

**DISTRICT ATTORNEY  
DISTRICT 1**

**BOGUS CHECK  
RESTITUTION FUND,  
RESTITUTION AND  
DIVERSION FUND AND  
DISTRICT ATTORNEY  
SUPERVISION FEE FUND**

**FOR THE YEAR ENDED  
JUNE 30, 2009**

**STATUTORY  
REPORT**



Oklahoma State Auditor  
& Inspector

**JAMES M. BORING, DISTRICT ATTORNEY  
DISTRICT 1  
STATUTORY REPORT  
BOGUS CHECK RESTITUTION FUND  
RESTITUTION AND DIVERSION FUND AND  
DISTRICT ATTORNEY SUPERVISION FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

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This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 74 O.S. §212.E and 22 O.S. §§114, 991d, and 991f-1.1 has not been printed, but is available on the agency's website ([www.sai.ok.gov](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. §3105.B.

# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



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January 3, 2011

James M. Boring, District Attorney  
District 1  
Texas County Courthouse  
Guymon, Oklahoma 73942

Transmitted herewith is the statutory report for the District Attorney of District 1, Beaver, Cimarron, Harper, and Texas Counties, Oklahoma (the District) for the year ended June 30, 2009.

A report of this type is critical in nature; however, we do not intend to imply that there were not commendable features in the present accounting and operating procedures of the District.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the conduct of our procedures.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and to issue reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

**JAMES M. BORING, DISTRICT ATTORNEY  
DISTRICT 1  
STATUTORY REPORT  
FOR THE YEAR ENDED JUNE 30, 2009**

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## **INTRODUCTORY INFORMATION**

### **BOGUS CHECK PROGRAM**

The bogus check program was created by the Oklahoma Legislature in 1982 as a special type of deferred prosecution program and every district attorney is required to operate a bogus check program. The program provides an alternative way to handle bogus check cases without any additional cost to courts, prosecutors, or the state prison system. The primary emphasis of the program is collecting restitution for the victim of the crime, rather than punishing the offender.

Bogus checks are a significant cost to business, a cost that is passed on to the consumer and paid by all citizens and taxpayers in the state. The bogus check program has been an effective way to address the economic problem caused by bogus checks. The program offers a way to address criminal conduct without sending a large number of offenders to state correctional facilities.

### **RESTITUTION AND DIVERSION PROGRAM**

The restitution and diversion program was created by the Oklahoma Legislature in 2001 as a special type of deferred prosecution program. The legislation required that each district attorney create such a program. The purpose of the program is to allow the district attorney the discretion to divert criminal complaints involving property crimes from criminal court and to collect restitution for victims.

The program allows the district attorney's office to receive, disburse, and monitor victim restitution payments. The program offers an alternative way to address criminal conduct.

### **DISTRICT ATTORNEY SUPERVISION PROGRAM**

The district attorney supervision program was created by the Oklahoma Legislature in 2005 as an alternative from supervision by the Department of Corrections. When the court imposes a deferred or a suspended sentence for any offense and does not order supervision by the Department of Corrections, the offender shall be required to pay the district attorney a monthly supervision fee. However, the legislation provides that in hardship cases, the district attorney shall expressly waive all or part of the fee.

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## Statutory Report

James M. Boring, District Attorney  
District 1  
Texas County Courthouse  
Guymon, Oklahoma 73942

For the purpose of complying with 74 O.S. § 212.E and 22 O.S. §§ 114, 991d, and 991f-1.1, we have performed the following procedures as they relate to the records of the Bogus Check Restitution Fund, District Attorney Supervision Fee Fund, and Restitution and Diversion Fund for the year ended June 30, 2009.

