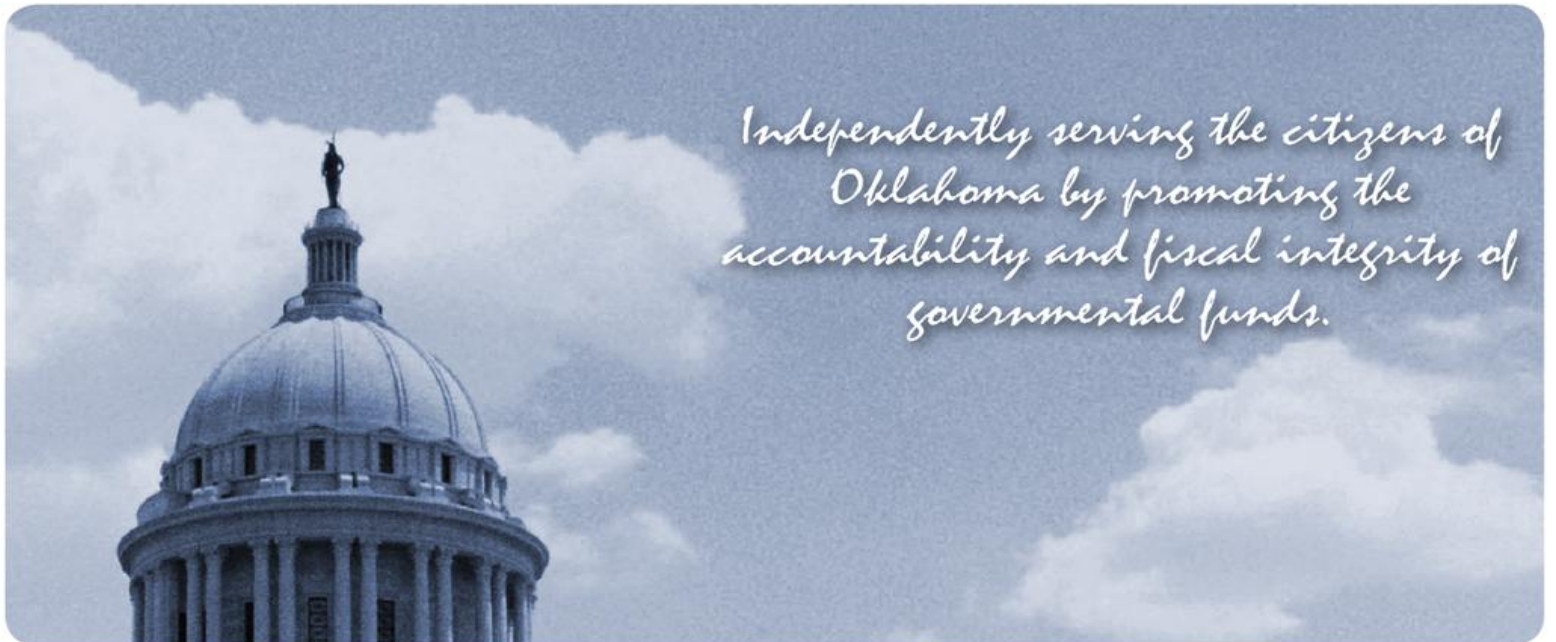


INVESTIGATIVE REPORT

KAY COUNTY JUSTICE FACILITIES AUTHORITY (DETENTION CENTER)

For the period of August 16, 2010 through December 31, 2015



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**KAY COUNTY JUSTICE FACILITIES AUTHORITY
(KAY COUNTY DETENTION CENTER)**

INVESTIGATIVE AUDIT REPORT

AUGUST 16, 2010 THROUGH DECEMBER 31, 2015

This publication, issued by the Oklahoma State Auditor and Inspector's office, as authorized by **74 O.S. § 212(H)** was not printed, but is available on our agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to **74 O.S. § 3105(B)**. This report has been released for publication by the District Attorney, District 8.

**KAY COUNTY JUSTICE FACILITIES AUTHORITY
(KAY COUNTY DETENTION CENTER)
INVESTIGATIVE AUDIT REPORT
DATE OF RELEASE: APRIL 29, 2016**



**Report
Highlights**

This audit was performed in response to a District Attorney request in accordance with 74 O.S. § 212(H).

