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Missouri State Auditor

Plattsburg Special Road District

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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Plattsburg Special Road District

Background

The former bookkeeper, who served as the appointed district Secretary/Treasurer, Ava Langner, performed work for the district from April 14, 2011, until her termination by the Board effective October 15, 2018. Ava Langner was considered an independent contractor, but never entered into a formal contract with the district. As Secretary/Treasurer, Ava Langner was solely responsible for the financial accounting functions and records of the district.

In late September 2018, the State Auditor's Office (SAO) Whistleblower Hotline received a complaint questioning the allocation of district funds, and alleging overpayments made to the Secretary/Treasurer and improper charges made on a credit card paid for using district funds. The SAO sent a letter dated October 4, 2018, to the Board of Commissioners notifying them that our office was conducting an initial review of the allegations and requested records be provided to our office. Upon receipt of our letter the Secretary/Treasurer admitted to a Board member that she had stolen monies from the district for her personal use. On October 15, 2018, the Board requested/authorized the SAO to conduct an audit, and the SAO agreed to conduct the audit. The SAO issued subpoenas to Ava Langner and Langner Enterprises, LLC on December 3, 2018, to compel her testimony and require her to produce records and documents. The SAO also issued subpoenas to Chase Bank and Ameren to produce records related to Ava Langner's personal and company transactions paid using district funds.

In October 2018, the Board contacted the Clinton County Prosecuting Attorney regarding these concerns. The Prosecuting Attorney referred this matter to the Missouri State Highway Patrol (MSHP) and the Federal Bureau of Investigation (FBI). Investigations by the MSHP and FBI are ongoing.

Misappropriated Monies

Between April 14, 2011, and October 15, 2018, monies totaling at least \$286,615 were misappropriated from the district. Improper payments totaling \$156,739 were made to the Secretary/Treasurer's company. The Secretary/Treasurer also used \$125,642 of district monies to pay personal credit card bills. Personal credit card statements showed she may have spent over \$30,000 on business products to operate her 2 personal businesses, \$17,000 at construction and home improvement stores that may have been used in her husband's construction company, and \$14,000 on travel and entertainment. The Secretary/Treasurer also earned an additional \$1,634 of credit card rewards from credit card purchases using district monies. The Secretary/Treasurer also made improper payments totaling \$2,600 using district monies for personal and company bills. The Secretary/Treasurer may have created/modified 31 meeting minutes after she was terminated on October 15, 2018, with 26 of the 31 meeting minutes created/modified shortly after our office served her and her company subpoenas to obtain records. At least 4 meeting minute files may have been created to reflect increases in monthly fees paid to the Secretary/Treasurer's company in an attempt to conceal or reduce the amount of improper payments.

The Secretary/Treasurer falsified the district's published financial statements to conceal \$131,154 of payments made to her company and \$76,879 of

payments for her personal credit card bills. We identified significant differences in receipts, disbursements, and ending cash balances reported on published financial statements in comparison to the accounting records for 2017, 2016, 2015, and 2014, that helped conceal the district's declining financial condition.

Oversight and Bond Coverage	The Board did not establish adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the Secretary/Treasurer. The district did not have bond coverage for district employees or officials.
Accounting Controls and Procedures	The Board's review and approval of disbursements and bank activity was insufficient, and provided no assurance that district funds were spent properly. The Board did not have adequate controls over checks, and accounting records maintained by the Secretary/Treasurer were not accurate. The Secretary/Treasurer did not always record or deposit receipts timely. The district did not enter into a written contract with Langner Enterprises, LLC for bookkeeping services detailing services to be rendered or the amount of compensation. The majority of invoices, and all bank records, accounting records, and meeting minutes were maintained by the Secretary/Treasurer at her company or her home, and some records could not be located.
Payroll	The Board approved year-end bonuses to the Secretary/Treasurer and employees contrary to state law and the Secretary/Treasurer did not timely remit federal payroll taxes.
Budgets and Financial Reporting	Neither the Board nor the Secretary/Treasurer prepared budgets for the past 8 years (2011 through 2018), or submitted a financial report to the SAO as required by state law for 5 years (2012 through 2016). The financial report for 2017 was not filed timely.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Plattsburg Special Road District

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Board of Commissioners
Plattsburg Special Road District

We have audited certain operations of the Plattsburg Special Road District as they relate to the district's finances in fulfillment of our duties under Chapter 29, RSMo. Due to concerns regarding missing monies and improper payments, the State Auditor initiated the audit with the approval of the Plattsburg Special Road District Board of Commissioners. The scope of our audit included, but was not necessarily limited to the period from April 14, 2011, through October 15, 2018. The objectives of our audit were to:

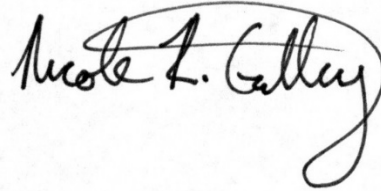
1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Determine the extent of monies misappropriated from the district.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) misappropriated monies totaling at least \$286,615. The accompanying Management Advisory Report presents our findings arising from our audit of the Plattsburg Special Road District.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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Plattsburg Special Road District

Introduction

Background

The former bookkeeper, who served as the appointed district Secretary/Treasurer, Ava Langner, performed work for the district from April 14, 2011, until her termination effective October 15, 2018. Ava Langner was considered an independent contractor, but never entered into a formal contract with the district. As Secretary/Treasurer, Ava Langner was solely responsible for the following financial accounting functions and records of the district:

- Receipts - collecting and recording all monies received by the district, and preparing and making bank deposits.
- Disbursements - maintaining supporting documentation (all disbursements are to be supported by invoices or other documentation), preparing and distributing checks, posting payments to the accounting records, and transferring monies between bank accounts.
- Payroll - calculating, preparing, and distributing payroll checks (including checks related to the payment of payroll taxes); posting payments to the accounting records; and preparing 941 and W-2 forms.
- Bank accounts - receiving and reconciling monthly bank statements to accounting records.
- Reporting - preparing Board meeting minutes and financial reports.

In late September 2018, the State Auditor's Office (SAO) Whistleblower Hotline received a complaint questioning the allocation of district funds, and alleging overpayments made to the Secretary/Treasurer and improper charges made on a credit card paid for using district funds. Under Section 29.221, RSMo, the SAO sent a letter dated October 4, 2018, to the Board of Commissioners notifying them that our office was conducting an initial review of the allegations to determine if the complaint was credible and requested records be provided to our office. Upon receipt of our letter the Secretary/Treasurer admitted to a Board member that she had stolen monies from the district for her personal use. On October 15, 2018, the Board terminated the Secretary/Treasurer and requested/authorized the SAO to conduct an audit, and the SAO subsequently agreed to conduct the audit under Chapter 29, RSMo. The SAO issued subpoenas to Ava Langner and Langner Enterprises, LLC on December 3, 2018, to compel her testimony¹ and require her to produce records and documents (see Appendixes E and F). The SAO also issued subpoenas to Chase Bank and Ameren to produce records related

¹ On December 27, 2018, an attorney of the State Auditor's Office took the testimony of the Secretary/Treasurer. This testimony was given under oath and was recorded by a court reporter.



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to Ava Langner's personal and company transactions paid using district funds (see Appendixes G and H).

The district's fiscal year is January 1 through December 31. The scope of our audit included, but was not necessarily limited to the period April 14, 2011, through October 15, 2018, the time period during which the Secretary/Treasurer served the district. In coordination with law enforcement officials, we applied procedures to district receipt and disbursement transactions to determine the amount of misappropriated monies, and the methods used to perpetrate and conceal the theft. During the time period Ava Langner served as the Secretary/Treasurer, she also owned Langner Enterprises, LLC (aka Lathrop Accounting Associates, LLP) and Have Another Cup (a coffee shop), and her husband owned a construction company, J&D Construction.

Criminal investigation

In October 2018, the Board contacted the Clinton County Prosecuting Attorney regarding these concerns. The Prosecuting Attorney referred this matter to the Missouri State Highway Patrol (MSHP) and the Federal Bureau of Investigation (FBI). Investigations by the MSHP and FBI are ongoing.

Plattsburg Special Road District Management Advisory Report State Auditor's Findings

1. Misappropriated Monies

Between April 14, 2011, and October 15, 2018, monies totaling at least \$286,615² were misappropriated from the district. During this period, the Secretary/Treasurer, Ava Langner, made improper payments to her company (Langner Enterprises, LLC referred to as Langner Enterprises throughout the remainder of the report) totaling \$156,739. The Secretary/Treasurer also used district monies to pay personal credit card bills totaling \$125,642 and obtained \$1,634 in credit card rewards points related to transactions paid for using district funds. The Secretary/Treasurer also made other improper payments for personal and company bills totaling at least \$2,600.

Appendixes A, B, and D provide details regarding the improper payments from the district's account. Appendix C shows details regarding personal credit card activity. Appendixes E and F show subpoenas issued to Ava Lea Langner and Langner Enterprises, LLC. Appendixes G and H show subpoenas issued to Chase Bank and Ameren related to Ava Langner's personal and company transactions paid using district funds.

