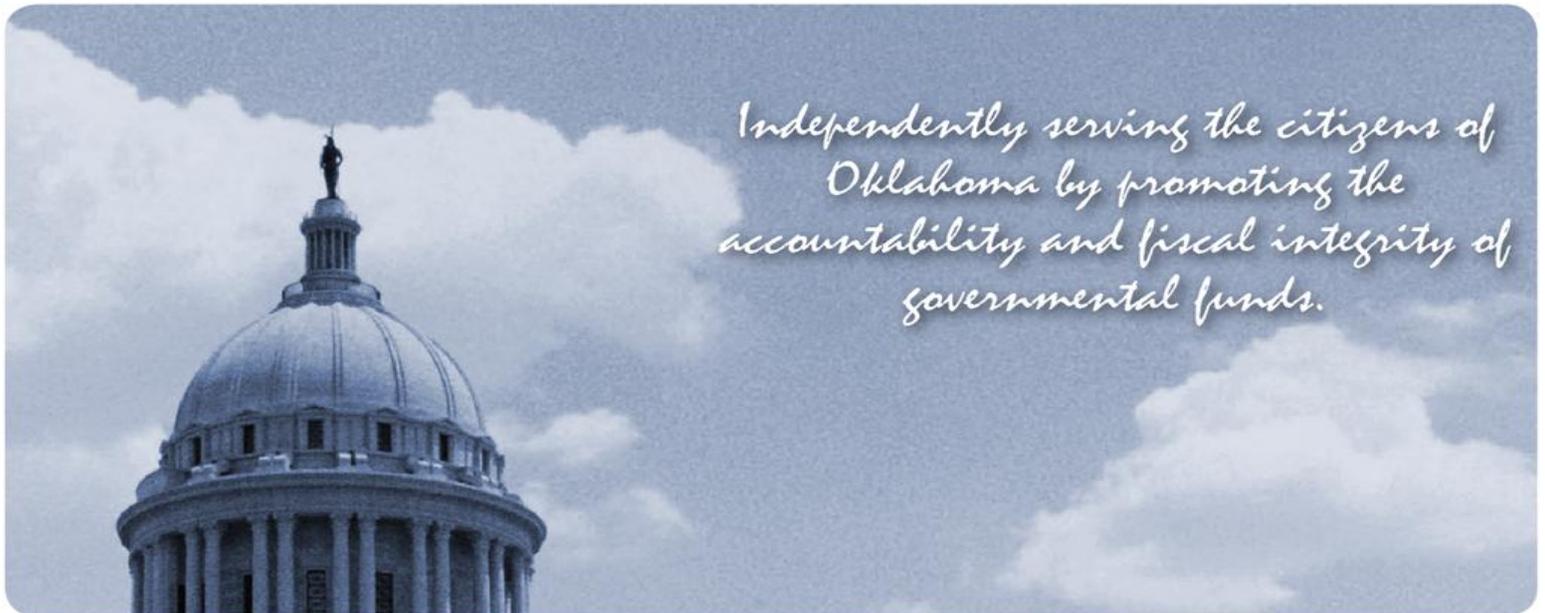


INVESTIGATIVE REPORT

# TOWN OF BOYNTON AND BOYNTON PUBLIC WORKS AUTHORITY

October 1, 2009 through June 30, 2013



*Independently serving the citizens of  
Oklahoma by promoting the  
accountability and fiscal integrity of  
governmental funds.*



Oklahoma State  
Auditor & Inspector  
Gary A. Jones, CPA, CFE

**TOWN OF BOYNTON**  
**BOYNTON PUBLIC WORKS AUTHORITY**  
**INVESTIGATIVE REPORT**  
**OCTOBER 1, 2009 THROUGH JUNE 30, 2013**



# Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

February 6, 2014

Mayor James Holt  
Town of Boynton  
301 South Seaman  
Boynton, Oklahoma 74422

Transmitted herewith is our Investigative Report of the Town of Boynton and the Boynton Public Works Authority.

Pursuant to your request and in accordance with the requirements of **74 O.S. 2001, § 227.8**, we performed an investigation with respect to the Town of Boynton and the Boynton Public Works Authority for the period October 1, 2009 through December 30, 2013.

The objectives of our investigation primarily included, but were not limited to, the areas noted in your request. Our findings and recommendations related to those objectives are presented in the accompanying report.

Because investigative procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on the account balances or financial statements of the Town of Boynton or the Boynton Public Works Authority for the period October 1, 2009 through December 30, 2013.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government while maintaining our independence as we provide this service to Oklahoma taxpayers.

This document is a public document pursuant to the Oklahoma Open Records Act, in accordance with **51 O.S. 2011, § 24A.12**.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gary A. Jones".

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

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## **EXECUTIVE SUMMARY**

In early 2013, the Town of Boynton attempted to hire a local CPA firm to address a five-year backlog of town audits in an effort to meet the requirements for the Town to obtain a sewer project grant. A statutorily required annual audit had not been performed for the Town since Fiscal Year (FY) 2007.

The Town Mayor provided all available records to a local CPA firm, but was advised by firm officials that the records were insufficient to perform anything other than an audit which would be “full of disclaimers.”

The Town Board voted to request and subsequently engaged the State Auditor and Inspector to perform an audit on the available records. Our report represents a *good faith effort* to fulfill the Board’s request, given that the Town could provide only sporadic and sometimes conflicting records.

We identified occurrences in which the former clerk received unexplained additional compensation, as well as irregularities in utility billing and in payments made to the former clerk. Statements and/or invoices submitted by vendors generally included late payment notices, overdue balances of prior invoices billed, and amounts that differed from the purchase orders. Some purchase orders were “approved,” although no corresponding payment was made or a payment was made in an amount different from that of the purchase order.

In general, Town’s board oversight was lacking and sometimes non-existent. We also found the Town’s records to be poorly maintained, vague, inaccurate and, in many cases, contradictory and/or missing. When records are in such condition and when one individual is given complete control of a town’s finances under negligible oversight, a misappropriation is probable.

**Introduction**

The municipal government of the Town of Boynton (Town) is organized under the statutory town board of trustees form of city government, as outlined in **11 O.S. § 12-101, et. seq.** Section 12-101 states:

The form of government provided by Sections 11-12-101 through 11-12-114 of this title shall be known as the statutory town board of trustees form of government. Towns governed under the statutory town board of trustees form shall have all the powers, functions, rights, privileges, franchises and immunities granted, or which may be granted, to towns. Such powers shall be exercised as provided by law applicable to towns under the town board of trustees form, or if the manner is not thus prescribed, then in such manner as the board of trustees may prescribe.

The Town's public trust authority, the Boynton Public Works Authority (PWA), operates a utility service that provides water and sewer services to the residents of Boynton. A statutorily required annual audit had not been performed for the Town since FY 2007.

The Office of the State Auditor and Inspector (OSAI) conducted an investigation of the Town of Boynton, primarily related to the objectives noted in the Table of Contents. The results of our investigation are contained in the following report.

**Objective I Determine if the former clerk received unauthorized and/or unapproved compensation.**

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- Findings**
- **No official meeting minutes could be provided.**
  - **Computer generated (unsigned, unofficial) copies of minutes contained ambiguous language.**
  - **The PWA Board approved compensation for the town clerk and town treasurer position that contradicted the Town Code of Ordinances.**
  - **We were unable to determine if the former clerk should have received additional pay for reading meters due to the unclear wording in the meeting minutes.**
  - **Board members were uncertain of the authorized compensation that should have been paid to the former clerk.**
  - **Payroll payments did not agree with reports provided to the firm contracted to perform quarterly payroll tax reporting.**
  - **Payroll oversight was nonexistent. The former clerk provided the sole signature on checks, including her own payroll checks.**
  - **The former clerk paid herself questionable payroll advances.**
  - **Other questionable payments to the former clerk were noted.**
- 

**Background** Former clerk, Tiffany Ledbetter-Mayo, received compensation for performing duties as town clerk, town treasurer, public works authority clerk, court clerk, and meter reader, in addition to receiving a travel allowance.

Ledbetter-Mayo received a salary for her positions as town clerk and court clerk. Her PWA clerk position was paid on an hourly basis. We found no documentation to support the amount of time spent on specific duties related to each position.

The number of hours compensated for performing Ledbetter-Mayo's PWA clerk duties corresponded to the number of hours for performing the duties of all her assigned positions simultaneously. There was no distinction made between duties paid by salaries versus the PWA duties paid on an hourly basis.

The Town's request specifically identified "payroll advances" and "buy-back of sick leave" as areas of concern.

**Finding**                      **No official meeting minutes could be provided.**

We typically begin the process of determining authorized compensation for a town or public works employee by reviewing official town or public works meeting minutes to establish the amount of compensation that the respective governing boards approved; however, the Town/PWA was unable to provide original, signed meeting minutes or “official minutes” for our review.

The minutes that we were given consisted of computer generated copies of unsigned minutes, providing no assurance that the content accurately reflected what transpired in the meetings. Minutes typed on a computer may be easily altered and reprinted.

Assuming that the computer generated minutes were valid, these minutes were of limited value, given that the Town/PWA was unable to provide meeting minutes, in any form, for the following months:

- January 2010 and February 2010
- April 2010 through September 2010
- April 2011
- June 2011 through August 2011
- June 2012
- September 2012
- January 2013 and February 2013

As there were no records for the listed monthly Town/PWA meetings, we were unable to determine if discussions relating to compensation were held during these monthly meetings. As a result, we were unable to determine the level of compensation that may or may not have been authorized or approved by the governing boards.

