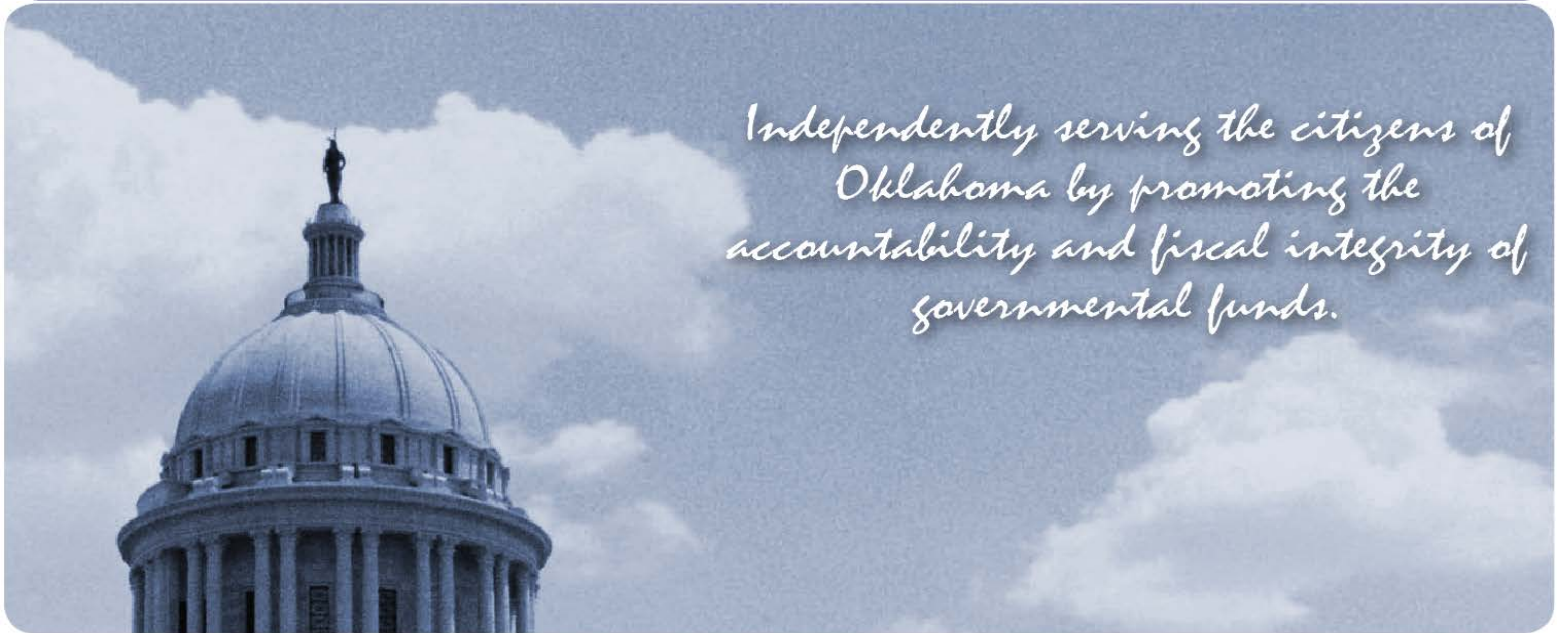


STATUTORY REPORT

**DISTRICT ATTORNEY  
DISTRICT 6  
BOGUS CHECK RESTITUTION PROGRAM  
SUPERVISION PROGRAM  
SUPERVISION 991 PROGRAM  
DRUG ASSET FORFEITURE PROGRAM**

For the period of July 1, 2015 through June 30, 2017



*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

**JASON HICKS, DISTRICT ATTORNEY  
DISTRICT 6**

**STATUTORY REPORT  
BOGUS CHECK RESTITUTION PROGRAM  
SUPERVISION PROGRAM  
SUPERVISION 991 PROGRAM  
DRUG ASSET FORFEITURE PROGRAM**

**FOR THE PERIOD OF JULY 1, 2015 THROUGH JUNE 30, 2017**

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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 Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



# Oklahoma State Auditor & Inspector

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

November 15, 2017

Jason Hicks, District Attorney  
District 6  
Stephens County Courthouse  
Duncan, Oklahoma 73533

Transmitted herewith is the statutory report for the District Attorney of District 6, Caddo, Grady, Jefferson and Stephens County, Oklahoma (the District) for the period of July 1, 2015 through June 30, 2017.

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 written in a cursive style with a long, sweeping underline.

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

**JASON HICKS, DISTRICT ATTORNEY  
DISTRICT 6  
STATUTORY REPORT  
FOR THE PERIOD OF JULY 1, 2015 THROUGH JUNE 30, 2017**

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**JASON HICKS, DISTRICT ATTORNEY  
DISTRICT 6  
STATUTORY REPORT  
FOR THE PERIOD OF JULY 1, 2015 THROUGH JUNE 30, 2017**

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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.

