

# TOWN OF WARNER

JULY 1, 2005 THROUGH  
JUNE 30, 2008

# SPECIAL AUDIT



Oklahoma State Auditor  
& Inspector



# Town of Warner Muskogee County Special Audit Report July 1, 2005 – June 30, 2008

**Steve Burrage, CPA**

OKLAHOMA OFFICE

OF THE

STATE AUDITOR & INSPECTOR

## Why the audit was performed

The Board of Trustees  
requested the audit pursuant  
to  
74 O.S. 2001§ 227.8.

## Audit Summary:

- ✓ Unauthorized payments of \$14,061.71 to the former Town clerk/treasurer. Pgs 4-5
- ✓ Unauthorized use of Board members' signature stamps by the former Town clerk/treasurer. Pg 5
- ✓ Unauthorized use of Town funds to pay \$497.50 for an airline ticket and \$275.00 for a registration fee for the former Town clerk/treasurer's husband to attend a conference in Canada. Pg 6
- ✓ Unauthorized payment of \$148.16 to former Town clerk/treasurer. Pg 6
- ✓ Unauthorized use of signature stamp to pay the former Town clerk/treasurer in the amount of \$441.56, which included a payment of \$321.07 for mileage to New Orleans, Louisiana, prior to travel. Pgs 6-7
- ✓ Unauthorized payment of a \$245.00 registration fee for the former Town clerk/treasurer's husband to attend a seminar in New Orleans, Louisiana. Pg 7
- ✓ Questioned reimbursement of \$446.08 to former Town clerk/treasurer, without supporting documentation (invoices, receipts, etc.). Pgs 7-8
- ✓ Questioned hours listed on time card. Pg 8
- ✓ Questioned reimbursement of \$53.00 for cell phone charges paid to former Town clerk/treasurer. Pg 8
- ✓ Questioned payment of \$48.00 and unauthorized payment of \$300.00 to former Town clerk/treasurer. Pg 9
- ✓ Questioned payment of \$94.75 for 195.4 vicinity miles paid to former Town clerk/treasurer. Pg 9

To view a copy of the entire report, please visit our website at: [www.sai.state.ok.us](http://www.sai.state.ok.us).

If you have questions or would like to contact our office, please call (405) 521-3495.



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## Why the audit was performed

The Board of Trustees  
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to  
74 O.S. 2001§ 227.8.

## Audit Summary:

- ✓ Unauthorized payments of \$573.25 to former Town clerk/treasurer. Pgs 9-11
- ✓ Inconsistencies in travel claimed and time sheet entries for former Town clerk/treasurer. Pg 13
- ✓ Purchase order exceptions-purchase orders not issued prior to expenses being incurred, duplicate payments were made, purchase orders paid prior to board approval, no policies and procedures for credit card purchases, late payment fees and finance charges assessed to the Town. Pgs 13-18
- ✓ Possible violation of the Competitive Bidding Act. Pgs 18-19
- ✓ Town bank account used to pay personal bills totaling \$1,749.13. Pgs 19-21

To view a copy of the entire report, please visit our website at: [www.sai.state.ok.us](http://www.sai.state.ok.us).  
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**TOWN OF WARNER**  
**MUSKOGEE COUNTY**  
**SPECIAL AUDIT REPORT**  
**JULY 1, 2005 THROUGH JUNE 30, 2008**

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# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



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

August 26, 2009

Honorable Jeff Collins, Mayor  
Board of Trustees  
Town of Warner  
P.O. Box 170  
Warner, Oklahoma 74469-0170

Transmitted herewith is the Special Audit Report of the Town of Warner, Muskogee County, Oklahoma. We performed our special audit in accordance with the requirements of **74 O.S. § 227.8**.

A report of this type tends to be critical in nature; however, failure to report commendable features in the present accounting and operating procedures of the entity should not be interpreted to mean they do not exist.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government, which is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our Office during the course of our special audit.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

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**TOWN BOARD OF TRUSTEES**

Jeff Collins .....Mayor  
Randy Brassfield..... Vice Mayor  
Troy Duncan ..... Trustee  
Jim Sallee ..... Trustee  
Marcus Glisson ..... Trustee  
Teresa Duke ..... Clerk/Treasurer  
Carla Reed..... Former Clerk/Treasurer

**UTILITY AUTHORITY BOARD OF TRUSTEES**

Troy Duncan ..... Chairman  
Marcus Glisson ..... Vice Chairman  
Randy Brassfield..... Trustee  
Jeff Collins ..... Trustee  
Jim Sallee ..... Trustee  
Teresa Duke ..... Clerk/Treasurer  
Carla Reed..... Former Clerk/Treasurer

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Honorable Jeff Collins, Mayor  
Town of Warner  
P.O. Box 170  
Warner, Oklahoma 74469-0170

Dear Mr. Collins:

Pursuant to the Board of Trustees' request and in accordance with the requirements of **74 O.S. § 227.8**, we performed a special audit with respect to the Town of Warner, Muskogee County, Oklahoma for the period July 1, 2005 through June 30, 2008.

