

INVESTIGATIVE AUDIT REPORT

# OKLAHOMA COUNTY SHERIFF'S OFFICE

October 18, 2016



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

**OKLAHOMA COUNTY SHERIFF'S OFFICE**

**OKLAHOMA COUNTY, OKLAHOMA**

**INVESTIGATIVE AUDIT REPORT**

**OCTOBER 18, 2016**



## Report Highlights

### WHY WE CONDUCTED THIS AUDIT

The Honorable David Prater, District Attorney for the 7<sup>th</sup> District of Oklahoma, requested the assistance of the Oklahoma State Auditor and Inspector, under the authority of **74 O.S. 212(H)**, in conducting an audit of the Oklahoma County Sheriff's Office in connection with allegations of financial mismanagement.

### KEY FINDINGS

- **Inmate healthcare contracts entered into by the Oklahoma County Sheriff's office created debt obligated for payment by the County. These contracts were not fully encumbered and the Sheriff chose not to pay the contracts even though funds were available at the time payment was due. (Pg. 2)**
- **Obligations of previous fiscal years were paid with subsequent year funds in violation of law. (Pg. 7)**
- **It appears unallowable costs may have been charged against the 'Aggregate Limit' of the Armor Correctional Health Services, Inc. contract. (Pg. 9)**
- **Financial data utilized in the calculation of the inmate average daily rate of incarceration included unallowable costs. (Pg. 13)**
- **Two outside organizations are managed by Sheriff Office employees during County work hours. (Pg. 17)**
- **Donations received by the County Sheriff's Office were not presented and accepted by the Board of County Commissioners. (Pg. 17)**
- **Approximately \$900,000 was spent on the purchase of Sheriff vehicles during a time when other obligations of the Sheriff's Office were not being met. (Pg. 23)**
- **For the FY2015, the Oklahoma County Reserve Deputy program cost approximately \$263,855.39. (Pg. 24)**
- **The Oklahoma County Sheriff's Office accepted a donation of Sheriff Whetsel's personal vehicle, after a \$28,000 payment was made to Sheriff Whetsel's spouses' Trust. (Pg. 28)**



# Oklahoma State Auditor & Inspector

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

October 18, 2016

The Honorable David Prater  
District Attorney, District 7  
321 Robert S Kerr Avenue, 5<sup>th</sup> Floor  
Oklahoma City, Oklahoma 73102

District Attorney Prater:

Pursuant to your request and in accordance with the requirements of **74 O.S. § 212(H)**, we performed an investigative audit of the Oklahoma County Sheriff's Office. Transmitted herewith is our investigative report. This investigation focused on the period July 1, 2012, through June 30, 2016, although, when the examination warranted, this scope was expanded.

The objectives of our investigation primarily included, but were not limited to, the areas noted in your request. Our findings related to those objectives 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 Oklahoma County Sheriff's Office or Oklahoma County for the period July 1, 2012 through June 30, 2016.

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 services 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 report 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". The signature is fluid and cursive, with a long horizontal stroke at the end.

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

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## INTRODUCTION

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This Special Investigative Audit and its Report was conducted at the request of the Oklahoma County District Attorney. The Objectives noted in this report are specific to that request. The findings contained in this report are the result of many hours of discussion, interviews, and review/assessment of documents and other information from the records of Oklahoma County and related organizations and sources.

The report is based on facts and includes findings that are in response to the Objectives. The Office of the State Auditor & Inspector does not express an opinion on actions taken or not taken by the Oklahoma County Sheriff or Sheriff's Office Staff except as it relates to requirements of statutory law and/or county policies and procedures.

**OBJECTIVE 1 Determine whether the Oklahoma County Sheriff and or his administrative staff created debt by entering into contracts with vendors or service providers, failing to encumber sufficient funds and then willfully refusing to pay those contracts with available appropriations or special revenue funds.**

**Summary of Findings:**

- **Inmate healthcare contracts entered into by the Oklahoma County Sheriff's office created debt obligated for payment by the County.**
- **Contracts entered into with Armor Correctional Health Services, Inc. were not fully encumbered at the time the contracts were let.**
- **It appears the Sheriff chose not to pay the Armor contract even though funds were available at the time payment was due.**

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**Finding**

**Inmate healthcare contracts entered into by the Oklahoma County Sheriff's office created debt obligated for payment by the County.**

On January 22, 2014, the Oklahoma County Sheriff's office entered into a contract with Armor Correctional Health Services, Inc. (Armor) for inmate healthcare at the Oklahoma County Detention Center. The initial contract (the Main Agreement) had an effective term of January 1, 2014 through June 30, 2014, with renewal options for four additional one-year terms.<sup>1</sup>

The Main Agreement required Armor to provide reasonably necessary healthcare for detainees and inmates who had been booked into the Oklahoma County Detention Center and were in the physical care, custody, and control of the County Sheriff.

The base compensation under the initial contract was \$3,590,555.52, to be paid in six equal monthly installments of \$598,425.92. The payments could be adjusted slightly by per diem charges based on whether the average monthly inmate population exceeded 2,700 or fell below 2,300.

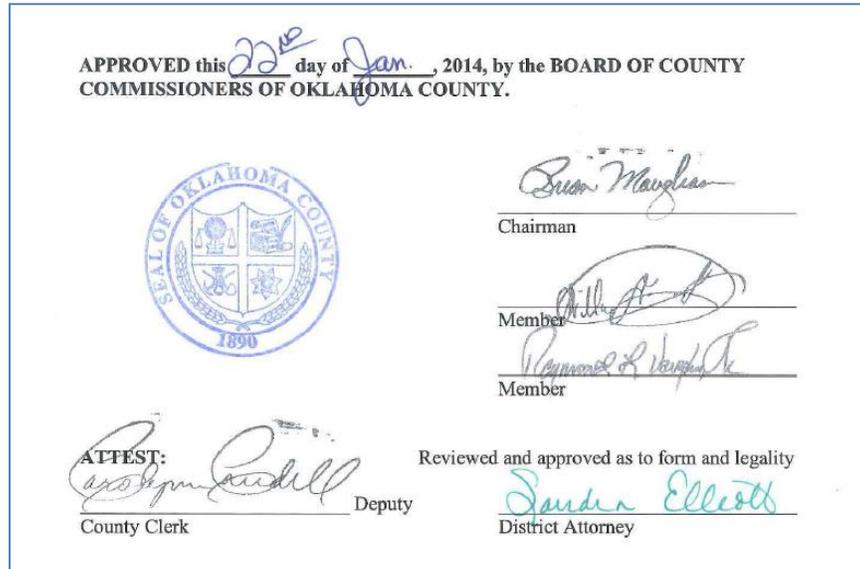
The contract also included an 'Aggregate Limit' provision which limited Armor's liability to \$1,050,000 for any costs associated with health care for inmates rendered outside of the County facility. Additional costs above this limit would be managed and paid by Armor but reimbursed to Armor

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<sup>1</sup> Paragraph 11.32 of the contract also states, "While the effective date of this contract is January 1, 2014, the terms and conditions set forth in this contract will date back to December 1, 2013, with the exception of the compensation and staffing matrix."

by the County; any amount below the limit would be credited back to the County.<sup>2</sup>

The Main Agreement was approved by the Oklahoma County District Attorney's office for form and legality and approved by the Board of County Commissioners on January 22, 2014.



