

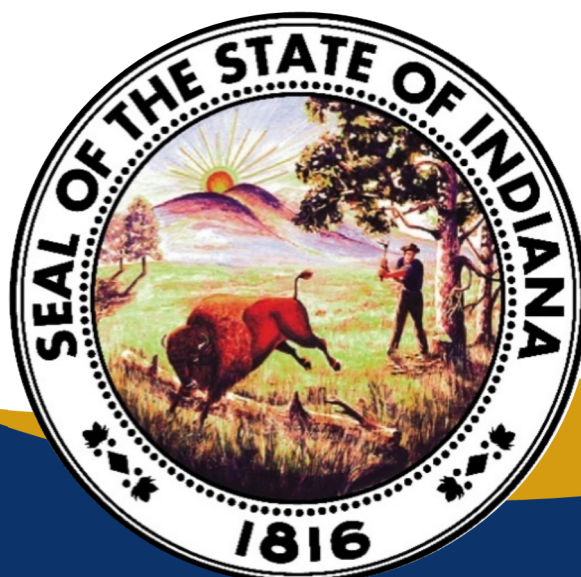
**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

**Paul D. Joyce, CPA
State Examiner**

**SPECIAL INVESTIGATION REPORT
OF**

**LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
LAKE COUNTY, INDIANA**

January 1, 2022 to December 31, 2024



FILED

01/05/2026

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Paul D. Joyce, CPA
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TO: THE OFFICIALS OF LAKE COUNTY, INDIANA

This is a special investigation report for the Lake County Sheriff's Department (Sheriff's Department), for the period January 1, 2022 to December 31, 2024, and is in addition to any other report for Lake County (County) as required under Indiana Code 5-11-1. All reports pertaining to the County may be found at www.in.gov/sboa/.

We performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts and were limited to records associated with the Sheriff's Department, with a concentration on the jail commissary fund. The Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

November 3, 2025

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS

BACKGROUND

Oscar Martinez, Jr. (Martinez) was selected by caucus to serve the remaining term of John Buncich, former County Sheriff (Sheriff), beginning September 26, 2017. That term ended December 31, 2018. Subsequently, Martinez was elected twice to serve as Sheriff. Martinez is currently serving his second term, which began January 1, 2023, and continues through December 31, 2026.

Indiana Code 36-8-10-21 (the Commissary statute) establishes the legal framework for the establishment and administration of the Jail Commissary Fund (Commissary Fund), which consists of revenues generated from sales of merchandise to inmates incarcerated at county jails. Generally, Indiana law provides that public funds may not be disbursed at the county level without an appropriation from the County fiscal body. See Indiana Code 36-2-9-14(c). However, the Legislature has created a limited exception for certain specifically enumerated categories under Indiana Code 36-8-10-21(d), granting the Sheriff discretionary authority to disburse commissary funds without prior, specific appropriation.

Unless specially noted, this Special Investigative Report (Report) references the version of the Commissary statute that was effective through June 30, 2025.

All monies received from jail commissary sales are required to be deposited into the Commissary Fund. The statute provides the criteria of expenditures that can be made from the Commissary Fund. Expenditures meeting the specific statutory criteria enumerated in Indiana Code 36-8-10-21(d)(1) through (8) are at the discretion of the Sheriff without the need for prior appropriation by the County fiscal body. All other expenditures not specifically enumerated in subsections (d)(1) through (8) require mutual agreement between the Sheriff and the County fiscal body pursuant to Indiana Code 36-8-10-21(d)(9), along with a finding that such expenditures "benefit the sheriff's department." In Lake County (County), the fiscal body is the County Council.

The Commissary statute places responsibility for both deposits and disbursements of commissary funds with the Sheriff or the Sheriff's designee. See Indiana Code 36-8-10-21(c) and (d). The Indiana State Board of Accounts' (SBOA) investigation revealed that Martinez made no written formal designation of any individual to have control or responsibility for the deposit or disbursement of commissary funds during the investigation period, thereby retaining personal responsibility for all fund activities.

During the regularly scheduled SBOA annual audit of the County for the period of January 1, 2022 to December 31, 2022, the SBOA determined that all payments tested during the audit period from the Commissary Fund were disbursed based on direction from Martinez rather than an actual vendor invoice. This direction included travel expenses reimbursed to Martinez totaling \$14,848.79 for an International Association of Chiefs of Police (IACP) conference that Martinez and several officers attended in Dallas, Texas, in October 2022. No supporting documentation in the form of original vendor invoices, itemized receipts, or third-party documentation was provided to the SBOA for review. As a result of this testing, the SBOA special investigators were tasked with a review of the Commissary Fund for the period January 1, 2022 to December 31, 2024.

The SBOA examined the Commissary Fund activity to determine disbursement compliance with Indiana Code 36-8-10-21 and the Sheriff's authority to incur, pay, and authorize the disbursements. Indiana Code 36-8-10-21 was amended by the General Assembly in 2025. The version of the Commissary statute in effect during the investigation period subject to this Report provided as follows:

Indiana Code 36-8-10-21 states:

"(a) This section applies to any county that has a jail commissary that sells merchandise to inmates.

LAKE COUNTY SHERIFF'S DEPARTMENT
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(Continued)

(b) A jail commissary fund is established, referred to in this section as 'the fund'. The fund is separate from the general fund, and money in the fund does not revert to the general fund.

(c) The sheriff, or the sheriff's designee, shall deposit all money from commissary sales into the fund, which the sheriff or the sheriff's designee shall keep in a depository designated under [IC 5-13-8](#).

(d) The sheriff, or the sheriff's designee, at the sheriff's or the sheriff's designee's discretion and without appropriation by the county fiscal body, may disburse money from the fund for:

- (1) merchandise for resale to inmates through the commissary;
- (2) expenses of operating the commissary, including, but not limited to, facilities and personnel;
- (3) special training in law enforcement for employees of the sheriff's department;
- (4) equipment installed in the county jail;
- (5) equipment, including vehicles and computers, computer software, communication devices, office machinery and furnishings, cameras and photographic equipment, animals, animal training, holding and feeding equipment and supplies, or attire used by an employee of the sheriff's department in the course of the employee's official duties;
- (6) an activity provided to maintain order and discipline among the inmates of the county jail;
- (7) an activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity, including the following:
 - (A) Substance abuse.
 - (B) Child abuse.
 - (C) Domestic violence.
 - (D) Drinking and driving.
 - (E) Juvenile delinquency;
- (8) expenses related to the establishment, operation, or maintenance of the sex and violent offender registry web site under [IC 36-2-13-5.5](#); or
- (9) any other purpose that benefits the sheriff's department that is mutually agreed upon by the county fiscal body and the county sheriff.

Money disbursed from the fund under this subsection must be supplemental or in addition to, rather than a replacement for, regular appropriations made to carry out the purposes listed in subdivisions (1) through (8).

LAKE COUNTY SHERIFF'S DEPARTMENT
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RESULTS AND COMMENTS
(Continued)

(e) The sheriff shall maintain a record of the fund's receipts and disbursements. The state board of accounts shall prescribe the form for this record. The sheriff shall semiannually provide a copy of this record of receipts and disbursements to the county fiscal body. The semiannual reports are due on July 1 and December 31 of each year."

The SBOA interviewed Martinez on October 9, 2024. Others attending and participating in the interview included:

- John Gruszka, Commander
- Peter Papageorgakis, Commissary Fund Bookkeeper (bookkeeper)
- Michelle Dumbsky, Contracted Accountant
- Donald Smith, Contracted Accountant
- John Kopack, Attorney for the Sheriff

During the interview, the SBOA inquired about the process for obtaining mutual agreement between the Sheriff and the County Council as required under Indiana Code 36-8-10-21(d)(9) for expenditures outside the enumerated discretionary categories. Martinez explained that he evaluates each purchase by reviewing what was bought and considering the law to determine whether the expense can be paid from the Commissary Fund. If the expense did not align with the statutory purposes of the Sheriff's Department, Martinez indicated he would instead use campaign funds to cover it.

The SBOA confirmed with both Martinez and the President of the County Council that, during the investigation period, Martinez did not seek mutual approval from the County Council regarding any proposed or past disbursements from the Commissary Fund.

In the October 9, 2024 interview, the SBOA inquired about per diem and mileage. Martinez stated that "they would get per diem for as many days as they are gone." John Gruszka (Gruszka) stated "they" follow the County's rate (per policy). In a follow-up interview with Gruszka on March 10, 2025, Gruszka confirmed that the Sheriff's Department follows the same travel policy as the County.

The following describes noncompliance with the Indiana Code and/or the SBOA's *Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana*.

**COMMISSARY PURCHASES EXCEEDING THE SHERIFF'S AUTHORITY
UNDER INDIANA CODE 36-8-10-21 (SPECIAL ORDERS)**

During the investigation period, the SBOA identified 221 disbursements from the Commissary Fund totaling \$265,879.43. The SBOA determined that these disbursements were donations or sponsorships to various nonprofits, churches, labor organizations, and other entities. The Commissary statute does not authorize the expenditure of commissary funds for donations or sponsorships.

Indiana Code 36-8-10-21(d)(7) permits a sheriff to expend commissary funds for "an activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity." As detailed below, the SBOA did not identify any activity or program of the Sheriff's Department related to any of these donations or sponsorships.

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

Martinez used "special order" commissary transactions to accomplish these disbursements. For example, special orders provided to the SBOA during investigation reflected entries categorized as "Prevent Juvenile Delinquency" or "Juv Crime Prevention." However, the SBOA's investigation found no evidence of any specific "activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity" associated with any of these disbursements, as required by the Commissary statute.

The SBOA also identified instances in which expenditures classified as crime prevention were instead used to confer personal benefits to Martinez. These disbursements included over 43 golf outings, advertising, meals, and event attendance.

Background - Special Orders

A special order is a written order to pay a vendor. The SBOA determined it is equivalent to an accounts payable voucher (APV). Special order forms were used by Martinez for individual vendor payments, including donations, charitable contributions, conference and training fees, per diem for officers, and credit card payments. For example, Martinez would use one special order to cover payment of an entire credit card statement.

The SBOA interviewed Martinez and Gruszka on October 9, 2024, and inquired about the special order forms. Martinez stated these forms have been used since before he became Sheriff. Gruszka stated that the bookkeeper would assign the number and the forms would be signed by Martinez. If Martinez was gone, the Chief or Deputy Chief would stamp Martinez's signature and initial next to it.

Per additional SBOA interviews with the Sheriff's Department staff, the SBOA inquired about the process of the special orders. The Sheriff's Department staff provided the following information on the process:

1. Special orders are prepared by either the bookkeeper or the Sheriff's administrative assistant.
2. The bookkeeper prepares the special orders for:
 - vendor invoices received by the bookkeeper
 - credit card statements received by the bookkeeper
 - registrations for trainings and/or conferences
 - per diem paid to officers
3. The Sheriff's administrative assistant prepares the special orders for donations, sponsorships, golf outings, and the prevention of juvenile delinquency.
4. The bookkeeper assigns a number to each special order. The numbers assigned begin with the last two digits of the year followed by a dash, then the numerical sequence. For example, the first special order for 2023 would be numbered 23-001. For the special orders prepared by the administrative assistant, the administrative assistant would email the special orders to the bookkeeper and request a number. The bookkeeper would assign a number to the special order, print a paper copy of the special order, and return the printed copy to the administrative assistant.

LAKE COUNTY SHERIFF'S DEPARTMENT
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(Continued)

5. Special orders were given to the Sheriff to be signed by him, or the Chief or Deputy Chief would use his signature stamp and put their initials next to the stamped signature if Martinez was not there. After being signed, the special orders would be returned to the bookkeeper who would give them to Gruszka. Gruszka would prepare the checks for payment. Generally, Gruszka signs the checks; however, five people are authorized check signers. Martinez is not one of the five signatories on the Commissary bank account.
6. Checks for donations and special orders prepared by the administrative assistant are not mailed out by the bookkeeper. The checks for donations and special orders prepared by Martinez and/or his administrative assistant are given to Martinez, or if he is unavailable, the checks are given to the administrative assistant to mail or hand deliver.

The Sheriff's Department staff stated they did not receive vendor invoices or documentation to support the special orders prepared by the administrative assistant.

On October 9, 2024, at the close of our interview with Martinez and Gruszka, the SBOA verbally requested special orders, including the vendor invoices for all disbursements for the period of January 1, 2022 to September 30, 2024. Special orders were provided to the SBOA on October 9, 2024. After review of the special orders from January 1, 2022 to September 30, 2024, the SBOA determined there were 403 special orders that lacked vendor invoices, and additional requests were made as follows:

<u>Date Requested</u>	<u>Documentation Requested</u>
12-09-24	Special Orders for January 2022 through September 2024
01-13-25	Special Orders for January 2022 through September 2024

The SBOA requested an additional 15 out of 190 special orders, including the vendor invoices for the period of October 1, 2024 to December 31, 2024, as follows:

<u>Date Requested</u>	<u>Documentation Requested</u>
01-14-25	Special Orders for October 2024 through December 2024
01-20-25	Special Orders for October 2024 through December 2024

Based upon the special orders signed by Martinez or other staff, Martinez and his bookkeeping staff categorized the Commissary Fund purchases as variations of the following:

- Conference and Training Fees;
- Per Diem to Named Officers, including Martinez, for conferences and/or training;
- Membership Dues;
- Clothing;
- Veterinary services and canine food;
- Advertisements;
- Reimbursements for lodging, parking, mileage, and/or airfare;

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

- Charitable Contributions or Donations;
- Donations;
- Fundraisers;
- Prevention of child and/or juvenile delinquency; and
- Sponsorships.

The SBOA reviewed the Commissary Fund purchases, including the special orders and vendor invoices for the period January 1, 2022 to December 31, 2024, to determine if expenditures were permitted under Indiana Code 36-8-10-21(d).

The SBOA determined that these 221 disbursements failed to satisfy the requirements of any of the specifically enumerated categories set forth in Indiana Code 36-8-10-21(d)(1) through (8). The investigation revealed that these 221 disbursements consisted of payments to various nonprofit organizations, religious institutions and churches, various Lodges of the Fraternal Order of Police, labor organizations, community groups and civic organizations, and other entities unaffiliated with the Sheriff's Department. These disbursements were characterized in Martinez's special order documentation using various descriptions, including "Prevent Juvenile Delinquency," "Juv Crime Prevention," "Community Relations," and similar terminology.

The following schedules summarize the 221 disbursements by date, payee, transaction details, and dollar amount:

Date	Payee (as noted in the Commissary ledger)	Transaction Details (as noted in the Commissary ledger)	Dollar Amount
01-26-22	Merrillville Rotary Club Charities, Inc.	CLOTHING DONATE-PREVENT JUV CRMI	\$ 1,000.00
01-26-22	Urban League of Northwest Indiana, Inc.	SUPPORT JUVENILE PROGRAMS	1,000.00
02-03-22	Hessville Little League	PREVENT JUV CRIME PROGRAM	350.00
02-16-22	Hammond Hispanic Community Committee	JUV CRIME PREVENTION	750.00
03-01-22	Hammond Hurricanes	PREVENT JUVENILE DELINQUENCY	200.00
03-01-22	Mount Carmel High School	MOTHER'S CLUB 2022 AD BOOK	400.00
03-17-22	Ross Township Trustees Office	PREVENT JUV DELINQUENCY DONATION	200.00
04-14-22	Ballet Folklorico Yolotzin	SPAGHETTI DINNER	100.00
04-19-22	Hammond FOP Lodge #51	OFFICER MEMORIAL DONATION	500.00
04-19-22	East Chicago Katherine House Club	FREE THROW MARATHON	1,000.00
04-20-22	Trinity Baptist Church2	ANNIVERSARY BOOKLET COMMITTEE	100.00
04-20-22	Campagna Academy	CHAMPION PROGRAM	500.00
04-26-22	The NICK Foundation	CANCER RESEARCH DONATION	500.00
04-26-22	The LINKS FOUNDATION	NORTHERN INDIANA CHAPTER	1,000.00
04-26-22	Gary Alumae Chapter	THE ART OF THE GRAND TEA	1,000.00
04-28-22	Friends of Marquette Park	WATER SAFETY SOCIAL GROUP PROGRA	1,853.54
05-16-22	Fairfield Inn & Suites by Marriott	COPS CYCLING FOR SURVIVORS	2,380.00
05-18-22	Dyer VFW Post 6448	MILITARY PROGRAM SPONSORSHIP	500.00
05-18-22	New Zion Temple Church	PREVENT JUVENILE DELINQUENCY	250.00
05-18-22	Teamster Local 142 Stewards Council	PREVENT JUVENILE DELIQUENCY	500.00
05-18-22	Pinnacle Hospital	PREVENT JUVENILE DELIQUENCY	1,500.00
05-18-22	Slovak Club	PREVENT JUVENILE DELIQUENCY	400.00
05-18-22	Hobart Football Booster Club	PREVENT JUVENILE DELIQUENCY	500.00

LAKE COUNTY SHERIFF'S DEPARTMENT
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RESULTS AND COMMENTS
(Continued)

Date	Payee (as noted in the Commissary ledger)	Transaction Details (as noted in the Commissary ledger)	Dollar Amount
05-18-22	NWI Building & Construction Trades Council	PREVENT JUVENILE DELIQUENCY	900.00
05-20-22	NWI Building & Construction Trades Council	PREVENT JUV DELINQUENCY	900.00
05-26-22	Lake County FOPA Lodge #125	SUPPORT OF FIRST RESPONDERS	1,000.00
05-26-22	HHRC	CEREBRAL PALSY COMMUNITY SUPPORT	1,100.00
05-26-22	Knights of Columbus #16008	SPECIAL OLYMPICS INDIANA	100.00
05-26-22	Warren "Skip" Highwood Memorial Found.	FIRST RESPONDERS DONATION	500.00
05-26-22	Henry E. Bennett Achievement Foundation	YOUTH EDUCATION DONATION	1,050.00
06-06-22	SCCLR	FUNDRAISER SPONSORSHIP	1,300.00
06-06-22	Laborer's Local 41	PREVENT JUV DELINQUENCY	1,050.00
06-06-22	Wally Rolniak SE FOP Lodge 6	JUV DELINQUENCY PREVENTION EVENT	1,400.00
06-17-22	THE MOLLEY LANHAM FOUNDATION	DONATION	1,750.00
07-07-22	Crown Point Police Department DARE	COMMUNITY OUTREACH FOR CHILDREN	1,000.00
07-07-22	Hammond Optimist Club	COMMUNITY OUTREACH FOR CHILDREN	2,500.00
07-07-22	KARMA, Inc.	CEREBRAL PALSY BENEFIT DONATION	3,500.00
07-07-22	St. Sava Church	PREVENT JUVENILE DELINQUENCY	900.00
07-11-22	Boys & Girls Clubs of Greater NW Indiana	PREVENT JUV DELINQUENCY	1,000.00
07-14-22	St. Elijah Serbian Cathedral	ADVERTISEMENT	499.00
07-20-22	Union Benefica Mexicana	JUVENILE CRIME PREVENTION	1,000.00
07-29-22	NAACP Hammond	ADVERTISEMENT FOR PROGRAM SPONSO	100.00
07-29-22	NIALF Local Veterans	VETERAN SUPPORT EVENT	600.00
07-29-22	Teamster Local 142 Stewards	JUVENILE DELINQUENCY PREVENTION	100.00
07-29-22	St. John Girls Softball League	JUVENILE DELINQUENCY PREVENTION	5,000.00
07-29-22	Indian American Cultural Center	EVENT SPONSORSHIP	500.00
07-29-22	City of Hammond	JUVENILE DELINQUENCY PREVENTION	500.00
07-29-22	Calumet City FOP	JUVENILE DELINQUENCY PREVENTION	700.00
08-03-22	IUOE Local 150 Scholarship Fund	SCHOLARSHIP FUND	340.00
08-03-22	Indiana Association of Chiefs of Police	JUVENILE DELINQUENCY PREVENTION	1,200.00
08-03-22	VFW Post 717	EVENT SPONSORSHIP	100.00
08-03-22	Ivy Tech Foundation	SCHOLARSHIP SPONSORSHIP	1,200.00
08-15-22	Gary Frontiers Club	JUV DELINQUENCY PREVENTION	1,200.00
08-22-22	Lake County Tactical Unit	TACTICAL TRAINING & EQUIPMENT	3,000.00
08-30-22	Sox Fastpitch 10U Team Sponsorship	JUV DELINQUENCY PREVENTION	500.00
08-30-22	Crown Point High School Boys Basketball	JUV DELINQUENCY PREVENTION	1,300.00
08-30-22	Indian Medical Association of NWI	COMMUNITY OUTREACH	1,500.00
09-13-22	Purdue Northwest	SCHOLARSHIP SPONSORSHIP	1,000.00
09-28-22	City of Hammond	VETERANS APPRECIATION SPONSERSHIP	500.00
09-28-22	LAINI FLUELLEN CHARITIES	CHARITABLE EVENT SPONSORSHIP	1,000.00
09-30-22	Ballet Folklorico Yolotzin	ADVERTISEMENT	100.00
10-03-22	Town of St. John	CHRISTMAS IN THE PARK SPONSORSHIP	75.00
10-05-22	IANLF	SCHOLARSHIPS-JUV CRIME PREVENTION	1,200.00
10-07-22	Hammond Boxing Club, Inc.	PREVENT JUV CRIME SPONSORSHIP	500.00
10-12-22	Urban League of NWI	SCHOLARSHIP FOR EDUCATIONAL GOAL	1,030.00
10-12-22	Ross Township	ANGEL TREE PROGRAM	500.00
10-24-22	Brothers Keeper, Inc	DONATION FOR HOMELESS SHELTER	500.00
10-27-22	City of Hammond	HOLIDAY PARADE SPONORSHIP	500.00
11-01-22	Old Sheriffs House Foundation, Inc.	SPONSORSHIP/SUPPORT HISTORIC SITE	500.00
11-01-22	USW LU 7-209 Activities Fund	ADVERTISEMENT	500.00
12-05-22	Franciscan Health Foundation	PACE-LAKE COUNTY-PROGRAM SPONOR	250.00
12-05-22	Lake County Police Association Local #72	SHOP WITH A COP PROGRAM DONATION	2,500.00
12-19-22	St. John the Baptist Parish	SPONSORSHIP-SJB FESTIVAL	500.00
12-19-22	NAACP	EVENT SPONSORSHIP-NAACP	500.00
12-22-22	St. Jude House	DOMESTIC VIOLENCE SHELTER DONATE	500.00
12-22-22	Lake County Fire Chiefs	DECON SHELTER EQUIPMENT	2,381.89
Total - 2022			<u>\$70,309.43</u>

LAKE COUNTY SHERIFF'S DEPARTMENT
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RESULTS AND COMMENTS
(Continued)