The following table provides a summary of the amounts misappropriated.

Type of Improper Payment or Benefit	Year ended December 31,							January 1 to October 15,		Total
	April 14 to December 31, 2011	2012	2013	2014	2015	2016	2017	2018		
To Langner Enterprises, LLC (Appendix A)	\$ 1,714	3,500	7,121	8,300	12,021	51,511	57,872	14,700	156,739	
For personal credit card bills (Appendix B)						12,215	64,665	48,762	125,642	
Credit card rewards earned						131	881	622	1,634	
For personal or business utility bills (Appendix D)						276	1,368		1,644	
For personal hotel costs (Appendix D)						363	124	469	956	
Total Misappropriation	\$ 1,714	3,500	7,121	8,300	12,021	64,496	124,910	64,553	286,615	

The Secretary/Treasurer's misappropriation of district funds significantly affected the district's financial condition. The district's bank balances decreased significantly from \$119,400 at December 31, 2015, to \$6,929 at October 15, 2018, the period during which the majority of the theft occurred.

² Amounts presented in the report findings are rounded to the nearest dollar, whereas amounts presented in the report appendixes are not rounded.



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**Improper payments to
Langner Enterprises**

Improper payments totaling \$156,739 were made to the Secretary/Treasurer's company from April 2011 through September 2018. A comparison of all checks written to Langner Enterprises to legitimate monthly fee amounts and year-end bonuses showed overpayments totaling \$156,739 (see Appendix A).

The Board appointed the Secretary/Treasurer's company to provide bookkeeping services for a monthly fee, but did not enter into a contract. In her sworn deposition, the Secretary/Treasurer indicated the Board did not enter into a written contract with her company regarding these services and that her starting pay in 2011 was \$350 per month, and that the Board approved periodic increases usually amounting to \$50 per month. Based on this information, discussions with Board members, and actual recurring monthly fees paid to Langner Enterprises each year, we are considering \$350 per month during 2011, 2012, and 2013, \$450 per month during 2014 and 2015, and \$500 per month during 2016 to be legitimate payments. Despite discrepancies identified regarding the preparation of the December 2016 meeting minutes, we are considering \$600 per month during 2017 and 2018 as the legitimate monthly fees.

The Board also approved one-time annual bonuses to the Secretary/Treasurer of \$350 in December 2011, \$300 in December 2013 and 2016, and \$400 in December 2012 and 2015. As later discussed, there is some uncertainty regarding the December 2011 bonus amount. During the period April 2011 through mid-October 2018, a maximum of 96 payments should have been issued to Langner Enterprises. However, the Secretary/Treasurer issued 211 checks to Langner Enterprises with the checks representing improper payments, legitimate payments, or a combination of improper and legitimate payments. While all checks were signed by at least one Board member, the Board members indicated checks were often signed in advance.

The amounts of numerous checks issued to Langner Enterprises far exceeded the legitimate monthly fees of \$350, \$450, \$500, and \$600. Langner Enterprises received 44 checks for \$1,500, 20 checks for \$1,800, 11 checks for \$1,000, 7 checks for \$900, 3 checks for \$2,000, 3 checks for \$1,350, 3 checks for \$1,200, 3 checks for \$800, 3 checks for \$750, 2 checks for \$700, and 10 checks for other amounts ranging from \$650 to \$3,800. Some of these checks included a combination of improper and legitimate payments.

The Secretary/Treasurer also recorded the purpose of payments made to her company in the district's accounting system using false purposes. Of the 211 payments totaling \$199,525, she recorded 162 in the accounting system as accounting fees (\$157,472); however, only 91 payments should have been recorded to this purpose and 5 payments should have been recorded as bonuses. In addition, she recorded 17 payments as general account (\$19,175), 5 as outside contract services (\$4,200), 4 as bridge account (\$7,450), 3 as shop supplies (\$1,150), 3 as telephone, telecommunications (\$1,171), 2 as



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facility repairs (\$850), 2 as 96 International (\$1,100), and 2 as office supplies (\$921). She recorded 10 other payments (\$5,686) using 10 other purposes (96 Ford pickup, general road and bridge operation, 90 GMC dump truck, road grader, 2009 Ford pickup, BMY dump truck 1990, culvert replacement/repair, supplies, accounting fees and office supplies combined, and diesel). One check written for \$350 was not recorded in the accounting system. The Secretary/Treasurer recorded the name and address of her company in the memo line of the checks.

The numerical sequence and timing of when some of the checks were issued was unusual. Thirty-nine of the 211 checks were issued out of numerical sequence. In addition, check number 2125 was issued out of numerical sequence and dated April 15, 2011. This check did not clear the bank until October 19, 2011, and check numbers 2107 through 2128 (excluding 2125) were issued in October 2011, giving the appearance that this check was likely back dated.

Meeting minutes

Documentation indicates the Secretary/Treasurer may have created/modified meeting minutes after she was terminated on October 15, 2018. The Secretary/Treasurer provided electronic files for minutes pertaining to 49 meetings. The properties³ for 18 of these electronic files show the files were created within a reasonable period of meeting dates. Meeting minutes should be prepared shortly following the meeting date and approved by the Board at the following monthly meeting. The properties for 31 of these electronic files show the files were created/modified in October and December of 2018 after her termination. Twenty-six of the 31 files were created/modified on December 3, 5, or 6, 2018, shortly after our office served her and her company with subpoenas requiring her to provide testimony and produce district records and documents. In addition, 5 of the 49 meeting minute files were incomplete. For example, some meeting minutes did not detail meeting attendees and included incomplete sentences.

We identified at least 4 instances that meeting minute files may have been created so that minutes would reflect that the Board authorized increases in monthly fees in an attempt to conceal or reduce the amount of improper payments.

³ The software used to document the meeting minutes details properties such as dates each file was created, modified, and printed.



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Date of Meeting	Date Minutes were Created	Payment Amount per Minutes	Actual Payment Amount
12/08/11	12/06/18	\$ 350 (1)	300
12/13/12	12/06/18	450 (2)	350
12/12/13	12/06/18	500 (2)	450
12/10/15	10/29/18 (3)	550 (2)	500

- (1) Meeting minutes created documented the year-end bonus amount.
- (2) Meeting minutes created documented the authorized monthly payment amount paid to Langner Enterprises.
- (3) Meeting minutes were modified on December 6, 2018.

The actual check issued on December 13, 2011 (the date employees were issued year-end bonus payments), totaled \$300 instead of the \$350 noted in the 2011 meeting minutes (created on December 6, 2018). No checks were written to Langner Enterprises for \$450 during 2013, \$500 during 2014, or \$550 during 2016 as provided for in the meeting minutes (created/modified on December 6, 2018, and October 29, 2018). The actual monthly payment amount as noted in the table during most of 2013 was \$350, 2014 was \$450, and 2016 was \$500.

In addition, the December 8, 2016, meeting minutes indicated the Board approved a monthly fee of \$600 be paid to the Secretary/Treasurer's business; however, properties show this electronic minutes file was created on December 5, 2018, and modified on December 6, 2018. As a result the authenticity of these meeting minutes is questionable. Actual payments made to Langner Enterprises in 2017 were inconsistent in amounts (see Appendix A) and we could not determine the legitimate monthly payment amount.

Documentation indicates Board meetings were held on several other dates. However, neither the district nor the Secretary/Treasurer retained or provided other meeting minutes. In addition, Board members indicated the Secretary/Treasurer did not prepare or submit meeting minutes for their review and approval at each monthly meeting, the Board could not provide meeting minutes, and none of the meeting minutes provided by the Secretary/Treasurer were signed by the Board. As a result, the authenticity of the meeting minutes provided by the Secretary/Treasurer could not be confirmed.

Improper personal credit card payments

The Secretary/Treasurer made 54 improper electronic payments totaling \$125,642 using the district's checking account to pay her personal Chase Bank credit card bills between September 2016 and September 2018 (see Appendix B). The only payments made on this personal credit card account during this time period were made using district bank accounts. In sworn testimony, the Secretary/Treasurer indicated the Chase Bank credit card



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account was her personal account, monies from district bank accounts were used to make payments on this account, and she was the only person with the password to make electronic payments from district bank accounts. Board members indicated the district did not maintain a credit card and they were unaware the credit card payments were being made. There was also no evidence that the Board approved these personal credit card payments, and the disbursements to the credit card vendor were not reported on the district's published financial statements.

Our review of the personal credit card statements determined the Secretary/Treasurer spent \$30,004 on business products that may have been used to operate her 2 personal businesses (a coffee shop and an accounting service). Of this amount, \$22,031 was spent at restaurant supply stores such as Farmer Brothers Coffee, Restaurant Depot, and Belfonte Ice Cream, and the remaining \$7,973 was spent at business and office supply companies such as Canopy Tax, Capital Premium Financing, and American Paper Optics (see Appendix C). The personal credit card statements also showed the Secretary/Treasurer spent approximately \$17,291 at construction and home improvement stores such as Menards, Home Depot, Northland Ready Mix, Orscheln, and Harbor Freight Tools. Items purchased may have been used in her husband's construction company.