The original contract, the Main Agreement, was renewed on June 25, 2014, to cover the period July 1, 2014 through June 30, 2015 (the "First Renewal Period"). The terms of the renewal were almost identical to the Main Agreement, with a FY2015 cost base of \$7,360,638.82.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged; it is agreed upon as follows:

1. The terms and conditions of this amendment, as set forth below, shall be effective as of July 1, 2014.
2. Pursuant to Section 8.1 of the Main Agreement, the parties hereby renew and extend for the period running from July 1, 2014 through June 30, 2015 (the "First Renewal Period").
3. Pursuant to Section 9.3 of the Main Agreement, base compensation and per diems for the First Renewal Period shall be increased by 2.5%; therefore, for the First Renewal Period base compensation shall be \$7,360,638.82 and the per diem rate shall be \$1.01.
4. In all other respects, the terms and conditions of the First Extension, as amended, shall continue unchanged and remain in full force and effect.

<b>Oklahoma County Sheriff's Office</b>	<b>Armor Correctional Health Services, Inc.</b>
 Name and Title	 Name and Title VICTORIA H. FREEMAN RVP
06/16/14 Date	5/27/14 Date

<sup>2</sup> See further discussion of the Aggregate Limit under Objective 3.

Under the terms of the First Renewal Period, the Oklahoma County Sheriff's office incurred a \$7,360,638.82 debt for the period of July 1, 2014 through June 30, 2015.<sup>3</sup>

The First Renewal Period agreement was also approved by the Oklahoma County District Attorney's office for form and legality and approved by the Board of County Commissioners on June 25, 2014.

**Finding**

**Contracts entered into with Armor Correctional Health Services, Inc. were not fully encumbered at the time the contracts were let.**

As required by statute, the obligations entered into with Armor created a debt that should have been encumbered at the time the contract was let.

Title **62 O.S. § 310.2**, states in part,

...The amount and purpose of each purchase order or contract shall be charged against the appropriation as made by the excise board or governing body *at the time purchase is made or contract let* and the balance in the appropriation account after such charges are deducted shall constitute the unencumbered balance available... [Emphasis Added]

Neither the Main Agreement contract covering January 2014 through June 30, 2014, totaling \$3,590,555.52, nor the First Renewal Contract of \$7,360,638.82 covering July 1, 2014 through June 30, 2015 were encumbered in full at the time the contracts were let.

The Main Agreement invoices were encumbered on a monthly basis with General Fund Maintenance and Operations and Special Revenue Funds. The First Renewal Period invoices were encumbered beginning July 2014 through January 2015 on a monthly basis against the General Fund Maintenance and Operations account and Special Revenue Funds.

Beginning January 2015 through June, 30 2015, invoices were in the possession of the Sheriff's office that had been incurred as official debt of the County, but had not been encumbered and were not paid.

In the May 21, 2015 Budget Board Meeting, the Board held a discussion as to the encumbering of contracts at the time they are entered into. Although already a statutory requirement under **62 O.S. § 310.2**, it was

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<sup>3</sup> With minor adjustments to the base compensation for per diem charges, penalties, and negligible services that were provided by Armor that were not covered by the Main Agreement.

**OKLAHOMA COUNTY SHERIFF'S OFFICE**  
**INVESTIGATIVE AUDIT**  
**DATE OF RELEASE: OCTOBER 18, 2016**

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voted and approved that all contracts approved by the Board of County Commissioners would be fully encumbered at the time the contract was let. The minutes of the Budget Board stated:

Be it hereby resolved, all contracts submitted to the Oklahoma County Board of County Commissioners for approval shall be accompanied by documentation evidencing the encumbrance of specific funds equal to the contractual commitment so approved.

Motion by Jacobs, second by Freeman to recommend instituting a policy regarding encumbrance of funds for all contracts to fulfill the fiduciary obligation for purchasing and paying for goods or services by Oklahoma County. This item requested by Ray Vaughn, District 3 Commissioner.  
 Budget Board

APPROVED Motion carried votes taken as follow: Caudill, aye; Maughan, aye; Freeman, aye; Jacobs, aye; Stein, ;aye; Rhodes-Abstain, Whetsel-Abstain, Blough-Abstain.

**Finding**

**It appears the Sheriff chose not to pay the Armor contract even though funds were available at the time payment was due.**

Funds were not encumbered to pay the First Renewal Period beginning January 2015 through June 2015, even though there were sufficient balances available in the Sheriff's funds to cover the invoices that went unpaid. As a result, invoices totaling \$3,055,769.63 were never paid.

Service Date	Invoice Date	Unpaid Invoice Amount	Funds Available <sup>4</sup>	As of Date
			\$11,683,578.35	January 31, 2015
2-1-15 to 2-28-15	March 3, 2015	\$400,423.05	\$9,395,219.64	February 28, 2015
3-1-15 to 3-31-15	April 2, 2015	\$602,746.65	\$7,054,829.94	March 31, 2015
4-1-15 to 4-30-15	May 1, 2015	\$600,233.39	\$5,050,453.65	April 30, 2015
5-1-15 to 5-31-15	June 3, 2015	\$600,081.67	\$3,071,502.30	May 31, 2015
5-1-15 to 5-31-15	June 9, 2015	\$17.79		
7-1-14 to 6-30-15	June 24, 2015	\$80,765.52	\$1,032,012.71	June 30, 2015
6-1-15 to 6-30-15	July 1, 2015	\$603,132.01		
6-1-15 to 6-30-15	July 9, 2015	\$136.28		
7-1-14 to 6-30-15	August 25, 2015	\$28,576.11		
7-1-14 to 6-30-15	September 23, 2015	\$97,209.21		
7-1-14 to 6-30-15	September 28, 2015	\$42,447.95		
Total		\$3,055,769.63		

<sup>4</sup> All funds available in Fund 1001, Fund 1160, and Fund 1161 as of dates shown.

The Armor services for February 2015 were invoiced on March 3, 2015, in the amount of \$607,369.39<sup>5</sup>. Only \$206,946.34 of this invoice was encumbered and paid leaving an outstanding balance at February 28, 2015 of \$400,423.05. The available cash balance in the Sheriff Special Revenue Fund at February 28, 2015, to pay this debt totaled \$9,395,219.64.

As shown in the table, Armor's services for March 2015 through June 30, 2015 were also not encumbered or paid, although funds were available each corresponding month, leaving an outstanding debt to Armor at June 30, 2015 totaling \$3,055,769.63.

In each Budget Board meeting between December 2014 and June 2015, the County Sheriff requested supplemental funding for his office from the County's General Fund. In the December 18, 2014 meeting, Sheriff Whetsel told the Budget Board, "That still means that at the end of the day we are going to be about \$2.2 to \$2.3 million short of being able to pay the medical bills for the inmates, which is a constitutional requirement."

