

STATUTORY REPORT

**DISTRICT ATTORNEY, DISTRICT 21  
BOGUS CHECK RESTITUTION FUND,  
RESTITUTION AND DIVERSION FUND AND  
DISTRICT ATTORNEY SUPERVISION FEE FUND**

For the period July 1, 2008 through June 30, 2010



*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

**GREG MASHBURN, DISTRICT ATTORNEY  
DISTRICT 21  
STATUTORY REPORT  
BOGUS CHECK RESTITUTION FUND  
RESTITUTION AND DIVERSION FUND AND  
DISTRICT ATTORNEY SUPERVISION FEE FUND  
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2010**

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# Oklahoma State Auditor & Inspector

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

October 13, 2011

Greg Mashburn, District Attorney  
District 21  
Cleveland County Courthouse  
Norman, Oklahoma 73069

Transmitted herewith is the statutory report for the District Attorney of District 21, Cleveland, Garvin and McClain Counties, Oklahoma (the District) for the period July 1, 2008 through June 30, 2010.

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.

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

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

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones". The signature is fluid and cursive.

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

**GREG MASHBURN, DISTRICT ATTORNEY  
DISTRICT 21  
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FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2010**

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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

Greg Mashburn, District Attorney  
District 21  
Cleveland County Courthouse  
Norman, Oklahoma 73069

For the purpose of complying with 74 O.S. § 212.E and 22 O.S. §§ 114, 991d, and 991.f-1.1, we have performed the following procedures as they relate to the records of the Bogus Check Restitution Fund, Restitution and Diversion Fund, and the District Attorney Supervision Fee Fund for the period July 1, 2008 through June 30, 2010.

- Examine receipts and deposit slips for propriety.
- Examine fees to determine that the correct fees are assessed, receipted, and deposited in compliance with 28 O.S. § 153, 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, 991f-1.1, and 991d, and whether expenditures are supported by approved claims, invoices, and verification that goods or services paid for are received.
- Determine whether the District Attorney reconciles monthly with the County Treasurer's general ledger.
- Determine whether the District Attorney reconciles the accounts to the County Treasurer's official depository records.
- Determine whether the District Attorney prepares and submits an annual report to the District Attorneys Council that shows total deposits and total expenditures for the Bogus Check Restitution Program, Restitution and Diversion Program, and District Attorney Supervision Fee Fund.

All information included in the financial records of the bogus check restitution program, restitution and diversion program, and district attorney supervision fee 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 the County.

Based on our procedures performed, we have presented our findings in the accompanying schedule.

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

A handwritten signature in blue ink, appearing to read "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

May 19, 2011

**GREG MASHBURN, DISTRICT ATTORNEY  
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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2009/2010-1 – Segregation of Duties**

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, key duties and responsibilities should be segregated among different individuals to reduce the risk of error or fraud. No one individual should have the ability to authorize transactions, have physical custody of assets, and record transactions.

Condition: Based on inquires and observation of personnel, it was noted that the duties of receiving, receipting, recording, depositing cash and checks, reconciliations, and transaction authorization were not adequately segregated for the District Attorney's office.

**Bogus Check**

Cleveland

Two Bogus Check clerks have the authority to open mail, issue receipts, prepare deposits, take deposits to the Treasurer, post receipts to the accounting records, and post payments to accounts.

Garvin

The Bogus Check Clerk and Supervision Clerk both have the authority to open mail, issue receipts, post receipts to the accounting records, and prepare and make deposits. The Bogus Check Clerk also posts payments and reconciles the account with the Treasurer.

McClain

The two Bogus Check Clerks both have the authority to open mail, issue receipts, post payments, post receipts to the accounting records, prepare deposits, and reconcile the account with the Treasurer. One of these clerks also takes the deposit to the Treasurer.

**Restitution and Diversion**

Cleveland

Two employees have the authority to open mail, write receipts, and post to the accounting system.

**Supervision**

Cleveland

Two employees have the authority to open mail, write receipts, and post to the accounting system.

Garvin

The Bogus Check Clerk and Supervision Clerk both have the authority to open mail, issue receipts, post payments, and prepare and make deposits. The Bogus Check Clerk also reconciles the account with the Treasurer.



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McClain

The two Bogus Check/Supervision clerks both have the authority to open mail, issue receipts, post payments, and prepare deposits. One of these clerks also makes the deposit, posts receipts to the accounting records and reconciles the account with the Treasurer.

