals and/or other miscellaneous expenses. The costs total \$12,136.83. As illustrated by the **Exhibit**, some of the costs incurred included expenses for other City employees and/or officials.

The **Exhibit** also illustrates we were able to confirm Mr. Simmons' attendance at 7 events. For 10 events, we were unable to confirm Mr. Simmons' attendance. However, the sponsors we contacted confirmed Mr. Simmons did not attend 1 or more days of 3 events. The costs incurred by the City for these events totaled \$2,381.36. The costs incurred by the City for the days Mr. Simmons did not attend the event are summarized in **Table 5**. The amounts included in **Table 5** are a conservative identification of improper costs paid by the City for the days he did not attend the event.

As illustrated by the **Table**, we identified improper registration and lodging costs for the days of the events Mr. Simmons did not attend. We prorated the registration paid by the City between the time Mr. Simmons was and was not at the event. The lodging costs included in the **Table** are only for the days Mr. Simmons did not attend the event. **Table 5** also illustrates other costs were

incurred by the City for the days Mr. Simmons did not attend the event. However, none of the costs were properly supported by appropriate documentation. The costs are addressed in a subsequent section of this report and have been included as improper disbursements in the **Exhibits** referenced because they did not comply with City policy. Transportation costs have not been included in the **Table** because Mr. Simmons attended at least a portion of the event. The total of \$611.92 shown in **Table 5** has been included in **Exhibit A**.

Table 5

Type of Cost	IWPCA 83 rd Annual Conf.	AWWA/IWPCA Joint Conf.	IWPCA 85 th Annual Conf.	Total
Registration	\$ 50.00	148.24	53.33	251.57
Lodging	71.50	288.85	##	360.35
Meals and misc.	**	^^	@@	-
Total	\$ 121.50	437.09	53.33	611.92

** - Costs are included in the \$270.04 disbursement shown on 06/11/01 in **Exhibit G**.

^^ - Costs are included in the \$440.00 disbursement shown on 08/19/02 in **Exhibit G**.

- Cost is included in the \$275.52 disbursement shown on 06/09/03 in **Exhibit E**.

@@ - Costs are included in the \$280.00 disbursement shown on 06/16/03 included in **Exhibit F**.

As illustrated by **Exhibit B**, Mr. Simmons did not attend the IWPCA 83rd Annual Conference on June 14, 2001. However, he submitted a receipt for a meal he reported he purchased during the trip. The top of the receipt, which would have included the name of the restaurant and the date of purchase, was cut off. The back of the receipt contained the handwritten notation "Wendy's Lunch 6- -01 Gary." Due to the condition of the receipt submitted, we are unable to determine if a meal was purchased by Mr. Simmons for the \$5.02 receipt he submitted.

Exhibit B also illustrates Mr. Simmons did not attend the IWPCA 85th Annual Conference on June 19, 2003. However, as illustrated by a receipt included in **Appendix 8**, Mr. Simmons submitted a receipt for a meal costing \$22.05 and a \$4.00 tip with the handwritten notation "Dinner IWPCA 6/19/03." However, the date of the purchase and the vendor were cut off the receipt Mr. Simmons submitted. We have no assurance the costs were incurred on June 19, 2003 as reported by Mr. Simmons and we are unable to determine where the purchase was made.

Travel Reimbursements – According to the Mayor, the City used the Collective Bargaining Agreement as the policy for reimbursing all employees. According to Article 19 of the Collective Bargaining Agreement,

"Reimbursement of the cost of lodging and meals incurred by the employee when away from home on trips authorized by the department head. The employee must present receipts showing the actual cost paid."

To be reimbursed for travel expenses, City officials and employees prepared a claim and attached the appropriate receipts. According to City staff members we spoke with, at a minimum, detailed receipts were required to support reimbursements made to City officials and employees.

Checks were issued by the former City Clerk from the City's account to reimburse City officials and employees. We reviewed all reimbursements to Ms. Hammersland, Mr. Simmons and his wife, Wanda Simmons. We also reviewed selected travel reimbursements to several City officials and other employees. Travel expenses reimbursed included meals, lodging, fuel and other costs associated with the travel. Typically, receipts were attached to the claims for reimbursements and the receipts were detailed and provided information regarding what specific good or service was purchased. However, we identified concerns regarding certain reimbursements.

We identified improper reimbursements. We also identified reimbursements which may not meet the test of public purpose. The reimbursements identified are listed in **Exhibits C** and **D** and the

total improper disbursements are included in **Exhibit A**. The reimbursements included in the **Exhibits** are discussed in more detail in the following paragraphs.

1) Mr. Simmons – Between July 1, 2000 and June 30, 2006, Mr. Simmons received 48 travel reimbursements from the City totaling \$4,822.31. We reviewed each of the 48 reimbursements to Mr. Simmons and identified improper reimbursements totaling \$938.08 and \$183.08 of reimbursements which may not meet the test of public purpose. Copies of selected receipts associated with the reimbursements identified are included in **Appendix 4**.

As illustrated by **Exhibit C**, on November 13, 2000 Mr. Simmons was reimbursed \$211.20 by the City for travel costs associated with a trip to Fort Dodge. As illustrated by pages 80 and 81 of **Appendix 4**, the supporting documentation submitted by Mr. Simmons included an expense report he prepared which included \$116.00 of lodging costs incurred at the Best Western in Fort Dodge and 3 meals which totaled \$25.00. However, neither the lodging costs nor meals were supported by receipts, an invoice or other appropriate documentation. Mr. Simmons also submitted 3 receipts for the 3 purchases of fuel included on the expense report. The fuel cost of \$17.28 was supported by a receipt which was difficult to read. The remaining 2 purchases of fuel totaled \$30.00 each and appear to be supported by separate receipts from the same transaction. One of the receipts is labeled as a “Sales Receipt Reprint” and appears to be a duplicate of the receipt labeled “Dudley’s Corner Inc.”. As illustrated by the **Appendix**, both \$30.00 receipts are from a vendor located at the junction of I-35 and Highway 3. The vendor number shown on both receipts (29 515 49630) agrees. Also as illustrated by the **Appendix**, the bottom of the receipt labeled “Dudley’s” was cut off and the details of the purchase were written over. The bottom of the receipt would have included the date of the purchase. Instead, a date was penciled in at the top of the receipt as November 1, 2000. Based on the documentation available for our review, it appears Mr. Simmons traveled from Postville to Fort Dodge on October 31, 2000 and returned from Fort Dodge to Postville on November 2, 2000. According to the receipts, the fuel vendor is located in Latimer, approximately 60 miles from Fort Dodge. There would not have been a reason for Mr. Simmons to be in Latimer on November 1, 2000.

Also as illustrated by **Exhibit C**, the quantity on 1 receipt was reduced from 2 meals to 1 and on 6 occasions Mr. Simmons submitted receipts which were altered. The top, bottom or both portions were cut from the receipts to eliminate the name of the vendor, location and/or date of the transaction. For example, on August 14, 2000, the City reimbursed Mr. Simmons \$37.24 for a purchase made at Chi-Chi’s, a restaurant in West Des Moines. However, we are unable to determine the date of the purchase, how many meals were purchased and if alcohol was purchased. Also, on August 12, 2002, the City reimbursed Mr. Simmons \$19.33 for a fuel purchase. Because the receipt was cut, we are unable to determine the name or location of the vendor.

Also, as illustrated by **Exhibit C**, Mr. Simmons was reimbursed on 8 occasions for expenses which were supported only by credit card receipts rather than detailed sales receipts. For example, on March 14, 2005, the City reimbursed Mr. Simmons \$39.31 for a purchase made at Barbara Jean’s Embers, a restaurant in St. Paul, MN. Because only a credit card receipt was submitted, we are unable to determine how many meals were purchased and if alcohol was purchased. According to City personnel we spoke with, Mr. Simmons periodically reported he misplaced the detailed receipts.

The disbursements identified which may not meet the test of public purpose included the purchase and engraving of a watch for an employee celebrating 25 years of employment. The City does not have a policy for recognition service. On May 26, 2005, Mr. Simmons attended an EPC meeting in West Des Moines. Prior to the meeting, he purchased supplies at a Staples in Ames. The purchase included a pen for \$19.99 and a leather portfolio costing \$34.98. Reimbursement for these items was not claimed until September 2005. While the reimbursement was approved by the Council, no details or documentation were provided for their review.

Mr. Simmons was reimbursed for expenses even though he did not provide proper documentation or submitted altered receipts. His travel claims were submitted to the Utilities Clerk and the City Clerk for review. After their review, travel claims were submitted to the City's Finance Committee for final review and approval. When asked why Mr. Simmons was reimbursed for expenses without proper documentation, the Utilities Clerk stated "Gary was working on more important issues for the City and the receipts were considered a small issue, so we would just pay him".

In addition to the checks Mr. Simmons received from the City for reimbursement of travel expenses, he also was reimbursed for certain travel expenses through the City's petty cash fund and he received cash advances. Additional information on the reimbursements from the petty cash fund and cash advances is included in subsequent sections of this report.

2) Ms. Hammersland - Between July 1, 2000 and June 30, 2006, Ms. Hammersland received 11 reimbursements from the City totaling \$1,052.36. During our review of the reimbursements to Ms. Hammersland, we identified 3 reimbursements which were not properly supported by detailed receipts. The \$293.64 of improper reimbursements to Ms. Hammersland has been included in **Exhibits A** and **D** because the documentation did not comply with City policy.

3) Wanda Simmons - A \$372.28 reimbursement check was issued to Mr. Simmons' wife, Wanda, on October 14, 2002 for expenses incurred by Mr. Simmons during a conference sponsored by American Public Works Association (APWA) held September 22 - 25, 2002. The reimbursement was supported by an invoice from the Hyatt Regency Crown Center in Kansas City. A copy of the invoice is included in **Appendix 5**. As illustrated by the **Appendix**, the invoice did not include any charges for the room because the City prepaid the hotel for Mr. Simmons' lodging. Rather, the invoice included phone and room service charges. The invoice also had a note attached to it which includes Mr. Simmons' initials and states "This amount was charged to Wanda's credit card - should be refunded immediately Thanks GWS".

As illustrated by the **Appendix**, the invoice was for \$384.05. However, an \$11.77 charge for a guest movie on September 25, 2002 was not included in the reimbursement. The **Appendix** also illustrates the invoice contains handwritten notations by Mr. Simmons' stating "e-mail" next to the long-distance charges. However, the phone number shown on the billing was Mr. Simmons' home phone number in Postville. The charges for the phone calls total \$287.72 and are included in **Exhibits A** and **D** as improper because they are personal in nature.

The remaining amount reimbursed to Mrs. Simmons included \$57.00 for parking and \$27.56 for room service breakfast and dinner. The charges for room service are not supported by detailed receipts and have also been included in **Exhibits A** and **D** as improper because the documentation did not comply with City policy.

4) Other Officials - As stated previously, we reviewed selected travel reimbursements to several City officials and other employees. We identified reimbursements to City officials or employees which were improper because they were personal in nature or did not comply with City policy regarding documentation. Each of the reimbursements identified are included in **Exhibits A** and **D**.

- As illustrated by **Exhibit D**, Chris Hackman (a Public Works employee) was reimbursed \$305.96 on October 14, 2002. Of that amount, \$29.41 was supported by only a credit card receipt from the Congress Plaza Hotel. Documentation submitted for the reimbursement included a handwritten notation the expenditure was "Hotel breakfast for 3." A \$51.31 reimbursement made to Mr. Hackman on December 8, 2003 included only a credit card receipt for a \$9.07 meal. The reimbursement has been included in **Exhibit D**.

In addition, Mr. Hackman, was reimbursed \$181.54 on September 12, 2005 for the purchase of PC software costing \$169.66 and \$11.88 of sales tax. Rather than an original receipt, a copy of the sales receipt was submitted as support for the reimbursement. It appears other items purchased were cut off the copy. Although the

City has the software, because the original receipt was not submitted and the documentation to support the payment is a photocopy of an altered receipt, the reimbursement has been included in **Exhibit D** as improper.

- **Exhibit D** also includes a reimbursement to former Mayor John Hyman. On November 8, 2004, Mr. Hyman was reimbursed \$134.06 for travel expenses for a trip to Atlanta, Georgia. The supporting documentation submitted by Mr. Hyman included a copy of his personal credit card statement. However, an itemized billing from the hotel was not submitted. As a result, we are unable to determine if the expenses submitted for reimbursement were for more than lodging charges. The \$134.06 reimbursed to Mr. Hyman is included in **Exhibits A** and **D** as an improper disbursement because the documentation did not comply with City policy.
- On September 15, 2005, Mark Seegmiller (a Public Works employee) was reimbursed \$124.68 for training and reimbursement. Of that amount, \$19.53 was not supported by receipts. As a result, the \$19.53 has been included in **Exhibits A** and **D** as an improper disbursement because the documentation did not comply with City policy.
- **Exhibit D** also includes a reimbursement to Leigh Rekow, a former City Council member, for a trip to New York City. According to several City officials we spoke with, certain City representatives attended an awards dinner held there. While the City did not incur costs to attend the dinner, for airline tickets or lodging expenses for the trips, the City reimbursed representatives for other related expenses. The \$45.22 reimbursement to Leigh Rekow on January 12, 2004 was supported by 2 receipts for fuel purchases and 1 receipt for parking to attend the event in 2003.

For the reimbursements reviewed for Ms. Hammersland, Mrs. Simmons and other City officials, we identified improper reimbursements totaling \$1,027.75. As previously stated, each of the reimbursements identified are listed in **Exhibit D**. The totals of the reimbursements identified have been included in **Exhibit A**.

Other Travel Expenses Incurred by the City – In addition to reimbursing employees and officials for expenses incurred while traveling on behalf of the City, the City also paid certain expenses associated with travel directly to vendors providing services. As stated previously, according to City personnel we spoke with, Mr. Simmons attended various conferences and training events during his employment with the City. They also stated Mr. Simmons spent a considerable amount of time attending the events. Other employees and City officials also periodically incurred travel expenses which were paid for by the City.

According to the personnel we spoke with, the City did not have a credit card after March 2000. As a result, if lodging or travel reservations were made for a City employee or official prior to traveling, the City was required to ask the vendor to bill them after services were provided or issue a check to the vendor prior to the event. Employees or officials attending the event were expected to submit an itemized receipt upon their return to support the check issued to the vendor.

We reviewed 14 disbursements made directly to vendors by the City for travel expenses. The 14 disbursements totaled \$9,138.62. Of that amount, we determined \$7,849.37 was improper. The improper disbursements included payments to hotels that were supported by acknowledgements of hotel reservations and airline costs supported only by an itinerary from a travel agent. Because invoices were not submitted, we were unable to determine specific costs incurred.

The disbursements we reviewed are listed in **Exhibit E** and the totals are included in **Exhibit A**. **Exhibit E** also contains an explanation of each disbursement for which we identified a concern. As illustrated by the **Exhibit**, a number of the disbursements were not supported by appropriate documentation required by City policy. Other disbursements were personal in nature.

Cash Advances – During our fieldwork, City officials voiced concerns regarding cash advances made to Mr. Simmons. While the City did not have a formal written policy regarding cash advances, City employees and officials were to complete a form to request cash advances. A copy of the form used is included in **Appendix 6**. As illustrated by the **Appendix**, the form states “By signing this form, I hereby acknowledge the receipt of cash funds to be used exclusively for authorized expenditures relating to my employment with the City of Postville. Receipts will be obtained and returned to the City Clerk’s office within 5 days of the expenditures”.

We reviewed all cash advances made to City employees and officials for the period July 1, 2000 through June 30, 2006. A number of the advances were for meals and miscellaneous expenses incurred on trips taken by Mr. Simmons and other City officials. For these trips, the City made a direct payment to vendors for services such as airfare and lodging. During our review, we identified several concerns. The advances and concerns are included in **Exhibit F** and some examples are summarized below.

- On June 16, 2003, a cash advance for \$280.00 was requested by Mr. Simmons for costs associated with attending the Iowa Water Pollution Control Association (IWPCA) meeting in Sioux City from June 18 through June 20, 2003. The supporting documentation for the advance is included in **Appendix 7**. As illustrated by the **Appendix**, a receipt for a fuel purchase in the amount of \$12.08 was submitted. The top of the receipt which would have documented the vendor and date of the purchase was cut-off. However, the phone number at the bottom of the receipt is for a Casey’s General Store in Ankeny, Iowa. The receipt contained a handwritten notation “6/17/03 Fuel.” It is unlikely Mr. Simmons would drive through Ankeny on June 17 on his way to Sioux City.

As illustrated by the **Appendix**, several other cut or altered receipts were submitted by Mr. Simmons to support the cash advance. A receipt was altered by changing the time of the meal purchased from 5:32 pm to 1:30. It appears the receipt may have been altered because a receipt from another vendor time stamped 6:56 pm the same day was also submitted. When 2 receipts are submitted for the evening meal, only 1 should have been approved. Copies of all receipts submitted for the advance are included in the **Appendix**.

The supporting documentation submitted by Mr. Simmons did not include a number of receipts as required by the City’s policy. The **Appendix** also illustrates an expense report prepared by Mr. Simmons was submitted along with an explanation of why several receipts were not provided to the City. According to the explanation, Mr. Simmons reported “I think some of the receipts may have been thrown away (accidentally) when Jr. helped me clean out the vehicle and bring in my luggage upon my return home.”

We contacted the IWPCA to verify Mr. Simmons attendance at the meeting. According to the representative we spoke with, the organization’s records document Mr. Simmons attended the meeting on the 18th and the 20th. However, there was no record of Mr. Simmons attending the meeting on the 19th. Attendees are required to sign-in at the meetings each day.

- On October 17, 2003, the City advanced Mr. Simmons \$750 cash for expenses associated with traveling to a Wastewater Treatment Project Funding event in Washington D.C. from October 20 through October 23, 2003. An additional \$300 was advanced to former Councilman Mr. Goldsmith. According to the documentation we reviewed, Mr. Hyman also traveled to Washington, D.C. with Mr. Simmons and Mr. Goldsmith.

The claim indicates \$100.00 of the \$1,050 advanced was returned after the trip. The supporting documentation submitted for the expenses incurred during the trip included 2 receipts which show alcohol was purchased. During a meal at Legal Sea Foods, 4 drinks totaling \$23.16 were purchased. During a meal at District Chophouse & Brewery, 2 beers were purchased for \$9.42.

The supporting documentation also included 2 receipts for purchases made after the City officials returned from Washington, D.C.

- On October 25, 2005, the City advanced Mr. Simmons \$800.00 cash for expenses associated with traveling to Washington, D.C. for an event sponsored by the Water Environment Federation (WEF).

