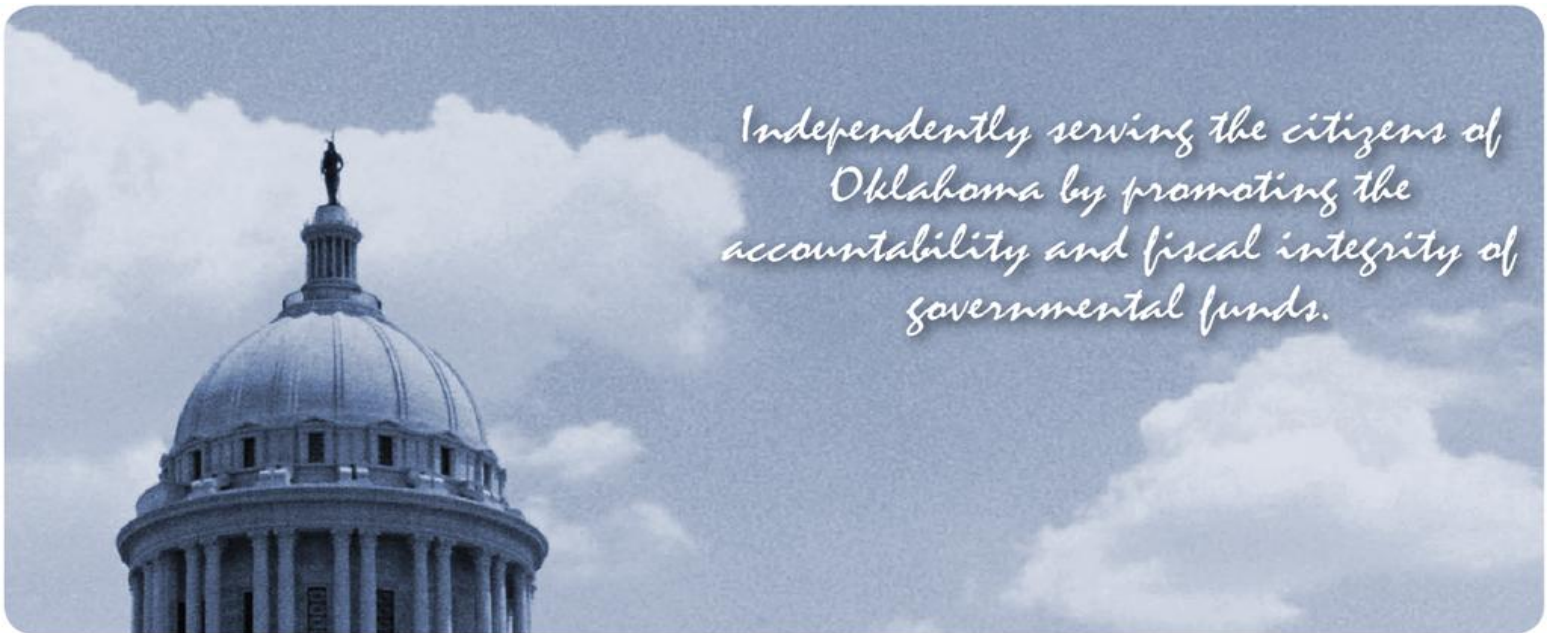


STATUTORY REPORT

**DISTRICT ATTORNEY  
DISTRICT 4  
BOGUS CHECK RESTITUTION PROGRAM  
SUPERVISION PROGRAM  
RESTITUTION AND DIVERSION PROGRAM  
PROPERTY FORFEITURE PROGRAM**

For the period of July 1, 2013 through June 30, 2015



*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

**MIKE FIELDS, DISTRICT ATTORNEY  
DISTRICT 4**

**STATUTORY REPORT  
BOGUS CHECK RESTITUTION PROGRAM  
SUPERVISION PROGRAM  
RESTITUTION AND DIVERSION PROGRAM  
PROPERTY FORFEITURE PROGRAM**

**FOR THE PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2015**

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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, 991f-1.1, and 63 O.S. § 2-506 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.