**Finding**                      **Computer generated copies of minutes provided contained ambiguous language.**

On review of the computer generated board minutes that were provided, we found that the only discussion concerning compensation for the various positions held by Ledbetter-Mayo occurred during the December 17, 2010 Board meeting.

The December 17, 2010 minutes, reflected the Board’s appointment of Tiffany Ledbetter as City Treasurer for a monthly compensation of \$100:

7. Vote to appoint City Treasurer. James Holt appoints Tiffany Ledbetter for \$100.00 a month and John Kelly second. James Holt-yes, John Kelly-yes, Gloria Folks-yes.

On the same date, the PWA Board approved the following compensation for her position as the PWA clerk:

2. Appoint PWA clerk and set salary. John Kelly states Tiffany Ledbetter since she has already been doing it and pay be \$275.00 a month James Holt second the motion. James Holt-yes, John Kelly-yes, Gloria Folks-yes.

3. Vote on vehicle allowance for the PWA clerk. John Kelly states that keeping up with mileage is too hard and that it should be \$100.00 every two weeks and James Holt second the motion total salary for all three jobs and vehicle allowance will be 1375.00 a month gross. James Holt-yes, John Kelly-yes, Gloria Folks-yes.

Although the Board appeared to establish a monthly salary of “\$1,375.00 a month gross,” the vague language contained in the computer generated version of the December 17, 2010 PWA Board minutes, required the reviewer to make mathematical assumptions regarding the level of compensation approved for the town clerk position. For example, the reviewer could assume that the town clerk’s salary was \$800 per month by subtracting \$575 (\$275-PWA clerk, + \$100-Treasurer, + \$200-vehicle allowance) from the \$1,375 total monthly compensation.

The Board’s established monthly salary of \$1,375 appeared to include a \$100 bi-weekly travel allowance. The Board may have believed that the travel allowance provided on a bi-weekly basis would have the same outcome as that provided twice monthly. However, there are *twenty-six payroll periods* in a year when a bi-weekly basis is used and *twenty-four payroll periods* in a year when a semi-monthly basis is used. The intended number of payroll periods per year added to the uncertainty of the actual approved compensation level.

## **Finding**

**The PWA Board approved compensation for the town clerk and town treasurer position that contradicted the Town Code of Ordinances.**

The Town Clerk, an elected position, and Town Treasurer compensation level were established by ordinance. The Town Code of Ordinances, provided by the Town was dated 1985. We subsequently obtained the more recent ordinances filed with the County Clerk’s office dated 2001.

Section 2-307 of the Town Code of Ordinances provides:

Be it ordained by the Board of Trustees of the Town of Boynton, Oklahoma, that the provisions of this ordinance shall become and be made a part of the code of ordinances of the Town of Boynton, Oklahoma, and the section of this ordinance may be re-numbered to accomplish this intention.

The compensation of the officers of the Town are:

1. Mayor; shall be paid One hundred (\$100.00) monthly plus 32 cents (.32) per mile for expense while traveling on Town business outside the corporate limits of the Town;
2. Each Trustee; shall be paid Two hundred fifty dollars (\$250.00) per year to be paid semi-annually;
3. Town Clerk; shall be paid Five hundred dollars (\$500.00) per month, plus 32 cents (.32) per mile for expense while traveling on Town business outside the corporate limits of the Town;
4. Town Treasurer; shall be paid One hundred fifty dollars (\$150.00) per month, plus 32 cents (.32) per mile for expense while traveling on Town business outside the corporate limits of the Town.

According to the December 17, 2010 PWA Board minutes previously discussed, the Board appeared to have authorized a monthly salary of \$800, contradicting the \$500 monthly salary directive established in Section 2-307 of the Town Code of Ordinances.

The approved compensation of \$100 for the Treasurer, noted in the December 17, 2010 Town Board minutes, also contradicted the \$150 monthly salary directive established by Section 2-307.

In addition, the PWA Board motion modified the method for travel reimbursement from the “32 cents (.32) per mile” to a travel “allowance” which would not require the submission of mileage claims. This undocumented travel allowance would be taxable income under current IRS rules and regulations.

**Finding**

**We were unable to determine if the former clerk should have received additional pay for reading meters due to the unclear wording of the meeting minutes.**

During an interview, Mayor Holt expressed concern that Ledbetter-Mayo was receiving compensation for reading meters. According to Holt, only

George Ezell had been authorized by the Board to receive a \$2.00 per meter payment for reading meters.

The copy of the August 13, 2012 BPWA minutes, reflects the following discussion under item 3 of the agenda:

Discuss what actions need to be made on finding and hiring a water technician. James Holt states that we need to run in paper for a class c and d license. Meters will be read until we get a licensed reader by George Ezell and Tiffany Ledbetter. Carolyn Lee states that George needs to get a bonus for reading meters since that is not his job.

Under Item 7 the following vote took place:

...John Kelly states that if George and Tiffany are reading meters they need to be paid \$2.00 per meter. Carolyn Lee makes a motion to pay George and Tiffany \$2.00 per meter and James Holt seconds the motion. James Holt-yes, John Kelly-yes, Gloria Folks-yes, Carolyn Lee-yes, Rose Walker-yes.

Based on the ambiguous language of the PWA minutes, we were unable to determine if Ledbetter-Mayo also was authorized to receive compensation of \$2.00 per meter, or if it was the Board's intention that Ezell and Ledbetter-Mayo share the compensation, or if only Ezell was to receive the meter reading compensation.

## **Finding**

**Board members were uncertain of the authorized compensation that should have been paid to the former clerk.**

In an interview, Mayor Holt indicated Ledbetter-Mayo's monthly compensation was supposed to be \$1,400 in addition to a \$100 mileage allowance based on the following breakdown:

- Town Clerk - \$800
- PWA Clerk - \$300
- Court Clerk - \$200
- Treasurer - \$100

During an interview, Gloria Folks stated that she thought Ledbetter-Mayo's monthly compensation was approximately \$1,300 and that she was paid for travel based on the number of miles calculated at 50 cents per mile.

Board member Carolyn Lee was unable to recall Ledbetter-Mayo's monthly compensation, but thought it was \$2,000 a month.

**Finding Payroll records provided by the Town were limited and of little value.**

A handwritten note on a piece of paper. On the left side, there is a list of items with dollar amounts: 'Gross Pay \$409.63' at the top, followed by 'Fed. - \$ 0', 'S.S. - \$ 17.20', 'Med. - \$ 5.94', and 'State - \$ 0'. A horizontal line is drawn below these items, and below the line is 'Total \$23.14' with 'Deductions' written underneath. To the right of this list, the words 'Check Total' are written, and below them is the amount '\$386.49' which is circled in blue ink.

The Town provided sporadic payroll records for only the PWA clerk position.

The payroll records provided consisted of handwritten notes on the bottom of the unsigned and unapproved time sheets for the PWA clerk showing the gross pay, payroll deductions and check total.

For the months that a time sheet was provided, we determined the gross pay. However, for the period January 2011 through March 2013, the Town could provide only PWA time records for twenty-six one week periods (equivalent to about 7 months of the 27-month time period). No other payroll records were provided.

In an interview, Ledbetter-Mayo indicated that she prepared payroll purchase orders for each month and that the purchase orders were maintained in a lateral filing cabinet at the town hall.

A review of the files at the location described by Ledbetter-Mayo produced only two May 18, 2012 payroll purchase orders. Purchase order #5054 was issued in the amount of \$421.51 for the town clerk/treasurer positions and purchase order #5142 in the amount of \$342.01 was issued for the PWA clerk position.

We found no other payroll purchase orders or similar records.

**Finding Monthly totals of canceled payroll checks did not agree with the payroll records prepared by the Town's contracted accounting firm.**

Ledbetter-Mayo stated that the Town used an accounting firm in Haskell to record the payroll and that this firm was in possession of some payroll records.

According to a representative of the Haskell accounting firm, the firm was hired by the Town in 2011. The firm calculated the gross compensation for Boynton employees and prepared employee W2s and quarterly tax reports. The representative stated that the firm was not provided actual records and that gross compensation was calculated based on the net pay check amounts that were usually phoned in by Ledbetter-Mayo.

Due to the lack of payroll records and bank statements, we scheduled the net payroll related payments from bank statements, beginning July 2012

through March 2013, and compared the amounts to the gross payroll records based on the reported amounts and prepared by the accounting firm:

| Month         | PWA Clerk  | Town Clerk | Town Treasurer | Court Clerk | Vehicle Allowance | Read Meters | Net Total          | Reported Total     |
|---------------|------------|------------|----------------|-------------|-------------------|-------------|--------------------|--------------------|
| July          | \$1,274.60 | \$1,323.02 | \$94.34        | \$400.00    | \$500.00          | \$0.00      | \$3,591.96         | \$1,938.48         |
| August        | \$1,800.79 | \$748.68   | \$94.34        | \$200.00    | \$400.00          | \$400.00    | \$3,643.81         | \$1,909.43         |
| September     | \$415.55   | \$1,123.02 | \$94.34        | \$200.00    | \$400.00          | \$438.00    | \$2,670.91         | \$1,974.72         |
| October       | \$1,416.13 | \$748.68   | \$141.51       | \$400.00    | \$400.00          | \$438.00    | \$3,544.32         | \$1,920.70         |
| November      | \$943.65   | \$748.68   | \$94.34        | \$200.00    | \$300.00          | \$438.00    | \$2,724.67         | \$1,942.46         |
| December      | \$779.65   | \$1,123.02 | \$94.34        | \$200.00    | \$600.00          | \$438.00    | \$3,235.01         | \$2,813.66         |
| January       | \$736.50   | \$1,098.68 | \$141.51       | \$400.00    | \$500.00          | \$438.00    | \$3,314.69         | \$4,558.62         |
| February      | \$762.50   | \$748.68   | \$94.34        | \$200.00    | \$400.00          | \$438.00    | \$2,643.52         | \$2,852.58         |
| March         | \$747.93   | \$1,302.78 | \$164.60       | \$200.00    | \$100.00          | \$0.00      | \$2,515.31         | \$2,045.98         |
| <b>Totals</b> |            |            |                |             |                   |             | <b>\$27,884.20</b> | <b>\$21,956.63</b> |

As previously mentioned, the gross compensation reflected by the accounting firm was calculated based on net pay information, usually provided by Ledbetter-Mayo via telephone. Therefore, the accounting firm's payroll documentation was only as reliable as the information verbally presented by Ledbetter-Mayo.

