

**DISTRICT ATTORNEY
DISTRICT 5**

**BOGUS CHECK
RESTITUTION FUND**

**FOR THE YEAR ENDED
JUNE 30, 2008**

STATUTORY REPORT



Oklahoma State Auditor
& Inspector

**ROBERT SCHULTE, DISTRICT ATTORNEY
DISTRICT 5
STATUTORY REPORT
BOGUS CHECK RESTITUTION FUND
FOR THE YEAR ENDED
JUNE 30, 2008**

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 copies have been prepared and distributed at a cost of \$14.44. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

October 17, 2008

Robert Schulte, District Attorney
District 5

Transmitted herewith is the statutory report for the District Attorney of District 5, Comanche and Cotton Counties, Oklahoma (the District), for the fiscal year ended June 30, 2008.

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 blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

A handwritten signature in blue ink that reads "Michelle R. Day".

MICHELLE R. DAY, ESQ.
DEPUTY STATE AUDITOR & 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 Responses 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 AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

Statutory Report

Robert Schulte
District Attorney, District 5
Comanche County Courthouse
Lawton, Oklahoma 73501

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, 2008.

- Examine fees to determine that the correct fees were assessed, receipted, and deposited in compliance with 28 O.S. § 153.
- Determine 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.
- 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 Comanche or Cotton Counties.

Based on our procedures performed, District 2 was properly assessing and receipting 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 reconciled 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 the matter of depositing in a timely manner, our finding is presented in the schedule of findings and responses.

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

Sincerely,



STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR



MICHELLE R. DAY, ESQ.
DEPUTY STATE AUDITOR & INSPECTOR

August 14, 2008

**ROBERT SCHULTE, DISTRICT ATTORNEY
DISTRICT 5
STATUTORY REPORT
JUNE 30, 2008**

BOGUS CHECK RESTITUTION FUND ANALYSIS

COLLECTION INFORMATION

Number of checks received from merchants	<u>7,519</u>	
Dollar amount of checks received		<u>\$ 428,383</u>

RESTITUTION INFORMATION

Beginning Restitution Account Balance at July 1, 2007		\$ 100,196
Number of restitution checks collected	<u>unavailable</u>	
Amount in restitution collected for victims		550,175
Cancelled vouchers		10,786
Amount in restitution paid to merchants		<u>(654,163)</u>
Ending Restitution Balance at June 30, 2008		<u>\$ 6,994</u>

FEE AND EXPENDITURES INFORMATION

Beginning District Attorney fee balance at July 1, 2007		\$ 223,369
Amount of District Attorney fees collected during the period		643,684
Expenditures:		
Personnel costs	714,721	
Maintenance and operation costs	6,716	
Other expenses	<u>3,605</u>	
Total Expenditures		<u>725,042</u>
Ending District Attorney fee balance at June 30, 2008		<u>\$ 142,011</u>

SCHEDULE OF FINDINGS AND RESPONSES

Finding 2008-1 – Cash Collections

Criteria: Effective internal controls over funds collected include those funds collected being deposited on a daily basis with the County Treasurer, so as to provide a safeguard of the funds collected.

Condition: The test of three months of bogus check collections in the Cotton County District Attorney's Office for fiscal year 2008, revealed 21 instances in which receipts were not deposited in a timely manner.

Effect: Funds collected are not protected.

Recommendation: OSAI recommends the District Attorney's office deposit all monies receipted on behalf of the office in a timely manner.

Views of responsible officials and planned corrective actions: Immediate steps have been taken to insure this is not a problem in the future. The office now has two secretaries and the responsibility for handling the money has been re-assigned. The procedure used in the Comanche County Office will be implemented immediately. The attorney assigned to the Cotton County Office will play a greater role in monitoring the receipt and deposit of monies.



**OFFICE OF THE STATE AUDITOR AND INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896**

WWW.SAI.STATE.OK.US