As illustrated by **Exhibit F**, of the \$800.00 cash provided to Mr. Simmons, \$638.22 was not supported by receipts. According to the claim, the expenditure was approved by the Council on November 14, 2005. City staff could not locate the approval in the minutes on the date indicated. It appears the cash advance was not formally approved by the Council.

The improper disbursements identified total \$3,354.40. The disbursements are listed in **Exhibit F** and the totals are included in **Exhibit A**. **Exhibit F** also contains an explanation of each disbursement for which we identified a concern. As illustrated by the **Exhibit**, a number of the disbursements were not supported by appropriate documentation required by City policy.

Petty Cash – During the period of our review, the City kept a \$150 petty cash fund. Petty cash funds maintained by a City are typically kept on an imprest basis. They are generally used for incidental purchases such as postage.

For the period of our investigation, we reviewed the documentation available for each amount disbursed from the City's checking account to replenish the petty cash fund. We were unable to reconcile the amounts used to replenish the fund to the documented disbursements from the City's petty cash fund because not all documentation was available.

Using the documentation available, we identified a number of instances in which the City's petty cash fund was used to reimburse City employees for meals, gas purchases and other disbursements which should have been reimbursed to the employee with a check drawn on the City's checking account. We also identified several instances in which cash advances were made to employees through the petty cash fund. Some of the cash advances identified exceeded the \$150 established level of the petty cash fund.

Each improper disbursement identified from the petty cash fund is listed in **Exhibit G**. As illustrated by the **Exhibit**, 14 of the disbursements were not supported by any documentation and a number of the disbursements were supported only by handwritten notes rather than sales receipts or other appropriate documentation. In addition, 4 of the sales receipts submitted were altered by cutting a portion of the receipt off. The portions removed from the receipts included the vendor's name and/or the date of the purchase.

Also as illustrated by **Exhibit G**, in several instances the petty cash fund was "replenished" for more than the established amount of \$150.00. For example, \$270.04 was disbursed from the City's checking account on June 11, 2001 to be placed in the petty cash fund. Mr. Simmons received \$180.00 of that amount in cash to attend an event sponsored by IWPCA. As illustrated by **Appendix 8**, it appears a cash advance form was not completed for the cash provided to Mr. Simmons. Rather, a handwritten notation was prepared and signed by Ms. Hammersland and Mr. Simmons. The receipts submitted by Mr. Simmons to support how the cash was spent included 2 receipts for fuel, a receipt that was altered by cutting the top of the receipt off which contained the name of the vendor and the date of the purchase and a calculator tape that was

stamped "PAID" and had a handwritten notation "IWPCA Training Material CD-Book 6-14-00." Using a calculator found at the City and a stamp found in Mr. Simmons' former desk, we created an exact copy of the tape submitted. Of the \$180.00 advanced to Mr. Simmons, receipts were not submitted for \$11.32. The \$105.00 from the calculator tape, the \$5.02 from the cut receipt and the unsupported \$11.32 have been included in **Exhibit G** as improper disbursements.

On August 19, 2002 and December 10, 2002, the City disbursed \$440.00 and \$800.00, respectively, to the petty cash fund. Again, these amounts exceeded the established petty cash amount of \$150.00. As illustrated by **Appendix 9** and **10**, each of the disbursements were cash advances made to Mr. Simmons. It is unclear why the cash advances were reflected on the claims approved by the Council as replenishments to the petty cash fund rather than cash advances to Mr. Simmons. Both advances were supported only by documentation prepared by Mr. Simmons. Original receipts from vendors for goods or services purchased were not provided. As a result, we have included both disbursements in **Exhibit G** as improper.

The **Exhibit** also illustrates 18 disbursements were made from the petty cash fund for \$5 meals and 1 disbursement was made for a \$6 meal. The documentation related to the disbursements was typically Post-It notes prepared by Mr. Simmons. Some of the Post-It notes specify "chamber", indicating the meal was sponsored by the local Chamber of Commerce. Although it appears Mr. Simmons was the individual reimbursed for the meal at the Chamber meetings, the value of the meals reimbursed to him were not included on his W-2's. Because the meals are a taxable benefit, the reimbursements should have been included on his annual W-2 form.

According to City personnel we spoke with, currently City officials only attend the meetings when requested by the Chamber and typically the City official will pay for their own meal. The City staff person also stated Mr. Simmons "just started going on his own."

The improper disbursements from petty cash total \$2,042.22. Each improper disbursement identified is listed in **Exhibit G** and the totals are included in **Exhibit A**. **Exhibit G** also contains an explanation of each disbursement for which we identified a concern. As illustrated by the **Exhibit**, a number of the disbursements were not supported by appropriate documentation required by City policy.

Uniforms – Section 19.2 of the City's Collective Bargaining Agreement states "The City will supply each employee with five (5) uniform shirts (summer and winter), five (5) uniform pants (summer and winter), and one (1) summer jacket, one (1) insulated winter parka, and coveralls once every two years."

The Collective Bargaining Agreement also states "The Employer recognizes the Union as the sole and exclusive bargaining representative for those employees as set forth by the Public Employment Relations Board Case No. 4183, including all regular full-time and regular part-time employees of the City of Postville Police and Public Works Departments; excluding all elected officials, confidential secretary, supervisors, Director of Public Works, Chief of Police, and reserve police officers" (Section 2.1).

City officials and staff that we spoke with stated uniforms were typically purchased from Kozelka's Western and Work Wear and usually all Public Works employees went to the store together to purchase their uniforms. We reviewed detailed invoices from Kozelka's and identified a number of purchases which included clothing for Mr. Simmons. In addition, Mr. Simmons' purchases were not for uniforms or work pants and shirts. Rather, they appear personal in nature. The purchases identified are listed in **Table 6**. As illustrated by the **Table**, the purchases total \$2,319.37. This amount has been included in **Exhibit A**.

Table 6

Date of Purchase	Amount	Description of Purchase	Auditor's Notation
06/16/01	\$ 491.84	8 pairs of pants, 8 shirts	Invoice was signed by Mr. Simmons. The purchase was made on a Saturday and the items are not uniforms.
06/02/03	692.79	10 pairs of pants, 10 shirts, 1 sport coat	The items are not uniforms.
11/11/03	369.98	2 winter coats	Invoice was signed by Mr. Simmons and included the notation "last of winter wear uniforms – Gary."
06/03/05	764.76	10 pairs of pants, 8 sport shirts, 2 dress shirts, 2 sport coats and 2 ties	A notation on the invoice indicates the items were for Mr. Simmons.
	<u>\$ 2,319.37</u>	Total	

Iowa Federal Surplus Inventory – According to City personnel we spoke with, Mr. Simmons and other City staff often purchased items from Iowa Federal Surplus in Des Moines. Trips to Des Moines were generally made about once per month. City officials voiced concerns regarding several item purchased. To determine the specific items purchased, we obtained invoices directly from Iowa Federal Surplus.

We summarized the items purchased and, with assistance from City personnel, attempted to locate the items. Some of the items were disposable in nature or may have had a short useful life. As a result, we did not pursue all items purchased. Rather, we focused on the more expensive items and those which City officials were concerned about. We were unable to locate 10 items purchased from Iowa Federal Surplus. The City paid \$705.00 for the 10 items. The items and the amounts paid by the City are listed in **Table 7**. The \$705.00 has been included in **Exhibit A**.

Table 7

Invoice Date	Invoice Number	Inventory Description	Amount	Invoice Signed By
05/08/03	B28101	Refrigerator	\$ 30.00	Gary Simmons
10/02/03	B28297	Hubert Refrigerator	25.00	Gary Simmons
04/12/04	B28578	2 Leather Sofas, 2 Leather Chairs	250.00	Gary Simmons
08/24/04	B28737	2 IBM 390 Laptops	200.00	Mark Seegmiller
10/12/04	B28773	2 IBM Laptops	200.00	Gary Simmons
		Total	<u>\$ 705.00</u>	

As illustrated by the **Table**, 2 leather sofas were purchased by the City in April 2004. According to City personnel, 1 of the sofas was for the Public Works Department and the other was for a different Department. The second sofa was located by City staff during our fieldwork. However, we spoke with several City personnel who provided different explanations about the location of the leather sofa from the Public Works Department. According to several City staff, the leather sofa was in the Mr. Simmons' office when the Department was housed in a previous location. However, when the Department and his office moved to the current location, the sofa did not arrive at the new location.

Another staff member stated the sofa was given to Mr. Simmons' son. We were also told by a City staff member the City had a garage sale and some local football players bought the sofa. City personnel could not provide any records related to a garage sale.

Other Disbursements – During the period of our investigation, we tested certain disbursements made by the City and identified additional improper disbursements. Each disbursement identified is listed in **Exhibit H**.

The **Exhibit** includes a computer purchase which was not supported by a receipt, a personal digital assistant (PDA) which could not be located at the City and a pair of shoes purchased for Mr. Simmons. The PDA was used exclusively by Mr. Simmons and the software used for the PDA was found on the computer used by Mr. Simmons at the City.

As illustrated by **Exhibit H**, the improper disbursements total \$11,009.19, **Exhibit H** also includes a \$954.00 disbursement in April 2003 to Greg Coffin for chemicals. According to City personnel we spoke with, Mr. Coffin is the sales representative for Continental Research, from whom Mr. Simmons purchased a significant amount of chemicals for the City. It is unclear why the purchase was made from Mr. Coffin rather than the vendor. The items purchased were labeled in a manner which indicated they were initially sold to the University of Northern Iowa. Because they were still on hand in February 2007, it appears they were not necessary for the City's operations.

In addition, **Exhibit H** includes a \$2,500.00 disbursement to Best Buy. The payment was for a computer purchased by Mr. Simmons. However, Mr. Simmons did not submit a receipt for the purchase. Rather, he submitted the display card from the store shelf. A copy is included in **Appendix 11**. According to the display card, the computer cost \$2,249.97 (prior to \$300 of rebates) and included a Pentium 4 processor, 17" flat panel monitor and inkjet printer. The documentation submitted by Mr. Simmons also included a handwritten notation "Monitor – keyboard wireless \$2,500." We are unable to determine what was purchased with the \$250.03 remaining after the computer was purchased for \$2,249.97. However, the cost of wireless keyboard should have been significantly less than that amount. Because Mr. Simmons did not submit a receipt, we are unable to definitively determine what was purchased. While the City does have a computer matching the description on the card submitted by Mr. Simmons, we have no assurance the computer was purchased from Best Buy or the cost. As a result, the entire \$2,500.00 payment has been included in **Exhibit H** as an improper disbursement. Because the disbursement was not supported by appropriate documentation required by City policy, this amount has been included in **Exhibit A**.

Credit Cards – In May 1998, 6 credit cards were requested from Elan Financial Services. According to the City Clerk, the credit cards were to be used primarily for travel expenses. Of the 6 credit cards, 3 were issued in the name of the City and kept in a drawer of the Clerk's desk. Each of the cards had a \$1,000 credit limit. The remaining 3 cards were issued to Mr. Simmons, Ms. Hammersland and the Police Chief, Michael Halse. The cards issued to Mr. Simmons and Ms. Hammersland had credit limits of \$15,000 and the card issued to Chief Halse had a \$3,000 credit limit. It is unclear why the cards carried such high credit limits

We reviewed a letter to Elan Financial Services dated July 6, 1999 and signed by Ms. Hammersland. The letter stated the City was cancelling membership for 4 of the 6 credit cards. The credit cards that remained active included a card held in the City's name and the card issued to Mr. Simmons.

We also reviewed a memo from the Mayor dated December 27, 1999. The memo was addressed to the City's Department heads and instructed them to terminate any credit card usage and turn in the credit cards by the end of the year. In addition, we reviewed a letter signed by Ms. Hammersland and dated January 14, 2000 which cancelled the remaining 2 credit cards. According to the Utilities Clerk, who was employed by the City at the time the credit cards were active, she believes the credit cards were cancelled because they had been used for improper purchases.

We were unable to determine what was purchased with the credit cards between July 1, 1998 and June 30, 1999 because the City's financial records could not be located for this time period. During our fieldwork we observed financial records for the City's transactions prior to 1998 and after 1999 in the basement of City Hall. However, financial records for July 1, 1998 through June 30, 1999 could not be located. City staff we spoke with were surprised the boxes containing the records were missing.

Because records were not available from the City, we subpoenaed the financial institution which issued the credit cards to the City. We requested the monthly statements for the credit cards for the period July 1, 1998 through December 31, 2000. A representative of the financial institution reported records were not available prior to January 2000. However, we obtained the credit card activity for the card issued to Mr. Simmons for the period of January 15, 2000 through January 16, 2001.

Using Employee Spending Analyses dated December 1998 and 1999 from Elan and obtained from the City's records, we determined the amount and types of purchases made with the City's credit cards. **Table 8** summarizes the total amounts spent with each credit card during calendar years 1998 and 1999. The Employee Spending Analyses reported the purchases in even dollar amounts. As illustrated by the **Table**, the majority of purchases were made with the credit card issued to Mr. Simmons. Purchases during 1998 and 1999 totaling \$11,152 and \$17,162, respectively, were made with the credit card issued in Mr. Simmons' name.

Table 8			
Name on card	Amount Charged		Total
	05/01/98 – 12/31/98	01/01/99 – 12/31/99	
Gary Simmons, Sr.	\$ 11,152	17,162	28,314
Michael Halse	1,098	160	1,258
Melissa Hammersland	1,020	636	1,656
City of Postville No. 1	102	1,126	1,228
City of Postville No. 2	-	40	40
City of Postville No. 3	-	40	40
Total charges	\$ 13,372	19,164	32,536

As illustrated by the **Table**, only \$40 was incurred on the credit cards identified as City of Postville No. 2 and No. 3. It appears as if these were only the annual fees for the cards and they were not used to make any purchases.

According to the Employee Spending Analysis, of the \$28,314.00 spent on the card issued to Mr. Simmons, \$11,809.00, or 41.71%, was travel related and \$15,958.00 or 56.36% was categorized as "other" expenditures. The travel expenses incurred on Mr. Simmons credit card are in addition to the travel expenditures discussed previously in this report. Because of the limited nature of information provided by the analyses and because we were unable to obtain detailed records for the purchases made with the credit cards, we were unable to determine the composition of the "other" purchases.

While we were not able to review the documentation to support the payments to the credit card company for any of the credit cards, it appears the documentation was available to the City at the time of payment. Because we were not able to review the documentation and satisfy ourselves regarding the propriety of the purchases made with the credit cards, we have included the total payments of \$32,536.00 in **Exhibit A** as unsupported disbursements.

EXCESSIVE PURCHASES

During our fieldwork, City officials voiced concerns regarding the amount of purchases Mr. Simmons authorized from certain vendors. **Table 9** lists the vendors identified by City officials and the amount disbursed by the City to the vendors during fiscal years 2001 through 2006. The **Table** includes all vendors from whom Mr. Simmons authorized a significant number of purchases.

Table 9

Fiscal Year	Atco	Chem-search	Continental Research	Team Labs	California Contractors	Durable Component	Superior Lamp	Total
2001	\$ 12,459.75	22,116.06	2,638.76	-	1,618.90	188.42	509.81	39,531.70
2002	36,106.65	27,883.67	44,727.47	3,278.03	4,425.24	411.15	701.46	117,533.67
2003	18,532.45	34,902.17	89,248.04	2,756.84	4,808.46	1,655.88	705.12	152,608.96
2004	26,129.95	39,837.16	91,653.23	3,110.44	987.90	1,168.37	815.70	163,702.75
2005	15,585.25	23,089.09	99,721.44	13,272.58	1,724.48	813.37	1,520.73	155,726.94
2006	10,942.20	15,489.89	101,368.63	12,165.62	1,898.30	245.05	3,370.68	145,480.37
Total	\$119,756.25	163,318.04	429,357.57	34,583.51	15,463.28	4,482.24	7,623.50	774,584.39

As illustrated by the **Table**, the majority of the purchases were made from Continental Research. A significant amount of purchases were also made from Chemsearch and Atco. According to City personnel we spoke with, the Sales Representative for Continental Research spent long periods of time with Mr. Simmons in his office at City Hall. Mr. Simmons purchased Bacto-Dose from Continental Research and Devour from Atco. According to a memo prepared by Mr. Simmons, both products were used to breakdown ammonia and control the build up of solids in the lagoons.

According to Continental Research's website, Bacto-Dose:

- Is a high count, selectively adapted non-pathogenic bacteria in a dissolving bag.
- One bag treats up to 2 million gallons of flow per day. According to the directions for the product, a 4 ounce bag should be used for every 2 million gallons of capacity.
- The enzymes break down proteins, starches and carbohydrates, fats, oils, greases, papers and fibers.

According to Atco's website, Devour:

- contains a synergistic blend of new bacterial strains which have been scientifically developed to combat compounds and chemicals present in waste water effluent.
- contains bacterial strains which actually digest difficult and non-biodegradable compounds such as detergents, paper, oil, grease, hydrocarbons, and phenols.
- improves the performance of septic tanks, lagoons, activated sludge, trickling filters and water holding basins.

Due to the amount of flow into the lagoons from AgriProcessors, the City's largest employer, the City had established an agreement with AgriProcessors for reimbursement of the City's costs to treat the lagoons. A similar agreement had also been established with Iowa Turkey, the company which previously occupied the processing facility. In accordance with the agreement, the City billed AgriProcessors (also known as Lagoon Technology) and was reimbursed for the cost of all Bacto-Dose and Devour purchased. An example of a statement is included in **Appendix 12**.

To determine if the chemical purchases authorized by Mr. Simmons were appropriate, we spoke with the City's current Public Works Director and a Public Works employee of another City with a comparable size lagoon operation. We also obtained information from chemical vendors and spoke with the City's Mayor who was previously the City's Public Works Director and is currently

employed as the City of Calmar's Water/Wastewater Superintendent. As a result of our investigation, we identified concerns with the amount of Bacto-Dose and Devour used at the lagoons and the amount of inventory remaining on hand at the City.

Amount of Bacto-Dose and Devour Used in City Lagoons – During our investigation, City personnel voiced concerns specifically regarding the amount of chemicals purchased by Mr. Simmons for treatment of the lagoons. **Table 10** summarizes the 2 primary chemicals used in the lagoons and the amounts purchased during fiscal years 2001 through 2006. As illustrated by the **Table**, the City purchased 546 cases of Bacto-Dose (or 54,600 doses) and 6,075 pounds of Devour.

