

**BOARD OF COMMISSIONERS OF BOONE COUNTY
RESOLUTION 2026-11**

**A RESOLUTION APPROVING THE FILING OF A PETITION TO THE
BOONE COUNTY COURTS TO LITIGATE THE REMOVAL OF THE
BOONE COUNTY AUDITOR FROM OFFICE**

WHEREAS, Boone County (the "County") is a unit organized and existing under the provisions of Indiana Code section 36-1-2-23 and Indiana Code section 36-2-1, *et. seq.*;

WHEREAS, the Board of Commissioners of Boone County ("Board") serves as the executive of the County per Indiana Code section 36-2-2-2;

WHEREAS, Indiana Code section 36-2-8.7-2(a) expressly gives the county executive the authority to "initiate the process of petitioning a court to remove a county officer from office under IC 5-8-1-35 by adopting a resolution in accordance with" Indiana Code;

WHEREAS, Indiana Code section 36-2-8.7-1(a)'s definition of "county officer" includes the county auditor, who serves as the county fiscal officer pursuant to IC section 36-2-9-2(c);

WHEREAS, Indiana Code section 36-2-8.7-2(b) requires the executive to hold a public hearing "on the resolution at least ten (10) business days before the resolution is adopted";

WHEREAS, in accordance with Indiana Code section 36-2-8.7-2(b), the Board held a public hearing on October 6, 2026, which public hearing was properly advertised in accordance with Indiana Code section 5-3-1, *et. seq.*;

WHEREAS, Indiana Code section 36-2-8.7-2(b) states, "[t]he resolution must contain a concise statement of the underlying basic facts that support the county executive's finding that the county officer committed a violation" outlined in Indiana Code section 36-2-8.7-7 or Indiana Code section 5-8-1-35(a)(1)-(5);

WHEREAS, those basic facts are set forth in Exhibit A, which facts are incorporated herein by reference;

NOW, THEREFORE, BE IT RESOLVED BY THE BOONE COUNTY BOARD OF COMMISSIONERS, INDIANA AS FOLLOWS:

Section 1. The Board has complied with all conditions precedent to review this Resolution.

Section 2. The Board finds there is sufficient evidence to support the facts identified on Exhibit A.

Section 3. The Board concludes the facts support a finding that the Boone County Auditor has violated Indiana Code section 5-8-1-35(a)(2), as the facts presented demonstrate a significant pattern of "refusing, neglecting, or being unable to perform the official duties pertaining to the officer's office."

Section 4. The Board approves the filing of a petition with the Boone County courts, whereby a judge can determine whether the Boone County Auditor should officially be removed from office.

Section 5. This Resolution shall be certified to the Boone County Council, the Boone County Auditor, and the Clerk of the court in which the action is filed under Indiana Code section 5-8-1-35 within ten (10) days.

Section 6. This Resolution is effective upon passage.

RESOLVED by the Board of Commissioners of Boone County, on this _____ day of _____, 2026.

FOR:

AGAINST:

_____	Tim Beyer	_____
_____	Scott Pell	_____
_____	Donnie Lawson	_____

ATTEST:

Debbie Crum, Auditor

Exhibit A¹

Facts presently known that support removal under IC § 5-8-1-35(a)(2)
("refusing, neglecting, or being unable to perform the official duties
pertaining to the officer's office.")

I. Release of Private/Confidential Information

1. On or around June 30, 2026, the Auditor negligently released the social security numbers of 290 employees to the Department of Child Services ("DCS") without legal authority or consent. DCS then released those social security numbers to other unauthorized persons because the Auditor would not communicate further with DCS.
 - a. The DCS investigation also shows the Auditor's disregard to cooperate in the audit process. She ignored communication requests and provided them with incorrect information.
2. This situation is not the first instance of releasing confidential information.
 - a. The Auditor shared Councilwoman Hostetter's W2 with persons not authorized to have it without legal authority or her consent. Her W2 includes her social security number and home address.
 - b. The Auditor emailed an attachment (through an unsecured portal) that included a list to another Boone County employee that includes the names, addresses, dates of birth, and social security numbers of all county employees and their dependents.
 - i. That email and corresponding list/attachment was then sent to the County Attorney as part of a public records request that had nothing to do with the Auditor.