Although it was communicated that revenue was down and additional funding was needed, until the June 11, 2015 Budget Board meeting, it was never documented in the minutes that there were payments in 'arrears for the inmate medical contract'. It was not conveyed that invoices were actually being held and not paid.

The documentation below taken from the June 11, 2015, Budget Board minutes states that the Board knew they had "a couple of weeks" to hold another Budget Board meeting to address the concerns of the inmate medical contract being \$2.8 million in arrears. The Assistant District Attorney present also agreed. However, there was not another Budget Board meeting held before the end of the fiscal year, June 30, 2015.

Vaughn stated that this does not address the issue that is before us right now, but based on the DA's comment, do you anticipate being able to answer that question before the end of the fiscal year. Etherington stated yes. Vaughn stated that we still have a couple of weeks and we can hold another meeting to address your concerns if we need to. Maughan stated that it is obviously our intent to want to pay our bills. It is just a matter of the money.

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<sup>5</sup> Net of adjusted cost.

**OBJECTIVE 2** Determine whether the Oklahoma County Sheriff and or his administrative staff paid outstanding debt or contract balances for a specific fiscal year with subsequent fiscal year funds.

**Summary of Findings:**

- **Obligations of previous fiscal years were paid with subsequent year funds in violation of law.**
- **The County's contract with Armor Correctional Health Services, Inc. included a clause allowing payment for up to 270 days following the fiscal year end in violation of law.**

**Finding** **Obligations of previous fiscal years were paid with subsequent year funds in violation of law.**

According to **Article 10 § 26** of the Oklahoma Constitution and **62 O.S. § 310.4**, prior year expenses cannot be paid with current year funds. Expenses should be incurred and encumbered by June 30 of a given fiscal year and paid with those years funds by September 30 of the subsequent fiscal year.

Multiple purchases were incurred in one fiscal year and paid with subsequent fiscal year funds. Some specific transactions are shown below:

Prior Year Expenses Paid With Current Year Funds				
Purchase Order	Amount	Service Date	Fiscal Year of Obligation	Fiscal Year Paid
21201901	\$69,088.69	7/1/2010 – 6/30/2011	2011	2012
21204044	\$77,176.11	7/1/2010 – 6/30/2011	2011	2012
21300927	\$299,034.77	6/1/2012 – 6/30/2012	2012	2013
21304615	\$192,156.60	5/9/2012 – 6/26/2012	2012	2013
21401864	\$81,080.61	6/1/2013 – 6/30/2013	2013	2014
21500863	\$583,573.14	6/1/2014 – 6/30/2014	2014	2015

**Article 10 § 26** states in part:

Except as herein otherwise provided, no county...shall be allowed to become indebted, in any manner, or for any purpose, to an amount exceeding, in any year, the income and revenue provided for such year without the assent of three-fifths of the

voters thereof, voting at an election, to be held for that purpose, nor, in cases requiring such assent, shall any indebtedness be allowed to be incurred to an amount, including existing indebtedness, in the aggregate exceeding five percent (5%) of the valuation of the taxable property therein, to be ascertained from the last assessment for state and county purposes previous to the incurring of such indebtedness:

Title **62 O.S. § 310.4** states in part,

...All unencumbered balances, if any,...on hand at the close of day June 30, may remain as a credit for said fiscal year up to the close of day September 30, next ...Provided this act shall not be so construed to allow the incurring of a new indebtedness after June 30 chargeable to the appropriation account of the immediately preceding fiscal year.

It should be noted that the aggregate overage charge of \$662,664.17 for off-site medical services for FY2014 also was not encumbered prior to the end of the fiscal year, and was not paid by the County. A judgment was awarded to Armor Correctional Health Services on April 23, 2015, in this amount<sup>6</sup>. The Oklahoma County Retirement System purchased the judgment on April 24, 2015, and the Oklahoma County taxpayers are currently paying off the judgment over a three year period at 5.5% interest.

**Finding**

**The County's contract with Armor Correctional Health Services, Inc. included a clause allowing payment for up to 270 days following the fiscal year end in violation of law.**

The Armor contract stated in part,

...Armor shall then, within 180 days after the end of each contract, submit a final invoice which shall set forth all additional amounts Armor has paid in excess of the annual limit. The County Sheriff shall reimburse Armor for this excess amount within 90 days of receipt of invoice...

This clause allowed Armor to invoice the Sheriff's office up to 180 days after the end of the fiscal year, and allowed the Sheriff an additional 90 days to pay the invoice. This 270 day period exceeds the allowable timeframe allowed by **62 O.S. § 310.4**.

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<sup>6</sup> Case number CJ-2015-1797

**OBJECTIVE 3** Determine whether the Oklahoma County Sheriff and or his administrative staff created a debt by expending more funds than were available to expend through general fund appropriations or any other special revenue source.

**Summary of Findings:**

- A debt was created by entering into the contract with Armor and not paying invoices with current available funds. While funds were available to pay the contract, they were not encumbered and a choice was made to not pay the debt from available funds.
- It appears unallowable costs may have been charged against the 'Aggregate Limit' of the Armor Correctional Health Services, Inc. contract.
- All required communications were not provided to Oklahoma County as required by the Armor contract.

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**Finding**

**A debt was created by entering into the contract with Armor and not paying invoices with current available funds. While funds were available to pay the contract, they were not encumbered and a choice was made to not pay the debt from available funds.**

Beginning January 2015 through June 2015 invoices submitted by Armor were not presented to the County for payment. As a result of the non-payment, the District Court awarded Armor a judgment against Oklahoma County.

Case number CJ-2015-5602 was filed for the unpaid medical expenses incurred by the Oklahoma County Sheriff's office which totaled \$3,302,297. Armor filed the lawsuit on October 14, 2015 and the judgment was reached on July 7, 2016.

The County appealed this decision on July 29, 2016 and the outcome is currently pending. If the County loses the appeal, the judgment could be added to Oklahoma County's ad valorem tax roll and paid over a three year period with 5.25% interest added.

Other Issues Noted with the Armor Correctional Health Services, Inc. Contract

Contract Requirements

**Finding**                    **It appears unallowable costs may have been charged against the 'Aggregate Limit' of the Armor Correctional Health Services, Inc. contract.**

The Armor Correctional Health Services, Inc. contract includes a clause concerning an 'Aggregate Limit'. According to the contract, charges are applied to an aggregate limit for Armor's liability for costs associated with health care for inmates rendered *outside* of the Facility.

Costs in excess of the \$1,050,000 aggregate limit are invoiced separately from other contract costs and are to be paid as an aggregate reimbursement. The total aggregate overage limit paid in FY2014 and FY2015 was \$662,664.17 and \$507,839.83, respectively.