Table 10

Fiscal Year	Bacto-Dose		Devour		Total Cost
	Quantity (Cases of 100 doses)	Cost	Quantity (Pounds)	Cost	
2001	2	\$ 1,370.02	225	\$ 3,431.25	4,801.27
2002	60	41,273.21	1,800	27,450.00	68,723.21
2003	120	82,333.03	900	13,725.00	96,058.03
2004	120	86,606.58	1,575	24,018.75	110,625.33
2005	120	88,429.28	900	13,725.00	102,154.28
2006	124	96,419.60	675	10,496.25	106,915.85
Total	546	\$ 396,431.72	6,075	\$ 92,846.25	489,277.97

Shortly after taking office in January 2006, the City's current Mayor, Robert Penrod, instructed Mr. Simmons to discontinue purchasing Bacto-Dose. The Mayor stated he was concerned about the amount of chemicals Mr. Simmons had purchased. As previously stated, Mayor Penrod had been the City's Public Works Director for approximately 18 years prior to Mr. Simmons. According to Mayor Penrod, the Bacto-Dose treatments were not necessary because of a number of factors, including the high level of salt in the lagoons resulting from the kosher processing performed by AgriProcessors. According to the Mayor, during his tenure as Public Works Director, chemicals such as enzymes or bacteria were not added to the lagoons to break down suspended solids.

Mr. Simmons responded to Mayor Penrod's attempt to discontinue the Bacto-Dose by submitting a memorandum to the City. A copy of the memorandum is included in **Appendix 13**. As illustrated by the memorandum, Mr. Simmons reported:

- "This product (Bacto-Dose) has been used for years and has shown some improvement in ammonia breakdown and controlling the sludge blankets (build up of solids) which in turn has had a profound affect on our ability to discharge on a continuous year round basis. Therefore, we continue to use the product especially since the cost is absorbed by AgriProcessors 100%."
- "If the City of Postville stops this order they do it at their own peril any result in loss of operation and/or capacity without at least the appearance of good faith (adding chemical) to maintain the lagoons (for a product that is 100% paid for by AgriProcessors) is fool hearty and arrogant on the City's part."

Based on the memo in **Appendix 13**, it appears Mr. Simmons believed a primary reason for continuing to treat the lagoons with the chemicals was AgriProcessors would bear the cost of the treatments.

According to Mayor Penrod, while the City is required to maintain the lagoons in accordance with state and federal guidelines, the City is not required to add Bacto-Dose or any other bacteria/enzymes to the lagoons. According to the Mayor, the City has not used Bacto-Dose or Devour in the lagoons since July 2007 and levels have been remained within required limits. Because the City is no longer purchasing the chemicals, AgriProcessor's is no longer reimbursing the City each month an average of \$12,000.00 for the chemical treatment.

The flow of the City's lagoons totals approximately 500,000 gallons per day. During our investigation, the Bacto-Dose vendor was given a scenario matching that of Postville. Based on the vendor's recommendations, to maintain the lagoons, the City should use 90 pounds of Bacto-Dose per month when lagoon temperatures are above 42 degrees. According to records we reviewed, between February and June 2006 the City used 180 pounds per month, which is twice the amount recommended by the vendor.

In addition, according to Mr. Penrod and the current Public Works Director, it is possible there were several days in the December through March period each year when the liquid temperature was below 42 degrees. It would be reasonable to expect Mr. Simmons to know the chemicals would not be effective during these conditions. However, they continued to be used throughout the year.

Because information is not available regarding air and liquid temperatures at the lagoons during this period, we were unable to determine if the conditions were appropriate for the use of Bacto-Dose. If the information was available, we may have been able to use the information to consult with representatives of the Department of Natural Resources to determine if the use of Bacto-Dose was appropriate.

To determine if the large purchases of Bacto-Dose and Devour were necessary and an appropriate use of City funds, we considered the following information:

- The Public Works Director who preceded Mr. Simmons did not use Bacto-Dose, Devour or equivalent products to maintain the lagoons. During the last 10 years of the preceding Director's tenure, AgriProcessors was using the lagoons.
- The amounts of Bacto-Dose and Devour purchased by Mr. Simmons for the City increased significantly between fiscal years 2001 and 2003. The amount spent on Bacto-Dose continued to steadily increase each year. The amount spent for Devour fluctuated.
- Using city records, we determined twice as much Bacto-Dose was applied to the lagoons as was recommended by the vendor.
- When the prior Public Works Director became the Mayor, he instructed Mr. Simmons to discontinue use of the products. As illustrated by memos prepared by Mr. Simmons, he disagreed with this decision. In several instances, he emphasized the City was being reimbursed for all costs of purchasing the products by AgriProcessors.
- After Mr. Simmons' resignation, the City discontinued using the products and the lagoons remained within the required levels.

Given these factors, it appears the City did not need to purchase the chemicals. Because AgriProcessor reimbursed the \$396,431.72 spent by the City for Bacto-Dose and \$92,846.25 spent for Devour, we have not included a cost on **Exhibit A**. However, between July 1, 2003 and December 31, 2006 the City billed AgriProcessors \$315,098.37 for Bacto-Dose and \$51,869 for Devour, both of which were unnecessary products.

We were unable to determine why Mr. Simmons purchased and used the chemicals in such large quantities. When we asked to meet with Mr. Simmons, he declined to speak with us. We were also unable to determine if Mr. Simmons received some incentive from Mr. Coffin or Continental Research for the large amount of purchases he authorized.

Obsolete Inventory – During our investigation, we observed the inventory on hand with the City. Our observations were made approximately 6 months after Mr. Simmons’ resignation. At the time of the inventory, several boxes of products from the vendors were still unopened.

During our fieldwork, City personnel performed a physical inventory supervised by the current Public Works Director. The items included in the inventory have been listed in **Exhibit I**. Using the City’s inventory counts and applying the first-in-first-out (FIFO) method of inventory valuation, we determined a cost of the inventory. As illustrated by the **Exhibit**, we determined the cost of the inventory on hand at the time of the count was \$128,562.73. The inventory count taken by City personnel did not include items purchased from vendors not listed in **Table 9**.

During our investigation, we inquired of City personnel which chemicals were considered to be obsolete or not suitable for use in the City’s Public Works operations. According to the Public Works Director, \$9,240.58 of the inventory on hand is not usable by the City because its shelf life has expired or the product is not appropriate for the City to use. The products which the Director believes are unusable are identified in **Exhibit I**. The unusable products include deteriorated bottles of fuel additive. The unusable items also include a heavy duty emulsifying cleanser called Blue Beast purchased from Chemsearch. According to City personnel we spoke with, Blue Beast will melt PVC pipe. As a result, it cannot be used by the City. The City’s inventory includes a 55 gallon drum of Blue Beast which was purchased in September 2003 for \$1,594.78. The \$9,240.58 has been included in **Exhibit A** as an improper disbursement.

Exhibit I also identifies products which the City plans to sell or give to another municipality in the near future. These are items which are not currently being used by the City. As illustrated by the **Exhibit**, the products total is \$11,399.11. However, it is not likely the City will recover the full cost of the unneeded products. Because the City incurred unnecessary costs, the \$11,399.11 has been included in **Exhibit A** as an improper disbursement.

According to the current Public Works Director, the usable items in inventory will last the City approximately 3 years.

INAPPROPRIATE USE OF CITY EQUIPMENT

During our fieldwork we reviewed the hard drive from the computer Mr. Simmons used as Public Works Director. When he resigned, City staff made a copy of the hard drive. We observed several files on the hard drive which contained sexually explicit images and video clips. It also appeared dating videos had been saved in files as well.

NEPOTISM

During our investigation, it was brought to our attention, Mr. Simmons’ wife, Wanda Simmons, worked for the City while Mr. Simmons was the Public Works Director. She was hired on October 4, 1999 and her last day was June 15, 2006. According to City personnel we spoke with, Mrs. Simmons filled in doing data entry work and assisted with financial transactions related to the City’s utilities, including taking customer payments, applying them to the utility system and preparing deposits.

When we viewed her employee file, we did not find an application or resume. According to a City employee we spoke with, Mr. Simmons had suggested she come in to help 1 day and then “all of a sudden she was hired.”

We were also unable to find a posting of the position. In addition, Council approval could not be located. As a result, it does not appear Ms. Simmons’ position was offered to the general public. It appears she was awarded the job because of her relationship with Mr. Simmons. The hiring of Ms. Simmons violates requirements established by section 71.1 of the *Code of Iowa* regarding nepotism.

Recommended Control Procedures

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

(A) Disbursements – During our review of disbursements for the period of July 1, 2000 through June 30, 2006, the following conditions were identified:

- (1) Disbursements, including reimbursements and cash advances to employees for travel and other business expenses, were not consistently supported by invoices or other appropriate documentation.
- (2) Disbursements were not consistently approved by the Council prior to payment.
- (3) Payments at termination of employment did not comply with the City's policies.
- (4) The City Clerk had custody of the Mayor's signature stamp.

Also, prior to January 1, 2006, City checks were signed/countersigned with a signature stamp controlled by the City Clerk. The stamp included signatures of both the City Clerk and the Mayor.

Recommendation – The City should implement procedures to ensure all disbursements are properly supported by appropriate documentation and approved by the Council prior to payment, with the exception of those specially allowed by policy. Exceptions to prior approval should be granted only for routine, recurring expenses such as rent and utilities. For those disbursements paid prior to Council approval, a listing should be provided to the Council at the next meeting for review and approval. In addition, all disbursements should comply with City policies.

The checks and supporting documentation should be reviewed by the authorized check signers. If a signature stamp is used, signature stamps should be controlled by each individual separately to provide control over disbursements and provide a check and balance over the disbursement function.

(B) Petty Cash – Petty cash funds on hand at City Hall did not appear to be maintained on an imprest basis and receipts were not retained for all purchases.

Recommendation – Petty cash funds should be maintained on an imprest basis to provide additional control over the funds, receipts should be retained for all petty cash purchases and the cash on hand should be included in the appropriate fund balance. Imprest systems improve the accountability for cash and enhance reconciliation of receipts and deposits.

(C) Written Policies – The City does not have written policies and procedures regarding:

- Personnel policies for non-union employees, including retirement, vacation, compensatory time, personal leave and sick leave payout procedures
- Travel reimbursements

- Cell phone usage
- Use of the City's computer systems, including:
 - Use of the internet
 - Prohibiting the use of software not licensed to the City
 - Storage of backup tape/discs off-site
 - Time out/log off requirement for unattended terminals
 - Disaster recovery plan

Recommendation – Since we performed fieldwork for our investigation, the City has implemented written policies and procedures for internet, prohibited software, off site back up, log off function, disaster recovery plan, cell phone usage, travel and required supporting documentation, and payroll payout procedures.

The City should also establish travel reimbursement policies which specify the amounts to be reimbursed to employees and officials for meals, lodging and other travel related costs. The policies should also ensure all reimbursements made to employees serve a public purpose. Reimbursements to employees for purchases of supplies and equipment should not occur on a frequent basis. Such purchases should be made through the City's procurement process to ensure the products are appropriate and procured at a reasonable price.

- (D) Purchases – The City currently has an unusually large inventory of supplies for the Public Works Department. According to the Public Works Director, the inventory will last approximately 3 years.

Recommendation – The City should implement procedures to ensure purchases of supplies and equipment are limited to only necessary items. Purchases should be approved by someone independent of placing the order.

Exhibits

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Summary of Findings
For the period July 1, 2000 through June 30, 2006

Description	Exhibit/ Table/Page	Amount		
		Improper	Unsupported	Total
Improper and Unsupported Disbursements:				
Vacation and compensatory time payments:				
Gary Simmons	Table 3	\$ 5,993.90	-	5,993.90
Melissa Hammersland	Table 4	2,567.19	-	2,567.19
Conferences	Table 5	611.92	-	611.92
Travel reimbursements:				
Gary Simmons	Exhibit C	938.08	-	938.08
Other City Employees and Officials	Exhibit D	1,027.75	-	1,027.75
Other travel expenses incurred by the City	Exhibit E	7,849.37	-	7,849.37
Cash advances	Exhibit F	3,354.40	-	3,354.40
Petty cash	Exhibit G	2,042.22	-	2,042.22
Uniform disbursements	Table 6	2,319.37	-	2,319.37
Federal surplus disbursements	Table 7	705.00	-	705.00
Other disbursements	Exhibit H	11,009.19	-	11,009.19
Credit card purchases*	Table 8	-	32,536.00	32,536.00
Excessive Public Works Inventory:				
Obsolete/unuable inventory	Exhibit I	9,240.58	-	9,240.58
Excess inventory	Exhibt I	11,399.11	-	11,399.11
Total		\$ 59,058.08	32,536.00	91,594.08
Attributable to payments to or purchases by:				
Mr. Simmons				\$ 76,509.11
Ms. Hammersland				4,579.61
Other City officials or employees				3,183.83
Undeterminable				7,321.53

* Credit card purchases were made between May 1, 1998 and December 31, 1999.

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Mr. Simmons' Attendance at Training Events
For the period July 1, 2000 through June 30, 2006

Name of Event	Location	Date(s) of Event/Travel	
		Beginning	Ending
<i>Unknown</i>	Fort Dodge	11/01/00	11/02/00
26th IRWA Annual Conference	Des Moines	02/26/01	03/01/01
AWPCA	Storm Lake	04/11/01	04/12/01
IWPCA 83rd Annual Conference	Marshalltown	06/13/01	06/15/01
WEFTEC 2001	Atlanta, GA	10/13/01	10/17/01
<i>Unknown</i>	Des Moines	02/10/02	02/12/02
VE Trip	Ames	07/09/02	07/11/02
APWA 2002 Fall Conference	West Des Moines	08/21/02	08/23/02
AWWA/IWPCA Joint Conference	Cedar Rapids	08/26/02	08/30/02
APWA - The Best Show in Public Works	Kansas City, MO	09/21/02	09/26/02
WEFTEC 2002	Chicago, IL	09/29/02	09/30/02
Trip to meet with Senator Harkin	Washington, D.C.	02/04/03	02/08/03
IWPCA 85th Annual Conference	Sioux City	06/17/03	06/20/03
2003 APWA International Public Works Congress and Exposition	San Diego, CA	08/24/03	08/27/03
Wastewater Treatment Project Funding	Washington, D.C.	10/20/03	10/23/03
USDA Meeting	Des Moines	03/31/04	-
IWPCA Technical Program	Davenport	06/09/04	06/11/04
APWA 2004 Congress and Exposition	Atlanta, Georgia	09/12/04	09/15/04
APWA 2005 International Congress and Exposition	Minneapolis, MN	09/11/05	09/14/05
WEFTEC 2005	Washington, D.C.	10/26/05	11/03/05
Total			

^ - Includes costs for City employees or officials in addition to Mr. Simmons.

Cost					
Attended All Days of Event	Unable to Determine Attendance	Only Attended Portion		Dates Not Attended	
\$ -	116.50	-		-	
-	437.81	-		-	
-	167.23	-		-	
-	-	604.39		6/14/2001	
-	2,369.40	-		-	
-	532.54	-		-	
-	232.58	-		-	
554.93	-	-		-	
-	-	1,061.45		08/26, 08/27, 08/29 and 08/30/02	
1,765.06	-	-	^	-	
-	681.68	-	^	-	
-	2,601.00	-	^	-	
-	-	715.52		6/19/2003	
2,563.20	-	-		-	
-	2,424.00	-	^	-	
-	350.00	-	^	-	
792.64	-	-		-	
2,339.76	-	-		-	
189.98	-	-		-	
3,931.26	-	-		-	
\$ 12,136.83	9,912.74	2,381.36			

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Selected Travel Reimbursements to Gary Simmons
For the period July 1, 2000 through June 30, 2006

Payment Date	Check Number	Total Amount	Vendor, Location	Allowable Amount	Improper Amount	Public Purpose Questioned
08/14/00	29945	\$ 203.23	<i>Unknown</i>	\$ 89.14	56.45 //	-
			Chi Chi's, West Des Moines	-	37.24 //	-
			Red Lobster, Cedar Falls	-	20.40	-
11/13/00	30408	211.20	Best Western, Fort Dodge	-	116.00 ^	-
			<i>Unknown</i>	-	25.00 ^	-
			Dudley's Corner, Latimer	40.20	30.00 //	-
02/12/01	30751	311.91	Best Western, Fort Dodge	253.66	58.25	-
02/23/01	30784 #	215.00	<i>Unknown</i>	117.13	30.45 //	-
			<i>Unknown</i>	-	12.27 //	-
			<i>Unknown</i>	-	55.15 ^	-
03/12/01	30815	75.03	Microtel Inn & Suite, Ames	20.08	54.95	-
05/14/01	31093	209.45	Amerihost Inn, Storm Lake	180.20	17.03	-
			Jerry's, Mt. Pleasant	-	12.22	-
06/11/01	31207	115.91	Motel 6	74.48	41.43	-
07/09/01	31358	99.10	<i>Unknown</i>	57.79	41.31 ^	-

Description of Supporting Documentation *	Appendix, Page
Portion of credit card receipt including the vendor's name and date of transaction was cut off. A detailed description of what was purchased was not included.	4, Page 76
Top portion of the credit card receipt including the date of the transaction was cut off. A detailed description of what was purchased was not included.	4, Page 77
Credit card receipt did not include a detailed description of what was purchased.	4, Page 77
The expense report submitted by Mr. Simmons included charges at the Best Western, but a receipt was not submitted.	4, Page 78
The expense report submitted by Mr. Simmons included \$25 for 3 meals, but receipts were not submitted.	4, Page 78
Bottom portion of the receipt which included the detail of the items purchased and the date of the transaction was cut off. The printed portion of the receipt available was written over.	4, Page 79
Credit card receipt did not include a detailed description of the costs incurred.	-
Purchase of gas. The vendor and location of the store were cut off of the credit card receipt.	4, Page 80
Receipt originally showed 2 buffet meals were purchased, but the number was manually changed to 1 meal. In addition, the name of the vendor was cut off of the receipt.	4, Page 80
<i>None</i>	-
Credit card receipt did not include a detailed description of the costs incurred.	-
Charges for phone calls to Mr. Simmons' personal residence.	-
Credit card receipt did not include a detailed description of the costs incurred.	-
Credit card receipt did not include a detailed description of the costs incurred.	-
Expense report submitted by Mr. Simmons did not include receipts for several meals.	-

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Selected Travel Reimbursements to Gary Simmons
For the period July 1, 2000 through June 30, 2006

Payment Date	Check Number	Total Amount	Vendor, Location	Allowable Amount	Improper Amount	Public Purpose Questioned
01/18/02	32242	34.79	<i>Unknown</i>	14.79	20.00 ^	-
08/12/02	33162	49.99	<i>Unknown</i>	30.66	19.33 //	-
02/10/03	34016	79.32	Walgreens, Des Moines	68.51	5.81	-
			<i>Unknown</i>	-	5.00 ^	-
08/11/03	34911	151.16	Wal-Mart, Ankeny	142.16	9.00	-
03/09/04	35867	119.26	Dillard's Department Store, Waterloo	-	-	101.65
			Newton's Jewelers, Waterloo	-	-	14.61
			<i>Unknown</i>	-	3.00 ^	-
07/12/04	36418	69.83	<i>Unknown</i>	44.08	15.75 ^	-
			<i>Unknown</i>	-	10.00 ^	-
03/14/05	37478	83.31	Barbara Jean's Ember, St. Paul, MN	44.00	39.31	-
05/09/05	37785	68.52	Buzzard Billy's, LaCrosse, WI	34.25	34.27	-
07/11/05	38085	229.82	Sam's Club, website	61.36	168.46	-
09/12/05	38376	699.70	Staples, Ames	632.88	-	66.82
Total		<u>\$ 3,026.53</u>		<u>\$ 1,905.37</u>	<u>938.08</u>	<u>183.08</u>

* - Descriptions are for improper reimbursements or reimbursements which may not meet the test of public purpose.

