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NEWS RELEASE

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FOR RELEASE August 3, 2016

Auditor of State Mary Mosiman today released a report on a special investigation of the Fremont County Sanitary Landfill Commission (Commission) for the period March 1, 2014 through September 30, 2015. The special investigation was requested by Board members as a result of concerns regarding certain financial transactions.

Mosiman reported the special investigation identified \$39,599.38 of improper and unsupported disbursements, undeposited collections, and forgone revenues. The \$7,904.43 of improper disbursements identified includes \$2,299.37 of purchases with a Commission credit card, \$2,100.00 of estimated excess fuel purchases with the Commission's fuel card, and \$1,612.50 of transportation costs improperly paid by the Commission.

The undeposited collections identified total \$7,622.10, including \$5,768.00 which was collected for recycled pallets purchased from the Commission and \$1,616.50 which should have been collected from Troika International, LLC, a vendor the Commission entered into an agreement with. Mosiman reported some of the payments for recycled pallets were deposited to the former Manager's personal bank account rather than the Commission's bank account. Mosiman also reported it is not possible to determine if additional collections were not properly deposited because sufficient records were not available.

Mosiman also reported the \$21,450.00 of forgone revenue identified includes \$1,450.00 of estimated reimbursements not received from the Department of Natural Resources (DNR) and \$20,000.00 of forgivable loan proceeds which have to be repaid to DNR as a result of not complying with program requirements.

The \$2,622.85 of unsupported disbursements identified includes payments on a Commission credit card and payments to vendors for which supporting documentation was not available. As a result, it was not possible to determine the propriety of the payments.

The report includes recommendations to strengthen the Commission's internal controls and overall operations, such as improving segregation of duties. Mosiman also recommended the Board exercise due care and require and review pertinent information and documentation prior to making decisions affecting the Commission's operations, including the recycling program.

Copies of the report have been filed with the Fremont County Sheriff's Office, the Division of Criminal Investigation, the Fremont County Attorney's Office, and the Attorney General's Office. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's website at <https://auditor.iowa.gov/reports/1514-2353-BE00>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
FREMONT COUNTY SANITARY LANDFILL COMMISSION
FOR THE PERIOD
MARCH 1, 2014 THROUGH SEPTEMBER 30, 2015**

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Auditor of State's Report

To the Members of the Fremont County
Sanitary Landfill Commission:

As a result of alleged improprieties regarding certain financial transactions and at your request, we conducted a special investigation of the Fremont County Sanitary Landfill Commission (Commission). We have applied certain tests and procedures to selected financial transactions of the Commission for the period March 1, 2014 through September 30, 2015. Based on a review of relevant information and discussions with Commission personnel and officials and the Commission's fiscal agent, we performed the following procedures:

- (1) Evaluated internal controls to determine if adequate policies and procedures were in place and operating effectively.
- (2) Interviewed the Commission's fiscal agent and Commission staff to determine what accounting records were maintained, to obtain an understanding of how financial transactions were processed, and to determine if bank reconciliations were performed in a timely manner, reviewed, and approved.
- (3) Reviewed Board meeting minutes to identify significant actions and to determine if certain payments were properly approved.
- (4) Examined certain collections to determine if they were properly recorded and deposited.
- (5) Examined fuel purchases by the Commission's former Manager to determine propriety.
- (6) Reviewed and assessed the Commission's policies regarding the use of credit cards and examined credit card statements and the related invoices to determine the propriety of activity.
- (7) Examined certain disbursements to determine propriety and if appropriate supporting documentation was available.
- (8) Obtained and reviewed an agreement between the Commission and a recycling broker to determine if the terms of the agreement were in the best interest of the Commission. We also examined certain financial transactions associated with the agreement and/or the recycling broker to determine if collections were properly remitted to the Commission.
- (9) Reviewed the former Manager's personal bank statements, obtained by the Fremont County Sheriff's Office, to identify the source of certain deposits.
- (10) Reviewed the bank statements of a recycling broker which had an agreement with the Commission, obtained by the Fremont County Sheriff's Office, to identify the source of certain deposits and identify all payments to the Commission.

These procedures identified \$39,599.38 of improper and unsupported disbursements, undeposited collections, and forgone revenues. We were unable to determine if additional collections were not properly deposited because sufficient 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 Fremont County Sanitary Landfill Commission, other matters might have come to our attention that would have been reported to you.

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

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of the Fremont County Sanitary Landfill Commission and the Fremont County Sheriff's Office during the course of our investigation.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

June 17, 2016

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Investigative Summary

Background Information

The Fremont County Sanitary Landfill Commission (Commission) was formed in accordance with the provisions of Chapter 28E of the *Code of Iowa*. The participating units of government, referred to as members, include Fremont County and the cities of Farragut, Hamburg, Imogene, Randolph, Riverton, Sidney, Tabor, and Thurman. The Commission was established for the purpose of providing for the sanitary disposal of solid waste within the members' boundaries through the joint operation of a landfill site and the initiation of such other solid waste reduction or recycling programs as the members deem necessary and beneficial to the citizens they serve.

The Commission is governed by a 9 member Board which consists of a representative from each participating unit of government. The Board is responsible for selection of a Manager. Dusty VanRenan was hired as the Commission's Manager on March 11, 2014. As the Manager, he was responsible for day-to-day operations of the Commission, including maintaining the Commission's equipment, grounds, and shop area; supervising employees at the landfill; ensuring compliance with regulations established by the Iowa Department of Natural Resources; purchasing supplies necessary for operations; and maintaining certain records of financial transactions processed by the Commission. In addition, Mr. VanRenan was expected to attend all Commission meetings.

Sidney Tax and Accounting served as the Commission's fiscal agent until November 2015. As the fiscal agent, employees of Sidney Tax and Accounting were responsible for processing the Commission's financial transactions. Specifically, the fiscal agent was responsible for the following duties:

1. Receipts – receiving fees collected by Commission employees at the landfill, preparing billings for customers who charge the landfill fees when depositing waste at the landfill, opening mail containing payments from customers, collecting fees from members, reconciling initial receipt listings to collections, preparing and making deposits, and recording the deposits in the accounting system.
2. Disbursements – opening mail containing bills from vendors, preparing disbursement listings for the Board's approval, preparing checks, counter-signing checks, recording disbursements in the accounting system, and preparing monthly expenditure reports.
3. Reconciliations – reconciling bank balances to accounting records.
4. Reporting – acting as the secretary at Board meetings and preparing minutes from the meetings. In addition, the fiscal agent was responsible for preparing and presenting the year-to-date profit and loss statement, balance sheet, accounts receivable aging summary, and billings to collections reconciliation.

The Commission's primary revenue sources include waste management fees paid by members and fees collected at the gate of the landfill for solid waste deposited by customers. Fees collected at the gate are calculated based on the weight of the solid waste brought to the landfill. Vehicles transporting waste are weighed when they arrive at the landfill and again as they leave. The vehicle's weight is measured by an electronic scale and stamped on prenumbered receipts, referred to as gate receipts.

Gate receipts are recorded on a spreadsheet, referred to as a daily log. The daily log indicates each gate receipt's number and the amount of cash or check received for each transaction. In addition to the daily log, scale operators also prepare a daily cash balancing spreadsheet which documents the beginning amount of cash on hand, the daily collections in cash and checks, and the deposit amount. The Commission maintains a \$250 change fund. Until the gate receipts are taken to the fiscal agent, they are maintained in a money bag at a "secret" location at the landfill.

They do not have a lock box or locking file cabinet. The 2 scale operators are the only ones who know the location of the bag.

The daily log, daily cash balancing spreadsheet, gate receipts, and cash and check collections are taken to the Commission's fiscal agent at the beginning of each week. Upon receipt, the fiscal agent balances the collections to the activity recorded in the weekly logs and gate receipts. The fiscal agent then prepares the deposit and records it in the Commission's accounting system.

Customers with an established charge account may charge their gate fees which are recorded on the daily log. The fiscal agent enters the charge amounts into the accounting software and is responsible for generating monthly billings. The fiscal agent generally receives payments for charge accounts by mail. Upon receipt, the fiscal agent opens the mail, records the receipt in the accounting system, and prepares a deposit.

As previously stated, the Commission's fiscal agent receives invoices by mail which are used to prepare a disbursement listing for the Board's approval. After the Board's approval, checks are prepared and distributed to the vendors by the fiscal agent. Checks are signed by the fiscal agent and a representative of the Board.

The fiscal agent also prepares paychecks for Commission employees based on their manual timesheets. Using the timesheets and pay rates approved by the Board, the fiscal agent prepares the bi-weekly payroll records and pays employees through direct deposit. The fiscal agent also maintains a record of each employee's vacation and sick leave balance. The balances are shown on the employees' pay stubs.

Mr. VanRenan resigned as the Commission's Manager at the September 8, 2015 Board meeting. Prior to Mr. VanRenan's resignation, several Board members questioned certain disbursements and voiced concerns regarding operations of the Commission's recycling program during the meeting. Board members also discussed the viability of continuing the recycling program based on a number of concerns discussed during the meeting.

As a result of the concerns identified by the Board, the Office of Auditor of State was requested to review the Commission's financial transactions. We performed the procedures detailed in the Auditor of State's report for the period March 1, 2014 through September 30, 2015.

Detailed Findings

These procedures identified \$39,599.38 of improper and unsupported disbursements, undeposited collections, and forgone revenues. The \$7,904.43 of improper disbursements identified includes \$2,299.37 of purchases with a Commission credit card, \$2,100.00 of estimated excess fuel purchases with the Commission's fuel card, and \$1,612.50 of transportation costs improperly paid by the Commission.

The \$7,622.10 of undeposited collections identified includes amounts deposited to the Commission's former Manager's personal bank account rather than the Commission's bank account and amounts which should have been collected from a vendor the Commission entered into an agreement with. The \$21,450.00 of forgone revenues identified includes proceeds obtained through agreements with the Department of Natural Resources which were reverted as a result of not complying with the Regional Collection Center program and Solid Waste Alternative program requirements.

Because sufficient records were not available, we were unable to determine if there were any additional undeposited collections. The improper and unsupported disbursements and undeposited collections identified are discussed in the following paragraphs and summarized in **Exhibit A**.