The objectives of our special audit primarily included, but were not limited to, the objectives expressed by the Trustees. Our findings related to these procedures are presented in the accompanying report.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on the account balances or financial statements of the Town of Warner for the period July 1, 2005 through June 30, 2008. Further, due to the test nature and other inherent limitations of a special audit report, together with the inherent limitations of any internal control structure, there is an unavoidable risk that some material misstatements may remain undiscovered. This report relates only to the accounts and items specified above and do not extend to any financial statements of the Town.

This report is intended solely for the information and use of the Town Board of Trustees and its administration and should not be used for any other purpose. This report is also a public document pursuant to the **Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.)** and shall be open to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

September 25, 2008



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**INTRODUCTION**

The Town of Warner, Oklahoma is organized under the statutory town board of trustees form of government, as outlined in **11 O.S. § 12-101, et seq.**

**11 O.S. § 12-101**, 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 Oklahoma State Auditor and Inspector (OSAI) conducted a special audit of the records of the Town, primarily those records relating to the objectives expressed by the Board of Trustees. The results of the special audit are in the following report.

**BOARD OF TRUSTEES FIDUCIARY RESPONSIBILITY**

The Board of Trustees for the Town of Warner has an obligation to act in the best interest of the Town as a whole. This fiduciary responsibility requires that all funds belonging to the Town be handled with scrupulous good faith and candor. Such a relationship requires that no individual shall take personal advantage of the trust placed in him or her. When the Board of Trustees accepts responsibility to act in a fiduciary relationship, the law forbids them from acting in any manner adverse or contrary to the interest of the Town. Further, the Town Clerk/Treasurer has a fiduciary responsibility to perform all statutory duties in maintaining accurate, complete, and reliable records for the Town of Warner.

**OBJECTIVE**

**Review for possible irregularities in expenditures.**

**FINDING**

**Lack of Segregation of Duties**

OSAI reviewed the Town of Warner and Warner Utility Authority (WUA) payroll history reports, individual payroll records (gross pay, deductions, net pay, overtime and vacation hours, and payroll purchase order numbers), personnel files, payroll purchase orders, bank statements, copies of checks, bank reconciliation reports, update journal reports, agendas, meeting minutes and documents attached to meeting minutes, interviewed employees, Board members/trustees, former and current mayor and chairpersons.

The former clerk/treasurer, Carla Reed, hereinafter referred to as Ms. Reed, performed the following duties:

- completed individual payroll records (handwritten)
- completed payroll purchase orders (handwritten)
- entered payroll information on the computer
- maintained employee time records for all employees-including herself
- prepared agendas and meeting minutes
- maintained Board/Authority members' signature stamps
- entered vendor payments on the computer
- presented financial information to the independent auditor
- issued and signed Town and Utility Authority checks
- reconciled the funds/bank accounts

Asset custody, transaction authorization, bookkeeping, and reconciliations were not properly segregated to assure adequate internal control structure.

During field work, the new clerk/treasurer, Teresa Duke, advised OSAI the Town no longer uses signature stamps on checks, the signature stamps and blank checks are locked in a vault, duties have been segregated regarding payroll procedures, the purchase order list provided to the Board includes the purchase order number, the vendor and the amount to be paid, the meeting minutes are signed by all Board members/trustees and the clerk, and the office staff is being cross-trained.

**RECOMMENDATIONS**

The lack of segregation of duties may not be a unique finding in entities of this size; however, it does not alleviate the fiduciary responsibility of the Town Board to establish proper controls to ensure financial transactions are handled appropriately, including but not limited to, disbursement of funds. While having procedures in place to offset the lack of segregation of duties may not prevent

funds from being misused or misappropriated, it will enable the Town and the WUA to detect the misuse or misappropriation in a more timely manner. OSAI recommends the Board review their processes to create a proper segregation of duties and periodically monitor the controls to determine that they are working properly.