**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 SUPERVISION 991 PROGRAM**

The district attorney supervision 991 program was created by the Oklahoma Legislature in 2013. When the offender is *not* ordered supervision by the district attorney (as described above) “the offender shall be required to pay a fee to the district attorney’s office during the first two (2) years of probation to compensate the district for the costs incurred during the prosecution of the offender and for the additional work of verifying the compliance of the offender with the rules and conditions of his or her probation”. However, the legislation provides the district attorney may waive any part of this requirement in the best interests of justice.

**DISTRICT ATTORNEY DRUG ASSET FORFEITURE PROGRAM**

Most district attorneys in the state have a Drug Asset 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. Any cash, vehicles, real

**JASON HICKS, DISTRICT ATTORNEY  
DISTRICT 6  
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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

Jason Hicks, District Attorney  
District 6  
Stephens County Courthouse  
Duncan, Oklahoma 73533

For the purpose of complying with 74 O.S. § 212.E and 22 O.S. §§ 114, 991d, 991f-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 of July 1, 2015 through June 30, 2017.

### Bogus Check, Supervision 991 and Supervision Programs:

- Determine that internal controls are designed and operating over the collections and disbursements 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 disbursements 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 the Supervision 991 Program.

### Drug Asset Forfeiture Program:

- Determine that internal controls are designed and operating over the collections and disbursements 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 disbursements 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, supervision 991 program, and the drug asset 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 Caddo, Grady, Jefferson or Stephens 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 the first name "Gary" being the most prominent.

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

November 7, 2017



**JASON HICKS, DISTRICT ATTORNEY  
DISTRICT 6  
STATUTORY REPORT  
FOR THE PERIOD OF JULY 1, 2015 THROUGH JUNE 30, 2017**

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**SCHEDULE OF FINDINGS AND RESPONSES**

**Finding 2017-1 – Inadequate Segregation of Duties – Bogus Check Restitution, Supervision Fee, and Supervision 991 Programs (Repeat Finding)**

Condition: Upon inquiry of the District Attorney’s office staff and observation of records, the following instances of the lack of segregation of duties in personnel were noted:

Jefferson County

Although the office has developed policies and procedures to introduce some mitigating controls regarding accounting activities, such as a monthly review of deposits and reconciliations, a lack of segregation of duties continues to exist in the procedural process of the Bogus Check Restitution (Merchant and DA Fees), Supervision 991 Fee and Supervision Fee Programs. One employee receives and enters payments, prepares and delivers the deposit, maintains District ledgers, and performs monthly reconciliations. Audit evidence was not available to ensure a daily review of deposits was performed.

**Cause of Condition:** Policies and procedures developed by the District Attorney are not being adhered to by the Jefferson County District Attorney’s office.

**Effect of Condition:** 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:** The Oklahoma State Auditor and Inspector’s Office (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 adhere to the compensating controls as stated in the District 6 Accounting Policies and Procedures for the Office of the District Attorney, to mitigate the risks involved with a concentration of duties.

The District Attorney staff should provide evidence of a daily review and approval of accounting functions including:

- Someone other than the preparer reviewing documents,
- Initialing and dating the review of deposits, claims, and vouchers,
- Re-performing and reviewing reconciliations, and
- Initialing and dating the review of deposit summaries.

**Management Response:**

**District Attorney:** This is a recurring issue and one that will not lend itself to correction without additional personnel. As previously noted, in a prior audit, it is not possible for the Jefferson County office to divide

**JASON HICKS, DISTRICT ATTORNEY  
DISTRICT 6  
STATUTORY REPORT  
FOR THE PERIOD OF JULY 1, 2015 THROUGH JUNE 30, 2017**

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duties to the extent this finding requires as the office employs one staff member, with an Assistant District attorney appearing on an “as needed” basis. The finding notes that we should adhere to compensating controls as stated in the District’s policy. The policies set forth by this District for the Jefferson County office are followed to the best of our ability. The policy states that an Assistant District Attorney will make deposits daily; however, this does not contemplate the fact that the Jefferson County office has a part-time Assistant, who is not in that office daily and as such makes it impossible to have an additional person to take a deposit to the Jefferson County Treasurer daily. The District is addressing the issue to the best of our resources. The financial coordinator reviews the work of the Jefferson county personnel and has found nothing to indicate that there is an issue that would require additional controls. However, the issue will remain so long as the budget of the District remains as it is currently. As stated for the District to adhere to the recommendations, it would require additional personnel to the next closest office the District will have issues with that arrangement as well. Requiring another employee to travel to Jefferson County daily to prepare a deposit and walk the deposit downstairs is not practical. The District would incur additional expenses for both personnel and travel time.

**Auditor Response:** We can certainly understand the financial constraints of the District’s office. We would recommend District 6 Accounting Policies and Procedures for the Office of the District Attorney be reviewed and adjusted to reflect the actual controls that have been in place to safeguard the funds collected and deposited in the Jefferson County office.

**Criteria:** Demonstration of accountability and stewardship are goals used in evaluating management’s accounting for funds. A basic component of adequate internal controls is the segregation of duties so that one individual cannot perpetuate and conceal errors and irregularities in the normal course of his/her duties. To help ensure a proper accounting of funds and strong internal controls, the duties of taking funds and issuing receipts, preparing and making deposits, maintaining ledgers, and reconciling with the County Treasurer should be segregated.



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