IMPROPER AND UNSUPPORTED DISBURSEMENTS

Based on a review of vendors used by the Commission and discussions with Commission officials and staff, we identified payments to certain vendors for which we requested any supporting documentation to determine the propriety of the payments made with the Commission's funds.

Based on our review of available supporting documentation; the vendor, frequency, and amount of the payments; and discussions with Commission officials and staff, we classified payments as improper, unsupported, or reasonable. Payments were classified as improper if they appeared personal in nature or were not reasonable for Commission operations. Payments were classified as unsupported if it was not possible to determine if the payment was related to Commission operations or personal in nature. Disbursements were classified as reasonable if the vendor, frequency, and amount of payments to vendors appeared appropriate for the Commission's operations. Reasonable transactions identified include, but are not limited to, purchases of supplies and materials for the landfill's operations. The improper and unsupported disbursements identified are discussed in detail in the following paragraphs.

Commission's Credit Cards

Commission credit cards, which were obtained in May 2014, were held by Mr. VanRenan and another employee. Monthly credit card statements for the credit cards were sent to the Commission's fiscal agent for payment. We reviewed the credit card statements for both credit cards for the period of our investigation and determined the credit card held by the Commission employee was used infrequently. Supporting receipts and invoices for the purchases made with the credit card were attached to the monthly credit card statements maintained in the Commission's records for all but 1 of the purchases made with the card. The purchase was from a restaurant at a location and during a period the employee was attending training for his Commission duties. As a result, we were able to determine the purchase was reasonable for Commission operations.

We also determined the credit card held by Mr. VanRenan was used frequently for purchases at vendors such as Northern Tool, Orscheln, and Walmart. Available supporting documentation showed materials and supplies for the Commission were purchased with the credit card. However, sufficient supporting documentation was not consistently attached to the credit card statements maintained in the Commission's records. As a result, it was not always possible to determine the specific items purchased with the credit card. When supporting documentation was not available for purchases made with the credit cards, we discussed charges with Commission officials to determine the propriety of the purchase. When possible, we also used information obtained directly from the vendors to determine if the items purchased were improper or reasonable for Commission operations.

Charges made with the Commission's credit card held by Mr. VanRenan which are classified as improper or unsupported are listed in **Exhibit B**. As illustrated by the **Exhibit**, we identified improper charges totaling \$2,299.37 and unsupported charges totaling \$2,089.95. Certain charges are described in detail in the following paragraphs.

- The improper charges identified include fuel purchases. According to Commission officials and staff we spoke with, fuel purchases were to be made exclusively with the Casey's fuel card. However, the credit card statements include 41 charges, totaling \$1,894.27, from Casey's General Store, Cenex Cubbys, Hamburg Oil Company, Pilot, and Shell Oil. The purchases were made from July 14, 2014 through August 18, 2015.

The credit card statements also include 2 purchases made on February 5, 2015 from Bohlean's Farm Service in Percival, IA for \$75.00 and \$65.78. The supporting receipts show the purchases were for diesel fuel.

- The credit card statements include a \$484.00 purchase from Mid Plains EyeCare Center in Nebraska City, NE. Supporting documentation attached to the credit card statement shows the December 19, 2014 purchase was for prescription eye glasses. According to Commission officials and staff we spoke with, Mr. VanRenan was authorized by the Commission to be reimbursed for up to \$350.00 for prescription eye glasses. Although Commission officials asked Mr. VanRenan to repay any amount in excess of the maximum authorized amount, we did not identify any reimbursements from Mr. VanRenan. As a result, the \$134.00 excess cost paid by the Commission is included in **Exhibit B** as an improper disbursement.
- **Exhibit B** includes 6 improper purchases, totaling \$106.36, from vendors located near the landfill which serve meals, including McDonald's, Wendy's, Pizza Hut, and a grocery store in Sidney which includes a deli. Because the locations of the vendors are near the landfill, the purchases do not appear to be related to travel required of Commission employees. As a result, they are considered improper disbursements.
- **Exhibit B** includes 23 purchases from Apple Itunes.com. As illustrated by the **Exhibit**, we classified 19 of the purchases as unsupported and 4 as improper. According to a Commission employee, Mr. VanRenan may have purchased applications for tracking certain landfill operations on the iPad purchased by the Commission on September 24, 2014.

As illustrated by the **Exhibit**, 18 of the 19 purchases classified as unsupported were recurring monthly amounts which may be monthly subscription fees for the applications. In addition, it appears the initial purchase may have been on October 21, 2014 for \$9.99 plus the first month's subscription fee of \$6.99. Because we are unable to determine the propriety of the 19 purchases, they are classified as unsupported.

However, the remaining 4 purchases from Apple Itunes.com were for irregular amounts at irregular intervals. Because Commission officials and staff we spoke with were not able to identify any need for these purchases for Commission operations, they are classified as improper.

The unsupported disbursements identified include 3 purchases from SAT-Tech, LLC, a retail vendor in Nebraska City, NE. SAT-Tech, LLC specializes in satellite and technology services, but also provides shipping services. During our review of purchases with the Commission's credit card held by Mr. VanRenan, we identified 9 purchases from SAT-Tech, LLC which totaled \$553.44 and were supported by appropriate documentation which showed the purchase was for shipping samples from the landfill. Because supporting documentation was not available for the remaining 3 purchases, we are unable to determine if they were for Commission operations. As a result, they are classified as unsupported.

The \$2,299.37 of improper purchases and \$2,089.95 of unsupported purchases identified which were made with the Commission's credit card held by Mr. VanRenan are included in **Exhibit A**.

We also identified 38 purchases made with the Commission credit cards which were determined to be reasonable. However, the 38 purchases included sales tax totaling \$215.97. Of the 38 purchases identified, 37 were made with the Commission credit card held by Mr. VanRenan. Because the Commission is a governmental entity, it is exempt from sales tax. The \$215.97 of sales tax paid by the Commission is included in **Exhibit A** as improper disbursements.

The Commission incurred a late fee and finance charges for the Commission's credit cards. Payment of the credit card bills in a timely manner is the fiscal agent's responsibility. **Table 1** lists the late fee and finance charges paid from June 1, 2014 through September 30, 2015. Because all bills should be paid in a timely manner and late fees should not be incurred, the \$72.42 total is included in **Exhibit A** as improper disbursements.

Table 1

Statement Date	Description	Amount
08/01/14	Late fee	\$ 29.00
08/01/14	Finance charge	7.67
01/01/15	Finance charge	35.75
Total		\$ 72.42

Casey's Fuel Card

As stated previously, Commission officials and staff we spoke with stated fuel purchases for Commission equipment were to be made exclusively with the Casey's fuel card. Commission officials and staff also stated fuel is only to be purchased for the Commission's pickup and small gas containers kept at the landfill to fuel small equipment, such as the chainsaw, lawn mower, generator for the leachate pump, and weed trimmer. The pickup, which is used to make local trips for supplies and tools, is usually refueled biweekly and the gas cans are refilled on a monthly basis.

According to Commission officials and staff we spoke with, concerns were identified regarding the possible misuse of the fuel card; however, no significant action was taken to curtail the significant increase in fuel purchases during Mr. VanRenan's tenure as Manager. As a result of the concerns identified, we reviewed Casey's fuel card statements for the period July 1, 2013 through February 1, 2016.

As stated previously, Mr. VanRenan served as Manager for the Commission from March 11, 2014 through September 8, 2015. We compared the purchases made with the Casey's fuel card before, during, and after Mr. VanRenan's tenure as Manager. **Table 2** summarizes this comparison.

Table 2

Billing Months	Average Price per Gallon	Average Amount per Month	Average Number of Transactions per Month	Average Gallons per Month
July 2013 - March 2014	\$ 3.14	\$ 87.58	1.9	27.87
April 2014 - September 2015	2.94	206.43 [^]	4.4	70.22
October 2015 - January 2016	2.01	58.50 [^]	2.0	29.17

[^] - If the average price per gallon had remained \$3.14, the average amount per month would have been \$220.49 for April 2014 through September 2015 and \$91.59 for October 2015 through January 2016.

As illustrated by the **Table**, average monthly purchases made with the Casey's fuel card increased from \$87.58 to \$206.43, or by \$118.85, while Mr. VanRenan served as Manager, even though the average price per gallon decreased \$.20 during this time. After Mr. VanRenan resigned, average monthly Casey's fuel card purchases decreased to \$58.50. Also as illustrated by the **Table**, the average price per gallon of the fuel purchased increased during the period reviewed. If the average price per gallon had remained the same as the average price from July 2013 through March 2014, the average monthly purchase amounts would have been \$220.49 during the period Mr. VanRenan was the Manager and \$91.59 during the period after his resignation.

As previously stated, Mr. VanRenan also used the Commission's credit card to purchase fuel on a number of occasions while he was the Manager. These purchases, which were in addition to the fuel purchases made with the Casey's fuel card, totaled \$2,035.05 with a monthly average of \$113.05. As illustrated by **Exhibit B**, these fuel purchases are included in improper disbursements.

Commission officials and staff we spoke with were unable to provide an explanation for the increase in fuel purchases during Mr. VanRenan’s tenure or the decrease after his resignation. As a result, the estimated cost of the increased fuel purchased during that period is considered to be excess fuel purchased and is included in **Exhibit A** as improper disbursements. The calculation of the cost of estimated excess fuel purchased during Mr. VanRenan’s tenure is illustrated in **Table 3**.

Description	Amount
Average number of gallons purchased per month:	
April 2014 – September 2015, rounded	70
October 2015 – January 2016, rounded	30
Excess number of gallons purchased per month	40
x Average price per gallon, April 2014 – September 2015	\$ 2.94
Cost of estimated excess fuel purchased each month	117.60
x Number of months	18
Cost of estimated excess fuel purchased	\$ 2,116.80
Cost of estimated excess fuel purchased, rounded	\$ 2,100.00

Purchases from Vendors

The Commission established charge accounts with certain vendors, including Fastenal and Orscheln. We reviewed all disbursements to vendors with which charge accounts were established to determine if the items purchased appeared reasonable for landfill operations. We also discussed certain purchases with Commission officials, employees, and the fiscal agent to determine propriety. Based on our review, we identified improper and unsupported purchases from Fastenal and Orscheln which are discussed in detail in the following paragraphs.

