



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

Contact: David A. Vaudt
515/281-5835
or Tami Kusian
515/281-5834

FOR RELEASE _____ March 19, 2009

Auditor of State David A. Vaudt today released a report on a special investigation of the Searsboro Volunteer Fire/EMS Department for the period February 8, 2005 through September 21, 2008. The special investigation was requested by the Poweshiek County Sheriff's Office after the Treasurer admitted misappropriating funds from the Searsboro Volunteer Fire/EMS Department. Brenda Ruchti was appointed Treasurer of the Department on February 8, 2005 and continued until September 21, 2008 when she ceased her duties as Treasurer.

Vaudt reported the special investigation identified \$11,179.51 of improper disbursements, unsupported disbursements and undeposited collections. The improper disbursements of \$9,290.93 include \$525.00 of checks issued to cash, \$1,762.99 of payments to vendors, \$4,350.00 of transfers from a Department bank account to the former Treasurer's personal bank account and \$2,652.94 of personal credit card payments.

The improper payments to vendors of \$1,762.99 include \$1,009.21 for Ms. Ruchti's personal utilities, cable and phone services, \$531.18 of rent for Ms. Ruchti's personal residence, \$118.55 for a student loan payment and \$104.05 of personal purchases at Wal-Mart. The unsupported disbursements of \$1,348.58 include payments to Hy-Vee, Wal-Mart and Staples.

The undeposited collections of \$540.00 consist of cash withheld from 3 deposits to a Department bank account by the former Treasurer. Vaudt also reported adequate records for receipts were not available to determine if all donations and fundraiser proceeds were properly deposited.

The report also includes recommendations to strengthen the Department's internal controls, such as improvements to segregation of duties, reconciliation of bank statements by an independent person and establishing formal accounting records to account for all receipts and disbursements.

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

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**REPORT ON SPECIAL INVESTIGATION
OF THE
SEARSBORO VOLUNTEER FIRE/EMS DEPARTMENT
FOR THE PERIOD
FEBRUARY 8, 2005 THROUGH SEPTEMBER 21, 2008**

Table of Contents

	<u>Page</u>
Auditor of State's Report	3-4
Investigative Summary:	
Background Information	5-6
Detailed Findings	6-11
Recommended Control Procedures	11-12
Exhibits:	
	<u>Exhibit</u>
Summary of Findings	A 15
Improper Payments to Vendors	B 16-17
Payments on Personal Credit Cards	C 18-19
Staff	20
Appendices:	
	<u>Appendix</u>
Copies of Checks Payable to Cash	1 22-23
Copies of Wal-Mart Receipts	2 24-25
Copies of Deposit Slips with Cash Withheld	3 26



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Auditor of State's Report

To the Trustees of the Searsboro Volunteer Fire/EMS Department:

At the request of the Poweshiek County Sheriff's Office, we conducted a special investigation of the Searsboro Volunteer Fire/EMS Department (Department). We have applied certain tests and procedures to selected financial transactions of the Department for the period February 8, 2005 through September 21, 2008. Based on discussions with Department 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) Examined bank statements for the Department's checking and savings accounts to identify any unusual activity, including cash withdrawals, internet transfers and credit card payments. We also examined images of checks to identify any payments to unusual payees or for unusual amounts. In addition, we reviewed images of deposit slips to determine if any cash was withheld from the deposits.
- (3) Examined documentation for certain checks issued from the Department's checking accounts to determine if the payments were appropriate, authorized and properly supported.
- (4) Compared the bank images of checks redeemed from the Department's checking accounts to disbursements listed in the financial statements included with the Department's meeting minutes to determine if the payments were approved.
- (5) Reviewed monthly Treasurer's reports to determine if financial information was accurately reported to the Trustees. We compared the balances in the Department's checking and savings accounts to the Treasurer's reports.
- (6) Confirmed payments made to the Department by the State of Iowa, Poweshiek County, the City of Searsboro, Sugar Creek Township and Washington Township to determine if they were properly deposited to the Department's accounts.
- (7) Examined fundraising and donation records to determine if collections were properly accounted for and deposited.
- (8) Obtained and reviewed the personal bank statements of the former Treasurer, Brenda Ruchti, to identify any transfers from the Department's accounts and to identify the source of certain deposits.
- (9) Reviewed the Department's meeting minutes for significant actions.

These procedures identified \$11,179.51 of improper disbursements, unsupported disbursements and undeposited collections for the period February 8, 2005 through September 21, 2008. The \$11,179.51 is composed of the following:

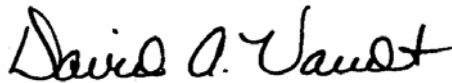
- \$9,290.93 of improper disbursements, including checks payable to cash and other improper vendors, bank transfers to the former Treasurer's personal bank account via the internet and payments on personal credit cards.
- \$1,348.58 of unsupported disbursements, including payments to Hy-Vee and Wal-Mart.
- \$540.00 of undeposited collections which consist of cash withheld from deposits.