- Examine a group of receipts and deposit slips for propriety.
- Examine offender files to verify restitution agreements are in accordance with 22 O.S. § 114.
- Examine fees to determine that the correct fees are assessed, receipted, and deposited in compliance with 28 O.S. § 153 and 22 O.S. §§ 114, 991d, and 991f-1.1.
- Determine whether expenditures are used to defray the expenses of the District Attorney's office in accordance with 22 O.S. §§ 114, 991d, and 991f-1.1, and whether expenditures are supported by approved claims, invoices, and verification that goods or services paid for were received.
- Determine whether the District Attorney reconciles with the County Treasurer.
- Determine whether the District Attorney reconciles the accounts to the County Treasurer's official depository records.
- Determine that the District Attorney prepares and submits an annual report to the District Attorney's Council that shows total deposits and total expenditures for the Bogus Check Restitution Program and Restitution and Diversion Program.

All information included in the financial records of the bogus check restitution program, district attorney supervision fee program, and restitution and diversion program are the representation of the District Attorney for their respective district.

Our engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with auditing standards generally accepted in the United States of America.

Accordingly, we do not express an opinion on any general-purpose financial statements of Beaver, Cimarron, Harper, or Texas Counties.

Based on our procedures performed, and with respect to items tested, restitution agreements were in accordance with 22 O.S. § 114; District 1 was properly assessing, receipting, and depositing the correct fees in compliance with 28 O.S. § 153, 22 O.S. §§ 114, 991d, 991f-1.1, and 19 O.S. 215.11; expenditures were used to defray the expenses of the District Attorney's office in accordance with 22 O.S. §§ 114, 991d, and 991f-1.1, invoices, and verification that goods or services paid for were received; the District Attorney reconciled the cash accounts with the County Treasurer's general ledger; the District Attorney reconciled the accounts to the County Treasurer's official depository records; and the District Attorney prepared and submitted an annual report to the District Attorneys Council showing total deposits and total expenditures for the Bogus Check Restitution Program and Restitution and Diversion Program. With respect to adequate documentation of expenditures for the Bogus Check Restitution Program, and categorization of Supervision Fee expenditures, our findings are presented in the schedule of findings and responses.

We have included in this report the Bogus Check Restitution Annual Report and the Restitution and Diversion Annual Report prepared by District 1, which were submitted to the District Attorneys Council.

This report is intended for the information and use of the District Attorney and Beaver, Cimarron, Harper, and Texas County officials. However, this report is a matter of public record and its distribution is not limited.

Sincerely,



STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

June 23, 2010

**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2009-2—Supervision Fee Account Classification of Expenditures**

Criteria: Effective internal controls include expenditures being categorized as public service, maintenance and operation, travel and other for supervision fee expenditures.

Condition: Beaver County, Cimarron County, and Harper County deposit funds for District Attorney Supervision and Deferred Prosecution fees into the same account within each county. Expenditures were calculated based on a percentage of revenue and were reported on the combined annual report as “Other.” Management was unable to provide classification of District Attorney Supervision Fee Account expenditures based on this calculation for those counties.

Effect: This condition could result in incomplete reporting to the District Attorneys Council.

Recommendation: OSAI recommends the Beaver, Cimarron, and Harper County reports reflect expenditures by categories as provided by the District Attorneys Council.

Views of responsible officials and planned corrective actions: The Supervision Program is a relatively new authorization and responsibility created by the legislature through which funds are received by this office. When the Supervision Program was initially implemented we had a Deferred Prosecution Program in place. It initially appeared that there would be limited funds received by my offices from these programs and without any specific legislative direction or instructions from the DAC, we initially chose to handle all funds from the Supervisions Program and the Deferred Prosecution Program in one account since these funds were related to DA supervision of persons on probation.

Beginning with the June 30, 2009, the DAC requested an annual report for the Supervision Program similar to the report required for Bogus Checks. At that time the accounts maintained in Cimarron, Beaver, and Harper Counties were segregated and a new and separate account for the Supervision Program was opened in each of these counties. Since that time the receipts and disbursements to the Supervision Program and the Deferred Prosecution Program have been maintained separately.