// - Receipt was altered.

^ - Supporting documentation was not submitted.

- Payment appears to be a cash advance since it was made prior to date of expenses incurred. However, a cash advance form was not with the City's documentation..

Description of Supporting Documentation *	Appendix, Page
Only a handwritten notation stating "20.00 GAS" was submitted.	4, Page 81
Purchase of gas. The vendor and location of the store were cut off of the credit card receipt.	4, Page 82
Purchase of water and Excedrin.	4, Page 83
Handwritten notation on a Post-it note stated "Lunch DNR Bld."	4, Page 83
The purchase from Wal-Mart totaled \$16.02 and included a shirt, deodorant, a skin care product and an unidentified "personal" item. The City reimbursed Mr. Simmons \$9.00 of the \$16.02 purchase. All items purchased were personal in nature.	-
Watch. A notation on the claim indicates the purchase was to recognize an employee's 25th anniversary.	-
Engraving.	-
Supporting documentation not submitted.	-
Expense statement submitted by Mr. Simmons states the expense was for parking. A receipt was not submitted.	-
Expense statement submitted by Mr. Simmons states the expense was for "Misc/Tips." A receipt was not submitted.	-
Credit card receipt did not include a detailed description of what was purchased.	-
Credit card receipt did not include a detailed description of what was purchased.	-
Screen print from the website for a Broyhill Leather Executive chair. Documentation did not include an order confirmation to document the purchase. It appears a similar chair is in the City's custody.	4, Page 84
Purchase included a \$19.99 pen and a \$34.98 leather portfolio. The items were kept by Mr. Simmons for use in the Public Works Department.	4, Page 85

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Selected Travel Reimbursements to Other City Employees and Officials
For the period July 1, 2000 through June 30, 2006

Payee	Payment Date	Check Number	Total Amount	Allowable Amount	Improper Amount
Melissa Hammersland	09/11/00	30139	\$ 33.76	-	33.76
Melissa Hammersland	11/10/03	35320	142.28	21.90	120.38
Melissa Hammersland	05/10/04	36105	148.19	8.69	139.50
			<u>324.23</u>	<u>30.59</u>	<u>293.64</u>
Wanda Simmons ^	10/14/02	33437	<u>372.28</u>	<u>57.00</u>	<u>315.28</u>
Chris Hackman	10/14/02	33436	305.96	276.55	29.41
Chris Hackman	12/08/03	35371	51.31	42.24	9.07
Chris Hackman	09/12/05	38281	181.54	-	181.54
			<u>538.81</u>	<u>318.79</u>	<u>220.02</u>
Leigh Rekow	01/12/04	35595	45.22	-	45.22
John Hyman	11/08/04	36880	134.06	-	134.06
Mark Seegmiller	09/15/05	38407	124.68	105.15	19.53
Total			<u>\$ 1,539.28</u>	<u>511.53</u>	<u>1,027.75</u>

* - Descriptions are for improper reimbursements.

^ - Copy of supporting documentation is included in **Appendix 5**.

Vendor*	Description of Supporting Documentation*
<i>Unknown</i>	<i>None</i>
<i>Unknown</i>	<i>None</i>
<i>Unknown</i>	<i>None</i>
Hyatt Regency Crown Center, Kansas City, MO	<p>Phone charges totaling \$287.72 for calls to Mr. Simmons' personal residence and \$27.56 for room service which was not supported by a detailed receipt.</p> <p>Credit card receipt did not include a detailed description of what was purchased.</p>
Marriott Hotel, Atlanta, GA	<p>Copy of a receipt for computer software costing \$169.66 and sales tax of \$11.88. It appeared other purchases on the receipt were cut off prior to the copy being made.</p> <p>Notation of expenses incurred in New York City during trip to Colel-Chabad Annual Awards Banquet.</p> <p>A copy of a credit card statement was provided, but a detailed receipt from the vendor was not provided.</p>

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Selected Travel Costs Paid Directly to the Vendor
For the period July 1, 2000 through June 30, 2006

Date	Check Number	Amount Paid	Vendor	Allowable Amount	Improper Amount
07/09/01	31311	\$ 274.39	Best Western Regency, Marshalltown	\$ 217.50	56.89
03/11/02	32487	524.19	The Hotel Savery, Des Moines	513.60	10.59
09/09/02	33375	591.45	Crowne Plaza Five Seasons, Cedar Rapids	389.09	202.36
09/09/02	33378	249.93	Marriott, West Des Moines	169.06	80.87
09/17/02	33389	1,132.30	Hyatt Regency Crown Center, Kansas City	-	1,132.30
10/14/02	33409	375.72	Congress Plaza Hotel, Chicago	-	375.72
02/10/03	34010	1,351.00	Sundance Travel	-	1,351.00
06/09/03	34515	275.52	Plaza Inn, Sioux City	-	275.52
09/08/03	34935	950.70	Westin Horton Plaza, San Diego, CA	-	950.70
09/13/04	36629	792.30	Atlanta Marriott Marquis, Atlanta, GA	-	792.30

Purpose of Payment	Description of Supporting Documentation *
Lodging for Gary Simmons, 06/12/01 - 06/15/01.	Statement from hotel includes \$56.89 of long distance charges to Mr. Simmons' personal residence. The statement also includes a handwritten notation stating " GWS Long 539 XXXX computer hook up!"
Lodging for Gary Simmons and Chris Hackman at IRWA event, 02/10/02 - 02/13/2002.	Supporting documentation included 2 statements from the hotel, each with charges for 3 nights lodging. The statement for Mr. Simmons' room included a \$10.59 charge for a movie.
Lodging for Gary Simmons at AWWA event, 08/26/02 - 08/30/02	The statement from the hotel included \$191.90 of long-distance charges for calls made to Mr. Simmons' personal residence, his wife's place of employment, and a personal residence in the City of McGregor. In addition, a \$10.46 charge was incurred at a restaurant. However, detailed documentation was not submitted to support the payment.
Lodging for Gary Simmons at APWA Fall Conference, 08/21/02 - 08/23/02.	The statement from the hotel included long-distance charges for calls made to a phone number we were unable to identify.
Lodging at the APWA International Public Works Congress & Exposition for Gary Simmons, 09/21/02 - 09/25/02; John Hyman, 09/22/02 - 09/24/02; and Aaron Goldsmith, 09/23/02.	Supporting documentation included only reservation acknowledgements sent to the City via e-mail. The payment was not supported by any statements from the hotel. The acknowledgements showed the rate for each room reserved was \$125 per night. The acknowledgement for Mr. Simmons' reservation appears to have the name of the guest he was sharing the room with whited out. Because a statement from the hotel was not provided, we are unable to determine if Mr. Simmons honored the reservation and what specific costs were incurred.
Lodging for Garry Simmons, Chris Hackman and Larry Kocke, 09/29/02.	Confirmation information and a screen print from Expedia.com were submitted. However, the supporting documentation did not include a statement from the hotel. Because a statement was not provided, we are unable to determine what charges were incurred.
Airfare to Washington DC for Gary Simmons, John Hyman, Ron Taylor, Aaron Goldsmith and Chaim Abrahams.	Supporting documentation included a letter and an itinerary from a travel agent. The documentation indicated 2 Council members and an employee of AgriProcessors were to fly to Washington DC on 02/04/03 and return on 02/06/03. The documentation also indicated Mr. Simmons and the former Mayor were to fly to Washington DC on 02/04/03 but not return until 02/08/03. An invoice or billing from the airline was not submitted. As a result, we are unable to determine what charges were incurred. We are also unable to determine the purpose of the trip.
Lodging for Garry Simmons during IWPCA 85th Annual Meeting.	The supporting documentation included only a registration form for the IWPCA 85th Annual Meeting. A statement or invoice from the hotel was not included with the supporting documentation. As a result, we are unable to determine what charges were incurred.
Lodging for Gary Simmons during 2003 APWA International Public Works Congress and Exposition.	A copy of a message sent to Mr. Simmons' wife's e-mail account was submitted. The e-mail appears to be an acknowledgment of a hotel reservation for 5 nights lodging at \$172 per night. The supporting documentation submitted did not include a statement or invoice from the hotel. Because a statement was not provided, we are unable to determine what charges were incurred.
Lodging for Gary Simmons at 2004 APWA International Public Works Congress & Exposition.	A copy of an e-mail message was submitted. The e-mail appears to be an acknowledgment of a hotel reservation for 5 nights lodging at \$139 per night. The supporting documentation submitted did not include a statement or invoice from the hotel. Because a statement was not provided, we are unable to determine what charges were incurred. ^^

Report on Special Investigation of the
City of Postville

Selected Travel Costs Paid Directly to the Vendor
For the period July 1, 2000 through June 30, 2006

Date	Check Number	Amount Paid	Vendor	Allowable Amount	Improper Amount
09/13/04	36661	158.00	Holiday Inn, Dubuque	-	158.00
10/17/04	38535	2,189.24	Mandarin Oriental Hotel, Washington D.C.	-	2,189.24
11/08/04	36885	106.40	Grand Harbor Resort, Dubuque	-	106.40
09/12/05	38347	167.48	Holiday Inn, Dubuque	-	167.48
Total		<u>\$ 9,138.62</u>		<u>\$ 1,289.25</u>	<u>7,849.37</u>

* - Descriptions are for improper disbursements.

^^ - The claim also included a handwritten notation "Give check to Gary to take". The check was dated 09/13/04.
However, according to the e-mail, the first night lodging was to be 09/11/04.

Purpose of Payment	Description of Supporting Documentation *
Lodging for Chris Hackman and Larry Klocke at conference sponsored by Iowa Rural Water Association.	Only a registration form for Chris Hackman was submitted. The supporting documentation submitted did not include a statement or invoice from the hotel. Because a statement was not provided, we are unable to determine what charges were incurred.
Lodging for Gary Simmons at the WEFTEC Conference.	Only a letter from Convention Management Resources was submitted. The letter stated Mr. Simmons would be relocated to an "upgraded luxury" hotel for the WEFTEC Conference. The supporting documentation submitted did not include a statement or invoice from the hotel. Because a statement was not provided, we are unable to determine what charges were incurred.
Lodging for Chris Hackman at 2004 Annual Conference sponsored by AWWA.	Only a registration form and a typed sheet containing the date, type of room and confirmation number was submitted. The supporting documentation submitted did not include a statement or invoice from the hotel. Because a statement was not provided, we are unable to determine what charges were incurred.
Lodging for Chris Hackman and Larry Klocke at conference sponsored by Iowa Rural Water Association.	Only registration forms the conference were submitted. The supporting documentation submitted did not include a statement or invoice from the hotel. Because a statement was not provided, we are unable to determine what charges were incurred.

Report on Special Investigation of the
City of Postville

Selected Cash Advances
For the period July 1, 2000 through June 30, 2006

Date of Advance	Request signed by	Description of Event	Vendor
10/11/01^	<i>None</i>	Trip to Atlanta, GA for Gary Simmons for WEFTEC conference.	<i>Unknown</i>
02/03/03	John Hyman	Trip to Washington DC for Gary Simmons, John Hyman, Ron Taylor and Aaron Goldsmith.	<i>Unknown</i>
			District ChopHouse & Brewery
			<i>Unspecified</i>
			Nick & Stef's Steakhouse
6/16/03*	Gary Simmons	Trip for Gary Simmons to IWPCA 85th Annual Meeting.	<i>Unknown</i>
			<i>Unknown</i>

Description	Amount of Advance	Amount Spent		Amount Returned
		Allowable Amount	Improper Amount	
A cash advance request was not attached to the claim. Only a budget sheet prepared by Mr. Simmons was submitted. It requested \$450 for meals and \$200 for "miscellaneous." No receipts were submitted.	\$ 650.00	-	650.00	-
A notation attached to the claim stated "Reimburse ASAP - Washington trip mad money". Receipts totaling \$498.35 were attached to the claim. Receipts were not submitted for the remaining \$751.65.	1,250.00	172.17	549.65	202.00
Meal on 02/07/03 for 3 individuals; only 2 individuals from the City remained in Washington DC on 02/07/03.		71.62	31.56	
Meal on 02/07/03 for 3 individuals; only 2 individuals from the City remained in Washington DC on 02/07/03.		16.31	6.49	
Meal on 02/04/03 for 4 individuals, including dessert and alcohol. The purchase of alcohol is an improper use of public funds.		166.41	33.79	
The expense report submitted by Mr. Simmons showed \$3.49 of the advance was unspent. However, he remitted \$4.00.	280.00	24.09	-	4.00
Supporting documentation was not submitted for \$122.42 of the expenses reported by Mr. Simmons.			122.42	
A credit card receipt was submitted. The vendor and the date of the transaction were cut off the receipt.			26.05	

Report on Special Investigation of the
City of Postville

Selected Cash Advances
For the period July 1, 2000 through June 30, 2006

Date of Advance	Request signed by	Description of Event	Vendor
			Perkins
			Little Chicago Deli
			Casey's in Ankeny
			<i>Unknown</i>
			Plaza Hotel
			<i>Unknown</i>
08/22/03	Gary Simmons	Trip for Gary Simmons to 2003 APWA International Pubic Works Congress and Exposition in San Diego, CA.	<i>Unknown</i>
			Rockin Baja Lobster
			Long's Drugs
			Lou & Mickey's

Description	Amount of Advance	Amount Spent		Amount Returned
		Allowable Amount	Improper Amount	
A credit card receipt was submitted. We were unable to determine how many meals were purchased. The receipt shows the purchase was made on 06/17/03 at 6:56 pm.			28.63	
Meal on 06/17/03. The time on the receipt was 5:32 pm, but it was written over to show 1:30.			7.95	
The handwritten notation on the receipt states "6/17/03 Fuel". However the date and vendor were cut from the receipt. Based on the telephone number shown at the bottom of the receipt, the purchase was made at Casey's General Store in Ankeny.			12.08	
A credit card receipt was submitted. The vendor and the date of the transaction were cut off the receipt.			20.99	
Because the receipt did not include detailed information, we are unable to determine what was purchased.			11.62	
The handwritten notation on the receipt states "Fuel IWPCA 6/20/03". However the date and vendor were cut from the receipt.			22.17	
	675.00	438.44	148.64	-
Meal and 2 bottles of beer. Purchase of alcohol is an improper use of City funds.		18.37	8.56	
Food items were purchased along with a newspaper. The newspaper is considered a personal purchase and as a result is an improper use of City funds.		3.10	0.35	
Dinner with a martini. The purchase of alcohol is an improper use of City funds.		47.91	9.63	

Report on Special Investigation of the
City of Postville

Selected Cash Advances
For the period July 1, 2000 through June 30, 2006

Date of Advance	Request signed by	Description of Event	Vendor
10/17/03	Gary Simmons & John Hyman (\$750) and Aaron Goldsmith (\$300)	Trip for Gary Simmons, John Hyman and Aaron Goldsmith to Washington DC to attend Wastewater Treatment Project Funding event.	<i>Unknown</i>
			Legal Sea Foods
			District Chophouse & Brewery
			B. Dalton Bookseller
03/31/04	Gary Simmons	Trip to Des Moines for Mr. Simmons and the Mayor, USDA	<i>Unknown</i>
09/03/04	Gary Simmons	Trip to Atlanta, GA for Gary Simmons; 2004 APWA International Public Works Congress & Exposition.	<i>Unknown</i>
			<i>Unknown</i>
			Hooters
<i>None</i>	<i>None</i>		<i>Unknown</i>
Total			

^ - Date of check written to the City's bank. An advance request form was not available for review.

* - Copy of supporting documentation is included in **Appendix 8**.