II. Innkeeper's Tax Issue

3. In September 2025, the Boone County Council adopted a new Innkeeper's Tax rate to increase it from 5% to 8%. Per Indiana law, that ordinance went into effect on October 1, 2025.
 - a. When the Auditor filed the ordinance with the Department of Revenue ("DOR"), she notified DOR that its effective date was January 1, 2026. She did not first consult with the County Attorney or the Council's attorney.
 - b. Thereafter, counsel for DOR requested the County amend the ordinance to clearly identify January 1, 2026 as the effective date. The Auditor relayed that to the County Attorney and Council's attorney.
 - c. Council's attorney then spent unnecessary time and resources explaining the law to the Auditor and spoke with DOR in an attempt to clean-up the error.

¹ The facts presented herein are a representative sample of specific issues found to date and should not be interpreted as an exhaustive list of all negligent actions taken, or not taken, by the Auditor since taking office.

- d. The Auditor continued to defend her actions. She also never understood that she was dealing with DOR and not the IRS.
- e. The loss in the 3% difference was approximately \$155,699.07 to the County, which has impacted the Boone County Tourism Commission. Several persons have spent a lot of time in an attempt to recover those funds.
- f. To date, the County is still attempting to recover approximately \$43,342.21 in back taxes owed due to her mistake.

III. Worker's Compensation Issue

- 4. The Auditor refuses to cooperate with the County's insurance broker, Walker Hughes, and does not provide them with payroll information, so worker's compensation rates can be calculated correctly. For the last three years, IPEP's audit has resulted in additional premiums that were not contemplated by the Commissioners during budget and have cost the County the following:
 - a. Years 2022-2023 (pay 2024) = \$46,227.00;
 - b. Years 2023-2024 (pay 2025) = \$74,923.00; and
 - c. Years 2024-2025 (pay 2026) = \$63,531.00
 - d. In November 2025, the Commissioners' property and casualty insurance fund was mysteriously low, so the Commissioners had to do a reappropriation in order to cover the remaining expenses in 2025.
 - e. The Auditor never spoke up and stated the fund was low because she had disbursed a check, in February 2025, in the amount of \$74,923.00 to Walker Hughes for these additional premiums that were incurred. The Commissioners and the Council were led to believe the fund was short was because the County had underestimated the cost to insure the new justice center when it opened mid-2025.

IV. Positive Pay Issue

- 5. In 2025, the County set up "positive pay" with KeyBank to protect against fraudulent transactions. The Auditor is required to create a list of all checks that are released by the County and upload that list to KeyBank by 11:00 p.m. the day before. If that list is not uploaded to KeyBank and checks are deposited by vendors, KeyBank flags those checks and sends a list to the Treasurer, who is then required to authenticate the validity of each check between 10:00 a.m. and 2:00 p.m. that same day.
 - a. The County is charged \$4.00 per check for each that has to be validated.
 - b. Between January 1, 2026 and September 30, 2026, 3,754 checks have been flagged by KeyBank because the Auditor failed to timely upload a file.
 - c. This repeated failure has cost the County approximately \$15,016.00.

V. Lack of Internal Controls

- 6. In 2016, the County adopted an Internal Controls ordinance that identifies standards the Auditor must follow. Since at least 2022, the SBOA has identified the Auditor's lack of

Internal Controls as a significant issue during its annual audits. For example, in the July 2025 audit report, the following was stated by SBOA: “Due to the lack of internal controls, the financial statement presented for audit included the following errors:

- The County Sheriff’s Cash Book was included in the financial statement, which overstated both receipts and disbursements by \$2,916,572.
- The Clerk of the Circuit Court’s ISETS fund overstated receipts by \$9,193, overstated disbursements by \$6,017, and overstated the ending balance by \$3,176.
- The 93.563 Pros IV-D Inc PST 10/99 fund overstated both receipts and disbursements by \$8,170.
- The 93.563 Clrk IV-D Inc PST 10/99 fund overstated both receipts and disbursements by \$13,143.
- The Opioid Restricted Fund understated receipts by \$24,009, and the Opioid Unrestricted Fund overstated receipts by \$24,009.