All reports requested and/or required by the DAC or by law for the Bogus Check Program, Restitution Program, and Deferred Prosecution Program have been filed on all prior years. All reporting has been complete and on the forms required by the DAC. It does not appear that any corrective action is necessary.

**JAMES M. BORING, DISTRICT ATTORNEY  
DISTRICT 1  
STATUTORY REPORT  
FOR THE YEAR ENDED JUNE 30, 2009**

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**Finding 2009-3—Bogus Check Fund Expenditures**

Criteria: Title 22 O.S. §114 states in part:

This fund shall be used by the district attorney to defray any lawful expense of the district attorney's office...

Title 74 O.S. §500.2(E)(2) states:

State agencies are authorized to enter into contracts and agreements for the payment of food lodging expenses as may be necessary for employees or other persons who are performing substantial and necessary services to the state by attending official conferences, meetings, seminars, workshops, or training sessions or in the performance of their duties. Such expenses may be paid directly to the contracting agency or business establishment, provided the meeting qualifies for overnight travel for the employees and the cost for food and lodging for each employee shall not exceed the daily rate as provided in the State Travel Reimbursement Act.

Title 74 O.S. §500.2(E)(4) states in part:

State agencies are authorized to enter into contracts and agreements for the payment of food and lodging expenses as may be necessary for employees attending an official course of instruction or training conducted or sponsored by any state agency.

Condition: The test of 11 vouchers revealed one instance in which the District Attorney paid for an office Christmas Party.

<u>Vendor</u>	<u>Voucher #</u>	<u>Amount</u>	<u>Purpose</u>
Hunny's	1588	\$418.50	Office Christmas Party

Effect: This could be a violation of 22 O.S. §114 as a lawful expense of the district attorney's office, be a violation of 74 O.S. §500.2(E)(2) and 74 O.S. §500.2(E)(4) if the party was not an official conference, meeting, seminar, workshop, or training session.

Recommendation: OSAI recommends the District Attorney only provide meals to employees for official conferences, meetings, seminars, workshops, or training sessions.

Views of responsible officials and planned corrective actions: I believe this finding has been addressed in prior audit reports. The expenditures at the annual Awards/Christmas Party were conducted as an official meeting where awards for employee achievements were made. The program also included office training and updates with all employees' attendance being required.

Due to the issues presented in the previous audit and the potential for questions to be raised, the annual Awards/Christmas Party has been continued but the office no longer covers any of the expenses associated with it. No further corrective action appears to be needed at this time.

**JAMES M. BORING, DISTRICT ATTORNEY  
DISTRICT 1  
STATUTORY REPORT  
FOR THE YEAR ENDED JUNE 30, 2009**

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**Finding 2009-4—Bogus Check Fee Expenditures Documentation**

Criteria: Effective internal controls include an original invoice be submitted for payment, prior to approving the claim.

Condition: The test of 11 vouchers revealed one instance in which the original invoice could not be located for an approved claim.

<u>Voucher #</u>	<u>Amount</u>	<u>Purpose</u>
4938	\$187.00	Transcripts

Effect: This condition could result in misappropriation of funds and incorrect amounts paid.

Recommendation: OSAI recommends the District Attorney ensure that all expenditures have the original invoice attached to the approved claim to provide documentation for expenses.

Views of responsible officials and planned corrective actions: This finding relates to one voucher issued in Harper County for payment to the court reporter for a transcript that was paid August 28, 2008. The invoice for this voucher could not be located. The secretary that was in charge of paying of invoices in August of 2008 has retired and is no longer employed by the office. I am satisfied that payment would not have been made without the invoice and all supporting documentation being prepared and presented for approval in accordance with the procedures in place in August of 2008.

