

**TIM HARRIS  
DISTRICT ATTORNEY, DISTRICT 14  
STATUTORY REPORT  
BOGUS CHECK RESTITUTION FUND  
FOR THE YEAR ENDED  
JUNE 30, 2006**

---

This publication is printed and issued by the State Auditor and Inspector as authorized by 74 O.S. § 212 (E) and 22 O.S. § 114. Pursuant to 74 O.S. § 3105.B, six (6) copies have been prepared and distributed at a cost of \$13.34. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.



STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

April 13, 2007

Tim Harris, District Attorney  
District 14

Transmitted herewith is the statutory report for the District Attorney of District 14, Tulsa County, Oklahoma, for the fiscal year ended June 30, 2006.

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 cursive script that reads "Jeff A. McMahon".

JEFF A. McMAHAN  
State Auditor and Inspector

TABLE OF CONTENTS

Introductory Information ..... ii

Statutory Report of State Auditor and Inspector ..... 1

Bogus Check Restitution Fund Analysis ..... 3

Schedule of Findings and Recommendations ..... 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.



STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN  
State Auditor and Inspector

**Statutory Report**

Mr. Tim Harris  
District Attorney, District 14  
Tulsa County Courthouse  
Tulsa, Oklahoma 74103

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 they relate to the records of the Bogus Check Restitution Fund for the fiscal year June 30, 2006.

- Examine fees to determine that the correct fees were assessed, received, and deposited in compliance with 28 O.S. § 153.
- Determine whether expenditures were used to defray lawful expenses of the District Attorney's office and restitution agreements do not exceed two years 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.

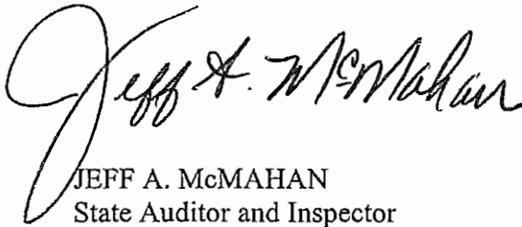
Our engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any general-purpose financial statements of Tulsa County.

Based on our procedures performed; District 14 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; the fund balance reconciles to the County Treasurer's records; the District Attorney is preparing and submitting an annual report to the District Attorney's Council; and expenditures are properly classified and presented. With respect to goods or services paid for being received and restitution agreements, our findings are included in the 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 Tulsa County officials. However, this report is a matter of public record and its distribution is not limited.

Sincerely,



JEFF A. McMAHAN  
State Auditor and Inspector

March 26, 2007

**BOGUS CHECK RESTITUTION FUND ANALYSIS**

**COLLECTION INFORMATION**

Number of checks received from merchants	<u>16515</u>	
Dollar amount of checks received		<u>\$ 2,197,259</u>

**RESTITUTION INFORMATION**

Beginning Restitution Account Balance at July 1, 2005		\$ 207,182
Number of restitution checks collected	<u>13509</u>	
Amount in restitution collected for merchants		1,402,769
Cancelled vouchers		6,385
Amount in restitution paid to merchants		<u>1,410,673</u>
Ending Restitution Balance at June 30, 2006		<u>\$ 205,663</u>

**FEE AND EXPENDITURES INFORMATION**

Beginning District Attorney fee balance at July 1, 2005		\$ 260,150
Amount of District Attorney fees collected during the period		1,359,086
Account transfer		25,543
Expenditures:		
Personnel costs	1,146,648	
Maintenance and operations costs	172,873	
Travel expenses	-	
Other expenses (capital outlay)	<u>13,195</u>	
Total Expenditures		<u>1,332,716</u>
Ending District Attorney fee balance at June 30, 2006		<u>\$ 312,063</u>

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**Finding 2006-1**

Criteria: Title 22 O.S. § 114, states, "The district attorney may enter into a written restitution agreement with the defendant to defer prosecution on a false or bogus check for a period to be determined by the district attorney, not to exceed two (2) years..."

Condition: From test work performed, we noted one instance where a restitution agreement was restructured 15 months into the agreement, two of the four checks were eliminated, and the remaining two checks were extended on a new agreement for 16 months past the end of the original restitution agreement.

Effect: The District Attorney's office may be in violation of state statutes.

Recommendation: We recommend that all restitution agreements written do not exceed the two-year limit, as outlined in the state statutes.

Views of responsible officials and planned corrective actions: Our office will adhere to the state statute limitation for checks placed on restitution agreements. All checks placed on restitution agreements, even restructured agreements, will be limited to (24) twenty-four months or two years as outlined by the state statutes.

**Finding 2006-2 (Repeat Finding)**

Criteria: Title 19 O.S. § 1501 and 1503 includes that upon the receipt of goods or service a receiving report is to be signed by a designated receiving officer.

Condition: From test work performed, we noted two (2) instances out of twenty-five (25) sampled purchase orders that did not have a receiving report signed by the proper receiving officer.

Effect: The County may be in violation of state statutes.

Recommendation: We recommend that all applicable purchases be supported by receiving documentation and be signed by a designated receiving officer as required by 19 O.S. § 1501 and 1503.

Views of responsible officials and planned corrective actions: It is our policy for the receiving officer to always sign purchase orders where product is ordered and received. However, purchase orders for office supplies were not signed because the purchase orders were issued to the Tulsa County Administrative

Services. The purchase orders were issued to reimburse the County for acquiring and delivering the office supplies. Since we were reimbursing the County, the receiving officer was not asked to sign the purchase orders. Our policy changed in July 2007. All purchase orders ordering, receiving and/or reimbursing for products are now signed by the receiving officer.