

**TIM D. KUYKENDALL  
DISTRICT ATTORNEY, DISTRICT 21  
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

September 10, 2003

Tim D. Kuykendall, District Attorney  
District 21

Transmitted herewith is the statutory report for the District Attorney of District 21, Cleveland, McClain, and Garvin Counties, Oklahoma, (the District) 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 cursive script 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**

Tim D. Kuykendall  
District Attorney, District 21  
Cleveland County Courthouse  
Norman, Oklahoma 73069

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, received, 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.

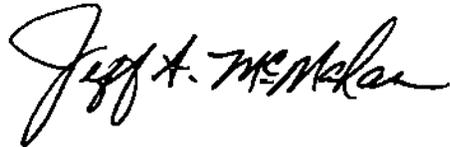
Our engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any general-purpose financial statements of Cleveland, McClain,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

Based on our procedures performed; District 21 is properly assessing 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. With respect to District 21, receipting and depositing, 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 the report.

This report is intended for the information and use of the District Attorney and Cleveland, McClain, and Garvin 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, prominent initial "J".

JEFF A. McMAHAN  
State Auditor and Inspector

August 19, 2003

**Schedule of Findings and Recommendations**

**Finding 2003-1 – Receipting and Depository**

**Criteria:** Good internal controls over accounting and record keeping are required to ensure the accurate financial position of the District Attorney Bogus Check Program. Further, Title 62 O.S. § 7.1C. "...Receipts of One Hundred Dollars (\$100.00) or more shall be deposited on the same banking day as received."

**Condition:** It was noted while performing cash compositions on the bogus check account that McClain and Garvin Counties were not depositing monies received on a daily basis.

**Recommendation:** We recommend that all monies collected be deposited on the same banking day as received.

**Management's Response:** All funds received will be deposited on a daily basis.

**TIM D. KUYKENDALL  
DISTRICT ATTORNEY, DISTRICT 21  
BOGUS CHECK RESTITUTION ACCOUNT ANALYSIS  
JUNE 30, 2003**

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**COLLECTION INFORMATION**

Number of checks received from merchants	<u>17,861</u>	
Dollar amount of checks received		<u>\$ 2,402,948</u>

**RESTITUTION INFORMATION**

Beginning Restitution Account Balance at July 1, 2002		\$ 175,346
Number of Restitution checks collected	<u>12,162</u>	
Amount in Restitution collected for merchants		1,186,502
Amount in Restitution paid to merchants		<u>1,168,058</u>
Ending restitution balance at June 30, 2003		<u>\$ 193,790</u>

**FEE AND EXPENDITURES INFORMATION**

Beginning District Attorney fee balance at July 1, 2002		\$ 320,701
Amount of District Attorney fees collected during the period		1,318,376
Expenditures:		
Personnel Costs	1,036,845	
Maintenance and Operations Costs	205,860	
Travel Expenses	11,133	
Other Expenses	<u>11,740</u>	
Total expenditures		<u>1,265,578</u>
Ending District Attorney fee balance at June 30, 2003		<u>\$ 373,499</u>