** - Purpose is as documented on the claim jacket. A request for a cash advance was not submitted with the claim.

Description	Amount of Advance	Amount Spent		Amount Returned
		Allowable Amount	Improper Amount	
	1,050.00	121.25	-	100.00
Supporting documentation was not submitted for \$651.07 of the expenses reported.		-	651.07	-
4 dinners and 4 alcoholic beverages. Purchases of alcohol is an improper use of City funds.		51.37	23.16	
3 dinners and 2 alcoholic beverages. Purchases of alcohol is an improper use of City funds.		93.36	9.42	
Purchase of a newspaper which is considered a personal purchase.			0.37	
The supporting documentation did not indicate any of the advance was returned after the trip. In addition, none of the expenses were supported by receipts.	350.00	-	350.00	-
Supporting documentation was not submitted for \$200.30 of the expenses reported.	600.00	378.99	200.30	
No description on receipt.			4.27	
Meal with an appetizer and a beer. The purchase of alcohol is an improper use of City funds.		12.94	3.50	
Supporting documentation was not submitted for \$421.73 of the expenses reported.	800.00	378.27	421.73	
	<u>\$ 5,655.00</u>	<u>1,994.60</u>	<u>3,354.40</u>	<u>306.00</u>

**Report on Special Investigation of
the City of Postville**

Report on Special Investigation of the
City of Postville

Selected Petty Cash Disbursements
For the period July 1, 2000 through June 30, 2006

Check Date	Check Number	Check Amount	Description of Documentation	Allowable Costs on Claim	Improper Amount
08/11/00	29982	\$ 132.72	Post-It note stating "\$5 chamber meal 6/7/00."	\$ 118.42	5.00
			Handwritten note stating "Arby's (no receipt)" signed by Gary Simmons.		9.30
10/16/00	30288	89.55	Post-It note stating "\$20 for book."	50.15	20.00
			Post-It note stating "\$5 Gary Chamber Meal 10/4/00."		5.00
			Post-It note stating "\$4.50 Iowan Magazine 9/15/00."		4.50
			Handwritten note stating "9/19/00 \$9.90 stamps policy."		9.90
01/08/01	30625	104.75	Handwritten note stating "Advance money for Chris to go to D.M. IAMU workshop \$50.00 11/13/00." The note was signed by Chris Hackman and Melissa Hammersland.	49.75	50.00
			Post-It note stating "\$5 chamber meal 12/6."		5.00
04/09/01	30971	32.07	Wal-Mart receipt with the handwritten notation "Reimburse to Melissa Frames for Volunteer from the Heart Certificates." The information on the bottom of the receipt, including the date of purchase, was cut off.	4.07	8.00
			Wal-Mart receipt with the handwritten notation "Reimburse Melissa microcassettes & frame." The information on the receipt was cut off.		10.00
			Post-It note stating "\$5.00 chamber meal."		5.00
			Post-It note stating "map \$5.00-Mayor."		5.00
06/11/01*	31222	270.04	A receipt for \$5.02 was submitted. However, the top of the receipt was cut off which would have the restaurant and date of purchase. The back of the receipt contained the handwritten notation "Wendy's Lunch 6-__-01 Gary."	62.06	5.02
			None		97.96
			A calculator tape totaling \$105.00 and stamped "PAID" was submitted. It also contained the handwritten notation "IWPCA Training Material CD-Book 6-14-00". Using a calculator found at the City and a stamp found in Gary Simmon's desk, we created an exact copy of the tape submitted.		105.00
08/27/01	31565	210.38	Post-It note stating "\$5 chamber meal 8/1."	196.88	5.00
			Handwritten note stating "\$5.00 Chamber luncheon 7/11/01."		5.00
			Handwritten notation totaling \$3.50 for napkins, forks and window cleaner. The notation was dated 08/20/01 and initialed by Melissa Hammersland.		3.50
10/11/01	31791	122.36	A receipt was not submitted but a handwritten notation was included on the claim stating "\$31.65 postage."	85.71	31.65
			Post-It note stating "\$5.00 gas Chris 5/21 Cedar Falls No receipt."		5.00

Exhibit G

Report on Special Investigation of the
City of Postville

Selected Petty Cash Disbursements
For the period July 1, 2000 through June 30, 2006

Check Date	Check Number	Check Amount	Description of Documentation	Allowable Costs on Claim	Improper Amount
02/11/02	32366	137.25	Post-It note stating "\$5 meal chamber 12/5"	117.25	5.00
			Post-It note stating "\$5 cash Gary Rolls 11/21/01."		5.00
			Post-It note stating "2/6/02 Chamber meal \$5."		5.00
			Post-It note stating "\$5 1/2/02 Chamber."		5.00
03/14/02	32503	56.13	<i>None</i>	29.62	10.00
			<i>None</i>		16.51
05/30/02	32791	79.55	<i>None</i>	64.55	5.00
			Post-It note stating "chamber meals 4/3/02 \$10."		10.00
08/19/02*	33240	440.00	<i>None</i>	-	440.00
12/10/02*	33808	800.00	<i>None</i>	-	800.00
01/02/03	33858	98.66	Handwritten notation stating "3 frames at \$6.00 9/28/02."	87.47	6.00
			The receipt submitted was from a convenience store for the purchase of food totaling \$4.81. The receipt included the handwritten notations of "Chris," "Reim mileage" and a circled amount of \$10. The balance of 5.19 was not supported.		5.19
06/13/03	34635	97.74	Handwritten note stating "\$14 cash to Gary for trip to Waterloo (Best Buy 5/28/03)."	83.74	14.00
08/15/03	34941	127.49	Post-It note stating "\$5 meal 8-6-03."	122.49	5.00
02/08/03	35372	109.04	Post-It note stating "Meal \$5 to Gary 9/3/03."	99.99	5.00
			Handwritten note stating "IDNR - Certified for Chris 10-27-03."		4.05
05/10/04	36112	107.73	Only a credit card receipt signed by Chris Hackman was submitted from Upper Iowa Marine. We were unable to determine what was purchased because a detailed receipt was not submitted.	80.95	17.03
			<i>None</i>		4.75
			Post-It note stating "Meal \$5 5/5/04."		5.00
06/20/04	36302	245.58	According to the expense statement submitted by Gary Simmons, \$23.50 was spent for fuel during a trip to Davenport for IWPCA Annual Conference. However, a receipt was not submitted.	101.26	23.50

Report on Special Investigation of the
City of Postville

Selected Petty Cash Disbursements
For the period July 1, 2000 through June 30, 2006

Check Date	Check Number	Check Amount	Description of Documentation	Allowable Costs on Claim	Improper Amount
			According to the expense statement submitted by Gary Simmons, \$45.00 was spent for tips/miscellaneous during a trip to Davenport for IWPCA Annual Conference.		45.00
			According to the expense statement submitted by Gary Simmons, \$22.54 was spent for meals during a trip to Davenport for IWPCA Annual Conference for which receipts were not submitted.		22.54
			The top of a meal receipt submitted by Gary Simmons for a trip to Davenport for the ISPCA Annual Conference was cut off so the vendor and date were not available for review.		14.34
			The bottom of a receipt from Kentucky Fried Chicken in Milan, IL submitted by Gary Simmons was cut off so the date was not available for review.		7.00
			Internet charges at Radisson in Davenport		31.94
07/16/04	36441	130.02	Handwritten notation of "misc tips" included with receipt showing \$18.16 spent for 2 meals in Williams, IA.	126.98	3.04
08/24/04	36602	102.61	Handwritten notation stating "\$4.27 (mustard for luncheon with Harkin) 8/13/04 misc."	93.34	4.27
			Post-It note stating "\$5 chamber 8/7/04."		5.00
09/20/04	36737	115.98	None	102.70	8.28
			Post-It note stating "\$5.00 chamber luncheon 9/1/04."		5.00
10/13/04	36861	75.54	Post-It note stating "chamber meal \$5 to Gary for Wed 10/6."	70.54	5.00
11/08/04	36922	119.47	Only a credit card receipt for a purchase from Grand Harbor was submitted. Because a detailed receipt was not submitted, we are unable to determine what was purchased.	92.21	23.94
			None		3.32
01/15/05	37293	160.85	None	147.02	4.29
			None		4.54
			Post-It note stating "chamber 1/5/05."		5.00
08/08/05	38130	92.31	Receipts submitted were copies from Wal-Mart signed by Melissa Hammersland.	50.78	41.28
			Handwritten note stating ".25 extra postage for Tree Board to Marlys."		0.25
02/13/06	38927	72.07	Post-It note stating "\$6 chamber 1/4/06."	66.07	6.00
05/18/06	39400	48.46	Only a credit card receipt signed by Larry Klocke was submitted. It contained a handwritten notation stating "evening meal invoice while at CPO Class." Because a detailed receipt was not submitted, we are unable to determine what was purchased.	32.13	11.33
			Adding tape with a handwritten notation stating "Chamber meal."		5.00
		<u>\$ 4,178.35</u>		<u>\$ 2,136.13</u>	<u>2,042.22</u>

* - Copy of supporting documentation is included in **Appendices 9, 10 and 11.**

Report on Special Investigation of the
City of Postville

Other Selected Disbursements
July 1, 2000 through June 30, 2006

Vendor	Improper Amount	Description of Supporting Documentation
GCS, Inc.	\$ 4,947.25	Invoice for 55 gallons of lift station degreaser.
Paragon Laboratories	1,958.00	Invoice for 20 gallons of heavy duty degreaser.
Greg Coffin	954.00	Statement from Greg Coffin for 20 gallons of WSA, 1 dozen Dry Fly and 1 dozen EZ Kill.
Radio Shack	299.99	Invoice showed a Palm M4140PDA was purchased and a notation indicates it was for Mr. Simmons.
Best Buy	2,500.00	A receipt was not submitted. Supporting documentation was the display card from the shelf. However, the display card showed the computer purchased cost \$2,249.97, but after several rebates, the net cost would be \$1,949.97. The documentation also included a handwritten notation "Monitor - Key Board wireless \$2500."
Postville Farmer's Coop	99.95	The claim indicates "Gary's shoes." Because a receipt was not attached we are unable to determine what was purchased.
The Hookup Co.	50.00	An invoice for a desk. The vendor's address is in Lino Lakes, MN and a notation was made on the invoice indicating the City would pick up the desk.
Sims TV	200.00	Invoice for a Motorola 262 cell phone. The invoice includes a notation indicating it was for Mr. Simmons.
Total	<u>\$ 11,009.19</u>	

Auditor's Notation

According to City personnel we spoke with, the amount appears excessive. The product has not been used.

According to City personnel we spoke with, the amount appears excessive. The product has not been used.

According to City personnel we spoke with, Greg Coffin is a sales representative for Continental Research, a vendor from whom Mr. Simmons purchased chemicals for the City. It is unclear why the chemicals were purchased from the sales representative rather than directly from the vendor. We observed the items purchased were still on hand in February 2007. They were labeled in a manner that indicated they were initially sold to the University of Northern Iowa. Because they had not been used, it appears they were not needed for City operations.

City personnel have been unable to locate the PDA at the City. It appears to have been a personal purchase.

The computer is currently located at the City. It was purchased by Mr. Simmons and he was reimbursed for his mileage to Best Buy from petty cash. It is unclear why a check was issued to Best Buy for \$2,500.00 when the computer cost less than that amount. The \$2,249.97 cost (before rebates) included a 17" flat panel monitor, so an additional cost should not have been incurred. It is possible a wireless keyboard was purchased, but the cost should have been significantly less than the remaining \$250.03.

-

Lino Lakes is approximately 4 hours away from the City of Postville. It is unclear why the City would travel such a distance to pick up a \$50 desk. The auditor attempted to contact the business to confirm the purchase. However, a phone number was not included on the invoice and a phone listing could not be located for business.

The expenditures was not formally approved by the Council. According to City personnel we spoke with, Mr. Simmons frequently changed cell phones.

Report on Special Investigation of the
City of Postville

Listing of Inventory on Hand
July 1, 2000 through June 30, 2006

			Per	
Vendor	Item Number	Item Description	Quantity on Hand	Unit Price
ATCO International				
	1497	Armorex (A/14)	16 cans	\$11.91
	1497-DA	Armorex (A/14)	24 cans	12.33
	1497-DA	Armorex (A/14)	24 cans	11.86
			<u>64</u>	
	2272-35	Break Up ("street salt")	30 gallon	36.65
	2369	Buckaroo	55 gallon	31.30
	3650	Formula 411	180 pounds	3.30
	7450-DZ	Fru-gall	3 dozen	124.80
	7450-DZ	Fru-gall	4 dozen	124.60
			<u>7</u>	
	3756	G.O. 85W140 (260 lb)	260 pounds	4.25
	4140	Ice-Go	4 cans	7.94
	4140-DA	Ice-Go (A/11)	4 dozen	91.20
	4140-DA	Ice-Go (A/11)	1 dozen	93.20
			<u>9</u>	
	4382-20	Liberator 600	5 gallon	35.40
	4386-55	Liberator 711	55 gallon	35.90
	Unknown	Lube Guard	8 dozen	184.50
	4670-35	Meltdown II	30 gallon	16.50
	4510	MM-200	55 gallon	13.95
	5440	Power Patch	60 pounds	2.30
	5600-35	Purple Power	35 gallon	47.60
	5880-DA	Screen (A/5)	47 can (8oz)	10.80
	5955-55	Siltron 880	55 gallon	13.50
	6702-CS	Take Cover!!	2 case	150.00
	6720	Tarex	55 gallon	13.70
	7155-35	Winter Sentry	30 gallon	30.45
Total Inventory on hand from ATCO				

Invoice			Not Suitable for Use	Excess - Plan on Selling
Subtotal	Shipping	Cost of inventory on hand		
190.60	-	190.60		
295.90	-	295.90		
284.70	-	284.70		
		<u>771.20</u>		
1,099.50	-	1,099.50		
1,721.50	-	1,721.50		
594.00	-	594.00		
374.40	-	374.40	374.40	
498.40	-	498.40	498.40	
		<u>872.80</u>	<u>872.80</u>	
1,105.00	-	1,105.00		1,105.00
31.75	-	31.75		
364.80	-	364.80		
93.20	-	93.20		
		<u>489.75</u>		
177.00	-	177.00		
1,974.50	-	1,974.50		
1,476.00	-	1,476.00	1,476.00	
495.00	-	495.00		
767.25	-	767.25		
138.00	-	138.00		
1,666.00	-	1,666.00		
507.40	-	507.40		
742.50	-	742.50		
300.00	-	300.00		
753.50	-	753.50	753.50	
913.50	-	913.50		
		<u>16,564.40</u>		

Report on Special Investigation of the
City of Postville

Listing of Inventory on Hand
July 1, 2000 through June 30, 2006

Vendor	Item Number	Item Description	Per	
			Quantity on Hand	Unit Price
Chemsearch				
	0018	Slide	55 gallon	36.00
	0018	Slide	55 gallon	38.00
	0018	Slide	55 gallon	38.00
	0018	Slide	55 gallon	40.50
			<u>220</u>	
	0095	Duo-Power	70 gallon	25.25
	0112	A-qulex 288	55 gallon	24.00
	0118	Double Quick	55 gallon	57.00
	0153	Naturalizer VC	55 gallon	40.00
	0214	Opti-Gro Aqua-Trim II	6.5 gallon	43.00
	0214	Opti-Gro Aqua-Trim II	56 gallon	49.00
			<u>62.5</u>	
	0251	Fresh Sense	55 gallon	27.50
	0288	Open Road Plus	55 gallon	28.00
	0328	Grenadier	49 gallon	28.00
	0363	Everbrite Germicidal Clnr	56 gallon	29.00
	0427	Blue Beast	55 gallon	26.50
	0623	Big Blue	55 gallon	22.00
	0635	Pro Brite	0.5 gallon	31.00
	0635	Pro Brite ("carwash & wax (shop)")	55 gallon	33.00
			<u>55.5</u>	
	0799	U-L Flexi-Fill Black	1 gallon	78.00
	0799	Flexifill Black, U/L	40 gallon	74.70
			<u>41</u>	
	1015	Opti-Gro Trail Blazer RTU	55 gallon	20.50
	1018	Opti-Gro Weed-A-Cide	7.5 gallon	52.50

Invoice			Not Suitable for Use	Excess - Plan on Selling
Subtotal	Shipping	Cost of inventory on hand		
1,980.00	141.00	2,121.00		
2,090.00	113.09	2,203.09		
2,090.00	137.10	2,227.10		
2,227.50	144.15	2,371.65		
8,387.50	535.34	8,922.84		
1,767.50	124.26	1,891.76		
1,320.00	96.17	1,416.17		
3,135.00	140.17	3,275.17		
2,200.00	102.36	2,302.36		
279.50	17.65	297.15	297.15	
2,744.00	150.95	2,894.95	2,894.95	
3,023.50	168.60	3,192.10	3,192.10	
1,512.50	117.77	1,630.27		
1,540.00	218.13	1,758.13		
1,372.00	132.71	1,504.71		
1,624.00	145.88	1,769.88		
1,457.50	137.28	1,594.78	1,594.78	
1,210.00	141.40	1,351.40	1,351.40	
15.50	1.23	16.73		
1,815.00	142.68	1,957.68		
1,830.50	143.91	1,974.41		
78.00	4.07	82.07		
2,988.00	165.40	3,153.40		
3,066.00	169.47	3,235.47		
1,127.50	149.93	1,277.43		
393.75	33.01	426.76		

Report on Special Investigation of the
City of Postville

Listing of Inventory on Hand
July 1, 2000 through June 30, 2006

Vendor	Item Number	Item Description	Per	
			Quantity on Hand	Unit Price
	1086	Opti-Gro Hydra Turf	15 gallon	38.50
	1088	Opti-Gro Keep 'Em Green	7.5 gallon	34.00
	1136	Opti-gro Acti-cil	55 gallon	32.00
	1136	Opti-Go Acti-cil	55 gallon	33.50
			<u>110</u>	
	1425	Trail Blazer, O/G	15 gallon	112.50
	1701	Inner Strength	36 gallon	28.50
	1724	Verti-Seal	15 gallon	42.50
	1810	Arctic Action	20 gallon	24.00
	1968	Actamine	30 gallon	56.00
	3377	Opti-Gro Fog Out (10GL W/Burgess Fogger)	4 packages	650.00
	4093	Nu-Kote	4 Case	248.00
	4115	Body Fluid Kit, C/M	3 case	299.50
	4115	Body Fluid Kit, C/M	5 case	299.50
			<u>8</u>	
	4118	M/M Bodyguard Complete Whip-It Wipes (72)	4 tubs	31.02
	4200	Tire Guard (6x1GL)	1 case	428.50
	4200	Tire Guard (6x1GL)	1 case	428.50
			<u>2</u>	
	4278	ND-66 (6x9# case)	4 9/lb totes	66.50
	4295	Cool Prep	43.00 bottles	15.67
	4318	Healthy Hands Sanitizing Hand Wipes (85)	2.5 Cases	137.00
	4318	Healthy Hands Sanitizing Hand Wipes (85)	8 Cases	169.40
			<u>10.5</u>	

Invoice			Not Suitable for Use	Excess - Plan on Selling
Subtotal	Shipping	Cost of inventory on hand		
577.50	23.04	600.54		600.54
255.00	20.35	275.35		
1,760.00	148.94	1,908.94		
1,842.50	107.48	1,949.98		
3,602.50	256.42	3,858.92		
1,687.50	49.02	1,736.52		
1,026.00	72.38	1,098.38		
637.50	53.97	691.47		
480.00	82.56	562.56		
1,680.00	122.39	1,802.39		
2,600.00	113.19	2,713.19		2,713.19
992.00	46.15	1,038.15		
898.50	34.66	933.16		933.16
1,497.50	57.76	1,555.26		1,555.26
2,396.00	92.42	2,488.42		2,488.42
124.07	17.47	141.53		
428.50	18.80	447.30		
428.50	18.80	447.30		
857.00	37.59	894.59		
266.00	1.07	267.07		
673.67	111.69	785.36		
342.50	12.06	354.56		
1,355.20	49.97	1,405.17		
1,697.70	62.02	1,759.72		