The previous table shows there was little correlation between the net payment amounts to Ledbetter-Mayo and the payroll records provided from the accounting firm. With the exception of January and February 2013, the actual *net* compensation totals were greater than the *gross* totals reported to and/or by the accounting firm.

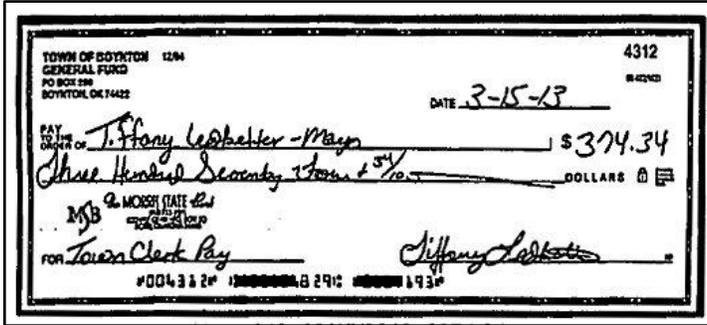
**Finding**

**Payroll oversight was non-existent. The former clerk provided the sole signature on checks, including her own payroll checks.**

The copy of the minutes for the February 24, 2011 Town Board meeting, included the following:

**Item 6: Discuss and possibly vote to add Mayor James Holt as a second signer on Town checks. Gloria Folks moved to make James Holt a second signer and Carolyn Lee second motion. James Holt-yes, John Kelley-yes, Gloria Folks-yes, Carolyn Lee-yes.**

A second signature requirement on issued checks increases the level of control and oversight on disbursements of town funds; however the Board's adopted policy of having Mayor Holt act as a "second signer" on the Town's checks was not implemented.

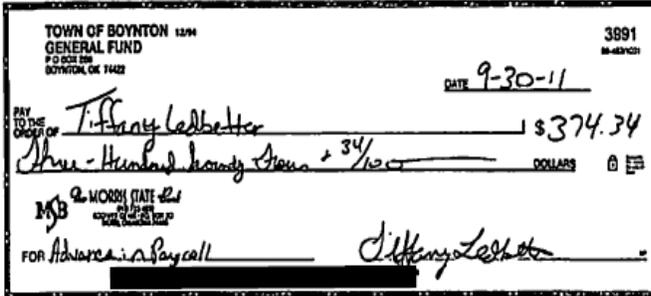


Although the ‘second signer’ action was apparently approved by the Board in February, 2011, we noted former Clerk Ledbetter-Mayo continued to issue checks on the Town’s accounts using only her signature for another two years.

Based on interviews and the limited board minutes provided, we determined that monthly payroll amounts were not presented to the Board. This lack of control could have allowed Ledbetter-Mayo to issue and approve payments to herself without the Board’s knowledge.

**Finding**

**Ledbetter-Mayo paid herself payroll advances that did not appear to be deducted from subsequent payroll checks.**



We noted checks in which Ledbetter-Mayo was making payroll advances to herself. From the general fund bank records, she began making these payroll advances in June 2011.

For the period June 2011 through January 2013, Ledbetter-Mayo paid herself ten town clerk payroll advances totaling \$1,898.68. Also, for the period June 2012 through December 2012, Ledbetter-Mayo paid herself six PWA clerk payroll advances totaling \$1,686.49. Due to the lack of bank records, we were unable to determine if any payroll advances from the PWA account were made prior to June 2012.

We noted instances in which it did not appear that the advances in pay for town clerk payroll were deducted from subsequent payroll periods. The net compensation for each town clerk payroll period was \$374.34 or \$748.68 a month. We cite the following examples in which town clerk payroll advances did not appear to be applied:

- Check #4100, dated April 27, 2012, was issued in the amount of \$374.34. Net payments for May 2012, totaled \$748.68.
- In addition to the three net payroll payments of \$374.34 in July 2012, two \$100 payroll advances were made. August 2012, reflected two net payments totaling \$748.68 and September showed three payments totaling \$1,123.02.

- Check #4288, dated January 25, 2013, was issued in the amount of \$350.00. February 2013, reflected net payments of \$748.68 and March 2013, showed four payments totaling \$1,302.78.

In an interview, Ledbetter-Mayo confirmed that her bi-weekly compensation for the town clerk position was \$400.00 gross and \$374.34 net.

Based on bi-weekly compensation for the town clerk position, Ledbetter-Mayo should have received \$10,400 gross for the twelve month period of April 2012 through March 2013; however, Ledbetter-Mayo received compensation of approximately \$12,700 for this twelve month period. The advance payments that did not appear to be deducted from subsequent payroll periods may, in part, account for this \$2,300 difference.

We also noted payroll advances taken in relation to Ledbetter-Mayo's position as PWA clerk. For example, check #1848, dated July 2, 2012, was issued in the amount of \$386.49 and included the notation "Advance in PWA Clerk pay." Ledbetter-Mayo subsequently received net payroll payments of \$398.47 and \$489.65 dated July 13, 2012 and July 27, 2012, respectively.

It was more difficult to identify PWA clerk advances since Ledbetter-Mayo was paid on an hourly basis with no valid time sheets to support the payments. Also, payroll periods noted on canceled check memos did not correspond with payroll periods from the accounting firm's records.

**Finding**

**There appeared to be other questionable payments made to the former clerk.**

Ledbetter-Mayo received additional payments that appeared questionable based on the discussion held during the December 17, 2010, PWA Board meeting and on the records that were provided.

**PWA Clerk Compensation**

The meeting minutes indicated the Board appeared to appoint Ledbetter-Mayo for the PWA clerk position at a set salary of \$275 a month. Based on payroll records provided by the accounting firm, Ledbetter-Mayo's monthly compensation for the PWA clerk position was \$275 a month until July 2011. For July 2011, the gross compensation for the PWA clerk position was \$1,015 and appeared to be on an hourly basis from this point forward. Ledbetter-Mayo paid herself on an hourly basis for as much as \$1,650.79 in net compensation for a one month period.

Ledbetter-Mayo indicated that in June 2011, the Board authorized her PWA compensation to change from a salary basis to an hourly basis. We could not corroborate the salary change because the June 2011 minutes, were missing.

Although the timesheets were neither signed nor approved, we were able to reconcile time sheet totals to payments made based on some of Ledbetter-Mayo's timesheets that were located.

| <b>Week Ending</b>  | <b>Check Date</b> | <b>Check Number</b> | <b>Gross</b> | <b>Net</b> |
|---------------------|-------------------|---------------------|--------------|------------|
| 7/1/12 and 7/8/12   | 7/2/12            | 1848                | \$409.63     | \$386.49   |
| 7/15/12 and 7/22/12 | 7/13/12           | 1853                | \$422.32     | \$398.46   |
| 7/29/12 and 8/5/12  | 8/1/12            | 1869                | \$395.12     | \$372.79   |
| 8/12/12 and 8/19/12 | 8/16/12           | 1886                | \$407.81     | \$384.77   |
| 8/26/12 and 9/2/12  | 8/28/12           | 1892                | \$427.75     | \$403.58   |

Because we found the weekly timesheets for the months of July and August 2012, we were able to account for each bi-weekly payroll period. The table to the left reflects the payments for each bi-weekly payroll period for July

and August 2012. In addition to the payments noted in the table, Ledbetter-Mayo also paid herself two payments of \$489.65, totaling \$979.65 (Check #1864, dated July 27, 2012, and Check #1870, dated August 3, 2012). The memo line on both checks was left blank.

The unapproved and unsigned timesheets located for Ledbetter-Mayor reflected various hours worked each day, but typically ranged from five to six hours. We noted that she reported hours worked during the Thanksgiving holidays and five hours on both Christmas and New Year's Day.

Ledbetter-Mayo confirmed that she used a calendar to track her leave. We were able to locate calendars only from November 2012 through June 2013, and sporadic time sheets. From the limited records, we noted discrepancies between the time reported on the timesheets and leave reflected on her calendars.

The calendar for January 2013, included a notation at the top of the page, "5 days off for Dr.", and reflected doctor appointments on the second, eighth, fifteenth, twenty-second and "off work" on the eleventh. However, Ledbetter-Mayo's timesheet reflected at least five hours worked each day, including the days her calendar showed she was "off work".

### **Court Clerk Compensation**

From our review of available Board minute copies, we found no discussion establishing the compensation for the court clerk position. In interviews with Mayor Holt and Ledbetter-Mayo, both agreed that the compensation for the court clerk position was \$200 a month.

Ledbetter-Mayo began receiving compensation for the court clerk position in December 2011. For the period December 2011 through April 2013, Ledbetter-Mayo received twenty-one payments of \$200 for a total of \$4,200. Compensation for this seventeen month period would be \$3,400 based on \$200 a month, for a difference of \$800.

