

INVESTIGATIVE REPORT

# TOWN OF JET

July 1, 2009 through November 15, 2011



*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

**TOWN OF JET**  
**INVESTIGATIVE REPORT**  
**JULY 1, 2009 THROUGH NOVEMBER 15, 2011**

---

This publication, issued by the State Auditor and Inspector as authorized by 74 O.S. § 227.8, has not been printed, but is available on our agency's website ([www.sai.ok.gov](http://www.sai.ok.gov)) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to 74 O.S. § 3105.B.



# Oklahoma State Auditor & Inspector

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

June 21, 2012

District Attorney Hollis Thorp  
Office of the District Attorney, District #26  
300 South Grand  
Cherokee, Oklahoma 73728

Transmitted herewith is our Investigative Report of the Town of Jet.

Pursuant to your request and in accordance with the requirements of **74 O.S. 2011, § 212 (H)**, we performed an investigation with respect to the Town of Jet and its public trust authority for the period July 1, 2009 through November 15, 2011.

The objectives of our investigation primarily included, but were not limited to, the areas of concern expressed by the District Attorney's Office. Our findings and recommendations related to those objectives are presented in the accompanying report.

Because investigative procedures do 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 Town of Jet and its public trust authority for the period July 1, 2009 to November 15, 2011.

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.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our investigation.

This report is addressed to and intended solely for the information and use of the District Attorney and should not be used for any other purpose. Consequently, this document is *not* a public document, but is part of the investigation and/or litigation files of the District Attorney. Until its release by the District Attorney's office, it may be kept confidential pursuant to the **Oklahoma Open Records Act**, in accordance with **51 O.S. 2011, § 24A.12**. This report has been released for publication.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gary A. Jones", is written over a light blue horizontal line.

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

**TABLE OF CONTENTS**

	<b>page</b>
Board of Trustees .....	ii
Executive Summary .....	iii
Introduction.....	1
Objectives, Findings, and Recommendations .....	3

**OBJECTIVES**

<b>I.</b> Determine if the Town is missing a computer .....	3
<b>II.</b> Determine if the Town provides fuel and maintenance for the water superintendent’s personal vehicle .....	7
<b>III.</b> Review compensation paid to the water superintendent in relation to a grant project. ....	9
<b>IV.</b> Review circumstances surrounding a REAP grant for street repairs .....	12
<b>V.</b> Determine if Town funds had been used to pay an oncology clinic.....	14

**BOARD OF TRUSTEES**  
**(AS OF APRIL 4, 2011)**

Jim Blackledge..... Mayor  
Lindeen Evans..... Member  
Matt Morris ..... Member  
Pamela Sands ..... Member  
Paul Blackledge ..... Member

**CLERK-TREASURER**  
**(AS OF APRIL 4, 2012)**

Donna Keller

**EXECUTIVE SUMMARY**

We performed an investigation, pursuant to the District Attorney's request, and in accordance with the requirements of **74 O.S. 2011, § 227(H)**. This report addresses issues related to the Town of Jet and its public trust authority for the period July 1, 2009 through November 15, 2011.

In Objective I, we found documentation for laptop computers and related equipment that appeared to have been purchased by a private individual using an account in the name of the Town of Jet. Through interviews, as well as documents we obtained, the computers apparently were not purchased by or delivered to the Town of Jet. We have referred this matter to the District Attorney for further review to determine if the matter should be addressed by the appropriate law enforcement agency.

We noted some procedural issues related to how the town reimbursed the water superintendent for the use of his personal vehicle. These issues primarily related to how taxable income should be reported when the Town chooses to reimburse employees for use of their personal vehicles.

We were unable to substantiate the claims concerning improper payments related to grants or a payment allegedly made to an oncology clinic.

Overall, we found the records maintained by the Town to be accurate and well maintained, with a few exceptions, as noted in our report.

**TOWN OF JET - INVESTIGATIVE REPORT**  
**RELEASE DATE: JUNE 21, 2012**

---

**Introduction**

The municipal government of the Town of Jet (Town) is organized under the statutory Town Board of Trustees form of government, as outlined in **11 O.S. § 12-101, et. seq.**, states:

The form of government provided by Sections []12-101 through []12-114 of this title shall be known as the statutory town board of trustees form of government. Towns governed under the statutory town board of trustees form shall have all the powers, functions, rights, privileges, franchises[,] and immunities granted, or which may be granted, to towns. Such powers shall be exercised as provided by law applicable to towns under the town board of trustees form, or if the manner is not thus prescribed, then in such manner as the board of trustees may prescribe.