WHY WE CONDUCTED THE AUDIT

The Honorable Brian Hermanson, District Attorney for the 8th District of Oklahoma, requested the assistance of the Oklahoma State Auditor and Inspector in conducting an audit of the Kay County Justice Facilities Authority, hereinafter referred to as the Kay County Detention Center (KCDC), in connection with allegations of missing inmate funds.

KEY FINDINGS

- \$363,565.97 in cash collected from inmates during the booking process, as well as cash deposits made into the Tiger kiosk for inmates, was not deposited into the Inmate Trust Fund Checking Account.
- The accounting records and bank accounts for the Inmate Trust Fund Checking Account and the Commissary account are not maintained separately as required by statute.
- Internal controls were not in place to safeguard receipts and disbursements of the Inmate Trust Fund Checking Account.
- Upon request of the Administrative Assistant, bank statements were held at the bank for personal pick-up instead of being mailed to the KCDC.
- A Department of Corrections check in the amount of \$38,286.00 for the reimbursement of boarding prisoners was intercepted and deposited into the Inmate Trust Fund Checking Account instead of with the Kay County Treasurer.
- Checks from the Inmate Trust Fund Checking Account were written for purposes other than those purposes allowed by statute. This included checks written to bondsmen, car payments, a finance company, and to municipalities to pay fees.
- The method of preparing deposit slips changed during calendar year 2014. The letters “MO” were listed with a lump-sum amount instead of listing out individual checks or money orders. These lump-sum amounts included checks from City Tele-Coin, Bridgeway, Inc., the City of Newkirk and the City of Tonkawa totaling \$46,562.74. These checks were deposited into the Inmate Trust Fund Checking Account instead of with the Kay County Treasurer’s office where the funds would have been restricted for the operation of the jail. It appears that this was done in order to cover up cash collections that were never deposited.

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**Report
Highlights
(Continued)**

- Multiple checks were written to inmates as “final release payments,” however, it appears the checks were not delivered to the inmates but were instead deposited back into the Inmate Trust Fund Checking Account on the same day. It appears that this was done in order to cover up cash collections that were never deposited.
- Multiple checks were handwritten instead of using the Tiger Correctional system, which would override controls in place through the system.
- The Administrative Assistant was in charge of issuing checks from the Inmate Trust Fund Checking Account. There were no internal controls or independent reviews of these transactions which resulted in multiple checks being issued and cashed that were missing one or both signatures.



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

April 29, 2016

The Honorable Brian Hermanson
District Attorney, District 8
201 S. Main
Newkirk, Oklahoma 74647

District Attorney Hermanson:

Pursuant to your request and in accordance with the requirements of **74 O.S. § 212(H)**, we performed an investigative audit of the Kay County Detention Center. Transmitted herewith is our investigative report. This investigation focused on the period of August 16, 2010 through December 31, 2015.

The objective of our audit primarily included, but was not limited to, the concern noted in your request. Our findings related to that objective are presented in the accompanying report.

Because an investigative audit does not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on the account balances or financial statements of the Kay County Detention Center for the period of August 16, 2010 through December 31, 2015.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

This report is addressed to, and is for the information and use of, the District Attorney, as provided by statute. This document is also a public document pursuant to the **Oklahoma Open Records Act**, in accordance with **51 O.S. §§ 24A.1, et seq.**

Sincerely,

A handwritten signature in blue ink that reads "Gary A. Jones".

Gary A. Jones, CPA, CFE
Oklahoma State Auditor and Inspector

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**KAY COUNTY JUSTICE FACILITIES AUTHORITY
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BOARD MEMBERS**

Wes Young Chairman
Bruce Robinson Vice Chairman
Everette Van Hoesen..... Kay County Sheriff, Trustee
Jason Shanks Kay County District 2 Commissioner, Trustee
Lowell LeFebvre Trustee
Jim Steiber Trustee
Jimmy Greenhagen Trustee

KAY COUNTY DETENTION CENTER DIRECTORS

Don Jones (February 2014 – Current)..... Director
Jody Burd (February 2011 – January 2014)..... Former Director
Jeff Buechler (October 2010 – January 2011) Former Director

ADMINISTRATIVE ASSISTANT

Melissa Sprueill

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INTRODUCTION

The Kay County Justice Facilities Authority (KCJFA) board consists of seven trustees: the current Kay County Sheriff or his/her designee, a member of the Board of County Commissioners, and five residents of Kay County.