Based upon the recommendations of the audit for previous periods subsequent to August of 2008, this office has implemented new policies and procedures for payment of all claims. This process requires that all items purchased and/or to be paid must be documented with a receiving report and must be submitted with an original invoice to the financial secretary in charge of respective accounts maintained in the office for review and initial approval for payment. A payment authorization form is then completed verifying that the invoice is proper to pay. At that point an authorization form along with all related documentation (receiving form and invoice) and a check for payment are submitted to me or the assistant in charge of that county for final review and approval. Upon approval payment is made with a check signed by me. At the end of each month the district coordinator of these programs receives a detailed report and prepares a monthly report for my review of all transactions. The financial secretary also receives a detailed report on all disbursements from each of the county accounts and prepares a detailed monthly report for my review.

District #1 Cinnamin

July 1, 2008 - June 30, 2009

Please list the county or counties for which this information covers:

Number of checks received from victims	<u>47</u>
Dollar amount of checks received	<u>3350.63</u>

Beginning Restitution Account Balance at July 1, 2008		<u>1635.71</u>
Number of Checks on which Restitution was Collected	<u>30</u>	
Amount in Restitution Collected for Victims (Do not include cancelled vouchers)		<u>5352.25</u>
Cancelled Vouchers (Restitution cancelled, to be reissued)		<u>- 0 -</u>
Other Collections (Court Costs or other fees paid with restitution, issued to other agencies)		
Amount in Restitution Paid to Victims (including reimbursement of cancelled vouchers)		<u>5622.74</u>
Amount in "Other Collections" paid out		
Ending Restitution Balance at June 30, 2009		<u>1365.22</u>

Beginning District Attorney Fee Balance at July 1, 2008		<u>7,299.79</u>
Amount of District Attorney Fees collected during period		<u>11,295.34</u>
Expenditures		<u>151.15</u>

Personnel Costs	<u>567.00</u>
Maintenance and Operations Costs	<u>5,349.81</u>
Travel Expenses <i>Ct. Costs</i>	<u>151.12</u>
Other Expenses <i>DAC</i>	<u>9,390.00</u>
Total Expenditures	

<u>\$ 15,457.96</u>
<u>3,989.92</u>

Ending District Attorney Fee Balance at June 30, 2009

Prepared By: Juan Bedley  
 Phone#: 580-544-3308

Date: 7-9-09

# FY09 BOGUS CHECK RESTITUTION ANNUAL REPORT

July 1, 2008 - June 30, 2009

District 7 - Harper

Please list the county or counties for which this information covers:

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## COLLECTION INFORMATION

Number of checks received from victims 204  
 Dollar amount of checks received 106031.01

## RESTITUTION INFORMATION

Beginning Restitution Account Balance at July 1, 2008		<u>3145.91</u>
Number of Checks on which Restitution was Collected	<u>145</u>	
Amount in Restitution Collected for Victims (Do not include cancelled vouchers)		<u>13158.84</u>
Cancelled Vouchers (Restitution cancelled, to be reissued)		<u>51.60</u>
Other Collections (Court Costs or other fees paid with restitution, accrued to other agencies)		<u>1645.32</u>
Amount in Restitution Paid to Victims (including reissuance of cancelled vouchers)		<u>139.92</u> <i>cc overpayment</i>
Amount in "Other Collections" paid out		<u>12420.96</u>
Ending Restitution Balance at June 30, 2009		<u>1465.76</u> <i>cc overpayment</i>
		<u>3914.95</u>

## FEE AND EXPENDITURE INFORMATION

Beginning District Attorney Fee Balance at July 1, 2008		<u>10278.93</u>
Amount of District Attorney Fees collected during period		<u>25323.80</u>
Expenditures		
Personnel Costs	<u>13648.00</u>	
Maintenance and Operations Costs	<u>11423.41</u>	
Travel Expenses	<u>---</u>	
Other Expenses	<u>140.00</u>	
Total Expenditures		<u>52521.41</u>
Ending District Attorney Fee Balance at June 30, 2009		<u>10391.32</u> <sup>2</sup>

