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NEWS RELEASE

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Auditor of State Mary Mosiman today released a report on a special investigation of the City of Garwin for the period January 1, 2001 through April 30, 2014. The special investigation was requested by City officials as a result of concerns regarding payments made to credit card companies from a City bank account.

Mosiman reported the special investigation identified \$562,089.54 of improper and unsupported disbursements. The \$555,763.66 of improper disbursements identified include 235 checks or electronic payments totaling \$404,101.12 on personal credit card accounts. Of the 235 payments, 203 were traced to credit card statements of the former City Clerk, Anna Lori Leytham. The payments on the credit card accounts were made between December 4, 2000 and September 30, 2013 and range from \$10.00 to \$8,342.51. The credit card accounts include multiple Capital One and Bank of America accounts and credit card accounts with Chase, Sears, Home Depot, Axsys, GE, MCC, and MBNA. Mosiman reported because the first payment identified was included in the oldest set of bank statements available, it is likely additional payments were issued prior to January 1, 2001. Bank statements and images of check redeemed prior to January 1, 2001 could not be recovered.

Mosiman also reported the improper disbursements identified include 3 checks totaling \$4,026.06 issued to a credit repair and consulting vendor on dates when Ms. Leytham issued multiple checks from a City bank account as payments on her personal credit card accounts.

In addition, Mosiman reported the improper disbursements identified also include \$145,224.38 of payments Ms. Leytham issued to herself. Specifically, she issued 107 checks totaling \$68,419.04 to herself which were in addition to her payroll checks. Mosiman also reported the payroll checks Ms. Leytham issued to herself include payment for hours in excess of the maximum 30 hours per week she was expected to work. The cost to the City for the excess hours total \$71,365.92, including the City's share of FICA and IPERS contributions. Other

checks Ms. Leytham issued to herself totaling \$5,439.42 were identified as improper disbursements because they were not supported or approved by the City Council.

Mosiman reported the \$6,325.88 of unsupported disbursements identified include payments to Ms. Leytham's husband and payments to vendors for purchases which may have been personal in nature.

Mosiman also reported it was not possible to determine if additional amounts were improperly disbursed because bank statements and images of checks redeemed prior to January 1, 2001 could not be recovered from the City's bank and sufficient records from the City were not readily available. In addition, it was not possible to determine if utility collections were properly deposited because adequate documentation was not available.

Copies of the report have been filed with the Iowa Division of Criminal Investigation, the Tama County Attorney's Office, and the Iowa 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/1422-0829-BE00.pdf>.

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