The KCJFA is a public trust established on February 2, 2007 under **Title 60 O.S. §§ 176, et seq.** The KCJFA constructed the Kay County Detention Center (KCDC) and assumed operations of the KCDC on October 22, 2010.

In accordance with the request by the District Attorney of Kay County, the Office of the State Auditor and Inspector has conducted an investigative audit to determine if monies collected from inmates and the Tiger kiosk were misappropriated.

The results of our inquiry are included in the following report and were provided to the District Attorney of Kay County.

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BACKGROUND

The Inmate Trust Fund account was created under **Title 19 O.S. § 531.A** which states in part, "...the county sheriff may establish a checking account, to be designated the 'Inmate Trust Fund Checking Account,' to be managed by the county sheriff and maintained separately from regular county funds."

The statute continues with, "...the county sheriff shall deposit all monies collected from inmates incarcerated in the county jail into this checking account and may write checks to the Sheriff's Commissary Account for purchases made by the inmate during his or her incarceration and to the inmate from unencumbered balances due the inmate upon his or her discharge."

When the Sheriff's office was controlling the Inmate Trust Fund Checking Account, profits from the commissary were deposited into the Sheriff Commissary Fund with the Kay County Treasurer's office.

Upon establishment, the KCJFA took over the operation of the Inmate Trust Fund Checking Account and the operation of the Commissary, which records the transactions of the Inmate Trust Fund Checking Account. The KCJFA also assumed control of the Sheriff's office in regards to the administration of the jail. However, the KCDC did not create a new bank account for profit collected by the commissary, and was instead running it out of the Inmate Trust Fund account. Further, **Title 19 O.S. § 513.2(A)** states, "For purposes of any jail facility, holding facility or detention center, every reference in statute or rule to any duty or responsibility imposed upon the sheriff or any jailer to operate, manage or provide any service to any person in the custody of such facility or any service related to the management or operation of such facility shall be deemed applicable to and imposed upon the public trust or private owner or management entity who by contract or otherwise legally operates or manages such jail facility, holding facility or detention facility."

Since profit was also collected in the Inmate Trust Fund Checking Account, monies collected on behalf of the inmates were now comingled with profit received due to the operation of the commissary. The KCDC receives most of its commissary revenue by collecting commissions from its two biggest vendors, Tiger Correctional and City Tele-Coin.

The Tiger system was upgraded on August 16, 2010 and all inmates' accounts were rolled forward into the new system. Because of this, any transactions that occurred prior to this date were not able to be retrieved by the KCDC during the course of this audit.

VENDOR SERVICES

Tiger Correctional provides both commissary services and software for management of the KCDC. The software provided by Tiger Correctional will be referred to as the Tiger system throughout the remainder of this report. The Tiger system allows individual accounts to be opened for inmates and tracks money that is deposited into those accounts. Inmate monies are received in the following manner:

- Money is collected from inmates during the initial booking process.
- Online credit card payments made on behalf of inmates.
- Cash or credit card payments made on behalf of inmates using the kiosk at the KCDC.

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During April of 2011, Tiger system installed a kiosk in the front lobby of the KCDC for family members or other visitors of inmates to deposit money by cash or credit card to the corresponding inmate's account. The Tiger system also records and logs all money deposited in its kiosk automatically. Tiger system also provides a way for people to make credit card payments online on behalf of the inmates at the KCDC.

Tiger system collects fees associated with using the kiosk. A \$2.50 fee is collected for cash payments, and a 10% transaction fee is associated with credit card payments. The 10% fee also applies to credit card payments made online. When the weekly delivery is made of commissary products that were ordered by inmates, the profits that would go to the KCDC are deducted from the amount owed to Tiger Correctional.