Fastenal – We identified 3 purchases from Fastenal of “Sqwincher”, a flavoring to be added to water. The 3 purchases totaled \$74.20. Because these purchases are not for the operations of the landfill and are personal in nature, they are improper disbursements. We also identified 15 purchases which included sales tax totaling \$109.12. Because the Commission is a governmental entity, it is exempt from sales tax. As a result, the sales tax paid by the Commission is improper. The total \$183.32 of improper disbursements is included in **Exhibit A**.

Orscheln – Supporting documentation was not available for 6 purchases charged to the Commission’s Orscheln charge account. The purchases are listed in **Table 4**. The \$532.90 total of the purchases is included in **Exhibit A** as unsupported purchases.

Date of Purchase	Amount
03/31/14	\$ 159.43
04/03/14	95.78
04/04/14	73.10
04/14/14	10.69
10/04/14	126.55
11/06/14	67.35
Total	\$ 532.90

In addition to the purchases for which supporting documentation was not available, we identified a purchase which included \$2.79 for candy. Because the candy is personal in nature, it is an improper disbursement. We also identified 31 purchases which were determined to be

reasonable. However, of the 31 purchases, 28 included sales tax totaling \$265.67. Because the Commission is a governmental entity, it is exempt from sales tax. As a result, the sales tax paid by the Commission is improper. The total \$268.46 of improper disbursements and the \$532.90 of unsupported disbursements in **Table 4** are included in **Exhibit A**.

Reimbursements to Dusty VanRenan

We reviewed all payments issued to Mr. VanRenan and determined he received 13 reimbursements from the Commission from March 2014 through September 2015. Supporting documentation was available for 5 of the 13 reimbursements which showed the payments were for supplies and materials, lodging costs, meal costs while traveling, and/or mileage.

For the 5 supported reimbursements, appropriate documentation was available for some of the lodging costs, meals, and purchases. However, the number of miles Mr. VanRenan claimed appears excessive for several trips for which he received a reimbursement. **Table 5** compares the number of miles Mr. VanRenan claimed to the actual number of miles between Sidney, Iowa and his destination. The **Table** also includes the excess reimbursement he received as a result of the excess miles reported.

Table 5

Check Date	Check Number	Destination	Per Mileage Claim		Excess Miles Claimed	Excess Reimbursement*
			Number of Miles Claimed	Actual Number of Miles^		
05/09/14	12414	West Des Moines, IA	468.9	322.0	146.9	\$ 83.00
06/10/14	12448	Des Moines, IA	371.0	340.0	31.0	17.52
07/29/14	12506	Altoona, IA	413.0	360.0	53.0	29.95
Total						\$ 130.47

^ - According to Google Maps®

* - Calculated using the Commission's mileage rate of \$0.565 per mile

As illustrated by the **Table**, Mr. VanRenan claimed 413 miles for his trip to Altoona, IA for training in July 2014. However, in addition to the mileage reimbursed to Mr. VanRenan for the trip, he purchased 24.803 gallons of unleaded fuel at Casey's in Anita, IA with the Commission's credit card on July 14, 2014. Receipts for meals submitted by Mr. VanRenan document he was in Altoona from July 14, 2014 until July 17, 2014. As illustrated by **Exhibit B**, the \$91.00 of fuel purchased with the Commission's credit card is included in the improper disbursements previously identified.

During Mr. VanRenan's trip in July 2014, he made a \$50.00 purchase at Jethro's Restaurant in Altoona on July 16, 2014. Because Mr. VanRenan did not submit a detailed receipt for the purchase, we are unable to determine the meal(s) and/or beverage(s) purchased. However, because he submitted the credit card receipt, we were able to determine the purchase consisted of \$41.76 of food and/or beverages and an \$8.24 tip. The Commission has not established any limitations on the cost of meals to be paid for or reimbursed by the Commission while traveling for Commission purposes. As illustrated by **Exhibit B**, the \$50.00 purchase from Jethro's with the Commission's credit card is included in the unsupported disbursements previously identified.

The remaining 8 reimbursements to Mr. VanRenan were not supported and are listed in **Table 6**. Reimbursement to all employees should be supported by appropriate documentation before reimbursement is made. Because Mr. VanRenan should have submitted some type of support for each reimbursement he received, the 8 reimbursements listed in the **Table** are improper disbursements.

Table 6

Check Date	Check Number	Description in Accounting / Payroll System	Amount
02/14/15	12742	Reimbursement	\$ 257.58
03/20/15	##	Mileage	56.88
04/17/15	##	Mileage	238.35
05/29/15	##	Mileage	114.00
06/12/15	##	Mileage	18.24
07/24/15	##	Mileage	86.64
08/21/15	##	Mileage	44.46
09/04/15	##	Mileage	205.77
Total			<u>\$ 1,021.92</u>

- Included with direct deposit payroll payment.

The \$130.47 of reimbursements to Mr. VanRenan for the excess mileage summarized in **Table 5** and the improper reimbursements of \$1,021.92 in **Table 6**, which total \$1,152.39, are included in **Exhibit A** as improper disbursements.

UNDEPOSITED COLLECTIONS

As previously stated, the Commission's primary revenue sources include waste management fees paid by members and fees collected at the gate of the landfill for solid waste deposited by customers. In addition to solid waste disposal, the Commission also operates a recycling program for certain items. The following paragraphs describe undeposited collections associated with the gate collections and the recycling program.

Gate Collections

As previously stated, the Commission's primary revenue sources include fees collected at the gate for solid waste. After the amounts collected are remitted by Commission employees to the fiscal agent each week, the fiscal agent is to record the collections in the accounting system and prepare the collections for deposit to the bank.

Commission officials determined certain collections remitted by Commission employees to the fiscal agent were recorded in the accounting system but not deposited to the Commission's checking account in a timely manner. Commission officials also identified a receipt remitted by Commission employees to the fiscal agent which was not recorded in the accounting system and not deposited to the Commission's checking account. The undeposited collections identified are listed in **Exhibit C** and summarized in **Table 7**.

Table 7

Dates of Receipts	Date Recorded	Undeposited Collections
01/19/15-01/24/15	01/31/15	\$ 588.42
03/23/15-03/31/15	04/04/15	864.40
06/01/15-06/06/15	06/10/15	1,682.44
07/07/15-07/18/15	07/31/15 [^]	520.36
Total		<u>\$ 3,655.62</u>

[^] - Deposits were to be made weekly by the fiscal agent; however, this deposit included a 2 week period.

As stated previously, the fiscal agent confirms the amount of collections remitted by Commission employees agrees with the daily logs. This confirmation is documented by the fiscal agent's signature next to the collections amount recorded in a weekly log. The undeposited receipts summarized in **Table 7** were confirmed by the fiscal agent as documented by signatures on the weekly log.

During our fieldwork, the Commission entered into a repayment agreement with the former fiscal agent, Sidney Tax and Accounting, for the repayment of undeposited receipts which totaled \$3,655.62.

The agreement also included repayment by Sidney Tax and Accounting for 25% of an overpayment for health insurance premiums. According to a Commission official we spoke with, the Commission switched the health insurance coverage to a group policy at the beginning of 2015 due to the requirements of the Affordable Care Act. The Commission instructed the former fiscal agent to cancel the existing policy at that time. However, it was not cancelled until the new fiscal agent determined in December 2015 the Commission had been paying both health insurance providers during 2015.

As a result of the agreement, Sidney Tax and Accounting issued a payment to the Commission on March 25, 2016 for the undeposited collections and 25% of the overpaid health insurance premiums. Because reimbursement was made to the Commission, the amount is not included in **Exhibit A**.

As a result of the undeposited collections discussed above, we compared all receipts recorded in the Commission's accounting system to subsequent bank deposits for the period July 1, 2013 through January 31, 2016. Although no additional undeposited receipts were identified using this method, if a gate receipt had not been created or recorded in the daily log, it would not be possible to determine if the collection was deposited.

While reviewing the supporting documentation related to the undeposited gate receipts identified by Commission officials, we identified 2 additional receipts recorded in the daily logs which were not recorded in the accounting system by the fiscal agent. **Table 8** lists the 2 receipts identified. The \$68.00 total is included in **Exhibit A** as undeposited collections.

Table 8

Date	Ticket Number	Amount
03/28/15	61352	\$ 8.00
03/31/15	1029	60.00
Total		\$ 68.00

Recycling Program

As previously stated, the Commission operates a recycling program in addition to solid waste disposal. The Commission accepts materials dropped off at the landfill and collects recyclable materials from entities, including plastic products, aluminum, pallets, supersacks, glass, liquid bulk totes, cardboard, and newspaper. Once materials are received, they are to be processed by Commission employees by separating, cleaning, shredding, compacting, and aggregating the materials, as appropriate. In addition, Commission employees are to appropriately dispose of hazardous waste. After preparing the recyclable materials, the processed products are to be sold to end users who either reuse or recycle the materials.

During the period of our review, primary components of the recycling program included the sale of recyclable materials, the Regional Collection Center Program, and the Solid Waste Alternatives Program. Each of these components are discussed in detail in the following paragraphs.

Sale of Recyclable Materials – The Commission established an agreement in August 2014 with Troika International Trading Co., LLC, doing business as Troika Recycling (Troika). The agreement stated, in part, “This is an agreement for Troika Recycling, to remove recycleable [sic] waste from the facilities of Fremont County Landfill in Sidney, IA. Upon acceptance, Troika commits to arranging sale, transportation, and guarantee of recycling of any single type of waste material from Sidney, IA, and a share of profit from any transactions.”

The agreement was signed by the Commission’s chairman and Jon Steinbeck, who was designated as the owner of Troika in the agreement. All documentation available for review at the Commission regarding the agreement with Troika and subsequent communications with Troika involved only Mr. Steinbeck. It appears there were no other employees of Troika. By searching public records available online, we determined the address of Troika included in the agreement was a residential apartment in Omaha, NE. Troika did not operate from an office, warehouse, or other business-type facility.