The Town is subject to the provisions of other sections of Title 11 (Cities and Towns) of the Oklahoma Statutes.

The Town is governed by the Town Board of Trustees (Town Board), which consists of five members (town trustees) who are elected at large, “without regard to place of residence within the corporate limits of the town.” The Board of Trustees elects one of its members to serve as mayor. The town clerk-treasurer is also elected at large.

The Jet Utilities Authority (JUA or Authority) is a public trust established in accordance with 60 O.S. § 176, et al. The JUA provides water, sewer and sanitation services to the residents of Jet. As provided for by the JUA’s trust indenture, the members of the Town Board serve *ex officio* as the trustees of the JUA.

The Town and the JUA are subject to the provisions of sections of various other titles of the Oklahoma Statutes, including, but not limited to, Title 25 (Definitions and General Provisions), Title 51 (Officers), Title 60 (Property), Title 61 (Public Buildings and Public Works), Title 62 (Public Finance), and Title 68 (Revenue and Taxation).

A private, independent audit firm audits the Town and the JUA annually. Audit reports through the end of fiscal year 2010 were on file with our office. In addition, town officials prepare an annual financial statement that presents the financial condition of the Town at the close of each fiscal year, in accordance with the requirements of 68 O.S. § 3002.

All dollar amounts included in this report are rounded to the nearest dollar unless indicated otherwise.

**TOWN OF JET - INVESTIGATIVE REPORT**  
**RELEASE DATE: JUNE 21, 2012**

---

Fiscal years in this report are abbreviated by using the ending calendar year. For example, the fiscal year of July 1, 2010, through June 30, 2011, would be identified as “FY11.”

*Investigation/audit request*

The Town of Jet, population 213, is located in Alfalfa County, which is included in District Attorney District #26. Mr. Hollis Thorp serves as District Attorney, District #26.

On November 15, 2011, District Attorney Thorp requested the State Auditor and Inspector conduct a special audit of the Town of Jet for the fiscal years 2008-09 “to present.” The request was in response to the District Attorney’s office having received “numerous” complaints involving alleged illegal activities during the period.

On February 9, 2012, we contacted a District Attorney’s investigator to obtain further information regarding the allegations that OSAI was being asked to investigate.

As a result of the request by the District Attorney, the State Auditor’s Special Investigative Unit conducted an investigative audit related to the concerns expressed to us by the District Attorney’s investigator. The results are in the following report.



**Objective I: Determine if the Town is missing a computer.**

**Background**

During July and August 2011, the *Nash* Town Clerk was contracted to assist the Town of Jet with their financial records and procedures. During this time, the clerk had noted a “past due” collection notice from Dell Computers. The clerk did not copy the notice and did not recall any specific information related to the notice. Because of the collection notice, the clerk believed the Town may have purchased a computer that was now missing.

**Finding**

**Information we obtained indicated computer equipment, including two laptop computers, may have been purchased by a private individual in the Town’s name. Information developed for this objective indicated the Town had not requested nor received delivery for the computer equipment.**

On May 9, 2007, the governing boards for the Town of Jet and the Jet Utilities Authority voted on and approved the purchase of a computer system. The records indicated the total cost of the computer was \$1,256.11. The invoice records indicated the computer was purchased under loan contract #501-8508037-**001** (the “001” contract).

On June 13, 2007, the governing boards approved paying \$628.06 from General Fund and \$628.05 from the Utilities Authority. The corresponding checks written from the accounts reflected the “001” contract number. A May 27, 2008, letter from Dell Financial Services reflected the “001” contract had been paid in full.



The invoices related to the “001” contract reflected the purchase of a Dell computer with the Dell service tag/serial number “9V79XC1.” We noted this is the computer currently being used at Jet town hall.

The collection notice obtained by the interim clerk, at our request, reflected a “Client reference number” of 501-8508037-002. We noted the number was the same number as the “001” contract number with the exception of the ending “002” (the “002” contract).

**TOWN OF JET - INVESTIGATIVE REPORT**  
**RELEASE DATE: JUNE 21, 2012**

---

The outstanding amount owed reportedly by the Town of Jet appears to be in relation to the "002" contract. The account has been turned over to a collection agency seeking to collect \$2,618.30. We contacted the collection agency and determined the following:

- An outstanding balance of \$2,618.30 is owed on the account.
- The amount owed is in relation to a three year lease-purchase agreement signed on October 3, 2007.
- One payment has been made in the amount of \$53.55.
- The equipment was delivered to 1400 E Broadway, Suite 1400, Enid, Oklahoma.
- The name associated with the account and delivery was Quincy Nolen, Blue Zion Technology.