The personal credit card statements also showed the Secretary/Treasurer spent \$14,023 on travel and entertainment, including vendors such as Carnival Cruise Line, Enterprise Rent-A-Car, multiple hotels, and attractions such as Starlight Theatre, Kansas City Royals, Silver Dollar City, and Space Center Houston. The Secretary/Treasurer also spent \$29,387 at online shopping sites including \$10,007 at Amazon, and \$19,380 at other sites. The Secretary/Treasurer also spent \$14,845 at Sam's Club and Walmart using this card.

Credit card rewards

In addition to the \$125,642 of improper district payments made on the Secretary/Treasurer's personal credit card, the Secretary/Treasurer earned \$1,634 in rewards from credit card purchases paid for using district monies, spent \$1,479 of the rewards earned, and returned \$59 of reward point items purchased. The remaining \$214 of district reward points was included in the credit card reward balance as of September 16, 2018. We calculated the amount of rewards received based on transactions paid for with district monies.

Improper personal and company utility payments

The Secretary/Treasurer made 5 improper electronic payments totaling \$1,644 using district monies to pay her personal and company utility payments (see Appendix D). Three of the 5 payments totaling \$1,213 were made on the utility account for Langner Enterprises between November 2016 and January 2017, and the remaining 2 payments totaling \$431 were made on the personal utility account of the Secretary/Treasurer in October and



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December 2016. The Board members indicated they were unaware these payments occurred. In sworn testimony, the Secretary/Treasurer indicated she was the only person with the password to make electronic payments from district bank accounts.

Improper hotel payments The Secretary/Treasurer made 6 improper payments using the district's debit card totaling \$956 for hotel costs in February 2016 (3 payments), 2017 (1 payment), and 2018 (2 payments) related to events held for Great Northwest Day⁴ (see Appendix D). The Secretary/Treasurer also recorded the purpose of these payments in the accounting system as office supplies to conceal the improper payments. While Board members indicated they were aware that the Secretary/Treasurer was involved with these events, they said they did not approve the payment of the hotel costs from district funds.

Falsified published financial statements The Secretary/Treasurer falsified the district's published financial statements for at least the 4 years ended December 31, 2017. This occurred to conceal improper disbursements. The financial statements prepared by the Secretary/Treasurer were misleading and significantly inaccurate because numerous disbursements had been altered or omitted. For example, payments made to Langner Enterprises totaling \$131,154 and payments made to Chase Bank totaling \$76,879 were not reported in the published financial statements.

The following table shows significant differences in amounts reported as paid.

Vendor or Purpose Listed in the Accounting Records	Year Ended December 31,							
	2017		2016		2015		2014	
	Published Financial Statements	Accounting Records	Published Financial Statements	Accounting Records	Published Financial Statements	Accounting Records	Published Financial Statements	Accounting Records
Langner Enterprises LLC	\$ 6,300	65,072	6,300	57,811	5,700	17,821	4,950	13,700
Payroll	81,300	67,270	55,689	51,764	66,766	56,254	41,676	43,126
Chase Card	0	64,665*	0	12,214	0	0	0	0
Clinton County Great NW Day	0	1,624	0	1,363	0	0	0	0

* One payment was inaccurately recorded in the accounting records for \$193 more than the actual check; therefore this amount was adjusted for the actual amount of the check.

⁴ Great Northwest Day is an annual event at the Missouri State Capitol, and is a cooperative effort by Northwest Missouri communities to unify and enhance their region's image in Jefferson City and to pursue issues and legislation beneficial to the "Great Northwest." <http://www.greatnorthwestday.com>, accessed May 1, 2019.



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The following table shows significant differences in receipts, disbursements, and ending cash balances reported on published financial statements in comparison to the accounting records.

	Year Ended December 31,							
	2017		2016		2015		2014	
	Published Financial Statements	Accounting Records	Published Financial Statements	Accounting Records	Published Financial Statements	Accounting Records	Published Financial Statements	Accounting Records
Receipts	\$ 342,103	259,848	423,720	528,427	373,568	368,568	388,277	396,317
Disbursements	329,397	475,438	334,364	409,880	350,592	306,104	389,523	412,640
Ending Balance	85,636	17,418	422,579	232,835	274,432	115,126	118,525	92,792

In sworn testimony, the Secretary/Treasurer indicated she prepared the financial statements submitted to the county to be published with the county's financial statements.

Section 233.150, RSMo, requires the Board to submit financial information to the county so it can be included with the published annual financial statements. To ensure compliance with this statute, the Board should review the statements for accuracy prior to publication.

Federal monies

The district received \$71,638 in federal monies from the Federal Emergency Management Agency and the State Emergency Management Agency during May and June 2016. These monies were deposited into the district's money market bank account and subsequently transferred as needed into the district's checking account by the Secretary/Treasurer.

Overall conclusion

The Board did not provide sufficient oversight of the Secretary/Treasurer and district finances as noted in the remainder of this report, which resulted in the overpayments and personal credit card payments going undetected for many years. The unusual nature and excessive number of checks written and electronic payments should have caused suspicion and alerted the Board to the misappropriation. It is apparent the Board did not review the financial statements for accuracy or compare this information to any supporting documents such as invoices, checks written, or bank statements. The inaccurate published financial statements helped conceal the misappropriation of district monies.

Recommendation

The Board of Commissioners continue to work with law enforcement officials regarding criminal prosecution of the improper payments, falsified records, and improper disbursements, and take the necessary actions to obtain restitution. In addition, the Board of Commissioners should ensure financial statements are reviewed for accuracy prior to publication.



Auditee's Response

We will continue to work with law enforcement regarding criminal prosecution and seek restitution. We have hired a new accounting firm that prepares the published financial statements, and the financial statements are reviewed by the Board prior to publication.

2. Oversight and Bond Coverage

The Board did not establish adequate oversight of the Secretary/Treasurer or obtain bond coverage for applicable officials and employees as required by state law.

2.1 Oversight and segregation of duties

The Board did not establish adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the Secretary/Treasurer. Weaknesses identified throughout this report are significant and demonstrate a lack of segregation of duties and proper oversight by the Board. There is little assurance district monies were handled and accounted for properly.

In addition, 109 of the checks issued to Langner Enterprises were for more than \$600, which was the maximum amount of monthly compensation authorized at any point during her time of service with the district. According to Board members, blank checks were frequently signed in advance with no subsequent review of the checks. Signing checks in advance is a significant control weakness that diminishes the control intended by multiple signatures. This problem, along with the lack of review of bank statements or canceled checks by anyone other than the Secretary/Treasurer, allowed the improper payments to occur and go undetected for many years.

Proper segregation of duties helps ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, timely supervisory or independent reviews of work performed and investigation into unusual items and variances is necessary. Good management practices require extensive and detailed oversight by the Board.

2.2 Bonding

The district did not have bond coverage for district employees or officials. The Secretary/Treasurer and Board members, who signed checks and had access to monies held in bank accounts, and district employees, who had access to district fuel and other supplies, were not covered by a bond. While the district had some fidelity and crime insurance coverage it was limited to \$5,000 with a \$500 deductible for each specific type of crime listed.

Section 233.055, RSMo, states the board may appoint a treasurer and fix the amount of bond and duties, and for the bond to be filed in the office of the County Clerk. Failure to properly bond individuals with access to funds and other assets exposes the city to risk of loss. Had the district obtained bond coverage as required by state law, the district may have been able to recover more than may be recovered through the insurance policy.



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Recommendations

The Board of Commissioners:

- 2.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, the Board should not allow any check signers to sign checks in advance.
- 2.2 Maintain bond coverage for all employees or officials with access to district monies or other assets.

Auditee's Response

- 2.1 *We have segregated duties by hiring a part-time secretary to receive all mail and an accounting firm to handle the monthly payroll transactions and prepare the annual financial statements. The part-time secretary copies all documents received in the mail, including checks and forwards the originals to a Board member that is serving as the Board Treasurer. Deposits are prepared and made by the Board Treasurer. All non-payroll disbursements are made by the Board Treasurer, who pays most bills online, prints the payment confirmation, attaches it to the invoice, and enters the payment onto an electronic ledger. The Board Treasurer also reconciles the bank statements on a monthly basis. The electronic ledger detailing all disbursements is reviewed by the Board on a monthly basis along with the bank statements and reconciliations. All invoices, bank statements, and other district records are on file in the district office. Very few checks are issued, checks are no longer signed in advance, and checks now require the signature of 2 Board members.*
- 2.2 *We have increased the bond coverage to \$50,000 for all employees and Board members.*

3. Accounting Controls and Procedures

Significant weaknesses exist in the district's accounting controls and procedures. The Board's review and approval of disbursements and bank activity was insufficient, and provided no assurance that district funds were spent properly on items necessary and beneficial to the district. In addition, the Secretary/Treasurer used poor procedures for recording and depositing monies, and the district did not maintain various financial and personnel records.