Report on Special Investigation of the
City of Postville

Listing of Inventory on Hand
July 1, 2000 through June 30, 2006

Vendor	Item Number	Item Description	Per	
			Quantity on Hand	Unit Price
	4328	M/M Bodyguard Complete Torpedo	3.25 Cases	107.15
	4387	Gasguard	4 case	258.50
	4595	Spill Shark Water-Based Spill Absorb	150 pounds	12.45
	4595	Spill Shark Water-Based Spill Absorb	150 pounds	13.00
	4595	Spill Shark Water-Based Spill Absorb	150 pounds	13.00
			<u>450</u>	
	4625	Spill Shark Petroleum-Based Spill Absorb	150 pounds	12.45
	4673	Spill Shark Mobile Spill Kit	7 kits	135.00
	4854	X-Ice (50#)	9 containers	105.00
	5009	Lubra Systems Kickoff Aero	3.58 dozen	134.00
	5010	Chemstrip Aerosol	4 15oz bottles	11.21
	5020	Flash Aerosol	7.42 dozen	110.50
	5030	Lemit Aerosol	5 cans	11.92
	5088	Super Chemsolv Aerosol	3.33 dozen	167.00
	5195	Frost Away Aersol	4 dozen	129.50
	5224	Super Swat II Aersol	6 dozen	177.65
	5388	P-O-W Plus Aerosol	4 dozen	142.00
	5414	Drop Dead II Aerosol	4 dozen	192.45
	5441	Deploy Aerosol	4 dozen	133.50
	5466	Health Hands Instant Antiseptic w/Moist	3.92 dozen	204.50
	5470	Opti-Gro Fog-A-Cide	7 Each	54.83
	5495	Voltz HV Aerosol	3.83 Dozen	130.50
	5496	Tel-X Plus Aerosol	2 dozen	205.00

Invoice			Not Suitable for Use	Excess - Plan on Selling
Subtotal	Shipping	Cost of inventory on hand		
348.24	22.30	370.53		
1,034.00	39.69	1,073.69		
1,867.50	79.97	1,947.47		
1,950.00	80.56	2,030.56		
1,950.00	46.87	1,996.87		
5,767.50	207.40	5,974.90		
1,867.50	79.97	1,947.47		
945.00	29.36	974.36		974.36
945.00	131.35	1,076.35		
480.17	18.43	498.60		
44.83	2.87	47.70		
819.54	30.22	849.76		
59.58	2.59	62.18		
556.67	23.68	580.34		
518.00	19.89	537.89		
1,065.90	20.85	1,086.75		
568.00	16.66	584.66		
769.80	22.58	792.38		
534.00	19.85	553.85		
800.96	26.86	827.81		
383.83	3.15	386.98		
500.25	18.59	518.84		
410.00	13.26	423.26		

Report on Special Investigation of the
City of Postville

Listing of Inventory on Hand
July 1, 2000 through June 30, 2006

Vendor	Item Number	Item Description	Per	
			Quantity on Hand	Unit Price
	5519	Hy-Zinc Aerosol	3.83 dozen	174.50
	5569	Promine Ultra Aerosol	3.17 dozen	137.00
	5581	Chain Pro Aerosol	3.58 dozen	119.50
	5584	Brake Job 2000 Aerosol	0.67 dozen	175.05
	5603	Sila-Chem Aerosol	3.5 dozen	245.25
	5770	Vanilla Serenade (12 x 12 oz)	3.92 dozen	182.00
	5774	Berry Blast (12x12 oz)	3 dozen	182.00
	5853	Check-Mark Deo-Sect II	7.33 Case	248.10
	8510	Aerofog 300 Generator	1 Each	173.00
	230J	Lubra-max plus (24x16oz), L/S ("lubricate vehicles equip")	1.96 case	304.00
	300J	Lubra Systems EFO-1221 (32 oz)	4 dozen	252.00
Total Inventory on hand from Chemsearch				
Continental Research Corporation				
	P-A6X01-006-GL-01	All 6 (6 gal)	35 gallon	45.00
	P-ABS01-012-DZ-01	Absorbit (12 x 1#)	4 dozen	133.00
	P-AER01-012-DZ-02	Aero Spice	14 Each	11.42
	P-AER01-012-DZ-05	Aero Very Berry	10 Each	12.42
	P-AERO01-012-DZ-03	Aero Nilla Spice	1 Dozen	129.00
	P-ARM01-012-DZ-01	Armadillo A ("water proofing")	1 Dozen	121.00
	P-ARM01-012-DZ-01	Armadillo A	1 Dozen	129.00
	P-ARM01-012-DZ-01	Armadillo A	1 Dozen	142.00
			<u>3</u>	

Invoice			Not Suitable for Use	Excess - Plan on Selling
Subtotal	Shipping	Cost of inventory on hand		
668.92	19.62	688.54		
433.83	14.55	448.38		
428.21	18.21	446.42		
116.70	3.14	119.84		
858.38	15.86	874.24		
712.83	57.67	770.50		
546.00	44.17	590.17		
1,819.40	26.67	1,846.07		
173.00	7.74	180.74		
595.33	56.48	651.81		651.81
1,008.00	42.87	1,050.87		1,050.87
		<u>85,073.67</u>		
1,575.00	50.37	1,625.37		
532.00	25.02	557.02		557.02
159.83	5.00	164.83		
124.17	7.00	131.17		
129.00	3.61	132.61		
121.00	5.33	126.33		
129.00	11.69	140.69		
142.00	9.73	151.73		
<u>392.00</u>	<u>26.75</u>	<u>418.75</u>		

Report on Special Investigation of the
City of Postville

Listing of Inventory on Hand
July 1, 2000 through June 30, 2006

Vendor	Item Number	Item Description	Per	
			Quantity on Hand	Unit Price
	P-CCL01-012-DZ-01	Carb Clean II	8 Each	8.25
	P-CIA01-012-DZ-01	C.I.A.	1.17 Dozen	154.00
	P-CIA01-012-DZ-01	C.I.A	2 Dozen	154.00
			<u>3.17</u>	
	P-CJB01-012-DZ-01	CJ Bowl & Urinal Cleaner	10 Each	11.25
	P-CLU01-012-DZ-01	Creeper Lube	11 bottles	10.92
	P-FFO04-012-DZ-01	Full Force	8 bottles	12.92
	P-FSE01-012-DZ-01	Flexi-Seal	10 each	18.00
	P-FSW01-006-CS-01	Fiber Swipe (6 per case)	6 Cases	147.00
	P-FSW01-006-CS-01	Fiber Swipe(6 per case)	2 Cases	165.00
			<u>8</u>	
	P-GBG01-001-KT-01	Graffiti Be Gone Kit	1 Kit	289.00
	P-GBG01-001-KT-01	Graffiti Be Gone Kit	1 Kit	279.00
			<u>2</u>	
	P-GUP01-006-CS-01	Gear Up (6 per case)	4 bottles	31.67
	P-HDA01-012-DZ-01	Handy Dandy	15 bottles	10.33
	P-HN201-035-GL-01	Hi-Nitrogen 20-2-3 (35g)	30 gallons	45.00
	P-ITK01-001-KT-01	It, Kit of	1 kit	350.00
	P-JBO01-012-DZ-01	Junction Box	9 bottles	17.42
	P-KAR01-012-DZ-01	Kare	9 bottles	7.50
	P-LBU02-012-DZ-01	Luster Buff	9 bottles	13.42
	P-LLI01-035-GL-01	Liqua-Lime (35 gal)	30 gallons	28.00
	P-MAD01-012-DZ-01	Melt Away De-Icer	17 bottles	10.42
	P-MAW01-065-LB-01	Melt Away (65#)	350 pounds	1.07
	P-MGU01-012-DZ-01	Metal Guard	10 bottles	17.83

Invoice			Not Suitable for Use	Excess - Plan on Selling
Subtotal	Shipping	Cost of inventory on hand		
66.00	2.68	68.68		
179.67	7.11	186.77		
308.00	9.72	317.72		
487.67	16.83	504.50		
112.50	5.75	118.25		
120.08	3.37	123.46		
103.33	3.05	106.38		
180.00	7.18	187.18		
882.00	7.47	889.47		
330.00	11.47	341.47		
1,212.00	18.94	1,230.94		
289.00	13.38	302.38		
279.00	8.23	287.23		
568.00	21.61	589.61		
126.67	6.94	133.61		
155.00	3.47	158.47		
1,350.00	113.43	1,463.43		
350.00	12.17	362.17		362.17
156.75	4.12	160.87		
67.50	2.75	70.25		
120.75	3.52	124.27		
840.00	113.43	953.43		
177.08	36.36	213.44		
374.50	33.48	407.98		
178.33	4.69	183.02		

Report on Special Investigation of the
City of Postville

Listing of Inventory on Hand
July 1, 2000 through June 30, 2006

Vendor	Item Number	Item Description	Per	
			Quantity on Hand	Unit Price
	P-MVP01-012-DZ-01	M.V.P	0.83 dozen	122.00
	P-MVP01-012-DZ-01	M.V.P	1 dozen	132.00
			<u>1.83</u>	
	P-NBE01-012-DZ-01	No Bite EZ-Stick	20 sticks	16.25
	P-NBE01-012-DZ-01	Rain or Shine	2 dozen	139.00
	P-NBJ01-012-DZ-01	No Bite Jell	10 Each	14.75
	P-ODS01-012-DZ-01	O.D.S.	23 Each	12.58
	P-OEP01-001-GL-01	OX-E2-Power Concrete (4x1)	4 gallons	54.00
	P-OEP02-012-DZ-01	OX-E2-Power Spot & Stain	11 bottles	12.58
	P-POR01-100-CS-01	Porkers Pads Universal 100/cs	5 cases	149.00
	P-POR02-010-CS-01	Porkers Pillows Universal 10/cs	1 cases	265.00
	P-POR03-004-CS-01	Porkers Booms Oil Only 4/cs	1 cases	400.00
	P-POR04-004-CS-01	Porkers Mini Booms 10' Univ 4/cs	5 cases	290.00
	P-POR05-004-CS-01	Porkers Mini Booms 6' Univ 4/cs	3 cases	210.00
	P-PPO01-050-LB-01	Power Powder (50#)	100 pounds	5.75
	P-PSW01-006-CS-01	Pheno Swipe (6 per case)	2 cases	147.00
	P-PSW01-006-CS-01	Pheno Swipe (6 per case)	2 cases	165.00
			<u>4</u>	
	P-RFC01-001-KT-01	Re-Fab-Coat	1 kit	199.00
	P-ROG01-012-DZ-01	Rid-O-Grease Cans	4 each	12.58
	P-S2001-012-DZ-01	SP-2001	7 Each	12.75
	P-SBU01-125-CS-01	Summer Buddy (cs of 125)	100 towelettes	1.88
	P-SDA01-012-DZ-01	Spicy Day ("air freshner")	8 Each	10.67

Invoice			Not Suitable for Use	Excess - Plan on Selling
Subtotal	Shipping	Cost of inventory on hand		
101.67	5.20	106.87		
132.00	3.96	135.96		
233.67	9.16	242.83		
325.00	7.44	332.44		
278.00	6.37	284.37		
147.50	4.43	151.93		
289.42	10.22	299.63		
216.00	8.62	224.62		
138.42	5.52	143.94		
745.00	3.95	748.95		
265.00	7.03	272.03		
400.00	10.61	410.61		
1,450.00	15.39	1,465.39		
630.00	11.14	641.14		
575.00	17.90	592.90		
294.00	7.47	301.47		
330.00	11.47	341.47		
624.00	18.94	642.94		
199.00	5.28	204.28		
50.33	4.34	54.68		
89.25	2.63	91.88		
188.00	5.47	193.47		
85.33	3.76	89.09		

Report on Special Investigation of the
City of Postville

Listing of Inventory on Hand
July 1, 2000 through June 30, 2006

Vendor	Item Number	Item Description	Quantity on Hand	Unit Price
	P-SWE01-035-GL-01	Select Weed II (35 gal)	55 gallons	35.00
	P-TLU01-012-DZ-01	Tefla Lube	1 bottle	11.75
	P-TLU01-012-DZ-01	Tefla Lube	1 dozen	161.00
	P-W4101-055-GL-01	Winterizer 4-12-8 (55gal)	55 gallons	33.00
	P-WAN01-012-DZ-01	Wasp Away NG	21 cans	11.08
	Total Inventory on hand from Continental Research			
Team Laboratory Chemical Corp				
	T009	Anionic rubberized crack filler	3 Drums	319.00
	T037	Terminator II Weed Killer in 35 gallon drums two 35 gallon drums	30 gallons	29.25
	T050	T050 Power Vehicle Wash in Pails	55 gallons	18.00
	T063	Torch Liquid Ice Melt	55 gallons	19.50
	T063	Torch Liquid Ice Preventor	55 gallons	17.00
			<u>110</u>	
	Total Inventory on hand from TEAM Labs			
	Total Inventory on hand in February 2007			

Invoice			Not Suitable for Use	Excess - Plan on Selling
Subtotal	Shipping	Cost of inventory on hand		
1,925.00	129.97	2,054.97		
11.75	0.55	12.30		
161.00	4.75	165.75		
172.75	5.30	178.05		
1,815.00	162.05	1,977.05		
232.75	9.20	241.95		
		\$ 21,728.81		
957.00	95.00	1,052.00		
877.50	18.23	895.73		895.73
990.00	80.97	1,070.97		
1,072.50	82.56	1,155.06		
935.00	87.09	1,022.09		
2,007.50	169.65	2,177.15		
		\$ 5,195.85		
		\$ 128,562.73	9,240.58	11,399.11

Report on Special Investigation of the
City of Postville

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
Billie Jo Heth, Senior Auditor
Delynne Kroeger, Assistant Auditor

A handwritten signature in black ink, reading "Tamera S. Kusian". The signature is written in a cursive style with a large, stylized 'T' and 'K'.

Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

Report on Special Investigation of the
City of Postville

Copy of Gary Simmons' Resignation Letter

CITY OF POSTVILLE

(Allamakee & Clayton County, Iowa)

147 N. Lawler St. • P.O. Box 242

Postville, IA 52162-0242


FAX: 563-864-7407

Police Department
563-864-3234
Emergency - 911

Department of Public Works
563-864-7455

City Clerk's Office
563-864-7454

M E M O R A N D U M

DATE: June 6, 2006
TO: Robert O. Penrod, Mayor
FROM: Gary Simmons, Sr., Director of Public Works 
SUBJ: Resignation as Public Works Director for the City of Postville

This letter is my formal notice to the City of Postville that effective June 30, 2006 I will resign as the Director of Public Works. I will make my official resignation at the June 12, 2006 regularly scheduled council meeting.

I will be using up my earned comp time starting June 12th and will be available by phone. Darcy and Bonnie have been informed of my plans and will be working on determining my vacation and sick leave pay. It has been my honor to serve the citizens of Postville.

cc: Council Members
Darcy Radloff, City Clerk
File


HOMETOWN TO THE WORLD

Equal Opportunity Provider

Report on Special Investigation of the
City of Postville

Copy of June 23, 2006 Memorandum from Gary Simmons

Memorandum

To: Mayor Penrod and City Council Members
CC: Matt Erickson, City Attorney
From: Gary Simmons, Sr. 
Date: 6/23/2006
Re: Sick & Vacation Days Payout and Comp Time Used

Over my eight years and nine months with the City of Postville I have put in long hours and worked many weekends to achieve the progress Postville has enjoyed during my tenure. On the average 12 hours a day were spent on City Business. That would equal an enormous amount of comp time. I only ever recorded 120 of those hours. On June 1st and 2nd I used two of those comp days. On Monday, June 12, 2006 my resignation was accepted by the Council. I continued to work through June 15th at my regular eight hour days. I have been in and out of the office and on the phone with my department on a regular basis since then. I have been using up as much of my comp time as I could starting with June 16th (19th, 20th, 21st, 22nd, and 23rd). I will continue to use comp time during June 26th through June 30th. This will allow me to use 104 hours of the 120 hours that was on the books.

784
I have been lucky not have any sickness that has caused me to miss much work and thereby allowing me to collect 789 hours of sick leave. I also have 56 hours of vacation on the books and have accrued approximately 10 hours of vacation per month over the past 10 months for a total of an additional 100 hours of vacation (156 total vacation hours). As provided for by City policy I will be paid for these hours.

I have asked that this check be made available to me on June 30th 2006, as this will be my last day of work with the City of Postville. Since my position is funded under Public Works, which includes sewer, streets, and water, there should be plenty of funds within these revenue accounts to pay this obligation with no delay.

- 23.84/hr x

sick leave on books - \$ 18,690.56

16 hrs comp balance - \$ 381.44

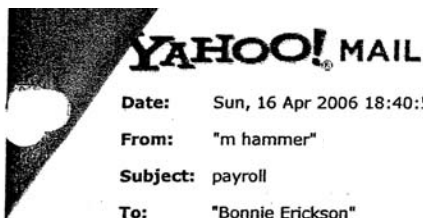
VACATION = (156 hrs) - \$ 3,719.04

\$ 22,791.04

**Report on Special Investigation of
the City of Postville**

Report on Special Investigation of the
City of Postville

E-mail message from Melissa Hammersland Regarding Vacation Balance



Print -

Hi Bonnie,

I can see why you were confused about the two sheets of figures. The first one with 40 comp and 120 vacation was just a draft/estimate. I was hoping to use up some of the hours the last month instead of accumulating more! I ended up spending more time at the office and training Darcy. So the 77 hours comp and 176 hours vacation is the correct numbers.