7. In approximately October 2022, it is believed the Auditor requested the County’s financial advisor, Baker Tilly, prepare a draft of proper Internal Controls for her office.
 - a. Those Internal Controls were drafted by Baker Tilly, finalized and emailed to the Auditor/Treasurer on June 14, 2023 for review and feedback.
 - b. On July 12, 2023, Baker Tilly followed up and asked whether either had any questions or comments on the proposed draft.
 - i. There was no communication by the Auditor on these Internal Controls.
 - ii. These Internal Controls were never presented to, approved, or adopted by the Commissioners and never implemented by the Auditor.
 - c. Baker Tilly billed the County for this work.
 - d. Nearly three years later, in early 2026, the Commissioners released a Request for Proposals in order to better understand the Internal Control deficiencies in the Auditor’s Office that have been repeatedly called out by SBOA, so proper Internal Controls can finally be adopted by the County.
 - e. As part of this 2026 audit with the County’s vendor, the Auditor provided a copy of her alleged “Internal Controls,” which is a simple, two-page document that has no date of adoption on it.
 - f. Had the Auditor finalized and implemented the 2023 Internal Controls drafted by Baker Tilly, which was paid for by the County, the Commissioners would not have needed to spend taxpayer dollars in 2026 to do an audit.

VI. CYMA Issues

8. The Auditor has unreasonably and without notice eliminated employees, including other elected officials, from accessing/using CYMA—several of whom have a legitimate business need to access (read only) the County’s financial software to perform their jobs.
9. The Auditor is provided all user names and passwords for all County employees/elected officials who have CYMA access.

VII. Significant Payroll Issues

10. There are and have been significant and grossly negligent payroll errors by the Auditor for several years.
 - a. SBOA has identified the following (July 2025 report), which only “tests” a segment of the Auditor’s payroll:
 - i. Two pay periods contained errors in the calculation of insurance premiums. Group Accident insurance was not withheld on one pay period, and Group Critical Illness was not withheld on a separate pay period. This error was caused by a lack of timely communication between the County Auditor’s office and the Human Resources Department in verifying that the changes in deduction rates were input into the accounting system prior to the start of the new calendar year. This resulted in a shortage in premium withholdings of \$50, which was not corrected during the audit period.
 - ii. Employer and employee portions of Social Security and Medicare were incorrectly calculated for 6 of the 16 employees tested. The errors were caused by dental premiums for all categories of the high-deductible dental plans being incorrectly classified as post-tax deductions in the payroll software. This prompted the payroll software to calculate Social Security and Medicare taxes on the premiums. As a result, the County overpaid employer portions of the Social Security and Medicare taxes by \$11 combined for all affected employees in the sample for the pay periods tested. Similarly, withholdings for the employee portions of Social Security and Medicare were \$11 in excess of the requirements for the employees tested. Since the error is a misclassification in the payroll software settings, all employees participating in the high deductible dental plans are affected for all pay periods in the audit period. The coding error was not discovered by the County Auditor until the matter was brought to her attention during the audit.

- iii. Employees can elect to contribute a portion of their earnings on a pre-tax or post-tax basis to the Hoosier START (HS) Deferred Compensation plan. The following errors were discovered with the HS contributions:
 - 1. An employee requested their contribution be increased from \$30 to \$100 per pay period in November 2022. The Auditor did not properly adjust the contribution rate in the payroll software and, therefore, continued to withhold \$30 from the employee's pay. The Auditor withheld \$1,820 less than the employee requested for calendar year 2024.
 - 2. An employee requested their contribution be increased from 5 percent to 8 percent per pay period in January 2024. The Auditor did not properly adjust the contribution rate in the payroll software and therefore, continued to withhold 5 percent from the employee's pay until the employee submitted a new form changing the percentage to 7 percent in January 2025. The Auditor withheld \$1,439 less than the employee requested for calendar year 2024.
- iv. The Health Savings Account (HSA) contribution for one employee did not agree with elections made by the employee. The employee requested their contribution be increased from \$20 to \$30 per pay period in December 2023. The Auditor office did not adjust the contribution rate in the payroll software and, therefore, continued to withhold \$20 from the employee's pay. The County withheld \$260 less than the employee requested for calendar year 2024.
- v. Public Employee Retirement Fund (PERF) contributions are to be made biweekly for all full-time eligible employees at a rate of 11.2 percent of gross pay for the employer contribution and at a rate of 3 percent for the employee mandatory contribution. The County has elected to fund the employee contribution and, therefore, is required to remit the total 14.2 percent to PERF on a biweekly basis. The following errors were discovered by SBOA with the PERF contributions:
 - 1. An employee began employment with the County in a PERF eligible role in June 2024, but the Auditor did not make PERF contributions until January 2025. The County Auditor submitted an adjustment to PERF in January 2025 to contribute \$4,350 in contributions missed during 2024. The pay period ending December 29, 2024, which was paid on January 10, 2025, was not