### **Vehicle Allowance**

Due to the lack of PWA records, we were unable to determine the vehicle allowance paid to Ledbetter-Mayo prior to July 2012.

The copy of the December 17, 2010 PWA meeting minutes, indicated Ledbetter-Mayo would receive a vehicle allowance of “\$100.00 every two weeks.”

|                |                   |
|----------------|-------------------|
| July 2012      | \$500.00          |
| August 2012    | \$400.00          |
| September 2012 | \$400.00          |
| October 2012   | \$400.00          |
| November 2012  | \$300.00          |
| December 2012  | \$600.00          |
| January 2013   | \$500.00          |
| February 2013  | \$400.00          |
| March 2013     | \$100.00          |
| <b>Total</b>   | <b>\$6,600.00</b> |

The proceeding table to shows the payments Ledbetter-Mayo made to herself for a vehicle allowance. For the nine month period, from July 2012 through March 2013, Ledbetter-Mayo received a total of \$6,600.

In an interview, Ledbetter Mayo indicated that, at some point, the Board approved a vehicle allowance increase to \$100 a week. Because of the missing Board minutes, we could not corroborate this statement.

### **Summary**

**We could not definitively determine how much Ledbetter-Mayo should have been paid due to the missing records and contradictions between records.**

In their request for the State Auditor to review the compensation paid to Ledbetter-Mayo, the Board asked us to determine if Ledbetter-Mayo received compensation in excess of her Board approved pay.

The Town/PWA was unable to provide any meeting minutes that could be considered “official minutes” or of sufficient clarity to determine the level of compensation Ledbetter-Mayo should have been paid. Instead, the Town/PWA provided computer generated copies, some of which were missing. The content of minutes that were provided, were confusing or ambiguous, and sometimes contradictory to town ordinances.

Additionally, in our interviews, board members could not agree on the approved level of compensation that Ledbetter-Mayo was authorized to receive for her various assigned Town and PWA positions.

The Town could not provide payroll records, purchase orders, bank records, or other documentation sufficient to verify or confirm what the respective governing boards had or had not approved with regard to Ledbetter-Mayo's compensation.

Although Ledbetter-Mayo received payments for various positions and payroll advances that appeared highly questionable, we were unable to determine, with a degree of certainty, an improper or unauthorized amount of compensation that Ledbetter-Mayo may have received due to insufficient records and inadequate oversight of the Town/PWA governing boards.

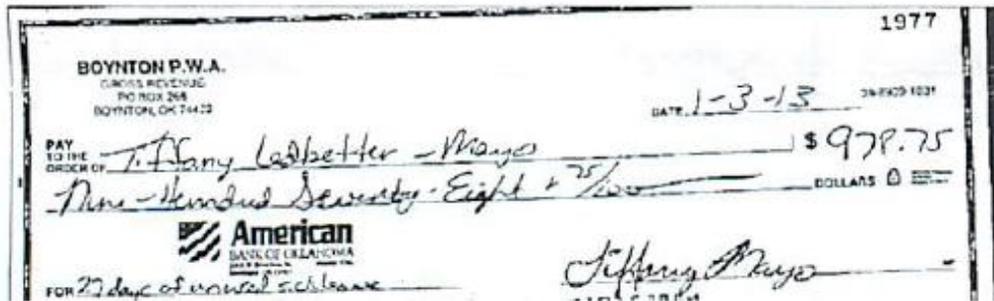
## Objective II Review a sick leave buyback to the former clerk.

- Findings**
- There was inadequate documentation to support a \$978.75 payment for unused sick leave to the former Town Clerk.
  - The only authorization for the payment for unused sick leave was an alleged text message “approval” from the Mayor.

**Background** The Boynton Mayor expressed a concern related to the former clerk having sold back unused sick leave to the Town.

**Finding** There was inadequate documentation to support a \$978.75 payment for unused sick leave.

On January 3, 2013, Ledbetter-Mayo issued and signed check # 1977 to herself in the amount of \$978.75 for “23 days of unused sick leave.”



Ledbetter-Mayo indicated she maintained her leave balances on a calendar. We found one file folder that contained calendars for Ledbetter-Mayo from November 2012 through June 2013.

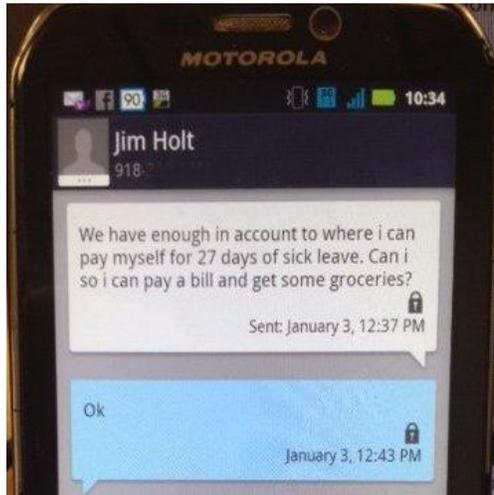
The only record we found to substantiate the \$978.75 payment for unused sick leave was a handwritten notation on Ledbetter-Mayo’s November 2012 calendar, “122 days of sick leave as of 11-26-2012.” We found neither sufficient documentation to support the



purported sick leave balance of 122 days, nor a governing board approved purchase order for the unused sick leave payment.

**Finding**

**The only authorization for the payment for unused sick leave was an alleged text message approval from the Mayor.**



Ledbetter-Mayo stated that she obtained the approval of Mayor Holt for her sick leave payments through text messages. Shown left, is an image of Ledbetter-Mayo's cell phone purporting to be confirmation that Mayor Holt had approved the payment.

Mayor Holt denied authorizing the \$978.75 payment for unused sick leave. According to Holt, he leaves his cell phone lying around the office and Ledbetter-Mayo must have used it to give the appearance that he responded to her text when it was actually her using his cell phone.

Regardless of whether the "Ok" response to the sick leave request text was actually sent by Mayor Holt or not, approval by text message is not a sufficient substitute for a purchase order and approval by the governing board.

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### Objective III Review the Town/PWA accounts payable records.

---

- Findings**
- Purchase orders were not found for some payments. Purchase orders that were located did not correspond to actual payments made.
  - We were unable to determine what the board actually approved for payment.
  - The Town is unable to provide auditable records.
- 

**Finding** Purchase orders could not be found for some payments. Purchase orders that were located did not correspond to actual payments made.

During a review of a town's expenditures, we ordinarily select a sample of purchase orders to evaluate for proper supporting documentation, proper approval, and a correct payment for the amount reflected on the purchase orders and approvals.

Former Clerk Ledbetter-Mayo stated that she sometimes created purchase orders that were presented to the board for approval. However, if funds were not available, she did not issue the payments, even if the purchase orders were approved.

PURCHASE ORDER No. 5137

FISCAL YEAR \_\_\_\_\_

DATE May 12, 2012

APPROPRIATION ACCOUNT \_\_\_\_\_

I hereby approve the issuance and encumbrance of this purchase order.

\_\_\_\_\_  
Purchasing Officer

I hereby certify that the amount of this encumbrance has been entered against the designated appropriation accounts and that this encumbrance is within the authorized available balance of said appropriation.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Encumbering Officer or Clerk of

When we were able to locate a purchase order, the purchase orders appeared to be inconsistent with the actual payments made. For example, purchase order #5137 was issued to the Haskell PWA in the amount of \$6,605.39. The purchase order was dated "May 12" (shown at left and included as Attachment #1) and included approval signatures of the board members.

Although no documentation was attached to this purchase order, in the same file folder we located a bill from Haskell PWA in the amount of \$11,424.54 which included a past due amount of \$6,605.39 and a current amount owed of \$4,819.15.

The payment actually issued in relation to purchase order #5137 was in the amount of \$3,000.00. On the purchase order was a handwritten notation "pd 3,000.00."

In a file folder labeled “June and July 2012 bills,” we found two invoices from OG&E in the amounts of \$5,108.55 and \$177.81. Attached to these invoices were copies of payments in the amounts of \$4,000.00 and \$177.81. We found no associated purchase order for these two OG&E payments.

We also located an invoice (included as Attachment #2 to this report) in a lateral filing cabinet, along with other miscellaneous papers, to Accurate Environmental. The invoice, dated December 7, 2010, reflected a total balance due of \$220.00. However, a handwritten notation was made on the invoice, “*pd 990.00 for this invoice and some others. Called to get exact balance.*” [emphasis added]

According to the current Boynton Town/PWA interim clerk who took charge in June 2013, she had been unable to locate invoices or purchase orders for amounts owed to vendors. The way she generally discovered the Town/PWA owed a vendor was when the vendor called seeking payment. She would then ask the vendor to fax documentation showing how much the Town/PWA owed.

We noted many of the payments were made on past due invoices or for past due balances, rather than on itemized invoices reflecting what was purchased. For example, purchase order #5147 dated “July 12,” reflects approval signatures for the payment of \$2,808.62 to Water Products. A supporting invoice was found in the same file folder as the purchase order showing a total amount due of \$3,024.04 and a 120 day past due amount of \$2,808.62.

Nothing on the purchase order reflected the amount actually paid to Water Products. We reviewed the PWA bank records for July and August 2012, and found that a payment dated August 6, 2012, was made in the amount of \$1,000. This payment included the notation “past due invoices.”