3.1 Board review and approval process

The Secretary/Treasurer did not provide bank statements, a list of bills, or financial statements to the Board for review at monthly meetings. Board members indicated they had not reviewed district bank statements for several years. As a result, the Board was unaware of the improper payments made to Langner Enterprises, the Secretary/Treasurer's personal credit card company, and other vendors, or of the district's declining cash balances. In sworn testimony, the Secretary/Treasurer indicated district bills were mailed to a post office box and she was responsible for retrieving them, and preparing checks to pay them.



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The Board and Secretary/Treasurer also failed to monitor the district's cash balances, and as a result, the district's checking account incurred \$80 in overdraft fees between April and September 2018. Had the Board reviewed the bank statements, the improper payments and the declining cash balances could have been questioned.

In addition, Board members did not review invoices, and no one generally marked invoices paid or otherwise canceled once payment occurred or acknowledged receipt of goods or services on them. Board members also indicated the Secretary/Treasurer did not prepare meeting minutes for their review and approval. As a result, there is no documentation of the Board's review and approval of most district disbursements.

To safeguard against possible loss or misuse of funds, the Board should approve all disbursements and review supporting documentation, bank information, and canceled checks. Board approval of disbursements should be documented by signing or initialing the monthly list of bills and should be documented in meeting minutes. Canceling invoices and other supporting documentation reduces the likelihood of duplicate payments, and requiring acknowledgement of the receipt of goods or services prior to payment helps ensure the district actually received all items. To prevent bank account overdraft fees, the Board and Secretary/Treasurer should monitor bank account balances.

3.2 District checks and accounting records

The Board did not have adequate controls over checks, and accounting records maintained by the Secretary/Treasurer were not accurate.

- The Secretary/Treasurer did not issue checks in numerical sequence, properly account for the numerical sequence of checks, or retain voided checks. Our review of 264 checks issued during 2016 identified 37 checks (14 percent) issued out of sequence. Based on our review of gaps in the numerical sequence, we identified 14 check numbers unaccounted for during this period. Their disposition (unused, issued but outstanding, voided, etc.) could not be determined and they were not listed in the district's accounting records.
- Some checks were not accurately recorded in the accounting system. In at least 7 instances, the same check number was recorded twice. For example, check number 2877 was recorded on January 10, 2015, for \$98, and again on February 26, 2015, for \$424. Check number 2877 was actually issued for \$98 on January 10, 2015, and the entry on February 26, 2015, was an electronic funds transfer (EFT). In another example, check number 3005 was issued and recorded on August 21, 2015, for \$1,350; however, accounting records also showed this check number recorded in error on July 26, 2015, for a \$424 EFT. We identified



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other instances where checks were not accurately recorded in the accounting system.

In addition, a comparison of check numbers and amounts on bank statements to the computerized accounting system showed that actual check numbers sometimes differed from those recorded in the computerized accounting system. For example, check number 3791 was written to a local lumber company on January 23, 2018, for \$170. This disbursement was recorded as check number 3811 in the accounting system and check number 3791 was not recorded. Check number 3811 was recorded twice (once for \$170 and once for \$50). Check number 3811 was actually issued for \$50. We identified other check detail discrepancies.

- The Secretary/Treasurer did not record \$9,399 of transactions that cleared the bank in the accounting records during the 4 years ended December 31, 2017, including 26 bank service charge fees totaling \$58, 6 payroll tax payments totaling \$8,213, and 4 other miscellaneous payments totaling \$723. Two other checks totaling \$405 were voided in the accounting records, but cleared the bank during this period.
- The Secretary/Treasurer recorded \$10,533 of transactions in the accounting records that did not clear the bank during the 4 years ended December 31, 2017, including 12 payroll tax payments totaling \$6,834 (payment amounts differed from those previously mentioned that cleared the bank), 4 insurance payments totaling \$465, and 15 other miscellaneous payments totaling \$2,835. Two other checks totaling \$399 were recorded twice in the accounting records during this period.

To properly account for all disbursements and reduce the risk of unauthorized transactions, checks should be issued in numerical sequence, the numerical sequence of checks issued should be accounted for, and voided checks should be properly defaced and retained. Accurate and complete financial information is necessary for the Board to make informed decisions and to provide residents with reliable information about district finances.

3.3 Recording and depositing The Secretary/Treasurer did not always record or deposit receipts timely. For example, the Clinton County Treasurer issued a \$156 check on January 20, 2017, a \$15,619 check on January 31, 2017, a \$347 check on February 22, 2017, a \$16,770 check on February 10, 2017, and a \$6,152 check on February 16, 2017, to the district; however, the Secretary/Treasurer held these checks and did not record them in the accounting system until March 23, 2017, or deposit them until March 24, 2017.

Failure to implement adequate recording and depositing procedures increases the risk that loss, theft, or misuse of funds will go undetected.



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3.4 Written contract

The district did not enter into a written contract with Langner Enterprises for bookkeeping services detailing services to be rendered, duties and responsibilities for preparing and retaining records, or the amount of compensation. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Had the district entered into a written contract for bookkeeping services, there would have been no confusion regarding the amount of compensation. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

3.5 Record retention

Board members indicated they requested the Secretary/Treasurer return all accounting records just prior to her termination, and again after her termination. The majority of invoices, and all bank records, accounting records, and meeting minutes were maintained by the Secretary/Treasurer at her company or her home. She provided the district some electronic records in mid-December and provided our office additional district records at the time of her deposition on December 27, 2018. However, some bank statements, invoices, and other financial records could not be located and were obtained from the bank and district vendors.

Retention of records is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. Record retention schedules can be found on the Secretary of State's website.⁵

Recommendations

The Board of Commissioners:

- 3.1 Review bank statements and reconciliations monthly, properly monitor bank account balances to avoid bank fees, and ensure any differences are promptly investigated and resolved. The Board should also ensure a monthly list of bills is prepared and compared to invoices and checks written. In addition, the Board should ensure invoices are adequately reviewed and marked paid and require documentation of receipt of goods and/or services prior to payment of invoices.
- 3.2 Perform adequate reviews of accounting records and checks written before approving disbursements.

⁵ <https://www.sos.mo.gov/archives/localrecs/schedules>



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- 3.3 Ensure receipts are recorded and deposited timely and intact.
- 3.4 Enter into clearly written agreements for services.
- 3.5 Retain all records in accordance with state law.

Auditee's Response

- 3.1 *Bank statements and reconciliations are prepared by the Board Treasurer and reviewed by the Board on a monthly basis. The Board Treasurer reviews all invoices prior to payment, attaches the electronic payment receipt or check stub to the invoice, and presents the Board with a printout of all disbursements each month for review and approvals.*
- 3.2 *We are now issuing checks in sequence and ensuring check numbers are not duplicated. Disbursements can now only be issued by a Board member.*
- 3.3 *We are now depositing intact within one to two days of receipt.*
- 3.4 *We have a written contract (engagement letter) with the new accounting firm.*
- 3.5 *We are now maintaining all records on site.*

4. Payroll

The Board approved year-end bonuses to the Secretary/Treasurer and employees contrary to state law and the Secretary/Treasurer did not timely file and remit payroll taxes.

4.1 Bonuses

The Board approved year-end bonus payments to the Secretary/Treasurer in December 2011, 2012, 2013, 2015, and 2016 totaling \$1,700. District employees also received bonuses. These year-end bonus payments represent additional compensation for services previously rendered and, as such are in violation of Article III, Section 39(3), the Missouri Constitution, and contrary to Attorney General's Opinion No. 72-1955 (June 14, 1955), which states, ". . . a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered." In addition, Article VI, Sections 23 and 25, prohibits local government from granting public money to any private individual, except as otherwise provided by law.

4.2 Payroll taxes

The Secretary/Treasurer did not timely remit federal payroll taxes resulting in interest and penalties for the district. As of November 12, 2018, the Secretary/Treasurer had not remitted the applicable payroll taxes, totaling \$2,369, to the Internal Revenue Service for July 2017 and January 2018, resulting in an assessment of penalties and interest totaling \$154.



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The Internal Revenue Code requires employers to file a 941 form by the last day of the month following the end of the quarter, along with payment of Social Security and Medicare taxes withheld from employees and the employer's share, as well as federal income taxes withheld.

Recommendations

The Board of Commissioners:

- 4.1 Discontinue the practice of paying bonuses.
- 4.2 Establish procedures to ensure payroll taxes are remitted timely.

Auditee's Response

- 4.1 *We will discontinue paying bonuses.*
- 4.2 *We have ensured all payroll taxes are current and the new accounting firm is responsible for making all payroll tax payments on time. Payroll tax payments are reviewed by the Board along with all other disbursements.*

5. Budgets and Financial Reporting

The district did not comply with state law relating to budget preparation and submitting financial statements.

