

**EDDIE WYANT (JANUARY 2003-JUNE 2003)
THOMAS H. MAY (JULY 2002-DECEMBER 2002)
DISTRICT ATTORNEY, DISTRICT 13
STATUTORY REPORT
BOGUS CHECK RESTITUTION FUND
FOR THE YEAR ENDED
JUNE 30, 2003**

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

November 29, 2004

Eddie Wyant, District Attorney
District 13

Transmitted herewith is the statutory report for the District Attorney of District 13, Ottawa and Delaware Counties, Oklahoma, for the fiscal year ended June 30, 2003.

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 black ink that reads "Jeff A. McMahan".

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. Eddie Wyant
District Attorney, District 13
Ottawa County Courthouse
Miami, Oklahoma 74354

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 June 30, 2003.

- 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 Ottawa and Delaware Counties.

Based on our procedures performed; District 13 is properly assessing, receipting, and depositing the correct fees in compliance with 28 O.S. § 153; the fund balance reconciles to the County Treasurer's records and the District Attorney is preparing and submitting an annual report to the District Attorney's Council. Our findings regarding expenditures are presented in the attached Schedule of Findings and Recommendations.

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 Ottawa and Delaware County officials. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMAHAN". The signature is written in a cursive style with a large initial "J" and "M".

JEFF A. McMAHAN
State Auditor and Inspector

August 12, 2004

BOGUS CHECK RESTITUTION FUND ANALYSIS

COLLECTION INFORMATION

Number of checks received from merchants	<u>4,063</u>	
Dollar amount of checks received		<u>\$ 355,218</u>

RESTITUTION INFORMATION

Beginning Restitution Account Balance at July 1, 2002		\$ 67,914
Number of Restitution checks collected	<u>4,641</u>	
Amount in Restitution collected for merchants		263,352
Amount in Restitution paid to merchants		258,826
Transfer out of funds		<u>30,000</u>
Ending restitution balance at June 30, 2003		<u>\$ 42,440</u>

FEE AND EXPENDITURES INFORMATION

Beginning District Attorney fee balance at July 1, 2002		\$ 25,640
Amount of District Attorney fees collected during the period		330,847
Transfer in of funds		30,000
Expenditures:		
Personnel Costs	\$ 336,160	
Maintenance and Operation Costs	41,635	
Travel Expenses	0	
Other Expenses (Capital Outlay)	<u>6,146</u>	
Total Expenditures		<u>383,941</u>
Ending District Attorney fee balance at June 30, 2003		<u>\$ 2,546</u>

**EDDIE WYANT
DISTRICT ATTORNEY, DISTRICT 13
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2003**

Finding 2003-1

Criteria: Effective accounting procedures are necessary to ensure stewardship and accountability of public funds. Further, 21 O.S. § 590 requires state governmental entities to “maintain accurate and complete records, ... reflecting all financial and business transactions, which records shall include support documentation for each transaction. No such records shall be disposed of for three (3) years thereafter.”

Condition: For the time period between July 2002 and December 2002 of fiscal year ending June 30, 2003, all claims, invoices and receiving reports were missing. Therefore, for the first half of the fiscal year, we were unable to determine that expenditures were supported by an approved claim, original invoice and verifications of goods received. Furthermore, we were unable to determine that all bogus check restitution fund expenditures were used to defray the expense of the bogus check restitution program in accordance with 22 O.S. § 114.

Effect: This condition results in non-compliance with state statutes and could result in the misappropriation of assets.

Recommendation: It is recommended that complete records be retained for the period of time set forth in the Oklahoma Statutes.