We also located a purchase order #5050, drawn on the Town and issued to Ron-Co Plumbing on “May 12,” in the amount of \$990. No documentation was attached to this purchase order. A second PWA purchase order #5146 was issued to Ron-Co on “July 2012,” in the amount of \$1,680. This purchase order was supported by an invoice dated July 2, 2012, and reflected a variety of past due invoice amounts dating as far back as May 20, 2011.

In reviewing the bank records for the PWA for July and August 2012, we found no corresponding payment to Ron-Co in any amount. We then went to Ron-Co plumbing and obtained a listing of the invoices and payments made by the Town/PWA.

According to the records provided by Ron-Co Plumbing, the Town/PWA made two payments of \$500 each in 2012. The first payment was received on January 19, 2012, and the second payment was received on April 11, 2012. No payments were received from April 11, 2012 through June 13, 2013.

On May 11, 2011, Ron-Co began to charge interest on the past due balances. As of September 1, 2013, the Town/PWA had accrued an additional \$2,918.16 in interest charges for the unpaid balances.

**Finding**

**We were unable to determine what the board actually approved for payment.**

As previously noted, in performing a test of expenditures we include verification that the governing board actually approved the purchase orders and expenditures. Approval is usually determined by a review of the meeting minutes for the governing board(s) pertaining to the purchase orders approved.

The Town/PWA was unable to provide “official” meeting minutes, approved and signed by the governing board. Instead, meeting minutes consisted of computer generated copies. Maintaining the minutes on a computer system to be printed off on request could provide opportunity for minutes to be altered without detection.

If assumed authentic, the minutes provided were of no value in determining what had or had not been approved by the governing board due to their unclear or vague content.

Town meeting minutes ordinarily include a specific indication of approval for purchase orders or payments; however, in the case of the Town and the PWA, the only reference we found to any approval was noted as part of the “Clerk’s report.” The minutes provided generally reflected the following:

|                |   |
|----------------|---|
| <b>Item 3:</b> | Discuss and possibly vote to approve the Clerk’s report to include the following:<br><br>A. Prior meeting minutes<br>B. Financial report<br>C. Bank Accounts<br>D. Accounts payable<br>Gloria Folks makes a motion to approve all reports and John Kelley seconds the motion.<br><br>James Holt-yes, John Kelley-yes, Gloria Folks-yes, Carolyn Lee-absent, Rose Walker-absent. |
|----------------|---|

Attachments #3a and #3b are typical examples of the copies of the computer generated meeting minutes provided during our review.

As these minutes include no specific references to approved payments or purchase orders, we were unable to determine the purchase orders or payments that were approved by the governing boards at their monthly meetings.

**Finding**

**The Town was unable to provide auditable records.**

No audits were performed on the Town/PWA's records for the last five years. As part of a grant application process in 2013, the Town/PWA attempted to obtain a current status for these statutorily required audits. During this effort to have audits performed for previous years, the Boynton mayor took town records to the CPA firm in Muskogee that had performed the Town's last reported audit in 2007.

According to officials with the CPA firm, the records provided by the Town/PWA were of little value and were insufficient to perform an audit. Any audit the firm provided would have contained disclaimers due to the substantial number of missing records.

We concur with the assessment of the CPA firm. The Town/PWA was unable to provide adequate records that were of sufficient reliability to make reasonable determinations related to the Town/PWA's expenditures.

## Objective IV Review billing and collections related to utility services.

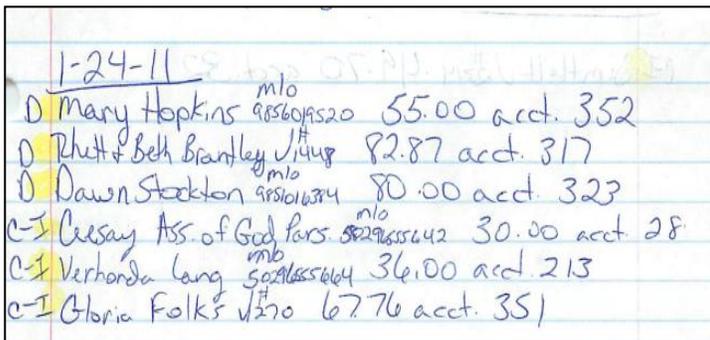
- Findings**
- Utility payments for the Town Clerk’s accounts could not be traced to daily payment reports or to bank deposits.
  - The Boynton PWA owes over \$30,000 to the Town of Haskell for bulk water purchases.
  - The PWA Board allowed substantial past due balances to go uncollected.

**Background** In the audit request letter, the Mayor asked that we review the procedures related to the “improper billing and collection of water charges” for the Public Works Authority (“PWA”).

According to the Mayor, the PWA stopped accepting cash for utility payments sometime in 2010. From a review of the records, it appeared the PWA stopped accepting cash at the end of March 2010.

**Finding** Utility payments for the PWA Clerk’s account could not be traced to daily payment reports or to bank deposits.

Many towns operate a public works authority for the purpose of providing water and sewer services to the residents of the community. Ordinarily, most cities and towns will record the utility payments in a computer system which then generates a computer based “posting report” representing the day’s collections.



Although the Town’s PWA collections were recorded in a computer system, we were provided handwritten ledgers purporting to represent the daily collections for utility payments.

We tested the handwritten ledgers to the actual deposits made in July and August 2012.

With minimal exceptions, the handwritten ledger daily totals reconciled to the deposits made to the PWA revenue account and appeared to be recordings of the actual utility payments made by the PWA customers.

We obtained a computer printout for PWA Clerk Tiffany Ledbetter-Mayo reflecting payments made to her account. We then compared the payments recorded on the customer account history with the handwritten records of payments maintained on the daily ledgers.

From January 2010 through August 2010, the payments reported on the Ledbetter-Mayo account history corresponded with payments that were recorded on the daily ledgers. We also found that the amounts recorded on the ledgers corresponded to deposits made to the PWA account.

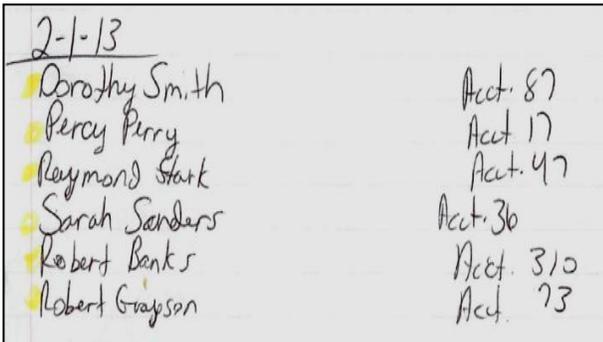
Beginning in September 2010, we noted that payments recorded on the Ledbetter-Mayo account history no longer appeared on the daily collection journals or ledgers. For example, the Ledbetter-Mayo account history showed that a \$150.00 payment was made on September 27, 2010. The daily collection journal for September 27, 2010, reflected \$333.85 in payments was collected from four other individuals, but no payment was received from Ledbetter-Mayo.

From September 2010 through October 2012, payments totaling \$1,930.00 were reflected on the account history for Ledbetter-May. We did not find corresponding entries on the daily ledgers, except for one notation on October 14, 2011, showing a \$100 money order payment. No payments were recorded on the account history for November 2012 through January 2013.

On September 26, 2013, contemporaneous with the start of our fieldwork, we identified a lack of records, specifically bank records. We requested the Town obtain those records. Town officials provided some, but not all, of the requested records on October 2, 2013. The same day, we again notified town officials that we required all of the requested bank records. On October 17, 2013, we learned that Town officials had apparently not attempted to obtain the requested bank records.

Because Town officials were either unwilling or unable to provide the bank records requested, we were unable to review these records to

determine if the payments represented on the customer history for former Clerk Ledbetter-Mayo were deposited and simply not recorded on the daily ledgers.



On February 1, 2013, the account history for Ledbetter-Mayo reflected a \$400 payment. The handwritten ledger for February 1, 2013, included six names and account numbers, but no payment amounts, as shown in the image at left.

Also on February 1, 2013, a deposit of \$1,415.99 was made to the PWA account. We obtained the deposit source (a listing of each item comprising the deposit) to determine the amounts paid and whether the deposit included a \$400 check or money order from Ledbetter-Mayo.

Although the daily ledger indicated payments were received on six (6) accounts, the deposit source showed twelve (12) items (checks/money orders) comprising the \$1,415.99. The total deposit amount for the six (6) payments reflected on the ledger was \$535.86, based on the deposit sources.

We obtained the deposit source records for the next PWA deposit, made on February 6, 2013, to determine if this deposit contained a \$400 payment item from Ledbetter-Mayo. The deposit, totaling \$2,105.61, consisted of thirty-nine (39) deposit items. We reconciled thirty-eight (38) of those items to entries on the handwritten ledgers for payments made on February 4 and 5. The one exception included an amount of \$78.80 from another PWA customer. We found no deposit item (check or money order) reflecting the \$400 payment noted on the Ledbetter-Mayo account history.

On October 9, 2013, we interviewed former Clerk Ledbetter-Mayo and inquired about the \$400 payment. According to Ledbetter-Mayo, she had taken the deposit to the bank and while at the bank cashed a tax refund check. She then gave a bank teller \$400 in cash to be deposited in the PWA account as payment on her utilities account.

From the deposit sources for the February 1, 2013 and February 6, 2013 deposits, we reconciled the deposit totals to the checks and money orders deposited. Neither deposit included a cash deposit in any amount. On review of the deposit slips for the PWA bank account, we found no indication that any deposit during the month of February consisted of cash.