Hope your Easter holiday was a good one. Did you have stormy weather through the week? Have a sunny Monday. Melissa

Due	77 hours comp	9.5	
	176 hours vacation	22	
	253 total hrs	31.5	total days
worked 3 days	3/13-15/06	24 hrs	
vacation 7 days	3/16-3/24/06	56 hrs	pd 3/31/06 ✓
vacation 10 days	3/27-4/7/06	80 hrs ^{64 VAC} _{16 COMP}	pd 4/14/06
vacation 5 days	4/10-14/06	40 hrs ^{56 VAC} _{16 COMP}	
comp time 5 days	4/17-21/06	40 hrs ^{24 COMP}	pay 4/28/06
comp time 4.5 days	4/24-28/06	36 hrs	pay 5/12/06
sick pay	lump sum	\$15,000	pay 5/12/06

Love cheap thrills? Enjoy PC-to-Phone calls to 30+ countries for just 2¢/min with Yahoo! Messenger with Voice.

http://us.f322.mail.yahoo.com/ym/ShowLetter?box=Inbox&MsgId=1867_1149075_4098... 04/17/2006

Report on Special Investigation of the
City of Postville

Copies of Selected Receipts for Reimbursements to Gary Simmons

✓

TRAN # 284 AUTH 45616
SALE ROOM
ACCT. NUMBER [REDACTED] EXP 0302
FOLIO # CHG TYPE 1
TOTAL \$ 56.45
SIGNATURE *[Signature]*
GARY W SIMMONS
THANK YOU
TOP COPY-MERCHANT
BOTTOM COPY-CUSTOMER

Report on Special Investigation of the
City of Postville

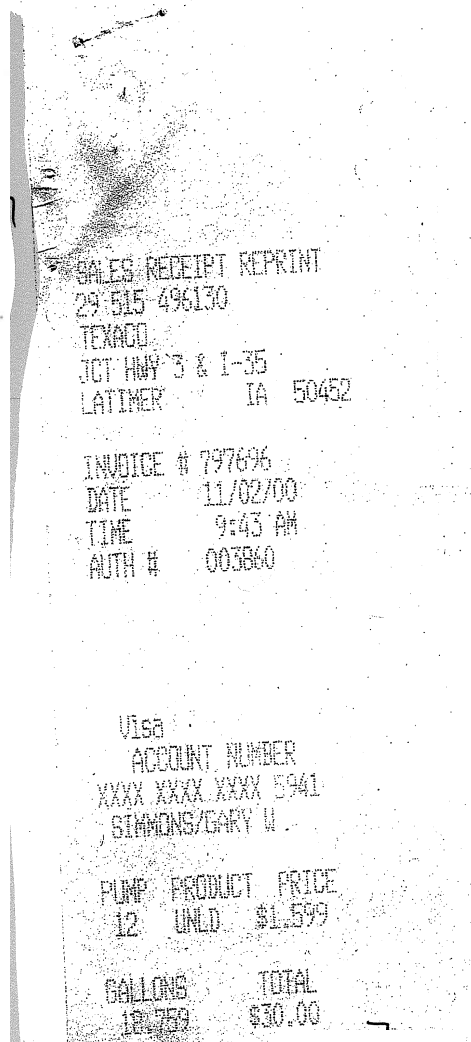
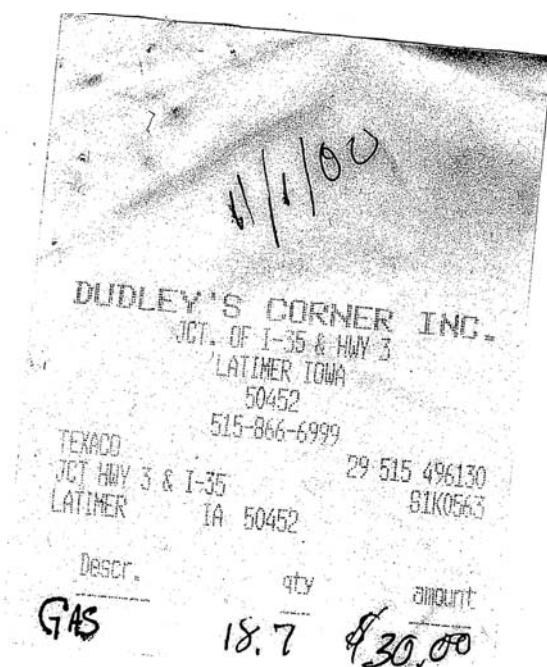
Copies of Selected Receipts for Reimbursements to Gary Simmons

CHI CHI'S #393
1850 22ND ST
W. DES MOINES, IA 50325
(214)746-8364
MERCHANT #: 7740003934 TRAN #14
VISA #: [REDACTED] EXP: 03/02
AUTH CODE: 066670
FOOD/BEV/TAX \$33.24
TIP 4.00
TOTAL \$37.24
X *Gary W. Simmons*
GARY W. SIMMONS
I AGREE TO PAY ABOVE TOTAL AMOUNT
ACCORDING TO CARD ISSUER AGREEMENT
SERVER #2222 THANK YOU
TOP COPY-MERCHANT BOTTOM COPY-CUSTOMER
Chris Des Moines

*Pay at least half for
Meeting with Earth
Tech*
RED LOBSTER
2915 MCCLAIN DRIVE
CEDAR FALLS, IA 50613
319-277-5337
AUG 1, 2000 0261
NAME : SIMMONS/GARY W
VS : [REDACTED]
AUTH CODE : 072049 EXP 03/02
SERVER : JEN D
CHECK : 4971
AMOUNT \$35.81
TIP \$5.00
TOTAL \$
X *Gary W. Simmons*
I Agree to above total amount
as per card issuer agreement
AUG 1 L1 T4 6:37 PM
Please sign and stamp here

Report on Special Investigation of the
City of Postville

Copies of Selected Receipts for Reimbursements to Gary Simmons



Report on Special Investigation of the
City of Postville

Copies of Selected Receipts for Reimbursements to Gary Simmons

```

#135          IN
DINNER BUFFET      11.58
-----
TXL             .69
TOTL           12.27
CASH           12.27
CHNG             .00
JENNIFER
0031 16:04 #02 FEB.27'01 REG0001
  
```

```

FEB. 27 01 04:15PM RECEIPT NO. 1205235
STORE ID 96
PUMP GRADE VOLUME PPU AMOUNT
S SUPER 20.4528 1.489 30.45
CASH TOTAL 30.45
=====
  
```

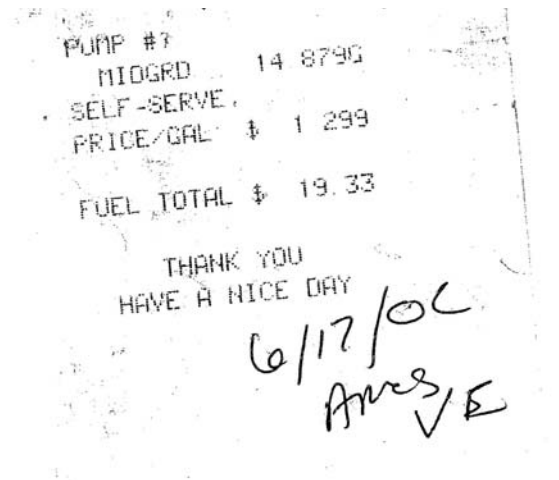
Report on Special Investigation of the
City of Postville

Copies of Selected Receipts for Reimbursements to Gary Simmons

\$34.79
Owe to Gary
20.00
GAS
Ames

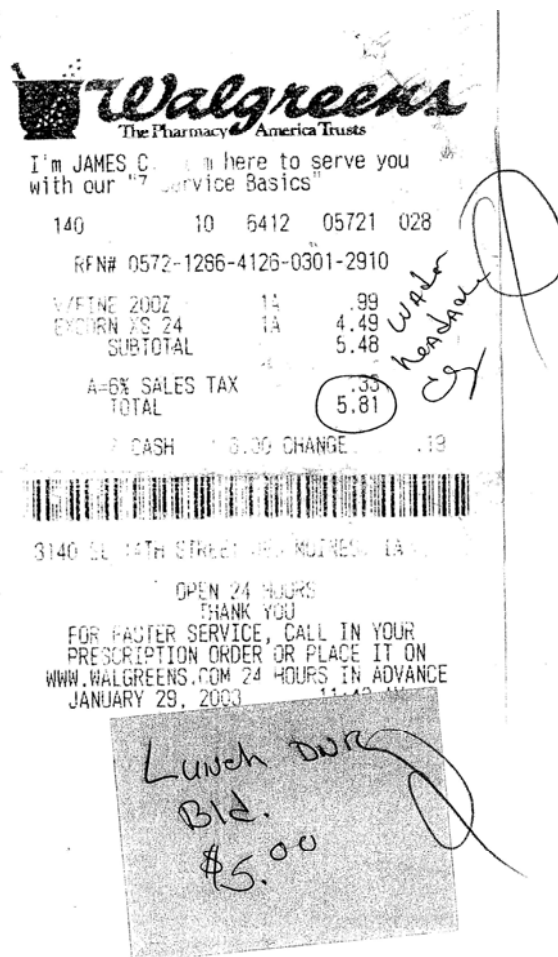
Report on Special Investigation of the
City of Postville

Copies of Selected Receipts for Reimbursements to Gary Simmons



Report on Special Investigation of the
City of Postville

Copies of Selected Receipts for Reimbursements to Gary Simmons



Report on Special Investigation of the
City of Postville

Copies of Selected Receipts for Reimbursements to Gary Simmons

Broyhill® Leather Executive Chair

Page 1 of 1

Broyhill® Leather Executive Chair



\$168.46

1 add to cart

[See larger image](#)

☒ [Email this item to a friend](#)

Ergo-contoured body cushions and pronounced lumbar form provide exceptional comfort in the office.

Item: 316403

Features

- Upholstered in cow top grain leather in autumn brown
- Ergo-contoured body cushions and pronounced lumbar form provide exceptional comfort
- New contemporary leather upholstered arm rests in Titanium finish
- Heavy-duty five star base in Titanium finish exceeds BIFMA standards
- Unique layered cushions with pillow-top overlay and pronounced headrest
- Pneumatic seat height adjustment and adjustable swivel/tilt mechanism with lockout features
- Dimensions: 44 1/4" - 47 1/2"H x 27 3/4"W x 31 1/4"D

Gary Simmons Paid

*Cost of
my chair
from Sam's
club*

S

Report on Special Investigation of the
City of Postville

Copies of Selected Receipts for Reimbursements to Gary Simmons

STAPLES
that was easy.
Low prices. Every item. Every day.
110% Price-Match. Guaranteed.
1333 Buckeye Road
Ames, IA 50010
(515) 663-0597

SALE 575272 14 001 81321
0802 05/26/05 11:44
QTY SKU OUR PRICE

1	PEN VAPOR MATTE CH 073228060484	19.99
1	GLDFBR DUAL PAD WH 074319200901	3.49
1	GLDFIBER PLAN PAD 074319200765	3.99
1	AVE LTHR ZIPFOLIO 092837451926	34.98
SUBTOTAL		62.45
Standard Tax 7.00%		4.37
TOTAL		\$66.82
terCard		66.82
Card No.: XXXXXXXXXXXX7419 <S> Auth No.: 319726		

TOTAL ITEMS 4

Compare and Save
with Staples-brand products.

THANK YOU FOR SHOPPING AT STAPLES !

08020526058132101

Report on Special Investigation of the
City of Postville

Copy of Receipt for Reimbursement to Wanda Simmons



This Amount was
Charged to Wanda's
Credit Card - should
be refunded immediately
Thanks
GWS

Hyatt Regency Crown Center
2345 McGee Street
Kansas City, Missouri 64108 USA
816.421.1234
FAX 816.435.4190

Last Name SIMMONS	First Name WANDA	Folio 1	Page 1
Street [REDACTED]		Room 2623	
City [REDACTED]		Rate .00	
State [REDACTED]	Zip Code [REDACTED]	Arrival 09/21/02 SAT	
0/0		Departure 09/26/02 THU	
		Bonuses	Type CCARD
		Account XXXXXXXXXXXX2562	XX/XX

DATE	DESCRIPTION	CHARGE/CREDIT	DATE	DESCRIPTION	CHARGE/CREDIT
09/21	SELF PARKING	9.00	09/26	563-539- E-mail	19.18
09/22	ROOM SERV BRKFS	7.76	09/26	XXXXXXXXXXXX2562 ExXX/XX	-384.05
09/22	563-539-	23.13			
09/22	563-539-	20.50		Total Due	.00
09/22	SELF PARKING	12.00		MASTERCARD	
09/23	SELF PARKING	12.00		No frequent traveler account has been credited for this stay.	
09/24	563-539-	28.40		To enroll in Gold Passport, call 1-800-51-HYATT.	
09/24	563-539-	31.04		Did you have an Exceptional stay?	
09/24	563-539-	23.13		Send your comments to consumer affairs at:	
09/24	563-539-	15.23		BSCULLY@MKCRKPO.HYATT.COM	
09/24	ROOM SERV DINNR	19.80		or call the manager on duty at (816) 435-4133	
09/24	SELF PARKING	12.00			
09/25	563-539-	15.23		Thank you for your business,	
09/25	563-539-	11.28		Dominic Buompastore	
09/25	563-539-	21.82		Executive Assistant Manager	
09/25	563-539-	19.18			
09/25	563-539-	9.96			
09/25	563-539-	23.13			
09/25	GUEST MOVIES	11.77			
09/25	SELF PARKING	12.00			
09/26	563-539- E-mail	15.23			

Signature

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges.

Report on Special Investigation of the
City of Postville

Form to Request Cash Advance

REQUEST FOR ADVANCE CASH
FROM CITY OF POSTVILLE

Upon signing this form, I hereby acknowledge the receipt of cash funds to be used exclusively for authorized expenditures relating to my employment with the City of Postville. Receipts will be obtained and returned to the City Clerk's office within 5 days of the expenditures.

ck # 34020 38-034
CSB, cash

Date of Cash Advance:

2/3/03

Purpose:

Washington D.C. delegation

Amount:

\$ 1250

Employee:

John DeGrupe

Employer:

Melissa Hammersland2/10/03 Cash Returned \$202.00

Report on Special Investigation of the
City of Postville

Copies of Supporting Documentation for Cash Advance to Gary Simmons

Postville, Iowa. 6/16/03, 20 03

The City of Postville, Iowa

To CSB - cash Dr.

Cash advance for IWPCA meeting
Sioux City, Iowa 6/17 - 6/20/03
Gary

\$ 280.00

See Attached Statement

Report on Special Investigation of the
City of Postville

Copies of Supporting Documentation for Cash Advance to Gary Simmons

IWPCA 85th Annual Meeting
Sioux City Convention Center - Sioux City, Iowa

Expenses For Iowa Water Pollution Control Association Meeting:

Fuel (4 fill-ups @ \$25.00 pf)	\$100.00
Meals (4 days @ \$30.00 pd)	\$120.00
Misc (Parking, Tips, etc. \$15.00 pd)	\$ 60.00
TOTAL	\$280.00

Leave Morning of June 17th

Report on Special Investigation of the City of Postville

Copies of Supporting Documentation for Cash Advance to Gary Simmons

EXPENSE REPORT

City of Postville
415 Oak Drive
Postville, Iowa 52162
563 864-7455
Fax: 563 864-7407

EMPLOYEE NAME	Gary Simmons, Sr.
EMPLOYEE TITLE	Director
DEPARTMENT	Public Works
BUILDING	PCSC
TELEPHONE	563 864-7455
SUPERVISOR	John Hyman, Mayor
PURPOSE OF TRIP	IWPCA Annual State

[illegible]

Advances

David Summers
Employee signature

6/26/03
Date

Approved By	Date
-------------	------

122.93

Report on Special Investigation of the
City of Postville

Copies of Supporting Documentation for Cash Advance to Gary Simmons

RECEIPTS FOR IWPCA CONFERENCE SIOUX CITY, IOWA

The highlighted areas represent missing receipts... explanation.

- 1) The two missing \$11.62 receipts are the same as the one submitted for June 18th as I ate breakfast in the hotel both mornings.
- 2) The lunch tickets must not have made it home as that would have been the most hurried time at the conference I didn't make the time to guard over those receipts as I did others.
- 3) The dinner ticket for June 20th was bought on my way back and I just went through a drive thru... don't really even know if I received a receipt.
- 4) A ten dollar fee for overnight parking appears with the fuel receipts in the transport column for June 17, 19, and a stand alone parking fee without fuel on June 18th for which no parking receipt was issued.
- 5) In the other column those would be tips that were made at the hotel and with meals that do not reflect a tip added on.

I think some of the receipts may have been thrown away (accidentally) when Jr. helped me clean out the vehicle and bring in my luggage upon my return home.

Report on Special Investigation of the
City of Postville

Copies of Supporting Documentation for Cash Advance to Gary Simmons

REQUEST FOR ADVANCE CASH
FROM CITY OF POSTVILLE

Upon signing this form, I hereby acknowledge the receipt of cash funds to be used exclusively for authorized expenditures relating to my employment with the City of Postville. Receipts will be obtained and returned to the City Clerk's office within 5 days of the expenditures.

Date of Cash Advance: 6/16/03 - 6/20/03

Purpose: Iw PCA in Sioux City

Amount: \$ 280.00 cash

Employee: Gary Simmons

Employer: Melissa Hammenland

Ret. #4
(put in Petty)

CashAdvance.1

Report on Special Investigation of the
City of Postville

Copies of Supporting Documentation for Cash Advance to Gary Simmons

Get Receipts

IWPCA 85th Annual Meeting
Sioux City Convention Center - Sioux City, Iowa

Expenses For Iowa Water Pollution Control Association Meeting:

Fuel (4 fill-ups @ \$25.00 pf)	\$100.00
Meals (4 days @ \$30.00 pd)	\$120.00
Misc (Parking, Tips, etc. \$15.00 pd)	\$ 60.00
TOTAL	\$280.00

Leave Morning of June 17th

Report on Special Investigation of the
City of Postville

Copies of Supporting Documentation for Cash Advance to Gary Simmons

0002
 CD TYPE: VISA
 TR TYPE: PURCHASE
 BASE 22.05
 TIP 4.00
 TOTAL 26.05
 ACCT: 000075
 NAME: GARY W. SIMMONS
 EXP: 02/01
 I AGREE TO PAY ABOVE TOTAL AMOUNT
 ACCORDING TO CARD ISSUER AGREEMENT
 (MERCHANT AGREEMENT IF CREDIT VOUCHER)
 THANKS FOR USING VISA
 Gary W. Simmons
 TOP COPY-MERCHANT BOTTOM COPY-CUSTOMER

PERKINS RESTAURANT & BAKERY
 STORE #3859
 501 GORDON DRIVE
 SIOUX CITY, IA 51102
 712-277-4755
 DATE: JUN 17 03 06:58 PM
 CARD TYPE: VISA MC
 ACCT #:
 EXP DATE: 02/04
 AUTH CODE: 087478
 CHECK: 6000
 TABLE: 62/1
 SERVER: 115 JASON
 SUBTOTAL: \$ 24.63
 TIP 4.00
 TOTAL 28.63
 I AGREE TO PAY THE ABOVE TOTAL
 ACCORDING TO MY CARD ISSUER
 AGREEMENT
 GUEST COPY

12/17
 LITTLE
 CHICAGO
 DELI
 PHONE: 233-2299
 WE DELIVER
 06/17/03 1:32 PM
 000444#1498
 #18 T1 \$5.49
 MD POP T1 \$1.15
 CHIPS T1 \$0.79
 MDSE ST \$7.43
 TAX1 \$0.52
 ***TOTAL \$7.95
 CASH \$20.00
 CHANGE \$12.05

Report on Special Investigation of the
City of Postville

Copies of Supporting Documentation for Cash Advance to Gary Simmons

VI Card Sale
#####5941
Exp. Date: 03/04
Gallons Price
8.00 \$1.424
Product Amount
SUPLR \$12.08
TOTAL SALE \$12.08
Card Swiped
Auth Seq: 6606
Auth #131017001
Approved# 057882
Auth/Seq

Thank You !!!
Please Come Again.
515-289-9938

Dwpcn 6/17/03
Fuel

ACCT# : 4127/4187813/738
EXPIRES: 03/03
AUS CD: *Dwpcn*
CARD TP: WSA
TRAN TP: SALE
AUTH CD: 271975
6/15/03

AMOUNT: 20.99
TIP: 20.99
TOTAL: *C*

Gary Simmons
SIMMONS, GARY W
I AGREE TO PAY THE ABOVE
TOTAL AMOUNT ACCORDING
TO CARD ISSUER AGREEMENT

TIP TABLE PROVIDED FOR
YOUR CONVENIENCE

15%=\$3.15 20%=\$4.20
25%=\$5.25

BOTTOM COPY CUSTOMER-TOP
COPY MERCHANT

Dwpcn
GAS 6/19/03

SALES RECEIPT
93 002 458911
TEXACO
4201 S. LAKEPORT ROA
SIOUX CITY IA
51100

INVOICE # 560391
DATE 06/19/03
TIME 3:44 PM
AUTH # 005427

VISA
ACCOUNT NUMBER
XXXX XXXX 5941

PUMP	PRODUCT	PRICE
05	UNLD	\$1.399
	GALLONS	TOTAL
17.220		\$24.09

TEXACO
System 3 Gasolines

Dwpcn
Brooklyn 6/18/03

FOOD & BEVERAGE
SIOUX CITY
PLAZA HOTEL

WED JUNE 18, 2003
CHECK #194623-1 #33

RECEIPT

TOTAL: \$9.62

MARK SVR 08:32

SETTLED BY:

CASH : \$9.62

TIP 2.00

TOTAL 11.62 ✓

PAGE 2

TOTAL

SIGN NAME
PRINT NAME

Pump #6 ESUPER W/ETH
Gallons 17.890
Price/Gal 1.239
Totl \$22.17
THANK YOU
PLEASE COME AGAIN

Fuel
Dwpcn
6/20/03

Report on Special Investigation of the
City of Postville

Copies of Selected Documents for Disbursements from Petty Cash

Postville, Iowa, 6/11/01, 19

The City of Postville, Iowa

To petty cash Dr.