We contacted Quincy Nolen, of Blue Zion Technology. Nolen told us the Town of Jet had actually purchased two computer systems in 2007 several months apart. According to Nolen both computer systems were delivered to his business in Enid where he configured them and then delivered them to the Jet Town Hall.

Nolen told us the second computer was purchased at the request of the Jet Water superintendent and was approved by the then mayor. According to Nolen, he was at the town hall when then Town Clerk Shirley Shaklee and Water Supervisor Mike Keller went to a tavern, located next to the town hall, and obtained the mayor's approval. According to Nolen, both Keller and Shaklee were at town hall when he delivered the second computer.

We interviewed Water Superintendent Mike Keller who told us the town had bought one computer from Nolen. According to Keller, they had obtained a quote for a second computer but had never authorized the purchase of, nor received, a second computer from Nolen.

Keller recalled the town was getting notices from Dell about owing money on a computer even though the town had paid for the one computer they had purchased and received. Keller recalled that Nolen was supposed to take care of the past due notices.

We interviewed former Town Clerk Shirley Shaklee. Shaklee said the town had only purchased one computer from Nolen. Shaklee also recalled the town began getting past due notices. Shaklee told us she had been faxing those notices to Nolen, because the town had paid for the one computer they had received.

**TOWN OF JET - INVESTIGATIVE REPORT**  
**RELEASE DATE: JUNE 21, 2012**

---

We interviewed Mayor Jim Blackledge who also recalled the town had only purchased one computer. Blackledge did not recall being in a tavern when someone asked his approval to purchase a second computer and was fairly certain he would have remembered that event, if had it occurred.

We interviewed Jacquetta Jenkins, a consultant, who also was assisting the town with their financial and administrative matters during this time period in 2007. Jenkins recalled the Town had only purchased one computer. According to Jenkins, the Town began receiving past due notices even though they had paid for the computer purchased by the Town and had provided that documentation to Dell.

Jenkins stated the Town began forwarding those past due notices to Nolen so that Nolen would take care of the issue. Jenkins said that Nolen acknowledged he would take care of the problem. We found documents that had been faxed to Nolen asking him to take care of the situation.

As previously noted, according to the collection agency, one payment in the amount of \$53.55 had been made to the account. We asked the current town clerk-treasurer to determine if a payment had been made to either Dell or Dell Financial Services for the past due amount from any of the Town or JUA accounts.

According to the clerk-treasurer she found no indication of a \$53.55 payment to Dell or Dell Financial. Furthermore, the clerk searched for the \$53.55 amount and found no payment to any vendor in that amount.

---

**Records we  
obtained indicated  
two laptop  
computers had  
been purchased.**

At our request, the collection agency obtained the original documentation from Dell in relation to the past due amount owed. The original documentation indicated the "002" contract was for the purchase of two laptop computers, a 19" flat panel monitor, a wireless mouse, and a notebook "sleeve."

The loan documentation provided included a loan agreement which reflected the borrower as the "Town of Jet" and noted "Attn: Quincy Nolen." The documentation did not contain any signatures and was dated September 13, 2007, rather than October 3, 2007, as we had been previously told.

During our initial interview with Nolen on March 29, 2012, he indicated he had provided a second "workstation" computer to the Town.

**TOWN OF JET - INVESTIGATIVE REPORT**  
**RELEASE DATE: JUNE 21, 2012**

---

On April 9, 2012, we sent an email to Nolen asking if he had purchased and provided two laptop computers to the Town. On April 10, 2012, Nolen responded to the email saying he had “retained council [sic] for this matter” and any further questions should be directed to his attorney.

**Conclusion**

We were unable to substantiate the Town is missing a computer. From the records we reviewed, the Town purchased one computer system. The governing boards of both the Town and its trust authority approved only the purchase of the one computer.

The purchase was noted in the meeting agendas and meeting minutes of both the Town and JUA board meetings. We found no indication in the meeting minutes that the purchase of a second computer had been approved or even discussed.

During our initial interview with Nolen he indicated he had been requested and had provided a second “workstation” computer to the Town at the request of the Mayor and Water Superintendent.

