

**DISTRICT ATTORNEY
DISTRICT 24**

**BOGUS CHECK
RESTITUTION FUND**

**FOR THE YEAR ENDED
JUNE 30, 2007**



**STATUTORY
REPORT**



Oklahoma State Auditor
& Inspector

**MAX COOK, DISTRICT ATTORNEY
DISTRICT 24
STATUTORY REPORT
BOGUS CHECK RESTITUTION FUND
FOR THE YEAR ENDED JUNE 30, 2007**

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STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



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September 7, 2010

Max Cook, District Attorney
District 24
Creek County Courthouse
Sapulpa, Oklahoma 74066

Transmitted herewith is the statutory report for the District Attorney of District 24, Creek and Okfuskee Counties, Oklahoma (the District) for the fiscal year ended June 30, 2007.

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

TABLE OF CONTENTS

Introductory Information ii
Statutory Report of State Auditor and Inspector 1
Bogus Check Restitution Fund 3
Schedule of Findings and Responses 4

INTRODUCTORY INFORMATION

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.

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Statutory Report

Max Cook, District Attorney
District 24
Creek County Courthouse
Sapulpa, Oklahoma 74066

For the purpose of complying with 74 O.S. § 212.E and 22 O.S. § 114, we have performed each of the following procedures as it relates to the records of the Bogus Check Restitution Fund for the fiscal year 2007.

- Examine fees to determine that the correct fees were assessed, receipted, and deposited in compliance with 28 O.S. § 153.
- Determine whether expenditures were used to defray lawful expenses of the District Attorney's office in accordance with 22 O.S. § 114; whether expenditures were supported by invoices and approved claims; and that goods or services paid for were received.
- Determine whether the fund reconciles to the County Treasurer's records.
- Determine that the District Attorney prepared and submitted an annual report to the District Attorney's Council showing the total deposits and total expenditures, and that expenditures were properly classified and presented.

All information included in the financial records of the bogus check restitution program is 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 Creek or Okfuskee Counties.

Based on our procedures performed, and the items tested, the correct fees were assessed, receipted, and deposited in compliance with 28 O.S. § 153; expenditures were used to defray lawful expenses of the District Attorney's office in accordance with 22 O.S. § 114; the fund reconciled to the County Treasurer's records; the District Attorney prepared and submitted an annual report to the District Attorneys Council; and expenditures were properly classified and presented. With respect to expenditures being supported by invoices and approved claims and that goods or services paid for were received, our finding is presented in the accompanying schedule of findings and responses.

We have included in this report the Bogus Check Restitution Fund prepared by District 24, which was submitted to the District Attorneys Council.

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

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage". The signature is written in a cursive style with a large, stylized initial "S".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

May 19, 2010

BOGUS CHECK RESTITUTION FUND

COLLECTION INFORMATION

Number of checks received from merchants	<u>3,017</u>	
Dollar amount of checks received		<u>\$ 631,955</u>

RESTITUTION INFORMATION

Beginning Restitution Account Balance at July 1, 2006		\$ 44,365
Number of Restitution checks collected	<u>2,679</u>	
Amount in Restitution collected for merchants		434,748
Amount in Restitution paid to merchants		459,113
Cancelled Vouchers		<u>2,000</u>
Ending Restitution Balance at June 30, 2007		<u>\$ 22,000</u>

FEE AND EXPENDITURES INFORMATION

Beginning District Attorney Fee Balance at July 1, 2006		\$ 142,362
Amount of District Attorney fees collected during the period		300,978
Cancelled Vouchers		569
Expenditures:		
Personnel Costs	250,000	
Maintenance and Operation Costs	44,830	
Travel Expenses	0	
Other Expenses	<u>14,203</u>	
Total Expenditures		<u>309,033</u>
Ending District Attorney Fee Balance at June 30, 2007		<u>\$ 134,876</u>

Source: District 24 Bogus Check Restitution Fund Annual Report (for informational purposes only)

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2007-1 – Disbursements

Criteria: Accountability and stewardship are overall goals of management in the accounting of funds. To help ensure a proper accounting of funds, disbursements should have adequate supporting documentation, which includes an approved claim, supporting invoices, and verification that goods/services were received.

Condition: During test work of Creek County disbursements, we found one out of ten vouchers tested did not have proper supporting documentation. Also, during our test work of Okfuskee County disbursements, we found one out of ten tested did not have verification that goods/services were received.

Effect: This condition could result in the misappropriation of funds and payment for goods/services not received.

Recommendation: OSAI recommends all purchases be supported with approved claims, supporting invoices, and verification that goods/services were received.

Views of responsible officials and planned corrective actions: This has been corrected.



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