included in this adjustment. Therefore, the employee's PERF contributions were underpaid by \$294.

2. Certain classifications of highway department workers are hired on a probationary program where their employment is considered temporary for up to 90 days. At the conclusion of the probationary period, employees are considered full-time and are eligible for PERF contributions. An employee was incorrectly classified as a temporary worker despite the role being considered full-time from the date of employment. As a result, the employee's PERF contributions did not start until the sixth pay period of their employment. A correction was made by the Auditor to backpay the missing pay periods, but only four of the five pay periods were adjusted. Therefore, the employee's PERF contributions were underpaid by \$326.
3. Another highway department worker was hired as a temporary employee in April 2024 and transferred to a full-time employee in June 2024. PERF contributions were not made on the first pay period in which the employee was eligible for benefits. An adjustment was made to the employee's PERF account in a subsequent pay period to correct this error.
4. Another highway department worker was hired as a temporary employee in August 2022 and transferred to a full-time employee later in the same month. PERF contributions were not made until December 2022. A correction was made by the Auditor to backpay the missing pay periods, but only five of the seven pay periods were adjusted. Additionally, the five adjusted payments and the first two regular payments of PERF were classified as post-tax contributions instead of the correct pre-tax designation. Therefore, the employee's PERF contributions were underpaid by \$457.
5. There are several other employees who have not had PERF reported timely and therefore, have lost the compounding interest on those dollars in their retirement. **It is unknown whether all, or any, of these employees are aware of this issue impacting their PERF.*
- vi. In 2025, two employees were overpaid by \$525 and \$2,898, respectively. A subsequent paycheck for the employee overpaid \$525 was adjusted to correct the overpayment. The Auditor pulled \$1,995 from the employee, the net pay amount of the \$2,898 overpayment, back directly from the

second employee's bank account, which avoided an adjustment to the gross pay or deductions in a subsequent pay. Per SBOA, the Auditor should not have access to pull funds directly from an employee's bank account. Errors on payroll should be accounted for as adjustments in the accounting system to subsequent pay periods. In addition to the errors in pay, the deductions for dental premiums, life insurance, and dependent daycare coverage for the employee overpaid \$525 were erroneously deducted. This resulted in excess deductions of \$174. The County Auditor located these errors in a subsequent pay period and refunded the employee but incorrectly calculated the error as \$280. Therefore, the employee was refunded \$106 more than necessary.

- vii. An employee requested post-tax HS contributions of 5 percent. Contributions of 7 percent, on a pre-tax basis, were contributed for each pay. The total error for the periods tested in 2025 was \$425. The same employee did not have life insurance premiums deducted for the first four pay periods of 2025. The total error for the periods tested in 2025 was \$35. These errors were not corrected.
- viii. An employee requested 3 percent contributions to HS. For one pay period in 2025, no contributions were deducted from the employee's pay. The error was corrected by deducting 6 percent from a future paycheck.
- ix. An employee's health benefits were incorrectly calculated at the start of 2025. The employee's medical premiums, HSA contribution, and life insurance were incorrectly deducted for two pay periods. The total error was \$40. These errors were not corrected.
- x. An employee's life insurance premiums were incorrectly calculated at the start of 2025 for two pay periods. The total error was \$12. These errors were not corrected.
- xi. An employee received a pay increase in 2025. The Personnel/Payroll Change Notification (Notification) was signed by the Auditor on January 28, 2025. The pay increase was made effective January 1, 2025, on the notification without being granted approval by the Council for the retroactive pay increase.

VIII. Negative Payroll Issues

- 11. The Auditor negligently operates the payroll lines in the negative in violation of Indiana Code section 36-2-9-13.