#### FINDINGS

- A. **Unauthorized payments of \$14,061.71 to the former city clerk/treasurer, Carla Reed**
- B. **Unauthorized use of signature stamps on (3) purchase orders and (3) checks**
- C. **Unauthorized payment of \$497.50 for a roundtrip airline ticket to Canada**
- D. **Unauthorized payment of \$275.00 from Town funds (clerk's bond account) for Ms. Reed's husband, Glen Reed's, registration fee to the Canada conference**
- E. **Unauthorized payment of \$148.16 to Ms. Reed**
- F. **Unauthorized use of signature stamp on check number 7794 in the amount of \$441.56, payable to the former clerk/treasurer which included a payment of \$321.07 for mileage to New Orleans, Louisiana, prior to travel**
- G. **Unauthorized payment of a \$245.00 registration fee for the former clerk/treasurer's husband to attend a seminar in New Orleans, Louisiana**
- H. **Questioned reimbursement of \$446.08 to Ms. Reed, without supporting documentation (invoices, receipts, etc.)**
- I. **Questioned hours listed on time card**
- J. **Questioned reimbursement of \$53.00 for cell phone charges paid to Ms. Reed**
- K. **Questioned payment of \$48.00 and unauthorized payment of \$300.00 to Ms. Reed**
- L. **Questioned payment of \$94.75 for 195.4 vicinity miles paid to Ms. Reed**
- M. **Unauthorized payments of \$573.25 to Ms. Reed**

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- A. OSAI noted that during the period July 1, 2005 through June 30, 2008 that the former city clerk/treasurer, Carla Reed, received 21 unauthorized payments for payroll totaling \$14,061.71.

OSAI noted occasions when the meeting minutes included payroll reports. The reports listed the employee's name and the amount of regular and overtime payroll for the respective month. Ms. Reed's name was never listed on these reports to the Board, as being paid overtime or additional pay.

The Board members and the former Mayor Troy Duncan stated they did not authorize and did not know Ms. Reed was paid the additional amounts above her regular payroll. The signatures reflected on these checks used for the additional payments to Ms. Reed were the name of Carla Reed and/or the signature stamp of the mayor.

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Town employees stated they had witnessed Ms. Reed use the former Mayor Troy Duncan's signature stamp on Town checks on numerous occasions. Mr. Duncan stated he did not use his signature stamp or authorize the use of his signature stamp on the checks for the additional payments made to Ms. Reed.

OSAI noted that the employees' names are handwritten on the payroll purchase orders. On every payroll purchase order where Ms. Reed was paid an unauthorized amount, her name is handwritten in as the last name entered on the purchase order.

The following attachments reflect the total payments made to Ms Reed as overtime and samples of the documents used to make those payments.

- Attachment "A" to this report is a table that lists the \$14,061.71 in unauthorized payments, the date the checks were cashed, the amounts, names of the signatures/signature stamps, and the date of the purchase order. The first payment on this report is the July 2005 payment.
- Attachment "B" is a copy of the July 2005 payroll report, the section of Town Overtime lists four (4) Town employees to be paid overtime. Ms. Reed is not listed as one of the employees to be paid overtime.
- Attachment "C" is a copy of the Payroll Purchase Order for July 2005 overtime that lists five (5) persons paid overtime. Ms. Reed's name is handwritten as the last name.

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**B.** Warner Utility Authority board member and Mayor Jeff Collins' signature stamp was used on the following three (3) purchase orders without his authorization or knowledge in the following instances:

- Warner Utilities Authority Purchase Order Number 8688 issued to LFT in the amount of \$13,586.27, paid with check number 19550.
- Town of Warner Purchase Order Number 9867 issued to P. Lance McCrary in the amount of \$687.50, paid with check number 8443.
- Town of Warner Purchase Order Number 9824 issued to Carla Reed in the total amount of \$655.60, paid with three (3) checks, numbers 8407, 8408 and 8432.

The signatures reflected on the checks were the name of Carla Reed and the signature stamp of Troy Duncan. Mr. Duncan stated he did not authorize anyone to use his signature stamp on the following checks:

- Check number 8407 was paid to Carla Reed in the amount of \$425.02.
- Check number 8408 was paid to Carla Reed in the amount of \$197.97.

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- Check number 8432 was paid to Carla Reed in the amount of \$32.61.
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C. During our investigation, it was brought to our attention that the Town of Warner funds (clerk's bond account) were used to pay for two (2) roundtrip airline tickets and registration fees for a conference held in Canada, that was issued prior to our audit period. The Board members stated they only authorized the payment of one (1) airline ticket for Ms. Reed to attend the training.

On November 5, 2003, the Town's credit card (issued to Ms. Reed) was used to charge two (2) roundtrip airline tickets from Oklahoma to Canada for \$497.50 each. The purchase order lists the amount of one (1) ticket for \$497.50.