Date	Payee (as noted in the Commissary ledger)	Transaction Details (as noted in the Commissary ledger)	Dollar Amount
02-07-23	Hammond, IN Hurricanes, Inc.	JUV DELINQUENCY PREVENTION	\$ 300.00
02-07-23	Lake County FOP Chris Anton Lodge 125	JUV DELINQUENCY PREVENTION	1,000.00
02-10-23	Man's Man Chili	2023 COOKOFF SPONSORSHIP	500.00
02-21-23	Ivy Tech Foundation	SCHOLARSHIP FUNDRAISER	1,200.00
02-21-23	HHCC	ANNUAL SCHOLARSHIP	2,000.00
03-03-23	Indian American Cultural Center of NWI	CHARITABLE & EDUCATIONAL ORG.	1,000.00
03-03-23	Hobart Football Booster Club	JUVENILE DELINQUENCY PREVENTION	500.00
03-03-23	Indian Medical Association of NWI	HOMELESS SHELTER DONATION	2,000.00
03-03-23	City of Crown Point	JUVENILE DELINQUENCY PREVENTION	250.00
03-03-23	HC3	HAMMOND EVENT DONATION	25.00
03-03-23	Lake County K9 Association	JUVENILE DELINQUENCY PREVENTION	4,850.00
03-09-23	KARMA	CHARITY EVENT BOYS AND GIRLS CLUB	2,500.00
03-09-23	JOHN BAPTIST CHURCH	ADVERTISEMENT FOR CHURCH EVENSTT.	100.00
03-20-23	Fair Haven RCC	VILOENT CRIME SURVIVOR EVENT	500.00
04-03-23	Dyer VFW Auxiliary Post 6448	MILITARY VETERAN SUPPORT	700.00
04-03-23	Pathway To Adventure Council	REDUCE JUVENILE DELINQUENCY	500.00
04-03-23	The Molley Lanham Foundation	VICTIMS OF HOMICIDE EVENT DONATE	2,000.00
04-03-23	Fairfield Inn & Suites by Marriott	COPS CYCLING FOR SURVIVORS	2,380.00
04-05-23	St. John Girls Softball League	PREVENT JUVENILE DELINQUENCY	3,000.00
04-06-23	Lake County Tacticle Unit	TACTIAL TRAINING & EQUIPMENT	1,500.00
04-27-23	Warren Highwood Memorial Foundation	EVENT SPONSORSHIP	600.00
05-08-23	HHAC	CEREBRAL PALSY SPONSORSHIP	2,250.00
05-11-23	DREF	EVENT DONATION	500.00
06-07-23	PINNACLE HOSPITAL	SPONSORSHIP	1,500.00
06-07-23	NIALF	EVENT SUPPORT	1,200.00
06-07-23	CROWN POINT D.A.R.E.	EVENT SPONSOR	1,000.00
06-07-23	NW Indiana Building & Const.Trades Council	CHARITY SUPPORT	1,000.00
06-07-23	ST. JOHN GIRLS SOFTBALL LEAGUE	PROGRAM SUPPORT	5,000.00
06-08-23	Gary F.O.P. Lodge #61	REDUCE/PREVENT CRIMINAL ACTIVITY	2,000.00
06-12-23	Laborer's Local 41	CHARITY SUPPORT DONATION	1,050.00
06-30-23	Town of Munster K-9 Unit	JUVENILE DELINQUENCY PREVENTION	600.00
07-13-23	St. Sava Church	PREVENTION OF JUV DELINQUENCY	400.00
07-13-23	Teamster Local 142 Stewards	PREVENTION OF JUV DELINQUENCY	100.00
07-13-23	Karma Cigar Bar	FAMILY VIOLENCE PREVENTION	5,000.00
07-13-23	Boys & Girls Club of Greater NWI	PREVENTION OF JUV DELINQUENCY	1,000.00
07-13-23	SCCLR	SCHOLARSHIPS SUPPORT	700.00
07-26-23	Hammond Firefighters Association	SPONSORSHIP	1,200.00
07-26-23	Calumet City FOP Lodge # 1	SPONSORSHIP	1,500.00
07-26-23	H.H.A.C.	EVENT SUPPORT	500.00
07-26-23	SLOVAK CLUB	EVENT SUPPORT	400.00
08-05-23	Indiana Assoication of Chiefs of Police	PRVENT JUVENILE DELINQUENCY	550.00
08-09-23	USW Local Union 7-209 Activities Fund	WHITING FOOD PANTY EVENT	410.00
08-11-23	The Wally Rolniak Lodge #6	CHARITY EVENT SUPPORT	480.00
08-24-23	USA Local 1010	JUV DELINQUENCY PREVENTION	200.00
08-24-23	Purdue Northwest University	SCHOLARSHIP SPONSORSHIP-PNW	1,000.00
08-24-23	NAACP Hammond	SCHOLARSHIP PROGROM SUPPORT	1,000.00
08-24-23	H.U.G.S. Cultural Committee	HUGS CULTURAL COMMITTEE SPONSOR	300.00
08-24-23	Hammond Hispanic Community Committee	JUV DELINQUENCY PREVENTION	1,500.00
08-30-23	CPHS BOYS BASKETBALL	JUV DELINQUENCY PREVENTION	1,200.00
09-05-23	Homewood Police Association	HPA 2023 OUTING	1,000.00
09-05-23	Indian Medical Association	ADDICTION & SUICIDE AWARENESS	10,000.00
09-13-23	Ivy Tech Foundation	SCHOLARSHIP EVENT SPONSORSHIP	1,200.00
09-13-23	Bishop Noll Hockey	JUVENILE DELIQUENCY PREVENTION	750.00

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

Date	Payee (as noted in the Commissary ledger)	Transaction Details (as noted in the Commissary ledger)	Dollar Amount
09-27-23	Bulldog Baseball	JUVENILE DELINQUENCY PREVENTION	725.00
10-10-23	Ballet Folklorico Yoloztin	PREVENT JUV DELINQUENCY	100.00
10-23-23	City Of Hammond	VETERAN'S DAY PARADE	500.00
10-23-23	City Of Hammond	HOLIDAY PARADE	500.00
10-23-23	Old Sheriffs House Foundation, Inc.	PRESERVATION SPONSORSHIP	500.00
10-24-23	TOWN OF ST. JOHN	CHRISTMAS IN THE PARK	85.00
11-02-23	Hammond Public Library Foundation	PROMOTING LITERACY DONATION	150.00
11-06-23	Gary Old Timers Athletic Association	JUV DELINQUENCY PREVENTION	1,000.00
11-20-23	The Grant-Hamill Foundation	JUVENILE DELINQUENCY PREVENTION	2,000.00
11-30-23	National Sorority of PHI DELTA KAPPA, Inc.	SCHOLARSHIP EVENT	120.00
11-30-23	Karma	SUBSTANCE ABUSE & JUV DELINQUENCY	5,000.00
11-30-23	Northwest Regional Swat	SUBSTANCE ABUSE & JUV DELINQUENCY	2,000.00
11-30-23	Sox Fastpitch	SUBSTANCE ABUSE & JUV DELINQUENCY	500.00
12-05-23	Lake County FOP Chris Anton Lodge #125	SUBSTANCE ABUSE & JUV DELINQUENCY	5,000.00
12-06-23	Panthers Fastpitch Softball	SUBSTANCE ABUSE & JUV DELINQUENCY	500.00
12-06-23	John the Baptist Catholic School	SUBSTANCE ABUSE & JUV DELINQUENSTCY.	1,000.00
12-11-23	St.Jude House	SUPPORT DOMESTIC VIOLENCE VICTIMS	5,000.00
12-11-23	Urban League of NWI	2024-25 SCHOLARSHIP PROGRAM	1,030.00
Total - 2023			<u>\$ 99,605.00</u>

Date	Payee (as noted in the Commissary ledger)	Transaction Details (as noted in the Commissary ledger)	Dollar Amount
01-05-24	Ivy Tech Foundation	SPONSORSHIP FOR FUNDRAISING EVENT	\$ 1,200.00
01-11-24	Trinity Lutheran Church & School	PREVENT JUVENILE DELINQUENCY	1,000.00
01-24-24	Man's Man Chili	2024 COOKOFF SPONSORSHIP-DONATION	500.00
02-02-24	HHCC	EDUCATIONAL SCHOLARSHIPS	2,000.00
02-02-24	Hammond, IN Hurricanes, Inc.	PREVENT JUVENILE DELINQUENCY	400.00
02-13-24	St. John Girls Softball League	PREVENT JUVENILE DELINQUENCY	3,000.00
02-14-24	The City of Crown Point	EVENT SPONSORSHIP	250.00
02-15-24	Indian American Cultural Center of NWI	NONPROFIT ORGANIZATION DONATION	1,000.00
02-23-24	HC3	PARADE-ST. PATRICKS DAY	25.00
02-23-24	Ross Township Trustee	PREVENT CHILD DELINQUENCY	200.00
03-07-24	St. Michael's Catholic School	PREVENT JUVENILE DELINQUENCY	1,000.00
03-11-24	Hessville Little League	PREVENT JUVENILE DELINQUENCY	500.00
03-13-24	NWI Building & Construction Trades Council	CHARITABLE DONATION	1,700.00
03-13-24	St. John FOP Lodge #204	PREVENT JUVENILE DELINQUENCY	1,300.00
03-19-24	Teamsters Local 142 Stewards Council	PREVENT JUVENILE DELINQUENCY	900.00
03-22-24	NIALF	PREVENT JUVENILE DELINQUENCY	1,800.00
03-22-24	The Molley Lanham Fountain	HOMICIDE SURVIVORS DONATION	2,000.00
03-22-24	HAHTAC	DEVELOPMENTAL DISABILITTES DON	1,100.00
03-22-24	Edgewater Health	BEHAVIORAL HELATH DONATION	1,000.00
03-22-24	Dyer VFW Auxillary Post 6448	VFW FUNDRAISER	1,500.00
04-04-24	Lake County FOP Chris Anton Lodge #125	FUNDRAISER DONATION	2,000.00
04-04-24	Lake County Tactical Unit	TACTICAL UNIT FUNDRAISER	6,200.00
04-09-24	Morton High School	PREVENT JUVILE DELINQUENCY	1,000.00
04-09-24	Whiting Hispanic Heritage Organization	SCHOLARSHIP SPONORSHIP	1,000.00
05-06-24	Warren "Skip" Highwood Memorial Fund	PUBLIC SAFETY SCHOLARSHIPS	600.00
05-06-24	Gary FOP Lodge #61	PREVENT JUVENILE DELINQUENCY	2,000.00

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

Date	Payee (as noted in the Commissary ledger)	Transaction Details (as noted in the Commissary ledger)	Dollar Amount
05-06-24	Union Benefica Mexicana	ANNUAL SCHOLARSHIP EVENT	1,500.00
05-06-24	HOTFEaLirfield Inn & Suites by Marroit	COPS CYCLING FOR SURVIVORS	2,380.00
05-15-24	Henry E. Bennett Achievement Foundation	SCHOLARSHIP FOUNDATION DONATION	1,400.00
05-15-24	Calumet City FOP #1	PREVENT JUVENILE DELINQUENCY	400.00
05-15-24	Heroes Helping Heroes	ORGINATIONAL SPONSORSHIP	2,000.00
05-28-24	HHAC	CEREBRAL PALSY FUNDRAISER	1,000.00
06-04-24	Circle of Love	GUN VIOLENCE FUNDRAISER	1,000.00
06-04-24	Laborers' Local 41	UNION CHARITIES	1,050.00
06-07-24	Crown Point D.A.R.E.	CP DARE	1,200.00
06-07-24	Wally Rolniak FOP 6	W ROLNIAK FOP CHARITIES	800.00
06-07-24	Union Benefica Mexicana	U.B.M. EVENT	1,000.00
06-11-24	Tamir Enterprises, Inc.	DOWNS SYNDROME BENEFIT	2,700.00
06-13-24	Pinnacle Hospital	PINNACLE HEALTH CARE EVENT	1,500.00
06-28-24	Boys & Girls Club of Greater NW Indiana	PREVENT JUVENILE DELINQUENCY	2,000.00
07-11-24	St. Peter & Paul Macedonian Cathedral	PREVENT JUVENILE DELINQUENCY	5,000.00
07-11-24	Hammond Optimist Club	PREVENT JUVENILE DELINQUENCY	1,500.00
07-11-24	USW Local 1010	PREVENT JUVENILE DELINQUENCY	400.00
07-11-24	Slovak Club	PREVENT JUVENILE DELINQUENCY	500.00
07-11-24	Ballet Folklorico Yolotzin	PREVENT JUVENILE DELINQUENCY	150.00
07-11-24	KARMA	PREVENT JUVENILE DELINQUENCY	5,000.00
07-16-24	Lake County Bar Association	BAR ASSOC SPONSOR	250.00
07-16-24	St. Sava Church	ST SAVA EVENT SPONSOR	540.00
07-16-24	SCCLR	SCCLR FUNDRAISER	700.00
07-16-24	Hobart FOP Lodge #121	HOBART FOP SPONSOR	500.00
07-18-24	H.U.G.S.	H.U.G.S. SPONSORSHIP	100.00
07-18-24	NAACP Hammond	NAACP HAMMOND SPONSOR	1,000.00
07-24-24	Schererville FOP Lodge #170	SCHERERVILLE FOP EVENT	500.00
07-29-24	USW Local Union 7-209	USW 7-209 SPONSORSHIP	700.00
07-29-24	Teamsters Local 142 Stewards Council	TEAMSTERS 142 SPONSORSHIP	100.00
07-29-24	SAFE Coalition for Human Rights	SAFE COALITION WORLD DAY	5,000.00
07-30-24	Dyer FOP Lodge #169	DYER FOP 169 SPONSORSHIP	900.00
08-08-24	Chopper Coppers Motorcycle Club	CHOPPER COPPERS SUPPORT	1,000.00
08-08-24	Hammond Firefighters Association Local 556	HAMMOND FF ASSOC 556 EVENT	700.00
08-12-24	H.H.A.C.	HHAC EVENT	500.00
08-16-24	Hammond Hispanic Community Committee	HHCC EVENT	1,500.00
08-16-24	FIRE FASTPITCH	FIRE FASTPITCH	500.00
08-16-24	Jay Marie Salon and Spa	JAY MARIE SALON EVENT	1,000.00
08-16-24	Union Benefica Mexicana	UNION BENEFICA EVENT	1,000.00
08-22-24	Calumet City F.O.P Lodge #1	CAL CITY FOP EVENT	1,000.00
08-30-24	Sts. Peter and Paul Macedonian Cathedral	STS PETER AND PAUL EVENT	5,000.00
09-05-24	Purdue Northwest	PNW HISPANIC HERITAGE EVENT	1,000.00
09-18-24	City of Hammond	VETERAN'S DAY PARADE	500.00
09-19-24	Griffith Public Schools	HIGH SCHOOL INTERNSHIP PROGRAM	200.00
09-25-24	Town of St. John	SJ CHRISTMAS IN THE PARK	100.00
09-25-24	Hammond Boxing Club	HBC PROGRAM	1,000.00
09-26-24	Duke ALS Clinic	ALS RESEARCH	1,200.00
10-01-24	CPHS Boys Basketball	PREVENT JUVENILE DELINQUENCY	1,500.00
12-04-24	Northwest Regional SWAT	PREVENT JUVENILE DELINQUENCY	320.00
Total - 2024			<u>\$95,965.00</u>

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

The following schedule summarizes the 221 disbursements by year and dollar amount:

<u>Year</u>	<u>Dollar Amount</u>
2022	\$ 70,309.43
2023	99,605.00
2024	<u>95,965.00</u>
Total	<u><u>\$ 265,879.43</u></u>

Indiana Code 36-8-10-21(d)(7) permits a Sheriff to expend commissary funds on an **activity or program of the sheriff's department** intended to reduce or prevent occurrences of criminal activity, including the following:

- (A) Substance abuse
- (B) Child abuse
- (C) Domestic violence
- (D) Drinking and driving
- (E) Juvenile delinquency

The SBOA determined that 77 out of the 221 disbursements listed above were self-described on the special orders as:



- Prevent Juvenile Delinquency
- Juvenile Delinquency Prevention
- Prevent Juv Delinquency Donation
- Juv Crime Prevention
- Clothing Donate - Prevent Juv Crimi
- Substance Abuse & Juv Delinquency

The SBOA examined vendor invoices, publicly available information, and other supporting documentation and determined that the disbursements were not for "**an activity or program of the sheriff's department** intended to reduce or prevent occurrences of criminal activity . . ." Of note, \$17,500 categorized as some form of preventing juvenile delinquency and \$3,500 categorized as a cerebral palsy benefit donation were disbursed to the Karma Cigar Bar, Merrillville, Indiana. Additionally, \$16,000 was donated to the "St. John Girls Softball League," a nonprofit entity where Martinez has served for 15 years according to the Lake County Sheriff's website. Publicly available entity documents on file with the Indiana Secretary of State (SOS) confirmed that Martinez served as President of the entity in 2021.










LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

Special order 24-235, supporting the payment to the Northern Indiana Area Labor Federation (NIALF) to help sponsor their event, indicated the event "is intended to reduce or prevent occurrences of criminal activity including substance abuse and juvenile delinquency." However, the supporting documentation attached indicates it was a golf sponsorship of \$1,000, with payment for four (4) participants including Martinez with the other three to be determined (TBD). The NIALF did not indicate how they would be using the funds. There was no indication that this golf event was to reduce or prevent occurrences of criminal activity, including substance abuse or juvenile delinquency, or that "an activity or program of the sheriff's department" was involved in any way. There was no additional information provided to indicate who attended the golf event.

The NIALF's website states, "We are one of nearly 500 state and local labor councils of the AFL-CIO and are the heart of the labor movement, and represent over 55 affiliate unions in the Northern portion of Indiana. We are democratically elected bodies dedicated to represent the interests of working people at the state and local level. We mobilize our members and community partners to advocate for social and economic justice and we strive daily to vanquish oppression and make our communities better for all people – regardless of . . ."

 OSCAR MARTINEZ JR LAKE COUNTY SHERIFF <small>LAKE COUNTY INDIANA</small>	
 SPECIAL ORDER 24-235	
TO:	COMMISSARY PERSONNEL
FROM:	SHERIFF OSCAR MARTINEZ
DATE:	MARCH 20, 2024
SUBJECT:	EXPENDITURE REQUEST
 Please issue a check, from the Commissary in the amount of \$1,800.00 to NIALF to help sponsor their event. This is an event that is intended to reduce or prevent occurrences of criminal activity including substance abuse and juvenile delinquency.	
Please make the check payable to:	NIALF
Mailing Address:	780 N. UNION STREET Hobart, IN. 46342 ATTN: Steve Minchuk
 Thank you for your assistance.	
 SHERIFF OSCAR MARTINEZ JR.	
<small>2293 N. MAIN STREET • CROWN POINT, INDIANA 46307 • 219-755-3400</small>	

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

 <p>STEVEN A. MINCHUK PRESIDENT</p> <p>We expect this event to be a sell out. Please return your registration form along with a check paid in full ASAP to guarantee your teams spot.</p> <p>Make Checks Payable to: NIALF</p> <p>Must be received by Friday, May 10, 2024 Mail to:</p> <p>NORTHERN INDIANA AREA LABOR FEDERATION Attention: Steve Minchuk 780 N. Union Street Hobart, Indiana 46342</p>  <p>Thank You In Advance For Your Donation!</p>	<p>\$10,000 Hole-In-One</p>  <p>AFL NIALF CIO</p> <p>Contact Jack Tipold 219.973.8309 or Tonya Flores 219.617.6868</p> 	 <p>STEVEN A. MINCHUK PRESIDENT</p> <p>NIALF GOLF OUTING</p> <p>Friday, May 17, 2024</p> <p>Indian Ridge Golf Course 6363 Grand Boulevard Hobart, IN 46342</p>
 <p>OUTING INFORMATION</p> <p>Friday, May 17, 2024 Indian Ridge Golf Course 6363 Grand Boulevard Hobart, IN 46342</p> <p>Shotgun Start at 9:30 a.m. 18 Hole Best Ball Scramble</p> <p>Contests on the course include: Closest to the Pin Longest Drive \$10,000 Hole in One Outrageous Prizes!</p> <p>Participation: Individuals - \$200 per person Foursomes - \$800</p> <p>We also have corporate and organization sponsorships available.</p> <p>8:30 am Registration 9:30 pm Shotgun Start Food / Beverage All Day Immediately followings: Refreshment, Lunch, Awards, Gifts, Prizes</p> 	 <p>EVENT SPONSORSHIP</p> <p>Event Sponsor: \$1000 As an Event Sponsor your organization will receive a foursome - with refreshments, lunch, along with your company's logo proudly displayed at registration and dining areas.</p> <p>Refreshment Sponsor: \$500 Your organization will be prominently displayed at the event refreshment area throughout the tournament.</p> <p>Cart Sponsor: \$500 Your organization will be prominently displayed on the Refreshment Carts.</p> <p>Putting Green Sponsor: \$250 Your organization will be prominently displayed at a putting green throughout the outing.</p> <p>Tee Sign Sponsor: \$200 Your organizations name will be displayed on a professionally prepared sign at one of the 18 tee boxes located on the course.</p> <p>Luncheon Golf Sponsor: \$150 Join us for lunch at noon</p> <p>Sorry I Can't Make It, but please accept my donation for \$ _____</p> <p>DEADLINE FOR ENTRY FRIDAY, MAY 10, 2024</p>	 <p>REGISTRATION FORM</p> <p>1. Name <u>Sherriff Oscar Martinez</u> Phone <u>219-755-3460</u> Address <u>2293 N. MAIN</u> City/State/Zip <u>CROWN POINT, IN 46307</u> email <u>o.parr@lakecountysheriff.com</u></p> <p>2. Name <u>TBD</u> Phone _____ Address _____ City/State/Zip _____ email _____</p> <p>3. Name <u>TBD</u> Phone _____ Address _____ City/State/Zip _____ email _____</p> <p>4. Name <u>TBD</u> Phone _____ Address _____ City/State/Zip _____ email _____</p> <p>Company <u>Lake County Sheriff</u></p> <p>Sponsorship Level: _____</p> <p>Amount Enclosed: _____</p>

The SBOA reviewed a Facebook post dated May 20, 2024, for the golf outing, which stated:

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)



Criteria

Indiana Code 36-8-10-21 states, in relevant part:

"(a) This section applies to any county that has a jail commissary that sells merchandise to inmates.

(b) A jail commissary fund is established, referred to in this section as 'the fund'. The fund is separate from the general fund, and money in the fund does not revert to the general fund.

(c) The sheriff, or the sheriff's designee, shall deposit all money from commissary sales into the fund, which the sheriff or the sheriff's designee shall keep in a depository designated under [IC 5-13-8](#).

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

(d) The sheriff, or the sheriff's designee, at the sheriff's or the sheriff's designee's discretion and without appropriation by the county fiscal body, may disburse money from the fund for:

- (1) merchandise for resale to inmates through the commissary;
- (2) expenses of operating the commissary, including, but not limited to, facilities and personnel;
- (3) special training in law enforcement for employees of the sheriff's department;
- (4) equipment installed in the county jail;
- (5) equipment, including vehicles and computers, computer software, communication devices, office machinery and furnishings, cameras and photographic equipment, animals, animal training, holding and feeding equipment and supplies, or attire used by an employee of the sheriff's department in the course of the employee's official duties;
- (6) an activity provided to maintain order and discipline among the inmates of the county jail;
- (7) an activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity, including the following:
 - (A) Substance abuse.
 - (B) Child abuse.
 - (C) Domestic violence.
 - (D) Drinking and driving.
 - (E) Juvenile delinquency;
- (8) expenses related to the establishment, operation, or maintenance of the sex and violent offender registry web site under [IC 36-2-13-5.5](#); or
- (9) any other purpose that benefits the sheriff's department that is mutually agreed upon by the county fiscal body and the county sheriff. . . ."

Public funds cannot be donated or given to other organizations or individuals unless specifically authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03P)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03HH)

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

The decision on whether the number of items to be signed justifies the use of a rubber stamp or other device, including computer image signatures, for affixing a signature must be made by each official responsible for signing warrants, claims, and other official documents. A rubber stamp or other signing device should be used only under the direction of the official and should be properly safeguarded when not in use. Each official is responsible for their own signature. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03TT)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03UU)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03CC)

The SBOA requested that Martinez reimburse the Commissary Fund for the commissary purchases exceeding the Sheriff's authority in the amount of \$265,879.43. (See Summary of Charges, page 79)

**QUESTIONABLE COMMISSARY PURCHASES EXCEEDING THE SHERIFF'S
AUTHORITY AS PER INDIANA CODE 36-8-10-21 (CREDIT CARDS)**

Background - Credit Cards

On October 9, 2024, the SBOA interviewed Martinez and Gruszka and made inquiry regarding the types of expenses paid from the Commissary Fund and if purchases were made using credit cards. The SBOA wanted to know if credit cards were used, the number of credit cards that were issued, if there was a credit card policy to address use of the credit cards and authority for establishing the credit card account(s), and who was authorized to use the credit cards. The SBOA also wanted to know if supporting documentation, such as vendor invoices, were required to be submitted by credit card users prior to payment of the credit card statement balances. The following information was provided regarding the jail commissary credit cards:

- Gruszka stated that they did not have a credit card policy.
- Gruszka stated that there were two credit card accounts: one with Chase Bank and another with the First National Bank of Omaha (FNBO). Gruszka and the bookkeeper explained there were a total of seven card holders. Credit card holders included Martinez and Gruszka.
 - Gruszka stated that his card was used to pay for trainings, inmate services, and television/internet through automatic payments to the provider.

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

- The SBOA asked if jail commissary funds were used to pay for the credit card transactions based solely upon a credit card statement, or if supporting documentation, such as vendor invoices, was required to be turned in prior to payment of the credit card statements.
 - Gruszka stated that Martinez turns in credit card statements without vendor invoices, and Gruszka would try to follow up to get the vendor invoices. If Gruszka was unsuccessful in getting the vendor invoices, he would still pay for the credit card disbursements based upon the credit card statement.
- The SBOA specifically asked Martinez about the expenses that did not have any documentation and what the expenses were.
 - Martinez stated that he would get some vendor invoices for training, such as car rentals or hotel bills, as it would state who went to the trainings and the number of rooms. Martinez added, "It would also show the per diem for who went on the training."

On October 9, 2024, at the close of our interview with Martinez and Gruszka, the SBOA verbally requested credit card statements including the vendor invoices for all disbursements for the period of January 1, 2022 to September 30, 2024. Subsequent requests for the vendor invoices were made by email to Martinez, Gruszka, and the bookkeeper as follows. Time spent on this investigation increased due to repeated requests for supporting documentation.

Date Requested	Documentation Requested
10-15-24	First National Bank Transactions (Martinez) for January 2022 through July 2024
11-12-24	First National Bank Transactions (Gruszka, Officer 13) for January 2022 through December 2022
11-18-24	Chase Credit Card Transactions for December 2023 through September 2024
11-19-24	Chase Credit Card Transactions for November 2022 through December 2023
11-19-24	First National Bank Credit Card Statements (Martinez) for August and September 2024
11-25-24	Chase Credit Card Transactions for January 2022 through December 2022
12-03-24	First National Bank Credit Card Statements (Martinez) for August and September 2024
12-09-24	First National Bank Transactions (Martinez) for August and September 2024
12-12-24	Chase Credit Card Transactions for October and November 2024
12-18-24	Chase Credit Card and First National Bank Credit Card Transactions for October through December 2024.
01-07-25	Chase Credit Card Transactions for January 2022 through December 2024
01-07-25	First National Bank Credit Card Transactions (Martinez, Gruszka, Officer 13) for January 2022 through December 2024
01-13-25	Chase Credit Card and First National Bank Credit Card Transactions for January 2022 through December 2024

The SBOA determined the following with respect to the credit card accounts with the FNBO and the credit card account with Chase.