The agreement established between the Commission and Troika also included the following components as “key points”:

- “Fremont County Landfill agrees to allow Troika to remove baled recycleable [sic] waste, with each type accumulated in a truckload quantity (40,000 lbs). No charges will be levied on either side of these transactions. Fremont County Landfill commits to using all reasonable means to load at least 40000 lbs of recycleable [sic] materials flatbed or Van trailer.”
- “Both parties agree to arrange for the weighing of each load. The scales at Fremont County Landfill are acceptable, and both parties will direct the driver to weigh before and after cargo is loaded, to get the light and heavy weights. Tickets will be provided to either party for each transaction.”
- “Troika will provide all transportation at Troika’s expense to have the scrap hauled away from Fremont County Landfill in Sidney, IA. Troika will provide a flatbed or van trailer within 4 business days to Fremont County Landfill, once Fremont County Landfill notifies Troika they have 40000 lbs of recycleable [sic] material ready for pickup.”

Commission staff provided us the information summarized in **Table 9** regarding payments the Commission received from Troika after the agreement was established. The summary information was periodically updated by Mr. Steinbeck in an e-mail sent to Mr. VanRenan. A copy of the last e-mail which summarized the collections as of the date of the e-mail is included in **Appendix 1**.

Table 9

Pick-up Date	Pick-up Site	Total Amount	Subtotal	50% Split	Date Posted[^]
09/18/14	Eaton	\$ 175.50	175.50	\$ 87.75	09/24/14
09/25/14	Eaton	191.00			
09/30/14	Eaton	159.00	350.00	175.00	10/15/14
10/09/14	Earl [May]	792.00			
10/14/14	Eaton	96.00			
10/15/14	Eaton	194.50			
10/16/14	Earl [May]	961.50			
10/17/14	Eaton	68.00			
10/21/14	Earl [May]	452.50	2,564.50	1,282.25	11/06/14
10/29/14	Eaton	201.00			
11/05/14	Eaton	270.00	471.00	235.50	12/30/14
		<u>\$ 3,561.00</u>	<u>3,561.00</u>	<u>1,780.50</u>	

[^] - Date posted to Commission’s accounting system.

As illustrated by the **Table**, we traced the payments from Troika to amounts recorded in the Commission’s accounting system. We also ensured the amounts recorded in the Commission’s accounting system were properly deposited to the Commission’s bank account. During our review of deposits to the Commission’s bank account, we did not identify any additional payments from Troika. In addition, we did not identify any additional payments to the Commission when we reviewed Troika’s bank statements. However, because we were unable to determine if scale tickets were prepared for all recyclable material sold from the landfill, we are unable to determine what amount, if any, of additional materials were sold through an arrangement brokered by Troika for which the Commission did not receive a payment.

During a Board meeting held in September 2015, the Board discussed a billing received from a local trucking company. A Board member asked Mr. VanRenan about specific portions of the bill, including 8 hours for a trip to Mt. Ayr, IA to deliver cardboard and a 5 hour trip to Council Bluffs. In response to the questions, Mr. VanRenan stated the checks for the payment of the materials delivered during those 2 trips would have been “generated to Troika.” He also explained Troika would have invoiced the 2 customers for the products delivered to them and Troika’s payment terms allowed the customer 30 days to pay. Mr. VanRenan stated the Commission would receive payment for the 2 loads from Troika after Troika was paid. However, the Commission did not receive any payments from Troika for these 2 deliveries.

We spoke with the owner of the trucking company to obtain any additional information about deliveries he made for the Commission. He had also previously been contacted by a Deputy of the Fremont County Sheriff’s Office. After learning from the owner of the trucking company where the deliveries had been made, the Deputy contacted the entities which purchased the recyclable materials delivered from the landfill. Copies of the invoices Troika sent the entities are included in **Appendix 2**.

As illustrated by the **Appendix**, Troika submitted an invoice dated July 27, 2015 to B&M Recycling in Mt. Ayr, IA for 40,000 pounds of baled cardboard. The invoice totaled \$1,791.00. We determined \$1,791.00 was deposited on September 1, 2014 to a bank account held by Troika. During the September 2015 Board meeting, Mr. VanRenan estimated the truckload of cardboard was sold for approximately \$1,800.00 and the Commission’s half would be \$900.00.

Appendix 2 also illustrates Troika submitted 2 invoices to Houston PolyTank dated August 19, 2015 for a total of 56 IBC liquid bulk totes. The 2 invoices total \$1,442.00. A representative of Houston PolyTank also provided the Deputy with documentation which showed the totes were purchased using PayPal which was then paid for with Houston PolyTank’s credit card. We determined \$249.73 and \$1,149.85 was transferred from PayPal on August 21, 2014 to a bank account held by Troika. The payments deposited to the bank account were the amounts of the invoices less the fee withheld by PayPal.

As stated previously, Troika did not remit any portion of these collections to the Commission. While the agreement established between the Commission and Troika did not specify the percentage to be split between the Commission and Troika, as illustrated by **Table 9**, past practice had been for Troika to split the gross amount of the sales price evenly with the Commission. As a result, we determined the Commission should have received \$1,616.50 from Troika for the deliveries from the landfill. The calculation of the undeposited collections is summarized in **Table 10**. The \$1,616.50 total is included in **Exhibit A** as undeposited collections.

Table 10

Invoice Date	Product Description	Gross Sales Amount	50% of Total
07/27/15	40,000 pounds of baled cardboard	\$ 1,791.00	895.50
08/19/15	46 IBC liquid bulk totes	1,184.50	592.25
08/19/15	10 IBC liquid bulk totes	257.50	128.75
Total		\$ 3,233.00	1,616.50

As the Manager, it was Mr. VanRenan’s responsibility to track all materials leaving the landfill and ensuring the Commission was properly paid for all products sold.

During the September 2015 Board meeting, Mr. VanRenan also referred to a truckload of super sacks sent to China in or around December 2014 as a result of the agreement with Troika. Specifically, Mr. VanRenan stated, “And it’ll be the same set up as what we did when we sold the truckload of super sacks to China. That check was sent to Troika then Troika sent us our share of it.” However, we did not identify any collections received by the Commission for the super sacks. During the Board meeting, the fiscal agent also stated he would “have to do some research on that payment in December. I really don’t recall that coming across.” Because additional information was not available, we were unable to determine what amount, if any, the Commission should have received as a result of the sale Mr. VanRenan described during the Board meeting.

During the September Board meeting, discussion was also held on continuing the existing relationship with Troika. As part of that discussion, Mr. VanRenan stated Troika had not “sold anything lately... other than cardboard.” He also stated, “And they have not sold anything since [December 2014 or January 2015] for us other than the cardboard that just went out.”

When a Board member asked Mr. VanRenan during the September 2015 Board meeting about loads of pallets taken to Council Bluffs, he explained pallets were sold to AA Pallets. He also explained if the Commission has Troika sell the pallets for them, they only get 50% of the proceeds and “it’s really not worth doing it” because Troika sells pallets for just \$1.00 each. Mr. VanRenan also told the Board members, “So I’ve really tried not to have pallets sold through him [Troika].”

We contacted AA Pallets and determined AA Pallets purchased pallets from the Commission on at least 14 occasions. A representative of AA Pallets provided us copies of the checks issued to pay for the pallets purchased. **Table 11** summarizes the amounts paid by AA Pallets for the pallets and who the checks were issued to for the pallets.

Table 11

Scale Ticket		Per Check Image				Deposited to Commission’s Bank Account	Not Properly Deposited
Date	Ticket Number	Check Date	Check Number	Payee	Amount		
-	-	10/24/14	61733	Dusty VanRenan	\$ 518.00	-	518.00
-	-	10/31/14	61776	Dusty VanRenan	432.00	-	432.00*
-	-	12/05/14	61985	Dusty VanRenan	632.00	-	632.00*
-	1013	None	62487	Fremont Co Landfill	192.00	192.00	-
-	-	04/16/15	62861	Dusty VanRenan	900.00	-	900.00*
04/17/15	1036	04/17/15	62870	Dusty VanRenan	700.50	700.50	-
04/30/15	1039^	04/30/15	62950	Dusty VanRenan	776.00	400.00	376.00
-	-	06/04/15	63201	Dusty VanRenan	365.00	-	365.00
-	-	06/05/15	63211	Dusty VanRenan	713.50	-	713.50
-	-	07/02/15	63401	Dusty VanRenan	743.50	-	743.50
-	-	07/21/15	63525	Dusty VanRenan	843.00	-	843.00
07/22/15	1068	07/21/15	63526	Fremont County Landfill	312.00	312.00	-
-	-	08/28/15	63787	Dusty VanRenan	245.00	-	245.00
08/29/15	1086	08/28/15	63788	Fremont County Landfill	400.00	400.00	-
Total					\$ 7,772.50	2,004.50	5,768.00

^ - Scale ticket documents \$400.00 cash was received from AA Pallet. See **Appendix 4**.

* - Traced to deposit in Mr. VanRenan’s personal bank account.

As illustrated by the **Table**, we determined 11 of the 14 checks from AA Pallet were issued to Mr. VanRenan. When we spoke with the representative of AA Pallet, we confirmed all of the payments listed in the **Table** were for pallets purchased from the Commission. The representative was unable to explain why some checks were issued to Mr. VanRenan rather than the Commission.

We traced 3 of the 11 checks issued to Mr. VanRenan to deposits in his personal bank account. Of the 3 checks, cash was withheld from 2 of the deposits, including \$400.00 cash withheld when check number 62861 was deposited. Of the remaining 8 checks issued to Mr. VanRenan, he endorsed check number 61733 over to Miki VanRenan and 6 checks were redeemed for cash. Copies of selected checks issued to Mr. VanRenan by AA Pallet are included in **Appendix 3**. As illustrated by the **Appendix**, some of the checks issued to Mr. VanRenan include his Iowa commercial driver's license (IA CDL) number and the date his license expired. The backs of the checks also include his endorsement. These markings indicate the checks were redeemed for cash.