According to Mayor Blackledge, Water Superintendent Keller, former Clerk Shaklee, and Circuit Rider Jenkins, the town had only purchased one computer that was paid for and was currently at the town hall, at the time of fieldwork.

We found no indication that the Town had discussed, ordered, received, or paid for the “002” computer equipment which was delivered to Nolen at his business address in Enid, according to records from Dell Computers.

**Recommendation**

Based on the information we have obtained we have referred this matter to the District Attorney to determine if the circumstances warrant additional investigation by the appropriate law enforcement authorities.

**Objective II: Determine if the Town provides fuel and maintenance for the water superintendent's personal vehicle.**

**Background**

The concern expressed to us related to the Town having purchased parts for the water superintendent's personal vehicle. Additionally, there was a concern the water superintendent had been charging \$700 - \$900 for fuel purchases for his personal vehicle.

**Finding**

**The mayor and water superintendent had a verbal agreement for the Town to pay for fuel and maintenance for the use of a personal vehicle. The Town may not have properly recorded the vehicle reimbursements in accordance with IRS guidelines.**

We interviewed Mayor Blackledge who told us he and Water Superintendent Mike Keller had reached an agreement when Keller was first hired. Keller would agree to use his own vehicle and tools, and the Town would agree to pay for maintenance, fuel, and upkeep.



According to the Mayor the agreement was, in part, because the pickup belonging to the town is a gas guzzler and because the pickup is old and worn out. The town owns a 1999 Ford flatbed pickup equipped with a Triton V10 engine. At the time of our fieldwork the pickup had 129,389 miles on the odometer.

The Town has a fuel card for a local Farmer's Cooperative identifiable as being the fuel card used by the water superintendent. We reviewed the fuel costs and determined the Town paid \$3,914 (\$326 avg per mo) and \$3,398 (\$283 avg per mo) for FYE 2010 and FYE 2011, respectively.

In addition to the fuel costs, we noted \$202 had been charged for oil changes, tires, etc. and another \$139 for maintenance.

The Town does not require or maintain any type of vehicle logs. Therefore, we had no means to determine what percentage of the fuel and maintenance costs may be related to the water superintendent's use of his personal vehicle for the Town's benefit.

*IRS Publication 463* recognizes various methods for reimbursement of vehicle expenses including an *accountable* and a *nonaccountable* plan.

The IRS *accountable plan* is one that meets the following criteria:

- Expenses are business related expenses.
- Expenses are “adequately accounted.”
- Any excess reimbursement or allowance is returned.

A *nonaccountable plan* is a reimbursement or expense allowance that does not meet one or more of the three rules listed above. Because no logs or expense records were maintained, the Town has opted for a *nonaccountable plan* under the IRS provisions.

The IRS guidelines, with respect to a *nonaccountable plan*, require the employer (Town) to combine the amount of any reimbursement allowance with the employee’s wages, salary, or other pay and to report those earnings on the employee’s Form W-2.

We noted the vehicle expense reimbursements had not been reported on the water superintendent’s Form W-2 for calendar years 2009, 2010, and 2011.

**Conclusion** We concluded the allegation of inflated payments for fuel purchases was unsubstantiated.

**Recommendations** We recommend the Town adopt a formal written agreement regarding the reimbursement of expenses in relation to employee’s use of their personal vehicles. We further recommend the Town consult with a tax professional to determine if the water superintendent’s W-2 earnings reports should be amended to reflect the maintenance reimbursements as reportable income.

**Objective III: Review compensation paid to the water superintendent in relation to a grant project.**

**Background**

The concern initially expressed to us related to the water superintendent having been paid an additional \$21,000 for work related to either a waterline and/or a lagoon. We learned later that the amount questioned was actually \$7,500 paid to the water superintendent for the inspection of a lagoon project. A secondary concern was the \$7,500 payment may have been an improper payment from grant funds from the Oklahoma Department of Environmental Quality (ODEQ).

**Finding #1**

**The allegations concerning the water superintendent and the ODEQ grant were unsubstantiated. The Authority approved the payment of \$7,500 to the water superintendent for the inspection of lagoons as part of an ODEQ project. The agreement between the Town and water superintendent was not signed.**

We reviewed payroll records for the water superintendent for 2009, 2010, and 2011. The calendar year (January – December) totals reflected the water superintendent was paid \$24,000 per year. We determined the payroll records corresponded to the reported earnings on the water superintendent’s W-2’s for each year.