- There were three FNBO credit card accounts identified as "Lake County Sheriff;" there were three officers with three individual credit card accounts. Each officer had his own credit card number and a separate credit card statement documented the credit card activities for each user.
- There was one credit card account with Chase. The statement was addressed to Officer 46, Lake County Sheriff's Department, for account number xxxx xxxx xxxx 5358. As many as eight officers had individual credit cards with unique credit card numbers. Each monthly statement listed the transactions for each account holder with activity for the month followed by the totals for each user by credit card holder name and number.

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

- Officer 5 received a new card in August 2023, and Officer 16 received a new credit card in November 2024.

The following schedule is a breakdown of the credit card accounts by users:

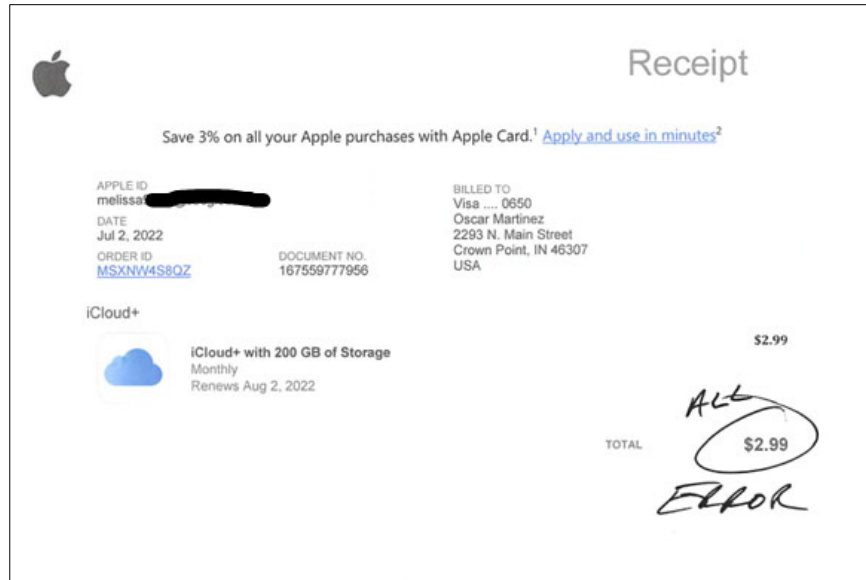
<u>Card</u>	<u>Card Holder</u>	<u>Card Ending</u>
Chase	Officer 16	xx0408
Chase	Officer 5	xx7932
Chase	Officer 45	xx0461
Chase	Oscar Martinez	xx1814
Chase	Officer 16	xx3316
Chase	Officer 43	xx4017
Chase	Officer 46	xx5358
Chase	Officer 2	xx6889
Chase	Officer 47	xx7253
Chase	Officer 5	xx9677
FNBO	Oscar Martinez	xx0650
FNBO	Officer 16	xx0981
FNBO	Officer 13	xx8237

For the investigation period, the SBOA reviewed all credit card transactions from the FNBO and Chase credit card accounts, which included the purchases made by all credit card holders, including Martinez. Martinez paid for officer's per diem, hotel rooms, and transportation (airfare, rental cars, and UBER Trips and/or taxicabs) and for conferences and/or training from the Commissary Fund. The SBOA determined there were questionable and/or unrelated Commissary Fund purchases made with the credit cards. Purchases deemed to exceed the Sheriff's authorized uses of the commissary funds per Indiana Code 36-8-10-21(d) as well as duplicated payments of meals and transportation were as follows.

Apple.com

Between July 2, 2022 and October 22, 2024, there were 56 charges totaling \$605.28 to Apple.com on Martinez's FNBO credit card. The charges consisted of iCloud storage subscriptions and Apple Music Family Subscription. On November 4, 2024, Vincent Balbo (Balbo), Chief of Police, provided the SBOA a stack of 51 vendor invoices for Apple.com, and the first vendor invoice had the amount circled and a handwritten notation "ALL ERROR" as follows:

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)



(The SBOA removed part of the Apple ID)

Jeremy Kalvaitis (Kalvaitis), Deputy Commander, later clarified through email that only the iCloud storage charges were errors, stating the Apple Music subscription was used for official business such as parades. Included in the example above, the SBOA identified that the Apple Music Subscription was associated with the Apple ID: "melissa . . ." Melissa Martinez is the wife of Martinez.

The following schedule details the Apple.com transactions charged for iCloud storage and Apple Music Family Subscription by year:

	2022	2023	2024	Totals
Apple - iCloud+ with 200GB Storage	\$ 17.94	\$ 35.88	\$ 2.99	\$ 56.81
Apple - iCloud+ with 2 TB Storage	-	-	99.90	99.90
Apple - Apple Music Family Subscription	91.78	203.88	152.91	448.57
Totals	<u>\$ 109.72</u>	<u>\$ 239.76</u>	<u>\$ 255.80</u>	<u>\$ 605.28</u>

On July 23, 2025, Martinez deposited a personal check in the amount of \$491.81 into the Commissary Fund bank account as reimbursement of "accidental credit card charges." Per Martinez's itemized list, \$126.74 of the \$491.81 was for Apple.com iCloud monthly charges from July 2, 2022 to July 22, 2024. This consisted of 19 monthly charges of \$2.99 per month for iCloud+ with 200 GB Storage and 7 monthly charges of \$9.99 per month for iCloud+ with 2 TB Storage. None of the charges for the Apple Music Family Subscription paid monthly in the amount of \$14.99, and later increased to \$16.99 per month, were reimbursed by Martinez.

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Conference Registrations - Nonemployees

In 2022 and 2023, Martinez used Commissary funds to pay \$1,500 for nonemployee conference registrations at IACP conferences. For the 2022 Dallas IACP conference, Martinez paid \$600 for four registrations at \$150 each:

- Melissa Martinez, wife of Martinez;
- Wife of Officer 1;
- Wife of Officer 2; and
- Guest of Officer 3.

For the 2023 San Diego IACP conference, Martinez paid \$900 for six registrations at \$150 each:

- Melissa Martinez, wife of Martinez;
- Wife of Officer 1;
- Wife of Officer 2;
- Wife of Officer 4;
- Wife of Officer 5; and
- Wife of Officer 6.

Restaurant Charges When Per Diem Paid to Attendees in Advance

The SBOA identified charges on Martinez's credit card for restaurant meals for officers, including Martinez, who had already received per diem payments to cover the cost of meals, pursuant to the County's travel policy. The charges for meals and refreshments at restaurants were in addition to per diems Martinez paid the officers and himself from the Commissary Fund. The officers, including Martinez, were paid their per diems prior to attending the conferences and/or trainings.

The following schedule breaks down the total amounts paid to restaurants by year on Martinez's credit card for meals and refreshments for himself and officers who had already received per diems to cover meals while in out-of-county travel status. The total of the alcohol paid for was 46 percent of the total food.

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Totals</u>
Food	\$ 1,894.54	\$ 790.74	\$ 407.64	\$ 3,092.92
Alcohol	1,128.21	57.50	252.00	1,437.71
Tip	618.28	109.00	151.72	879.00
Tax	<u>259.39</u>	<u>50.15</u>	<u>57.67</u>	<u>367.21</u>
Totals	<u>\$ 3,900.42</u>	<u>\$ 1,007.39</u>	<u>\$ 869.03</u>	<u>\$ 5,776.84</u>

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In addition, there were charges made on Martinez's FNBO credit card to restaurants in cities where officers, including Martinez, had traveled for conferences and/or training. However, no vendor receipts were provided. The following schedule details the payments to restaurants with no vendor receipts, and each of the officers attending, including Martinez, received per diem in advance of the trips to cover meals.

<u>Date</u>	<u>Restarants Charged - No Vendor Receipt</u>	<u>Totals</u>
01-18-22	Bellagio Buffet Las Vegas NV	\$ 246.70
01-19-22	Cosmopol - Wicked Spoon Las Vegas NV	333.11
01-20-22	UBER Eats	115.58
02-09-22	Yard House Glendale AZ	124.86
06-29-22	TST* Jax Fish House Kansas City MO	974.74
07-25-22	Hooters Castleton Indianapolis IN	492.21
10-02-22	Jacks Pizza Indianapolis IN	183.81
11-27-22	Spinatos Pizza AZ	73.16
11-26-22	Twin Peaks Camelback Phoenix AZ	250.25
Total		<u>\$ 2,794.42</u>

There were charges included on the hotel bills for hotel restaurants, room service, hotel bar charges, and/or hotel pantry food charges made on Martinez's hotel room invoices and on officers' hotel room vendor invoices for which there was no breakdown of food, alcohol, tip, and tax by year as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Hotel Food Charges	<u>\$ 21.68</u>	<u>\$ 72.91</u>	<u>\$ 1,105.94</u>	<u>\$ 1,200.53</u>

The following schedule summarizes the payments to restaurants while officers were on County business and had already received per diem.

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Totals</u>
Restaurant Charges - Vendor Receipt Retained	\$ 3,900.42	\$ 1,007.39	\$ 869.03	\$ 5,776.84
Restaurant Charges - No Vendor Receipt Provided	2,794.42	-	-	2,794.42
Hotel Food Charges	<u>21.68</u>	<u>72.91</u>	<u>1,105.94</u>	<u>1,200.53</u>
Totals	<u>\$ 6,716.52</u>	<u>\$ 1,080.30</u>	<u>\$ 1,974.97</u>	<u>\$ 9,771.79</u>

Local Restaurant Charges

There were charges made on Martinez's FNBO credit card to local restaurants as follows:

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Date	Local Restaurants	Additional Descriptions or Explanations	Totals
06-02-22	TST*Toast & Jam Café Schereville IN	Command Staff Meeting Special Op	\$ 117.19
08-11-22	Ginos Restaurant Merrillville IN	Food for police officers and staff. Catering - Delivery to Lake County Fair Grounds	3,394.00
08-13-22	DC*Hooters Merrillville IN	Food for police officers working County Fair - 50 wings	76.15
08-18-22	TST*Toast & Jam Café Schereville IN	Command Staff Meeting	400.61
08-31-22	SQ* Sharks Fish & Chicken Merrillville IN	No supporting documentation	70.60
11-23-22	TST*Toast & Jam Café Schereville IN	Meeting with Command Staff at 8:14am	145.48
08-05-23	White Castle Merrillville IN	Food for police officers working Lake County Fair - Crave Cases	196.16
09-24-24	La Gaviota Super Mercado Cedar Lake IN	Food for "EVO" Trainers	94.09
Total			<u>\$4,494.28</u>

Meals at the local restaurants are not included in the permitted uses under Indiana Code 36-8-10-21(d). The vendor invoices did not indicate which officers were included in the meetings or included in the meals offered at the Lake County Fairgrounds.

Local Restaurant - Accidental Charge

On September 23, 2022, Martinez charged \$171.27 to his Chase credit card ending in 1814 for the Bullpen Luxury Bar and Grill in Schererville, Indiana:

Bullpen Luxury Bar & Grill
1013 W. US 30
Schererville, IN 46375

Check #: 5686	9/23/22
Server: Tara M	12:04 AM
TAB: Sheriff	Guest Count: 1

1 Tito's	5.75
1 Tito's	5.75
DRINK MODS: Double	4.00
DRINK MODS: Tall	1.00
1 THURS domestic bottles	3.00
1 Stoli	5.50
2 THURS domestic bottles (@3.00)/ea	6.00
1 Tito's	5.75
DRINK MODS: Tall	1.00
DRINK MODS: Red Bull	2.00
DRINK MODS: Double	4.00
1 Tito's	5.75
1 Basket of fries	4.50
2 Pickle Spears (@8.49)/ea	16.98
1 BYO Pizza LG	23.74
LG WHOLE ADD: Pepperoni	1.50
LG WHOLE ADD: Sausage	1.50
2 Traditional Wings (@0.00)/ea	38.98
TRADITIONAL WING SIZE: 12	38.98
Sub-total	136.70
Sales Tax	9.57
TOTAL	146.27

PAYMENTS	
CC Payment	146.27
VISA XXXXXXXXXXXX1814	
AID: A000000031010	
Application Label: VISA CREDIT	
AUTH: 03223G	
Tips:	25.00
TOTAL PAYMENTS	146.27

TOTAL TIPS	25.00
Balance Due	0.00

Thank You!

ACCIDENTAL CHARGE
 SHOULD HAVE BEEN
 CHARGED ON
 PERSONAL CHASE
 CARD

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Per the SBOA email correspondence with Balbo on June 2, 2025, the SBOA inquired about who wrote on the vendor invoice that was provided to the SBOA as pictured above. The SBOA included a picture of the invoice in the email inquiry to Balbo. On June 3, 2025, Balbo provided the following email response to the SBOA:

Sheriff Martinez advised that the hand-written narrative on the receipt below was made by him. The Sheriff further advised that he inadvertently used his Sheriff's Department credit card to complete this transaction on 09-23-2022; and that a payment of (\$146.27) would have to be made by him to correct his error.

Please advise me if you need anything further on this item.

(The receipt copy for Bullpen Luxury Bar and Grill, Schererville, IN, the SBOA pictured above was the same invoice that Balbo referenced in the June 3, 2025 email as "Sheriff Martinez advised that the hand-written narrative on the receipt below was made by him. . . .")

Per a follow-up email to Balbo on June 3, 2025, the SBOA inquired how the charge was repaid (repayment to the Commissary Fund or a payment to the credit card company). On June 4, 2025, Balbo provided the following email response to the SBOA:

Sheriff Martinez advised that the two charges noted in your emails were identified and marked by him as requiring repayment to the Commissary Fund. The Sheriff said he was waiting to issue personnel reimbursement checks to the Commissary Fund for charges that were made in error once he had been told he could take that actions in lieu of the active SBOA audit.

(Note - The two charges noted in the SBOA emails, as stated above, were in reference to Bullpen Luxury Bar and Grill and an Uber Charge. See comment below the subheading, *UBER Trips Noted As Error*).

On July 23, 2025, Martinez deposited a personal check in the amount of \$491.81 into the Commissary Fund bank account as reimbursement of "accidental credit card charges." Per Martinez's itemized list, \$146.27 of the \$491.81 was for the Bullpen Luxury Bar and Grill, Schererville, IN credit card transaction from September 23, 2023.

Hotel Room Upgrade Charges

In 2022, six officers, including Martinez, attended the "SHOT Show" conference in Las Vegas, Nevada. The SHOT Show "is an American annual trade show for the shooting sports, hunting, outdoor recreation, and firearm manufacturing industries." The SHOT Show was held from January 18, 2022 through January 21, 2022.

The SBOA reviewed the hotel vendor invoices for the officers who attended the SHOT Show. The following schedule only shows the room charges, taxes, resort fees, and upgraded room fees and associated taxes for the upgrades for all officers attending the SHOT Show.

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Martinez Room Charges:

<u>Date</u>	<u>Room Charge</u>	<u>Tax</u>	<u>Resort Fee</u>	<u>Upgrade and Tax on Upgrade</u>	<u>Totals</u>
01-17-22	\$ 504.00	\$ 67.44	\$ 52.10	\$ 680.28	\$ 1,303.82
01-18-22	599.00	80.15	52.10	680.28	1,411.53
01-19-22	549.00	73.46	52.10	680.28	1,354.84
01-20-22	599.00	80.15	52.10	680.28	1,411.53
Totals	<u>\$ 2,251.00</u>	<u>\$ 301.20</u>	<u>\$ 208.40</u>	<u>\$ 2,721.12</u>	<u>\$ 5,481.72</u>

Other Officers Room Charges:

Officer 2, Officer 7, Officer 4

<u>Date</u>	<u>Room Charge</u>	<u>Tax</u>	<u>Resort Fee</u>	<u>Upgrade and Tax on Upgrade</u>	<u>Totals</u>
01-18-22	\$ 309.00	\$ 41.34	\$ 51.02	\$ -	\$ 401.36
01-19-22	304.00	40.68	51.02	-	395.70
01-20-22	304.00	40.68	51.02	-	395.70
Totals	<u>\$ 1,201.00</u>	<u>\$ 160.70</u>	<u>\$ 204.08</u>	<u>\$ -</u>	<u>\$ 1,565.78</u>

Officer 1

<u>Date</u>	<u>Room Charge</u>	<u>Tax</u>	<u>Resort Fee</u>	<u>Upgrade and Tax on Upgrade</u>	<u>Totals</u>
01-18-22	\$ 309.00	\$ 41.34	\$ 52.10	\$ -	\$ 402.44
01-19-22	304.00	40.68	52.10	-	396.78
01-20-22	304.00	40.68	52.10	-	396.78
Totals	<u>\$ 1,201.00</u>	<u>\$ 160.70</u>	<u>\$ 208.40</u>	<u>\$ -</u>	<u>\$ 1,570.10</u>

Officer 3

<u>Date</u>	<u>Room Charge</u>	<u>Tax</u>	<u>Resort Fee</u>	<u>Upgrade and Tax on Upgrade</u>	<u>Totals</u>
01-18-22	\$ 309.00	\$ 41.34	\$ 51.02	\$ -	\$ 401.36
01-19-22	304.00	40.68	51.02	-	395.70
01-20-22	304.00	40.68	51.02	-	395.70
Totals	<u>\$ 1,201.00</u>	<u>\$ 160.70</u>	<u>\$ 204.08</u>	<u>\$ -</u>	<u>\$ 1,565.78</u>

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Martinez paid \$1,190.50 in room charges and related taxes more than Officer 1 and the other officers who attended. Martinez also paid room upgrade charges of \$600 per day plus tax at a rate of 13.38 percent, or \$80.28 per day on the daily upgrade charges. Total room upgrade charges and the associated tax totaled \$2,721.12. On May 28, 2025, the SBOA called and spoke with the Caesars Hotel billing department. The billing department confirmed the \$600 room upgrade charge included 13.38 percent sales tax.

Additional Hotel Room Charges

During the SBOA review of the conferences and/or trainings attended by officers, including Martinez, the SBOA compared the dates of the training to the dates of the hotel stays. After review, we determined there were hotel rooms paid for either a day or two prior to or after the conference ended. Payment of additional hotel day stays beyond the conference dates was in violation of the County's Handbook.

The following schedule details the conferences and/or trainings that included dates paid outside of the Handbook:

Year	Conference/Training	Conference/Training Location	Conference/Training Dates	Number Days Exceeding Handbook	Hotel Room Dates	Total Additional Hotel Room Nights (outside of County Handbook Policy)
2022	Radford Tact Driving EVO	Chandler, Arizona	11-28-22 to 11-30-22	1	11-26-22 to 12-01-22	\$ 2,243.05
2023	HITS K9 Seminar	Scottsdale, Arizona	08-15-23 to 08-18-23	1	08-14-23 to 08-20-23	2,711.80
2024	SHOT Show Conference	Las Vegas, Nevada	01-23-24 to 01-26-24	1	01-21-24 to 01-26-24	1,916.11
2024	National Real Time Crime Center Association Conference	Scottsdale, Arizona	08-26-24 to 08-29-24	1	08-25-24 to 08-31-24	2,638.53
2024	Radford Racing Drivers Course	Chandler, Arizona	11-04-24 to 11-06-24	2	11-01-24 to 11-08-24	7,093.01
Total						<u>\$ 16,602.50</u>

Hotel Room Charges and Per Diem - Nonemployees, Employees, and No Conference/Training

On October 3, 2022, there were four officers, including Martinez, who attended the IACP Golf Outing Event in Indianapolis, Indiana. In addition to receiving per diem, the officer's hotel rooms were paid for out of the Commissary Fund. After review, the SBOA determined there were three additional hotel rooms paid for by Martinez from the Commissary Fund totaling \$1,116.18; however, we were unable to determine who else attended as the hotel vendor invoices were all in the name of Martinez.

In a follow-up email to Kalvaitis on June 3, 2025, the SBOA inquired if anyone else attended the IACP Golf Outing Event. On June 5, 2025, Kalvaitis provided the following email response to the SBOA:

Regarding the IACP Outing in Indianapolis in October of 2022; the Sheriff stated that this was golf outing set up by the organization. The four who received per diem were Lake County employees. There were three who also came along and stayed in the hotel. They were Lake County Sheriff's Department Attorney [REDACTED], Sheriff Department Employee Contractor [REDACTED], and Schererville Police Officer [REDACTED]. These three did not receive per diem because they were not employees of the Sheriff's Department. This was information given to me from the Sheriff.

(The SBOA redacted the names from the email pictured above.)

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We validated the following information from Kalvaitis' email response:

- In 2022, we did not find any payments out of the Commissary Fund or the County to the redacted named Lake County Sheriff's Department Attorney or his firm. We verified the redacted named Lake County Sheriff's Department Attorney was paid \$53,675 in 2022 for being the Probate Commissioner.
- The redacted named Schererville Police Officer is a first-class patrolman for the Schererville Police Department. No payments were found to the Schererville Police Officer out of the Commissary Fund or the County in 2022.
- We did not find any payments out of the Commissary Fund or the County to the redacted named Sheriff Department Employee Contractor in 2022.
- In 2022, there was a contract between the Sheriff's Department and a business stated as partially owned by the redacted named Sheriff Department Employee Contractor. The scope of the services included: "Scheduled Services in the Lake County Jail; and On Call Emergency Services, on an as requested basis, in facilities and areas occupied or utilized by the Lake County Sheriff's Department."
 - In a follow-up email to Kalvaitis on June 16, 2025, the SBOA requested the contract and inquired if payments were made directly to the redacted named Sheriff Department Employee Contractor or his company. On June 17, 2025, Kalvaitis provided the following email response to the SBOA:

Attached you will find the contract and a sample invoice for [REDACTED] company [REDACTED] for this current year, which is similar to each previous year's contract. You will see that no individual receives the payments directly. It is paid to the company. [REDACTED] is part owner of the company. If you have any other questions, please let me know.

(The SBOA redacted the names from the email pictured above.)

The SBOA could not determine why Martinez used Commissary funds to pay for hotel rooms for the Lake County Sheriff's Department Attorney, Schererville Police Officer, and Sheriff Department Employee Contractor while attending the IACP Golf Outing Event. The following payments for hotels and per diems for Martinez and the three officers is as follows.

<u>Officer</u>	<u>Per Diem</u>	<u>Hotel Charge</u>	<u>Totals</u>
Officer 2	\$ 100.00	\$ 372.06	\$ 472.06
Martinez, Oscar	100.00	372.06	472.06
Officer 8	150.00	372.06	522.06
Officer 9	150.00	201.03	351.03
Totals	<u>\$ 500.00</u>	<u>\$ 1,317.21</u>	<u>\$ 1,817.21</u>

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The following schedule summarizes hotel charges and per diem paid for the IACP Golf Outing Event under Indiana Code 36-8-10-21(d):

	<u>Per Diem</u>	<u>Hotel Charge</u>	<u>Totals</u>
Officer 2	\$ 100.00	\$ 372.06	\$ 472.06
Sheriff Department Employee Contractor	-	372.06	372.06
Sheriff Department Attorney	-	372.06	372.06
Martinez, Oscar	100.00	372.06	472.06
Schereville Police Officer	-	372.06	372.06
Officer 8	150.00	372.06	522.06
Officer 9	150.00	201.03	351.03
Totals	<u>\$ 500.00</u>	<u>\$ 2,433.39</u>	<u>\$2,933.39</u>

UBER Trips Noted As Error

In 2023, there were nine UBER transactions charged on Martinez's FNBO credit card totaling \$218.45. Eight of the nine charges had handwritten notations "ERROR" on the vendor invoices. The one vendor invoice that did not have a handwritten notation was for a cancelled ride. Per the SBOA email correspondence with Balbo on June 2, 2025, the SBOA inquired about who wrote "Error" on the following vendor receipt (a picture of the receipt was included in the email, which is referenced in the response as "the receipt below"):

The screenshot shows a UBER receipt with the following details:

- Total:** \$25.29
- Trip fare:** \$25.29
- Subtotal:** \$25.29
- Payments:**
 - Visa ****0650: \$25.29
 - 5/12/23 5:45 AM
- [Switch Payment Method](#)
- [Download PDF](#)
- You rode with Muhammad**
- 4.98 ★ Rating**
- 2.** Has passed a multi-step safety screen
- Drivers are critical to communities right now. Say thanks with a tip.
- [Rate or tip](#)
- Issued on behalf of Muhammad
- Handwritten "Error" in the bottom right corner.*

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On June 3, 2025, Balbo provided the following email response to the SBOA:

Sheriff Martinez advised that the hand-written narrative on the receipt below was made by him. The Sheriff further advised that the Sheriff's Department credit card accidentally used by one of the Officers traveling with him to complete this transaction on 05-12-2023; and that a payment of (\$25.29) would have to be made by him to correct this error.

Please advise me if you need anything further on this item.