5.1 Budgets

Neither the Board nor the Secretary/Treasurer prepared budgets for the 8 years ended December 31, 2018. Section 67.010, RSMo, requires the budget to present a complete and accurate financial plan for the ensuing budget year, and outlines the various information the budget must include. An accurate, complete, and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of district operations.

5.2 Financial reporting

Neither the Board nor the Secretary/Treasurer submitted a financial report to the SAO as required by state law for the years ended December 31, 2012, 2013, 2014, 2015, or 2016, and the report submitted for the year ended December 31, 2017, was not filed until November 7, 2018.

Section 105.145, RSMo, requires each political subdivision to file an annual report of its financial transactions with the SAO. Section 105.145.5, RSMo, prohibits elected officials from processing disbursements after the deadline to submit the financial statement and until the financial statement is submitted to the SAO. In addition, 15 Code of State Regulations (CSR) 40-3.030, requires each political subdivision to file annual financial reports within 6 months of the end of the subdivision's fiscal year. Effective August 28, 2017, under Section 105.145, RSMo, the SAO must notify the Missouri Department of Revenue if a political subdivision fails to file a timely financial statement.



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Failure to timely file a financial statement may subject the political subdivision to a fine of \$500 per day.

Recommendations

The Board of Commissioners:

- 5.1 Prepare budgets that contain all information required by state law.
- 5.2 Submit annual financial reports to the State Auditor's Office as required by state law.

Auditee's Response

- 5.1 *We plan to prepare a budget next year.*
- 5.2 *We will ensure annual financial statements are filed with the State Auditor's Office before the deadline.*

Plattsburg Special Road District

Organization and Statistical Information

The Plattsburg Special Road District is located in Clinton County, Missouri. The district was incorporated prior to 1915 and organized under Sections 233.010 to 233.165, RSMo. The district employed a full-time employee and 2 part-time employees on October 15, 2018.

The Board of Commissioners consists of three commissioners who serve 3-year terms. The commissioners elect a President of the board, and in accordance with Section 233.060, RSMo, commissioners are not compensated.

Board of Commissioners

Name	Dates of Service
George Hoover, President	April 2009 to current
Kurtis Kennedy	April 2007 to current
Corey Wilkinson	April 2016 to current (1)

(1) Raleigh Phillips served from April 1986 to March 2016.

Financial Activity

A summary of the district's financial activity obtained from district bank statements for the year ended December 31, 2017, follows:

Receipts	\$ 321,641
Disbursements	486,836
Receipts over (under) disbursements	<u>(165,195)</u>
Cash balance, January 1, 2017	<u>182,304</u>
Cash balance, December 31, 2017	<u>\$ 17,109</u>

Plattsburg Special Road District

Supporting Documentation of Misappropriated Monies

The following appendixes provide supporting documentation for the misappropriated monies and subpoenas issued as discussed in MAR finding number 1 and are summarized in the following table:

Appendix	Type of Supporting Documentation
A	Improper Payments to Langner Enterprises, LLC
B	Improper Personal Credit Card Payments
C	Personal Credit Card Charges
D	Other Improper Payments
E	State Auditor Subpoena - Ava Lea Langner
F	State Auditor Subpoena - Langner Enterprises, LLC
G	State Auditor Subpoena - Chase Bank
H	State Auditor Subpoena - Ameren

Appendix A

Plattsburg Special Road District
 Supporting Documentation - Improper Payments to Langner Enterprises, LLC

Check Date	Check Number (1)	Amount	Purpose per Accounting System	Date Check Cleared the District Bank Account
04/15/2011	2125 (2)	\$ 350.00	Accounting fees	10/19/2011
05/06/2011	2000	350.00	Accounting fees	05/16/2011
05/26/2011	2013	350.00	96 Ford pickup	05/27/2011
06/27/2011	2038	350.00	Accounting fees	06/28/2011
07/20/2011	2058	350.00	Accounting fees	07/21/2011
07/26/2011	2060	150.00	General road and bridge operation	07/28/2011
08/18/2011	2078	350.00	Accounting fees	08/19/2011
09/13/2011	2098	350.00	Accounting fees	09/14/2011
10/13/2011	2120	350.00	Accounting fees	10/17/2011
10/20/2011	2126	350.00	Shop supplies	10/24/2011
11/08/2011	2129	350.00	Accounting fees	11/09/2011
11/21/2011	2139	350.00	90 GMC dump truck	11/22/2011
12/12/2011	2157	350.00	Accounting fees	12/14/2011
12/13/2011	2161	300.00	Accounting fees	12/14/2011
12/28/2011	2164	350.00	Facility repairs	12/29/2011
Total 2011		\$ 5,000.00		
01/12/2012	2188	350.00	Accounting fees	01/17/2012
01/27/2012	2193	350.00	Road grader	01/30/2012
01/31/2012	2177 (2)	350.00	96 International	02/01/2012
02/09/2012	2203	350.00	Accounting fees	02/13/2012
03/08/2012	2226	350.00	Accounting fees	03/12/2012
04/04/2012	2236	350.00	Accounting fees	04/05/2012
04/12/2012	2241	350.00	Shop supplies	04/18/2012
05/08/2012	2257	350.00	Accounting fees	05/14/2012
05/23/2012	2265	350.00	Outside contract services	05/24/2012
06/14/2012	2268	350.00	Outside contract services	06/13/2012
06/22/2012	2274	350.00	Accounting fees	06/25/2012
07/15/2012	2294	350.00	Accounting fees	07/13/2012
08/09/2012	2301	350.00	Accounting fees	08/13/2012
09/13/2012	2322	350.00	Accounting fees	09/17/2012
09/18/2012	2335	350.00	Accounting fees	09/19/2012
09/21/2012	2337	350.00	Accounting fees	09/24/2012
09/30/2012	2340	350.00	Accounting fees	09/28/2012
09/30/2012	2348	350.00	Accounting fees	10/15/2012
11/08/2012	2367	350.00	Accounting fees	11/13/2012
12/04/2012	2405 (2)	350.00	Accounting fees	12/05/2012
12/11/2012	2404 (2)	350.00	Accounting fees	12/12/2012
12/13/2012	2385	350.00	Accounting fees	12/17/2012
12/14/2012	2392	400.00	Accounting fees	12/17/2012
Total 2012		\$ 8,100.00		

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Plattsburg Special Road District
 Supporting Documentation - Improper Payments to Langner Enterprises, LLC

Check Date	Check Number (1)	Amount	Purpose per Accounting System	Date Check Cleared the District Bank Account
01/02/2013	2398	350.00	Accounting fees	01/03/2013
01/09/2013	2412 (2)	350.00	Accounting fees	01/14/2013
01/16/2013	2400	350.00	Outside contract services	01/17/2013
01/23/2013	2402	350.00	Accounting fees	01/24/2013
02/14/2013	2432	350.00	(3)	02/19/2013
03/11/2013	2441	750.00	96 International	03/13/2013
03/15/2013	2451	350.00	Accounting fees	03/18/2013
04/05/2013	2474	350.00	Accounting fees	04/15/2013
04/30/2013	2488	121.10	Telephone, Telecommunications	05/07/2013
05/09/2013	2505	350.00	Accounting fees	05/14/2013
06/12/2013	2518	350.00	Accounting fees	06/17/2013
07/10/2013	2528	350.00	Accounting fees	07/11/2013
08/07/2013	2550	350.00	Accounting fees	08/08/2013
08/22/2013	2556	500.00	Facility repairs	08/23/2013
08/30/2013	2569	350.00	Bridge account	09/03/2013
09/13/2013	2570	700.00	Accounting fees	09/16/2013
10/01/2013	2587	700.00	Accounting fees	10/03/2013
10/09/2013	2589	1,400.00	General account	10/10/2013
11/05/2013	2604	350.00	Accounting fees	11/07/2013
11/30/2013	2633 (2)	300.00	2009 Ford pickup	12/16/2013
12/12/2013	2629	350.00	Accounting fees	12/13/2013
12/19/2013	2639	900.00	Accounting fees	12/20/2013
12/29/2013	2640	1,350.00	Accounting fees	12/31/2013
Total 2013		\$ 11,621.10		
01/09/2014	2655	450.00	Accounting fees	01/13/2014
01/21/2014	2659	900.00	General account	01/22/2014
02/03/2014	2662	1,800.00	Outside contract services	02/04/2014
02/13/2014	2678	450.00	Accounting fees	02/25/2014
03/13/2014	2687	450.00	Accounting fees	03/18/2014
04/29/2014	2710	1,800.00	General account	05/01/2014
05/08/2014	2733	450.00	Accounting fees	05/12/2014
05/30/2014	2664 (2)	650.00	Office supplies	06/02/2014
06/12/2014	2753	450.00	Accounting fees	06/16/2014
07/10/2014	2772 (2)	450.00	Accounting fees	07/15/2014
07/16/2014	2763	900.00	General account	07/17/2014
08/12/2014	2790	450.00	Accounting fees	08/14/2014
09/04/2014	2800	450.00	Accounting fees	09/05/2014
09/12/2014	2809	1,800.00	General account	09/15/2014
10/09/2014	2825	450.00	Accounting fees	10/14/2014
10/28/2014	2833	900.00	General account	10/29/2014
11/13/2014	2843	450.00	Accounting fees	11/18/2014
12/11/2014	2858	450.00	Accounting fees	12/15/2014
Total 2014		\$ 13,700.00		