We were unable to identify an additional \$21,000 had been paid to the water superintendent. We interviewed Nash Clerk Heather Thomas, who appeared to be the source of the original allegation, and learned the amount in question was actually \$7,500, rather than \$21,000, as originally expressed.

According to Thomas, the concern was that the water superintendent had been paid \$7,500 in relation to a grant. The \$7,500 payment was to “inspect” a lagoon project.

The Town provided a copy of an “Agreement for Inspection Services” between the Town and the water superintendent for the inspection of the lagoons. The agreement, which was not signed by either party, specified the amount to be paid for the inspection as \$7,500.

**TOWN OF JET - INVESTIGATIVE REPORT**  
**RELEASE DATE: JUNE 21, 2012**

---

The meeting minutes for a JUA Special Meeting held on July 9, 2010, reflected the following:

5. **Motion made by Kiser to award the Lagoon Inspectors Contract to Mike Keller. Evans seconded. Motion carried.**

<b>Blackledge</b>	<b>Evans</b>	<b>Kiser</b>
<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

Purchase order #1374, dated January 13, 2011, was issued for the payment of the inspection contract in the amount of \$7,500. The JUA Board approved Purchase order #1374 on February 9, 2011. The Town issued a Form 1099 for the 2011 calendar year that reflected the payment of the \$7,500 for the contracted services.

**Finding #2**

**The inspection was not paid with federal grant funds but was paid through other funding obtained from ODEQ. ODEQ did not establish conditions on the inspector position and did not object to the Town's water superintendent serving as the project inspector.**

The second part of the concern expressed to us was that the \$7,500 payment to the water superintendent had been improperly made from grant funds.

In order to comply with a Consent Order from the Oklahoma Department of Environmental Quality, the Town of Jet received a CDBG Grant from the U.S. Department of Housing and Urban Development (HUD) in the amount of \$173,900 for improvements to the wastewater treatment lagoons.

The Town budgeted \$199,100 for the repair and rehabilitation of the lagoons. In addition to the \$173,900 in CDBG grant funds, \$25,200 in matching funds was required to complete the project. The matching funds were obtained from the ODEQ.

The Town and ODEQ executed a contract in the amount of \$25,200 for ODEQ to provide the needed financial assistance to comply with state and/or federal environmental regulations. As shown in the following excerpt, the contract specifies that \$7,500 was for the inspection of the project.



**2.1 DEQ personnel have determined that the items listed below are a necessary part of the overall project to repair and rehabilitate Recipient's POTW to bring it into compliance with the Consent Orders and all applicable law. The "Approved Project" will consist of:**

- **Engineering Fees (\$17,700)**
- **Inspection of Project (\$7,500)**

The ODEQ contract did not establish any requirements or place any stipulations on the inspection service. There was no language in the contract that would have prevented the Town from contracting with their own employee.

We contacted Myles Mungle, the ODEQ Engineer listed on the contract, who told us they, i.e. ODEQ, "usually leave it up to the Town and consulting engineer to designate who the inspector will be."

According to Mungle, nothing in the contract provisions would prevent the Town from hiring or contracting with a Town employee to perform the inspection.

**Conclusion**                      We concluded there were no irregularities with this transaction.

**Recommendation**            The Town and Authority should take appropriate steps to ensure any contract and/or agreement that is authorized or approved by the governing board is signed by the parties making the agreement or contract.

**Objective IV: Review circumstances surrounding a REAP grant for street repairs.**

**Background**

The concern expressed to us was the Town had applied for funding from the Northern Oklahoma Development Authority (NODA) in relation to work to be performed on certain streets in the Town. The concern was the Town did not do the work reflected on the application for the funding from NODA, and consequently, the grant reimbursement was denied.

**Finding**

**We confirmed the work actually performed varied from the work reflected on the application and as a result, the funding was denied.**

On December 8, 2010, the Town passed a resolution authorizing the application for financial assistance from the Rural Economic Action Plan (REAP) fund<sup>1</sup> to resurface streets.

The Town applied for a grant commonly referred to as a “reimbursement grant.” A “reimbursement grant” is a grant where the work is performed first and then the grant funds are disbursed, once a final approval of the project has been made.

On March 3, 2011, the Town was awarded contract number *2011 REAP Fund AL11-2* in the amount of \$29,999 from NODA. The funding period for the contract was February 1, 2011, through January 31, 2012.