Table 11 also illustrates check number 62950 was issued by AA Pallet to Mr. VanRenan on April 30, 2015 for \$776.00. However, **Appendix 4** includes a copy of a scale ticket issued to AA Pallet on April 30, 2015 for \$400.00 cash. We were able to trace the \$400.00 recorded on the scale ticket to a deposit in the Commission's bank account. According to a representative of AA Pallet, they did not pay cash for pallets purchased from the Commission. As a result, it appears the scale ticket was not prepared based on the actual payment made by AA Pallet for the pallets purchased. As illustrated by **Appendix 3**, the image of check number 62950 illustrates Mr. VanRenan redeemed the check for cash. Because only \$400.00 of the \$776.00 check was deposited to the Commission's bank account, the remaining \$376.00 portion of the check was not properly deposited.

The \$5,768.00 summarized in **Table 11** which was not properly deposited to the Commission's bank account is included in **Exhibit A** as undeposited collections.

During our review of deposits to Mr. VanRenan's personal bank account, we also identified a check issued to him by Tiffany Pallets, LLC. The check was not dated, but it was deposited to Mr. VanRenan's bank account on March 18, 2015. We determined recycling scale ticket number 1023 was issued to Tiffany Pallets on March 17, 2015. The scale ticket stated "Tiffany Pallets bought junk pallets (200) @ .50¢." We determined the \$100.00 collected by the Commission for the scale ticket was recorded in the Commission's accounting system and deposited to the Commission's bank account.

We contacted a representative of Tiffany Pallets, LLC who stated they had purchased 540 pallets from the landfill for \$0.50 each, or a total of \$270.00. The representative also stated an employee from Tiffany Pallets, LLC picked the pallets up from the landfill and only a single purchase was made from the landfill. Because Tiffany Pallets, LLC made only a single purchase from the Commission for 540 pallets, it is clear the scale ticket prepared for 100 pallets was falsified. The representative was not able to explain why the \$269.60 check was issued to Mr. VanRenan rather than the Commission. We were also unable to determine the reason for the difference between the \$270.00 described by the representative for the 540 pallets and the \$269.60 check issued to Mr. VanRenan.

Because the Commission deposited \$100.00 for the transaction, the \$169.60 difference between the deposit amount and the check amount deposited to Mr. VanRenan's personal bank account is included in **Exhibit A** as an undeposited collection.

As stated previously, because we were unable to determine if scale tickets were prepared for all recyclable material sold from the landfill, we are unable to determine what amount, if any, of additional materials were sold for which the Commission did not receive a payment.

During our review of the Commission's recycling program, we identified a number of payments to a local trucking company. We contacted the owner of the trucking company and obtained a detailed log of the dates, locations, and time spent for trucking services he provided to the

Commission. Using the log he provided, we were able to determine which trips were associated with a contract the Commission established to pick up pallets from a local business and which trips were associated with recyclable material sold to customers through the brokerage agreement established with Troika.

As previously stated, the agreement established between the Commission and Troika stated, "Troika will provide all transportation at Troika's expense to have the scrap hauled away from Fremont County Landfill in Sidney, IA." However, we identified 3 instances in which the Commission paid a local trucking company a total of \$1,612.50 for transporting baled cardboard and pallets to Mt. Ayr and Council Bluffs. The payments identified are listed in **Table 12**. Because of the agreement established between the Commission and Troika which states all transportation costs are to be paid by Troika, the \$1,612.50 is included in **Exhibit A** as an improper disbursement.

Table 12

From Log Provided by Trucker			Amount Billed for Service[^]	Included in Check Number	Check Date
Date	Description	Time Spent			
07/21/15	Pick trailer up at landfill and take to Eaton and to Nebraska City and to Council Bluffs.	8 hours, 28 minutes	\$ 637.50	12946	8/11/15
08/21/15	Take trailer from Eaton to landfill.	7 hours, 43 minutes	600.00	12968	9/8/15
08/28/15	Take trailer from landfill to Council Bluffs and back.	4 hours, 50 minutes	375.00	12968	9/8/15
Total			<u>\$ 1,612.50</u>		

[^] - The trucking service rounds time spent up to the next half hour and charges \$75.00 per hour.

FORGONE REVENUES

The Commission entered into certain agreements for funding from the Land Quality Bureau of the Iowa Department of Natural Resources (DNR). The following paragraphs describe forgone revenues associated with the Commission's recycling program.

Regional Collection Center Program – Regional Collection Centers (RCCs) are permanent collection facilities designed to assist the public with proper management and disposal of household hazardous materials. RCC programs allow households and businesses to safely manage hazardous materials they may have, minimizing the product's impact on the environment and improving the health and safety of homes and businesses. The Commission provides a materials exchange where persons can drop off usable materials for others to use at no charge. This saves money and reduces the disposal of usable materials. RCCs also provide education regarding household hazardous materials, such as proper purchasing, use, and storage.

Participants in the RCC program may be eligible to receive a reimbursement from the Iowa Department of Natural Resources (DNR). To be eligible for the reimbursement, participants must submit semi-annual reports. During our review, we determined the semi-annual report for the January 1, 2015 through June 30, 2015 reporting period was not submitted by the September 1, 2015 deadline. As Manager during the reporting period and through the report submission deadline, Mr. VanRenan was responsible for preparing and submitting the RCC Semi-Annual Report. As a result of Mr. VanRenan's failure to submit the semi-annual report, the Commission was not allocated any reimbursement by the DNR.

According to discussions with a DNR representative, the amount of reimbursement remitted to each RCC is calculated based on the claims submitted by all RCCs. The DNR representative also stated the exact amount of reimbursement the Commission would have received if the report had been properly submitted could not be calculated. However, the DNR representative estimated the

Commission would have received approximately \$1,200.00 for Incinerated Hazardous Waste portion of the program and \$250.00 for the Swap Shop portion. The estimated reimbursements of \$1,450.00 are included in **Exhibit A** as forgone revenues.

Solid Waste Alternatives Program - The Solid Waste Alternatives Program (SWAP) works to reduce the amount of solid waste generated and landfilled in Iowa. Through a competitive process, financial assistance is available from DNR for a variety of projects, including source reduction, recycling, and education. The program provides financial assistance in the form of forgivable loans, zero interest loans, and 3% interest loans.

The Commission entered into a SWAP agreement with DNR on December 29, 2014. The purpose of the agreement was to provide for the implementation of a recycling program within Fremont County. In accordance with the agreement, the Commission was required to purchase a shredder for rigid plastic and aluminum recycling and pour a floor in an existing building to house the shredder and other recycling operations. DNR provided the Commission \$30,000.00 of funding for the agreement, including a \$20,000.00 forgivable loan and a \$10,000.00 zero-interest loan. However, the agreement included provisions which included reversion of the forgivable loan and zero-interest loan if the Commission failed to meet certain milestones and reporting requirements.

As previously stated, the Commission established an agreement in August 2014 with Troika to broker recyclable materials deposited to or collected by the Commission. The Commission did not enter into any other agreements for services with Jon Steinbeck, the owner of Troika. However, we observed a number of e-mails between Mr. Steinbeck and a vendor regarding the purchase of a used shredder for the Commission which were dated between February 26, 2015 and March 23, 2015. The e-mails observed were also sent to Mr. VanRenan. The e-mails identified Mr. Steinbeck as the Purchasing Director of Troika. In an e-mail dated March 23, 2015 Mr. Steinbeck stated, "Can you also send us the Bill of Sale?" As a result, it appears the shredder acquired by the Commission was a result of Mr. Steinbeck's efforts. It is unclear why Mr. Steinbeck would have been involved in this process.

The Commission paid \$16,600.00 for the shredder, which was needed to comply with the terms of the agreement established with DNR. However, because the cost of installing the necessary electrical service to operate the shredder is more than the Commission members believe they can afford, the shredder has not been used to process recyclable materials. The 2015 semi-annual report submitted to DNR for the SWAP contract on behalf of the Commission on October 28, 2015 included the following information:

- "Progress on milestones: The concrete floor has been installed in the building. The shredder has been purchase is on-site, but it turns out the estimated cost for installation of the electricity to run the shredder is about \$20,000, currently too expensive for the Commission to justify. Recyclables have been collected and are temporarily stored on-site. Staff has been talking to First Star in Omaha and the Page County Landfill to find alternative recycling markets."
- "Tonnage of recyclables processed for recycling: At this time, none of the recyclables have been shredded or processed."
- "Tonnage of processed recyclables marketed: None of the recyclables have been sent to a market at this time."
- "Summary of the performance of the shredder purchased: The shredder is not being operated due to the cost to install adequate electricity."
- "Revenue/costs/avoided costs associated with the Project: With the change in staff, current employees are not sure what the costs have been and to date no revenue has been received. Staff will work to sort through the expenditures and avoided costs during the coming months."

The purchase of the shredder should not have been made without determining the viability of operating the equipment at the landfill. As the Manager, it was Mr. VanRenan’s responsibility to ensure the shredder could be operated properly and fulfill the Commission’s needs prior to purchasing it.

According to DNR officials we spoke with, funds are disbursed first from the forgivable portion of the loan. As illustrated by **Table 13**, the Commission requested \$22,350.00 reimbursement from DNR. DNR allocated \$20,000.00 of the reimbursement request to the forgivable portion of the loan and established a \$2,350.00 zero-interest loan. However, because the Commission failed to meet milestones established by the agreement with DNR, the original agreement was terminated and the \$20,000.00 forgivable loan reverted to a zero-interest loan. As a result, the Commission will now have to repay the \$20,000.00 which had previously been a forgivable loan. We have included the \$20,000.00 in **Exhibit A** as forgone revenue.

Table 13

Description	DNR Award (75%)	Cost Share (25%)	Total
Install concrete floor	\$ 9,900.00	3,300.00	13,200.00
Eurohansa shredder and freight	12,450.00	4,150.00	16,600.00
Total	\$ 22,350.00	7,450.00	29,800.00

During the September 8, 2015 Board meeting, Mr. VanRenan stated he was interested in purchasing the Commission’s recycling program and the SWAP recycling grant. Specifically, Mr. VanRenan stated, “Let’s kill two birds with one stone here. I want to buy out your recycling program and I want the hell out of this landfill.” When asked by a Board member what Mr. VanRenan was offering, he stated, “I’ll buy it out for exactly what you’re in it.” Mr. VanRenan explained he had contacted a DNR official and confirmed the grant could be transferred to a private individual.