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Plattsburg Special Road District
 Supporting Documentation - Improper Payments to Langner Enterprises, LLC

Check Date	Check Number (1)	Amount	Purpose per Accounting System	Date Check Cleared the District Bank Account
01/05/2015	2866	450.00	Accounting fees	01/06/2015
01/08/2015	2872	450.00	Shop supplies	01/13/2015
01/12/2015	2865 (2)	900.00	General account	01/13/2015
02/13/2015	2884	450.00	Accounting fees	02/17/2015
03/12/2015	2907	450.00	Accounting fees	03/17/2015
03/13/2015	2920	270.57	Office supplies	03/19/2015
04/09/2015	2930	450.00	Accounting fees	04/15/2015
05/14/2015	2956	450.00	Accounting fees	05/18/2015
06/04/2015	2973	450.00	General account	06/05/2015
07/01/2015	2968 (2)	450.00	Telephone, Telecommunications	07/01/2015
07/06/2015	2985	450.00	Accounting fees	07/06/2015
07/09/2015	2993	450.00	General account	07/13/2015
07/24/2015	3011	450.00	General account	07/27/2015
08/05/2015	3016	900.00	General account	08/07/2015
08/13/2015	3021	450.00	Accounting fees	08/20/2015
08/21/2015	3005 (2)	1,350.00	Outside contract services	08/21/2015
09/10/2015	3107 (2)	450.00	Accounting fees	09/14/2015
10/07/2015	1004	450.00	BMV dump truck 1990	10/08/2015
10/08/2015	3207	450.00	Accounting fees	10/13/2015
10/13/2015	3211	900.00	Culvert replacement/repair	10/15/2015
11/12/2015	3228	450.00	Accounting fees	11/16/2015
11/13/2015	3238	600.00	Telephone, Telecommunications	11/16/2015
11/19/2015	3224 (2)	750.00	Supplies	11/20/2015
12/10/2015	3254	450.00	Accounting fees	12/14/2015
12/11/2015	3245 (2)	1,500.00	Accounting fees	12/14/2015
12/15/2015	3264	1,000.00	Accounting fees	12/16/2015
12/17/2015	3267	2,000.00	Accounting fees	12/18/2015
Total 2015		\$ 17,820.57		
01/06/2016	3272	750.00	General account	01/07/2016
01/14/2016	3277	586.00	Accounting Fees-\$500, office supplies-\$86	01/19/2016
01/18/2016	3293	1,500.00	General account	01/20/2016
01/20/2016	3290 (2)	1,500.00	Diesel	01/26/2016
02/11/2016	3299	500.00	Accounting fees	02/12/2016
02/18/2016	3308	1,500.00	General account	02/22/2016
03/10/2016	3318	500.00	Accounting fees	03/16/2016
04/14/2016	3335	500.00	Accounting fees	04/19/2016
05/03/2016	3349	500.00	Accounting fees	05/06/2016
05/20/2016	3356	500.00	General account	05/24/2016
06/03/2016	3359	2,500.00	General account	06/06/2016
06/09/2016	3368	500.00	Accounting fees	06/14/2016
06/21/2016	3392	1,575.00	General account	06/22/2016
06/30/2016	3395	600.00	Accounting fees	07/06/2016
07/09/2016	3396	1,000.00	Accounting fees	07/12/2016
07/18/2016	3400	1,500.00	Accounting fees	07/19/2016
07/21/2016	3405	500.00	Accounting fees	08/02/2016
07/27/2016	3414	1,500.00	Accounting fees	07/28/2016
08/11/2016	3424	500.00	Accounting fees	08/15/2016

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Plattsburg Special Road District
 Supporting Documentation - Improper Payments to Langner Enterprises, LLC

<u>Check Date</u>	<u>Check Number (1)</u>	<u>Amount</u>	<u>Purpose per Accounting System</u>	<u>Date Check Cleared the District Bank Account</u>
08/15/2016	3413 (2)	1,500.00	Accounting fees	08/16/2016
08/23/2016	3437	1,500.00	Accounting fees	08/24/2016
08/25/2016	3442	1,500.00	Bridge account	08/26/2016
08/30/2016	3441 (2)	1,800.00	Accounting fees	09/01/2016
09/07/2016	3450	500.00	Accounting fees	09/12/2016
09/07/2016	3470	1,500.00	Accounting fees	09/08/2016
09/12/2016	3468 (2)	1,000.00	Accounting fees	09/13/2016
09/20/2016	3467 (2)	1,200.00	Accounting fees	09/21/2016
09/23/2016	3460 (2)	1,500.00	Accounting fees	09/26/2016
09/30/2016	3464 (2)	1,000.00	Accounting fees	10/03/2016
10/07/2016	3465 (2)	1,350.00	Accounting fees	10/12/2016
10/13/2016	3466 (2)	1,300.00	Accounting fees	10/17/2016
10/17/2016	3485	1,500.00	Accounting fees	10/19/2016
10/17/2016	3492 (2)	800.00	Accounting fees	10/19/2016
10/21/2016	3486	800.00	Accounting fees	10/25/2016
10/28/2016	3489	1,800.00	Bridge account	10/31/2016
11/02/2016	3487 (2)	1,200.00	Accounting fees	11/03/2016
11/10/2016	3488 (2)	1,800.00	Accounting fees	11/15/2016
11/15/2016	3501	500.00	Accounting fees	11/17/2016
11/16/2016	3510	3,800.00	Bridge account	11/17/2016
11/22/2016	3514	1,850.00	Accounting fees	11/23/2016
11/30/2016	3515	1,800.00	Accounting fees	12/02/2016
12/01/2016	3520	500.00	Accounting fees	12/05/2016
12/02/2016	3540 (2)	1,500.00	Accounting fees	12/05/2016
12/06/2016	3519 (2)	1,500.00	Accounting fees	12/07/2016
12/13/2016	3525	1,500.00	Accounting fees	12/15/2016
12/20/2016	3526	1,800.00	Accounting fees	01/04/2017
12/31/2016	3536	1,000.00	Accounting fees	01/04/2017
Total 2016		\$ <u>57,811.00</u>		

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Plattsburg Special Road District
 Supporting Documentation - Improper Payments to Langner Enterprises, LLC

Check Date	Check Number (1)		Amount	Purpose per Accounting System	Date Check Cleared the District Bank Account
01/01/2017	3564	(2)	500.00	Accounting fees	02/02/2017
01/06/2017	3527	(2)	1,500.00	Accounting fees	01/09/2017
01/10/2017	3528	(2)	1,800.00	Accounting fees	01/12/2017
01/18/2017	3556	(2)	1,800.00	Accounting fees	01/19/2017
01/25/2017	3559	(2)	1,200.00	Accounting fees	01/26/2017
02/05/2017	3577		1,800.00	Accounting fees	02/07/2017
02/08/2017	3580		1,800.00	Accounting fees	02/09/2017
02/14/2017	3581		1,800.00	Accounting fees	02/15/2017
02/15/2017	3590		1,500.00	Accounting fees	02/16/2017
02/24/2017	3578	(2)	1,500.00	Accounting fees	02/22/2017
03/03/2017	3596		1,500.00	Accounting fees	03/02/2017
03/09/2017	3597		1,500.00	Accounting fees	03/10/2017
03/13/2017	3608		1,500.00	Accounting fees	03/14/2017
03/13/2017	3622	(2)	1,500.00	Accounting fees	04/26/2017
03/21/2017	3612		1,500.00	Accounting fees	03/22/2017
03/27/2017	3613		1,500.00	Accounting fees	03/30/2017
04/04/2017	3598	(2)	1,500.00	Accounting fees	04/05/2017
04/11/2017	3617		1,872.00	Accounting fees	04/12/2017
04/18/2017	3621		1,500.00	Accounting fees	04/19/2017
05/04/2017	3637		1,500.00	Accounting fees	05/05/2017
05/18/2017	3641		1,500.00	Accounting fees	05/17/2017
05/23/2017	3654		1,000.00	Accounting fees	05/24/2017
06/01/2017	3659		1,000.00	Accounting fees	06/02/2017
06/15/2017	3660		1,800.00	Accounting fees	06/16/2017
06/22/2017	3664		1,800.00	Accounting fees	06/23/2017
06/26/2017	3665		1,500.00	Accounting fees	06/29/2017
07/03/2017	3669		1,500.00	Accounting fees	07/05/2017
07/10/2017	3670		1,500.00	Accounting fees	07/11/2017
07/17/2017	3674		1,500.00	Accounting fees	07/18/2017
07/24/2017	3675		1,500.00	Accounting fees	07/25/2017
08/03/2017	3694		1,500.00	Accounting fees	08/02/2017
08/18/2017	3698		1,500.00	Accounting fees	09/01/2017
09/08/2017	3700		1,500.00	Accounting fees	09/11/2017
09/22/2017	3707		1,500.00	Accounting fees	09/25/2017
10/03/2017	3724		800.00	Accounting fees	10/04/2017
10/10/2017	3723	(2)	1,500.00	Accounting fees	10/11/2017
10/18/2017	3725		1,500.00	Accounting fees	10/17/2017
11/07/2017	3736		1,000.00	Accounting fees	11/13/2017
11/16/2017	3747		2,800.00	Accounting fees	11/17/2017
11/29/2017	3752		1,500.00	Accounting fees	11/30/2017
12/01/2017	3765		1,500.00	Accounting fees	12/07/2017
12/14/2017	3773		1,800.00	Accounting fees	12/15/2017
12/19/2017	3776		1,500.00	Accounting fees	12/20/2017
Total 2017			\$ <u>65,072.00</u>		