Based on inquires and observation of personnel, it was noted that the duties of preparing claims, preparing vouchers, distribution of vouchers, verification of goods and services, posting of transactions, reconciliations, and transaction authorization were not adequately segregated for the District Attorney's office

Bogus Check

Cleveland

The Finance Director has the authority to requisition goods and services, prepare claims, certify receipt of goods and services, approve claims for payment, prepare vouchers, mail or distribute vouchers, and post vouchers to accounting records.

Effect: A single person having responsibility for more than one area of recording, authorization, custody of assets, and execution of transactions could result in unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

Recommendation: OSAI recommends management be aware of these conditions and realize that concentration of duties and responsibilities in a limited number of individuals is not desired from a control point of view. The most effective controls lie in management's overseeing of office operations and a periodic review of operations. OSAI recommends management provide segregation of duties so that no one employee is able to perform all accounting functions. In the event that segregation of duties is not possible due to limited personnel, OSAI recommends implementing compensating controls to mitigate the risks involved with a concentration of duties. Compensating controls would include separating key processes and/or critical functions of the office, and having management review and approval of accounting functions.

Views of responsible officials and planned corrective actions:

District 21 recognizes the risk associated with the concentration of duties and is working to create a separation of duties between all major functions.

Cleveland County:

1. Our front desk clerk opens the mail.
2. Two of our BC employees post payments to the account.
3. Our Bogus Check Supervisor makes the daily deposit.
4. BC employee walks the deposit to the treasurer's office.
5. Finance Coordinator picks up registered deposit and enters into our accounting software.
6. Finance Coordinator reconciles internal ledgers against the treasurer's ledgers.

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Garvin County:

Due to budget constraints and limited resources we do not currently have the manpower to separate these duties as requested.

McClain County:

Due to budget constraints and limited resources we do not currently have the manpower to separate these duties as requested.

Restitution and Diversion

Cleveland County:

Our front desk clerk now opens the mail. No further corrective action appears to be needed at this time.

Supervision

Cleveland County:

1. Our front desk clerk opens the mail.
2. One employee posts payments to the account.
3. Our Bogus Check Supervisor makes the deposit.
4. A separate employee walks the deposit to the treasurer's office.
5. Finance Coordinator picks up registered deposit and enters into our accounting software.
6. Finance Coordinator reconciles internal ledgers against the treasurer's ledgers.

Garvin County:

Due to budget constraints and limited resources we do not currently have the manpower to separate these duties as requested.

McClain County:

Due to budget constraints and limited resources we do not currently have the manpower to separate these duties as requested.

**Finding 2009/2010-2 – Receipts – Bogus Check Program**

Criteria: Effective internal controls over funds collected include those funds collected being deposited on a daily basis with the County Treasurer, so as to provide a safeguard of the funds collected. Furthermore, receipts should be issued on numerically numbered receipts with duplicate carbon copies. These receipts should indicate the County, Office, and Program the receipt is issued from, and should be issued in sequential numerical order, by the date the money was received.

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Condition: While performing cash compositions for the Bogus Check Program, the following was noted:

District 21-FYE 6/30/2009

- Receipts are issued sequentially by district, not by county. Receipt (#1) might be issued in Cleveland, and receipt (#2) issued in Garvin or McClain.
- Cleveland, Garvin, and McClain Counties take money and issue receipts for each other.

District 21-FYE 6/30/2010

- Cleveland, Garvin, and McClain Counties take money and issue receipts for each other.

Cleveland-FYE 6/30/2009

- Carbon copies of receipts could not be located. The system prints out two receipts (one for the defendant, one for the office.) The office throws most of the receipts away. Some are filed in defendants files.

Cleveland-FYE 6/30/2010

- Carbon copies of receipts could not be located. The system prints out two receipts (one for the defendant, one for the office.) The office throws most of the receipts away. Some are filed in defendants files.
- Some receipts were issued out of numerical sequence.
- A variance between the receipts issued and the deposit was noted on several days tested. Total variance was \$18.17.

Garvin- FYE 6/30/2010

- A variance between the receipts issued and the deposit was noted for \$0.72.

Effect: Funds collected are not adequately safeguarded.

Recommendation: OSAI recommends the District Attorney's office deposit all monies receipted on behalf of the office in a timely manner. OSAI also recommends that receipts be issued on sequentially and numerically numbered receipts, by the date the money was received. OSAI recommends that carbon copies of receipts be kept and maintained at the office. OSAI recommends that the District Attorney's office in each county not take money and issue receipts for other counties District Attorney offices.

