

# News Release



Joel D. Scharf  
Chief of Police

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121 Lake Street North, Big Lake MN, 55309

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**Incident Number:** N/A

**Date/Time:** 6/6/2013

## Conclusion of Spudfest Investigation

The Big Lake Police Department initiated a criminal investigation 02/27/2013 at the request of Spudfest Board President Charlene Albright. The scope of the investigation, was the disparity between alcohol delivered and the projected sales for the 2012 Spudfest Event, this amount has been projected at approximately \$20,000. There was \$11,500 spent on wholesale alcohol, with a return documented at \$33,203, which should have returned approximately \$53,000 in sales by estimates.

During the course of the investigation, numerous people were interviewed, including those with direct access to cash funds, as well as some current and past board members. All persons interviewed cooperated fully with the investigation, personal banking records in addition to several other personal documents were acquired and examined for irregularities. Given what was obtained through this portion of the investigation, it was concluded there was not a suspicion of criminal wrongdoing on the part of Spudfest Board Members.

Factors that were obtained through the investigation that contribute directly to potential accounting disparities include;

- No process to check in and to ensure that the amount of product invoiced were in fact delivered.
- Inconsistent pricing of products, ranging from products being dispensed for free, and at discounted rates.
- No clear understanding of volunteers for price points on sales of pitchers and draft beer.
- A clear, and large pattern of dispensing alcohol for free. It was also noted a pattern of the same individuals consuming year after year, for free.
- Sheets of beer tickets being given away, with the assumption each sheet was one ticket, when in fact it was 18 drinks.
- No process for who is to pick up cash from ticket sales, or where the cash was taken. There is no path that could be followed for the flow of funds.
- Cash was stored unsecured in a trailer, in unsealed bags.
- A change in treasurer mid event, with vague understanding of proper cash storing procedures.
- Alcohol being used for a year end volunteer party.
- Lack of accounting process to clearly show expense and revenues.

The Big Lake Police Department is working in conjunction with the Spudfest Board of Directors to ensure that the 2013 event is void of these issues. From all appearances, what took place in 2012 appears to be a perfect storm of multiple errors, by individuals undertaking this event in a volunteer capacity.



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