Double Bituminous Chip Seal: Estimated Quantity based on three blocks (400 LF X 20 Ft Wide); Two blocks (400 LF X 30 Ft Wide)		
Mobilization: This cost applies no mater what the quantities.		\$ 2,600.00
Dble Bituminous Chip Seal (400X30 Sts-2 ea) 1,350 SY @ \$ 5.80 SY		\$ 7,830.00
Dble Bituminous Chip Seal (400X20 Sts-3 ea) 2,800 SY @ \$ 5.80 SY		\$16,840.00
Patch and Rut Fill	1052 SF @ \$ 4.95 SF	\$ 5,207.40
Penetrating Asphalt Conditioner (5 BLOCKS) 4450 SY @ \$1.59 SY		<u>\$ 7,520.50</u>
TOTAL		\$39,997.90

The application describing the work that was to be performed included a “chip and seal” type of street project, as shown in the image at left.

On May 3, 2011, the Town submitted an invoice from the paving contractor to NODA for payment with REAP funds. The invoice submitted by the Town indicated the work performed was part of a “revised proposal for street repairs” and reflected that the work

---

<sup>1</sup> The REAP fund grant was administered by NODA.

performed included patching “failed areas” and applying an asphalt conditioner.

We interviewed Larry Tipps of NODA, who had initially rejected the reimbursement claim. According to Tipps, the Town applied for and was awarded the funds to do a “chip and seal” project. However, when NODA received the invoice for the project, the work reflected as having been performed was not a “chip and seal” project. Instead, the streets were treated with a conditioner and some of the potholes were fixed.

Because the work performed was different from the work reflected in the original application, the funding was denied.

**Conclusion**           The basics of the concern were confirmed. The work performed on the Town’s streets varied from the work that was to be performed, as submitted in the application. As a result, the reimbursement amount was denied.

**Recommendation**   No recommendation is provided for this objective.

**Subsequent Events**       On September 15, 2011, NODA asked the Town for an explanation as to why the work done varied from the work to be performed, as described in the Town’s original application. On December 7, 2011, the Town responded to NODA’s request. On March 14, 2012, after reassessing the work performed and the reason(s) for the changes, NODA issued a payment to the Town of Jet in the amount of \$29,999, which was the amount of the original REAP grant application.

**Objective V: Determine if Town funds had been used to pay an oncology clinic.**

**Background**

The concern expressed to us was a former clerk had seen a payment to “Enid Oncology” in a payment register for the Town. The information was relayed second-hand, and no other information with respect to dates or amounts could be provided.

**Finding**

**We were unable to substantiate the allegation.**

We reviewed payment registers for the town for July 2010, through August 2011, and found no payments to “Enid Oncology” or any other oncology related clinic or facility.

We interviewed former Jet Town Clerk Kelly Hopkins, who reportedly was the original source of the information, in order to obtain more specifics. During our interview with Hopkins, she indicated that she had not actually seen a payment on any reports, invoices, or check registers.

Hopkins indicated that when she was typing something in the computer the word “oncology” appeared. She attempted to find the word again but was unsuccessful. While we were observing, we asked the current city clerk-treasurer to try several variations of “Enid oncology” and “oncology” and were also unsuccessful in finding the name in the computer system.

Hopkins thought maybe the billing software vendor’s personal information had perhaps been made a part of the Jet billing software. We asked Hopkins to describe what she was doing when she saw the word “oncology.”

What Hopkins described was, most likely, a software feature that allows for an *advance name lookup (ANL)*. The ANL software feature allows the computer user to type in the first few letters of a name that causes the computer system to retrieve a listing of likely names from a lookup file matching the letters, as they are typed in.

We contacted the software vendor who had written the software used by the Town. According to the vendor, “Enid Oncology” was in a computer

**TOWN OF JET - INVESTIGATIVE REPORT**  
**RELEASE DATE: JUNE 21, 2012**

---

“rolodex” type file that contained his personal information. The vendor includes the rolodex, or name lookup file, when he sets up new computers. The software vendor searched the files for the Town and found no indication “Enid Oncology” had been used as a payee.

**Conclusion**           Based on the information derived from our interviews, and the unsuccessful attempts to recreate the alleged “oncology” entry, we concluded the allegation was unsubstantiated.

**Recommendation**   No recommendation is provided for this objective.

---

**DISCLAIMER**           In this report, there may be references to state statutes, Attorney General’s opinions and other legal authorities that 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 AND INSPECTOR

2300 N. LINCOLN BOULEVARD, ROOM 100

OKLAHOMA CITY, OK 73105-4896

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