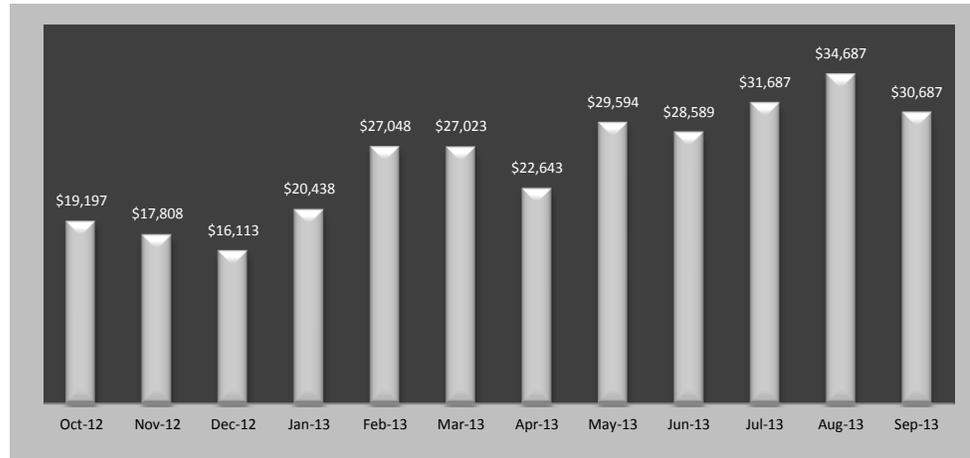
As noted in the background of this section, the Town stopped accepting cash payments for utility bills in March 2010. There was no bank record support for the statement by Ledbetter-Mayo that she had paid the \$400 cash on her utility account.

**Finding**

**The Boynton PWA owes over \$30,000 to the Town of Haskell for bulk water purchases.**

Boynton purchases its water from the Town of Haskell. We obtained, from the Town of Haskell, an account history reflecting the amounts owed by Boynton. On October 24, 2011, an \$11,038 adjustment was made to the Boynton water account and the outstanding balance was \$0.00. A year later, the Town was significantly behind in its payments for water again.

Between October 2012 and September 2013, the amount Boynton owed to Haskell for its bulk water purchases steadily increased. As of September 2013, the Boynton PWA owed \$30,687 for bulk water purchases to the Town of Haskell.



The average billed amount for FY12 slightly exceeded \$5,800 per month. Based on this calculated average, the Boynton PWA owed just over five months of water payments to the Town of Haskell, as of the September 2013, billing cycle.

### Finding

#### **The PWA Board allowed substantial past due balances to remain uncollected.**

At the outset of our investigation, we obtained a report reflecting 102 of the 184 customer accounts, or 55 percent, were delinquent. The delinquent balances for some individual accounts were in excess of \$13,000. Collectively, the 102 customers owed over \$71,000 in past due balances.

The former Town Clerk stated that the practice of cutting off delinquent accounts was solely part of the PWA Clerk duties and was never discussed in the PWA board meetings. We obtained account histories for the PWA board members and noted as of September 23, 2013, Board Member Folks showed a past due account balance of \$1,194 and Board Member Lee showed a past due balance of \$430.

From our review of the computer generated meeting minutes, we found no discussion during meetings relating to any effort by the PWA board to collect on past due utility balances or an awareness of the size of their delinquent accounts problem.

## **Objective V Review collections and records related to the municipal court.**

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- Findings**
- **Receipt books could not be located for court fines.**
  - **Court docket records provided were of no value for audit/investigation purposes.**
  - **There was no accountability for traffic citations issued.**
  - **The Town may have erroneously issued arrest warrants.**
  - **We were unable to determine if court funds were missing due to the condition of the records.**
- 

### **Background**

Prior to starting the review of the court records, we met with former Boynton Police Chief Jerry Page. According to former Chief Page, during the December 2012 through March 2013 period, in which he served as the police chief, there was no accountability for citations issued by the police department.

We also met with current Boynton Police Officer Bryan Ernest, who expressed concern regarding the lack of accountability for citations written by the police department.

City Ordinance Section 6-114 provides for the court clerk, or a designee, to “receive and receipt for forfeitures, fines, deposits, and sums of money payable to the court” and to pay to the treasurer of the Town all money received which is then deposited into the Town General Fund.

### **Finding**

#### **Receipt books could not be located for court fines.**

The Town was unable to provide any receipt books related to the municipal court collections. However, during our attempted review of the court records, we found copies of receipts related to court collections from a receipt book or books that were apparently missing.

From the copies of the receipts, we noted instances where there were receipts issued for payment of fines related to citations that were not listed on the court dockets provided.

Town of Boynton Police Dept.

RECEIPT

date 3 18 13 No. 444722

received from Robert Arnett 75.00

amount \_\_\_\_\_

for payment of Ticket # 4056

cash  money order  credit card  check # \_\_\_\_\_

amount due 110 -

amount paid 75 - from \_\_\_\_\_ to \_\_\_\_\_

balance 35 - signature DM

SC1152WS

For example, a copy of a receipt reflecting the collection of \$75 in cash related to citation #4056, shown at left, was dated March 18, 2013.

Based on a review of court dockets provided for February and March 2013, we were unable to find an entry related either to the person named or to the citation number listed on the receipt. The Town was unable to provide a docket for January.

Following the date of the receipt, March 18, 2013, the next deposit made to the Town General Fund was on March 26, 2013, and included a cash deposit of \$1,214. Because the receipt showed that the \$75 payment was in cash, we had no means of determining if this payment was part of the \$1,214 deposited on March 26.

**Finding**

**Court docket records that the Town provided were of no value for audit/investigation purposes.**

The Town was able to provide court docket records beginning in January 2012. The court dockets that were provided were cryptic, incomplete, and contradictory. For example, the court docket for February 21, 2012, included the following:

|                 |                       |                      |   |                              |
|-----------------|-----------------------|----------------------|---|------------------------------|
| <del>3461</del> | <del>12/26/2011</del> | <del>\$ 210.00</del> | <del>called 2/21/12 spoke to George 3rd</del> | <del>holder C 200 4/17</del> |
|-----------------|-----------------------|----------------------|---|------------------------------|

With a line drawn through the entire entry, followed by the notations, we were unsure if this entry was voided, if the court ordered a deferred sentence until “4/17,” or if the fine was to be paid or was paid on “4/17.”

Similarly, the following entries appeared on the April 17, 2012 docket:

|                 |                     |                      |           |                                       |                 |
|-----------------|---------------------|----------------------|-----------|---------------------------------------|-----------------|
| <del>2940</del> | <del>2/9/2012</del> | <del>\$ 210.00</del> |           | <del>put in the mail today 4/17</del> |                 |
| 3501            | 2/27/2012           | \$ 210.00            |           | Guilty fine + def 260.00              | max by the 15th |
| 3505            | 2/28/2012           | \$ 175.00            | 4/17/2012 | Guilty fine 175.00                    | by May 15       |
| 3508            | 3/3/2012            | \$ 210.00            |           | Guilty fine + def 260.00              | max by 15th     |

In the absence of any receipt books, there was no means to determine if the fine, referred to in the first “put in the mail” entry shown above, was actually received by the Town, and if so, how much was received.

The next three entries on the image above appear to record fines and costs that were levied and were to be paid by May 15. The entries appear to indicate that fines were levied, but we could not determine if these payments were actually made due to the missing court related receipt books.

Another example of the poorly maintained and incomplete entries was found on the May 15, 2012 docket, as shown below:

|              |      |           |          |  |              |
|--------------|------|-----------|----------|--|--------------|
| JUDIE TISELL | 3601 | 5/28/2012 | \$425.00 |  | pass to July |
| JUDIE TISELL | 3602 | 5/28/2012 | \$173.00 |  | pass to July |

When we reviewed the July 17, 2012 docket, (included in this report as Attachment #4) we found the following entry:

|              |  |           |           |  |                          |
|--------------|--|-----------|-----------|--|--------------------------|
| JUDIE TISELL |  | 5/28/2012 | \$ 598.00 |  | 2 TICKETS <del>000</del> |
|              |  |           |           |  |                          |

It appeared that an entry of “BW” or *bench warrant* may have been recorded and then marked out. Because of the lack of a clear disposition, we were unable to determine if the citations were dismissed, were paid, or if some other disposition, such as community service was assessed in lieu of fines.

**Finding**

**There was no accountability for citations issued.**

As noted in the background of this section, the former Boynton Police Chief and the current Boynton Police Officer expressed concern that the Town was not accounting for citations issued. Both officers stated there were no logs maintained reflecting citation books issued to the officers of the department.

Because the Town was unable to provide any type of logs related to citations issued, we attempted to determine if there was any accountability for the citations based on the court dockets.

In reviewing the court dockets, we noted there was no consistency in the citation numbers appearing on the dockets. For example, the first four entries for the January 17, 2012 docket included citation numbers from 2905 through 3460, as shown below:

| NAME              | TICKET # | DATE WRITTEN | AMOUNT    | DATE PAID | REMARKS FROM JUDGE |
|-------------------|----------|--------------|-----------|-----------|--------------------|
| MISTY MCINTOSH    | 2912     | 11/18/2011   | \$ 220.00 | 1-19-12   | to appear 1/20     |
| ERIC FOWLER       | 2921     | 11/25/2011   | \$ 220.00 | 1-23-12   | to appear 1/23     |
| LATAVIOUS HAMMOCK | 2905     | 11/16/2011   | \$ 210.00 |           | BW                 |
| KATIE SAMPSON     | 3460     | 12/26/2011   | \$ 210.00 | 1-19-12   | BW                 |

The gap between the first two entries, citations 2912 and 2921 represent eight (8) citations (2913 through 2920). We reviewed the February and April 2012 dockets, to determine if the above four citations appeared on the dockets at a later date but found none of the four recorded. No docket was found for March 2012.