Commission officials questioned Mr. VanRenan on his ability to make his venture profitable as a personal business when it appeared he was unable to do so for the Commission. However, Mr. VanRenan stated, “That’s my personal business plan.” Commission officials commented Mr. VanRenan should have put forth his best effort to make the recycling program as profitable as possible while employed by the Commission.

During the September 8, 2015 Board meeting, Mr. VanRenan also asked if the Board was terminating his employment and stated he was formally resigning if the Board wasn’t terminating him. It was decided Mr. VanRenan’s resignation would be effective immediately and a Deputy from the Fremont County Sheriff’s Office would accompany him to remove his personal property from the landfill. Mr. VanRenan turned in his keys and credit card to Commission officials the night of the meeting.

Based on our testing, we determined a Certificate of Organization was filed with the Nebraska Secretary of State on August 20, 2015 to establish a recycling business named Green Rivers Recycling, LLC. Documents obtained from the Secretary of State’s Office also document 10% of the shares of the business were owned by Jon Steinbeck and the remaining 90% were owned by Mr. VanRenan on that date. Prior to Mr. VanRenan’s resignation, Board members were not aware Mr. VanRenan had established a recycling business with Mr. Steinbeck.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the Commission and its fiscal agent to perform bank reconciliations and process receipts, disbursements and payroll. An important aspect of internal control is to establish procedures which provide accountability for assets susceptible to loss from error and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be identified 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 Commission's internal controls.

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties to prevent an individual from handling duties which are incompatible. The Commission's fiscal agent had control over each of the following areas:
- (1) Receipts – collecting, posting to accounting records, and preparing and making deposits to the Commission's bank accounts,
 - (2) Disbursements – presenting certain disbursements to the Board for approval, maintaining supporting documentation, preparing, signing, and distributing checks, and posting to accounting records,
 - (3) Bank accounts – receiving and reconciling monthly bank statements to accounting records, and
 - (4) Reporting – preparing minutes of Board meetings.

In addition, we determined certain collections were not deposited intact and inventory records were not maintained by the Commission.

Recommendation – We realize segregation of duties is difficult with a limited number of staff. However, the Board should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel and Board members.

- B. Board Oversight – The Commission's policies and procedures manual does not include formalized policies for all landfill operations. For example, there are no formalized policies regarding the recycling operations and the use of fuel cards. Also, the policies and procedures manual does not include specific travel reimbursement rates or descriptions of the type of travel for which employees are eligible for reimbursement.

In addition, the Board has a fiduciary responsibility to exercise authority over its funds, efficiently and effectively achieve its mission, provide oversight of the Commission's operations, and maintain the public trust. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

When we spoke with Board members, they stated they were aware of concerns regarding the use of the Commission's fuel card. Based on our testing, the average amount of fuel purchases made with the Casey's fuel card increased by \$118.85 per month. In addition, fuel was purchased with the Commission's credit card in the average amount of \$113.05 per month while Mr. VanRenan was the Manager. However, no action was taken prior to Mr. VanRenan's resignation to resolve the concerns identified.

The Commission failed to meet milestones established by the agreement with DNR for a Solid Waste Alternatives Program (SWAP) agreement. As a result, the original agreement was terminated and a \$20,000.00 forgivable loan reverted to a zero-interest loan which has to be repaid. A primary milestone of the agreement was the acquisition, implementation, and use of a shredder to process recyclable materials. The acquisition

of the shredder was not handled by a Commission employee or official and is currently not being used.

In addition, the Board was not aware Mr. VanRenan had a business relationship with Mr. Steinbeck, an individual with whom the Commission established a brokering agreement.

Recommendation – The Board should review the policies and procedures manual to ensure current policies are as specific as possible. In addition, adequate fiduciary oversight is essential and should be an ongoing effort by all members of the Board. In the future, the Board should exercise due care and require and review pertinent information and documentation prior to making decisions affecting the Commission’s operations, including the recycling program.

In addition, the Board should ensure all agreements established for the Commission are developed at “an arm’s length.” Specifically, agreements should not be established with parties with whom the Board members or Commission employees have established relationships, unless a competitive bid process is completed.

- C. Supporting Documentation – The Commission did not maintain adequate supporting documentation for all purchases made with the Commission’s credit cards. In addition, supporting documentation was not available for certain reimbursements made to the Commission’s former Manager.

Recommendation – The Board should ensure adequate supporting documentation is provided to the fiscal agent in order to ensure all transactions are appropriate for the Commission’s operations. Disbursements should not be approved unless adequate supporting documentation is available. In addition, disbursements should be approved by the Board prior to payment.

- D. Sales Tax – A number of purchases were identified which included sales tax. As a governmental entity, the Commission is exempt from sales tax.

Recommendation – Employees responsible for making purchases on behalf of the Commission should be made aware of the sales tax exemption. In addition, the Commission should implement procedures which ensure sales tax is not paid by the Commission.

- E. Gate Collections – Gate collections are not kept in a secure location before they are remitted to the fiscal agent for recording in the accounting system and deposit preparation.

Recommendation – The Commission should secure gate collections in a locked cabinet before remittance to the fiscal agent.

Exhibits

**Report on Special Investigation of the
Fremont County Sanitary Landfill Commission**

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Summary of Findings
For the Period March 1, 2014 through September 30, 2015

Description	Exhibit/Table/ Page Number	Improper	Unsupported	Total
Improper and unsupported disbursements:				
Commission's credit card held by Dusty Van Renan:				
Purchases	Exhibit B	\$ 2,299.37	2,089.95	4,389.32
Sales tax	Page 8	215.97	-	215.97
Late fee and finance charges	Table 1	72.42	-	72.42
Casey's fuel card (estimated)	Table 3	2,100.00	-	2,100.00
Fastenal	Page 10	183.32	-	183.32
Oscheln	Page 11 and Table 4	268.46	532.90	801.36
Reimbursements to Dusty VanRenan	Page 12	1,152.39	-	1,152.39
Transportation costs	Table 12	1,612.50	-	1,612.50
Subtotal improper and unsupported disbursements		7,904.43	2,622.85	10,527.28
Undeposited collections:				
Gate collections	Table 8	68.00	-	68.00
Troika contract	Table 10	1,616.50	-	1,616.50
AA Pallets	Table 11	5,768.00	-	5,768.00
Tiffany Pallets, LLC	Page 17	169.60	-	169.60
Subtotal undeposited collections		7,622.10	-	7,622.10
Forgone revenues from DNR programs:				
Regional Collection Center Program	Page 19	1,450.00	-	1,450.00
Solid Waste Alternatives Program	Page 20	20,000.00	-	20,000.00
Subtotal forgone revenues		21,450.00	-	21,450.00
Total		\$ 36,976.53	2,622.85	39,599.38

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Improper and Unsupported Purchases with a Commission Credit Card
For the Period March 1, 2014 through September 30, 2015

Per Credit Card Statement

Transaction Date	Vendor	Location	Amount
06/02/14	Century Lumber Centers	Nebraska City, NE	\$ 12.84
07/14/14	Caseys General Store	Anita, IA	91.00
07/16/14	Jethro N Jakes Smokehouse	Altoona, IA	50.00
07/22/14	Caseys General Store	Sidney, IA	41.00
09/05/14	Gempler	WI	304.00
09/11/14	Nebraska City Utilities	Nebraska City, NE	38.28
09/18/14	Pizza Hut	Nebraska City, NE	25.00
09/26/14	Sat-Tech LLC	NE	7.68
09/27/14	Sat-Tech LLC	NE	35.32
10/02/14	APL *Itunes.com	CA	9.99
10/02/14	Caseys General Store	Sidney, IA	44.02
10/02/14	Century Lumber Centers	Nebraska City, NE	120.55
10/03/14	Century Lumber Centers	Nebraska City, NE	39.59
10/05/14	APL *Itunes.com	CA	2.99
10/06/14	Caseys General Store	Sidney, IA	40.01
10/10/14	Caseys General Store	Sidney, IA	35.01
10/11/14	Caseys General Store	Sidney, IA	68.01
10/15/14	CENEX Cubbys	Percival, IA	74.01
10/20/14	Caseys General Store	Sidney, IA	70.01
10/21/14	APL *Itunes.com	CA	16.98
10/21/14	Wendy's	Percival, IA	22.82
10/25/14	Pilot	Percival, IA	76.51
10/25/14	Automotive Inc	Nebraska City, NE	7.10
10/29/14	Caseys General Store	Sidney, IA	70.00
10/30/14	Hamburg Oil Company	Hamburg, IA	74.00
11/03/14	CENEX Cubbys	Percival, IA	70.00
11/05/14	Summit Sign and Safety	FL	220.05
11/07/14	SAT-Tech LLC	Nebraska City, NE	11.36
11/07/14	TKO Chemicals	MO	880.95
11/08/14	Caseys General Store	Sidney, IA	50.10
11/10/14	Caseys General Store	Sidney, IA	30.01
11/12/14	CENEX Cubbys	Percival, IA	72.50

Improper	Unsupported	Description per Supporting Documentation
-	12.84	<i>No itemized description</i>
91.00	-	Fuel
-	50.00	<i>No itemized description</i>
41.00	-	Fuel
-	304.00	<i>No supporting documentation</i>
-	38.28	<i>No supporting documentation</i>
25.00	-	<i>No itemized description</i>
-	7.68	<i>No supporting documentation</i>
-	35.32	<i>No supporting documentation</i>
9.99	-	<i>No supporting documentation</i>
44.02	-	<i>No itemized description</i>
-	120.55	<i>No itemized description</i>
-	39.59	<i>No itemized description</i>
2.99	-	<i>No supporting documentation</i>
40.01	-	<i>No itemized description</i>
35.01	-	<i>No itemized description</i>
68.01	-	<i>No itemized description</i>
74.01	-	Fuel
70.01	-	Fuel
-	16.98	<i>No supporting documentation</i>
22.82	-	<i>No supporting documentation</i>
76.51	-	<i>No itemized description</i>
-	7.10	Fuel
70.00	-	Fuel
74.00	-	<i>No itemized description</i>
70.00	-	Fuel
-	220.05	<i>No supporting documentation</i>
-	11.36	<i>No supporting documentation</i>
-	880.95	<i>No supporting documentation</i>
50.10	-	Fuel
30.01	-	Fuel
72.50	-	Fuel