Concerning the 'Aggregate Limit' the contract states in part:

**Armor Correctional Health Services, Inc., contract - Paragraph 1.5(c)(3)**

(c) *Aggregate Limit.* For each term of the Agreement, Armor's liability for costs associated with health care for inmates rendered outside of the Facility (i.e., hospitalization and Off-site medical specialist care defined above) will be limited as follows:

- (1) Armor's total liability for hospital, off-site medical specialty costs, emergency transportation services, and pharmacy costs will be limited to \$1,050,000.00 for July 1, 2013 through June 30, 2014. For any twelve (12) month renewal/extension thereafter, the limit shall be \$1,050,000.00, unless agreed upon by both parties.
- (2) Any hospitalization, off-site, on-site specialty services, emergency transportation services, and pharmacy costs in excess of \$1,050,000.00 during the term of this Agreement or any agreements between Armor and the Sheriff between July 1, 2013 and June 30, 2014, shall be managed and paid by Armor but shall be reimbursed to Armor by Sheriff, as set forth below.
- (3) Should the total hospitalization, off-site, on-site specialty services, emergency transportation services, and pharmacy costs for any 12 month term of this Agreement, or any agreements between Armor and the Sheriff between July 1, 2013 and June 30, 2014, fall below \$1,050,000.00 after a full reconciliation, Armor will credit 100% of the difference back to the Sheriff.

It appears that some of the costs applied against the aggregate, as shown in a portion of Invoice 5379 below, could be in conflict with costs that should be covered in the base compensation of the Armor contract.

**OKLAHOMA COUNTY SHERIFF'S OFFICE**  
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**DATE OF RELEASE: OCTOBER 18, 2016**

Service Date	Description	Amount
07/01/2014-06/30/2015	CLAIMS PAID THROUGH 5/31/15 \$408,942.78 PLUS PHARMACY \$712,961.40 PLUS ONSITE OB/GYN \$47,500.00 PLUS ONSITE ORTHOPEDICS \$7,200.00 PLUS ONSITE ULTRASOUNDS \$20,795.00 PLUS ONSITE TELEMEDICINE \$5,355.00 LESS CAP (\$1,050,000.00) LESS BILLED (\$71,988.66) AGGREGATE/PHARMACY REIMBURSEMENT	80,765.52

For example, the contract states in Paragraph 1.3 that onsite specialty services are part of the base contract. However, as noted in the invoice shown, onsite OB/GYN costs were applied against the aggregate limit. The invoice also shows other onsite costs applied against the aggregate.

**Armor Correctional Health Services, Inc., contract - Paragraph 1.3**

1.3. **Specialty Services.** In addition to providing the general services described above, Armor will obtain for Inmates housed at the Facility special medical services including basic radiology services and laboratory services. **Armor will also evaluate the need for and feasibility of providing select onsite specialty services (e.g., Obgyn) to reduce offsite transports.** Those specialty services Armor determines to be feasible will be provided onsite. When non-emergency specialty care is required and cannot be rendered at the Facility, Armor will make appropriate off-site arrangements for the rendering of such care and shall make arrangements with the Sheriff or his designee for the transportation of an Inmate in accordance with this Agreement.

The language of the contract as to pharmacy costs also appears to possibly be in conflict. Paragraph 1.2. of the contract, as noted below, states that Armor shall provide “pharmacy services, to include HIV medications but excluding hemophiliac blood products and related supplies”. However, Paragraph 1.5(c)(3) on the previous page, suggest that pharmacy costs should also be applied against the aggregate limit.

**Armor Correctional Health Services, Inc., contract - Paragraph 1.2. Scope of General Services**

**Armor shall provide on a regular basis, all professional medical, dental, mental health, and related health care and administrative services for the Inmates,** a comprehensive health evaluation of each Inmate following booking into the Facility in accordance with NCCHC Standards, booking/intake health screenings, including medical evaluation for inmate work details, regularly scheduled sick call, nursing care, regular physician and dentist visits to the Facility, hospitalization, medical specialty services, emergency medical care, emergency ambulance services when medically necessary, medical records management, **pharmacy services, to include HIV medications but excluding hemophiliac blood products and related supplies,** medical clearances for intra and inter-agency transfers, food handling and work clearances, continuing care of identified health problems, detoxification, discharge planning, health education and training services, a quality assurance program, administrative support services, and other services, all as more specifically described

All costs paid under the Armor contract should be evaluated against the requirements of the contract. Any costs billed in error should be corrected accordingly. Costs still outstanding to Armor under the current litigation should also be evaluated to determine if all charges are owed.

**Compliance With Communication Requirements**

**Finding**

**All required communications were not provided to Oklahoma County as required by the Armor contract.**

According to the Armor contract, communications were considered “duly given” when delivered to both the Sheriff’s office and the Oklahoma County Purchasing Agent.

Article XI of the Armor contract states in part:

11.4. Notice. Unless otherwise provided herein, all notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered according to this section. Delivery shall be...addressed to the appropriate party at the following address...

Sheriff of Oklahoma County  
201 North Shartel Avenue  
Oklahoma City, OK 73102-2227

With a copy to:

Oklahoma County Purchasing Director  
320 Robert S. Kerr, Suite 117  
Oklahoma City, OK 73102

According to the Oklahoma County Purchasing Agent, copies of invoices and payments due and pending under the Armor inmate medical contract were not received in the Oklahoma County purchasing office.

If these communications had been received, other officials in the County’s payment process may have been more timely informed of the outstanding obligations to Armor.

**Information Technology**

Armor Correctional Health employees have administrative rights and VPN<sup>7</sup> access to the County Sheriff’s Office Information Technology Systems. The necessity, allowability and appropriateness of this access are questioned and should be evaluated by the Sheriff’s Office. A further evaluation by the State Auditor’s Office will be made during the Information Technology portion of the FYE June 30, 2016 Financial Audit.

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<sup>7</sup> Virtual Private Network

**OBJECTIVE 4** Determine whether the Oklahoma County Sheriff and or his administrative staff have provided false or misleading information to the Oklahoma County District Court in their request to the Court to set per diem rates for County inmates. You should consider whether costs or expenditure figures were accurate and whether inappropriate items were included in the jail operation costs or if required offsets were omitted from the reported jail operation costs.

**Summary of Findings:**

- **FY2015 financial data utilized in the calculation of the 2016 inmate average daily rate of incarceration included unallowable costs.**
- **Some revenues generated from detention facility operations were not used to offset direct cost used in the daily incarceration rate calculations.**
- **In lieu of utilizing the average daily cost of incarceration rate provided by the Sheriff's Office, the final incarceration rate for 2016 was determined by Administrative Order of the Court.**
- **Inmate incarceration fees are invoiced and collected by the Sheriff's Office, instead of through the Court Clerk's office, which appears to be contrary to statute.**

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**Background**

According to Oklahoma Court of Criminal Appeals Case 2002 OK CR 8 ¶ 10(2), all counties shall hold a hearing with the sheriff to determine the average daily cost of incarceration in the particular jail, and shall issue an administrative order promulgating this information. This order shall be made readily available in each county and shall be updated annually.

The County Sheriff's office has chosen to utilize the *U.S. Department of Justice Cost Sheet for Detention Services (Cost Sheet)* to calculate their average daily rate of incarceration. The *Cost Sheet* includes detailed instructions for completion, and defines actual, allowable, and allocable direct and indirect costs to be used in the calculation.