Each month the KCDC makes payments to Tiger Correctional for all commissary goods purchased, less commissions received. Since Tiger system does not remit a check to the KCDC, but rather subtracts commissions from its billing, the profit is never recorded or accounted for at the KCDC.

The Tiger system also allows the KCDC to write and issue checks to either pay for vendor services, or to release the remaining balances of inmate's accounts to the inmates when they are released from custody of the KCDC.

Commissions collected from City Tele-Coin, however, are remitted via check to the KCDC and then deposited with the Kay County Treasurer's office.

INTERNAL CONTROLS

Melissa Sprueill, the Administrative Assistant at the KCDC, had unlimited control over all facets of the KCDC's revenues and expenses regarding inmate trust and commissary. Due to the same bank account being used for both inmate trust money and commissary profit received, it appears Ms. Sprueill was able to use the profit that was owed to the KCDC to cover the amount of cash that was collected at the KCDC for inmates, but was never deposited at the bank. It appears this concealment was made easier by the KCDC not documenting any profit received from its vendors. A lack of internal controls ultimately created an opportunity for Ms. Sprueill to control the Inmate Trust Fund Checking Account.

Ms. Sprueill had the following duties while she worked at the KCDC:

- Collecting the money from the safe in the booking department.
- Entering the inmates into the Tiger system along with amounts.
- Assigned custodian of both keys used to open the Tiger kiosk in the front lobby.
- In charge of opening some of the mail.
- Ability to void payments in the Tiger system.
- Preparing deposits.
- Delivering deposits to the bank.
- Reconciling all accounts.
- Designated requisitioning officer in charge of creating purchase orders.
- In charge of issuing and printing checks through the Tiger system to pay vendors and inmates.
- Authorized signer for issuing checks.

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Since there were deficiencies in internal controls, notably inadequate segregation of duties and a lack of management oversight, it appears Ms. Sprueill was able to conceal embezzling cash for years without anyone noticing.

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KEY ISSUES

Ms. Sprueill requested the bank start holding all of the monthly bank statements for the Inmate Trust Fund Checking Account, to be picked up by her rather than mailing them to the KCDC. The bank statements included the word, "Hold" on the top right corner of each statement which continued until her resignation, in January of 2016. Although Ms. Sprueill primarily opened the mail, mail was delivered to the receptionist desk, and at times was opened by other employees. With the bank holding the statements instead of mailing them, Ms. Sprueill was able to restrict access and prevent other employees from seeing the bank statements.

Ms. Sprueill also controlled all communication between the commissary's two biggest revenue vendors; Tiger Correctional and City Tele-Coin. She did this by using her own personal email address instead of the one provided to her by the KCDC. Since she was the only point of contact for these vendors, management at the KCDC was unaware that monthly payments to these vendors were at times several months behind schedule.

As Ms. Sprueill was given more responsibility, the transparency decreased over the Inmate Trust Fund Checking Account. She was the only one who had access to open the Tiger kiosk to collect money deposited on behalf of inmates and was one of the few who knew how to run the Tiger system. When the KCDC was audited each year by an external audit firm, she was the only one who was able to answer any questions about the Inmate Trust Fund Checking Account and also the only one to provide supporting documentation to the auditors as she was the sole custodian of the bank statements.

Ms. Sprueill was also listed as a requisitioning officer, allowing her the authority to create purchase orders for goods and services related to the KCDC. Purchase orders must be approved by the director of the KCDC to be valid. Over the course of this investigation, it was noted that Ms. Sprueill did have access to signature stamps, including one from the previous directors of the KCDC. Signature stamps were kept in an unsecure location, and appear to have been used by Ms. Sprueill as a second authorized signature on checks issued by the KCDC.

The Director of the KCDC also relied on Ms. Sprueill to create monthly appropriation ledgers to list purchases made by the KCDC, which were then reported to the KCJFA Board for review. It was noted that the appropriation ledgers listed vendors and amounts only, but supporting documentation including detailed invoices were not provided. Invoices are included on purchase orders which are kept at the Kay County Clerk's office, but are not reviewed by the Kay County Justice Facilities Authority Board. Purchase orders are also only approved by the Kay County Board of County Commissioners and not the Kay County Justice Facilities Authority Board. Although noted, purchase orders were not in the scope of this investigation, and were not reviewed.