Per the SBOA follow-up email to Balbo on June 3, 2025, the SBOA inquired how the charge was repaid (repayment to the Commissary Fund or a payment to the credit card company). On June 4, 2025, Balbo provided the following email response to the SBOA:

Sheriff Martinez advised that the two charges noted in your emails were identified and marked by him as requiring repayment to the Commissary Fund. The Sheriff said he was waiting to issue personnel reimbursement checks to the Commissary Fund for charges that were made in error once he had been told he could take that actions in lieu of the active SBOA audit.

Per the SBOA follow-up email to Balbo on June 10, 2025, the SBOA inquired who wrote on the remaining UBER vendor invoices. On June 13, 2025, Balbo provided the following email response to the SBOA:

I spoke to the Sheriff and all of these written notation were made by him. Further, this next week he will taking action to remediate all of these 6 and the initial 3 that you had sent to me a few weeks ago and subsequently provide the SBOA with documentation confirming their remediation. .

The two charges noted in the SBOA emails as stated above were in reference to the Bullpen Luxury Bar and Grill and an Uber Charge. See comment above under the subheading *Local Restaurant - Accidental Charge*. Additionally, one documented trip was from Sluggers Bar in Chicago to Martinez's home.

The following schedule details the breakdown of payments for UBER Trips made in error:

Dates	Vendor	Amounts	Vendor Invoice Description
05-12-23	UBER*Trip	\$ 4.67	Cancelled Ride
05-12-23	UBER*Trip	25.29	Trip 6:49pm to 6:59pm - 05-12-23 Fulton Market (Chicago, IL) to Millenium Park Plaza (Chicago, IL)
06-15-23	UBER*Trip	14.72	No Trip Details
06-19-23	UBER Trip Help.UBER.com	3.00	Tip for \$14.72 fare

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Dates	Vendor	Amounts	Vendor Invoice Description
06-24-23	UBER Trip Help.UBER.com	14.99	Trip Fare 12:32am to 12:40am - 06-24-23 Olthof Homes LLC (St. John, IN) to Martinez Home (Crown Point, IN)
06-29-23	UBER Trip Help.UBER.com	46.76	Trip Fare 8:50am to 9:16am - 06-29-23 Martinez Home (Crown Point, IN) to South Shore Train Station (East Chicago, IN)
06-30-23	UBER Trip Help.UBER.com	83.92	Trip Fare 12:32am to 1:35am - 06-30-23 Sluggers Bar (Chicago, IL) to Martinez Home (Crown Point, IN)
07-07-23	UBER Trip Help.UBER.com	20.92	Trip Fare 12:19am to 12:32am - 07-07-23 Public Bar & Rec (Crown Point, IN) to Martinez Home (Crown Point, IN)
07-08-23	UBER Trip Help.UBER.com	4.18	Tip for \$20.92 fare
Total		<u>\$ 218.45</u>	

On July 23, 2025, Martinez deposited a personal check in the amount of \$491.81 into the Commissary Fund bank account as reimbursement of "accidental credit card charges." Per Martinez's itemized list, \$218.80 of the \$491.81 was for the Uber charges noted above as error. The \$0.35 overpayment by Martinez on the Uber amounts is from the May 12, 2023 cancelled ride. The invoice was for \$5.07; however, the receipt indicated \$0.35 was paid by "Uber Cash" with \$4.67 from a Visa card ending in 0650.

UBER Trips - Conferences and/or Training

For the conferences and/or trainings where a car was rented, we determined there were also UBER trips and/or taxicabs paid for during these conferences. For the investigation period, the total amount charged to Martinez's credit card for UBER and/or taxicabs while attending conferences, where vehicles were also rented by Martinez and the officers attending the conferences, totaled \$4,107.05. Charges for UBER to Officer 2's Chase credit card totaled \$96.32.

For the investigation period, we determined there were 11 conferences where cars were rented in addition to paying for UBER trips and/or taxicabs as follows:

Rental Car Dates	Conference/Training	Conference/Training Location	Number Officers Attended	Number of Rental Car(s)	Total Paid for Rental Car(s)	Total Paid for UBER and/or Taxicabs
01-17-22 to 01-21-22	SHOT Show	Las Vegas, Nevada	6	1	\$ 883.31	\$ 190.41
06-26-22 to 07-01-22	NSA Conference	Kansas City, Missouri	4	1	1,817.62	25.13
10-13-22 to 10-18-22	IACP 2022 Conference	Dallas, Texas	9	1	1,647.33	1,086.52
01-17-23 to 01-22-23	SHOT Show	Las Vegas, Nevada	3	1	1,075.36	249.69
04-09-23 to 04-19-23	Motorola Summit and ROC Tour	Orlando, Florida; Ft. Lauderdale, Florida	7	2	2,581.91	379.87
08-14-23 to 08-20-23	HITS K9 Seminar	Scottsdale, Arizona	11	4	6,061.67	96.45
10-12-23 to 10-18-23	IACP 2023 Conference	San Diego, California	10	4	4,524.05	205.14
01-22-24 to 01-26-24	SHOT Show	Las Vegas, Nevada	5	1	1,391.01	274.79
04-27-24 to 05-02-24	Motorola Conference	Dallas, Texas	7	2	2,793.45	935.38
10-18-24 to 10-23-24	IACP 2024 Conference	Boston, Massachusetts	7	1	1,492.97	399.01
11-01-24 to 11-07-24	Radford Racing Drivers Course	Phoenix, Arizona	5	2	2,623.19	360.98
Totals					<u>\$ 26,891.87</u>	<u>\$ 4,203.37</u>

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In 2024, seven officers, including Martinez, attended the Motorola Conference in Dallas, Texas. The Motorola Conference was held from April 28, 2024 through May 1, 2024. The vendor receipt below is just one out of nine UBER trips charged to Martinez's credit card for traveling from the hotel to restaurants, bars, and entertainment venues. Charges included and paid for with commissary funds included two car rentals: one was a "Premium SUV" rented on Martinez's credit card and the second vehicle was a Jeep Wagoneer.

The Motorola Conference listed in the schedule above concluded on May 1, 2024. An Uber invoice was provided to the SBOA for a trip made on May 2, 2024, the day after the conference concluded. Per an internet search of the UBER trip address indicated on the invoice, this UBER trip was from the Cowboys Red River Dancehall and Saloon to the Gaylord Texan Hotel.

Uber

Total \$117.42
May 2, 2024

Thanks for tipping, Oscar

Here's your updated Thursday morning ride receipt.

Total

\$117.42

Trip fare

\$96.64

Subtotal

\$96.64

Tip

\$19.57

Texas Regulatory Recovery Fee

\$1.21

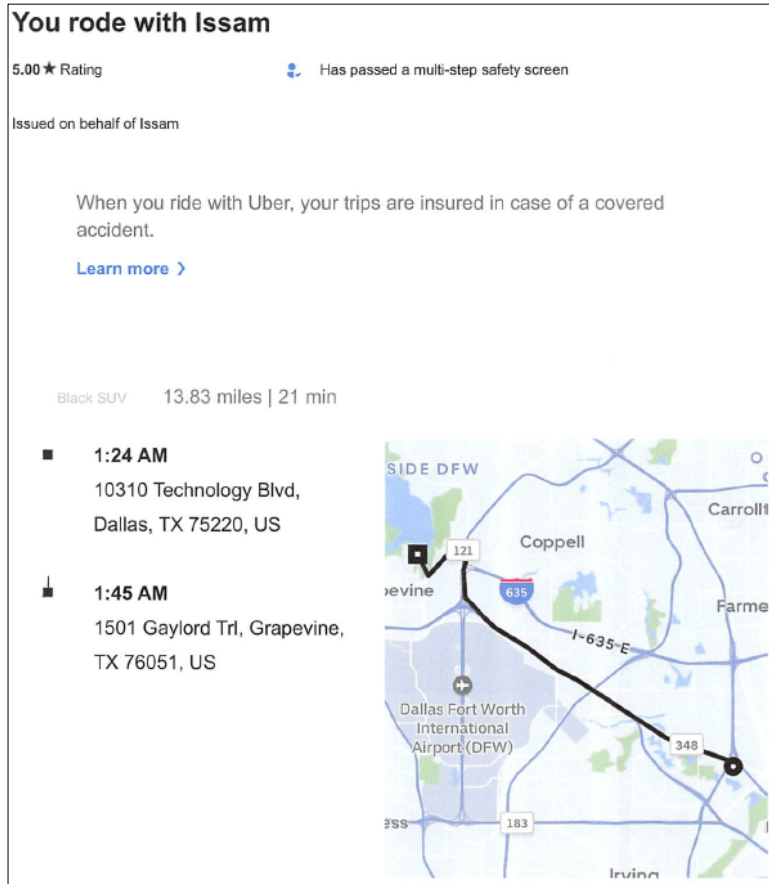
Payments

Visa ****0650

5/2/24 1:55 AM

\$117.42

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)



In 2024, nine officers, including Martinez, attended the K-9 Cop Conference and Vendor Show in Nashville, Tennessee. The K-9 Cop Conference and Vendor Show was held from September 10, 2024 through September 12, 2024. There were no rental cars paid for this trip, only UBER car trips, so this trip is not included in the schedule above. Commissary funds were used to pay for rooms at the Embassy Suites Inn, Nashville, Tennessee, from September 9, 2024 through September 14, 2024. After review of the UBER trip transactions, the SBOA determined there were changes made on Martinez's and Officer 5's credit cards that were either undocumented or unrelated to required conference events as follows:

Credit Card Posted Dates	Vendor	Amounts	Vendor Invoice Description	Card
09-10-24	UBER Trip Help.UBER.com	\$ 36.34	No Documentation Provided	Officer 5
09-10-24	UBER Trip Help.UBER.com	7.26	No Documentation Provided	Officer 5
09-10-24	UBER Trip Help.UBER.com	73.60	Trip Fare - 3:13pm to 3:31pm - 09-10-24 Rudy Jazz Room to Sonesta Nashville Airport Hotel	Martinez
09-13-24	UBER Trip Help.UBER.com	46.78	Trip Fare - 1:43pm to 1:57pm - 09-13-24 Embassy Suites to Top Golf	Martinez
09-14-24	UBER Trip Help.UBER.com	56.35	Trip Fare - 4:39pm to 4:53pm - 09-13-24 Top Golf to Embassy Suites	Martinez
Total		<u>\$ 220.33</u>		

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

The following schedule summarizes UBER trips and/or taxicab charges paid for conferences and/or trainings (excluded are the UBER trips that Martinez indicated were in "ERROR" totaling \$218.45):

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
UBER Trips and/or Taxicabs Charges	\$ 1,302.06	\$ 931.15	\$ 2,190.49	\$ 4,423.70

Charges for Hotels, Parking, and UBER Trips - No Conference or Training

On Sunday, December 11, 2022, there were two transactions charged on Martinez's FNBO credit card to the Navy Pier Parking Garage and the Clark and Addison Parking Garage in Chicago, Illinois, totaling \$16 and \$28, respectively. On Monday, December 12, 2022, there were two transactions to the Swissotel Chicago Hotel in Chicago, Illinois, totaling \$257.11 and \$335.11, both charged to Martinez's FNBO credit card. No vendor invoices were provided to support these four transactions; therefore, the SBOA could not determine what the charges were for the Swissotel Chicago Hotel or for the parking garages. We did not find any payments to officers, including Martinez, for per diem for a trip to Chicago on or around December 12, 2022. No documentation was provided to support any law enforcement related trainings or conferences that might otherwise be anticipated by Indiana Code 36-8-10-21(d)(3).

On Sunday, January 8, 2023, there was one transaction charged to Martinez's FNBO credit card for Midway Airport Parking in Chicago, Illinois, totaling \$480. The vendor invoice below shows the entry date as Wednesday, December 28, 2022, and exit date of Sunday, January 8, 2023. The SBOA did not find any payments to Martinez and/or officers for per diem after December 8, 2022, until January 5, 2023. No explanation was provided for the purpose of the Midway Airport Parking transaction.

Parking lot: 3-Terminal Garage		12/3/2024 1:04:20 PM																									
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: left;"> <p>* Copy *</p> <p>Date : 01/08/23 18:41</p> <p>Printed on : 12/03/24 13:04</p> <p>Cashier :</p> </div> <div style="text-align: center; flex-grow: 1;"> <p>Receipt: 115/157/94</p> </div> <div style="text-align: right;"> <p>* Copy *</p> </div> </div> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 20px;"> <thead> <tr> <th style="text-align: left;">Ticket#</th> <th style="text-align: left;">Entry time</th> <th style="text-align: left;">Payment/Exit time</th> <th style="text-align: left;">Duration</th> <th style="text-align: left;">Debit</th> <th style="text-align: left;">Cash</th> </tr> </thead> <tbody> <tr> <td>40701749</td> <td>12/28/22 05:40:00</td> <td>01/08/23 18:41:15</td> <td>277:01:15</td> <td>480.00</td> <td></td> </tr> <tr> <td></td> <td colspan="3">Credit card, Credit card: 0650, Approval code: HP6L2J, Record number: 1699401</td> <td>480.00</td> <td></td> </tr> <tr> <td colspan="4" style="text-align: right;">Total include vat :</td> <td>480.00</td> <td></td> </tr> </tbody> </table>				Ticket#	Entry time	Payment/Exit time	Duration	Debit	Cash	40701749	12/28/22 05:40:00	01/08/23 18:41:15	277:01:15	480.00			Credit card, Credit card: 0650, Approval code: HP6L2J, Record number: 1699401			480.00		Total include vat :				480.00	
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	Credit card, Credit card: 0650, Approval code: HP6L2J, Record number: 1699401			480.00																							
Total include vat :				480.00																							

There were seven UBER transactions charged on Martinez's FNBO credit card totaling \$231.33. There were no conferences and/or trainings scheduled for Martinez or any other officers for the dates of these transactions.

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

The following schedule details the breakdown of UBER trips where there were no identifiable law enforcement related conferences or training:

Dates	Vendor	Amounts	Vendor Invoice Description
05-20-22	UBER Trip Help.UBER.com	\$ 14.52	No Vendor Invoice Provided
10-31-22	UBER Trip Help.UBER.com	4.78	Tip for \$23.92 fare
10-31-22	UBER Trip Help.UBER.com	23.92	Trip Fare - 4:44pm to 5:00pm - 10-30-22 Jackson's Bar and Grill (St. John, IN) to Karma Cigar Bar (Merrillville, IN)
01-30-24	UBER Trip Help.UBER.com	22.17	Trip Fare - 5:30am to 5:42am - 01-30-24 The Guitar Hotel at Seminole Hard Rock & Casino (Fort Lauderdale, FL) to Fort Lauderdale Hollywood International Airport (Fort Lauderdale, FL)
02-03-24	UBER Trip Help.UBER.com	3.32	No Vendor Invoice Provided
05-06-24	UBER Trip Help.UBER.com	17.96	Trip Fare - 5:31pm to 5:38pm - 05-05-24 Martinez Home (Crown Point, IN) to Michels Sports Eatery (St. John, IN)
06-16-24	UBER Trip Help.UBER.com	<u>144.66</u>	Trip Fare - 12:02am to 12:53am - 06-16-24 Bedford Park Police Department (Bedford Park, IL) to Unknown Residence (Schererville, IN)
Total		<u>\$ 231.33</u>	

The following schedule summarizes the charges on Martinez's FNBO credit card for the Swissotel Chicago Hotel, Chicago parking, and UBER transactions where there were no identifiable law enforcement related conferences or training.

	2022	2023	2024	Totals
Chicago Parking	\$ 44.00	\$ 480.00	\$ -	\$ 524.00
Swissotel Chicago Hotel	592.22	-	-	592.22
UBER Trips	<u>43.22</u>	<u>-</u>	<u>188.11</u>	<u>231.33</u>
Totals	<u>\$ 679.44</u>	<u>\$ 480.00</u>	<u>\$ 188.11</u>	<u>\$ 1,347.55</u>

Summary - Credit Card Transactions

The following schedule details the breakdown of credit card transactions unrelated to the permitted uses of the Commissary Fund per Indiana Code 36-8-10-21(d) and not in compliance with the County Handbook:

	2022	2023	2024	Totals
Apple.com	\$ 109.72	\$ 239.76	\$ 255.80	\$ 605.28
Conference Registrations - Nonemployees	600.00	900.00	-	1,500.00
Restaurant Charges When Per Diem Paid to Attendees in Advance	6,716.52	1,080.30	1,974.97	9,771.79
Local Restaurant Charges	4,204.03	196.16	94.09	4,494.28
Local Restaurant - Accidental Charge	171.27	-	-	171.27
Hotel Room Charges and Per Diem - Nonemployees, Employees, and No Conference/Training	2,933.39	-	-	2,933.39
UBER Trips Noted As Error	-	218.45	-	218.45
UBER Trips - Conferences and/or Training	1,302.06	931.15	2,190.49	4,423.70
Charges for Hotels, Parking, UBER Trips - No Conference or Training	<u>679.44</u>	<u>480.00</u>	<u>188.11</u>	<u>1,347.55</u>
Totals	<u>\$ 16,716.43</u>	<u>\$ 4,045.82</u>	<u>\$ 4,703.46</u>	<u>\$ 25,465.71</u>

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

The following schedule details the breakdown of credit card transactions that the SBOA determined to be questioned costs:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Totals</u>
Hotel Room Upgrade Charges	\$ 2,721.12	\$ -	\$ -	\$ 2,721.12
Additional Hotel Room Charges	<u>2,243.05</u>	<u>2,711.80</u>	<u>11,647.65</u>	<u>16,602.50</u>
Totals	<u>\$ 4,964.17</u>	<u>\$ 2,711.80</u>	<u>\$ 11,647.65</u>	<u>\$ 19,323.62</u>

Criteria

Indiana Code 36-8-10-21 states, in relevant part:

"(a) This section applies to any county that has a jail commissary that sells merchandise to inmates.

(b) A jail commissary fund is established, referred to in this section as 'the fund'. The fund is separate from the general fund, and money in the fund does not revert to the general fund.

(c) The sheriff, or the sheriff's designee, shall deposit all money from commissary sales into the fund, which the sheriff or the sheriff's designee shall keep in a depository designated under [IC 5-13-8](#).

(d) The sheriff, or the sheriff's designee, at the sheriff's or the sheriff's designee's discretion and without appropriation by the county fiscal body, may disburse money from the fund for:

- (1) merchandise for resale to inmates through the commissary;
- (2) expenses of operating the commissary, including, but not limited to, facilities and personnel;
- (3) special training in law enforcement for employees of the sheriff's department;
- (4) equipment installed in the county jail;
- (5) equipment, including vehicles and computers, computer software, communication devices, office machinery and furnishings, cameras and photographic equipment, animals, animal training, holding and feeding equipment and supplies, or attire used by an employee of the sheriff's department in the course of the employee's official duties;
- (6) an activity provided to maintain order and discipline among the inmates of the county jail;
- (7) an activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity, including the following:
 - (A) Substance abuse.

LAKE COUNTY SHERIFF'S DEPARTMENT
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RESULTS AND COMMENTS
(Continued)

- (B) Child abuse.
 - (C) Domestic violence.
 - (D) Drinking and driving.
 - (E) Juvenile delinquency;
- (8) expenses related to the establishment, operation, or maintenance of the sex and violent offender registry web site under [IC 36-2-13-5.5](#); or
- (9) any other purpose that benefits the sheriff's department that is mutually agreed upon by the county fiscal body and the county sheriff."

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03DD)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03HH)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03CC)

The governing body of a unit must have a written policy concerning the purchase of alcohol using public funds. This policy must address the exact situations in which alcohol can be purchased and outline any liability issues that may arise with using public funds to purchase alcohol. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.04A)

The Handbook Section 2.15 (C) *Lodging* states, in relevant part:

". . . (2) Reimbursement for Lodging A County employee in travel status may claim reimbursement for actual lodging expenses not exceeding the single occupancy room charge, including taxes, for overnight stays only. It is the County employee's responsibility to check out the accommodations in sufficient time to not be required to pay additional expenses for late checkout. . . .

- (5) Lodging Rates-Limitation All individuals, including County employees and County officials, are urged to stay in hotels/motels offering reasonable government rates. These reduced rates usually must be requested of the hotel/motel in advance. To receive reasonable government rates, lodging establishments may require government identification. County employees who prefer accommodations at unreasonable rates will not receive full reimbursement. County employees should pay special heed to this policy when selecting anything other than modest accommodations. Staying in the "conference hotel/motel" is not necessarily required; conference hotels/motels should not be utilized as lower cost accommodations are available and practical . . ."

LAKE COUNTY SHERIFF'S DEPARTMENT
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(Continued)

Due to the nature of the expenditures concerning travel, hotel room upgrades, and stays, the SBOA considers the credit card Hotel Room Upgrade Charges and Additional Hotel Room Charges of \$19,323.62 to be a questioned cost. (See Summary of Questioned Costs, page 80)

The SBOA requested that Martinez reimburse the Commissary Fund in the amount of \$25,465.71 for the purchases made on Martinez's and other officers' credit cards, some undocumented, some deemed accidental charges by Martinez, and others which the SBOA determined to be outside the authority of the Commissary statute. (See Summary of Charges, page 79)

On July 23, 2025, Martinez reimbursed the Commissary Fund for credit card charges unrelated to the Jail Commissary in the amount of \$491.81. The charges included Apple.com monthly iCloud charges totaling \$126.74; Local Restaurant - Accidental Charge (Bulpen Luxury Bar and Grill) totaling \$146.27; and UBER trip charges from 2023 totaling \$218.80. (See Summary of Charges, page 79)

EXCESS HOTEL ROOM RATE CHARGES

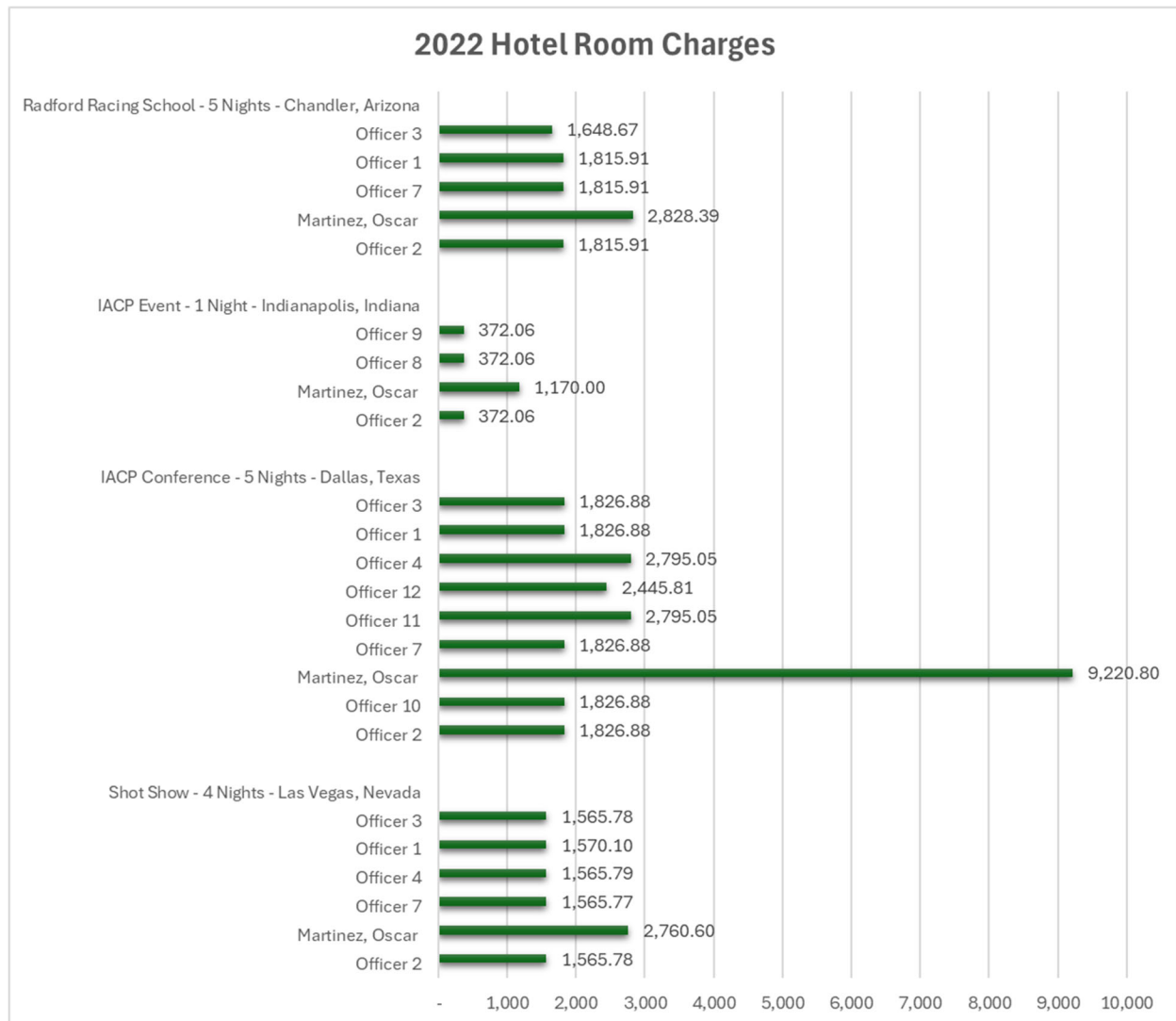
The SBOA examined all of the hotel invoices whether paid for by a County Sheriff's Department FNBO or Chase credit card or reimbursed by Martinez to either himself or to an officer from commissary funds. In examining the hotel invoices by trip for all officers, including Martinez, who attended each conference, we noted that not all officers incurred the same room rates.