We were unable to determine if all donations and fundraiser proceeds were properly deposited during this time period because adequate records were not available. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **C** 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 Searsboro Volunteer Fire/EMS Department, other matters might have come to our attention that would have been reported to you.

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

We would like to acknowledge the assistance and many courtesies extended to us by the personnel of the Searsboro Volunteer Fire/EMS Department and the Poweshiek County Sheriff's Office during the course of our investigation.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

March 3, 2009

Searsboro Volunteer Fire/EMS Department
Investigative Summary

Background Information

The Searsboro Fire/EMS Department is a volunteer Department serving the City of Searsboro, Sugar Creek Township and Washington Township and is organized under Chapter 504 of the *Code of Iowa*. The Department has a 3 member Board of Trustees. The 3 Trustees are elected by the members of the Department. Meetings for Department members are held the 1st Monday of each month.

Brenda Ruchti became a member of the Department on February 8, 2005. At that time, Ms. Ruchti was a nurse for the EMS and was also helping the Treasurer balance the accounting records on a periodic basis. On March 8, 2005, Ms. Ruchti was appointed Treasurer for the Department. As the Treasurer, Ms. Ruchti was responsible for:

- 1) Disbursements – check preparation, check signing, distribution and posting to the accounting records,
- 2) Receipts – collection, posting to the accounting records, deposit preparation and making deposits,
- 3) Reporting – preparation of Fire Department meeting minutes and preparation of financial reports.

The Department's primary revenue sources are collections from the State of Iowa, Poweshiek County, the City of Searsboro, Sugar Creek Township and Washington Township. The Department also receives periodic donations and proceeds from fundraisers. All collections are to be deposited in the Department's bank accounts.

The Department has 2 checking accounts and a savings account. The Department established a checking account for general operations. The other checking account, called a "taxation" checking account, was established to track contributions to the Department and their subsequent use.

The Chief collects and opens the Department's mail. He reviews any invoices or collections received and gives them to the Treasurer for payment or deposit. Ms. Ruchti prepared a monthly bill listing to be approved during the monthly meetings. According to the Chief, all disbursements are to be included on the bill listing. All checks were required to have dual signatures. Ms. Ruchti prepared and signed the checks after the monthly meeting and the Chief or Assistant Chief counter-signed the checks after Ms. Ruchti signed.

In September 2008, a representative from the Department's bank called the Chief to report internet transfers from the Department's bank account to Ms. Ruchti's personal bank account. After receiving the call, the Chief went to Ms. Ruchti's residence to discuss the transfers with Ms. Ruchti. Ms. Ruchti, the Chief and Ms. Ruchti's husband were all present at the meeting. During the conversation, Ms. Ruchti admitted she made the internet transfers.

During the next week, Ms. Ruchti provided a few pages of her personal bank statements to the Trustees. After reviewing the bank statements, the Trustees asked the Chief to collect Ms. Ruchti's keys and pager. However, according to the Chief, Ms. Ruchti was not terminated from the Department because of limited staffing, but she was no longer the Department's Treasurer. After the meeting with the Trustees, the Chief contacted a representative from the State Fire Marshal's Office, who referred the Chief to the Poweshiek County Attorney's Office.

The County Attorney's Office requested the Poweshiek County Sheriff's Office conduct a search at Ms. Ruchti's personal residence and the Department's Station house. On October 6, 2008, all records pertaining to the Department were seized from both Ms. Ruchti's residence and the Department. In addition, several personal bills and records were seized from Ms. Ruchti's residence.

On the same day, the Poweshiek County Sheriff's Office requested the Office of Auditor of State conduct an investigation. As a result of that request, we performed the procedures detailed in the Auditor of State's report for the period February 8, 2005 through September 21, 2008.

Detailed Findings

These procedures identified \$11,179.51 of improper disbursements, unsupported disbursements and undeposited collections for the period February 8, 2005 through September 21, 2008. The \$11,179.51 is composed of the following:

- \$9,290.93 of improper disbursements, including checks payable to cash and other improper vendors, bank transfers to the former Treasurer's personal bank account via the internet and payments on personal credit cards.
- \$1,348.58 of unsupported disbursements, including payments to Hy-Vee and Wal-Mart.
- \$540.00 of undeposited collections which consist of cash withheld from deposits.