IX. Open Door Law Violations

12. Between January 2025 and August 2025, the Auditor did not advertise any public hearings held by Council on additional appropriations.
 - a. It is believed that as part of the process on an additional appropriation, the DLGF requires to Auditor provide DGLF with two specific dates: (1) the date the advertisement was in the newspaper (pre-January 1, 2026); and (2) the date the public hearing was held. These dates must be more than ten (10) days apart.
 - i. Since no advertisements were placed in the Lebanon Reporter for public hearings on additional appropriations considered by Council, there is a significant concern that information was misreported to the DLGF.
13. The Auditor did not post notice of Council's August 2026 public meetings/workshops in violation of Indiana Code section 5-14-1.5-5 (Open Door Laws). She also did not, as the Council Clerk, ensure those public meetings/workshops were livestreamed in accordance with the law.
 - a. When questioned if she posted notice, she stated the notice was put in the newspaper "several months ago." She was asked for a copy of the notice, which she did not produce. All legal advertisements in the Lebanon Reporter were searched for 2026, and there were no notices for Council's public meetings/workshops held in August 2026. The County's "minutes and agenda" distribution list was also searched, and no notices of those workshops were sent.

X. Additional/Reappropriations Without Council Approval

14. The Auditor has negligently and inappropriately moved money between funds/lines without Council approval in violation of Indiana Code section 36-2-9-14(c). Moreover, the Auditor has represented on the County's ledgers that an additional appropriation was done "per Council," when in fact, Council never considered or approved the request.

XI. Failure to Pay Federal Wage/Social Security Withholdings

15. The Auditor has also negligently failed to timely remit payroll withholdings to the IRS.
 - a. From the time she took office in March 2020 to January 2024, the Auditor missed timely filing several Employer's Quarterly Federal Tax Returns (Form 941) with the IRS.
 - b. On January 30, 2024, the Auditor finally paid back taxes owed, plus penalties and interest that had accrued, to the IRS in the total amount of approximately \$148,026.03.
 - i. That payment was made from an "unappropriated line" in Fund 5353.

- ii. It is unknown how that money was transferred into an “unappropriated line” in Fund 5353, since dollars are never appropriated to that Fund by Council. Therefore, it is believed this is an expenditure of dollars without Council approval in violation of Indiana Code section 36-2-9-14(c).

XII. Signed Contract Without Following Legal Process

- 16. In May 2025, the Auditor signed a services contract without the Commissioner’s knowledge or approval in violation of Indiana Code section 36-2-2.9. This contract was discovered by accident during the investigation into the DCS/social security breach issue in July 2026. Commissioners have the authority to void the contract because she did not follow correct legal process.

XIII. Signed Affidavits as a Commissioner

- 17. In July 2026, the Auditor signed four “Affidavits for Payment” that included the following statement: “The undersigned states that they are an authorized Boone County Commissioner.” The Auditor is not a Boone County Commissioner.

XIV. Not Uploading Contracts

- 18. Between March 27, 2019² and February 25, 2026, the Auditor did not upload any contracts to Gateway in violation of Indiana Code section 5-14-3.8-3.5. Twelve contracts (for work starting February 2, 2025) were uploaded on February 25, 2025.
 - a. No other contracts have been uploaded since.

XV. Nepotism Issue

- 19. In 2024, the Auditor hired and paid her daughter to work for her at the County in violation of Nepotism Policy.

XVI. Paying Invoices from Wrong Funds/Lines

- 20. The Auditor has negligently paid invoices from the wrong funds/lines without Council approval.

XVII. Refusal to Use Approved County Software

- 21. The Auditor refused to use Neogov for several years, even though the platform was approved by the Commissioners and funded by the Council. She expressly communicated to another elected official, “I am not using Neogov. [HR] cannot make me use this for payroll” on October 18, 2024.

² It is believed the Auditor took office on March 7, 2020.

XVIII. Encumbrances Without Council Approval

22. Between 2021 and 2025, Council did not approve the County's annual encumbrances, which violates well established SBOA policy. The Auditor contends that encumbrances are done at her discretion, which is false. In February 2026, after several unnecessary email exchanges and debates, the Auditor had Council approve the 2025 encumbrances for the first time.