- Check number 969 included the payment for one ticket, \$497.50. The memo section of check number 969 states "PO 6759." The signatures reflected on the check were the name of Carla Reed and the signature stamp of Troy Duncan.
  - Check number 970 was issued for \$497.50 to pay for the second ticket. The signature on the check reflects the name of Carla Reed.
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D. In December 2003, the Town of Warner purchase order number 6777 was issued to International Institute of Municipal Court Clerk (IIMC), in the amount of \$780.00, for a registration fee to a conference held in Whistler, B.C. (Canada). Town of Warner check number 965, dated 12-8-03 in the amount of \$780.00, was used to pay for the registration fee.

The IIMC registration form indicates the \$780.00 payment included a \$555.00 registration fee for Carla Reed and a \$275.00 registration fee for her husband, Glen Reed.

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E. On 11-27-06, check number 7451 (general fund), in the amount of \$148.16, was paid to Ms. Reed. The signatures reflected on the check were the name of Carla Reed and the signature stamp of Troy Duncan. There was no documentation for this expenditure, and the amount was not listed on a purchase order approved by the Board.

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F. On May 18, 2007, check number 7794 (general fund), in the amount of \$441.56 was paid to Ms. Reed. The check noted it was for reimbursements of \$64.99 for mileage reimbursements to auditor and EODD, \$53.00 for cell phone charges, \$2.50 for two (2) calculators, and \$321.07 (662 miles at .485 per mile) for

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mileage to New Orleans, Louisiana. This payment was made **prior** to the travel to New Orleans, and the check bears the signature of Carla Reed and the signature stamp of Troy Duncan.

Mr. Duncan stated he did not go to the office on 5-18-07, nor did he stamp or authorize the use of his signature stamp on this check.

In addition to the \$321.07 referenced above and paid to Ms. Reed prior to travel, when she returned from New Orleans, she issued herself another check. Check number 7798 (general fund) in the amount of \$875.35 was paid to Ms. Reed on May 29, 2007 (prior to Board approval). In total, \$1,196.42 was paid to her for travel related to the New Orleans trip.

According to the Town's policies and procedures manual regarding travel reimbursement, "...b. A tabulation of the total per-diem costs must be submitted to the city clerk." Ms. Reed was the city clerk.

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- G.** In February 2007, the Board approved paying the Town credit card charges. There were no itemized invoices attached to the purchase order, only a credit card statement. The credit card statement indicated the Town credit card was used to pay \$790.00 to the International Institute of Municipal Clerks.

IIMC provided documentation that indicated Ms. Reed used the Town credit card to pay the \$790.00. The \$790.00 included the cost of her registration fee of \$545.00 and her husband's registration fee of \$245.00 to attend the 61<sup>st</sup> IIMC Annual Conference "Parading into the Future" held in New Orleans, Louisiana from May 22 - May 26, 2007.

According to Board members Troy Duncan, Marcus Glisson, Sherry Thompson, and Jeff Collins, they were not aware and did not intend to authorize paying anything for the clerk/treasurer's husband. They also stated Mr. Reed was not in any way associated with the Town of Warner, other than being the husband of Ms. Reed. The Town travel and policies procedures state, in part, that the "...City will pay lodging, meals and necessary miscellaneous expenses incurred by the employee..."

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- H.** According to Google map records, the round trip from Warner, Oklahoma to New Orleans, Louisiana is approximately 1278 miles. At .485 per mile (mileage reimbursement rate at the time), the mileage reimbursement would be \$619.83, plus tolls of \$6.00, with a total cost of \$625.83. The traveling time was estimated at ten and one-half (10.5) hours.

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Total paid to clerk/treasurer	\$1,196.42
Mileage and tolls	625.83
Meal receipts, excluding the clerk's guest	<u>124.51</u>
Total mileage and receipts	\$ 750.34
 Total paid but not supported by receipts/documentation	 \$ <u>446.08</u>

In addition to the \$1,196.42 paid to Ms. Reed for the New Orleans travel, Ms. Reed used the Town credit card to pay for lodging and parking for the trip to New Orleans, Louisiana as follows:

5/19/07	Hotel—Sulphur Springs, TX	\$ 77.28
5/20/07	Hotel—LaFayette, Louisiana	\$ 97.44
5/21/07-5/25/07	Hotel & hotel parking – New Orleans, Louisiana (5 nights lodging @160.00 per night plus tax & 5 nights parking)	     <u>\$1,069.00</u>

Total hotel bills charged and paid with Town of Warner credit card	\$ <u>1,243.72</u>
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- I.** The Town paid for the registration fee, mileage, and hotels, including two nights of lodging to travel ten and one-half hours. OSAI noted Ms. Reed's May 2007 time card entry from May 19, 2007 (Saturday) through May 26, 2007 (Saturday) shows "New Orleans" for a total of seven days and has a notation of "OT 10" (ten hours overtime) for the week.