# Oklahoma State Auditor & Inspector

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

March 2, 2016

Mike Fields, District Attorney  
District 4  
Garfield County Courthouse  
Enid, Oklahoma 73701

Transmitted herewith is the statutory report for the District Attorney of District 4, Blaine, Canadian, Garfield, Grant, and Kingfisher Counties, Oklahoma (the District) for the period July 1, 2013 through June 30, 2015.

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, appearing to read "Gary A. Jones".

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

**MIKE FIELDS, DISTRICT ATTORNEY  
DISTRICT 4  
STATUTORY REPORT  
FOR THE PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2015**

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**MIKE FIELDS, DISTRICT ATTORNEY  
DISTRICT 4  
STATUTORY REPORT  
FOR THE PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2015**

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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.

**DISTRICT ATTORNEY PROPERTY FORFEITURE PROGRAM**

Most district attorneys in the state have a Property Forfeiture Fund. The fund is not subject to fiscal year limitations and is to be used for enforcement of controlled dangerous substance laws, drug abuse prevention and education, and is maintained by the District Attorney to be used at his or her discretion for those purposes. The revenues for said fund come from the proceeds of forfeited assets.

**MIKE FIELDS, DISTRICT ATTORNEY  
DISTRICT 4  
STATUTORY REPORT  
FOR THE PERIOD JULY 01, 2013 THROUGH JUNE 30, 2015**

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Any cash, vehicles, real property, or other assets used in the commission of or acquired as a result of a crime as described in the Uniform Controlled Dangerous Substances Act is presumed to be forfeitable.

Asset forfeiture is an effective law enforcement tool used by local district attorneys to deprive criminals of their ill-gotten gains by seizing the proceeds of criminal activity and property used to facilitate crime. The proceeds of seized, forfeited assets make a substantial contribution to the investigation and prosecution of drug related offenses.



# Oklahoma State Auditor & Inspector

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## Statutory Report

Mike Fields, District Attorney  
District 4  
Garfield County Courthouse  
Enid, Oklahoma 73701

For the purpose of complying with 74 O.S. § 212.E and 22 O.S. §§ 114, 991d, 991.f-1.1, and 63 O.S. § 2-506, we have performed the following procedures as they relate to the records of the District Attorney's programs for the period July 1, 2013 through June 30, 2015.

### Bogus Check, Supervision, and Restitution and Diversion Programs:

- Determine that internal controls are designed and operating over the collections and expenditures process.
- 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, 991f-1.1, and 19 O.S. § 215.11.
- Determine whether expenditures are used to defray the expenses of the District Attorney's office in accordance with 22 O.S. §§ 114 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 all accounts with the County Treasurer's ledgers.
- 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, the Supervision Program, and Restitution and Diversion Program.

### Property Forfeiture Program:

- Determine that internal controls are designed and operating over the collections and expenditures process.
- Determine that the District Attorney maintains a true and accurate inventory of all property seized in accordance with 63 O.S. § 2-506.K.
- Review sale documentation for selected cases to determine whether forfeited assets were sold after due notice at public auction to the highest bidder in accordance with 63 O.S. §§ 2-506 and 2-508.
- Review the distribution of proceeds to determine the distribution was in accordance with court orders pursuant to 63 O.S. §§ 2-506.K and 2-508.
- Test expenditures to determine they are supported by approved claims, invoices, and independent verification that goods or services paid for were received.

- Determine if the District Attorney prepared and submitted an annual report to the District Attorneys Council showing the total deposits, total expenditures, beginning and ending balances in accordance with 63 O.S. § 2-506.L.3.
- Determine if the District Attorney reconciles account balances with the County Treasurer.