However, we were unable to determine if all donations and fundraiser proceeds were properly deposited during this time period because adequate records were not available. All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

IMPROPER AND UNSUPPORTED DISBURSEMENTS

Checks issued from the Department's checking accounts required 2 signatures. The authorized check signers were Brenda Ruchti, Gary Sears, Chief, and Dale Earnhart, Assistant Chief. During the course of our investigation, we reviewed selected disbursements from the Department's checking and savings accounts. Supporting documentation for disbursements was to be maintained by the Treasurer and should have consisted of invoices and receipts from vendors. Supporting documentation was not available for some of the disbursements made from the Department's accounts. As a result, we discussed all disbursements that were unusual in nature with the Chief to determine if they were appropriate. We also confirmed certain disbursements with vendors and the bank when possible.

All disbursements were to be included on a monthly bill listing presented to the Trustees for approval. In addition, the Chief stated all Department payments should be by check to the vendor and there should be no payments made in cash. According to the Chief, the only time cash was needed was when fundraisers were held. The cash was used as a change fund. Per discussion with the Chief, a check was to be written to the bank for withdrawal of cash and approved by the Trustees. The former Treasurer was not to pay bills with internet banking. In addition, the former Treasurer used both checking accounts for general operating costs.

During the course of our investigation, we identified several improper disbursements. Each of the improper disbursements is discussed in this section of the report.

Checks Payable to Cash – We identified 5 checks from the Department's checking account payable to cash. The checks total \$525.00 and are listed in **Table 1**.

Table 1

Check Date	Check Number	Check Memo	Amount
10/19/07	2044	Flyers	\$100.00
12/14/07	2061	Christmas Plants	100.00
02/02/08	593	Fire Memorial	100.00
05/23/08	2087	EMS Day	100.00
07/03/08	2090	None	125.00
Total			<u>\$525.00</u>

Each check was signed by Ms. Ruchti, but these 5 checks did not have dual signatures. According to the Chief, a fundraiser was not held at the time these cash withdrawals were made. The checks were not authorized by the Trustees.

Because no business purpose could be identified, the 5 checks are considered improper. Copies of the 5 checks payable to cash are included in **Appendix 1**. The total of \$525.00 is included in **Exhibit A**.

Payments to Vendors - We identified 8 checks and 5 online payments to vendors which we determined were not for Department business. The 13 payments total \$1,762.99 and are listed in **Exhibit B**. As illustrated by the **Exhibit**, the improper payments include 3 checks and 3 online payments issued to Directv, Alliant Energy and Iowa Telecom. The payments to these vendors were determined to be payments on Ms. Ruchti's personal accounts. According to the Chief, the Department did not receive services from Directv and Iowa Telecom; however, Alliant Energy was a service provider for the Department. **Table 2** shows the improper and unsupported payments by vendor.

Table 2

Vendor Name	Number of Payments	Improper Amount	Unsupported Amount
Alliant Energy	3	\$584.59	-
Directv	1	132.33	-
Fred Ruchti	1	-	42.00
Hy-Vee	7	-	528.65
Iowa Telecom	2	277.39	-
ISLLC	1	118.55	-
Loretta Cooper	1	531.18	-
Main Street	1	-	12.67
Online Bill Pay Fees	2	14.90	-
PJ's Deli	1	-	18.00
Staples	1	-	248.17
Wal-Mart	9	104.05	499.09
Total		<u>\$1,762.99</u>	<u>1,348.58</u>

We obtained the Department's Alliant account history from Alliant Energy. We identified the payments to Alliant Energy which were posted to the Department's account. However, we identified 3 payments to Alliant Energy which were not posted to the Department's account. We subpoenaed Ms. Ruchti's account history from Alliant Energy and confirmed these 3 payments were posted to her personal account.

According to the Chief, Iowa Telecom is not a service provider for the Department and there would be no reason for the Department to make a payment to them. Therefore, we subpoenaed Ms. Ruchti's personal account information from Iowa Telecom. We confirmed the 2 payments to Iowa Telecom were posted to Ms. Ruchti's personal account.

In addition, we identified a check for \$531.18 payable to Ms. Ruchti's landlord for rent and a check to ISLLC (Iowa Student Loan Liquidity Corporation) in the amount of \$118.55 for Ms. Ruchti's student loans. We also identified 3 checks payable to Wal-Mart for personal items such as medicine, cough drops, a file cabinet, ink cartridges, hanging files and coffee. In addition, a receipt from Wal-Mart shows Ms. Ruchti received \$20.00 cash back. The 3 checks total \$104.05. Copies of the 3 Wal-Mart receipts are included in **Appendix 2**.

The 13 improper payments totaling \$1,762.99 are included in **Exhibit A**.

In addition to the 13 improper checks and online payments, we identified 17 payments to vendors such as Hy-Vee, Wal-Mart and Staples for which supporting documentation could not be located at the Department or obtained from the vendor. The unsupported payments are summarized by vendor in **Table 2** and are listed in **Exhibit B**. The unsupported payments of \$1,348.58 are included in **Exhibit A**.