OSAI also noted that Ms. Reed's personal VISA card charge slips dated May 21, 2007 (Monday) indicate her card was used at an outlet shopping mall in Gonzales, Louisiana, which is located approximately 60 miles away from New Orleans, Louisiana.

- J.** On May 18, 2007, the former clerk/treasurer was paid \$441.56, which included \$53.00 for "cell phone charges." There is no invoice to support this reimbursement. The documentation is a handwritten notation on a yellow post-it note that states: "4-30 cell phone charges 53.00."
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- K.** On March 19, 2007, Town of Warner check numbers 7669 and 7670 (general fund) were issued to Carla Reed in the amounts of \$201.97 and \$300.00, respectively, and were cashed.

Check number 7669 included the payment of \$48.00 (6 days at \$8 per day) for parking associated with travel for a city clerk/treasurer conference at Oklahoma State University in Stillwater, Oklahoma. The claim for this payment is entered on purchase order number 9100 with no supporting documentation attached. Three (3) Board members' signature stamps were affixed to the purchase order. Purchase order number 9100 is listed on the purchase order list provided to the Board. However, there is no vendor listed indicating that the purchase order was issued.

In addition to Ms. Reed being paid \$48.00 for parking, OSAI noted the Town paid Oklahoma State University, directly for Ms. Reed's parking fee of \$40.00 (5 days at \$8 per day) for the same conference.

The Board did not approve the payment of \$300.00 made by check number 7670. Receipts totaling \$29.04 were attached to the carbon copy of this check. The description listed on the accounts payable report states "Stillwater."

Both checks were issued and cashed prior to travel to the 2007 Oklahoma Municipal Clerks and Treasurers Institute conference held in Stillwater, Oklahoma from March 19 - 23, 2007

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- L.** On October 15, 2007, Ms. Reed issued check number 8074 (general fund) to herself in the amount of \$169.50 for reimbursement for mileage of 457.4 miles to Stillwater, Oklahoma. According to the Oklahoma Department of Transportation, the round trip mileage from Warner, Oklahoma to Stillwater, Oklahoma is 262 miles. The Town paid Ms. Reed's lodging (\$227.16) in Stillwater, Oklahoma from October 15-18, 2007. Ms. Reed may have been claiming vicinity miles, but the hotel was located approximately 3 miles from the Oklahoma State University Student Union where the conference was held.
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- M.** Town of Warner purchase order number 9586 was issued to Carla Reed. No Board members' signatures or signature stamps are on the purchase order.

Although there is nothing indicating the Board approved the purchase order for payment, Ms. Reed issued, signed and paid herself two checks from the general fund: number 8147 in the amount of \$63.05 and check number 8155 in the amount of \$510.20, for a total of \$573.25.



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Not only was check number 8147 paid without Board approval, the payment included reimbursement for travel claimed on a date Ms. Reed's time card indicates she was not working.

Check number 8155 is set out below:

<b>TOWN OF WARNER</b> GENERAL FUND P.O. BOX 170 WARNER, OK 74469	PAYABLE THRU: VIAN STATE BANK P.O. BOX 435 VIAN, OK 74962 86-452/1001 CHECK NO.	<b>008155</b>
Five hundred ten dollars & <sup>00</sup> / <sub>100</sub>		DATE <u>11-26-07</u> AMOUNT <u>510.20</u>
PAY TO THE ORDER OF <u>Carla Reed</u>	VOID AFTER 90 DAYS <u>Carla Reed</u> <small>APPROVED SIGNATURE</small>	

Ck# 8155 Date 11/27 Amt 510.20

11-27-07 0001017 0001810 >103104528< ARMSTRONG	DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE BY THE SIGNER OF THIS CHECK <u>Carla Reed</u>
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Ck# 8155 Date 11/27 Amt 510.20

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The following documentation was attached to the purchase order.



The \$510.20 payment appears to represent the reimbursement for the purchase of:

• (2) two printers @ \$25	\$ 50.00
• Computer & monitor	\$398.00
• Sales tax	\$ 42.20
• Handwritten notation "ribbon"	<u>\$ 20.00</u>
<b>Total</b>	<b><u>\$510.20</u></b>

Not only was the payment not approved by the Board, but it also included the payment of \$42.20 charged in sales tax, \$20.00 for a "ribbon" without a receipt, and \$25 for a second printer that could not be located. Two Warner employees stated Ms. Reed only brought one (1) printer to the office, and they never saw the second printer.