The per diem rate calculated is used in the billing of incarceration fees to inmates confined in the county jail or holding facility as defined in **22 O.S. § 979a** which states in part:

...The court shall require a person who is actually received into custody at a jail facility or who is confined in a city or county jail or holding facility, for any offense, to pay the jail facility or

holding facility the costs of incarceration, both before and after conviction, upon conviction or receiving a deferred sentence. The costs of incarceration shall be collected by the clerk of the court as provided for collection of other costs and fines, which shall be subject to review under the procedures set forth in Section VIII of the Rules of the Oklahoma Court of Criminal Appeals, Chapter 18, Appendix of this title...

Once the average daily rate of incarceration is completed it is presented to the District Court of Oklahoma County by the Sheriff's office, with the District Attorney's office serving as legal counsel. The objective of the process is to determine the incarceration rate for the Oklahoma County Jail through Administrative Order.

**Finding**

**FY2015 financial data utilized in the calculation of the 2016 inmate average daily rate of incarceration included unallowable costs.**

The *Cost Sheet* instructions define costs allowed or unallowed to be utilized in the rate calculations. Cost Sheet instructions specifically state:

<p>Salaries of personnel who perform services that do not benefit federal prisoners are not allowable as follows:</p> <ul style="list-style-type: none"><li>• appointed and elected officials; e.g.. mayors. district attorneys, board of supervisors, county judges, etc.;</li><li>• public defenders, probation/parole officers, local prisoners' attorneys and other local court personnel;</li><li>• commissary personnel, if the costs are reimbursed from commissary profits;</li><li>• law enforcement personnel assigned to non-detention functions of the sheriff/police department such as patrol officers, detectives, and investigators;</li><li>• personnel assigned to local farm operations that support the detention facility and that local prisoners participate in; and</li><li>• transportation officer if they do not transport federal prisoners</li></ul>
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We reviewed financial information included in the rate calculation and noted that some costs were included that were unallowable.

Portions of public defender salaries and wages, along with other elected officials salaries and wages were included as indirect costs in the rate calculations. According to the noted instructions, these costs appear to be unallowable.

It should be noted that prior year *Cost Sheets* had been submitted and the average daily rate of incarceration had been approved by the court utilizing the same financial information that was included in the 2016 rate calculations.

**Finding**                    **Some revenues generated from detention facility operations were not used to offset direct cost used in the average daily incarceration rate calculations.**

Commissary profits and inmate phone service commissions were not included to offset costs used in the calculation of the inmate incarceration rate as required per the *Cost Sheet* instructions.

The *Cost Sheet* instructions require that all revenue generated from a detention facility's operation must be used to offset direct costs.

**SCHEDULE D - "Credits" Line**  
All revenue generated from the detention facility's operation must be offset against the direct costs claimed on the Cost Sheet. Examples are:

- commissions earned from prisoners' use of long distance telephone services;
- insurance rebates, recoveries, or indemnities on losses;
- commissary profits, if the funds are not placed in a prisoner's trust account to be used solely for the benefit of prisoners;

**Finding**                    **In lieu of utilizing the average daily cost of incarceration rate provided by the Sheriff's Office, the final incarceration rate for 2016 was determined by Administrative Order of the Court.**

As noted in Oklahoma Court of Criminal Appeals Case 2002 OK CR 8 ¶ 10(2) noted above, the average daily cost of incarceration shall be determined in a hearing with the sheriff, and issued through an Administrative Order.

Three hearing dates<sup>8</sup> were held to present, discuss and determine the 'Average Daily Cost of Incarceration in the Oklahoma County Jail 2016'. During these hearings, financial information presented in the *Cost Sheets* used in the Sheriff's rate calculations was questioned by the Court. Adjustments were made by the Sheriff's Office, as requested by the Court, following each hearing.

The rate requested by the Sheriff's Office in the initial hearing of February 4<sup>th</sup> was \$48.05. The following two hearings resulted in rate requests of \$41.48 and \$40.04. During the final hearing of March 7<sup>th</sup>, after testimony and considering evidence, the Judge overruled all requests and determined the average daily cost of incarceration for calendar year 2016 to be \$32 per day.

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<sup>8</sup> Hearings were held on February 4, 2016, February 18, 2016, and March 7, 2016.



**OBJECTIVE 5** Determine whether the Sheriff and or his administrative staff deposits all special revenue funds in statutorily approved accounts. The source of all special revenue should be identified and income amounts should be confirmed.

**Summary of Findings:**

- HOPE Team and FOP Lodge #155 activities are managed by Sheriff Office employees during County work hours.
- Donations received by the County Sheriff's office were deposited into the Sheriff's Special Revenue Fund, but were not presented and accepted in an open Board of County Commissioners meeting as required by law.
- Inmate amounts invoiced by the Sheriff's Office did not agree to inmate amounts paid by the Department of Corrections.

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**Background**

The County Sheriff has two primary special revenue funds established for the depositing of revenues collected.

Fund 1160 - Sheriff Service Fee Fund

Fund 1161 - Sheriff Special Revenue Fund

Sources of revenue for the Sheriff Service Fee Account are civil and criminal processing fees, fees for fingerprinting, and other miscellaneous fees.

The Sheriff Special Revenue Fund was established to account for collection and expenditures of prisoner boarding fees, for the operation of the jail commissary, housing of federal prisoners, drug enforcement, travel activities and training activities of the Sheriff's department.

Special revenue funds are cash funds and are not subject to fiscal year limitation. Any cash surplus in a special revenue account at the end of a fiscal year remains with that account at the beginning of the new fiscal year.

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The source and total of special revenue collected in the Sheriff Service Fee Fund - 1160 for FY2014 and FY2015 is shown below.

<b>Sheriff Service Fee Revenue – Fund 1160</b>		
Source	FY2014	FY2015
Sheriff Service Fees	\$2,357,524.50	\$2,680,274.88
Sheriff Jail Phone	\$903,119.45	\$957,819.99
Courthouse Security Fees	\$214,420.47	\$253,011.18
Handgun Permit Fees	\$91,181.00	\$124,144.00
Inmate Incarceration Fees	\$62,539.89	\$46,855.92
Interest Income	\$1,061.28	\$881.04
Totals	\$3,629,846.59	\$4,062,987.01

The source and total of special revenue collected in the Sheriff Special Revenue Fund - 1161 for FY2014 and FY2015 is shown below.

<b>Sheriff Special Revenue – Fund 1161</b>		
Source	FY2014	FY2015
Prisoner Boarding Fee-State	\$5,704,158.50	\$3,700,354.00
Prisoner Boarding Fee-City	\$3,076,312.43	\$2,743,740.60
Commissary Fund Deposits	\$1,521,573.70	\$1,500,471.90
State Reimbursement <sup>9</sup>	\$664,376.27	\$62,555.65
Jail-Other County Reimbursement	\$592,684.62	\$619,585.61
Bail Bond Fees	\$141,175.48	\$123,041.58
Drug Asset Forfeiture	\$117,113.51	\$91,852.70
Other	\$78,189.26	\$95,285.69
Donations	\$41,388.00	\$40,050.00
Totals	\$11,936,971.77	\$8,976,937.73

We utilized FY2014 and FY2015 CAFR<sup>10</sup> audit work for an analysis of special revenue. Major revenue sources in each fund were agreed to billing invoices, receipts, checks received and other supporting documentation.