Internet Transfers – We identified 6 transfers from the Department's account to Ms. Ruchti's personal bank account between August 2007 and July 2008. The transfer amounts range from \$100.00 to \$2,000.00 and were made through internet banking. According to the Chief, an on-line bank account was set-up for the purpose of viewing the balances at any given time, but no transactions were to be processed because all bills were to be reviewed and approved at the monthly meetings. **Table 3** lists the 6 internet transfers totaling \$4,350.00. The internet transfers of \$4,350.00 are included in **Exhibit A** as improper disbursements.

Table 3

Transaction Date	Description per bank	Amount
08/03/07	Telephone Withdrawal – Internet Transfer To Checking Acct: Brenda S. Ruchti	\$ 100.00
01/04/08	Telephone Withdrawal – Internet Transfer To Checking Acct: Brenda S. Ruchti	500.00
01/07/08	Telephone Withdrawal – Internet Transfer To Checking Acct: Brenda S. Ruchti	1,000.00
01/29/08	Telephone Withdrawal – Internet Transfer To Checking Acct: Brenda S. Ruchti	600.00
06/30/08	ACH Debit – Internet Banking Withdrawal	150.00
07/15/08	ACH Debit – Internet Banking Withdrawal	2,000.00
Total		<u>\$4,350.00</u>

Personal Credit Card Payments – As stated previously, we reviewed all disbursements from the Department’s checking accounts for the period February 8, 2005 through September 21, 2008. During our review of the Department’s disbursements, we identified 13 payments to various credit card companies. The payments were to vendors such as Capital One, Capital One Auto, Credit One Bank and First Premier Bank and total \$2,652.94. According to the Chief, the Department does not have a credit card.

We obtained some of Ms. Ruchti’s personal credit card statements from records seized by the Poweshiek County Sheriff’s Office. During our review of Ms. Ruchti’s credit card statements, we determined Ms. Ruchti had written the date of a payment and the amount on each statement. As a result, we were able to trace all 13 payments to statements for credit card companies held in Ms. Ruchti’s name.

Of the 13 payments, 10 were made by check and 3 were on-line payments. The payments ranged from \$75.00 to \$548.40. There were 2 payments to Capital One Auto for \$548.40 which are payments on Ms. Ruchti’s car loan.

The improper payments totaling \$2,652.94 are listed in **Exhibit C** and are included in **Exhibit A**.

UNDEPOSITED COLLECTIONS

As stated previously, the primary revenue sources for the Department are the State of Iowa, Poweshiek County, the City of Searsboro, Sugar Creek Township and Washington Township. In addition, the Department receives funds from donations and fundraisers.

Cash Withheld from Deposit – During our review of the Department’s bank statements, we identified 3 deposits where cash was withheld from the deposit. According to the Chief, all collections received are to be deposited to the Department’s checking account. If cash is needed for fundraising events, members have to approve cash withdrawals at the monthly meetings.

The cash withheld from the 3 deposits totals \$540.00. The deposits and the cash withheld are listed in **Table 4**. In addition, copies of the 3 deposit slips are included in **Appendix 3**. As shown in **Appendix 3**, the deposit made on October 15, 2007 included a check from the State of Iowa for \$6,724.80 and the deposit dated January 19, 2008 included a check from the City of Searsboro for \$2,600.00.

Deposit Date	Collections to be Deposited	Amount Deposited	Amount of Cash Withheld
10/15/07	\$ 7,069.10	6,869.10	200.00
11/19/07	556.40	416.40	140.00
01/19/08	2,630.00	2,430.00	200.00
Total	\$ 10,255.50	9,715.50	540.00

The \$540.00 of cash withheld from deposits is included in **Exhibit A** as undeposited collections.

State of Iowa – We obtained confirmation of all payments made to the Department by the State of Iowa for the period February 8, 2005 through September 21, 2008. We determined all payments from the State were properly deposited in the Department’s checking account, except for the payment deposited in October 2007 discussed previously.

Poweshiek County – We attempted to obtain confirmation of all payments made to the Department by Poweshiek County for the period February 8, 2005 to September 21, 2008. However, records were not readily available from the County prior to July 2006. We determined all payments from the County for fiscal years 2007, 2008 and fiscal year 2009 through September 21, 2008 were properly deposited in the Department’s checking account.

City and Township Collections – We obtained confirmation of all payments made to the Department by Sugar Creek Township and Washington Township for the period February 8, 2005 to September 21, 2008. In addition, we confirmed payments made to the Department by the City of Searsboro for the period January 2007 to September 21, 2008 with the Chief. Prior to January 2007, the Department was part of the City and was not organized as a separate non-profit entity. Therefore, the Department did not receive payments from the City. We determined all payments from the Townships and the City were properly deposited in the Department’s checking account with the exception of the payment from the City of Searsboro discussed previously.