Prepared By: Darlene Drew  
 Phone#: \_\_\_\_\_

Date: 7/19/09

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**FY08 BOGUS CHECK RESTITUTION ANNUAL REPORT**

July 1, 200~~7~~ – June 30, 200~~8~~

District One Guymon and Beaver

Please list the county or counties for which this information covers:

**COLLECTION INFORMATION**

Number of checks received from victims	<u>1,294</u>
Dollar amount of checks received	<u>\$141,952.34</u>

**RESTITUTION INFORMATION**

Beginning Restitution Account Balance at July 1, 2007	<u>\$2,119.93</u>
Number of Checks on which Restitution was Collected	<u>1,136</u>
Amount in Restitution Collected for Victims (Do not include cancelled vouchers)	<u>\$188,411.99</u>
Cancelled Vouchers (Restitution cancelled, to be reissued)	<u>\$480.30</u>
Other Collections (Court Costs or other fees paid with restitution, issued to other agencies)	<u>                    </u>
Amount in Restitution Paid to Victims (including reissuance of cancelled vouchers)	<u>\$188,450.33</u>
Amount in "Other Collections" paid out	<u>                    </u>
Ending Restitution Balance at June 30, 2008	<u>\$2,561.89</u>

**FEE AND EXPENDITURE INFORMATION**

Beginning District Attorney Fee Balance at July 1, 2007	<u>\$95,452.30</u>
Amount of District Attorney Fees collected during period	<u>\$101,846.92</u>
Expenditures	
Personnel Costs	<u>\$104,897.12</u>
Maintenance and Operations Costs	<u>\$9,629.67</u>
Travel Expenses	<u>\$5,272.46</u>
Other Expenses	<u>\$8,625.28</u>
Total Expenditures	<u>\$ 128,424.53</u>
Ending District Attome Fee Balance at June 30, 2008	<u>\$68,874.69</u>

Prepared By: Tracey Henry  
Phone#: 580-338-5873

Date: 7-13-2009

**FY08 RESTITUTION AND DIVERSION ANNUAL REPORT**

July 1, 2008 – June 30, 2009

District 1

Please list the county or counties for which this information covers:

**RESTITUTION INFORMATION**

Beginning Restitution Account Balance at July 1	<u>\$0.00</u>
Number of Cases Processed	<u>1</u>
Amount in Restitution Collected for Victims	<u>\$2,160.00</u>
Cancelled Vouchers	<u>\$0.00</u>
Amount in Restitution Paid to Victims	<u>                    </u>
Ending Restitution Balance at June 30	<u>\$ 2,160.00</u>

**FEE AND EXPENDITURE INFORMATION**

Beginning District Attorney Fee Balance at July 1	<u>\$52,235.00</u>
Amount of District Attorney Fees collected during period	<u>\$240.00</u>
Expenditures	
Personnel Costs	<u>\$16,030.32</u>
Maintenance and Operations Costs	<u>                    </u>
Travel Expenses	<u>                    </u>
Other Expenses	<u>                    </u>
Total Expenditures	<u>\$ 16,030.32</u>
Ending District Attorney Fee Balance at June 30	<u>\$ 36,444.68</u>

Prepared By: Julie MeyerDate: 07/17/09Phone#: 580-338-3388

By September 15 of each year, the District Attorneys Council shall publish an annual report for the previous fiscal year of the Restitution and Diversion Program. A copy of the report shall be distributed to the President Pro Tempore of the Senate and the Speaker of the Oklahoma House of Representatives and the chairs of the House and Senate Appropriations Committees. Each District Attorney shall submit information requested by the District Attorneys Council regarding the Restitution and Diversion Program. This report shall include the number of cases processed, the total dollar amount for which restitution was made, the total amount of the restitution collected, the total amount of fees collected, the total cost of the program, and such other information as required by the District Attorneys Council (22 O.S. § 991f-1.1).



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