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Improper and Unsupported Purchases with a Commission Credit Card
For the Period March 1, 2014 through September 30, 2015

Per Credit Card Statement

Transaction Date	Vendor	Location	Amount
11/18/14	CENEX Cubbys	Percival, IA	69.00
11/24/14	APL *Itunes.com	CA	6.99
11/24/14	Caseys General Store	Sidney, IA	65.02
11/29/14	Shell Oil	Nebraska City, NE	65.06
12/05/14	Caseys General Store	Sidney, IA	60.01
12/05/14	Wendy's	Percival, IA	19.65
12/09/14	Caseys General Store	Sidney, IA	63.01
12/14/14	Caseys General Store	Shenandoah, IA	26.00
12/15/14	CENEX Cubbys	Percival, IA	32.75
12/17/14	Wendy's	Percival, IA	19.65
12/19/14	CENEX Cubbys	Percival, IA	31.00
12/19/14	^ Mid Plains EyeCare Center	Nebraska City, NE	134.00
12/23/14	CENEX Cubbys	Percival, IA	32.00
12/24/14	APL *Itunes.com	CA	6.99
12/27/14	CENEX Cubbys	Percival, IA	29.80
12/30/14	Caseys General Store	Sidney, IA	22.50
01/03/15	CENEX Cubbys	Percival, IA	24.20
01/07/15	Caseys General Store	Sidney, IA	26.34
01/10/15	APL *Itunes.com	CA	8.99
01/14/15	Caseys General Store	Sidney, IA	27.00
01/21/15	CENEX Cubbys	Percival, IA	18.00
01/22/15	Caseys General Store	Sidney, IA	26.44
01/24/15	APL *Itunes.com	CA	6.99
01/26/15	Sidney Foods	Sidney, IA	10.27
01/29/15	Caseys General Store	Sidney, IA	20.00
01/31/15	CENEX Cubbys	Percival, IA	32.00
02/04/15	CENEX Cubbys	Percival, IA	27.00
02/05/15	CENEX Cubbys	Percival, IA	27.33
02/05/15	Bohlen's Farm Service	Percival, IA	75.00
02/05/15	Bohlen's Farm Service	Percival, IA	65.78
02/10/15	Caseys General Store	Sidney, IA	28.50
02/24/15	APL *Itunes.com	CA	6.99

Improper	Unsupported	Description per Supporting Documentation
69.00	-	Fuel
-	6.99	<i>No supporting documentation</i>
65.02	-	Fuel
65.06	-	<i>No supporting documentation</i>
60.01	-	Fuel
19.65	-	<i>No itemized description</i>
63.01	-	Fuel
26.00	-	Fuel
32.75	-	<i>No supporting documentation</i>
19.65	-	<i>No supporting documentation</i>
31.00	-	Fuel
134.00	-	Eye glasses
32.00	-	Fuel
-	6.99	<i>No supporting documentation</i>
29.80	-	Fuel
22.50	-	Fuel
24.20	-	Fuel
26.34	-	Fuel
8.99	-	<i>No supporting documentation</i>
27.00	-	Fuel
18.00	-	Fuel
26.44	-	Fuel
-	6.99	<i>No supporting documentation</i>
10.27	-	<i>No supporting documentation</i>
20.00	-	Fuel
32.00	-	Fuel
27.00	-	Fuel
27.33	-	3 meals, 3 drinks - snow day lunch
75.00	-	Fuel
65.78	-	Fuel
28.50	-	Fuel
-	6.99	<i>No supporting documentation</i>

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Improper and Unsupported Purchases with a Commission Credit Card
For the Period March 1, 2014 through September 30, 2015

Per Credit Card Statement

Transaction Date	Vendor	Location	Amount
03/21/15	APL *Itunes.com	CA	6.99
03/21/15	APL *Itunes.com	CA	0.99
04/20/15	APL *Itunes.com	CA	0.99
04/24/15	APL *Itunes.com	CA	6.99
04/28/15	Caseys General Store	Sidney, IA	71.00
05/12/15	CENEX Cubbys	Percival, IA	32.50
05/20/15	APL *Itunes.com	CA	0.99
05/25/15	APL *Itunes.com	CA	6.99
05/29/15	Caseys General Store	Sidney, IA	26.01
06/04/15	Orscheln	Nebraska City, NE	129.00
06/20/15	APL *Itunes.com	CA	0.99
06/24/15	APL *Itunes.com	CA	6.99
07/20/15	APL *Itunes.com	CA	0.99
07/23/15	Carbonite Backup	MA	59.99
07/24/15	APL *Itunes.com	CA	6.99
08/06/15	McDonald's	Clarinda, IA	8.97
08/09/15	APL *Itunes.com	CA	1.99
08/10/15	Caseys General Store	Sidney, IA	71.11
08/18/15	Orscheln	Shenandoah, IA	9.62
08/18/15	Caseys General Store	Shenandoah, IA	34.50
08/20/15	APL *Itunes.com	CA	6.99
08/20/15	APL *Itunes.com	CA	0.99
09/02/15	US Plastics/Neatly Smart	OH	62.82
09/20/15	APL *Itunes.com	CA	0.99
09/24/15	APL *Itunes.com	CA	6.99
Total			\$ 4,389.32

^ - The purchase from Mid Plains EyeCare Center totaled \$484.00.
However, the Commission authorized \$350.00 for the purchase.
Because Mr. VanRenan did not reimburse the Commission for the \$134.00
excess cost, this amount is considered improper.

Improper	Unsupported	Description per Supporting Documentation
-	6.99	<i>No supporting documentation</i>
-	0.99	<i>No supporting documentation</i>
-	0.99	<i>No supporting documentation</i>
-	6.99	<i>No supporting documentation</i>
71.00	-	Fuel
32.50	-	Fuel
-	0.99	<i>No supporting documentation</i>
-	6.99	<i>No supporting documentation</i>
26.01	-	Fuel
-	129.00	<i>No supporting documentation</i>
-	0.99	<i>No supporting documentation</i>
-	6.99	<i>No supporting documentation</i>
-	0.99	<i>No supporting documentation</i>
-	59.99	<i>No supporting documentation</i>
-	6.99	<i>No supporting documentation</i>
8.97	-	Big Mac, Sweet Ice Tea, cheeseburger
1.99	-	<i>No supporting documentation</i>
71.11	-	Fuel
-	9.62	<i>No supporting documentation</i>
34.50	-	Fuel
-	6.99	<i>No supporting documentation</i>
-	0.99	<i>No supporting documentation</i>
-	62.82	<i>No supporting documentation</i>
-	0.99	<i>No supporting documentation</i>
-	6.99	<i>No supporting documentation</i>
2,299.37	2,089.95	

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Undeposited Gate Collections
For the Period March 1, 2014 through September 30, 2015

Date	Ticket Number	Amount
01/19/15	60986	\$ 66.77
01/19/15	60989	60.78
01/19/15	60995	63.34
01/19/15	60996	26.54
01/19/15	60997	77.90
01/19/15	60998	16.05
01/19/15	60999	18.83
01/21/15	61011	52.22
01/21/15	61012	36.05
01/23/15	61023	16.05
01/23/15	61027	20.00
01/23/15	1004	50.00
01/24/15	61028	30.82
01/24/15	61029	18.83
01/24/15	61030	34.24
	Recorded on 01/31/15	<u>588.42</u>
03/23/15	61317	16.05
03/23/15	61318	23.96 ##
03/23/15	61321	28.25
03/23/15	61322	122.41
03/23/15	61323	16.05
03/23/15	61325	82.18
03/26/15	61338	16.05
03/28/15	61348	16.05
03/28/15	61349	24.82
03/28/15	63151	18.83
03/30/15	61361	16.05
03/30/15	61363	33.38
03/31/15	61366	18.05
03/31/15	61370	29.10
03/31/15	61374	31.67
03/31/15	61375	202.01
03/31/15	61377	169.49
	Recorded on 04/04/15	<u>864.40</u>

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Undeposited Gate Collections
For the Period March 1, 2014 through September 30, 2015

Date	Ticket Number	Amount
06/01/15	61785	344.96
06/01/15	61789	343.26
06/01/15	61790	16.05
06/02/15	61792	251.66
06/02/15	91794	35.95
06/02/15	91800	32.52
06/02/15	91803	24.82
06/04/15	61815	16.05
06/05/15	61822	291.89
06/06/15	61829	325.28
Recorded on 06/10/15		<u>1,682.44</u>
07/07/15	62039	18.83
07/07/15	62040	16.05
07/09/15	62045	17.12
07/09/15	62049	20.54
07/09/15	62051	42.80
07/10/15	62060	23.11
07/10/15	62061	75.32
07/10/15	62066	16.05
07/10/15	62067	16.05
07/11/15	62068	28.24
07/11/15	62069	16.05
07/11/15	62071	19.68
07/11/15	62072	16.05
07/13/15	62073	21.40
07/13/15	62076	16.05
07/14/15	62079	16.05
07/14/15	62082	16.05
07/14/15	62088	30.81
07/14/15	62089	18.83
07/16/15	62099	25.00
07/16/15	62103	17.97
07/16/15	62106	16.26
07/18/15	62118	16.05
Recorded on 07/31/15		<u>520.36</u>
Total		<u>\$3,655.62</u>

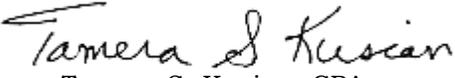
- Not recorded in accounting system by fiscal agent.
All other collections listed were recorded in the
accounting system.