The following is a list of the conferences, dates of the conferences, and the number of nights paid for each for conferences involving discrepancies in the hotel room rates and related expenses, such as taxes and resort fees, but excluding separately hotel bill documented room upgrades that were addressed in the comment titled *Questionable Commissary Purchases Exceeding the Sheriff's Authority as Per Indiana Code 36-8-10-21 (Credit Cards), subheading "Hotel Room Upgrade Charges."*

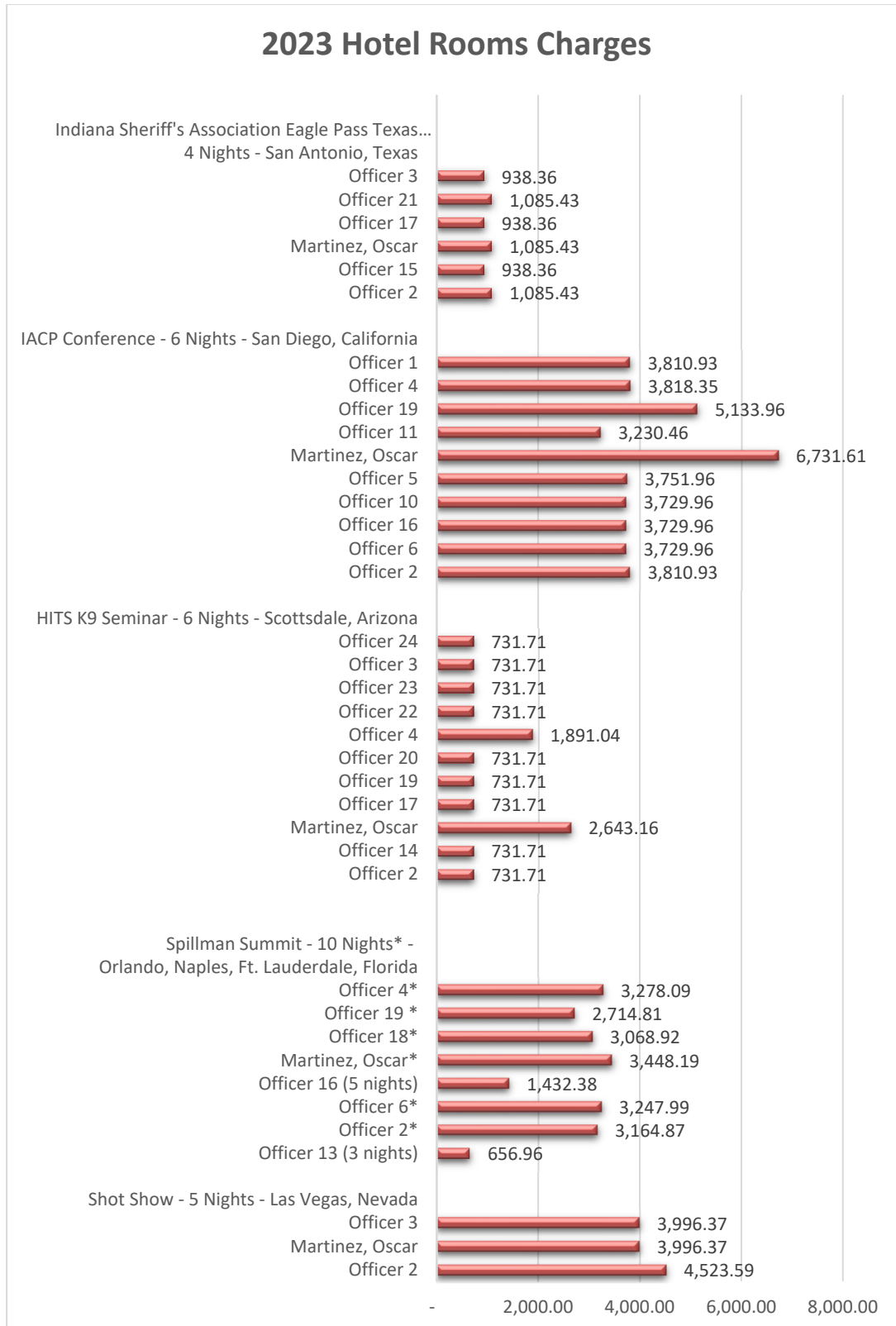
Conference Name	Location	From	To	Total Number of Conference Days	Total Number of Nights in Hotels
Radford Racing School	Chandler, Arizona	\$ 44,893	\$ 44,895	3	5
Indiana Association of Chiefs of Police (IACP) Summer Conference	Indianapolis, Indiana	44,767	44,768	2	1
International Association of Chiefs of Police (IACP) 2022 Annual Conference	Dallas, Texas	44,849	44,852	4	5
Shooting, Hunting, and Outdoor Trade (Shot) Show	Las Vegas, Nevada	44,579	44,582	4	4
Indiana Sheriff's Association Eagle Pass Texas US Border Tour	San Antonio, Texas	45,242	45,245	4	4
International Association of Chiefs of Police (IACP) 2023 Annual Conference	San Diego, California	45,213	45,216	4	6
Handler Instruction and Training Seminar (HITS) K9 Seminar	Scottsdale, Arizona	45,153	45,156	4	6
Motorola Solutions Summit Conference (Spillman Summit)*	Orlando, Naples, and Fort Lauderdale, Florida	45,026	45,035	10	10
Shooting, Hunting, and Outdoor Trade (Shot) Show	Las Vegas, Nevada	44,943	44,946	4	5
Radford Racing School	Chandler, Arizona	45,600	45,603	4	6
International Association of Chiefs of Police (IACP) Conference	Boston, Massachusetts	45,584	45,587	4	5
13th Annual K-9 Cop Magazine K-9 Conference	Nashville, Tennessee	45,545	45,547	3	5
National Real Time Crime Center Association (NRTCCA)	Scottsdale, Arizona	45,530	45,533	4	6
Motorola Solutions Summit Conference	Grapevine, Texas	45,410	45,413	4	4
Indiana Sheriff's Association (ISA) Winter Conference	Indianapolis, Indiana	45,342	45,345	4	3
Shooting, Hunting, and Outdoor Trade (Shot) Show	Las Vegas, Nevada	45,314	45,317	4	5

LAKE COUNTY SHERIFF'S DEPARTMENT
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(Continued)

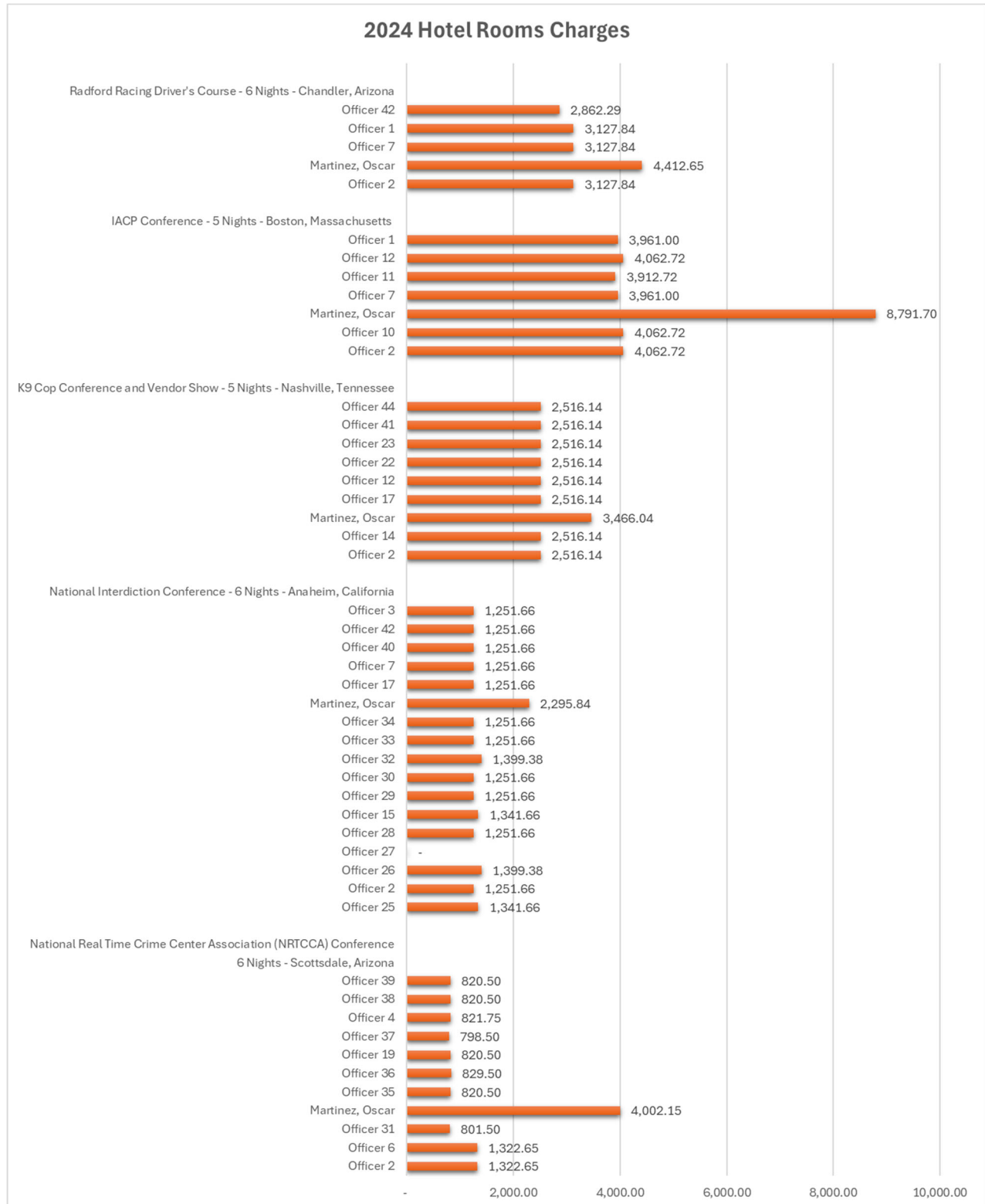
The following charts document each conference, the number of nights for the hotel charges, and location. Below each conference is a list of the officers who attended and the SBOA calculation of charges for the number of nights stayed including the total room rates, related room rate taxes, and the resort fees that Martinez and each officer incurred and were paid from commissary funds:



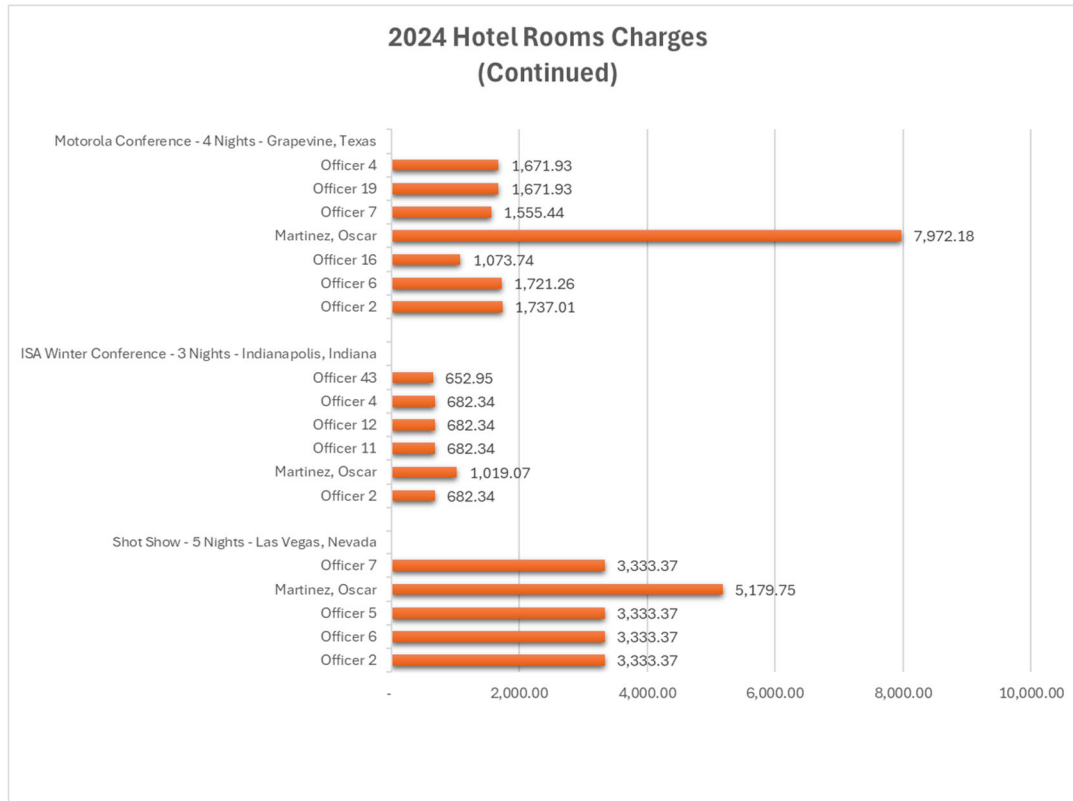
LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)



**LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
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(Continued)**



LAKE COUNTY SHERIFF'S DEPARTMENT
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(Continued)



The Handbook Section 2.15 (C) Lodging states, in part:

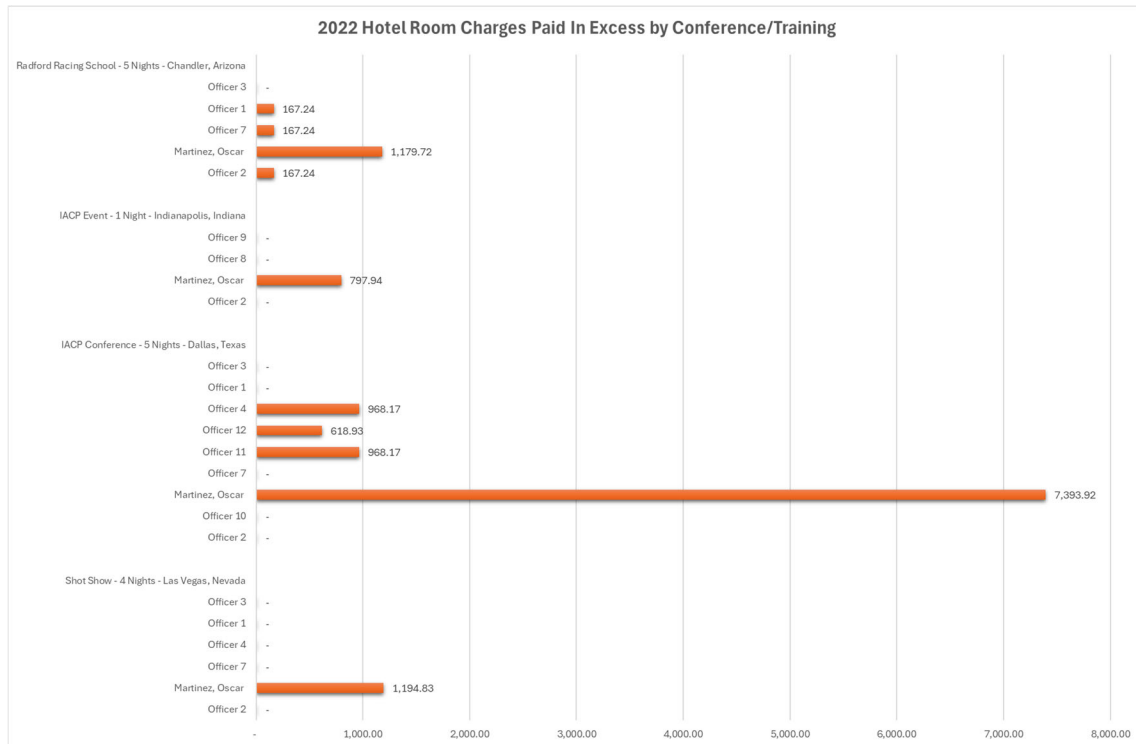
" . . . (2) Reimbursement for Lodging A County employee in travel status may claim reimbursement for actual lodging expenses not exceeding the single occupancy room charge, including taxes, for overnight stays only. It is the County employee's responsibility to check out the accommodations in sufficient time to not be required to pay additional expenses for late checkout. . . .

(5) Lodging Rates-Limitation All individuals, including County employees and County officials, are urged to stay in hotels/motels offering reasonable government rates. These reduced rates usually must be requested of the hotel/motel in advance. To receive reasonable government rates, lodging establishments may require government identification. County employees who prefer accommodations at unreasonable rates will not receive full reimbursement. County employees should pay special heed to this policy when selecting anything other than modest accommodations. Staying in the 'conference hotel/motel' is not necessarily required; conference hotels/motels should not be utilized as lower cost accommodations are available and practical. . . ."

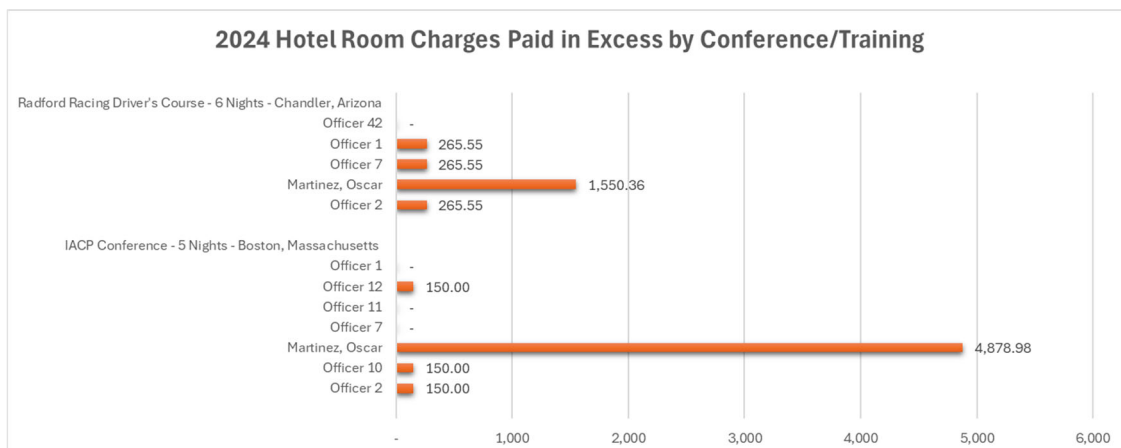
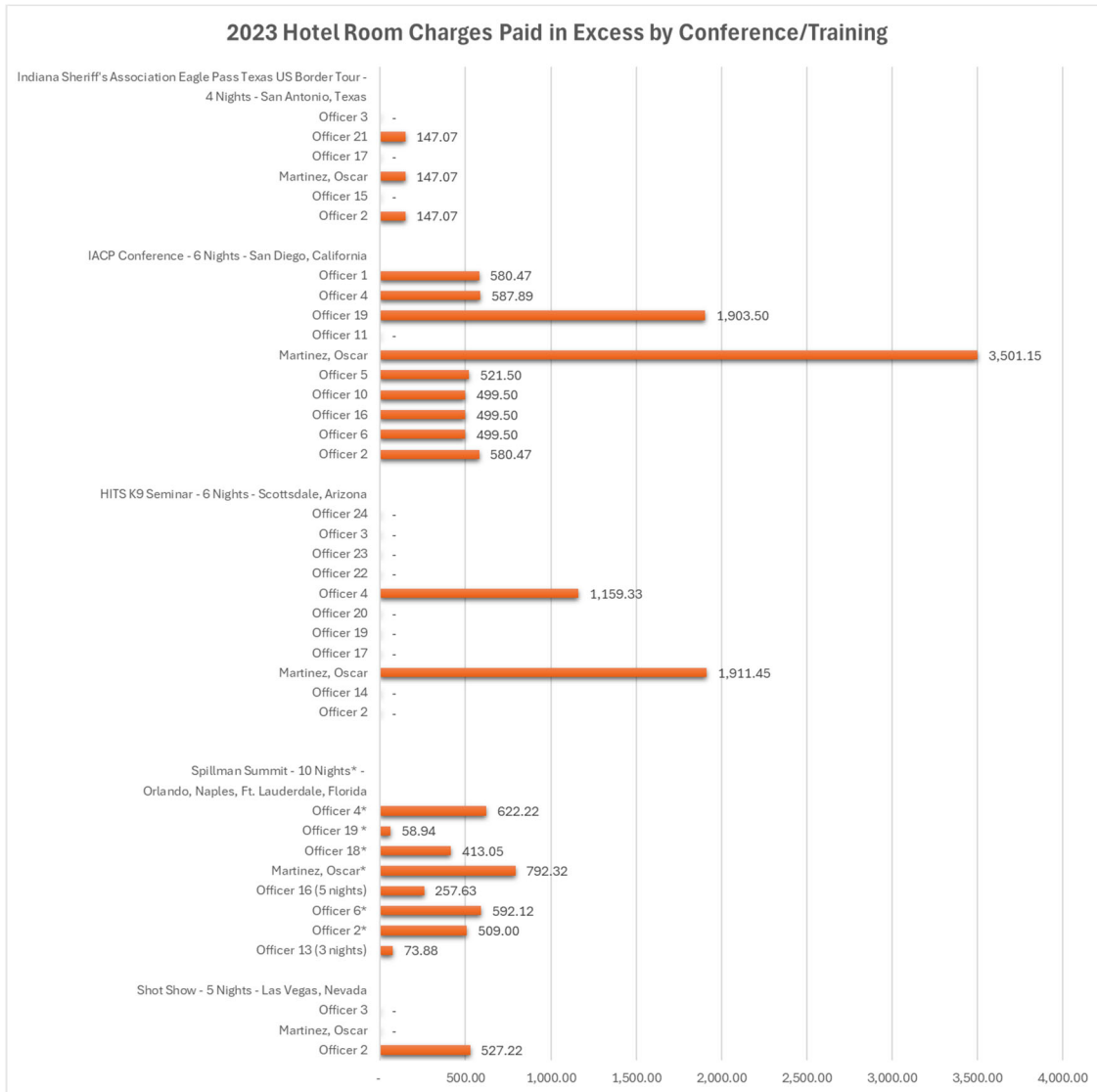
LAKE COUNTY SHERIFF'S DEPARTMENT
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RESULTS AND COMMENTS
(Continued)

Using the Handbook Section 2.15 (C) regarding Lodging as quoted above as guidance, the SBOA calculated the excess hotel charges by taking each officer's hotel room charges and deducted the lowest paid hotel room charges for each trip.