Analytical procedures were performed on amounts collected and deposited to determine if any unusual variances or trends in revenue sources occurred.

We also conducted interviews and other audit procedures to determine if funds collected through the Sheriff's Office were being deposited in statutorily approved accounts. Except for the issues noted below, no

<sup>9</sup> FY2014 included a one-time special reimbursement.

<sup>10</sup> Comprehensive Annual Financial Report audit work conducted by the State Auditor's Office.

further information came to our attention that would suggest that revenues were not being deposited into approved special revenue accounts.

**Oklahoma County Sheriff's Office HOPE Team & FOP #155**

**Finding**

**HOPE Team and FOP Lodge #155 activities are managed by Sheriff Office employees during County work hours.**

The Oklahoma County Sheriff's Office HOPE Team is a support group made up of employees of the Oklahoma County Sheriff's Office. Donations made to the program are used to assist employees during times of crisis. The program is funded through a voluntary, after-tax payroll deduction.

The program was approved as a non-profit payroll deduction in an open Board of County Commissioners meeting in June 2006.

Members of the Sheriff's Hope Team addressed the Board regarding a proposal for Sheriff's Office employees using a one-dollar, up to five-dollar, payroll deduction per pay period to go to the Sheriff's Office Hope Fund. The fund is a 501-C7, designed to come to the aid of employees during times of critical incidents.

Inman wanted to make sure that donors were confidential.

Inman moved, Rinehart second, to approve the Oklahoma County Sheriff's Office Hope Team as a payroll deduction effective July 1, 2006. Requested by Jim Roth, Chairman. (Document Received) Motion carried unanimously.

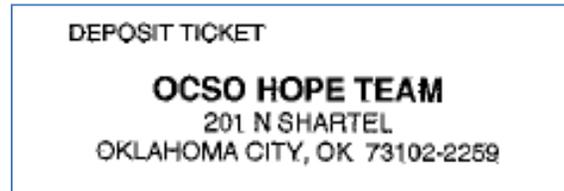
We found no evidence that the organization was registered as a not-for-profit 501(c)7 with the Secretary of State, or has a Tax Identification Number. The HOPE Team has a board that consists of six members; all are County Sheriff employees except for one.

Checks collected as a result of payroll deductions are deposited by a Sheriff's Office employee into a small business checking account registered in the name of the 'OCSO HOPE Team'.

According to the HOPE Team bank statements obtained, there was a balance of \$21,177.94 at June 30, 2015, and a balance of \$21,278.95 at June 30, 2016.

The HOPE Team appears to be managed as an unincorporated association through the County Sheriff's office by County employees. We observed a County employee picking up a check from the Oklahoma County payroll department. According to the employee, checks are delivered monthly to the Sheriff's Office and deposited by a Sheriff's Office employee.

The most recent authorized signators on the HOPE Team bank account were County Sheriff employees, and the HOPE Team bank accounts address of record is the same as the County Sheriff's office.



The HOPE Team appears to be managed by County employees, on County time, through the use of County facilities, which would appear to be a violation of **Article 10 Section 17** of the Oklahoma Constitution which prohibits a County from obtaining or appropriating money for, or to loaning its credit to any corporation, association, or individual.

If the HOPE Team is to continue, it should be officially established as a not-for-profit with all further deposits and expenditures transacted outside of the authority of the Sheriff's office.

**FOP Lodge #155**

The Oklahoma County Sheriff's Fraternal Order of Police #155 (FOP #155) is also an employee elected voluntary payroll deduction for membership in the Fraternal Order of Police. Employee participation is optional, with membership fees ranging from \$5.50 to \$20 monthly.

Per a Sheriff's Office employee, payroll deduction checks for the FOP are produced by the Oklahoma County Payroll Department and received by a Sheriff's Office employee. The check is deposited into an outside FOP bank account.

We also noted a display cabinet in the Sheriff's office that contained County Sheriff merchandise for sale for the benefit of the FOP. These transactions are handled by County employees on County time.

If participation in the FOP is to continue, all activity should be conducted outside of the authority of the Sheriff's office.

Donations

**Finding**

**Donations received by the County Sheriff's office were deposited into the Sheriff's Special Revenue Fund, but were not presented and accepted in an open Board of County Commissioners meeting as required by law.**

The County Sheriff's office received over \$80,000 of donations during FY2014 and FY2015. These funds were deposited into the Sheriff's Special Revenue Fund but were not accepted in an open Board of County Commissioners meeting as required by law.

Title **60 O.S. § 390** states in part:

The board of county commissioners of each county of the state...is hereby authorized in its discretion to accept, upon behalf of such county...any gift, testamentary or otherwise, whether unconditional or conditional, of any property, whether real or personal or both, to such county...and, in such instances, the property...shall be delivered to, and any necessary receipts therefor shall be executed by, such board.

Department of Corrections Revenue

**Background**

When an inmate is booked into the county jail their information is entered into the EJUS system, a software program that records the data of the agency that is transferring physical custody of an inmate to the Oklahoma County Sheriff's Office.

Once all information is recorded, the inmate is booked and the time of booking is logged in the system. When an inmate is released the release time is logged in the system.

At the end of the month, the Sheriff's Office invoices the Department of Corrections (DOC) for prisoners maintained at the County facility for that month.<sup>11</sup> DOC Revenue is a material source of funding for the Sheriff's Office.

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<sup>11</sup> Other entities are also invoiced, but not discussed for purposes of this report.

Time Period	Sheriff Billing Amount	DOC Paid Amount	Variance
FY2013	\$5,658,488	\$5,657,653	\$835
FY2014	\$5,914,824	\$5,879,228	\$35,596
FY2015	\$3,684,279	\$3,666,901	\$17,378
Totals	\$15,257,591	\$15,203,782	\$53,809

**Finding                      Inmate amounts invoiced by the Sheriff's Office did not agree to amounts paid by the Department of Corrections.**

We obtained invoices submitted to DOC by the Oklahoma County Sheriff's Office and determined discrepancies existed between the total amount of inmate cost billed by the Sheriff's Office and the amount actually paid by DOC.

Most of the discrepancies noted in billing appear to be from variances in the time and date DOC requests an inmate's release verses the actual time and dates the inmate is released from the Sheriff's custody. The timing differences and variances in revenue collected appeared reasonable.

**OBJECTIVE 6      Determine whether the Sheriff and or his administrative staff expended all sources of funding in a lawful manner.**

This objective requested a determination as to whether the Sheriff's Office expended all funds in a lawful manner. As discussed in other areas of this report, all funds were not expended in a lawful manner. Prior year expenses were paid with current year funds, expenses were not timely encumbered, contract amounts were paid in question, and prior year obligations remained unpaid.

Also, as previously discussed, contracts were entered into and debt was incurred that was not paid in a timely manner. Previously incurred liabilities should have been considered for payment before incurring any additional obligations.

For example, during FY2014 and FY2015 almost \$900,000 was spent on purchases of new vehicles. These vehicles were allowable purchases, bought in a lawful manner and fully approved by the Board of County Commissioners. But the purchases were made during a time that other obligations of the Sheriff's office were not being met.<sup>12</sup>

<sup>12</sup> The aggregate limit cap of \$622,664.17 went unpaid for FY2014 and was paid by judgment in April 2015.