Donations and Fundraisers – The Department also receives donations and proceeds from fundraisers sponsored by the Department. We were unable to determine if all donations and fundraiser proceeds were deposited because detailed records of donations collected were not available.

FINANCIAL REPORTING

Ms. Ruchti was responsible for preparation of meeting minutes and the financial reports for the Department each month. The financial reports were reviewed and approved by the members of the Department during each monthly meeting. However, the minutes and financial reports were not signed by the Trustees to document approval.

We observed certain monthly financial reports prepared by Ms. Ruchti and compared them to the actual cash balances in the Department’s checking and savings accounts. However, for the time period of our investigation, we only located the monthly financial reports for 8 months. **Table 5** summarizes the amounts reported by Ms. Ruchti for the months located and the amounts actually held in the bank the day of the meeting. As illustrated by the **Table**, the bank account balances reported on the financial reports did not always agree to the balances in the bank. The reports prepared by Ms. Ruchti did not specify the date of the balances reported or the records used. We reviewed the end of the month activity and determined the disbursements clearing the bank after the end of the month were not significant enough to explain the variance. In addition, we reviewed the deposits which occurred at the end of the month to determine if any deposits were considered in transit; however, the deposits were also not significant enough to explain any differences.

Table 5

Date of Financial Report	Checking Account Balance per Bank Statement	Checking Account Balance per Financial Report	Difference	Savings Account Balance per Bank Statement	Savings Account Balance per Financial Report	Difference
10/03/05	\$ 4,655.58	3,095.24	1,560.34	313.01	313.01	-
11/07/05	5,620.15	5,753.85	(133.70)	333.11	333.11	-
12/05/05	3,460.19	3,159.95	300.24	333.66	333.66	-
03/14/06	2,298.45	1,921.48	376.97	357.56	357.56	-
08/07/06	1,082.19	2,057.15	(974.96)	1,018.20	1018.20	-
11/06/06	1,645.43	215.03	1,430.40	585.20	585.20	-
12/04/06	609.19	875.47	(266.28)	589.01	585.20	3.81
01/02/07	275.56	254.83	20.73	589.01	585.20	3.81

We also compared each disbursement reported on the financial reports prepared by Ms. Ruchti to actual payments from the Department's bank accounts. We identified transactions not listed on the financial reports which were reflected in the Department's bank activity, including several proper disbursements.

Recommended Control Procedures

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

(A) Segregation of Duties – An important aspect of internal control is the segregation of duties among individuals to prevent one person from handling duties which are incompatible. The Treasurer had control over each of the following areas for the Department:

- 1) Disbursements – check preparation, check signing, distribution and posting to the accounting records.
- 2) Receipts – collection, posting to the accounting records, deposit preparation and making deposits.

Recommendation – We realize segregation of duties is difficult with a limited number of staff. However, the Department should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel. Evidence of various reviews should be indicated by initials of the independent reviewer and the date of the review.

In addition, bank statements should be independently reviewed by a designated member of the Department who does not have the ability to issue checks or make deposits. Bank reconciliations should be performed on a monthly basis.

- (B) Financial Accounting Records and Financial Reports – Limited financial records were maintained by the Department for the period of our investigation. Specifically, records for donations and fundraisers did not exist. In addition, pre-numbered receipts were not issued for donations and fundraising proceeds. Also, invoices/receipts were not maintained for all disbursements.

In addition, the financial reports prepared by Ms. Ruchti did not always accurately reflect the Department's activities. We identified transactions not listed on the financial reports which were reflected in the Department's bank activity.

Recommendation – The Department should establish formal accounting records to account for all receipts and disbursements. All disbursements should be approved prior to payment and documented in the financial reports or minutes. All payments should be supported by invoices or other appropriate documentation. Collections should be recorded on the financial reports and the Department should use pre-numbered receipts.

- (C) Minutes – Official signed copies of minutes from the Trustees' meetings and related financial reports were not available at the Department. In addition, 17 months of minutes could not be located at the Department.

Recommendation – The minutes and financial reports should be signed by a responsible designated official of the Department to attest to the accuracy of the documents. The minutes should include all actions taken at the meeting. The financial reports should include a detailed listing of bills approved for payment and be supported by receipts and disbursements posted to the Department's bank accounts. Also, all minutes should be maintained at the Department for the public to review if needed.