The payments outlined above may be a violation of **21 O.S. § 341**, and **1451, 1577** which state, in pertinent part, respectively:

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§ 341 – Every public officer of the state ... and every deputy or clerk of any such officer and every other person receiving any money or other thing of value on behalf of or for account of this state or any department of the government of this state ... or the people thereof, are directly or indirectly interested, who either:

First: Receives, directly or indirectly, any interest, profit or perquisites, arising from the use or loan of public funds in the officer's or person's hands or money to be raised through an agency for state, city, town, district, or county purposes; or

Second: Knowingly keeps any false account, or makes any false entry or erasure in any account of or relating to any moneys so received by him, on behalf of the state ... or the people thereof, or in which they are interested; or

Third: Fraudulently alters, falsifies, cancels, destroys or obliterates any such account, shall, upon conviction, thereof, be deemed guilty of a felony and shall be punished by a fine of not to exceed Five Hundred Dollars (\$500.00), and by imprisonment in the State Penitentiary for a term of not less than one (1) year nor more than twenty (20) years[.]

§ 1451 – A. Embezzlement is the fraudulent appropriation of property of any person or legal entity, legally obtained, to any use or purpose not intended or authorized by its owner, or the secretion of the property with the fraudulent intent to appropriate it to such use or purpose...

§ 1577 – Every person who sells, exchanges or delivers for any consideration any forged or counterfeited promissory note, check, bill, draft, or other evidence of debt, or engagement for the payment of money absolutely, or upon any contingency, knowing the same to be forged or counterfeited, with intent to have the same uttered or passed, or who offers any such note or other instrument for sale, exchange or delivery for any consideration, with the like knowledge and intent, or who receives any such note or other instrument upon a sale, exchange or delivery for any consideration with the like knowledge and intent, is guilty of forgery in the second degree.

**RECOMMENDATIONS** OSAI recommends the Town Board establish proper controls to ensure payroll transactions and signature stamps are handled appropriately. The stamps should only be used after proper authorization, and board members may want a log maintained to document when the stamps are used. OSAI recommends the Board periodically monitor the controls to determine that they are working properly. OSAI further recommends the appropriate legal authority review the above findings to determine what action, if any, may be required.

**FINDING**

**Inconsistencies in travel claimed and time sheet entries**

In January 2007, the former clerk/treasurer was reimbursed for travel and supplies from the Town of Warner funds in the amount of \$24.33. There were two Wal-Mart (Muskogee, Oklahoma) receipts attached as support for the payment. The first receipt is time stamped (15:15) 3:15 p.m. The items claimed for reimbursement appear to be for office supplies. However, the other items purchased and not reimbursed appear to be of a personal nature (litter, turtle neck, sheet set, cat treats). The second receipt lists another payment made at this Wal-Mart at 19:25 (7:25 p.m.). However, Ms. Reed's timecard for this date is stamped "out" at 7:31 (p.m.). It would not be possible to be at Wal-Mart in Muskogee, Oklahoma and be at Warner, Oklahoma within six (6) minutes. Ms. Reed claimed working 13.5 hours on this date with no notation that she clocked out between 6:07 a.m. until 7:31 p.m.

In August 2007, Ms. Reed was paid \$23.28 for travel on a date her time sheet indicates she was off work.

In September 2007, Ms. Reed was paid \$66.45 for travel on a date her time sheet states "off."

All time records were submitted to Ms. Reed, who kept track of leave usage and accruals, and all payments were processed through Ms. Reed. However, Ms. Reed's time records were not reviewed by anyone.

**RECOMMENDATIONS**

OSAI recommends the Board implement policies and procedures to establish internal controls regarding the review of all employees' time records. OSAI recommends the Board periodically monitor the controls to determine they are working properly.

**FINDINGS**

**Purchase order exceptions**

**Purchase order exceptions—credit cards**

During the examination of the Town and the Utility Authority purchase orders, OSAI noted the following exceptions:

- Purchase orders were not always issued prior to purchases. Most of the purchase orders were issued at the end of each month and had not been encumbered against available appropriations prior to the expenditure being incurred.
- Purchase orders were not always supported by itemized, signed invoices.
- Purchase orders were not always completed: signatures, dates and check numbers may be missing.
- Purchase orders were paid prior to Board approval.