Views of responsible officials and planned corrective actions: Deposits of monies received are being done in a timely manner. Cleveland County makes deposits on a daily basis. Garvin and McClain send weekly deposits to Cleveland County office each Monday morning. District 21 receipts are issued by each County, and notate the program, are in sequential and numerical order by the date the money was received. All counties have implemented a filing system for the receipts. Receipts will be filed daily in sequential order and be readily available for reference when needed. The counties no longer take payments for each other. Each county maintains and takes money only for cases in their particular county. No further corrective action appears to be needed at this time.

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**Finding 2009/2010-3 – Restitution Vouchers – Bogus Check Program**

Criteria: Effective internal controls are necessary to ensure stewardship and accountability of public funds. Effective accounting procedures include maintaining documentation on defendants, including copies of Bogus Checks rendered and payment history.

Condition: During our test of the Bogus Check program restitution vouchers, the following was noted:

Cleveland FYE 6/30/2009

- Of the ten tested, nine defendant's files did not contain a copy of the bogus check rendered by the defendant.
- One defendant's file could not be located.

McClain FYE 6/30/2009

- For four of the twelve defendants tested, there was no documentation that a bogus check payment had ever been made.
- One of the twelve defendants tested did not have an endorsement on the back of the merchant restitution voucher.

Cleveland FYE 6/30/2010

- Of the ten tested, five defendant's files did not contain a copy of the bogus check rendered by the defendant.
- One defendant's file could not be located.
- Two defendant's payment history could not be located in the system, due to the change to the new system.

McClain FYE 6/30/2010

- For eight of the twelve defendants tested, there was no documentation that a bogus check payment had ever been made.

Effect: Failure to properly maintain records could result in incomplete data or incorrect records, loss of fees associated with the Bogus Check program, or failure to collect merchant restitution. Failure to maintain records also increases the risk of misappropriation of restitution.

Recommendation: OSAI recommends the District Attorney's office maintain records on all defendants, including copies of the bogus check and payment history. OSAI further recommends that a periodic review of bogus check files be performed to ensure that all defendants are making payments.

Views of responsible officials and planned corrective actions: We recognize the importance of maintaining up to date records on all defendants. Our Bogus Check Supervisor will perform periodic reviews to ensure that all defendants are making payments. No further corrective action appears to be needed at this time.

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**Finding 2009/2010-4 – Expenditures – Bogus Check Program**

Criteria: Effective internal controls are necessary to ensure stewardship and accountability of public funds. Effective accounting procedures include all expenditures of the Bogus Check Program be supported by approved claims and supporting documentation, such as invoices and independent verification of goods and services. Also, all vouchers should be approved with two signatures, and endorsement from the merchant.

Condition: While performing the Bogus Check expenditures test, the following was noted:  
FYE 6/30/2009

- One of twenty-five expenditures tested was not properly approved.

FYE 6/30/2010

- One of twenty-five expenditures tested did not have a verification of goods and services.
- Five of twenty-five expenditures tested did not have an endorsement on the back of the voucher.

Effect: This condition could result in misappropriation of expenditures of the fund.

Recommendation: OSAI recommends that expenditures be supported by approved claims and that evidence of receipt of goods and services be indicated prior to payment.

Views of responsible officials and planned corrective actions: This is a revolving account that most of the expenditures for our district are purchased from. The process that takes place for the requisitioning of goods and services requires that all items purchased and/or to be paid must be documented with a signed purchase order and must be submitted with an original invoice to the Financial Coordinator in charge of the respective accounts maintained in the office for review and initial approval for payment. The purchase order form is then completed verifying that the invoice is proper to pay. At that point a check for payment is submitted to the DA or the First Assistant for final review and approval. Upon approval payment is made. At the end of each month the Finance Coordinator prepares a monthly report of all transactions to be reviewed by the DA and First Assistant. No further corrective action appears to be needed at this time.

**Finding 2010-5 – Restitution Vouchers – Diversion and Restitution Program**

Criteria: Title 22 O.S. § 991f-1.1(D) states:

The district attorney may enter into a written agreement with the accused person to defer prosecution on the criminal complaint for a period to be determined by the district attorney, not to exceed three (3) years pending restitution being made to the victim of the complaint and payment of necessary fees.