Exhibits

**Report on Special Investigation of the
Searsboro Volunteer Fire/EMS Department**

Report on Special Investigation of the
Searsboro Volunteer Fire/EMS Department

Summary of Findings
For the period February 8, 2005 through September 21, 2008

Description	Exhibit/Table	Amount
Improper disbursements:		
Checks payable to cash	Table 1	\$ 525.00
Payments to vendors	Exhibit B	1,762.99
Internet transfers	Table 3	4,350.00
Personal credit card payments	Exhibit C	<u>2,652.94</u>
Total improper disbursements		\$ 9,290.93
Undeposited collections:		
Cash withheld from deposits	Table 4	<u>540.00</u>
Total improper disbursements and undeposited collections		9,830.93
Unsupported disbursements	Exhibit B	<u>1,348.58</u>
Total		<u><u>\$ 11,179.51</u></u>

Report on Special Investigation of the
Searsboro Volunteer Fire/EMS Department

Improper Payments to Vendors
For the period February 8, 2005 through September 21, 2008

Date Cleared	Check Date	Payee per Bank Statement	Check Number
02/09/05	02/08/05	Fred Ruchti	1768
07/12/05	07/09/05	Hy-Vee	1836
07/29/05	07/27/05	Hy-Vee	1839
08/09/05	08/06/05	Hy-Vee	1867
09/12/05	09/07/05	Hy-Vee	1868
11/01/05	10/28/05	Wal Mart	1873
02/07/06	02/07/06	Wal Mart	1906
05/26/06	05/17/06	Wal-Mart	1941
06/29/06	06/27/06	Wal-Mart	1950
01/17/07	#	DR AUTO TRANS - MAIN STREET	
06/06/07	#	DR AUTO TRANS	2016
07/02/07	#	DR AUTO TRANS	2019
07/18/07	#	DR AUTO TRANS	2025
07/19/07	07/16/07	Hy Vee	2024
08/21/07	08/13/07	PJ's Deli	2033
10/22/07	10/18/07	Hy Vee	2043
11/26/07	11/27/07	Hy Vee	2054
11/30/07	11/27/07	Iowa Telecom	2056
12/03/07	#	DR Auto Trans - Alliant-IPL Checkpaymt Arc Truncated Check #2055	2055
12/03/07	11/27/07	ISLLC (<i>Iowa Student Loan Liquidity Corporation</i>)	2057
01/08/08	#	DR Auto Trans - Wal-Mart Stores Purchase Point of Purchase CK 2068 GRINIA	2068
01/28/08	01/03/08	Loretta Cooper	584
02/14/08	#	DR Auto Trans - Alliant-IPL Checkpaymt ARC Truncated Check #601	601
02/19/08	02/04/08	Staples	600
03/14/08	#	DR Auto Trans - Wal-Mart Stores Purchase Point of Purchase CK 2077 GRINIA	2077
04/01/08	^	DR Auto Trans - Billmatrix Bill Pay	
04/01/08	^	DR Auto Trans - Iowa Telecommunibill Pay	
04/15/08	^	DR Auto Trans - Speedpay-AlliantAE_Spy_Fee	
06/26/08	^	ACH Debit - Directv Tel Directv	
07/08/08	^	ACH Debit - Alliant Energy Tel e-Bill	

Note: The items italicized are per receipt or per discussion with the Chief. For payments with items identified as proper and improper, the improper items are in bold.

- Point of purchase or truncated check (electronically imaged).

^ - On-line payment.

Description per Bank Statement, Check Memo or Other Explanation	Amount	Proper	Improper	Unsupported
None	\$ 42.00	-	-	42.00
None	127.11	-	-	127.11
None	13.34	-	-	13.34
None	154.72	-	-	154.72
None	83.92	-	-	83.92
Breakfast supplies	37.58	-	-	37.58
station and supper supplies	102.42	-	-	102.42
County Mtg supplies (5 bags of chips, 4 cans of pork beans, onions, Pepsi, Diet Pepsi, Mt. Dew, Diet Dew) - \$20.00 change received	73.35	53.35	20.00	-
tractor ride & parades	144.93	-	-	144.93
None	12.67	-	-	12.67
WAL-MART STORES PURCHASE	8.96	-	-	8.96
WAL-MART STORES PURCHASE	131.21	-	-	131.21
WAL-MART STORES PURCHASE	73.99	-	-	73.99
None	40.55	-	-	40.55
PO # 9262	18.00	-	-	18.00
None	92.94	-	-	92.94
None	16.07	-	-	16.07
(Ms. Ruchti's personal bill)	177.88	-	177.88	-
None	251.65	-	251.65	-
238048280	118.55	-	118.55	-
(Skitty, Cough/cold, Ibu tabs, halls , batteries, DrP Dt, Mt. Dew, Pepsi, Electrosol, rolls, 2 sun beef brt, honey, miz wonder pet, noodle, potato, milk) fee (Rent payment for Ms. Ruchti's residence)	54.18	45.37	8.81	-
None	531.18	-	531.18	-
None	167.71	-	167.71	-
Ink	248.17	-	-	248.17
(20 hang file, 2 blk ink cartridges, folgers, 2dr file cab - items removed from Ms. Ruchti's residence)	75.24	-	75.24	-
None	2.95	-	2.95	-
None	99.51	-	99.51	-
None	11.95	-	11.95	-
None	132.33	-	132.33	-
None	165.23	-	165.23	-
Total	<u>\$3,210.29</u>	<u>98.72</u>	<u>1,762.99</u>	<u>1,348.58</u>