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Purchase Order No.	Date of Purchase	Amount	Purpose
21306413	March 20, 2013	\$147,696	Six Dodge Chargers
21306412	March 20, 2013	\$108,032	Two Utility Vehicles
21307147	April 25, 2013	\$123,080	Five Dodge Chargers
21307148	April 25, 2013	\$49,032	Two Dodge Chargers
21405222	February 3, 2014	\$51,789	Two Dodge Chargers
21405223	February 3, 2014	\$155,066	Six Dodge Chargers
21407381	May 22, 2014	\$258,943	Ten Dodge Chargers
<b>Total</b>		<b>\$893,638</b>	

As required by **2007 OK AG 35**, the Sheriff's Office has a constitutional duty to maintain the Oklahoma County Jail. As such, expenses incurred and obligations toward this function should take precedence in performance of the office.

According to Attorney General's opinion **2007 OK AG 35**,

The maintenance of a county jail, either by the county sheriff or a public trust created for the purpose of operating a county jail, is a constitutional duty. A county is required to provide for a jail and fund its operation, and give priority for the funding to ensure performance of a constitutional duty. Such funding requirement is the same regardless of whether the jail is operated by the county sheriff or a public trust created for such purpose.

Total Expenditures for the Sheriff's Office are shown below.

<b>Sheriff's Office Expenditures</b>		
Fund	FY2014	FY2015
<b>General Fund-1001</b>	<b>\$33,377,655.89</b>	<b>\$32,927,361.90</b>
<b>Sheriff Service Fee Fund-1160</b>	<b>\$3,752,942.32</b>	<b>\$3,774,625.57</b>
<b>Sheriff Special Revenue Fund-1161</b>	<b>\$12,077,619.37</b>	<b>\$9,908,139.45</b>
<b>Total Expenditures</b>	<b>\$49,208,217.58</b>	<b>\$46,610,126.92</b>

Sheriff's Office expenditures were reviewed as part of the FY2014 and FY2015 CAFR<sup>13</sup> audit work conducted by our office. No material issues were noted in this review. These audits can be reviewed on our website at [www.sai.ok.gov](http://www.sai.ok.gov).

<sup>13</sup> Comprehensive Annual Financial Report

**OBJECTIVE 7** Determine whether there is any relationship between individuals granted a Special or Reserve Deputy position and campaign contributions made by the individual to the Sheriff's campaign fund. Please include in your inquiry any monetary or in-kind donation made to the Sheriff's campaign or the Sheriff's Office. Determine the costs of the Special or Reserve Deputy program, including, but not limited to vehicle costs and vehicle maintenance costs, equipment and uniform costs, etc.

**Summary of Findings:**

- For the FY2015, the Oklahoma County Reserve Deputy program cost an estimated \$263,855.39.
- The Oklahoma County Sheriff's Office Fleet Center performs work for outside agencies that has not been approved by the Board of County Commissioners and without the proper inter-local agreements in place.
- The Law Enforcement Training Facility maintained by the Oklahoma County Sheriff's Office was utilized for activities that are in violation of the agreed upon terms of the lease agreement and that were not properly approved by the Board of County Commissioners.
- The Oklahoma County Sheriff's Office accepted a donation of Sheriff Whetsel's personal vehicle, after a \$28,000 payment was made to Sheriff Whetsel's spouses' Trust. The donation of the vehicle was not approved by the Board of County Commissioners.
- Two vehicle donations made to the Oklahoma County Sheriff's Office were not handled in a proper manner and were not properly approved by the Board of County Commissioners.
- In our review of Reserve Deputy payroll, we noted one employee was coded as a Part-Time Reserve Deputy from January 2016 through March 2016 in error.

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**Background**

As defined in the *Oklahoma County Sheriff's Office Policy Statement*, Reserve Deputy Sheriff's are utilized to augment and support the law enforcement services provided by the Oklahoma County Sheriff's Office.

Reserve Deputies must complete an approved CLEET<sup>14</sup> Basic Reserve Peace Officer Academy prior to taking any official action as an Oklahoma County Reserve Deputy Sheriff.

In most cases, Reserve Deputies are assigned to the same duties as Full-time Deputies, and are required to meet the same hiring, background, medical and psychological standards as Full-time Deputies.

The Oklahoma County Sheriff's office has approximately 135 Reserve Deputies. Of the approximately 135 Reserve Deputies in Oklahoma County, we noted that 17 had donated a total of \$36,820 to Sheriff Whetsel's campaign between 2009 and 2015.

**Finding**

**For the FY2015, the Oklahoma County Reserve Deputy program cost an estimated \$263,855.39.**

We considered all items needed for the Reserve Deputy Program and calculated the estimated cost of the Reserve Program for FYE June 30, 2015.

Estimated Reserve Deputy Program Cost for FY2015		
Item	Estimated Cost	
Uniforms	\$0	Provided one used uniform
Firearms	\$0	Provided by Deputy
Equipment*	\$0	Provided by Deputy
CLEET Training	\$0	Paid For By Deputy
Vehicles**	\$0	Previously Used Fleet Vehicles
Fuel Cost	\$ 54,579.49	Per Fuelman Invoices
Vehicle Maintenance Cost	\$ 20,781.38	37 Vehicles assigned to Reserves
Payroll Cost***	\$188,494.52	
<b>Total Estimated Cost</b>	<b>\$263,855.39</b>	

\*Includes holster, belt, handcuffs, etc.

\*\* Vehicles are handed down from the patrol division to the Reserve Division. The vehicles are high mileage and have been depreciated. There are 37 total vehicles assigned to the Reserve Deputy Division and five of the 37 are maintained at the Sheriff's Fleet Center to be used as needed by Reserve Deputies on duty.

\*\*\*Under 19 O.S. § 547 Reserve Force Deputies may receive compensation for their services. Each Reserve must complete a minimum of sixteen (16) voluntary hours each month. If a Reserve is also a part-

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<sup>14</sup> Council on Law Enforcement Education and Training

time County employee, the required volunteer hours must be performed before any hours of work are applied towards their paycheck.

**Fleet Center**

**Finding**

**The Oklahoma County Sheriff's Office Fleet Center performs work for outside agencies that has not been approved by the Board of County Commissioners and without the proper inter-local agreements in place.**

The Sheriff's Office maintains a Fleet Center facility, used to perform maintenance on County owned and law enforcement agency vehicles. While analyzing vehicle cost for Reserve Deputies at the Fleet Center, it was noted that Sheriff's Office employees work on vehicles for outside law enforcement agencies.

The County Sheriff's Office Finance Department invoices agencies for the work performed. Payments received are deposited into the Sheriff's Service Fee Fund.

Outside activity at the Fleet Center has not been approved by the Board of County Commissioners and inter-local agreements have not been obtained from the outside agencies served at the Center.

**Title 74 O.S. § 1008** requires:

Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be authorized by the governing body of each party to the contract. Such contract shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties.

