

**FREDERICK ESSER
DISTRICT ATTORNEY, DISTRICT 11
STATUTORY REPORT
BOGUS CHECK RESTITUTION FUND
FOR THE YEAR ENDED
JUNE 30, 2005**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

August 15, 2006

Frederick Esser, District Attorney
District 11

Transmitted herewith is the statutory report for the District Attorney of District 11, Washington and Nowata Counties, Oklahoma (the District), for the fiscal year ended June 30, 2005.

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,



JEFF A. McMAHAN
State Auditor and Inspector

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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.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

Statutory Report

Mr. Frederick Esser
District Attorney, District 11
Washington County Courthouse
Bartlesville, Oklahoma 74003

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 2005.

- We examined fees to determine that the correct fees were assessed, receipted, and deposited in compliance with 28 O.S. § 153.
- We determined 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.
- We reconciled the fund to the County Treasurer's records.
- We determined 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.

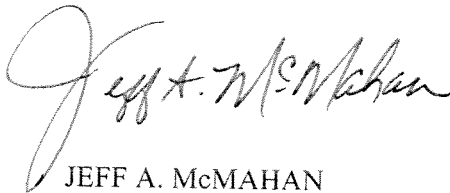
Our engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any general-purpose financial statements of Washington or Nowata County.

Based on our procedures performed; District 11 is properly assessing, receipting, and depositing the correct fees 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; expenditures were supported by invoices and approved claims; goods or services paid for were received; the fund balance reconciles to the County Treasurer's records; the District Attorney prepared and submitted an annual report to the District Attorney's Council; and expenditures were properly classified and presented.

We have prepared a detailed analysis of the Bogus Check Restitution Fund, which is presented following this report.

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

Sincerely,

A handwritten signature in cursive script that reads "Jeff A. McMAHAN". The signature is written in black ink and is positioned above the printed name.

JEFF A. McMAHAN
State Auditor and Inspector

May 31, 2006

BOGUS CHECK RESTITUTION FUND ANALYSIS

COLLECTION INFORMATION

Number of checks received from merchants	<u>2,097</u>	
Dollar amount of checks received		<u>\$ 164,208</u>

RESTITUTION INFORMATION

Beginning Restitution Account Balance at July 1, 2004		\$ 92,565
Number of Restitution checks collected	<u>1,188</u>	
Amount in Restitution collected for merchants		91,632
Cancelled Vouchers		6,630
Amount in Restitution paid to merchants		<u>136,577</u>
Ending Restitution Balance at June 30, 2005		<u>\$ 54,250</u>

FEE AND EXPENDITURES INFORMATION

Beginning District Attorney fee balance at July 1, 2004		\$ 1,340
Amount of District Attorney fees collected during the period		178,027
Expenditures:		
Personnel Costs	\$ 144,000	
Maintenance and Operation Costs	6,071	
Travel Expenses	-	
Other Expenses (Capital Outlay)	<u>3,665</u>	
Total Expenditures		<u>153,736</u>
Ending District Attorney fee balance at June 30, 2005		<u>\$ 25,631</u>