Report on Special Investigation of the
Searsboro Volunteer Fire/EMS Department

Payments on Personal Credit Cards
For the period February 8, 2005 through September 21, 2008

Transaction Date	Description per Bank Statement
01/23/08	DR Auto Trans - Capital One Autocheck Pymt ARC Truncated Check #579
01/29/08	DR Auto Trans - FPB CR Card Internet
01/29/08	Cortrust
01/30/08	DR Auto Trans - Capital One Online Pmt
01/31/08	DR Auto Trans - Credit One Bank Payment ARC Truncated Check #589
01/31/08	DR Auto Trans - FDR 3 Checkpaymt Arc Truncated Check #588
01/31/08	DR Auto Trans - HSBC Credit Svc3 Checkpaymt ARC Truncated Check #586
02/01/08	DR Auto Trans - ACB - PA Checkpaymt ARC Truncated Check #587
02/01/08	DR Auto Trans - Credit Card Payment ARC Truncated Check #585
02/04/08	DR Auto Trans - Capital One ARC Check Pymt ARC Truncated Check #590
02/04/08	DR Auto Trans - Credit One Bank Payment ARC Truncated Check #591
05/28/08	ACH Debit - Capital One Auto Web Carpay
07/15/08	ACH Debit - ACB - PA ARC Checkpaymt Check #637
Total	

^ - On-line payment.

Check Number	Amount	Payment Applied to
579	\$ 548.40	Capital One Auto
^	211.14	First Premier Bank Credit Card
592	100.00	Cor Trust Bank Credit Card
^	100.00	Capital One Credit Card
589	100.00	Credit One Bank Credit Card
588	75.00	"VISA"
586	150.00	Orchard Bank Credit Card
587	70.00	Applied Bank Credit Card
585	250.00	Continental Finance Credit Card
590	150.00	Capital One Credit Card
591	50.00	Credit One Bank Credit Card
^	548.40	Capital One Auto
637	<u>300.00</u>	Applied Bank Credit Card
	<u>\$ 2,652.94</u>	

Report on Special Investigation of the
Searsboro Volunteer Fire/EMS Department

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
Melissa J. Knoll-Speer, Senior Auditor
Casey L. Johnson, Assistant Auditor



Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

Report on Special Investigation of the
Searsboro Volunteer Fire/EMS Department

Copies of Checks Payable to Cash

SEARSBORO FIRE/EMS
P.O. BOX 674
SEARSBORO, IA 50242

72-1441/739
165308

2044

DATE 19 Oct 07

PAY TO THE ORDER OF Cash \$ 100.00

One Hundred and 00/100 DOLLARS

STATE BANK
Tennville
Sully

TREAS/CHIEF
Brenda Patti, Sears

MI # [Redacted]