A court docket is not necessarily designed to serve the function of keeping numerical track of every citation issued. In some cases, the officers of a town may issue citations for violations filed in the District Court. Therefore, the municipal court docket would not contain a numerical listing or accounting for each individual citation.

We attempted to determine if the court dockets could provide some measure of accountability for citations issued, but the dockets alone were insufficient.

**Finding**

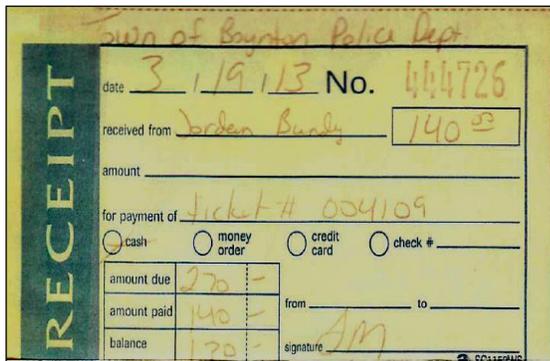
**The Town may have erroneously issued arrest warrants.**

Typically, when a person receives a traffic citation, they can elect either to pay the fine on or prior to the court date specified on the citation or to appear in court for adjudication of the alleged offense.

If the person who has received a traffic citation does not pay the associated fines and costs in advance and does not appear in court on the appropriate date, a “warrant” typically referred to as a *bench warrant*, may be issued for their arrest.

During interviews, the acting Town Clerk, current Police Chief, and former Police Chief expressed concern that there had been instances where a person either had been or was about to be arrested for non-payment of a traffic fine, and it was later determined the person had actually paid the fine.

According to the former Chief, he had no confidence that the bench warrants issued by the Town were accurate and, therefore, chose to ignore these warrants.



While reviewing the Town’s court records, we found documentation that appeared to corroborate the concerns expressed. For example, we located a copy of a receipt reflecting the collection of \$140 in cash on March 19, 2013. The receipt included the notation “ticket # 4109.”

We reviewed the court dockets that could be provided by the Town and found no indication that a court disposition had been recorded in relation to citation #4109 or that a payment was made.

|              |      |           |           |  |  |
|--------------|------|-----------|-----------|--|--|
| JORDAN BUNDY | 4109 | 2/23/2013 | \$ 220.00 |  |  |
|--------------|------|-----------|-----------|--|--|

We were provided a copy of a bench warrant (Attachment #5) issued on January 15, 2013. On the copy of the bench warrant was the notation “pd 12/21/12.” We were provided a court docket related to this particular citation and noted the court docket contained no disposition information.

The deposit made to the Town General Fund on December 21, 2012, included a \$210 payment from “Tucker” noted on the deposit slip. It appears that the Town had issued a bench warrant and *then* discovered that the fine had been paid *before* the warrant was issued.

We noted the court dockets seem to indicate other bench warrants were issued, although the fines had been paid *prior to the court date*. For example, the court docket for March 19, 2013, included the following entries:



| COURT DATE: <u>March 19, 2013</u> TICKET DATES: _____ 0 _____ |          |              |           |           |                    |
|---|----------|--------------|-----------|-----------|--------------------|
| NAME  | TICKET # | DATE WRITTEN | AMOUNT    | DATE PAID | REMARKS FROM JUDGE |
| ROBERT TAYLOR   | 4059     | 1/11/2013    | \$ 210.00 | 2/11/13   |                    |
| CHEREE MONDAINE   | 4066     | 1/28/2013    | \$ 195.00 |           |                    |
| CHEREE MONDAINE   | 4067     | 1/28/2013    | \$ 425.00 |           | Def. 75 + 50 = 125 |
| TRISTEN WEAVER  | 4103     | 2/15/2013    | \$ 185.00 | 3/15/13   |                    |
| SHATTUCK SILVEN   | 4104     | 2/15/2013    | \$ 185.00 | 2/15/13   | BW ←               |
| TRENTON HARDAWAY  | 4106     | 2/23/2013    | \$ 185.00 | 3/11/13   | BW ←               |
| MELINDA BUSCH   | 4107     | 2/23/2013    | \$ 220.00 | 3/7/13    | BW ←               |

Although the focus of our review of the Town’s court system was to determine if there was accountability for the citations issued and the funds collected, we noted the Town may be exposing itself to significant liability by erroneously issuing arrest warrants based on poorly maintained, missing, or inaccurate court records.

**Summary**

**We were not able to determine if court funds are missing due to the condition of the records.**

One method used to conceal a misappropriation of funds is to conceal, alter, or destroy receipt books reflecting the collection of funds. With respect to the Town’s municipal court fund, we previously noted that the

Town issued receipts for court collections from a receipt book or books that are now missing.

In addition to concealing or destroying *receipts*, another method of concealing a misappropriation of court funds is to collect payments for *citations*, then either void the citation or otherwise conceal or destroy the citation.

In this case, the Town had no accountability for citations issued; therefore, there were no means to determine if a misappropriation occurred by improperly voiding or destroying citations that were issued and for which fines/bonds were collected.

Because the Town's municipal court records were unreliable and/or missing and the control(s) over citations was nonexistent, we were not able to confirm whether court related collections were missing.

\* \* \* \* \*

**DISCLAIMER**

In this report there may be references to state statutes and legal authorities, which appear to be potentially relevant to the issues reviewed by this Office. The State Auditor and Inspector has no jurisdiction, authority, purpose, or intent by the issuance of this report to determine the guilt, innocence, culpability, or liability, if any, of any person or entity for any act, omission, or transaction reviewed. Such determinations are within the exclusive jurisdiction of regulatory, law enforcement, and judicial authorities designated by law.

Attachment #1

| <b>PURCHASE ORDER</b><br><b>MUSKOGEE COUNTY</b><br><b>BOYNTON, OKLAHOMA</b>   |                    | <b>PURCHASE ORDER No. 5137</b>   |                         |  |                 |
|---|--------------------|--|-------------------------|--|-----------------|
| <b>Ship To: Boynton Public Works Authority</b><br><b>Box 266</b><br><b>Boynton, Oklahoma 74422</b>  |                    | FISCAL YEAR _____<br>DATE <u>May</u> , 20 <u>12</u><br>APPROPRIATION ACCOUNT _____<br><small>I hereby approve the issuance and encumbrance of this purchase order.</small><br>_____<br><small>Purchasing Officer</small>   |                         |  |                 |
| Issued To: <u>Haskell PWA</u>   |                    | <small>I hereby certify that the amount of this encumbrance has been entered against the designated appropriation accounts and that this encumbrance is within the authorized available balance of said appropriation.</small><br>DATED THIS _____ DAY OF _____, 20____<br>_____<br><small>Encumbering Officer or Clerk of</small> |                         |  |                 |
| <small>SB #144, SL 1977 REQUIRES THE VENDOR TO FURNISH AN ITEMIZED INVOICE WHICH STATES THE VENDOR'S NAME AND ADDRESS, A CLEAR DESCRIPTION OF EACH ITEM PURCHASED, ITS UNIT PRICE, THE NUMBER OR VOLUME OF EACH ITEM, ITS TOTAL PRICE, THE TOTAL OF THE PURCHASE, AND THE DATE OF THE PURCHASE. THE IN-</small>   |                    | <small>VOICE, TOGETHER WITH A SIGNED DELIVERY TICKET (IF SEPARATE FROM THE INVOICE) AND ANY OTHER SUPPORTING INFORMATION MUST BE ATTACHED TO THE ORIGINAL COPY OF THE PURCHASE ORDER WHEN FILED FOR PAYMENT.</small>   |                         |  |                 |
| QUANTITY  | DESCRIPTION        | UNIT PRICE   | AMOUNT TO BE ENCUMBERED | ADJUSTMENTS<br>AMOUNT TOTAL                          | APPROVED AMOUNT |
|   | <u>Water Bill</u>  |  | <u>6605.39</u>          |  |                 |
|   | <u>pd 3,000.00</u> |  |                         |  |                 |
|   | <u>J# 1818</u>     |  |                         |  |                 |
| <b>THE INFORMATION REQUIRED BELOW THIS LINE NEED ONLY BE COMPLETED ON THE ORIGINAL COPY OF THE PURCHASE ORDER.</b>  |                    | <b>TOTAL</b> <u>6605.39</u>  |                         |  |                 |
| <small>I hereby certify that the merchandise and/or services described above have been satisfactorily received and that this purchase order is now a true and just debt of this county. This purchase order is therefore approved for consideration for payment by the governing board.</small><br>DATE: _____, 20____<br><u>Jerry Hobbs</u><br><small>Purchasing Officer</small><br>_____<br><small>Officer or Department Head in Charge</small> |                    | <b>APPROVAL BY GOVERNING BOARD</b><br><small>This purchase order is approved for payment in the amount indicated above.</small><br>DATE _____, 20____<br><u>Jerry Hobbs</u> Chairman<br><u>John E. Kelley</u> Member<br><u>Paul J. ...</u> Member<br><u>Howard ...</u> Member  |                         | APPROPRIATION ACCOUNT NO. _____<br>WARRANT NO. _____ |                 |
| DATE RETURNED FOR FILING FOR CONSIDERATION BY GOVERNING BOARD _____, 20____   |                    | <b>PAYMENT RECORD</b><br>WARRANT NUMBER _____<br>AMOUNT \$ _____   |                         |  |                 |

WHITE — Retain by Purchasing Officer for completion of purchase.  
 CANARY — Retain by Purchasing Officer for file.  
 PINK — May be sent to vendor.  
 GOLDENROD — File with County Clerk.