One of the financial problems KCDC has been facing is a loss of revenue from the Department of Corrections (DOC). The DOC contracts with the KCDC to house DOC inmates who are awaiting space to open up for them at another facility. The DOC pays jails to house its inmates \$27.00 a day, which is set by state statute. The DOC has cut back on the amount of inmates it houses at the KCDC, resulting in a loss of revenue. Normally when the DOC remits a check to the KCDC, the check is mailed to the KCDC, and then remitted to the Kay County Treasurer's office.

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On November 30, 2011, it appears a DOC check in the amount of \$38,286.00 was intercepted by Ms. Sprueill and deposited into the Inmate Trust Fund Checking Account. This went undetected by other employees at the KCDC, as Ms. Sprueill was able to completely conceal all components of the Inmate Trust Fund Checking Account at this time.

Starting in 2014, we noted changes in deposit slips. Previously, checks or money orders were individually itemized on deposit slips. Deposit slips now included the letters "MO" next to a one lump-sum amount. These appeared to be single money orders with large amounts being deposited. We hand-selected eight of these money orders that were over \$4,000 and reviewed all supporting documentation for each of them.

Instead of a single money order, documentation obtained from the bank showed multiple checks or money orders being deposited. By not itemizing the deposit slips to accurately reflect what was being truly deposited, Ms. Sprueill was now able to conceal checks designated for other purposes to appear as legitimate deposits into the Inmate Trust Fund Checking Account.

Each of the eight deposits included checks from City Tele-Coin or Bridgeway, Inc. One of the deposits also included checks from the City of Newkirk and the City of Tonkawa. Checks from these vendors should be deposited with the Kay County Treasurer's office per state statute.

The total of all eight deposits was \$46,887.74. Of that amount, checks totaling \$46,562.74 were from the above listed vendors.

Although more than half of the cash collected from the Tiger kiosk and from inmate booking was never deposited, Ms. Sprueill did credit the accounts of the inmates in the Tiger system. This protected her from inmates noticing irregularities or deficiencies in their accounts when ordering goods from the commissary. Since the Tiger system is not connected to the Inmate Trust Fund Checking Account, any money that was input into the Tiger system did not have to agree to the balance of the bank statement.

According to the external audit firm that audits the KCDC on a yearly-basis, Ms. Sprueill would reconcile the ending balance of the June 30th bank statement of the current year with a report issued through the Tiger system. She was unable to reconcile the balance as of the fiscal year 2015 audit report, resulting in a discrepancy of approximately \$5,300.00.

During the investigation, we could not find any evidence that reconciliations were being completed between the Tiger system and the Inmate Trust Fund Checking Account. Furthermore, since commissary profit was never recorded and was comingled into the same account as inmate trust money, it would be unlikely that any report from the Tiger system would reconcile to the bank statement. We asked the external audit firm for the Tiger system reports for evidence of Ms. Sprueill performing reconciliations. The external audit firm was unable to provide these documents for our review.

The approximate discrepancy in the amount of \$5,300.00 was only noted in a Letter to Management, which was then sent to those charged with governance over the KCDC. The fiscal year 2015 published audit report however failed to show any discrepancies in regards to the Inmate Trust Fund Checking Account balance.

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The following information was included in an Affidavit of Probable Cause filed in the District Court of Kay County, Oklahoma on April 25, 2016:

On January 8, 2016, Kay County Detention Center (KCDC) Director Don Jones reported to the OSBI that on January 6, 2016 KCDC Administrative Assistant Melissa Sprueill confessed to him that she had been taking money from the commissary account cash deposits. Sprueill was in charge of the commissary account for KCDC, she was the person who prepared the deposits for that account, and the person who took the deposits to the bank. Sprueill told Jones she did not know how much money she had taken altogether because she had been taking money the entire time she had been in charge of that account – a period of about five years. Jones spent about a day contemplating what Sprueill had told him, and on January 7, 2016 he told Sprueill it would be best if she resigned her position. Sprueill resigned on that date.