⑆00000⑆0000⑆

2044 10/19/2007 100.00

SEARSBORO FIRE/EMS
P.O. BOX 674
SEARSBORO, IA 50242

72-1441/739
165308

2061

DATE 14 Dec 07

PAY TO THE ORDER OF Cash \$ 100.00

One Hundred and 00/100 DOLLARS

STATE BANK
Tennville
Sully

TREAS/CHIEF
Brenda Patti, Sears

MI # Christmas Plates

⑆00000⑆0000⑆

2061 12/14/2007 100.00

SEARSBORO FIRE/EMS
TAXATION ACCOUNT
P.O. BOX 673
SEARSBORO, IA 50242

72-1441/739

593

DATE 02/04/08

PAY TO THE ORDER OF Cash \$ 100.00

One Hundred and 00/100 DOLLARS

STATE BANK
Tennville
Sully

Two Signatures Required
Brenda Patti, Sears

MI # Green Plates

⑆00000⑆0000⑆

Check # 593 for \$100.00 02/04/2008

Report on Special Investigation of the
Searsboro Volunteer Fire/EMS Department

Copies of Checks Payable to Cash

SEARSBORO FIRE/EMS
P.O. BOX 674
SEARSBORO, IA 50242

72-1441/729
165308

2090

DATE *03 July 08*

PAY TO THE ORDER OF *Cash* \$ *125.00*

One Hundred Twenty Five and 00/100 DOLLARS

STATE BANK
Lynnville
Sully

TREAS/CHIEF
Keneth S. Austin

MEMO
[REDACTED] 2090

Check # 2090 for \$125.00 07/07/2008

SEARSBORO FIRE/EMS
P.O. BOX 674
SEARSBORO, IA 50242

72-1441/729
165308

2087

DATE *05/27/08*

PAY TO THE ORDER OF *Cash* \$ *100.00*

One Hundred and 00/100 DOLLARS

STATE BANK
Lynnville
Sully

TREAS/CHIEF
Keneth S. Austin

MEMO *EMS*

[REDACTED] 2087

Check # 2087 for \$100.00 05/27/2008

Report on Special Investigation of the
Searsboro Volunteer Fire/EMS Department

Copies of Wal-Mart Receipts

ST# 0647 OP# 00001393 TE# 11 TR# 01563

GV RIPPL CHP 007874220012SF	1.50	HD
GV RIPPL CHP 007874220012SF	1.50	HD
GV RIPPL CHP 007874220012SF	1.50	HD
GV RIPPL CHP 007874220012SF	1.50	HD
GV RIPPL CHP 007874220012SF	1.50	HD
GV RIPPL CHP 007874220012SF	1.50	HD
** VOIDED ENTRY **		
GV RIPPL CHP 007874220012SF	1.50	HD
PORK BEANS 003940001628SF	4.84	H
PORK BEANS 003940001628SF	4.84	H
PORK BEANS 003940001628SF	4.84	H
PORK BEANS 003940001628SF	4.84	H
TARE WEIGHT 00.01 LB		
ONIONS 000000004093KF		
0.61 LBS AT 1 FOR 0.93	0.57	H
PEPSI DT 24P 001200000053SF	4.98	AD
IA DEPOSIT 007874234424SF	1.20	H
PEPSI 24 PK 001200000017SF	4.98	AD
IA DEPOSIT 007874234424SF	1.20	H
MT DEW DT 24 001200000170SF	4.98	AD
IA DEPOSIT 007874234424SF	1.20	H
MT DEW 24 PK 001200000088SF	4.98	AD
IA DEPOSIT 007874234424SF	1.20	H
	SUBTOTAL	52.15
	SALES TAX 1	1.20
	TOTAL	53.35

ABA # 073914411
[REDACTED]
CHK# 1941
ID REQUIRED - RENEWAL
[REDACTED]
ABA # 073914411
[REDACTED]
CHK# 1941
CHECK STATUS IS APPROVED
[REDACTED]
CHECK TEND 73.35
CHANGE DUE 20.00

TC# 3593 2759 0008 7953 0237
05/24/06 14427146

Report on Special Investigation of the
Searsboro Volunteer Fire/EMS Department

Copies of Wal-Mart Receipts

ST# 0647 OP# 00002315 TE# 11 TR# 06266

SKITTY 8LB	007874205744S	5.44	AD
COUGH/COLD	031254663383S	4.12	ADH
EQ IBU TABS	048113169937S	2.97	ADH
HALLS HWYBR	031254663329S	1.72	ADH
BATTERIES	004133341501S	3.28	AD
BRP DT	0078000083168F	3.50	AD
IA DEPOSIT	0078742345958F	0.40	H
MT BEW	0012000005968F	3.98	AD
IA DEPOSIT	0078742345958F	0.40	H
PEPSI	0012000009958F	3.98	AD
IA DEPOSIT	0078742345958F	0.40	H
ELECTRASOL	005170000926S	2.58	AD
ROLLS	0018000294795F	2.53	H
SWM BEEF BRT	0051000146048F	2.00	H
SWM BEEF BRT	0051000146048F	2.00	H
CC HONEY	0027400130118F	0.98	H
RHZ WNR PET	002340036004S	1.96	AD
NOODLE	0041300000768F	3.26	H
POTATO	0033303530505F	3.78	AD
AE MILK	0071043100208F	1.63	H
	SUBTOTAL	51.01	

ECA TC#			
	SALES TAX 1	2.37	
	TOTAL	54.18	

ABA # 073914411
CK ACCT 166308

CHECK STATUS IS APPROVED

PRINTING CHECK FACE-3			
	ECA CHECK TEND	54.18	
	CHANGE DUE	0.00	

TC# 2447 5257 5290 1167 9562
Was your cashier friendly today?

Ignore 01/05/08 13:27:03

ST# 0647 OP# 00002284 TE# 07 TR# 03044

20 HANG FILE	489701408023S	5.86	AD
BLK INK CART	082916089756S	15.97	AD
BLK INK CART	082916089756S	15.97	AD
WAS 7.76 YOU SAVED	2.80		
FOLGERS	0025500002733F	4.96	H
2DR FILE CAB	002940415797S	27.88	AD
	SUBTOTAL	70.64	

ECA TC#			
	SALES TAX 1	4.42	
	TOTAL	75.24	

ABA # 073914411

CHECK STATUS IS APPROVED

PRINTING CHECK FACE-3			
	ECA CHECK TEND	75.24	
	CHANGE DUE	0.00	

TC# 6707 5605 5850 1667 0542
Did your cashier greet you today?

Ignore 03/12/08 14:58:49