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
Anthony Heibult, Senior Auditor


Tamera S. Kusian, CPA
Deputy Auditor of State

Appendices

**Report on Special Investigation of the
Fremont County Sanitary Landfill Commission**

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Copy of E-Mail from Troika

Dusty VanRenan

From: Jonathon Steinbeck [jon.steinbeck@troikaco.com]
to: Friday, November 21, 2014 11:06 PM
 Dusty VanRenan
Subject: Re: Pallet load totals, pickup dates, 10-16-14
Importance: High

Dusty, I sent the latest profit split from Tradewell to you today. The total from Tradewell was \$471, so the profit split was \$235.50. Below is the latest pallet summary:

Pallet Business				
Grades	1	2	NonStd	
Price	\$3.00	\$1.50	\$0.50	Total
Pickup Site & Date				
#1 Eaton#1-9/18	15	48	117	\$175.50
#2 Eaton#2-9/25	16	28	202	\$191.00
#3 Eaton#3-9/30	14	23	165	\$159.00
#4 Ear#1-10/9	109	310	0	\$792.00
#5 Eaton#4-10/14	5	8	138	\$96.00
#6 Eaton#5 - 10/15	20	34	167	\$194.50
#7 Ear#2-10/16	121	386	39	\$961.50
#8 Eaton#6-10/17	7	10	64	\$68.00
Ear#3-10/21	69	161	8	\$452.50
#10 Eaton#7-10/29	27	37	129	\$201.00
#11 Eaton#8-11/5	34	63	147	\$270.00
	Total Profit	FCLR Split	Troika Split	
Sept 25 Payment	\$175.50	\$87.75	\$87.75	
Oct 6 Payment	\$350.00	\$175.00	\$175.00	
Oct 27 Payment	\$2,564.50	\$1,282.25	\$1,282.25	
Nov 21 Payment	\$471.00	\$235.50	\$235.50	
To Date Totals	\$3,561.00	\$1,780.50	\$1,780.50	



Jon Steinbeck, President
 Troika Int'l Trading Co, LLC
 PO Box 34434
 Omaha, NE 68134
 402-522-6696 (office)
 402-517-0511 (mobile)
 001-888-737-3715 (fax)

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Copies of Invoices Sent by Troika



Invoice No: 44009456
Invoice Date: July 27, 2015
Customer PO No: B&MRecycle1

From factory floor to storeroom door!

Customer Name: B&M Recycling ; PO Box 506 ; Mt Ayr, IA 50854 ; C/O Eric Brown:
Purchasing Terms: FOB Destination B & M ; 301 North Fillmore Street ; Mt Ayr, IA 50854
Payment Terms: 100% payment via check, within 7 calendar days after receipt of load at B&M's physical facility
 Weight Tickets and BOL sent to: Eric Brown ; ericbrown@mchsi.com ; 641-344-0303

Product Description	SKU Number	MOQ	Per lb Price	Ordered Quantity	Delivered Quantity	Total Price
Scrap Paper Baled Cardboard from boxes, post-business use	OCCPPRSCR	40000.0	\$0.038	40000.0	47760.0	\$1,791.00

Sub Total	Additional Charges	Total Amount Due
\$1,791.00	\$0.00	\$1,791.00
Pmts Already Received/Reductions	Remaining Amount Due	Amount Due Immediately
\$0.00	\$1,791.00	\$1,791.00

This Invoice Due and Payable On: Aug 28, 201 Delivery Date: Aug 21, 2015
 Late Payments subject to additional charges

Wire Payment Details

First National Bank
 1620 Dodge St
 Omaha, Ne 68197

ABA: 104000016
 Account No: [REDACTED]
 Swift No: [REDACTED]

Beneficiary:

Troika International Trading Co., LLC
 1809 N 115th Plaza Ste #3309
 Omaha, Ne 68154

Notes:

*Net Weight (listed under Delivered Quantity) is calculated as follows:
 The truck was weighed before product was loaded. (listed on ticket as "m/t weight")
 The truck was then weighed after loading for the gross weight (see other ticket)
 The net weight is the difference between the gross weight and the 'm/t weight'.
 *Price is \$75/2000lbs, approximately \$0.038/lb

Questions or Comments? Please contact us at:

Troika International Trading Co., LLC
 PO Box 34434
 Omaha, Ne 68134
 Phone: 402-522-6696
 Fax: 888-737-3715
inquiry@troikaco.com
www.troikaco.com

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Copies of Invoices Sent by Troika



INVOICE

Troika International Trading Co., LLC
Jonathon Steinbeck
jon.steinbeck@troikaco.com

Invoice number:	44009493R
Invoice date:	8/19/2015
Due date:	8/20/2015
Reference	Houston PolyTank

Bill To:
michelle@houstonpolytank.com

Description	Quantity	Unit price	Amount
330 gallon IBC Liquid Bulk Totes, post-business use	10	\$25.00	\$250.00
Subtotal			\$250.00
Shipping/handling			\$7.50
Total			\$257.50
Amount Paid			-\$257.50
Amount Due			\$0.00 USD

Notes

Michelle & Ron, thanks for your order. We will have more totes in the future if needed. We are also eager to see if we can handle your plastic scrap byproduct, and will work with Michelle to provide a competitive offer. I will send our standard invoice via email for your records.
Sincerely,
Jon Steineck
Troika Recycling
4025170511
jon.steinbeck@troikaco.com

Terms and conditions

Payment due before 5 pm CST August 20, 2015.

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Copies of Invoices Sent by Troika



INVOICE

Troika International Trading Co., LLC
Jonathon Steinbeck
jon.steinbeck@troikaco.com

Invoice number:	44009492
Invoice date:	8/19/2015
Due date:	8/19/2015
Reference	Houston PolyTank

Bill To:
michelle@houstonpolytank.com

Description	Quantity	Unit price	Amount
330 gallon IBC Liquid Bulk Totes, post-business use	46	\$25.00	\$1,150.00
Subtotal			\$1,150.00
Shipping/handling			\$34.50
Total			\$1,184.50
Amount Paid			-\$1,184.50
Amount Due			\$0.00 USD

Notes

Michelle, please ignore the previous correspondence for payment. Please follow the links instead on this correspondence for payment. Please call me if any help is needed. I apologize for the confusion and extra steps, as we do not regularly handle credit card transactions. I will send our standard invoice via email for your records.
Sincerely,
Jon Steineck
Troika Recycling
4025170511
jon.steinbeck@troikaco.com

Terms and conditions

Payment due before truck is loaded at 12 pm CST.

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Copies of Selected Checks from AA Pallet to Dusty VanRenan

DDA Debits - 10/24/2014

AA PALLET COMPANY
1402 S. MAIN ST.
COUNCIL BLUFFS, IA 51503
(712) 322-6568

AMERICAN NATIONAL BANK
800-279-0007
27-85-1040

61733

10/24/2014

PAY TO THE ORDER OF Dusty Van Renan

\$ **518.00

Five Hundred Eighteen and 00/100 DOLLARS

Dusty Van Renan

MEMO

There is a difference

Security features. Details on back.

AUTHORIZED SIGNATURE: Fred Omet

⑈061733⑈

DDA Debits - 10/24/2014

201410249000

518.00

10/24/2014 2:48 PM

201410249000

FEDERAL RESERVE NOTE

MAINTAINED BY FEDERAL RESERVE

Pay to order of Mr. Van Renan

Mr. Van Renan

10/24/2014

Appendix 3

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Copies of Selected Checks from AA Pallet to Dusty VanRenan

DDA Debits - 4/20/2015

AA PALLET COMPANY
1402 S. MAIN ST.
COUNCIL BLUFFS, IA 51503
(712) 322-8568

AMERICAN NATIONAL BANK
830-279-0007
27-85-1040

62861

4-16-15
\$ 900⁰⁰

PAY TO THE ORDER OF *Dusty VanRenan*

REGISTERED

900 DOLS 00 CTS

MEMO

Fred Claus
AUTHORIZED SIGNATURE

There is a difference

Security Features. Details on back.

06 286 1

DDA Debits - 4/20/2015

2116101060 02 4/17/2015 ARBOR BANK

900 00 00

NO HOT TIPS OR JIG SELECT THIS LINE

Dusty VanRenan

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Copies of Selected Checks from AA Pallet to Dusty VanRenan

DDA Debits - 4/30/2015

AA PALLET COMPANY
1402 S. MAIN ST.
COUNCIL BLUFFS, IA 51503
(712) 322-6568

AMERICAN NATIONAL BANK
800-279-0007
27-85-1040

62950

4/30/2015

PAY TO THE ORDER OF
Dusty Van Renan

\$**776.00 |

Seven Hundred Seventy-Six and 00/100***** DOLLARS

MEMO

IA
5-30-2023

There is a difference

Authorized Signature: Fred [Signature]

06 2950

DDA Debits - 4/30/2015

DO NOT WRITE
IN THESE SPACES

0003a4 Na 15. B

09/30/2015 12:44 PM
30 11PM 4 Seg 44
776.00

2015043090000

DO SIGN BELOW THIS LINE
FOR DEPOSIT ONLY

Handwritten signatures: [Signature]

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Copies of Selected Checks from AA Pallet to Dusty VanRenan

DDA Debits - 6/5/2015

AA PALLET COMPANY
1402 S. MAIN ST.
COUNCIL BLUFFS, IA 51503
(712) 322-8568

AMERICAN NATIONAL BANK
800-279-0007
27-85-1040

63211

6/5/2015

PAY TO THE ORDER OF Dusty Van Renan

Seven Hundred Thirteen and 50/100*****

JA CDL
5-30-2023

\$ **713.50

DOLLARS

MEMO

Fred Amstutz
AUTHORIZED SIGNATURE

There is a difference

Security features. Details on back.

06632111

DDA Debits - 6/5/2015

2015060590000

713.50

06/05/2015 4:43 PM

2015060590000

DO NOT WRITE STAMP OR SIGN BELOW THIS LINE

0003a4 Na

Signature

Report on Special Investigation of the
Fremont County Sanitary Landfill Commission

Copy of Scale Ticket

FREMONT COUNTY LANDFILL RECYCLING
Sidney, Iowa 51652

1039

DATE April 30-15

WEIGHT

CHECK

CASH Recycling

CHARGE

NAME AA Pallet

ADDRESS _____

DRIVER _____

Bonnie
ATTENDANT

bought 400 @ \$1. #400.00

STATE SURCHARGE _____

LOAD CHARGE _____

TOTAL 400.00