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- There were instances where all three (3) Board members' signature stamps were affixed to the purchase orders.
- Purchase order numbers and amounts were not always listed in the meeting minutes.
- A purchase order was issued in the amount of \$70.00 for the clerk/treasurer, Ms. Reed, and Mayor Duncan to attend certification training. Neither of the persons attended the training, and no one cancelled the registration
- Invoices for the same items were paid twice: In one instance, two Warner Utility Authority purchase orders were issued—one in September and one in October 2007—to the same vendor for the same invoice of \$460.00. The vendor was subsequently paid twice (2 @ \$460) totaling \$920. (After OSAI noted this, the current clerk contacted the vendor who reimbursed the authority \$460.)
- IRS Form 1099's were not being issued to all vendors in 2007. OSAI noted numerous payments to the same vendors that appeared to be for labor-related work. One vendor stated he went to the Town and requested a 1099 and was told by Ms. Reed "I wrote it off as materials and no labor." He stated he never received an IRS Form 1099.

OSAI reviewed the policy and procedures manual and interviewed employees to determine if there were policies and procedures on the use of credit cards. There were no policies and procedures regarding the use of credit cards.

The Town had seven (7) credit cards: (1) Office Depot, (2) Staples, (3) Wal-Mart, (4) Lowes, (5) VISA card issued to Carla Reed, (6) VISA credit card issued to Terry Thompson, and (7) VISA card ending with 7563 issued to Paul (Pete) Amos.

The Office Depot, Staples, Wal-Mart and Lowes cards are kept at Town Hall in an unlocked file cabinet. Employees get the cards from the file cabinets and use the cards as needed. The (3) VISA cards were kept in the possession of the above-referenced employees.

**OFFICE DEPOT, STAPLES, WAL-MART and LOWES**

The Town paid the credit card companies without having proper supporting documentation (itemized receipts). In some instances, the credit card statement was the only documentation attached to the purchase order.

The purchase orders were not prepared prior to the expenditures but were prepared after the expenditures had already occurred.

**VISA**

The Town paid the credit card company without having proper supporting documentation (itemized receipts). In some instances, the credit card statement was the only supporting documentation. Examples of some of the items charged included lodging, meals, office supplies, computers and firearms. In some instances, the Town paid late fees, finance charges, and sales tax.

OSAI tested 100% of the purchase orders listed on the vendor history report for the credit cards. The following are a few of the exceptions and examples of some of the items charged.

- 8-31-05 P.O. No. 7547 (Utility Authority) was issued for \$244.03 and P.O. No. 8045 (Town) was issued for \$1,397.91 to the credit card company. The credit card statement attached to the purchase orders indicates the clerk/treasurer's and police chief's credit cards were used on eleven (11) occasions. However, there was only one receipt for \$182.71 attached to the purchase orders. The receipt included the payment of \$15.85 sales tax.
- 9-30-05 P.O. No. 8113 (Town) was issued for \$1,855.97. The charges were made on the card assigned to the police chief. The charges were to Oklahoma Police Supply, Patrol Technology and fuel charges. There were no itemized receipts attached.
- 3-31-06 P.O. No. 7789 (Utility) and P.O. no. 8443 (Town) were issued for \$478.06 and \$849.11, respectively. There were no itemized receipts.
- 5-31-06 P.O. No. 8535 (Town) and P.O. no. 7874 (Utility) were issued for \$194.53 and \$305.95, respectively. There were no itemized receipts.
- 7-31-06 P.O. No. 8664 (Town) was issued for \$364.31. There were no itemized receipts, and the Town was assessed a \$29.00 late fee and \$5.75 in finance charges.
- 8-29-06 P.O. No. 8728 (Town) was issued for \$253.07. One of the charges (police chief's card) includes a \$70.53 charge to the Cattleman's Steakhouse in Oklahoma City. One of the charges (clerk/treasurer's card) includes a \$34.68 charge to Hobby Lobby. There are no itemized receipts for any of the charges.
- 9-29-06 P.O. No. 8799 (Town) was issued for \$2,270.69. There was only one itemized receipt for \$75.00. One of the charges (police chief's card) was to Oklahoma Police Supply for \$999.99.

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- 3-15-07 P.O. No. 9101 (Town) was issued for \$838.75. There were no itemized receipts. The Town was charged a late fee and finances charges, \$39.00 and \$67.00, respectively.
- 3-31-07 P.O. No. 9132 (Town) was issued for \$7,453.81. There were no itemized receipts for any of the charges. The Town was charged \$48.36 in finance charges and \$19.00 in bank charges due to insufficient funds in the account when this was paid.
- 6-13-07 P.O. No. 9285 (Town) was issued in the amount of \$432.75. The supporting documentation reflects the Town was charged \$56.51 in sales tax.
- 8-29-07 P.O. No. 8440 (Utility) was issued in the amount of \$233.05. The card was used to purchase a laptop computer; the Town was charged \$38.09 in sales tax.
- 8-29-07 P.O. No. 9413 (Town) was issued in the amount of \$2,559.10. The town was assessed a late fee and finance charges of \$39.00 and \$66.51, respectively. In addition, we noted some of the charges (police chief) included the purchase of firearms.
- 9-18-07 P.O. No. 9487 (Town) was issued in the amount of \$4,280.75. The Town was charged \$124.21 in finance charges and paid \$109.62 in sales tax.
- 5-30-08 P.O. No. 9998 (Town) was issued for \$1,404.85. There were no itemized receipts for any of the charges. The Town was charged a late fee and finance charges of \$39.00 and \$37.69, respectively.