On January 8, 2016, Melissa Sprueill told OSBI agents the same story she had told Jones. According to Sprueill, around the time she took over control of the commissary account, she developed a gambling problem. She started frequenting the casinos around Newkirk, Oklahoma, became addicted to gambling, and started losing money regularly. At that point she started taking money from the commissary account. She would “pocket” some or all of the cash that was supposed to be deposited in the bank and make the deposit slip match what was actually going in the bank. She maintained that she did not try to change any records to hide what she was doing, and she never failed to credit an inmate’s account for money that was meant to go on their books.

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Objective: Determine if monies collected from inmates and the Tiger kiosk have been misappropriated.

Summary of Findings:

- **\$363,565.97 in cash collected from inmates and the Tiger kiosk was not deposited into the Inmate Trust Fund Checking Account.**
- **Ms. Sprueill was given complete responsibility and authority over the Inmate Trust Fund Checking Account with no oversight by management and no internal controls to safeguard these funds.**
- **The Inmate Trust Fund Checking Account and Commissary account are not maintained separately as required by state statute.**

Finding \$363,565.97 in cash collected from inmates and from the Tiger kiosk was not deposited into the Inmate Trust Fund Checking Account.

For the audit period August 16, 2010 through December 31, 2015, the following table presents a breakdown of the cash collected per Tiger reports compared to the actual cash deposited into the Inmate Trust Fund Checking Account from inmate intake and the Tiger kiosk.

Calendar Year	Total Cash Collected Per Tiger Reports (that should have been deposited)	Monies Collected at Intake and Deposited	Monies Collected from Tiger Kiosk and Deposited	Total Cash Not Deposited
2015	\$138,680.74	\$30,215.19	\$2,904.00	\$105,561.55
2014	\$188,664.75	\$44,222.50	\$6,979.00	\$137,463.25
2013	\$99,145.02	\$34,904.60	\$6,786.00	\$57,454.42
2012	\$123,756.57	\$34,424.42	\$27,435.00	\$61,897.15
2011	\$89,474.13	\$55,763.03	\$32,521.50	\$1,189.60
Total				\$363,565.97

Inmate Intake Cash: When an inmate comes into the KCDC and physically has money on them, it is taken from them at the booking department, and put in an envelope that has the inmate's name written on it, a receipt is created and given to the inmate, and a carbon copy put in the envelope, before it is then placed in the safe.

In the morning, Ms. Sprueill would collect the envelopes from the safe in booking and then take them to the receptionist office in the front of the building. Ms. Sprueill or

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another KCDC receptionist would input the inmate's personal information and record the amounts which they had on them during booking into the Tiger system. If the inmate already had an account in the Tiger system from a previous stay at the KCDC, the account would be reopened. If they were a first-time inmate, a new account would be created. The Tiger system amounts should equal the receipt and money included in the envelope. There was no independent review of the cash collected from the inmates from the Tiger reports to what was deposited into the Inmate Trust Fund Checking Account.

Kiosk Cash: The Tiger kiosk was put in the front of the KCDC in FY 2011 for people to deposit cash or credit card payments into an inmate's account. A fee of \$2.50 was taken for every cash payment, and a 10% fee would be taken for credit card payments. The credit card fees would go directly to Tiger without the KCDC remitting any payment via ACH payment. Tiger kiosk cash fees would be collected at the time of deposit and a check would be written to Tiger Correctional for the fees collected on a monthly basis.

When the kiosk is used, the money would automatically be added to the inmate's account on the Tiger system. Ms. Sprueill had the only keys to the Tiger kiosk. She kept one in her physical possession and the other was located in her office. Ms. Sprueill would open the Tiger kiosk periodically instead of daily to take out the cash. She would then take the cash back to her office to count the cash and prepare a deposit ticket for the bank. Management had not designed internal controls to compare cash collected in the Tiger kiosk per the Tiger reports to the actual collections deposited into the Inmate Trust Fund Checking Account.

Finding Lack of internal controls over the Inmate Trust Fund Checking Account.