Appendix A

Plattsburg Special Road District
Supporting Documentation - Improper Payments to Langner Enterprises, LLC

Check Date	Check Number (1)	Amount	Purpose per Accounting System	Date Check Cleared the District Bank Account
01/18/2018	3783	1,800.00	Accounting fees	01/17/2018
01/19/2018	3800	1,500.00	Accounting fees	01/22/2018
01/23/2018	3793 (2)	1,000.00	Accounting fees	01/26/2018
02/01/2018	3797 (2)	1,000.00	Accounting fees	02/05/2018
02/18/2018	3817	2,000.00	Accounting fees	02/16/2018
03/06/2018	3823	1,800.00	Accounting fees	03/08/2018
03/15/2018	3824	1,800.00	Accounting fees	03/16/2018
04/03/2018	3833	1,600.00	Accounting fees	04/03/2018
04/20/2018	3851	500.00	Accounting fees	04/23/2018
05/09/2018	3863	500.00	Accounting fees	05/11/2018
06/22/2018	3883	2,000.00	Accounting fees	06/25/2018
07/05/2018	3888	1,800.00	Accounting fees	07/10/2018
07/27/2018	3893	1,500.00	Accounting fees	07/30/2018
08/14/2018	3912	600.00	Accounting fees	08/15/2018
09/27/2018	3938	1,000.00	Accounting fees	10/01/2018
Total 2018		\$ 20,400.00		
Total Payments		\$ 199,524.67		
	Year	Total Legitimate Payments		
	2011	\$ 3,285.50 (4)		
	2012	4,600.00 (5)		
	2013	4,500.00 (6)		
	2014	5,400.00 (7)		
	2015	5,800.00 (8)		
	2016	6,300.00 (9)		
	2017	7,200.00 (10)		
	2018	5,700.00 (11)		
	Subtotal	\$ 42,785.50		
Total Overpayments		\$ 156,739.17		

- (1) All checks were issued from the checking account except for check number 1004 that was issued from the money market account.
- (2) Check was issued out of order.
- (3) This check was not recorded properly in the accounting system; therefore, the purpose was not documented.
- (4) Includes a \$350 monthly payment for 8 months (May through December) and a bonus of \$300. It also includes \$185.50 for April 14 to April 30, the portion of the month the Secretary/Treasurer served.
- (5) Includes a \$350 monthly payment for 12 months and a bonus of \$400.
- (6) Includes a \$350 monthly payment for 12 months and a bonus of \$300.
- (7) Includes a \$450 monthly payment for 12 months and no bonus was paid.
- (8) Includes a \$450 monthly payment for 12 months and a bonus of \$400.
- (9) Includes a \$500 monthly payment for 12 months and a bonus of \$300.
- (10) Includes a \$600 monthly payment for 12 months and no bonus was paid.
- (11) Includes a \$600 monthly payment for 9 months (January through September) and no bonus was paid. It also includes \$300 for October 1 to October 15, the portion of the month the Secretary/Treasurer served.

Appendix B

Plattsburg Special Road District
 Supporting Documentation - Improper Personal Credit Card Payments

Electronic Payment Date	Amount	Purpose per Accounting System
09/15/16	\$ 727.55	Office supplies
10/04/16	700.00	Office supplies
10/28/16	900.00	Office supplies
11/07/16 (1)	1,280.87	Gas
11/14/16	1,934.71	Gas
11/21/16	1,152.98	Gas
11/28/16	1,152.98	Gas
12/05/16	1,152.98	Gas
12/07/16	962.44	Gas
12/22/16	<u>2,249.96</u>	Gas
Total 2016	\$ <u>12,214.47</u>	
01/06/17	1,474.55	Gas
01/18/17	1,301.92	Gas
01/30/17	1,915.57	Gas
02/09/17	1,543.43	Gas
02/23/17	1,079.72	Gas
03/08/17	1,609.99	Gas
03/24/17	1,135.03	Gas
04/12/17	2,636.45	Gas
04/21/17	1,396.93	Gas
05/03/17	3,392.24	Gas
05/15/17	2,950.74	Gas
05/23/17	2,457.84	Gas
05/31/17	1,308.77	Gas
06/12/17	2,673.73	Gas
06/20/17	1,545.92	Gas
06/26/17	1,193.06	Gas
07/07/17	2,360.11	Gas
07/25/17	3,442.82	Gas
08/09/17	2,599.36	Gas
08/28/17	3,510.13	Gas
09/06/17	3,471.83	Gas
09/19/17	2,753.57	Gas
10/04/17	3,333.60	Gas
10/16/17	3,303.32	Gas
10/27/17	2,418.15	Gas
11/07/17 (2)	2,014.83	Gas
11/20/17	1,917.00	Gas
12/19/17	<u>3,924.68</u>	Gas
Total 2017	\$ <u>64,665.29</u>	

Appendix B

Plattsburg Special Road District
 Supporting Documentation - Improper Personal Credit Card Payments

Payment Date	Amount	Purpose per Accounting System
01/18/18	4,483.70	Gas
02/06/18	4,418.76	Diesel
02/22/18	2,000.00	Gas
02/27/18	4,089.26	Gas
03/26/18	2,892.81	Gas
04/18/18	4,649.91	Gas
05/03/18	2,005.91	Gas
05/21/18	2,044.14	Gas
05/30/18	1,337.12	Gas
06/05/18	1,997.74	Gas
06/18/18	2,154.21	Gas
07/10/18	3,882.08	Gas
08/02/18	5,320.52	Gas
08/15/18 (3)	1,742.23	Gas
08/24/18	3,744.04	Gas
09/14/18	2,000.00	Gas
Total 2018	\$ 48,762.43	
Grand Total	\$ 125,642.19	

(1) Recorded in the accounting system as being issued on November 14, 2016, instead of the actual payment date.

(2) Recorded in the accounting system as being issued on November 6, 2017, instead of the actual payment date.

(3) Recorded in the accounting system as being issued on August 24, 2018, instead of the actual payment date.

Appendix C

Plattsburg Special Road District
Supporting Documentation - Personal Credit Card Charges

Vendor or Purpose	Credit Card Transactions				Total Number of Transactions
	August 16 to December 31, 2016	Year Ended December 31, 2017	January 1 to September 16, 2018	Total	
Amazon	\$ 1,553.49	5,648.92	2,804.99	10,007.40	221
Clothing and accessories	442.52	3,133.45	4,719.31	8,295.28	61
Other shopping	718.97	8,365.33	2,000.79	11,085.09	173
Subtotal shopping	2,714.98	17,147.70	9,525.09	29,387.77	455
Business services and supplies	107.43	3,653.48	3,119.13	6,880.04	69
Tax software	0.00	1,092.46	0.00	1,092.46	3
Subtotal business and office supplies	107.43	4,745.94	3,119.13	7,972.50	72
Menards	687.31	6,976.55	2,703.29	10,367.15	49
Home Depot	368.17	3,575.88	290.34	4,234.39	40
Construction and hardware	647.60	1,721.54	320.00	2,689.14	31
Subtotal construction and home improvement	1,703.08	12,273.97	3,313.63	17,290.68	120
Hotels	184.90	2,271.70	3,277.59	5,734.19	40
Other entertainment & travel	0.00	875.24	967.85	1,843.09	30
Television subscriptions	0.00	70.93	143.07	214.00	24
Carnival Cruise Lines	0.00	100.00	3,232.86	3,332.86	23
Enterprise Rent-A-Car	229.62	594.52	2,074.78	2,898.92	10
Subtotal travel and entertainment	414.52	3,912.39	9,696.15	14,023.06	127
Farmer Brothers Coffee	0.00	5,679.22	5,285.85	10,965.07	32
Belfonte Ice Cream	0.00	1,821.94	825.48	2,647.42	32
Restaurant Depot	1,571.29	2,753.46	1,814.24	6,138.99	28
Other restaurant suppliers	425.11	1,796.51	58.00	2,279.62	15
Subtotal restaurant supply stores	1,996.40	12,051.13	7,983.57	22,031.10	107
Sam's Club and Walmart	3,555.58	6,818.62	4,470.92	14,845.12	103
Gas and convenience stores	137.79	265.41	768.70	1,171.90	38
Miscellaneous	703.11	1,264.54	1,616.70	3,584.35	39
Utilities	322.21	1,919.65	3,254.31	5,496.17	24
Auction sites	0.00	2,177.74	29.70	2,207.44	24
Restaurants	0.00	456.09	550.80	1,006.89	24
Health stores and providers	0.00	347.67	647.34	995.01	18
Missouri Western State University	0.00	919.22	1,620.37	2,539.59	14
Grocery stores	0.00	148.37	115.65	264.02	10
Political groups	0.00	225.00	190.00	415.00	5
Credit card fees	106.37	0.00	25.00	131.37	5
Cash withdrawals	0.00	0.00	515.00	515.00	3
Prior balance	1,927.55	0.00	0.00	1,927.55	1
Total charges	\$ 13,689.02	64,673.44	47,442.06	125,804.52	1,189
	(1)	(1)	(1)	(1)	

(1) These totals do not match the totals on Appendix B because Appendix B shows credit card billing payments while this Appendix shows credit card charges.