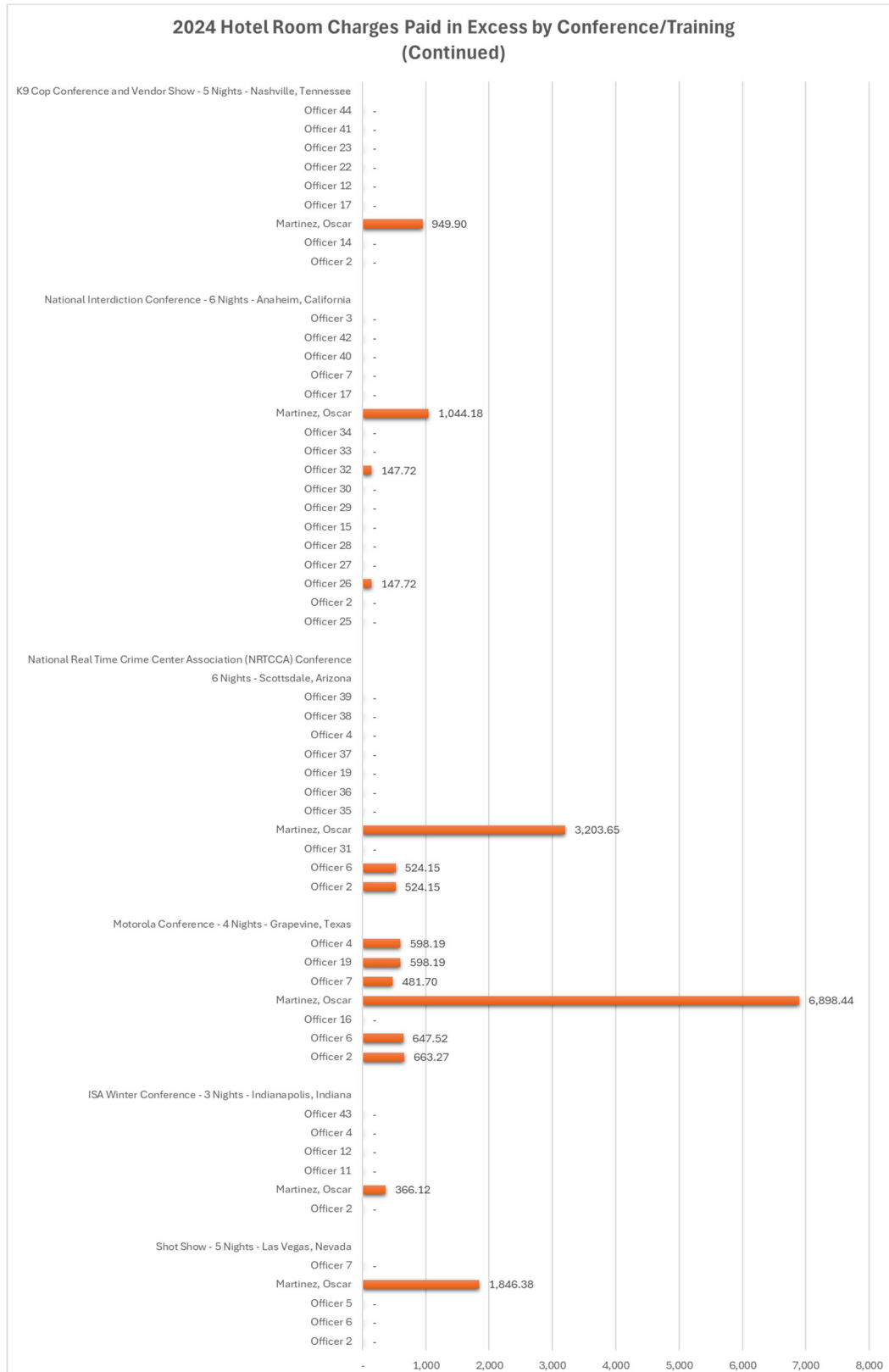
The following charts document each conference, the number of nights for the hotel charges, and location. Below each conference is a list of the officers who attended and the SBOA calculation of excess charges for the number of nights stayed including the total room rates, related room rate taxes, and the resort fees that Martinez and each officer incurred and were paid from the Commissary funds:



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**LAKE COUNTY SHERIFF'S DEPARTMENT
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RESULTS AND COMMENTS
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LAKE COUNTY SHERIFF'S DEPARTMENT
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(Continued)

The following schedule summarizes by officers and year the SBOA calculated excess room rates, related room rate taxes, and resort fees each incurred and Martinez paid from the Commissary Fund:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Totals</u>
Officer 13	\$ -	\$ 73.88	\$ -	\$ 73.88
Officer 2	167.24	1,763.76	1,602.97	3,533.97
Officer 6	-	1,091.62	1,171.67	2,263.29
Officer 26	-	-	147.72	147.72
Officer 16	-	757.13	-	757.13
Officer 10	-	499.50	150.00	649.50
Officer 32	-	-	147.72	147.72
Officer 5	-	521.50	-	521.50
Martinez, Oscar	10,566.41	6,351.99	20,738.01	37,656.41
Officer 18	-	413.05	-	413.05
Officer 7	167.24	-	747.25	914.49
Officer 11	968.17	-	-	968.17
Officer 12	618.93	-	150.00	768.93
Officer 19	-	1,962.44	598.19	2,560.63
Officer 21	-	147.07	-	147.07
Officer 4	968.17	2,369.44	598.19	3,935.80
Officer 1	167.24	580.47	265.55	1,013.26
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 13,623.40</u>	<u>\$ 16,531.85</u>	<u>\$ 26,317.27</u>	<u>\$ 56,472.52</u>

Criteria

Indiana Code 36-8-10-21 states, in relevant part:

"(a) This section applies to any county that has a jail commissary that sells merchandise to inmates.

(b) A jail commissary fund is established, referred to in this section as 'the fund'. The fund is separate from the general fund, and money in the fund does not revert to the general fund.

(c) The sheriff, or the sheriff's designee, shall deposit all money from commissary sales into the fund, which the sheriff or the sheriff's designee shall keep in a depository designated under [IC 5-13-8](#).

(d) The sheriff, or the sheriff's designee, at the sheriff's or the sheriff's designee's discretion and without appropriation by the county fiscal body, may disburse money from the fund for:

- (1) merchandise for resale to inmates through the commissary;
- (2) expenses of operating the commissary, including, but not limited to, facilities and personnel;
- (3) special training in law enforcement for employees of the sheriff's department;

LAKE COUNTY SHERIFF'S DEPARTMENT
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- (4) equipment installed in the county jail;
- (5) equipment, including vehicles and computers, computer software, communication devices, office machinery and furnishings, cameras and photographic equipment, animals, animal training, holding and feeding equipment and supplies, or attire used by an employee of the sheriff's department in the course of the employee's official duties;
- (6) an activity provided to maintain order and discipline among the inmates of the county jail;
- (7) an activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity, including the following:
 - (A) Substance abuse.
 - (B) Child abuse.
 - (C) Domestic violence.
 - (D) Drinking and driving.
 - (E) Juvenile delinquency;
- (8) expenses related to the establishment, operation, or maintenance of the sex and violent offender registry web site under IC 36-2-13-5.5; or
- (9) any other purpose that benefits the sheriff's department that is mutually agreed upon by the county fiscal body and the county sheriff."

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03DD).

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03HH).

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03CC)

The Handbook Section 2.15 (C) *Lodging* states, in part:

- ". . . (2) Reimbursement for Lodging A County employee in travel status may claim reimbursement for actual lodging expenses not exceeding the single occupancy room charge, including taxes, for overnight stays only. It is the County employee's responsibility to check out the accommodations in sufficient time to not be required to pay additional expenses for late checkout. . . .

LAKE COUNTY SHERIFF'S DEPARTMENT
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RESULTS AND COMMENTS
(Continued)

- (5) Lodging Rates-Limitation All individuals, including County employees and County officials, are urged to stay in hotels/motels offering reasonable government rates. These reduced rates usually must be requested of the hotel/motel in advance. To receive reasonable government rates, lodging establishments may require government identification. County employees who prefer accommodations at unreasonable rates will not receive full reimbursement. County employees should pay special heed to this policy when selecting anything other than modest accommodations. Staying in the 'conference hotel/motel' is not necessarily required; conference hotels/motels should not be utilized as lower cost accommodations are available and practical. . . ."

The SBOA considers the excess hotel room rate charges of \$56,472.52 to be a questioned costs. (See Summary of Questioned Costs, page 80)

NONEMPLOYEE PAID TRAVEL EXPENSES

On June 21, 2023, the Board of County Commissioners approved a consulting contract signed by the Consultant and Martinez as the County Sheriff . The Consultant was to serve as the "**LCPD Violence Reduction Database Manager**" from May 1, 2023 to September 30, 2024. **The contract specified that compensation "not to exceed \$40,000 annually, for all services rendered and expenses incurred, all subject to annual funding by the County Fiscal Body."** Per the contract, the Consultant's duties were to "include but not be limited to: collecting and entering information in a database related to individuals identified by themselves and/or by law enforcement agencies as members of a street gang, gang faction, or other organized group or organization involved in acts of violence, homicides or other criminal activity in Lake County, Indiana."

The Consultant was paid for the consulting services by the County out of the County Sheriff's 2022 Project SAFE Neighborhoods Grant. Payments by the County covered the contract period from May 2023 through August 2024 as follows:

<u>County Payment Dates</u>	<u>Period of Services</u>	<u>Amounts Paid</u>
07-03-23	May 2023	\$ 2,352.95
07-03-23	June 2023	2,352.95
08-07-23	July 2023	2,352.95
09-05-23	August 2023	2,352.95
10-02-23	September 2023	2,352.95
10-30-23	October 2023	2,352.95
12-04-23	November 2023	2,352.95
01-02-24	December 2023	2,352.95
02-05-24	January 2024	2,352.95
03-04-24	February 2024	2,352.95
04-01-24	March 2024	2,352.95
05-13-24	April 2024	2,352.95
06-03-24	May 2024	2,352.95
07-01-24	June 2024	2,352.95
08-05-24	July 2024	2,352.95
09-03-24	August 2024	2,352.95
Total Paid		<u><u>\$ 37,647.20</u></u>

LAKE COUNTY SHERIFF'S DEPARTMENT
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RESULTS AND COMMENTS
(Continued)

The Consultant was subsequently hired by the County Sheriff's Department on September 4, 2024, to the Real-Time Crime Center as a Safety Analyst. As of the hire date, the Consultant was no longer a paid consultant and was no longer paid from the County Sheriff's 2022 Project SAFE Neighborhoods Grant. Below is an excerpt from the Consulting Contract between Martinez and the Consultant, which clearly states that, while paid as a consultant, the Consultant was not an employee.

16. Miscellaneous Provisions.

B. Consultant is an independent contractor and not an employee of the Sheriff or Lake County. Consultant shall not be entitled to claim any benefit that Lake County or the Sheriff provides to employees including, but not limited to, Worker's Compensation and Occupational Disease benefits for injury or disease arising from the performance of this contract. Consultant shall not hold himself out as an employee of the Sheriff, County or the Lake County Sheriff's Department. As an independent contractor, Consultant is responsible for all federal, state and local income, self-employment and other taxes of its employees. Without limiting the scope of the preceding sentences, Consultant, has no power or authority to bind the Sheriff or Lake County to any obligation of any kind.

The SBOA determined Martinez disregarded the contract terms stating the Consultant's compensation was for "all services rendered and expenses incurred," as well as the above excerpt stating the Consultant was not an employee of the County Sheriff or the County. Martinez paid the Consultant's per diem, conference fees, hotel, and airfare accommodations from the Commissary Fund while paid as a consultant and not an employee of the County or the County Sheriff's Department as follows:

Conference	Conference Dates	Per Diem	Hotel	Airfare	Conference Fees	Totals
HITS K9 Seminar	08-15-23 to 08-18-23	\$ 350.00	\$ -	\$ 575.95	\$ -	\$ 925.95
Detroit Real Time Crime Center	11-06-23 to 11-07-23	90.00	259.03	-	-	349.03
NRTCCA Conference	08-26-24 to 08-30-24	350.00	979.00	377.95	500.00	2,206.95
	Totals	<u>\$ 790.00</u>	<u>\$ 1,238.03</u>	<u>\$ 953.90</u>	<u>\$ 500.00</u>	<u>\$ 3,481.93</u>

The Handbook authorizes **employees** to be reimbursed for conference fees, lodging, and airfare. The County also authorizes **employees** to receive per diem.

Indiana Code 36-8-10-21 states, in relevant part:

"(a) This section applies to any county that has a jail commissary that sells merchandise to inmates.

(b) A jail commissary fund is established, referred to in this section as 'the fund'. The fund is separate from the general fund, and money in the fund does not revert to the general fund.

(c) The sheriff, or the sheriff's designee, shall deposit all money from commissary sales into the fund, which the sheriff or the sheriff's designee shall keep in a depository designated under [IC 5-13-8](#).

(d) The sheriff, or the sheriff's designee, at the sheriff's or the sheriff's designee's discretion and without appropriation by the county fiscal body, may disburse money from the fund for:

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

- (1) merchandise for resale to inmates through the commissary;
- (2) expenses of operating the commissary, including, but not limited to, facilities and personnel;
- (3) special training in law enforcement for employees of the sheriff's department;
- (4) equipment installed in the county jail;
- (5) equipment, including vehicles and computers, computer software, communication devices, office machinery and furnishings, cameras and photographic equipment, animals, animal training, holding and feeding equipment and supplies, or attire used by an employee of the sheriff's department in the course of the employee's official duties;
- (6) an activity provided to maintain order and discipline among the inmates of the county jail;
- (7) an activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity, including the following:
 - (A) Substance abuse.
 - (B) Child abuse.
 - (C) Domestic violence.
 - (D) Drinking and driving.
 - (E) Juvenile delinquency;
- (8) expenses related to the establishment, operation, or maintenance of the sex and violent offender registry web site under [IC 36-2-13-5.5](#); or
- (9) any other purpose that benefits the sheriff's department that is mutually agreed upon by the county fiscal body and the county sheriff."

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03DD)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03HH)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1, 1.03CC)

The SBOA requested Martinez reimburse the Commissary Fund for nonemployee paid travel expenses in the amount of \$3,481.93. (See Summary of Charges, page 79)

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

SPECIAL INVESTIGATION COSTS

The State of Indiana incurred costs in the amount of \$59,218.50 due to the special investigation of the County Sheriff's Department.

The investigation involved the following:

- Interviewing Martinez and staff;
- Reviewing 715 special orders from January 1, 2022 to December 31, 2022;
- Reviewing 760 special orders from January 1, 2023 to December 31, 2023;
- Reviewing 849 special orders from January 1, 2024 to December 31, 2024;
- Reviewing cancelled checks for all commissary disbursements;
- Reviewing supporting documentation for requested vendor invoices, including payments for special orders and credit cards;
- Repeated email requests for vendor invoices and explanations regarding documentation supplied as supporting documentation for disbursements of commissary funds;
- Following up on unsupported disbursements for special orders and credit cards;
- Reviewing contracts for nonemployees; and
- Reviewing the County's Handbook and Per Diem Ordinances.

Indiana Code 5-11-1-27(m) states in part:

"If the attorney general institutes civil proceedings related to this section or under [IC 5-11-5-1](#), the attorney general shall seek, in addition to the recovery of any funds misappropriated, diverted, or unaccounted for, restitution of:

(1) Costs incurred by the state board of accounts . . ."

Audit costs incurred because of poor records, nonexistent records, or any other inadequate bookkeeping practices, or because of theft or a shortage may be the personal obligation of the responsible official or employee. [IC 5-11-1-10].

Any audit costs paid without the prior approval of the SBOA when the SBOA has the statutory requirement to perform the audit of the unit may be considered a duplication of service and an unnecessary expense. These payments may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

The SBOA requested Martinez reimburse the State of Indiana for special investigation costs in the amount of \$59,218.50. (See Summary of Charges, page 79)

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND

The Sheriff obtained the following official bonds:

<u>Term</u>	<u>Bond Amounts</u>
01-01-22 to 12-31-22	\$ 300,000
01-01-23 to 12-31-23	300,000
01-01-24 to 12-31-24	300,000

INMATE TRUST FUND

A monthly check was issued from the Commissary Fund to the Inmate Trust Fund. The Inmate Trust Fund accounts for the money of each inmate. Inmates receive money from friends and family to make purchases of goods from the jail commissary. Typically, checks or electronic transfers of funds would be made from the Inmate Trust Fund to the Commissary Fund, not from the Commissary Fund to the Inmate Trust Fund. Monthly transfers were made from the Commissary Fund to the Inmate Trust Fund. Per interviews with staff, these funds were used to compensate inmates for work-related tasks through a voucher system. However, these payments were not recorded in individual inmate trust accounts, and the monthly transfers were not supported by documentation detailing the inmates compensated or the amounts earned. The County Sheriff's Department did not have a resolution established for the system of Commissary Fund payments to the Inmate Trust Fund and for the processes that allow for inmates to work and receive compensation.

The SBOA conducted an interview on January 28, 2025, with Ernie Nowaczyk (Nowaczyk), an employee with Keefe Group, and a correctional officer assigned to the jail commissary with a follow-up phone discussion on August 5, 2025. The Keefe Group supplies food products, personal care items, electronics, clothing, technology, telecommunications, and software to the County Sheriff's Department. The electronics and software include tablets supplied to inmates to order commissary goods and the software to interface the commissary ordering and fulfillment systems with the related receipts to the Commissary Fund and the disbursements from the individual inmate trust accounts as well as the overall Inmate Trust Fund. The SBOA inquired about the Commissary Fund disbursements to the Inmate Trust Fund and the related compensation of the inmates. Nowaczyk and the correctional officer explained the process for the disbursements from the Commissary Fund to the Inmate Trust Fund and the related compensation as follows:

- There are inmates who are permitted to work (wash/clean police cars, "take the garbage out," road clean-up, work in the kitchen, etc.) in and around the jail and each of these inmates are referred to as a "Trusty." A Trusty can earn ten dollars per week as compensation.
- The Trusty is given a voucher, similar to a gift certificate with a value of ten dollars. The vouchers can only be used for commissary goods such as coffee, snacks, and toiletries.
- Once a week, generally on Friday, the Trusty will write on the voucher the items he wishes to order.
- The vouchers with the items listed are reviewed by a County Sheriff's Department employee (assigned to the jail inventory area) to ensure the total of the items listed does not exceed the ten dollars.

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

- The vouchers are then given to Nowaczyk to enter into the Keefe Commissary Fund software so Trusty voucher-ordered goods can be filled by Keefe.
- After Nowaczyk enters the vouchered goods and the orders have been fulfilled by Keefe (the Trusty received the goods on the voucher), Nowaczyk throws the vouchers listing the items purchased away.
- The vouchers are not separated by individuals. The vouchers are entered as a batch. If a Trusty does not use the entire ten dollars, they will lose it.
- The only monies that are deposited into an individual's inmate trust account is by family or friends. Vouchers received for working as a Trusty are not included or added to their personal inmate account.

The monthly disbursements from the Commissary Fund to the Inmate Trust Fund range from \$3,500 to \$4,500. The monthly transfer amounts from the Commissary Fund to the Inmate Trust Fund lack documented justification and bear no relationship to actual voucher usage or Trusty compensation. Per the SBOA interview with Nowaczyk, Nowaczyk stated when the bank account balance for the Inmate Trust Fund would get too low, he would call Gruszka or the bookkeeper for additional funds. The amounts earned by the inmates or Trusties, via the voucher system, were not recorded as inmate trust receipts in the Trusty's individual inmate trust account. The related purchases were also not recorded as disbursements from the Trusty's individual inmate trust account. The monthly payments from the Commissary Fund to the Inmate Trust Fund are simply undocumented and unsupported disbursements from the Commissary Fund to the Inmate Trust Fund to help cover purchases made through the Trusty voucher system and/or to help the balance of the Inmate Trust Fund bank account from being overdrawn.

The following schedule details the Commissary Funds disbursed to the Inmate Trust Fund by year and overall total:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Inmate Trust Fund	\$ 52,500	\$ 55,500	\$ 47,100	\$ 155,100

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Manual for Counties, Chapter 1, 1.03UU)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Manual for Counties, Chapter 1, 1.03DD)

INVESTIGATION BY LAW ENFORCEMENT AND STATE AGENCIES

This report was forwarded to the Office of the Indiana Attorney General, the Lake County Prosecuting Attorney, and the United States Attorney for the Northern District of Indiana.

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS

There was a lack of segregation of duties, oversight, and monitoring over the purchases and disbursements of money from the Commissary Fund. Furthermore, investigative interviews indicated management override of internal controls.

Martinez exercised control over the allocation and use of Commissary Funds. He frequently used the County Sheriff's Department credit cards for purchases but did not consistently provide the necessary vendor invoices to the appropriate personnel to substantiate those charges.

As part of this investigation, we interviewed several staff members who shared consistent observations. They indicated that there was a culture of limited oversight regarding Martinez's financial decisions, and questioning his actions was discouraged. Staff also noted that Martinez often made his own travel arrangements for conferences, including booking his own accommodations and flights, as well as those for accompanying officers. The County Sheriff's Department is expected to adhere to the County's travel policies outlined in the official County Handbook; staff reported that Martinez often deviated from these procedures and followed his own practices.

Further, the version of the Commissary statute, Indiana Code 36-8-10-21(e), effective during the timeframe of this investigation required Martinez to submit reports twice a year to the County Council, documenting the Commissary Fund's receipts and disbursements. The Indiana State Board of Accounts (SBOA) determined that it appears Martinez complied with statutory reporting requirements. There was no indication that the County Council ever questioned the County Sheriff's Department's own descriptions of his transactions, particularly those that the SBOA determined to be donations or sponsorships.

There was not any documented review of the Commissary Fund purchases for compliance related to the Handbook and Indiana Code 36-8-10-21.

- Per diem payments to Martinez and his officers was not compared to credit card charges to ensure meals paid were not duplicated and that per diem amounts paid were in compliance with the County Handbook.
- Martinez was documenting golf outings, donations, etc. on the special orders as "intended to reduce or prevent occurrences of . . ." in an attempt to document the purchases being in compliance with Indiana Code 36-8-10-21(d)(7), and avoid submitting the purchase request to the County Council for approval or mutual agreement to pay in accordance with Indiana Code 36-8-10-21(d)(9).
- There was no oversight over Martinez's signature stamp. Martinez authorized officers to use his signature stamp to approve special orders without review.

The SBOA is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual: *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to examination by the SBOA are expected to adhere to these standards. These standards include adequate internal control activities. According to this manual:

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
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(Continued)

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
EXIT CONFERENCE

The contents of this report were discussed on December 2, 2025, with Michael C. Repay, President of the Board of County Commissioners; Matthew Fech, Attorney for the County Commissioners; Christine Cid, President of the County Council; Randall Niemeyer, County Council member; Thomas O'Donnell, Attorney for the County Council; Scott Schmal, County Council Financial Director; John Kopack, Attorney for the Sheriff; Vincent Balbo, Chief of Police; Emiliano Perez, Jr., Chief of Staff for the Sheriff; Jeremy Kalvaitis, Deputy Commander Staff Services; Peter Papageorgakis, Bookkeeper; Donald Smith, Contracted Accountant for the Sheriff; and Michelle Dumbky, Contracted Accountant for the Sheriff.



THE BOARD OF COMMISSIONERS OF THE COUNTY OF LAKE

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Kyle W. Allen, Sr., First District
Jerry Tippy, Second District
Michael C. Repay, Third District

OFFICIAL RESPONSE

Wednesday, December 3, 2025

Indiana State Board of Accounts
302 West Washington Street Room E418
Indianapolis, In 46204-2765

As a response to the Special Investigation Report of Lake County Sheriff's Department Jail Commissary activity from January 2022 to December 2024, the Lake County Board of Commissioners wishes to express its appreciation to The State Board of Accounts for its work to uncover irregularities in the handling of funds related to this account.

As further "Background", the Board of Commissioners would point out that The Board sought guidance, direction and oversight as early as 2019 to the use of Jail Commissary Funds by the Sheriff for irregular purchases in an effort to bring this activity to light.

Additionally, The Board of Commissioners would also like to note that we hired a nationally recognized organization to provide oversight and advice on operation of the jail, including commissary activity in 2020. In early February of 2021 we arranged for the consultant to be on site for an in-person review. Our attempt to gain access to the jail and other data and information necessary to protect our taxpayers. These efforts were thwarted by the administration.

The Board of Commissioners of Lake County Indiana would like to ensure that moving forward, this type of activity ends and that limits are placed on the authority of this or any Sheriff moving forward on the use of Jail Commissary Funds. The people of Lake County and the State of Indiana deserve robust oversight that will ensure funds are used properly. The Board of Commissioners stand ready to accept the additional responsibility should the legislature decide to address these issues.

Michael C. Repay
President, Lake County Board of Commissioners

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January 2, 2026

OFFICIAL RESPONSE

Paul Joyce, CPA, State Examiner
Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

RE: Response to SBOA Special Investigation Report of LCSD Jail Commissary
By: Lake County Sheriff Oscar Martinez, Jr.
2293 N. Main Street, Crown Point, IN 46307
Commissary Audit Periods: 2022, 2023 & 2024

Dear Examiner Joyce,

On December 2, 2025, SBOA field examiners Kristen Campbell and Michelle Janosky, along with investigator Ed Wheele, conducted an exit conference concerning the SBOA's fifty-seven (57) page *Special Investigation Report of Lake County Sheriff's Department Jail Commissary* (the "Report") for calendar years of 2022, 2023 and 2024 (the "audit period").

The Report identified several major categories of examiner "results and comments" that were contained and listed in the Report's table of contents as:

1. Commissary Purchases Exceeding the Sheriff's Authority under Indiana Code 36-8-10-21 (Special Orders).
2. Questionable Commissary Purchases exceeding the Sheriffs Authority as Per Indiana Code 36-8-10-21 (Credit Cards).
3. Excess Hotel Room Rate Charges.
4. Non-Employee Paid Travel Expenses.
5. Internal Controls. (lack of segregation of duties, oversight and monitoring over the purchases and disbursements of money from the Commissary Fund.)

The Official Response¹ of the LCSD to the examiner's "results and comments" noted in the Report, and outlined at the 12/02/25 exit conference, follows below. Note: Exhibits A (Photos); B (2022 Special Orders & records); C (2023 Special Orders & records); and D (2024 Special Orders & records, Parts 1 and 2) are incorporated by reference into this Official Response.

¹ At the 12/02/25 exit conference the SBOA advised the Sheriff's Office had ten (10) calendar days to file an "official response" to the Report. Thereafter, the SBOA extended the response deadline to 01/02/26. Due to the relatively short time periods involved, the Sheriff's Office explicitly reserves the right to amend or supplement this official response with additional comments, records, analysis or objections.

Ind. Code § 36-8-10-21, the statute that established the Lake County Sheriff's Commissary Fund, read as follows during the three-year audit period:

(a) This section applies to any county that has a jail commissary that sells merchandise to inmates.

(b) A jail commissary fund is established, referred to in this section as "the fund". The fund is separate from the general fund, and money in the fund does not revert to the general fund.

(c) The sheriff, or the sheriff's designee, shall deposit all money from commissary sales into the fund, which the sheriff or the sheriff's designee shall keep in a depository designated under IC 5-13-8.

