

BE IT ENACTED BY THE QUORUM COURT OF CRAIGHEAD COUNTY, ARKANSAS; AN ORDINANCE TO BE ENTITLED:

An Ordinance amending the 2020 Annual Operating Budget to add Department 0128, Fraud Recovery to pay all current interest and penalties, all federal and state payroll tax and retirement liabilities, and for other purposes.

SECTION 1. That the Centennial Bank holding account for Craighead County ending in 7444 is used to process outgoing county payroll liabilities comprised of the Internal Revenue Service for Federal Tax Withholdings, Arkansas Department of Finance and Administration for state tax liability and the Arkansas Public Employees Retirement System.

SECTION 2. That employer contributions were transferred to the Centennial Bank holding account in the correct amounts by the County Payroll Clerk for employee and employer contributions. Funds in excess of \$1,000,000 were embezzled from the bank holding account and transferred to personal and various financial institutions by the previous county clerk holding a county elective office at the time of theft.

SECTION 3. That funds were transferred to Centennial Bank holding account ending in 7444 by court order to avoid additional interest and penalties and to eliminate the county liability for the Internal Revenue Service in the amount \$1,123,047.75, Arkansas Department of Finance and Administration in the amount of \$114,989.89, and Arkansas Public Employees Retirement System in the amount of \$152,519.34, other balances in the amount of \$1,667.63, and interest and penalties in the amount of \$443.35.

SECTION 4. That this new department and appropriated funds shall be incorporated into the Craighead County Annual Operating Budget as outlined below.

Fund 1000	County General Fund		<u>New</u>	<u>Change</u>	<u>Old</u>
Dept 0128	Fraud Recovery		\$1,392,667.96	\$1,392,667.96	\$0.00
<u>Acct. #</u>	<u>Description</u>		<u>New</u>	<u>Change</u>	<u>Old</u>
3098	Damages		\$1,392,667.96	\$1,392,667.96	\$0.00


SECTION 5. That accounts payable journal must have a clear accounting of expenditure of funds and department transactions, therefore, the accounts payable journal should show a transfer of \$1,392,667.96 from Fund 1000, Dept 0128, line 3098 to Fund 1000, Dept 0125, line 9999 Interfund Transfers.

There is hereby created a new Department and appropriated funds into Department 0128, Fraud Recovery and Line 3098 Damages, to replace stolen funds, as outlined above, in order to pay current obligations in interest and penalties in the amount of \$443.35, \$1,667.63 to balance holding account to \$0, \$1,123,047.75 IRS obligation, \$114,989.89 State of Arkansas obligation, and \$152,519.34 APERS obligation with a total appropriation of \$1,392,667.96 and that this department and appropriation, with Accounts Payable interfund transfers, will be created and become part of the 2020 Craighead County Annual Operating Budget and effective immediately upon passage of this appropriation ordinance.

Dated this 24th day of August, 2020

Approved: Marvin Day
 Marvin Day
 Craighead County Judge

Attest: Lesli Penny
 Lesli Penny
 Craighead County Clerk

FILED
AUG 24 2020
 KADE HOLLIDAY 
 COUNTY & PROBATE COURT CLERK

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