MITCH SPERRY
DISTRICT ATTORNEY, DISTRICT 20
STATUTORY REPORT
BOGUS CHECK RESTITUTION FUND
FOR THE YEAR ENDED
JUNE 30, 2003

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September 10, 2003

Mitch Sperry, District Attorney
District 20


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.
Statutory Report

Mr. Mitch Sperry
District Attorney, District 20
Carter County Courthouse
Ardmore, Oklahoma 73402

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, 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 Carter, Love, Marshall, Murray, or Johnston Counties.

Based on our procedures performed; District 20 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; 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. With respect to District 20 expenditures being supported by invoices and approved claims, our finding is 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 Carter, Love, Marshall, Murray, and Johnston 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

August 18, 2003
Schedule of Findings and Recommendations

Finding 2003-1 - Expenditures

Criteria: Title 22 O.S. § 114 states, "This money shall be deposited in a special fund with the county treasurer to be known as the "Bogus Check Restitution Program Fund". This fund shall be used by the district attorney to defray any lawful expense of the district attorney’s office. The district attorney shall keep records of all monies deposited to and disbursed from this fund. The records of the fund shall be audited at the same time the records of county funds are audited.

Condition: Of the 25 Bogus Check claims tested it was noted that 1 claim could not be located, 2 did not have proper supporting documentation such as an invoice, and 6 were not approved by the District Attorney.

Recommendation: We recommend that each claim have an original invoice attached and all claims be approved by the District Attorney.

Management’s Response: Management is currently working to correct this finding.
COLLECTION INFORMATION

Number of checks received from merchants 6,544
Dollar amount of checks received $469,359

RESTITUTION INFORMATION

Beginning Restitution Account Balance at July 1, 2002 $ 190
Number of Restitution checks collected 5,304
Amount in Restitution collected for merchants 273,830
Amount in Restitution paid to merchants 273,410
Ending restitution balance at June 30, 2003 $ 610

FEE AND EXPENDITURES INFORMATION

Beginning District Attorney fee balance at July 1, 2002 $269,649
Amount of District Attorney fees collected during the period 369,551

Expenditures:

Personnel Costs 342,425
Maintenance and Operations Costs 51,371
Travel Expenses 1,000
Other Expenses 8,442
Total expenditures 403,238

Ending District Attorney fee balance at June 30, 2003 $235,962