Condition: During our test of the Restitution and Diversion program restitution vouchers, the following was noted:

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Cleveland FYE 6/30/2010

- Of the restitution and diversion cases tested in Cleveland County, one of the ten cases tested had a restitution agreement that exceeded three years.

Effect: Failure to ensure that restitution agreements do not exceed the limit imposed by 22 O.S. § 991f-1.1(D) may result in non-collection of RAD fees.

Recommendation: OSAI recommends the District Attorney implement policies and procedures to comply with 22 O.S. § 991f-1.1(D) and ensure restitution and diversion offenders sign and adhere to restitution agreements that do not exceed statutory limits.

Views of responsible officials and planned corrective actions: Based upon the recommendations of the audit we will implement policy and procedures that ensure all future cases of restitution and diversion do not exceed the three (3) year statutory limit. No further corrective action appears to be needed at this time.

**Finding 2009/2010-6 – Restitution and Diversion Program**

Criteria: Effective internal controls over funds collected include the issuance of pre-numbered receipts with duplicate copies. These receipts should indicate the County, Office, and Program the receipt is issued from, and should be issued in sequential order, by the date the money was received.

Condition: While performing cash compositions for the Restitution and Diversion program, the following was noted:

Cleveland-FYE 6/30/2009

- The District Attorney's copies of receipts could not be located. The system prints out two receipts (one for the defendant, one for the office.) The office throws most of the receipts away. Some are filed in defendants files.

Cleveland-FYE 6/30/2010

- The District Attorney's copies of receipts could not be located. The system prints out two receipts (one for the defendant, one for the office.) The office throws most of the receipts away. Some are filed in defendants files.

Effect: This condition could result in possible loss of income or inaccurate records or incomplete information.

Recommendation: OSAI recommends the District Attorney's office keep copies of all receipts issued.

Views of responsible officials and planned corrective actions: The receipts are issued sequentially and numerically by County. Cleveland County receipts are identified by the number 14, Garvin County by 25

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and McClain County by 44. For example a payment taken for Restitution and Diversion in CC would show receipt # of 11-14R-3081. Supervision in McClain County would show receipt # of 11-44R-3081 and Garvin County would show receipt # of 11-25R-3081. All three counties have implemented a filing system for the receipts. Restitution and Diversion receipts will be filed daily in sequential order and be readily available for reference when needed. No further corrective action appears to be needed at this time.

**Finding 2009/2010-7 – Receipts – Supervision Program**

Criteria: Effective internal controls over funds collected include the issuance of pre-numbered receipts with duplicate copies. These receipts should indicate the mode of payment, the County, Office, and Program the receipt is issued from, and should be issued in sequential order, by the date the money was received.

Condition: While performing cash compositions for the Supervision program, the following was noted:

District 21-FYE 6/30/2009 and 6/30/2010

- Receipts are issued sequentially by district, not by county. Receipt (#1) might be issued in Cleveland, and receipt (#2) issued in Garvin or McClain County.
- Cleveland, Garvin, and McClain Counties take money and issue receipts for each other.

District 21-FYE 6/30/2010

- Cleveland, Garvin, and McClain Counties take money and issue receipts for each other.

Cleveland-FYE 6/30/2009

- The D.A.'s copies of receipts could not be located. The system prints out two receipts (one for the defendant, one for the office.) The office throws most of the receipts away. Some are filed in defendants files.

McClain-FYE 6/30/2009

- Receipts do not note the mode of payment (cash, check, money order.)

Cleveland-FYE 6/30/2010

- The D.A.'s copies of receipts could not be located. The system prints out two receipts (one for the defendant, one for the office.) The office throws most of the receipts away. Some are filed in defendants files.

Effect: This condition could result in possible loss of income or inaccurate records or incomplete information.

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Recommendation: OSAI recommends that receipts be issued sequentially on pre-numbered receipts, by the date the money was received, and that copies of receipts be kept and maintained. OSAI also recommends that receipts not be issued for other counties.

Views of responsible officials and planned corrective actions: The receipts are issued sequentially and numerically by County. Cleveland County receipts are identified by the number 14, Garvin County by 25 and McClain County by 44. For example a payment taken for Supervision in CC would show receipt # of 11-14S-3081. Supervision in McClain County would show receipt # of 11-44S-3081 and Garvin County would show receipt # of 11-25S-3081. All three counties have implemented a filing system for the receipts. Supervision receipts will be filed daily in sequential order and be readily available for reference when needed. I have attached three (3) sequential Supervision receipts from each county to demonstrate that this issue has been taken care of. No further corrective action appears to be needed at this time.