(d) The sheriff, or the sheriff's designee, at the sheriff's or the sheriff's designee's discretion and without appropriation by the county fiscal body, may disburse money from the fund for:

- (1) merchandise for resale to inmates through the commissary;
- (2) expenses of operating the commissary, including, but not limited to, facilities and personnel;
- (3) special training in law enforcement for employees of the sheriff's department;
- (4) equipment installed in the county jail;
- (5) equipment, including vehicles and computers, computer software, communication devices, office machinery and furnishings, cameras and photographic equipment, animals, animal training, holding and feeding equipment and supplies, or attire used by an employee of the sheriff's department in the course of the employee's official duties;
- (6) an activity provided to maintain order and discipline among the inmates of the county jail;
- (7) an activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity, including the following:
 - (A) Substance abuse.
 - (B) Child abuse.
 - (C) Domestic violence.
 - (D) Drinking and driving.
 - (E) Juvenile delinquency;
- (8) expenses related to the establishment, operation, or maintenance of the sex and violent offender registry web site under IC 36-2-13-5.5; or
- (9) any other purpose that benefits the sheriff's department that is mutually agreed upon by the county fiscal body and the county sheriff.

Money disbursed from the fund under this subsection must be supplemental or in addition to, rather than a replacement for, regular appropriations made to carry out the purposes listed in subdivisions (1) through (8).

(e) The sheriff shall maintain a record of the fund's receipts and disbursements. The state board of accounts shall prescribe the form for this record. The sheriff shall semiannually provide a copy of this record of receipts and disbursements to the county fiscal body. The semiannual reports are due on July 1 and December 31 of each year.

"When a statute is clear and unambiguous, we apply the rules of statutory construction and interpret statutory language in its plain, ordinary, and usual sense." *Cnty. of Lake v. Pahl*, 28 N.E.3d 1092, 1104 (Ind. Ct. App. 2015), *reh'g denied, trans. denied*. The Commissary Statute clearly states that: Commissary Funds are separate from the general fund (i.e., are not tax revenues); money held in the Commissary Fund does not revert to the county general fund; and only the Sheriff (or his/her designee), has the discretion, to authorize expenditures of money from the Commissary for any of the purposes that are listed in Ind. Code § 36-8-10-21(d)(1) through (d)(8).

Indiana law also provides that "county commissioners, and, accordingly, the county, does not have any control over acts of the sheriff. The sheriff is an office created by Article 6, § 2 of the Indiana Constitution and the powers and duties of the office are established by the Legislature. See, e.g., Ind. Code Ann. § 36-2-13-5 (Burns Supp. 1986). Although the county commissioners have limited emergency powers relating to the appointment of extra deputies, those powers do not relate to the ability to control the acts performed by any deputy or, indeed, by the sheriff. See Ind. Code Ann. § 36-8-10-6(b) (Burns 1981)." *Delk v. Bd. of Comm'rs*, 503 N.E.2d 436, 440 (Ind. Ct. App. 1987). Thus, only a Sheriff (and not the SBOA) has the legal authority and discretion to decide what activities and programs of a 501(c) non-profit may receive financial donations from the Commissary Fund to support the Sheriff's overall goals and ongoing efforts related to the reduction or prevention of crime in his community.

While we appreciate there must be oversight of government agencies, we disagree and take exception with the majority of the examiners' opinions in the Report, especially those relating to the SBOA's mis-interpretation and mis-application of the Commissary Statute.

1. *Commissary Purchases Exceeding The Sheriff's Authority Under Indiana Code 36-8-10-21 (Special Orders)*. (221 Donations to 204 Non-Profits over 3 years totaling \$265,879.43).

First, we'd like to firmly state that Commissary funds are not tax dollars. The Commissary Fund is created from commissions earned from items that are purchased by jail inmates. Sheriff Martinez believes (as have prior Sheriffs) that one of the best ways to reduce or prevent crime is to support and invest in community activities and programs that provide positive alternatives for growth and involvement of children and adults in local communities. He has fostered this goal by supporting local non-profits that partner with the Sheriff's Department on initiatives, activities and programs that support the Sheriff Department's goals of reducing and preventing crime in the community. He is often a guest speaker at non-profit organizational events, where he shares best practices and information that assists non-profits in partnering with the LCSD to bring positive results to their community through numerous activities and programs.

Secondly, It would be cost prohibitive to try and run all these activities and programs through the LCSD without offering overtime to employees and spending tax revenues on activities and programs already offered by non-profits in the community that: reduce theft; curb drug and alcohol use; prevent domestic violence; encourage a future other than lawlessness; or create a positive relationship between the LCSD and the community - which in turn also reduces crime. The SBOA's listing in the Report of 221 not-for-profit donations that were "not eligible" to receive Commissary donations is baffling. A simple Google search shows the community involvement with all the programs offered by these 221 non-profits. The attached photos from the Sheriff's Facebook page (*Exhibit A*) are evidence of the successful partnerships between the LCSD and the non-for-profits it has supported with donations from the Commissary Fund.

Third, it is apparent from reading the Report that it is the position of the SBOA that the use of the word "*of*" in section (d)(7) of the Commissary Statute means only applies to "activities and programs" that are solely operated and staffed by LCSD employees. However, we disagree. The *Google Oxford Languages Dictionary* states the plain, ordinary meaning of the word "*of*" includes "indicating an association between two entities" - which is exactly what Sheriff Martinez did when he partnered with non-profits to provide activities and programs to reduce or prevent crime.

The non-profits the LCSD donated Commissary Funds to during the audit period have demonstrated a legal and ethical commitment to serving their communities. The Internal Revenue Service recognizes 29 different types of 501(c) tax exempt organizations. A 501(c) organization is formed for various and specific purposes such as civic, charitable, social welfare, or labor related entities. These organizations are required by law to account for the revenues they receive and how the revenues are spent to further their tax-exempt purposes. We have not found a single non-profit event listed in the Report that was not recognized by the United States Internal Revenue Service as a 501(c) non-profit organization.

Indiana Code IC 36-8-10-21(d)(7) authorizes the disbursements from the commissary fund for any "activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity . . . including [but not limited to] substance abuse; child abuse; domestic violence; drinking and driving; and juvenile delinquency." The question becomes WHO makes the determination as to which activities and programs become activities and programs of the LCSD? The Commissary Statute is unequivocal in answering this question - only the Sheriff has the discretion under the law to determine which non-profit activities and programs will be supported by LCSD to achieve the law enforcement functions outlined in subsection (d)(7).

Federal and State governments have recognized the efficiency and cost-effectiveness of contracting with non-government agencies, such as non-profit organizations. Non-profits historically deliver more services and better outcomes per dollar input than governmental agencies. Non-profits do not have multiple layers of bureaucracy to account for dollar inputs and statistically measuring outputs - they are about real results. Sheriff Martinez recognizes the efficiency and the societal good provided by 501(c) organizations and supports those entities and their events through Commissary Fund donations that create a long lasting and close working partnership to the law enforcement goals of crime prevention and reduction.

Moreover, a number of university studies have been demonstrated organized youth sports combat youth violence and prevent juvenile delinquency. See *"Study reveals how sports programmes for young children can combat future youth violence"*, Loughborough London University, 2024, <https://www.lboro.ac.uk/news-events/news/2024/march/sport-can-combat-future-youth-violence/>. The University of Chicago issued a report in 2021 that stated: "By understanding the relationship between sport and violence, social workers and other service professionals who use sport as an intervention . . . enhance the healthy development of youth, particularly those most at risk for the onset and/or adherence of behavioral health problems". (See Journal of the Society for Social Work & Research, 2021, <https://www.journals.uchicago.edu/doi/epdf/10.1086/714421>). Similar studies by the Centers for Disease Control, and the United Nations Office on Drugs & Crime, show strong evidence that organized sports and sport-based programs help prevent violence and crime by fostering life skills, positive relationships, self-esteem, and providing safe, structured environments. These activities and programs work by teaching conflict resolution, offering outlets for emotion, promoting social inclusion and developing resilience as a positive factor against delinquency. Rather than duplicating existing programs of non-profit organizations, Sheriff Martinez chose to partner with these entities and support their successful activities and programs with Commissary Funds to meet the mutual goals of the non-profit and the LCSD. In addition, there are no surplus LCSD personnel available to undertake operate and oversee activities and programs that are already in place and functioning through these non-profit organizations.

Samples of these partnership activities and programs include:

- ◆ The Sheriff partnered with multiple Union Locals to bring low cost, high result, training to both Local members and officers in the Sheriff's Department. Union Locals have donated work/time for the helicopter rescue training site and provided cranes for helicopter repairs that gave Union apprentices and police officers valuable training and created a long term relationship between union members, their families and the LCSD. (Exh. A, pp. 6, 7, 14).

- ◆ Sheriff Martinez noticed years ago that veterans and homeless individuals were repeat offenders who were housed in the Lake County Jail during the winter months. If they didn't have a permanent residence, many veterans and homeless persons would commit a petty crime just to get back into the jail for housing and food. By partnering with veteran and low income support organizations, the LCSD has helped reduce the incidence of petty crimes for re-entry into the jail for housing and food.
- ◆ The Report singles out significant donations to the St. John Girls Softball organization and that Sheriff Martinez was a former president of the organization. We acknowledge that Sheriff Martinez is a volunteer with this youth organization because there are not enough parents that get involved with the league. The Sheriff supports the Girls Softball organization as a non-compensated volunteer, even though his daughters have not played softball there for eight years. However, it must also be noted that not one penny of the donation expenditures from the Commissary Fund came back to Sheriff Martinez. Donating to the Saint John Girl's Softball League is not a surreptitious method of self-dealing, but a demonstration of the Sheriff's commitment to preventing juvenile delinquency through organized sports. Additionally, Sheriff Martinez has not limited his sports-oriented juvenile crime abatement partnership to one organization. Commissary donations were also made to the following LCSD partners: the Hammond Hurricanes, Hessville Little League, FIRE Fastpitch, Hammond Boxing Club, Crown Point High School Boys Basketball, Bishop Noll Hockey, Bulldog Baseball, Sox Fastpitch, Panthers Fastpitch, and Hobart Football, all totaling \$14,985, to keep young people off the streets and out of trouble.
- ◆ The Report also comments that several donations were related to golf outings. In a perfect world, people would donate to organizations and causes with pure altruistic intentions. In the real world, 501(c) entities need a way to attract attention and dollars to their cause. By having local businesses sponsor, promote, publicize and/or provide facilities, services, and goods to the public when a donation is made, non-profit organizations can bring in substantially more dollars to fund their charitable purposes. The Internal Revenue Code prohibits taxpayers from deducting the full cost of any donations as a tax-deductible expense where the donor has received more than a de minimus benefit in return for their donation. But, those income tax related rules do not apply to donations by the Lake County Sheriff as no tax deduction is being claimed, nor is a tax return of any kind required by the Commissary Fund. For example, one of the Karma Cigar Bar events raised funds and awareness for a local Boys & Girls Club - which most definitely combats juvenile delinquency with its many youth-oriented activities. Another Karma Cigar Bar event raised funds for the St Jude House that shelters victims of domestic violence and child abuse - most definitely the type of activities and programs recommended and sanctioned under I.C. 36-8-10-21(d)(7).
- ◆ The Sheriff would use the time spent at a golf outing as a team and partnership building event. The ticket would be issued in the Sheriff's name because the LCSD Commissary Fund was the entity donating to the event. He himself did not attend all the fundraisers but used the outings as departmental team building events and partnering with the non-profit for the benefit of the department.
- ◆ The Report notes a donation to the Indian Medical Association, which is composed of medical professionals whose ancestry derives from India. These medical professionals have experience in dealing with drugs and/or child abuse. The LCSD made Commissary Fund donations to assist and partner with the Indian Medical Association's programs related to drug and suicide awareness and prevention, and food/toy drives. These expenditures all fall within the goal of I.C. 35-8-10-21(d)(7) to reduce and prevent substance abuse, child abuse, and domestic violence. (See Exh. A, pp. 3, 8, 9, 10).

- ◆ The SBOA details a Commissary donation to Pinnacle Hospital of \$1500. Pinnacle Hospital interacts with patients that are suffering from drug abuse and domestic violence. The hospital recognized Sheriff Martinez with a "Lifetime Achievement Award" and an "Outstanding Community Service Award" for his history of drug interdiction efforts and for "improving the quality of life in the community". To further the hospital's programs dealing with drugs and violence, the Sheriff supported the hospital's efforts combating domestic and drug abuse as an activity authorized and approved under IC 36-8-10-21(d)(7).
- ◆ Buried in the list of 221 checks included under the topic "Commissary Purchases Exceeding the Sheriff's Authority" (Report, pp. 9-11) are three disbursements to the Crown Point Police Department D.A.R. E. program totaling \$3200. Drug Abuse Resistance Education (D.A.R.E.) is a national police sponsored educational program to prevent the misuse of controlled drugs, membership in gangs, and violent behavior. Providing donations to a local D.A.R.E. program is clearly an acceptable use of Commissary Funds under I.C. 35-8-10-21(d)(7).
- ◆ Of the \$265,879 the SBOA alleges should be repaid, Not One disbursement in the SBOA's list is to a political entity or a Martinez family member. The Sheriff contends that each of the 221 Commissary disbursements listed by the SBOA on pages 9-11 of the Report, were proper expenditures from the Lake County Commissary Fund under I.C. 36-8-10-21.
- ◆ Brothers Keeper, is an organization that provides food and temporary shelter to homeless males (including veterans and those previously incarcerated) so they don't return to crime to support themselves.
- ◆ Education is a proven method of crime avoidance, therefore funds provided to Griffith Public Schools, Ivy Tech, Purdue University, Phi Delta Kappa, John the Baptist Catholic School, Saint Michael's Catholic School, Trinity Lutheran School, Urban League, Mount Carmel High School, Morton High School, Sociedad Cultural Y Civica Reforma, and the Local Scholarship Funds, were all authorized under I.C. 36-8-10-21(d)(7) as these partners provide learning pathways that lead to steady employment - which in turn is a proven crime prevention tool.

Below is a listing of every 501(c) non-profit organization and/or event the SBOA contends wasn't eligible to receive financial support from the Commissary Fund during the audit period because - in the SBOA's opinion - it was not an "activity or program" that would tend to reduce or prevent future criminal activity. (Note: the Report lists 221 individual Commissary Fund donations that were made to 204 different non-profits during the three (3) year audit period):

- 1 Merrillville Rotary Club - clothes drive for low income families, crime prevention.
- 2 Urban League of NWI - scholarship, job training, crime prevention.
- 3 Hessville Little League - sport, after school involvement, crime prevention.
- 4 Hammond Hispanic Community Committee - low income support, scholarships, crime prevention.
- 5 Hammond Hurricanes - sports, after school involvement, crime prevention.
- 6 Mount Carmel High School - sports, after school involvement, crime prevention.
- 7 Ross Township Trustees - low income support, crime prevention.
- 8 Ballet Folklorico Yolotzin - arts, after school involvement, crime prevention.
- 9 Hammond FOP Lodge 51 - scholarship, counseling, officer wellness.

- 10 E.C. Katherine House B & G Club -after school club, job training, crime prevention.
- 11 Trinity Baptist Church - low income support, counseling, crime prevention.
- 12 Campagna Academy - low income support, counseling, crime prevention.
- 13 The NICK Foundation - breast cancer support, community support, crime prevention.
- 14 The LINKS Foundation - cancer research, community support, crime prevention.
- 15 Gary Alumnae Chapter - education and job training, counseling, crime prevention.
- 16 Friends of Marquette Park - community support, crime prevention.
- 17 Cops Cycling for Survivors - community support and engagement, crime prevention.
- 18 Dyer VFW Post 6448 - veteran support, community support, crime prevention.
- 19 New Zion Temple Church - low income support, counseling, drug & crime prevention.
- 20 Teamster Local 142 Stewards Council - apprenticeship, counseling, training ptr, crime prevention.
- 21 Pinnacle Hospital - breast cancer ptr, community support, crime prevention.
- 22 Slovak Club - low income support, crime prevention.
- 23 Hobart Football Booster Club - sport, after school involvement, crime prevention.
- 24 NWI Building & Construction Trades - apprenticeship, counseling, crime prevention.
- 25 Lake County FOP Lodge 125 - community support, officer support, crime prevention.
- 26 HHRC - Cerebral Palsy, community support, crime prevention.
- 27 Knights of Columbus - Special Olympics, after school programs, crime prevention.
- 28 Warren Skip Highwood Memorial Foundation - scholarships, crime prevention.
- 29 Henry E Bennett Achievement Foundation - scholarships, crime prevention.
- 30 SCCLR (Sociedad Cultural Civica La Reforma) - community support, scholarships, crime prevent.
- 31 Laborer's Local 41- apprenticeship, counseling, crime prevention.
- 32 Wally Rolniak SE FOP Lodge 6 - community support, crime prevention.
- 33 The Molley Lanham Foundation - gun violence donation, community support, crime prevention.
- 34 Crown Point Police Dept DARE - drug/alcohol programs, community support, crime prevention.
- 35 Hammond Optimist Club - low income support, crime prevention.
- 36 Karma, Inc. Cerebral Palsy Fundraiser, community support, crime prevention.
- 37 St. Sava Church - low income support, counseling, crime prevention.

- 38 Boys & Girls Club of NWI - after school involvement, job training, crime prevention.
- 39 St Elijah Serbian Cathedral - low income support, counseling, crime prevention.
- 40 Union Benefica Mexicana - low income support, scholarships, crime prevention.
- 41 NAACP Hammond - low income support, crime prevention.
- 42 NIALF Local Veterans - veteran support, community support, crime prevention.
- 43 Teamster Local 142 - apprenticeship, counseling, crime prevention.
- 44 St. John Girls Softball - sport, after school involvement, crime prevention.
- 45 Indian American Cultural Center - food drives, toy drives, scholarships, crime prevention.
- 46 City of Hammond- veteran support, low income support, crime prevention.
- 47 Calumet City FOP - scholarship, community support, officer support, crime prevention.
- 48 IUOE Local 150 Scholarship Fund - apprenticeship, training ptr, counseling, drug & crime prev.
- 49 Indiana Association of Chiefs of Police - women's leadership, training, crime prevention
- 50 VFW Post 717- veteran support, community support, crime prevention.
- 51 Ivy Tech Foundation - scholarship, education, crime prevention.
- 52 Gary Frontiers Club - low income support, crime prevention.
- 53 Lake County Tactical Unit - tactical training, officer support.
- 54 Sox Fastpitch 10U Team Sponsorship - sport, after school activity, crime prevention.
- 55 Crown Point High School Boys Basketball - sport, after school activity, crime prevention.
- 56 Indian Medical Association of NWI - food drives, community support, education, crime prevention.
- 57 Purdue Northwest - scholarship sponsorships, crime prevention.
- 58 City of Hammond - Veteran support - crime prevention.
- 59 Laini Fluellen Charities - breast cancer, community support, crime prevention.
- 60 Town of St John - Christmas in the Park - community support, crime prevention.
- 61 IANLF - scholarship - crime prevention.
- 62 Hammond Boxing Club - sport/after school - prevent crime.
- 63 Urban League of Nwi - low income support - scholarship - prevent crime.
- 64 Ross Township - Angel Tree - community support - prevent crime.
- 65 Brothers Keeper, Inc - low income support - donation for homeless shelter.

- 66 City of Hammond - Parade - community support, law enforcement visibility & interaction.
- 67 Old Sheriff's House Foundation, Inc - community support, visibility & interaction.
- 68 USW LU 7-209 - general support - scholarship, counseling, partnership in training.
- 69 Franciscan Health Foundation - PACE - senior & community support, engagement. crime prev.
- 70 Lake County Police Assoc Local 72 - shop with a cop - community engagement, crime prevention.
- 71 St John the Baptist Parish - Festival Sponsor - community engagement, community support.
- 72 NAACP - event sponsor - low income support, positive community interactions, crime prevention.
- 73 St Jude House - donation to support shelters for domestic violence victims..
- 74 Lake County Fire Chiefs - Decontamination shelter equipment - community support.
- 75 Hammond IN Hurricanes, Inc - sport/after school program - crime prevention.
- 76 Lake County FOP Christ Anton Lodge 125 - low income support, officer support, crime prevention.
- 77 Man's Man Chili - fundraiser St Jude House domestic violence home, prevent domestic violence.
- 78 Ivy Tech Foundation - scholarships - crime prevention.
- 79 HHCC - scholarships - crime prevention.
- 80 Indian American Cultural Center of NWI - community support - crime prevention.
- 81 Hobart Football Booster Club - Sport/after school program - crime prevention.
- 82 Indian Medical Assoc of NWI - homeless shelter donation - community support, crime prevention.
- 83 City of Crown Point - veteran support, community support, crime prevention.
- 84 HC3 - cyber security information sharing.
- 85 Lake County K9 Association - K9 training, officer support, crime prevention.
- 86 Karma - Boys and Girls Club golf event - low income support, after school club, crime prevention.
- 87 John Baptist Church - low income support, counseling, crime prevention.
- 88 Fair Haven RCC - rape crisis center, community support, crime prevention.
- 89 Dyer VFW Auxiliary Post 6448 - Veteran support, community support, crime prevention.
- 90 Pathway to Adventure - after school program, crime prevention.
- 91 The Motley Lanham Foundation - victims of homicide. community support & engagement.
- 92 Cops Cycling for Survivors - Fairfield INN - community engagement.
- 93 St John Girls Softball - sport/after school program - crime prevention.

- 94 Lake County Tactical Unity - community support, tactical training.
- 95 Warren Highwood Memorial Foundation - tragedy/family support, scholarships, crime prevention.
- 96 HHAC - Cerebral Palsy Sponsorship - community support, crime prevention.
- 97 DREF - literacy, low income support, scholarships, crime prevention.
- 98 Pinnacle Hospital - Breast Cancer Donation - community support/interaction, crime prevention.
- 99 NIALF - golf outing supporting United Way, Habitat for Humanity, smoke detector programs.
- 100 Crown Point DARE - community support, drug & alcohol prevention.
- 101 NWIBuilding & Constr Trades Council - counseling, apprenticeship, crime prevention, training ptr.
- 102 St John Girls Softball League - sport/after school program, crime prevention.
- 103 Gary FOP lodge 61 - officer & community support, crime prevention.
- 104 Laborer's Local 41 - counseling, apprenticeship, crime prevention, training partnership.
- 105 Town of Munster K-9 Unity - training, community support, crime prevention.
- 106 St. Sava Church- low income support, counseling, crime prevention.
- 107 Teamsters Local 142 Stewards - counseling, apprenticeship, crime prevention, training partner.
- 108 Karma - event donation St Jude House - domestic violence prevention.
- 109 Boys & Girls Club of Greater NWI - after school program, prevent juvenile delinquency.
- 110 SCCLR - scholarship support - reduce/prevent crime.
- 111 Hammond Firefighters Assoc - sponsorship, community support, crime prevention.
- 112 Calumet City FOP Lodge 1 - community engagement, community support, crime prevention.
- 113 HHAC - homeless housing and assistance, crime prevention.
- 114 Slovak Club - community support, crime prevention.
- 115 Indiana Association of Chiefs of Police - officer training, crime prevention.
- 116 USW Local Union 7-209 Activities - Whiting Food Pantry - community support, crime prevention.
- 117 Wally Rolniak Lodge #6 - community support, crime prevention.
- 118 USA Local 1010 - apprenticeship, community support, crime prevention.
- 119 Purdue NW Univ - scholarship program - community support, crime prevention.
- 120 NAACP - scholarship program - community support, crime prevention.
- 121 HUGS Cultural Community -community support, crime prevention.

- 122 Hammond Hispanic Community Committee - community support, crime prevention.
- 123 CPHS Boys Basketball - sport, after school programs, crime prevention.
- 124 Homewood Police Association - HPA Outing - community support, crime prevention.
- 125 Indian Medical Assoc - addiction and suicide awareness, community support, crime prevention.
- 126 Ivy Tech Foundation - scholarship program - community support, crime prevention.
- 127 Bishop Noll Hockey - sport / after school programs, crime prevention.
- 128 Bulldog Baseball - sport, after school program, crime prevention.
- 129 Ballet Folklorico Yolotzin - art, after school program, crime prevention.
- 130 City of Hammond - Veteran's Day Parade - community support, crime prevention.
- 131 City of Hammond - Holiday Parade - community engagement.
- 132 Old Sheriff's House Assoc - sport, after school program, crime prevention.
- 133 The Grant-Hamill Foundation - scholarships, community support, crime prevention.
- 134 National Sorority of PDK - scholarship program - crime prevention.
- 135 Karma - 23 golf outing - St Jude House, domestic violence prevention.
- 136 Northwest Regional Swat - officer training, crime prevention.
- 137 Sox Fast Pitch - sport, after school program, crime prevention.
- 138 Lake County FOP Christ Anton Lodge #125- officer and community support, crime prevention.
- 139 Panthers Fast Pitch Softball - sport, after school program, crime prevention.
- 140 John the Baptist Catholic School - sports, education, community support, crime prevention.
- 141 St Jude House - domestic violence supports, community support.
- 142 Urban League of NWI - scholarship program - crime prevention.
- 143 Ivy Tech Foundation - scholarship, education, crime prevention.
- 144 Trinity Lutheran Church & School - community support, counseling, crime prevention.
- 145 Man's Man Chili - St Jude House Fundraiser, domestic violence support.
- 146 St John's Girls Softball League - sport, after school program, crime prevention.
- 147 The City of Crown Point - community support, crime prevention.
- 148 Indian American Cultural Center of NWI - low income support, crime prevention.
- 149 HC3 - St Patrick's Parade - community engagement, crime prevention.