All information included in the financial records of the bogus check restitution program, supervision program, restitution and diversion program, and the property forfeiture 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 basic financial statement of Blaine, Canadian, Garfield, Grant, or Kingfisher 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 that reads "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

December 16, 2015



**MIKE FIELDS, DISTRICT ATTORNEY  
DISTRICT 4  
STATUTORY REPORT  
FOR THE PERIOD OF JULY 1, 2013 THROUGH JUNE 30, 2015**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2015-1 – Inadequate Internal Controls and Noncompliance Over the Property Forfeiture Program**

**Condition:** Upon discussion with officials, observation of the Property Forfeiture process, and test of Property Forfeiture cases, we noted the following weaknesses:

- A current inventory of all property seized by law enforcement agencies was not maintained in Blaine, Canadian, Garfield, or Grant County.
- A 2000 Lincoln Navigator, ordered by the Court, on 09/09/2014, to be sold by a Sheriff's sale, has not been sold as of the date of the audit.
- A 2005 Ford E-350 van and 4 wireless telephones, ordered by the Court, on 09/21/2014, to be sold by a Sheriff's sale, have not been sold as of the date of the audit.
- The Court ordered, on 05/29/2015, \$39,000.00 forfeited cash to be deposited with the Canadian County Treasurer into the District Attorney's Drug Enforcement Revolving Fund. However, these funds were deposited with the Oklahoma County Treasurer.
- The proceeds from the sale of a 2004 Land Rover, forfeited on 05/29/2015, were to be deposited with the Canadian County Treasurer into the District Attorney's Drug Enforcement Revolving Fund. The vehicle was sold and the Order Confirming Sale, filed on 09/01/2015. The money was deposited with the Oklahoma County Treasurer into the District Attorney Revolving Fund maintained for the District Attorney's Central Oklahoma Metro Interdiction Team.

**Cause of Condition:** Policies and procedures have not been designed and implemented with regard to the inventory and disposition of Property Forfeiture funds, equipment, and vehicles.

**Effect of Condition:** These conditions resulted in noncompliance with state statute and could result in unrecorded transactions, clerical errors, or misappropriation of funds not being detected in a timely manner.

**Recommendation:** The Oklahoma State Auditor & Inspector's Office (OSAI) recommends the District Attorney maintain a current and accurate inventory of all properties seized by law enforcement agencies in accordance with the state statute. Additionally, we recommend the District Attorney comply with the court orders with regard to the manner in which forfeited funds, equipment and vehicles are deposited and distributed.

**Management Response:** District Attorney, District 4 is a five county district. Most of District 4's forfeiture cases are filed and prosecuted in Canadian and Garfield Counties. In the other three counties (Blaine, Grant and Kingfisher) during the audit period, only one case was filed in each county and only a very limited number of transactions occurred. Historically, Blaine, Grant and Kingfisher Counties do not file many forfeiture cases.

As authorized by law, District 4 shares the proceeds of its forfeiture cases with the law enforcement agencies that seize the property. District 4 and these agencies have written forfeiture sharing agreements. Typically, these agreements provide that 75% of forfeited proceeds go to the seizing law enforcement agency and 25% go to District 4. The seizing agency's interest in and oversight of the transaction process, helps ensure that the risk of fraudulent transactions remains low.

As a result of the low number of forfeiture cases in Blaine and Grant counties, current seized property were not maintained. In Canadian, Garfield, and Kingfisher Counties, inventories of seized property and filed cases were indeed maintained. In addition, accounting ledgers showing all financial transactions in all of District 4's forfeiture accounts were maintained. At the time of the audit, however; the inventories in Canadian and Garfield Counties apparently had not been updated in the previous few months, resulting in this audit finding.

Therefore, based upon this audit finding, District 4 will centralize all forfeiture inventories currently being kept in the individual counties into one centralized inventory maintained and overseen by District 4's finance officer. We believe this will promote more timely updates and it will ensure consistency in processing each of the forfeiture transactions. Concurrently, District 4 will adopt policies and procedures to centralize the tracking of all property forfeiture transactions in each of its five counties to better ensure oversight of each forfeiture transaction.