Through interviews and observation, we noted multiple issues regarding a lack of internal controls during Ms. Sprueill's employment. Ms. Sprueill was in charge of the Inmate Trust Fund Checking Account and bank account for the KCDC. She was responsible for the following duties:

- Collecting the money from the safe in the booking department.
- Entering the inmates into the Tiger system along with amounts.
- Assigned custodian of both keys used to open the Tiger kiosk in the front lobby.
- In charge of opening some of the mail.
- Ability to void payments in the Tiger system.
- Preparing deposits.
- Delivering deposits to the bank.
- Reconciling all accounts.
- Designated requisitioning officer in charge of creating purchase orders.
- In charge of issuing and printing checks through the Tiger system to pay vendors and inmates.
- Authorized signer for issuing checks.

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There was no indication of any review of Ms. Sprueill's work. There was also no evidence of any type of reconciliation being performed by Ms. Sprueill for the Inmate Trust Fund Checking Account. She also was the only individual who received communication with Tiger Correctional and City Tele-Coin, who offers prepaid phone cards. This was done by Ms. Sprueill using her own personal email address. After she resigned, KCDC discovered that she had not timely paid vendors and some accounts were delinquent.

Signature stamps were not safeguarded against unauthorized use and were stored on the counter of the receptionist's office. Check stock was left unsecured in an unlocked drawer near the signature stamp.

Bank statements for the Inmate Trust Fund Checking Account had "Hold" in the top right hand corner of the bank statement. OSAI contacted the bank and they stated that this meant that the bank statements would be held at the bank until someone from the KCDC picked them up. The bank also stated that Ms. Sprueill was the individual that picked the bank statements up.

While reviewing the bank statements for the Inmate Trust Fund Checking Account, we noted a check in the amount of \$38,286.00 from the Department of Corrections (DOC) was deposited into the Inmate Trust Fund Checking Account on November 30, 2012. We then hand-selected eight deposits over \$4,000 to verify and review all supporting documentation for each deposit. We noted checks totaling \$46,562.74 from City Tele-Coin, Bridgeway, Inc., City of Newkirk, and City of Tonkawa were deposited into the Inmate Trust Fund Checking Account. These checks should have been deposited with the Kay County Treasurer's office.

We also noted from the Inmate Trust Fund Checking Account bank statements that checks were written for bondsmen, court fees, car payments, and to a finance company. Expenditures of inmates' funds are restricted per state statute. **Title 19 O.S. § 531.A** states in part, "... The Sheriff...may write checks to the Sheriff's Commissary account...and to the inmate from unencumbered balances due the inmate upon his or her discharge." The following statute transfers the authority from the Sheriff to the jail authority for maintaining inmate trust funds and providing commissary services to inmates. **Title 19 O.S. § 513.2(A)** states, "For purposes of any jail facility, holding facility or detention center, every reference in statute or rule to any duty or responsibility imposed upon the sheriff or any jailer to operate, manage or provide any service to any person in the custody of such facility or any service related to the management or operation of such facility shall be deemed applicable to and imposed upon the public trust or private owner or management entity who by contract or otherwise legally operates or manages such jail facility, holding facility or detention facility."

Multiple checks were written to inmates as "final release payments," however, it appears the checks were not delivered to the inmates but were instead deposited back into the Inmate Trust Fund Checking Account on the same day. It appears that this was done in order to cover up cash collections that were never deposited.

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We noted 60 checks were handwritten from the Inmate Trust Fund Checking Account during the period of August 2010 through December 2015. The Tiger system is designed to generate on demand all checks required for payment of profits and for the return of an inmate's funds. It appears handwritten checks were issued to circumvent the internal controls in the system.

We also noted 31 checks without the required two signatures from August 2010 through December 2015. Two of these checks had no signatures on the check. The Administrative Assistant was in charge of issuing checks from the Inmate Trust Fund Checking Account. There were no internal controls or independent reviews of these transactions which resulted in multiple checks being issued and cashed that were missing one or both signatures.

Currently, the KCDC has employed the Captain's wife to fill the role of Ms. Sprueill. Although the Captain's wife appears capable of handling the responsibilities of the position, without a degree of separation between both parties, the potential risk of collusion could create circumstances that are undetectable in the normal course of an audit.



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