- 150 Ross Township Trustee - community support, crime prevention.
- 151 St Michael's Catholic School - sports, juvenile programs, crime prevention.
- 152 Hessville Little League - sport, after school involvement, crime prevention.
- 153 Lake County FOP Christ Anton Lodge - community and officer support, crime prevention.
- 154 Lake County Tactical Unit - officer training, crime prevention.
- 155 Morton High School - education, sports, community support, crime prevention.
- 156 Whiting Hispanic Heritage Org - community support, crime prevention.
- 157 Warren Skip Highwood Mem Fund - scholarship, crime prevention.
- 158 Gary FOP Lodge 61 - officer support, community support, crime prevention.
- 159 Union Benefica Mexicana - community support, scholarship, crime prevention.
- 160 Henry E Bennett Achievement Fund - scholarship, mentoring, crime prevention.
- 161 Calumet City FOP 1 - community support, officer support, crime prevention.
- 162 Heros Helping Heros - veteran/law enforcement support, crime prevention.
- 163 HHAC - Cerebral Palsy fundraiser - community support, crime prevention.
- 164 Circle of Love - Gun Violence - crime prevention
- 165 Laborer' Local 41 - apprenticeship, crime prevention, training partnership.
- 166 Crown Point DARE - Drug and alcohol prevention, community support, community engagement.
- 167 Wally Rolniak FOP 6 - community support, crime prevention.
- 168 Union Benefica Mexicana - community support, scholarship, crime prevention.
- 169 Tamir Enterprises - Downs Syndrome benefit - community support, crime prevention.
- 170 Pinnacle Hospital - Breast Cancer partnership - community support, crime prevention.
- 171 Boys & Girls Club of Greater NW Indiana - job training, after school activity, crime prevention.
- 172 St Peter and Paul Macedonian Cathedral - community support, counseling, crime prevention.
- 173 Hammond Optimist Club - community support, crime prevention.
- 174 USW Local 1010 - apprenticeship, community support, crime prevention.
- 175 Slovak Club - community support, crime prevention.
- 176 Ballet Folklorico Yolotzin - after school activity, crime prevention.
- 177 Karma - golf outing Boys and Girls Club of Greater NWI.

- 178 Lake County Bar Association - community support, justice.
- 179 St SAA Church - community support, counseling, crime prevention.
- 180 SCCLR - youth & senior support, crime prevention.
- 181 Hobart FOP Lodge 121 - community support, officer support, training ptr, crime prevention.
- 182 HUGS - low income support, crime prevention.
- 183 NAACP Hammond - community support, crime prevention.
- 184 Schererville FOP Lodge 170 - community support, officer support, crime prevention.
- 185 Teamsters Local 142 - apprenticeship, counseling, training ptr, crime prevention.
- 186 Safe Coalition for Human Rights - community support, crime prevention.
- 187 Dyer FOP Lodge 169 - apprenticeship, community support, crime prevention.
- 188 Chopper Coppers Motorcycle Club - low income support, crime prevention.
- 189 Hammond Firefighters Assoc Local 556 - training, low income support, crime prevention.
- 190 HHAC - cerebral palsy support, low income support, crime prevention.
- 191 Hammond Hispanic Community Committee - low income support, crime prevention.
- 192 Fire Fast Pitch - sport, after school program, crime prevention.
- 193 Jay Marie Salon & Spa - American Foundation for Suicide Prev fundraiser, community support.
- 194 Union Benefica Mexicana - scholarship, community support, crime prevention.
- 195 Calumet City FOP Lodge 1 - community support, officer support, crime prevention.
- 196 Sts. Peter & Paul Macedonian Cathedral - community support, counseling, crime prevention.
- 197 Purdue Northwest - Hispanic Heritage Event - community support, crime prevention.
- 198 City of Hammond - veteran support, crime prevention.
- 199 Griffith Public Schools - internship support, crime prevention.
- 200 Town of St John - Christmas in the park - community support, crime prevention.
- 201 Hammond Boxing Club - sport, after school program, crime prevention.
- 202 Duke ALS Clinic - ALS research - community support.
- 203 CPHS Boys Basketball - sport, after school program, crime prevention.
- 204 Northwest Regional SWAT - training, partnership, crime prevention.

While silence generally doesn't constitute acquiescence of conduct or expenditures, exceptions do exist - such as prior dealings or expenditures of the same type. Previous Lake County Sheriffs as far back as 2004 utilized Special Orders to make Commissary donations to 501(c) organizations, with the SBOA making no mention of why such spending occurred or questioning if it was a program "of" the LCSD. We found no evidence of any prior Commissary Special Orders being cited or referred to by the SBOA in any of its prior audit reports as an unauthorized use or expenditure of Commissary Fund. Therefore, based on prior SBOA audit results it is reasonable to infer from past practice that these types of expenditures were acceptable under I.C. 35-8-10-21.

Sheriff Martinez understands that the work of the Sheriff's Department is much more than arrests and incarcerations in jail. It is the policy and commitment of the Sheriff to overall community improvement that leads to less crime and improving police/community relations by fostering cooperative partnerships with non-government organizations throughout Lake County regardless of race, creed, color, or national origin. To avoid any future questions related to Commissary Fund expenditures under I.C. 36-8-10-21, the Lake County Sheriff's administrative policy concerning the disbursement of Commissary Funds will incorporate the following:

1. A written declaration from the organization requesting a donation detailing how the activity or program will assist in preventing or reducing crime.
 2. A written receipt from the organization acknowledging the amount provided from commissary funds must be provided.
 3. The written declaration, receipt and check will be affixed to the Special Order.
2. *Questionable Commissary Purchases Exceeding the Sheriff's Authority as per Indiana Code 36-8-10-21.*

The Report alleges that the SBOA had to make multiple requests before obtaining banking and credit card transactions records. We ask that you pay close attention to the date of each records request listed in the chart on page 18 of the Report and the actual date ranges of the records and information being requested. The requested information date ranges bounce all over the three year audit period calendar. In addition, Cmdr. John Gruszka (retired) was the designated contact person at the LCSD for all SBOA record requests, however, only 2 of the 13 listed record requests cited in the chart are shown to be communications directed to Cmdr. Gruszka. The Sheriff was apparently copied on some of these record requests but he assumed he was just being cc'd on emails directed to Cmdr. Gruszka or other LCSD personnel that were responsible for responding to such requests. The LCSD contends that it was the SBOA's own piecemeal record requests that led to any extended time to obtain and review the salient records being requested and that the Sheriff should not be held responsible for the costs created by the own SBOA's actions.

Apple.com.

The Sheriff's wife, Melissa Martinez, used her Apple account during the audit period to plan and download music for parades and other events the LCSD participated in to encourage positive relationships with the community. Her Apple ID was used to sign up for the music. The Sheriff and his wife did not realize that the family's Apple storage account was being charged to the Sheriff's LCSD credit card. When the Sheriff was made aware of this mistake, he promptly took action to reimburse the account for the Apple storage charges.

Conference Registration Non-Employees.

The IACP Conference offers lower rates for training classes that family can attend in to support law enforcement officer health & wellness, suicide prevention, and community involvement, just to name a few. This offers direct support by family members to police officers and the department as a whole. The department did NOT pay for the family members airfare and none of the family members received a LCSD per diem.

Restaurant Charges When Per Diem Paid to Attendees In Advance.

The Sheriff uses conference and training travel as a team and partnership building opportunity. With each event he tries to have one dinner with all the LCSD officers who attend the conference or training session, along with other law enforcement partners and vendors. He never considered the per diem as an issue because the amount barely covers breakfast and lunch and all police officer travel expenses to attend conferences and training are at his discretion. Several times the Sheriff has used his own personal credit cards to pay for these dinners when official business was not discussed.

The Sheriff does not have a written alcohol policy in place. He uses his discretion when making decisions in regards to alcohol. Although normally it is paid separately, when they are out of uniform and with partners, alcohol is sometimes not broken out of the bill because the restaurant staff will not charge the alcohol separate.

The audit revealed \$1200.53 over three years in hotel food charges. These are charges for water, snacks, and room service that are automatically charged to the room. The Sheriff often has meetings in his room with staff and vendors where food is often ordered. Once again, this is not a circumstance that would be covered by per diem, nor is this amount material.

The SBOA report details out of town travel allowances paid to the Sheriff and his staff and other sworn personnel. Historically, the Sheriff's Department has paid LCSD attendees fifty dollars (\$50) per day for away from home meals. In some cases, Sheriff Martinez also had a meal with his personnel while they are out of town on LCSD business. The allegation is that there is "double-dipping" or an excessive allowance to the personnel that received an advanced meal allowance. The examiners appear to be applying a county employee travel policy from the Lake County Human Resources Manual, that does not apply to police or correctional officers under the county ordinance. ("It is the intent of the County Council to adopt an employee handbook that applies uniformly to all divisions of government except the Judiciary [which are employees of the Indiana 31st Judicial District], Park Department, merit correctional officers and merit police officers, each of which maintain their own handbooks or are covered by collective bargaining". See https://codelibrary.amlegal.com/codes/lakecountyin/latest/lakecounty_in/0-0-0-1152 .

It is understood that if the Sheriff is in the same location as his staff, they may have a meal together to discuss events and information they have gleaned at a seminar or convention and that the Sheriff may, at his discretion, pay for the meal from the Commissary Fund. The fact is the LCSD meal allowance is far below the United States General Services Administration (GSA) approved per diem rate. The 2022 GSA standard U.S. Federal Per Diem rate for the continental U.S. was fifty-nine dollars (\$59). The Sheriff Department's rate is fifty dollars (\$50). Fifty dollars doesn't buy much food per day in venues like Chicago, Las Vegas, or San Diego. In 2024 the GSA per diem rate for meals and incidentals was a range of \$59 to \$79, significantly more than the \$50 paid to Sheriff Department personnel. Further, if the Sheriff adopted high-low locality per diem reimbursement, the disparity to staff members is magnified. For example, if the Sheriff had paid his staff using the GSA-approved high cost locality method for the Las Vegas travel the SBOA mentioned in the Report, staff members would have been reimbursed between \$126 and \$159 per day, depending on the month. Clearly Departmental staff should not be expected to subsidize the Sheriff's Department by accepting \$50 per day when they could legally receive \$126.

The Sheriff is in the process of determining which GSA-approved per diem method the Sheriff Department should adopt to fairly compensate staff members and deputies when they are out of town, to replace the current inadequate and antiquated fifty dollars per day allowance.

Local Restaurant Charges.

On page 22 of the Report, the SBOA lists eight occasions in the 3-year audit period when food was purchased from local restaurants. Each of these purchases occurred before, during or after a training event or an official business activity of the Sheriff's department, pursuant to the Sheriff's discretion under the Commissary Statute - such as food for LCSD staff working the department's community engagement and crime prevention tables at the Lake County Fair; food for personnel processing and issuing child ID Cards in case of an abduction or lost child (Exh. A, p. 2); food to feed personnel attending a command staff meeting; and food for EVO training officers, all of which clearly falls under authorized expenditures from the Commissary Fund under I.C. 36-8-10-21.

Local Restaurant Accidental Charge.

The Report also points out an accidental LCSD credit card charge on 09/23/22 for \$146.27 that was discovered by the Sheriff (as noted in the Report on page 23) and was reimbursed to the Commissary Fund by the Sheriff.

3. *Excess Hotel Room Rate Charges.*

Pages 36-41 of the Report outline the payment of alleged excessive room rate charges pursuant to Section 2.15 of the county Human Resources Manual (which is referred to in the Report as the county "Handbook"). However, as noted above, the county travel policy in Section 2.15 of the Lake County Human Resources Manual, does not apply to police or correctional officers. ("It is the intent of the County Council to adopt an employee handbook that applies uniformly to all divisions of government **except** the Judiciary [which are employees of the Indiana 31st Judicial District], Park Department, merit correctional officers and merit police officers, each of which maintain their own handbooks or are covered by collective bargaining". See https://codelibrary.amlegal.com/codes/lakecountyin/latest/lakecounty_in/0-0-0-1152 .

Hotel Room Upgrade Charges.

The SHOT show in Las Vegas is an event publicized by The Firearm Industry Trade Association to law enforcement agencies as "Solutions for your department's needs". It encompasses much more than hunting and general firearms. "The SHOT Show connects law enforcement agencies with the industry's top manufacturers, distributors and experts." See <https://shotshow.org/law-enforcement-and-armed-forces/>.

The SHOT show was attended by Sheriff Martinez and five other police officers. When attending a conference that may involve large purchases for the LCSD, the Sheriff will book a room that is large enough to have a table that can accommodate meetings with his staff and/or potential vendors. He does this as it is cheaper to upgrade the Sheriff's room than rent a hotel conference or meeting room each day. This is done at the Sheriff's discretion in regards to purchasing equipment and/or training services as expressly permitted by the Commissary Statute.

Lastly, Resort Fees are a necessary evil in most of the cities and locales where law enforcement events occur. Normally, you can't rent a room within walking distance of the event sites without incurring and paying the Hotel's Resort Fee. If you rent a room not within walking distance of the conference to reduce the daily room rate, you then incur additional expenses such as parking fees, rental cars, Uber charges, etc.

Additional Hotel Room Charges.

The SBOA Report lists five instances where Sheriff's Department personnel arrived or departed a day or two before or after a training or conference event. While the Report insinuates this is overspending by the Sheriff's Department, it is actually planning ahead to save money. When the LCSD is considering a large purchase, they plan ahead and incorporate visiting the vendors or partners while also attending conference or training session in the same locale. The Department recently opened a Real Time Crime Center under the direction of Sheriff Martinez. Before initiating this large expenditure, the Sheriff's team visited other departments that had Real Time Crime Centers in operation and obtained valuable information and best practices from each visit. The LCSD has purchased multiple helicopters for its aviation unit over the years. The Sheriff and his aviation team have visited aviation centers, law enforcement partners, and vendors in Arizona prior to making aviation related purchases, while also attending training and conference sessions in the same locales.

Additionally, it is the Sheriff's policy that if he or his staff have to fly to an event, they arrive a day before the event as event registrations are normally early in the morning, and they leave the day after the event as conference events normally conclude in the evening.

Hotel Room Charges & Per Diem - Non-Employees and No Conference/Training.

The event in question on pp. 26-27 of the Report was a fundraising event to support the Light for Levi Foundation through a golf outing sponsored by International Association of Chiefs of Police (IACP). There were originally seven employees scheduled to attend this event on behalf of the LCSD. Due to a last minute emergency, three LCSD employees could not attend the charitable fundraiser even though the tickets and hotel rooms had already been purchased. Therefore, their tickets and hotel rooms were offered to and used by a Schererville police officer, an attorney who represents the LCSD and a county maintenance worker.

On page 27 of the SBOA report there is a reference to commissary funds being paid to paid to Lake County Probate Commissioner Jewell Harris. Attorney Harris provides legal services to the LCSD that includes responding to public records requests and subpoenas, and defending the Sheriff's office in certain lawsuits. The implication in the Report is that commissary funds were misspent, when in fact, Mr. Harris was only provided a hotel room and ticket to the fundraiser in his capacity as a LCSD contract employee and not in his capacity as a Probate Commissioner.

Uber Trips Noted as Error.

This is in reference to nine (9) Uber trips that were accidentally charged to the wrong credit card in his electronic wallet. The Sheriff noted these were errors and has reimbursed the Commissary Account the full amount of the charges, \$218.45.

Uber Trips - Conferences and/or Training.

When attending out of town training or conference events with members of his staff, the Sheriff does not provide each person a rental car and requires them to use cheaper modes of transportation, such as Uber, Lyft and Taxi services instead of providing vehicle rentals. When a vehicle is rented, the size of the rented vehicle will depend on the number of employees or staff traveling attending the event and the amount of luggage the group must transport. A luxury or premium SUV is just another name for a larger SUV, e.g., a Chevy Tahoe vs. a Chevy Suburban. The Motorola Conference trip referenced on page 31 of the Report included 7 adults with luggage. Hence the Sheriff rented one large or premium SUV and a Jeep Wagoneer (a smaller SUV) for use by the 7 adults. This size and number of vehicles rented also depends upon what vehicles the rental center has available. In addition, even if you have a rental car, depending on the parking contract, it may be cheaper to utilize Uber for short individual trips during the event.

When staff and employees are required to attend out of town training or conference events for their employer, they are not expected to pay for their own transportation or their hotel. Often the vendors and conferences have networking and meet ups in various locations in the same locale as the event. It may not look like business on an Uber or Lyft receipt, but it actually is. Using LCSD Commissary Funds for such expenditures is solely up to the Sheriff's discretion per I.C. 36-8-10-21.

Charges for Hotels, Parking, and Uber Trips - No Conference or Training.

On Sunday December 11, 2022, Sheriff Martinez was honored to receive a Lifetime Achievement Award from Pinnacle Hospital at an event held by the hospital in Chicago. The Sheriff was a guest speaker at this event and spoke at length about drug abuse and other public safety matters. The hotel for the event was the Swissotel in Chicago. The parking charges noted on page 32 of the Report were for this event. (See Award, Exh. A, p. 19).

4. *Non-Employee Paid Travel Expenses.*

The Sheriff retained a consultant to work as a Violence Reduction Database Manager during the development and deployment of the LCSD's state of the art Real Time Crime Center. Her annual contract was for \$40,000, which included all services and expenses incurred for the services covered by the consultant's contract of employment. The Sheriff determined that it would be beneficial to the Crime Center project to have the consultant undergo additional training to expand her knowledge of the new cutting edge technology that was being implemented in the Crime Center. Therefore, the consultant was ordered by the Sheriff to undergo this advanced training to enhance the operational capabilities of the new Crime Center. In total, the Sheriff authorized that payment of an additional \$1128 in expenses for this specialize training and said payment was paid pursuant to the Sheriff's discretion under I.C. 36-8-10-21.

Special Investigation Costs.

We disagree that the Sheriff should be charged for the investigation costs. There are simple explanations for the vest majority of the issues noted in the Report. There is precedence to show that these expenses were considered normal and customary by the SBOA in the past. Further, the Sheriff should not be expected to pay for time the SBOA was not efficient in communicating their record requests. Additionally, the SBOA examiners claimed the investigation was initiated because of \$14,848.79 of travel paid directly to Sheriff Martinez. There was an issue with the department's credit card and the Sheriff volunteered to put the charges on his own card until he could be reimbursed. Those receipts were provided. Since that matter is a non-issue based on the facts, the Sheriff should not be personally liable for those unnecessary and wasteful expenditures of SBOA resources.

Inmate Trust Fund.

It was not known that a receipt and invoice system was not being utilized for Trusty vouchers. SBOA had never noted or mentioned this issue in previous audits of the fund. This error has already been corrected by the LCSD. This was an allowed expense of the Commissary Account under I.C. 36-8-10-21(d)(6), an activity provided to maintain order and discipline among the inmates of the county jail. We agree that there should be clear records of the these transactions, and that the records should be maintained for the for the statutory record retention time period.

5. *Internal Controls.*

The Report notes the Sheriff's office used a rubber stamp to affix Sheriff Martinez's signature to a commissary fund disbursement authorization document, implying there was some type of malfeasance in the procedure. Nothing could be further from the facts or truth.

Signature stamps are a legal and accepted business practice, when proper safeguards are in place. The Sheriff Chief Deputy, Vincent Balbo, maintains custody and control of the sheriff's signature stamp in a locked desk when he is not in his office. That custody is a hallmark of a proper accounting system internal control. When the Chief uses the signature stamp, he writes his initials next to the stamped signature, demonstrating managerial accountability, responsibility, and authorization. Further, Indiana statute confers the power of the constitutional office of county sheriff upon the Chief Deputy in the elected sheriff's absence. See Ind. Code § 36-2-16-3(a): "A deputy appointed under this chapter may perform all the official duties of the officer who appointed the deputy and is subject to the same regulations and penalties as the officer." The administrative duties and activities of the Sheriff's Department do not stop when Sheriff Martinez is out of his office, therefore, permitting his Chief Deputy to use his signature stamp when he is not in the office is an appropriate and responsible internal control.

The Sheriff requested his CPA, Donald Smith, to examine the 2022, 2023, and 2024 Special Orders issued during the audit period. In 2022 there were eight hundred (800) Special Orders and every one of the 800 were examined by CPA Smith. In 2023 there were nine hundred one (901) Special Orders, and a representative sample of two hundred (200) of these orders were examined by CPA Smith. In 2024 there were one thousand fifty-one (1051) Special Orders issued, and a representative sample of three hundred fifty (350) of these orders were examined by CPA Smith. Based upon his examination of the aforementioned 1,350 total Special Orders, it is the opinion of Donald Smith, CPA that:

"The examined Special Orders demonstrated internal control, management oversight, proper funds disbursement authorization, and receipt documentation of disbursed commissary funds, during the entire 3-year audit period."

One example of these internal controls, management oversight, proper funds disbursement, and receipt documentation is Special Order 22-504 in the amount of \$126.75, dated August 16, 2022. This disbursement was made to buy clothes for indigent jail inmates being released to prevent the former inmates from committing a theft to clothe themselves. The disbursement process begins with the Deputy Warden requesting reimbursement on a Request For Purchase. The Request details the amount, what was purchased, and is approved and signed by the Warden. The Special Order has a stamped signature and is initialed by the Chief Deputy. The check stub voucher is attached along with the cash register receipt.

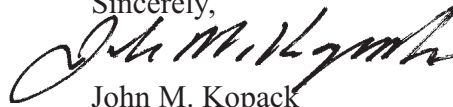
In some cases where a receipt was not attached, the Special Order had a canceled check attached, with which the amount disbursed would be corroborated with the bank statement during the bank reconciliation process conducted by an outside independent accounting firm. Every Special Order examined contained either Sheriff Martinez's signature or his stamped signature initialed signifying its proper authorization and who is taking responsibility for the disbursement.

In an effort to provide additional accountability and avoid the appearance of improper disbursement where none actually exists, Sheriff Martinez will no longer sign any Special Order that involves a disbursement to himself. Disbursements to Sheriff Martinez will go through the normal Special Order process with the exception that his Chief will examine the supporting documentation and then sign the approval for disbursement.

Conclusion:

The LCSD appreciates the guidance and comments contained in the SBOA's Report. Although all monies are accounted for in the Commissary Fund, the SBOA identified several issues involving record-keeping and procedures that the LCSD is prepared to address and rectify. The LCSD appreciates your time and effort in this matter and the opportunity to provide this official response pursuant to Indiana Code § 5-11-5-1(b) by January 2, 2026. We hope this response will be fairly considered and results in pertinent revisions to your report.

Sincerely,



John M. Kopack
Attorney at law

JMK/th

Encl: As stated above
cc: Sheriff Oscar Martinez, Jr.
Chief Vincent Balbo
Staff Services

*Note from the SBOA:
Exhibits A, B, C, and D
are available on our website
at the following link.
[https://www.in.gov/sboa/
political-subdivisions/counties/
#Resources](https://www.in.gov/sboa/political-subdivisions/counties/#Resources)*

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Oscar Martinez, Jr., County Sheriff:			
Commissary Purchases Exceeding the Sheriff's Authority			
Under Indiana Code 36-8-10-21 (Special Orders), pages 5 through 18	\$ 265,879.43	\$ -	\$ 265,879.43
Questionable Commissary Purchases Exceeding the Sheriff's Authority			
as Per Indiana Code 36-8-10-21 (Credit Cards), pages 18 through 38	25,465.71	491.81	24,973.90
Nonemployee Paid Travel Expenses, pages 48 through 50	3,481.93	-	3,481.93
Special Investigation Costs, page 51	<u>59,218.50</u>	<u>-</u>	<u>59,218.50</u>
Totals	<u>\$ 354,045.57</u>	<u>\$ 491.81</u>	<u>\$ 353,553.76</u>

LAKE COUNTY SHERIFF'S DEPARTMENT
JAIL COMMISSARY
SUMMARY OF QUESTIONED COSTS

	<u>Questioned Costs</u>
Oscar Martinez, Jr., County Sheriff:	
Questionable Commissary Purchases Exceeding the Sheriff's Authority as Per Indiana Code 36-8-10-21 (Credit Cards), pages 18 through 38	\$ 19,323.62
Excess Hotel Room Rate Charges, pages 38 through 48	<u>56,472.52</u>
Totals	<u>\$ 75,796.14</u>

AFFIDAVIT

STATE OF INDIANA)
Porter)
COUNTY)

I, Kristin Campbell, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of Lake County, Indiana, for the period from January 1, 2022 to December 31, 2024, is true and correct to the best of my knowledge and belief.

Kristin Campbell
Field Examiner

Subscribed and sworn to before me this 5 day of January, 2024

Nicole Michelle Moloney
Notary Public

My Commission Expires: 5-22-2032

County of Residence: Porter



NICOLE MICHELLE MOLONEY
Notary Public, State of Indiana
Porter County
Commission Number NP0685714
My Commission Expires
May 22, 2032