Attachment #2

|   |                  |                  |   |  |  |             |                  |           |         |
|---|------------------|------------------|---|--|--|-------------|------------------|-----------|---------|
|  <b>Accurate Environmental</b><br>P.O. Box 613<br>Stillwater, OK 74076<br>(800) 516-5227<br>www.accuratelabs.com |                  | <b>Invoice</b>   |   |  |  |             |                  |           |         |
| <table border="1"> <tr> <td><b>Bill To</b></td> </tr> <tr> <td>Town of Boynton<br/>           PO Box 266<br/>           Boynton OK 74422</td> </tr> </table>                                      |                  | <b>Bill To</b>   | Town of Boynton<br>PO Box 266<br>Boynton OK 74422 | <table border="1"> <tr> <td><b>Date</b></td> <td><b>Invoice #</b></td> </tr> <tr> <td>12/7/2010</td> <td>0L07039</td> </tr> </table> |  | <b>Date</b> | <b>Invoice #</b> | 12/7/2010 | 0L07039 |
| <b>Bill To</b>  |                  |                  |   |  |  |             |                  |           |         |
| Town of Boynton<br>PO Box 266<br>Boynton OK 74422   |                  |                  |   |  |  |             |                  |           |         |
| <b>Date</b>   | <b>Invoice #</b> |                  |   |  |  |             |                  |           |         |
| 12/7/2010   | 0L07039          |                  |   |  |  |             |                  |           |         |
| <b>P.O. No.</b>   | <b>Terms</b>     | <b>Ship Date</b> | <b>Project</b>                                    |  |  |             |                  |           |         |
|   | Due on Recc...   | 12/15/2010       | WW  |  |  |             |                  |           |         |
| <b>Description</b>  | <b>Qty</b>       | <b>Rate</b>      | <b>Amount</b>                                     |  |  |             |                  |           |         |
| BOD5  | 1                | 45.00            | 45.00   |  |  |             |                  |           |         |
| TSS   | 1                | 25.00            | 25.00   |  |  |             |                  |           |         |
| Sampling, Field Services  | 2                | 75.00            | 150.00  |  |  |             |                  |           |         |
| <p>pd. 990.00 for this invoice and some others.<br/>           called to get exact balance.</p>   |                  |                  |   |  |  |             |                  |           |         |
| Please remit to above address and include your invoice no. Thank you for your business.   |                  |                  | <b>Total</b>                                      | \$220.00   |  |             |                  |           |         |

**Attachment #3a**

**BOYNTON PUBLIC WORKS AUTHORITY**  
P.O. BOX 266  
Boynton, Oklahoma 74422  
(918)472-7232

**BOYNTON PUBLIC WORKS AUTHORITY**  
**REGULAR MEETING**  
**OCTOBER 18, 2012**  
**AGENDA**

The Board of Trustees of the Boynton Public Works Authority met following the Town meeting on October 18, 2012 at 301 S. Seaman (Buckner and Seaman) in the meeting chambers of City Hall for a regular meeting.

- Item 1: Meeting Convened**  
A. Meeting called to order@ 7:15pm  
B. Roll Call James Holt-present, John Kelley-present, Gloria Folks-present, Carolyn Lee-absent, Rose Walker-absent.
- Item 2: Guests to be recognized, if any. NONE**
- Item 3: Discuss and possibly vote to approve the Clerk's report to include the following:**  
  
A. Prior meeting minutes  
B. Financial report  
C. Bank Accounts  
D. Accounts payable  
Gloria Folks makes a motion to approve all reports and John Kelley seconds the motion.  
  
James Holt-yes, John Kelley-yes, Gloria Folks-yes, Carolyn Lee-absent, Rose Walker-absent.

**Attachment #3b**

- Item 4:** Discuss and possibly vote to approve the following Water/Waste Water reports:  
A. Field reports  
B. Lab reports  
Gloria Folks makes a motion to approve all reports and John Kelley seconds the motion.  
James Holt-yes, John Kelley-yes, Gloria Folks-yes, Carolyn Lee-absent, Rose Walker-absent.
- Item 5:** Discuss and possibly take action on new business, if any, which has arisen since the posting of this agenda and which could not have been reasonably foreseen prior to it being posted.\_NONE
- Item 6:** Unfinished business or old business, if any.-NONE
- Item 7:** Open Forum-NONE
- Item 8:** Vote to adjourn this regular meeting of the Boynton Public Works Authority.  
James Holt makes a motion to adjourn and John Kelley seconds the motion.  
James Holt-yes, John Kelley-yes, Gloria Folks-yes, Carolyn Lee-absent, Rose Walker-absent.

Attachment #4

Court Clerk's Copy

BOYNTON OKLAHOMA COURT

COURT DATE: July 17, 2012 TICKET DATES: \_\_\_\_\_ TO \_\_\_\_\_

| NAME                        | TICKET #        | DATE WRITTEN         | AMOUNT                 | DATE PAID          | REMARKS FROM JUDGE                             |
|-----------------------------|-----------------|----------------------|------------------------|--------------------|--|
| AISHA LANG                  | 3526            | 3/14/2012            | \$ 210.00              |                    | OWES HAD BW PD 100.00                          |
| LADONNA TECUMSEH            | 3541            | 4/13/2012            | \$ 160.00              |                    | OWES   |
| <del>CHRISTOPHER CARR</del> | <del>3548</del> | <del>5/5/2012</del>  | <del>\$ 260.00</del>   | <del>7-17-12</del> | <del>OWES</del>                                |
| TUSCON COLLINS              | 3577            | 5/14/2012            | \$ 105.00              |                    | OWES   |
| RICHARD SIMON               | 3586            | 5/25/2012            | \$ 110.00              |                    | OWES   |
| <del>GABRIEL DOBBS</del>    | <del>3587</del> | <del>5/28/2012</del> | <del>\$ 1,819.00</del> | <del>7-17-12</del> | <del>6 TICKETS SUPPOSE TO PAY 100.00/MTH</del> |
| JUDIE TISDELL               |                 | 5/28/2012            | \$ 598.00              |                    | 2 TICKETS <del>0.00</del>                      |
| TOMMY PATRICK               | 3568            | 6/2/2012             | \$ 220.00              |                    |  |
| ROBERT DONOHO               | 3569            | 6/4/2012             | \$ 210.00              |                    |  |
| ROBERT DONOHO               | 3570            | 6/4/2012             | \$ 219.00              |                    | put in mail                                    |
| CESAR CALDERON              | 3573            | 6/2/2012             | \$ 210.00              |                    | Guilty 30 def 260.00 8/21                      |
| JEFFREY MEADOR              | 3576            | 5/14/2012            | \$ 210.00              |                    | Bio  |
| HAROLD ROW                  | 3603            | 6/14/2012            | \$ 210.00              |                    | Guilty 30 def 260.00                           |
| ASHLEIGH NEUMEYER           | 3604            | 6/15/2012            | \$ 210.00              |                    | Pulled for next month                          |
| JONATHAN WHITAKER           | 3626            | 6/8/2012             | \$ 210.00              |                    |  |
| JULIE COE                   | 3627            | 6/10/2012            | \$ 210.00              |                    | PS. 100.00                                     |
| JULIE COE                   | 3628            | 6/10/2012            | \$ 185.00              | 7-17-12            | 75.00  |
| JULIE COE                   | 3629            | 6/10/2012            | \$ 385.00              |                    | Guilty 30 def.                                 |
| DAVID LANG                  | 3633            | 6/19/2012            | \$ 210.00              |                    |  |
| DAVID LANG                  | 3634            | 6/19/2012            | \$ 175.00              |                    |  |
| TOMMY CALICO                | 3635            | 6/25/2012            | \$ 210.00              |                    | Guilty 30 def 260.00 8/21                      |
| BONNIE GRAY                 | 3636            | 6/25/2012            | \$ 210.00              |                    | Guilty 30 def 260.00 8/21                      |

Attachment 5

WARRANT FOR ARREST BENCH ARREST

STATE OF OKLAHOMA NO. 004033

COUNTY OF MUSKOGEE

TOWN OF BOYNTON

NAME: Zachariah Tucker

D.O.B. [REDACTED] . HIGHT: 6-02 . WEIGHT: 190

RACE: W . D.L. # [REDACTED] 0605

ADDRESS: HC 63 Box 234A Eufaula, Ok 74432

TO THE CHIEF OF POLICE OR ANY OTHER POLICE OFFICER AUTHORIZED BY THE LAW TO SERVE  
CRIMINAL PROCESS:

Speeding 11-15 over Posted

Has been committed and accusing: Zachariah Tucker

You are therefore commanded forthwith to arrest the above named Zachariah Tucker  
and bring him/her before me forthwith in said court at the Municipal Court in said Town of Boynton,  
Muskogee County, or in case of my absence or inability to act, before one of the other judges of said  
court.

Dated at Boynton this 15 day of Jan, 2013.

pd 12/21/12

FINE: 210.00  
FTA: 100.00  
BOND TOTAL: 310.00

[Signature]  
JUDGE OF THE MUNICIPAL COURT  
BOYNTON, OKLAHOMA



**OFFICE OF THE STATE AUDITOR & INSPECTOR**  
2300 N. LINCOLN BOULEVARD, ROOM 100  
OKLAHOMA CITY, OK 73105-4896

[WWW.SAI.OK.GOV](http://WWW.SAI.OK.GOV)