Activities conducted by outside agencies at the Fleet Center should be supported with proper inter-local agreements or Memorandums of Understanding, and should be approved by the Board of County Commissioners.

**Law Enforcement Training Facility/Car Club**

**Finding**

**The Law Enforcement Training Facility maintained by the Oklahoma County Sheriff's Office was utilized for activities that are in breach of the agreed upon terms of the lease agreement and that were not properly approved by the Board of County Commissioners.**

The Board of County Commissioners entered into an agreement with the Oklahoma City Riverfront Redevelopment Authority and the City of Oklahoma City on August 17, 2011, "*for the purpose of operating and improving a Law Enforcement Training Facility*".

According to the lease agreement the County is solely responsible for the maintenance, replacement, operation, and repairs of the Facility and should maintain *active supervision* of all activities under the lease.



The Facility is used by the Sheriff's Office for various training purposes for both Reserves and Full-Time Deputies, for activities including firearm and handgun skills, driver training, and other skill training.

The Facility is also used by various outside law enforcement agencies. Most of these agencies provide their own instructors; however, the outside activities conducted are not always supervised by the Oklahoma County Sheriff's Office.

Local 'Car Clubs' were also permitted to use the Training Facility for driving activities without the supervision of the Oklahoma County Sheriff's Office, and for non-law enforcement purposes, in violation of the lease agreement.

Car Clubs that used the track did not pay the Sheriff's Office and the Clubs provided their own equipment. The Clubs were then given the combination to the gate lock so that no Sheriff's Office employees needed to be present. To our knowledge no money changed hands between the Sheriff's Office and the Car Clubs for these events.

The use of the facility by outside law enforcement agencies and 'Car Clubs' was done without agreements approved the Board of County Commissioners as required by **74 O.S. § 1008** which states in part:

Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be authorized by the governing body of each party to the contract. Such contract shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties.

In addition to being a violation of the lease agreement, the use of the facilities by local 'Car Clubs' for non-law enforcement purposes and by any agency in an unsupervised manner could put the County in a position of liability.

**Donated Vehicles**

**Finding**

**The Oklahoma County Sheriff's Office accepted a donation of Sheriff Whetsel's personal vehicle after a \$28,000 payment was made to Sheriff Whetsel's spouses' Trust. The donation of the vehicle was not approved by the Board of County Commissioners<sup>15</sup>.**

While in review of the County Sheriff's vehicle service records it was noted that graphics had been ordered to be applied to a vehicle previously owned by Sheriff Whetsel.

PURPOSE
B# unknown; 09 Charger; Sheriff's previous POV which is being purchased/donated to OCSO by E Jarjoura

The vehicle in question, a 2008 Dodge Charger, was originally purchased by Sheriff Whetsel in the name of the 'Cynthia A Whetsel Trust' on October 31, 2007, for \$32,341.59.

The official records from the Oklahoma Tax Commission documenting the 2011 sale of the vehicle reflect that the vehicle was sold directly to the County by Sheriff Whetsel. The purchaser of record was the "Oklahoma County Sheriff's Office", and the seller of record was the "Cynthia A Whetsel Trust". No excise tax was paid in this transaction.

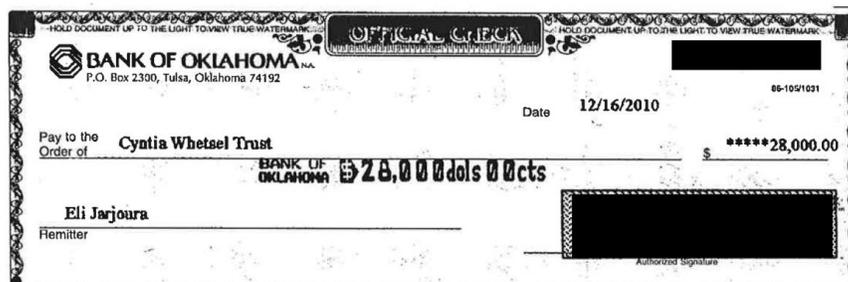
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<sup>15</sup> As required 60 O.S. § 390.



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The Sheriff's Office purchased 31 new Dodge Chargers<sup>16</sup> at an average cost of \$25,342. Sheriff Whetsel received payment of \$28,000 for a three-year old vehicle with 83,739 miles.

**Finding**

**Two vehicle donations made to the Oklahoma County Sheriff's Office were not handled in a proper manner and were not properly approved by the Board of County Commissioners.**

Two vehicles were paid for and donated to the Sheriff's Office by a Reserve Deputy. A 2010 Chevrolet Camero was purchased and donated in August 2009 valued at \$39,944 and a 2010 Dodge Challenger was purchased and donated in January 2010 valued at \$40,211.

The vehicles were purchased directly by the Reserve Deputy from the vendors in the name of the Oklahoma County Sheriff's Office. The registration documents indicate the donated vehicles were never registered in the name of the Reserve Deputy, with both registered in the name of the Oklahoma County Sheriff's Office at the time of purchase. There was no excise tax paid on the vehicles.

The purchases were made in the name of the Oklahoma County Sheriff's Office and the donations received by the County Sheriff's Office were not approved by the Board of County Commissioners as required by **60 O.S. § 390** which states:

The board of county commissioners of each county of the state, as to such county...is hereby authorized in its discretion to accept, upon behalf of such county...any gift, testamentary or otherwise, whether unconditional or conditional, of any property, whether real or personal or both...and, in such instances, the property, or, in the case of real property or intangible personal property, the muniments of title thereto, shall be delivered to, and any necessary receipts therefor shall be executed by, such board.

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<sup>16</sup> See table on Page 23.

**Employee Lobbyist**

**Finding**

**In our review of Reserve Deputy payroll, we noted one employee was coded as a Part-Time Reserve Deputy from January 2016 through March 2016 in error.**

An individual was employed in a part-time status with the job title of 'Information/Education' in the Community Services Administration Division of the County Sheriff's Office. The employee was paid with County funds at a rate of \$2,500 per month. The employee resigned his position as of March 1, 2016.

The employee was listed as Part-Time Reserve Deputy in the employee master file, and was paid under a Part-Time Reserve code from January 2016 through March of 2016. We cross-referenced the employee to the list of CLEET certified deputies and determined the employee was not a certified Reserve Deputy. Upon further review, it was determined that the employee had been entered in the payroll system as a Part-Time Reserve Deputy in error.

According to an employee in the Sheriff's Human Resource Department, the employee was not a Reserve Deputy but was a lobbyist for the Sheriff's Office.

We verified the individual was registered as a lobbyist, per the Oklahoma Ethics Commission records, but not as a representative for the Oklahoma County Sheriff's Office.

**DISCLAIMER**

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In this report, there may be references to state statutes and legal authorities which appear to be potentially relevant to the issues reviewed by this Office. The State Auditor and Inspector has no jurisdiction, authority, purpose, or intent by the issuance of this report to determine the guilt, innocence, culpability, or liability, if any, of any person or entity for any act, omission, or transaction reviewed. Such determinations are within the exclusive jurisdiction of regulatory, law enforcement, and judicial authorities designated by law.



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

[WWW.SAI.OK.GOV](http://WWW.SAI.OK.GOV)