Reimburse petty \$
plus cash advance

90.04
180.00

\$ 270.04

See Attached Statement

Report on Special Investigation of the
City of Postville

Copies of Selected Documents for Disbursements from Petty Cash

Gary received cash advance
to go to IWPCA (water)
June 12 - 15, 2001
\$180.00
Melissa
Gary W. Sammons

Report on Special Investigation of the
City of Postville

Copies of Selected Documents for Disbursements from Petty Cash

*IwPCA
Training Material
CD - Book
6-14-00*

PAID
004 00.00 +
00.00 +
30.00 +
75.00 +
105.00 *

Recreated by auditor.
See page 17.

PAID
004 00.00 +
00.00 +
30.00 +
75.00 +
105.00 *
000 0.00 *

Date 06/15/01
Time 11:30AM

Visa Acct #
XXXXXXXXXXXX3818
Gary W. Simmons

Pump	Gallons	Price
02	20.233	\$1.539

Product	Amount
UN/PLUS	\$31.14

Total Sale \$31.14 ①

THANK YOU!
Come Again!

Welcome to
Kwik Star Store #394
12500 S Center St.
Marshalltown, IA 50

Date 06/12/01
Time 09:18PM
Auth # 834562

Visa Acct #
XXXXXXXXXXXX3818
GARY W. SIMMONS

Pump	Gallons	Price
09	18.117	\$1.519

Product	Amount
UN/PLUS	\$27.52

Total Sale ① \$27.52

158 Apply for your
Kwik Card Today!

*** THANK YOU ***

090 POSTAGE STAMPS 3.40
TOTAL 3.40
CASH T 3.40
CHANGE .00

CUSTOMER RECEIPT

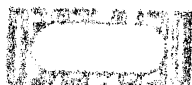
*** U.S. POSTAL SERVICE ***
MFO 52162
187353 46.00
KAREN 1# 01
06-07-01 13:59:21

#7 Vender

Report on Special Investigation of the
City of Postville

Copies of Selected Documents for Disbursements from Petty Cash

DBL COMB-E	T1 \$0.00
DOUBLE	T1 \$2.69
BIGGIE	T1 \$0.89
MED DRINK	T1 \$0.86
CHEESE	T1 \$0.30
PEPSI	T1 \$0.00
MDSE ST	\$4.74
TAXI	\$9.29
CASH	\$5.02 (2)



Wendy's
Lunch
6-01
ay

Report on Special Investigation of the
City of Postville

Copy of Documentation for \$440 Disbursement from Petty Cash

" " 51-701-13 220
Account Number

G-APWA/IWPCA 52-013 220

Warrant No. 33240

FUND:

CLAIM OF

Petty Cash - Policy

Amount \$ 440.00

Against

**The City of
Postville, Iowa**

Filed 8/19/02, 20

Approved 9/9/02, 20

Finance Committee.

OK
JRM
8/19/02

Report on Special Investigation of the
City of Postville

Copy of Documentation for \$440 Disbursement from Petty Cash

Postville, Iowa. 8/19/02, 20

The City of Postville, Iowa

To Petty Dr.

Advance Cash to Gary
for conferences. (attach
Receipts)

See Attached Statement

Report on Special Investigation of the
City of Postville

Copy of Documentation for \$440 Disbursement from Petty Cash

Calendar List 8/19/2002 - 8/31/2002 Gary Sr.

July 2002	August 2002	September 2002
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6	1 2 3 4 5 6	1 2 3 4 5 6
7 8 9 10 11 12	7 8 9 10 11 12	7 8 9 10 11 12
13 14 15 16 17 18	13 14 15 16 17 18	13 14 15 16 17 18
19 20 21 22 23 24	19 20 21 22 23 24	19 20 21 22 23 24
25 26 27 28 29 30	25 26 27 28 29 30	25 26 27 28 29 30
31		

Calendar

Start	End	Category	Description
19 Aug 2002			
20 Aug 2002			
21 Aug 2002	8:00 AM 9:00 AM		West Des Moines - APWA Iowa Chapter Fall Conference
22 Aug 2002	8:00 AM 9:00 AM		West Des Moines - APWA Iowa Chapter Fall Conference
23 Aug 2002	8:00 AM 9:00 AM		West Des Moines - APWA Iowa Chapter Fall Conference
24 Aug 2002			
25 Aug 2002			
26 Aug 2002	8:00 AM 9:00 AM		Cedar Rapids - IWPCA/APWA Joint Conference
	7:00 PM 8:00 PM		City Council Meeting
27 Aug 2002	8:00 AM 9:00 AM		Cedar Rapids - IWPCA/APWA Joint Conference
28 Aug 2002	8:00 AM 9:00 AM		Cedar Rapids - IWPCA/APWA Joint Conference
29 Aug 2002	8:00 AM 9:00 AM		Cedar Rapids - IWPCA/APWA Joint Conference
30 Aug 2002	8:00 AM 9:00 AM		Cedar Rapids - IWPCA/APWA Joint Conference
31 Aug 2002			

Report on Special Investigation of the
City of Postville

Copy of Documentation for \$440 Disbursement from Petty Cash

APWA 2002 FALL CONFERENCE IN WEST DES MOINES

Wednesday *Aug 21*
Meals \$35.00
Gas \$25.00
Misc. (tips, parking, etc.) \$10.00

Thursday *22*
Meals \$35.00
Misc. (tips, parking, etc.) \$10.00

FRIDAY *23*
Meals \$20.00
Gas \$25.00
Misc. (tips, parking, etc.) \$10.00

TOTAL CASH ADVANCE \$180.00

IWPCA & AWWA JOINT MEETING IN CEDAR RAPIDS

Monday *aug 26*
Meals \$35.00
Misc. (tips, parking, etc.) \$10.00

Tuesday *27*
Meals \$35.00
Gas \$25.00
Misc. (tips, parking, etc.) \$10.00

Wednesday *28*
Meals \$35.00
Misc. (tips, parking, etc.) \$10.00

Thursday *29*
Meals \$35.00
Misc. (tips, parking, etc.) \$10.00

Friday *30*
Meals \$20.00
Gas \$25.00
Misc. (tips, parking, etc.) \$10.00

TOTAL CASH ADVANCE \$260.00

Total Cash Advance from August 20- 30 \$440.00

**Report on Special Investigation of
the City of Postville**

Report on Special Investigation of the
City of Postville

Copy of Documentation for \$800 Disbursement from Petty Cash

OK
JH
12/14/02

correct
Stored

8030-00
Account Number

NY (to be reimb) 0480-98

Warrant No. 33808

FUND:

General

CLAIM OF

Petty Cash

Amount \$ 800.00

Against

**The City of
Postville, Iowa**

Filed 12/10/02, 20

Approved 1/13/02, 20

Finance Committee.

Report on Special Investigation of the
City of Postville

Copy of Documentation for \$800 Disbursement from Petty Cash

Postville, Iowa. 12/10, 2002

The City of Postville, Iowa

To Petty Cash Dr.

Advanced Cash to N.Y. 12/11-12/02
(to be reimbursed by Col. Cabal)

\$800.00
=

See Attached Statement

Report on Special Investigation of the
City of Postville

Copy of Documentation for \$800 Disbursement from Petty Cash

REQUEST FOR ADVANCE CASH
FROM CITY OF POSTVILLE

Upon signing this form, I hereby acknowledge the receipt of cash funds to be used exclusively for authorized expenditures relating to my employment with the City of Postville. Receipts will be obtained and returned to the City Clerk's office within 5 days of the expenditures.

Date of Cash Advance:

12/10/02

Purpose:

Presentation at N.Y. (to be reimbursed by
Chel Chabad)

Amount:

\$ 800.00

Employee:

Employer:

[Handwritten signature]
[Handwritten signature]
[Handwritten signature]
Melissa Hamnersland

Ret \$800

60 Int/serve

CashAdvance.1

Report on Special Investigation of the
City of Postville

Copy of Documentation for \$800 Disbursement from Petty Cash

New York City Budget

Purpose: Representing the City to Honor A Postville Business Man Aaron Rubashkin and making a presentation to Mr. Rubashkin at the International Dinner of the Colel Chabad. To spend time learning more about our Jewish community with our visit to New York.

Lodging (New York Hilton 4 people - 2 nights)	Colel Chabad
Air Fare (Roundtrip 4 people)	Colel Chabad
Meals for Wednesday (4 people @ \$390.00 per person)	Colel Chabad
Fuel for City Vehicle	\$ 50.00
Airport Parking (3 days @ \$50.00 per day)	\$ 150.00
Transportation in New York (3 days including Airport fares to and from)	\$ 250.00)
Meals for two days (4 people @ \$75.00 per day)	\$ 600.00)
Misc expenses	\$ 100.00
TOTAL	\$1,150.00

NOTE: \$1,150.00 divide among four (4) people equals \$287.50 less than \$500.00 per person.

Cash advance \$ 800

**Report on Special Investigation of
the City of Postville**

Report on Special Investigation of the
City of Postville

Copy of Documentation for Computer Purchase

SAVE \$300 ON THIS PACKAGE Package: 6911
SONY PCV-RZ24G COMPUTER PACKAGE

- Sony PCV-RZ24G
- Pentium 4 Processor
- 2.66GHz Computer with DVD +/-RW
- Sony SDM-HS73/H 17" LCD Flat Panel Monitor
- HP 3820 Inkjet Printer

Total Price if Bought Separately	\$2249.97
• Best Buy Bundle Mail-In Rebate	\$-100.00
• Sony Mail-In Rebate	\$-100.00
• Monitor Mail-In Rebate	\$-50.00
• Printer Bundle Mail-In Rebate	\$-50.00
Total	\$1949.97

1949⁹⁷
Offer Ends 5/10/2003

as low as **\$63/month**
14.5% APR/48 Months

5304011 • 5395592 • 4687681 • 1949.97

Printed: 5/4/2003 6:00 AM

\$2500

Monitor -
Key Board wireless
\$2500

Copy of Documentation for Computer Purchase

Sample Statement to AgriProcessors

CITY OF POSTVILLE

STATEMENT

Agriprocessors Attention: Chaim Abrahams PO Box 920 Postville, IA 52162
--

STATEMENT DATE	11/28/06
AMOUNT DUE	\$17,270.77
PAYMENT DUE DATE	12/15/06

October, 2006

EXPENSES FOR LAGOON OPERATION & MAINTENANCE

		100%	50%	
Invoices for chemicals, electricity, outside lab testing, materials:				
Alliant Energy	electricity	\$3,583.64	\$1,791.82	
Electric Motor Shop	aerator motor	\$41.00	\$20.50	
Continental Research	Bacto Dose	\$15,705.56	\$7,852.78	
Szabo Construction	set aerator	\$297.50	\$148.75	
Test America	lab testing	\$2,384.82	\$1,192.41	
Davy Laboratory	testing	\$183.40	\$91.70	
Spee-Dee	shipping	\$25.52	\$12.76	
		\$22,221.44	\$11,110.72	\$11,110.72
City of Postville	copies	\$11.25		\$11.25
Chemsearch	drain opener for manhole	\$2,115.00		\$2,115.00
Operations costs	Discharge month	\$2,522.00	\$1,261.00	\$1,261.00
Non routine equipment O&M (includes operator):				
Trips to Lab @.44/mi		\$0.00	\$0.00	
Sewer Jet @\$250/hr		\$1,625.00	\$1,625.00	
Mowing @\$100/hr	Oct. 6 & 9 - 6hrs.	\$600.00	\$300.00	
Endloader @\$80/hr		\$0.00	\$0.00	
Snow removal @\$80/hr		\$0.00	\$0.00	
				\$1,925.00
Penalty-lbs over TSS @ \$.14/lb		\$0.00	\$0.00	\$0.00
1994 PROJECT DEBT RETIREMENT				
December-06		\$847.80		\$847.80

LagBill

TOTAL AMOUNT DUE

\$17,270.77

Pd
1-8-07
ignore highlight

Report on Special Investigation of the
City of Postville

Sample Statement to AgriProcessors

CITY OF POSTVILLE

STATEMENT

Lagoon Technology
Attention: Chaim Abrahams
PO Box 920
Postville, IA 52162

STATEMENT DATE 11/28/06 ✓
AMOUNT DUE \$17,512.04
PAYMENT DUE DATE 12/15/06

October, 2006

EXPENSES FOR LAGOON OPERATION & MAINTENANCE

Invoices for chemicals, electricity, outside lab testing,	100%	50%	
Alliant Energy electricity	\$3,583.64	\$1,791.82	
Electric Motor Shop aerator motor	\$41.00	\$20.50	
Continental Research Bacto Dose	\$15,705.56	\$7,852.78	
Szabo Construction set aerator	\$297.50	\$148.75	
Test America lab testing	\$2,384.82	\$1,192.41	
Davy Laboratory testing	\$183.40	\$91.70	
Spee-Dee shipping	\$25.52	\$12.76	
	\$22,221.44	\$11,110.72	\$11,110.72
Operations costs Discharge month	\$2,522.00	\$1,261.00	\$1,261.00
Non routine equipment O&M (includes operator):			
Trips to Lab @.44/mi	\$0.00	\$0.00	
Mowing @ \$100/hr Oct. 6 & 9 - 6hrs.	\$600.00	\$300.00	
Endloader @ \$80/hr	\$0.00	\$0.00	
Snow removal @ \$80/hr	\$0.00	\$0.00	\$300.00
Penalty-lbs over TSS @ \$.14/lb	\$0.00	\$0.00	\$0.00
1994 PROJECT DEBT RETIREMENT			
December-06	\$621.04		\$621.04
LAGOON LEASE AGREEMENT			
(\$500,000 @ 6% amortized 15yrs)			
\$4,219.28/mo			
December-06	\$4,219.28		\$4,219.28
LagBill TOTAL AMOUNT DUE			<u>\$17,512.04</u>

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1-8-07

Report on Special Investigation of the
City of Postville

Copy of Memorandum from Gary Simmons Regarding Bacto-Dose Purchases

M E M O R A N D U M

This memo will serve as record for the City of Postville and will be my sworn statement in a court of law.

Mayor Robert O. Penrod has repeatedly attempted to put this City and Council in breach of their agreements with AgriProcessors and Lagoon Technologies by stopping the enzymes (chemical) additions used to help with the sludge levels and reduce ammonia two critical elements in keeping the lagoons operational.

The City (this council) has the *take and treat* obligation of AgriProcessors' wastewater until such time that the new Mechanical Plant is started up and discharging treated wastewater to a receiving stream.

Attached is an invoice with a hand written note by Mr. Penrod that reads... "*Notified by Ph (phone) that there would be no more Bacto-dose purchased from them by the City of Postville.*"

This product (Bacto-dose) has been used for years and has shown some improvement in ammonia breakdown and controlling the sludge blankets (build up of solids) which in turn has had a profound affect on our ability to discharge on an continuous year round basis. ~~Therefore, we continue to use the product especially since the cost is absorbed by AgriProcessors 100%.~~ It is inconceivable that this City Council would allow this Mayor to make operational decisions in direct conflict with the department head, industry and agreements for this City that could result in millions of dollars being spent in attorney fees and fines and/or cleaning up the lagoons.

As my duty by ordinance to operate this department, which includes those lagoons, to protect the City's interest and maintain the integrity of the agreements, lagoons, and City interest I have placed a standing order for us to continue to use Bacto Boost and Bacto Dose as we have for years until such time the lagoons become the take and treat obligation of AgriProcessors.

If the City of Postville stops this order they do it at their on peril any result in loss of operation and/or capacity without at least the appearance of good faith (adding chemical)

Report on Special Investigation of the
City of Postville

Copy of Memorandum from Gary Simmons Regarding Bacto-Dose Purchases

to maintain the lagoons (for a product that is 100% paid for by AgriProcessors) is fool hearty and arrogant on the City's part.

Also attached is a memo from Chaim Abrahams of AgrProcessors addressed to the Mayor, council members, and I indicating that he received a call from the Mayor that the "CITY" would continue to use the chemicals for wastewater treatment in the industrial lagoons.

Council if you continue to let this Mayor micromanage departments and influence day-to-day operations it will only further destroy relationships and breed frustration and increase the already low confidence with the employees in this Mayor and Council.