**Finding 2009/2010-8 – Annual Report**

Title 22 O.S. § 116 states:

A. District Attorneys shall prepare and submit an annual report to the District Attorneys Council showing total deposits and total expenditures in the Bogus Check Restitution Program.

B. By September 15 of each year, the District Attorneys Council shall publish an annual report for the previous fiscal year of the Bogus Check Restitution 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 chairmen of the House and Senate Appropriations Committees. Each District Attorney shall submit information requested by the District Attorneys Council regarding the Bogus Check Restitution Program. This report shall include the number of checks processed and the total dollar amount of such checks, the number of checks for which some restitution was made and the total amount of the restitution, the total amount of fees collected, the total cost of the program, and such other information as required by the District Attorneys Council. The report shall provide totals by county and district.

Title 22 O.S. § 991f1.1 states:

H. 1. District attorneys shall prepare and submit an annual report to the District Attorneys Council showing total deposits and total expenditures in the Restitution and Diversion Program.

2. 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 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



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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.

Condition: While reviewing the annual reports for the Bogus Check, Restitution and Diversion, and Supervision programs, it was noted that the figures from the Restitution and Diversion and Supervision annual report are combined on/with the Bogus Check Annual Report. The Bogus Check Annual Report is overstated, because of combining the two reports.

Effect: Failure to properly separate the Bogus Check, Restitution and Diversion, and Supervision Annual reports results in the Bogus Check annual report being overstated.

Recommendation: OSAI recommends the District Attorney implement policies to properly separate the Bogus Check, Restitution and Diversion, and Supervision annual reports.

Views of responsible officials and planned corrective actions: A new and separate account for the Supervision Program has been opened. Since that time the receipts and disbursements to the Bogus Check Program, Supervision Program and the Restitution and Diversion 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 Restitution and Diversion Program will be reported separately in the future. No further corrective action appears to be needed at this time.

**Finding 2010-9 – Unidentified Balance**

Criteria: Effective internal controls include ledgers maintained in a detailed manner that provides sufficient, accurate information regarding amounts held in trust for others.

Title 22 O.S. § 114.C. states:

Restitution paid by the defendant to the victim shall include the face amount of the check plus any charges the victim may have been required to pay to a bank as the result of having received the bogus check. If, instead of paying restitution directly to the victim, the defendant delivers restitution funds to the office of the district attorney, the district attorney shall deposit such funds in a depository account in the office of the county treasurer to be disbursed to the victim by a warrant signed by the district attorney or a member of the staff assigned to the Bogus Check Restitution Program. The district attorney shall keep full records of all restitution monies received and disbursed. These records shall be audited at the same time the county funds are audited.

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Title 60 O.S. § 651.9a states:

“Intangible property” includes: money, checks, drafts, deposits, interest, dividends, and income;

Title 60 O.S. § 657 states:

Intangible property held for the owner by a court, state, or other government, governmental subdivision or agency, public corporation, or public authority which remains unclaimed by the owner for more than (1) year after becoming payable or distributable is presumed abandoned.

Title 60 O.S. § 661.A states:

A person holding property, tangible or intangible, presumed abandoned and subject to custody as unclaimed property under the Uniform Unclaimed Property Act shall report to the State Treasurer concerning the property as provided in this section.

Condition: An amount totaling \$21,762.27 in merchant restitution is being held in the District Attorney’s Bogus Check Restitution Fund (DA Operating Account). The District Attorney’s office could not identify the restitution cases related to this amount. A list of merchants the D.A. obtained from the software provider could not be reconciled with the merchant restitution end balance on the Annual Report at June 30, 2010.

Effect: This condition results in the restitution fund not being properly cleared.

Recommendation: OSAI recommends that accurate records be maintained by the District Attorney’s office and that victims restitution funds be remitted to the State Treasurer’s office one year after becoming payable in accordance with the Uniform Unclaimed Property Act.

Views of responsible officials and planned corrective actions: This issue occurred when a personnel change took place and the task of recording and maintaining records of unclaimed restitution was not reassigned. The monies are secure due to the fact that no goods and services are expended through this account. The current Financial Coordinator and Bogus Check Supervisor are working to correct this issue by back logging unclaimed and stale dated checks. Our goal is to have this issue resolved by January 1, 2012.



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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