District 4 would like to note that in accordance with state law, it submits annual accounting of all of its asset forfeiture transactions to both the County Commissioners in each of its 5 counties as well as the District Attorney's Council.

**Criteria:** Title 63 O.S. 2-506(K) states "Property taken or detained under this section shall not be repleviable, but shall be deemed to be in the custody of the office of the district attorney of the county wherein the property was seized, subject only to the orders and decrees of the court or the official having jurisdiction thereof; said official shall maintain a true and accurate inventory and record of all such property seized under the provisions of this section."

### **Finding 2015-3 – Inadequate Internal Controls Over the Supervision Fee Program**

**Condition:** Upon discussion with officials, observation of the Supervision Fee process, and test of 47 Supervision Fee cases, we noted the following weaknesses:

- The policies and procedures do not require the defendant's case balance to be reviewed when a payment is accepted.
- One (1) instance was noted in which the District Attorney's office did not timely refund an overpayment by a defendant.
- Two (2) instances were noted in which fees assessed could not be verified due to the "Rules of Probation" and documentation of those assessed fees being ambiguous.

**Cause of Condition:** Policies and procedures have not been designed and implemented to review defendants' case balances and to ensure "Rules of Probation" are clear and concise.

**Effect of Condition:** These conditions led to an overpayment of fees and could lead to the incorrect amount of fees being assessed.

**Recommendation:** OSAI recommends the District Attorney's office establish policies and procedures to review defendants' accounts when payments are accepted. Furthermore, the "Rules of Probation" should be clearly and concisely written to ensure the proper fees are assessed.

**Management Response:** Just as it does with offender payments to the Bogus check Program, District 4 processes all 5 of its counties' payments for District Attorney (DA) Supervision at one site-Canadian County. Currently, the outlying counties of Blaine, Garfield, Grant, and Kingfisher are required to send all DA Supervision payments to Canadian County for accounting and processing. Once payments are received in Canadian County, each account balance is then checked before the payment is posted to the account. Account balances are not currently checked at the local offices before payments are forwarded to Canadian County.

As a result of Finding 2015-3, District 4 will amend its policies and procedures to include the additional step of requiring the outlying counties to review the offenders' DA Supervision account balances before the payments they receive can be forwarded to Canadian County to be posted (Canadian County will continue to check the account balances). Hopefully, requiring this additional check at each of the local offices will ensure all payments are properly posted.

In FY14 and FY15 (the audit period), District 4 received a total of \$1,352,159.38 in supervision fees. Supervision fees are normally collected in \$40 transactions being documented and processed by District 4 staff. One instance was noted by the auditor of a payment that was collected when it was not due. While human error does occur, we believe that by requiring the offenders' balances to be checked when payment is received (as detailed above) in each of the various offices (in addition to the review that already occurs in Canadian County before the payment is actually posted); we believe we can decrease the likelihood of human error to virtually zero.

Many of the probationers District 4 supervises have multiple cases and multiple sentences. Some of these sentences run concurrently, some consecutively, some are revoked, and some are accelerated. When a probationer has multiple sentences of varying lengths and types, the sentences can become very convoluted and determining when one particular probation period ends and another begins can be difficult.

In an effort to clarify court requirements and probation terms, District 4's supervision staff does its best to go over the rules and conditions of probation with probationers immediately after sentencing and answer any questions they may have about their requirements. If questions arise that are not immediately answered, the probationer and/or his attorney has the opportunity to go back before the Court for clarification. Sometimes District 4 staff will inquire of the Court to ask for clarification.

As a result of this finding, District 4 will add a provision to its policies and procedures instructing supervision employees to seek clarification from the Court if/when questions arise regarding which fees should be assessed. In the spirit of fairness, this policy will instruct staff to resolve ambiguity to the benefit of the probationer and not District 4.

**Criteria:** Effective internal controls require that management properly implement policies and procedures to ensure that fees are properly assessed and all payments are properly applied to defendants' case balances.



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