Appendix D

Plattsburg Special Road District
Supporting Documentation - Other Improper Payments

Payment Date (1)	Vendor	Purpose per Accounting System	Amount
10/27/2016	Ameren	(2) Electric	\$ 280.57
11/16/2017	Ameren	(3) Electric	300.00
12/02/2016	Ameren	(3) Electric	637.38
12/09/2016	Ameren	(2) Electric	150.25
01/11/2017	Ameren	(3) Electric	276.16
		Subtotal	\$ <u>1,644.36</u>
02/05/2016	Capitol Plaza	(4) Office supplies	115.56
02/05/2016	Capitol Plaza	(4) Office supplies	123.90
02/05/2016	Capitol Plaza	(4) Office supplies	123.90
02/01/2017	Capitol Plaza	(5) Office supplies	123.90
02/08/2018	Capitol Plaza	(5) Office supplies	218.84
02/08/2018	Capitol Plaza	(5) Office supplies	250.10
Total		Subtotal	\$ <u>956.20</u>
		Total	\$ <u><u>2,600.56</u></u>

(1) Date payment was recorded in the accounting system.

(2) Payment was made to Langner Enterprises' utility account.

(3) Payment was made to Ava Langner's personal utility account.

(4) The Secretary/Treasurer recorded the vendor as Clinton County Great NW Day in the accounting system instead of Capitol Plaza as indicated on the bank statement and combined the 3 separate payments into one entry in the accounting system.

(5) The Secretary/Treasurer recorded the vendor as Clinton County Great NW Day in the accounting system instead of Capitol Plaza as indicated on the bank statement.

The address and bank account numbers have been redacted.



OFFICE OF MISSOURI STATE AUDITOR

SUBPOENA

To: **Ava Lea Langner**

[Redacted]
[Redacted]

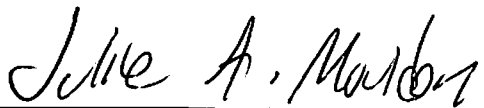
YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Fletcher Daniels State Office Building, Room 502, 615 East 13th Street, Kansas City, MO 64106, at 10:00 a.m. on December 21, 2018, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents listed on Exhibit A attached to this Subpoena.


ISSUED this 3rd day of December, 2018, pursuant to Section 29.235.4(1), RSMo.



Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by Ava Langner on this 12/3/18 day of December, 2018.







OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

All documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the Plattsburg Special Road District.

This request includes, but is not limited to, the following:

- Records related to Liberty Bank accounts (including, but not limited to, account numbers [REDACTED] and [REDACTED])
- Records related to Union State Bank accounts (including, but not limited to, account numbers [REDACTED])
- Any and all payroll records, timesheets, invoices, financial statements, board minutes, or any other Plattsburg Special Road District board records.

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the State Auditor. Section 29.235.4(1), RSMo.

The address and bank account numbers have been redacted.



OFFICE OF MISSOURI STATE AUDITOR

SUBPOENA

To: Langner Enterprises, LLC
Registered Agent: Ava Lea Langner

[REDACTED]
[REDACTED]

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Fletcher Daniels State Office Building, Room 502, 615 East 13th Street, Kansas City, MO 64106, at 10:00 a.m. on December 21, 2018, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents listed on Exhibit A attached to this Subpoena.

ISSUED this 3rd day of December, 2018, pursuant to Section 29.235.4(1), RSMo.

Handwritten signature of Nicole Galloway in black ink.

Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by Ava Langner on this 12/3/18 day of December, 2018.

Handwritten signature of Ava Langner in black ink.



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

All documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the Plattsburg Special Road District.

This request includes, but is not limited to, the following:

- Records related to Liberty Bank accounts (including, but not limited to, account numbers [REDACTED] and [REDACTED])
- Records related to Union State Bank accounts (including, but not limited to, account numbers [REDACTED])
- Any and all payroll records, timesheets, invoices, financial statements, board minutes, or any other Plattsburg Special Road District board records.

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the State Auditor. Section 29.235.4(1), RSMo.

Appendix G

The date of birth, social security number, addresses, and account numbers have been redacted.



NICOLE GALLOWAY, CPA
Missouri State Auditor

February 7, 2019

Chase Bank
National Subpoena Processing
Mail Stop #IN1-4054
Indianapolis, IN 46231

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena for the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. We have provided some details that may help identify the account. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know. While we need to obtain these records as soon as possible, we have some flexibility.

I may be contacted by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at Joel.Anderson@auditor.mo.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joel E. Anderson".

Joel E. Anderson
Chief Litigation Counsel

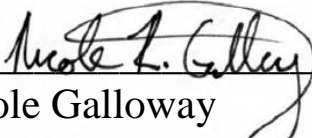
SUBPOENA

**To: Chase Bank
National Subpoena Processing
Mail Stop #IN1-4054
Indianapolis, IN 46231**

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Fletcher Daniels State Office Building, Room 511, 615 East 13th Street, Kansas City, MO 64106, at 10:30 a.m. on February 21, 2019, for purposes of providing testimony and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, you may mail the records listed in Exhibit A to the Missouri State Auditor to the attention of Pam Allison at the Springfield Office Complex, 149 Park Central Square, Box 471, Suite 814, Springfield, MO 65806.

ISSUED this 6th day of February, 2019, pursuant to Section 29.235.4(1), RSMo.



Nicole Galloway
Missouri State Auditor

EXHIBIT A

Please produce all records of transactions between and including the dates of September 15, 2016 and September 14, 2018 for the following account with Chase Credit Card, individual or joint:

Ava Lea Langner, date of birth [REDACTED]; last four digits of social security number, [REDACTED] (Chase Credit Card account number unknown). Account holder may be listed at any of the following addresses:

[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]
[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	

Payments to this account were made by electronic fund transfers from the following account:

Plattsburg Special Road District
Account number: [REDACTED]
Routing number: [REDACTED]

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.

Appendix H

The addresses and bank account numbers have been redacted.



NICOLE GALLOWAY, CPA
Missouri State Auditor

March 1, 2019

AMEREN
11760 US Highway
Palm Beach, FL 33408

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. We have provided some details that may help identify the account. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

I may be contacted by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at Joel.Anderson@auditor.mo.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel E. Anderson", with a long horizontal flourish extending to the right.

Joel E. Anderson
Chief Litigation Counsel



NICOLE GALLOWAY, CPA
Missouri State Auditor

March 1, 2019

AMEREN
11760 US Highway
Palm Beach, FL 33408

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. We have provided some details that may help identify the account. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

I may be contacted by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at Joel.Anderson@audtior.mo.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joel E. Anderson".

Joel E. Anderson
Chief Litigation Counsel



OFFICE OF MISSOURI STATE AUDITOR

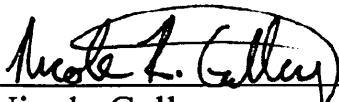
SUBPOENA

**To: AMEREN
11760 US Highway
Palm Beach, FL 33408**

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Fletcher Daniels State Office Building, Room 511, 615 East 13th Street, Kansas City, MO 64106, at 10:30 a.m. on March 15, 2019, for purposes of providing testimony and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records listed in Exhibit A to the Missouri State Auditor to the attention of Pam Allison at 301 W. High St., Room 880, Jefferson City, MO 65102.

ISSUED this 1st day of March, 2019, pursuant to Section 29.235.4(1), RSMo.



Nicole Galloway
Missouri State Auditor



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

Please produce all records (billing statement including account numbers, name on the account, and address of the account) relating to the following utility payments made by electronic fund transfers from the Plattsburg Special Road District bank account number [REDACTED] with a routing number of [REDACTED]

10/27/2016	\$ 280.57
11/17/2016	\$ 300.00
12/2/2016	\$ 637.38
12/9/2016	\$ 150.24
1/11/2017	\$ 276.16

Service addresses for these payments are suspected to be related to one or more of the following addresses which may aid you in producing these records:



This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.