The above-referenced findings appear to be contrary to **62 O.S. § 310.1**, **62 O.S. § 310.2**, **62 O.S. § 310.1a** and **68 O.S. § 1356** as follows:

**62 O.S. § 310.1:**

A. Unless otherwise provided by ordinance, officers, board, commissions and designated employees of cities and towns, hereinafter referred to as the purchasing officer, having authority to purchase or contract against all budget appropriation accounts as authorized by law shall submit all purchase orders and contracts prior to the time the commitment is made, to the officer charged with keeping the appropriation and expenditure records or clerk, who shall, if there be an unencumbered balance in the appropriation made for that purpose, so certify in the following form:

I hereby certify that the amount of this encumbrance has been entered against the designated appropriation accounts and that this

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encumbrance is within the authorized available balance of said appropriation...

B. ... Such invoice shall state the supplier's name and address and must be sufficiently itemized to clearly describe each item purchased, its unit price, where applicable, the number or volume of each item purchased, its total price, the total of the purchase and the date of the purchase. The appropriate officer shall attach the itemized invoice together with delivery tickets, freight tickets or other supporting information to the original of the purchase order and, after approving and signing said original copy of the purchase order, shall submit the invoices, the purchase order and other supporting data for consideration for payment by the governing board. All invoices submitted shall be examined by the governing board to determine their legality. The governing board shall approve such invoices for payment in the amount the board determines just and correct

**62 O.S. § 310.2:**

[T]he...encumbering officer of the municipality shall keep a record in such form as prescribed by the State Auditor and Inspector in which shall be kept an exact amount of each appropriation as made by the county excise board as departmentalized for each department of government or as made by the municipal governing body as authorized by law. 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. No Purchase order shall be paid until approved by the officer, board[.]

**62 O.S. § 310.1a:**

The officer, deputy or employee receiving satisfactory delivery of merchandise shall acknowledge such fact by signing the invoice or delivery ticket and no purchase order shall be approved for payment by the governing board unless the required signed invoices or delivery tickets are attached thereto.

**68 O.S. § 1356:**

Exemptions-Governmental and nonprofit entities which states in part: there are hereby specifically exempted from the tax levied by Section 1350 et seq of this title: "...10. Sales of tangible personal property or services to any county, municipality, rural water district...any person who wrongfully or erroneously certifies that purchases are for any of the above-named subdivisions or agencies of this state or who otherwise violates this section shall be guilty of a misdemeanor and upon conviction thereof shall be fined an amount equal to double the



amount of sales tax involved or incarcerated for not more than sixty  
(60) days or both...”

**RECOMMENDATIONS** OSAI recommends the Board implement policies and procedures establishing controls to ensure that funds are encumbered prior to being obligated, preventing the Town from exceeding appropriations. Original, itemized invoices and receipts should be attached to the purchase orders. OSAI also recommends the Board implement policies and procedures that establish internal controls regarding the use of credit cards, and the Town review the terms of the credit card agreements with their legal counsel to determine that such terms are in compliance with Oklahoma statutory and constitutional requirements. OSAI further recommends the Board periodically review the policies and procedures to determine if they are being followed, and that the appropriate legal authority review the above findings to determine what action, if any, may be required.

**FINDING** **Violation of Competitive Bidding Act—Warner Utility Authority**

Two employees, Brian Toney and Brian Center, stated they witnessed Carla Reed open a sealed bid, look at the bid and call another contractor, advise him of the bid price and ask him if he could “beat it.” Toney stated after witnessing Reed do this, he (Toney) contacted a second contractor and told a different contractor the bid amount.

According to Chief of Police Terry Thompson, the Board was advised of this and neither of the two parties was awarded the bid. According to Chief Thompson, C&C Metal Roofing was awarded the bid for \$28,500.

OSAI noted the Warner Utility Authority meeting agenda dated May 11, 2005 notes “discussion...confidentiality of bids” and the meeting minutes state “Motion was made by Duncan, second by Collins to make it a policy from this meeting forward, that all bids shall be done as sealed bids, and opened only at Council meetings. Voting “yes” were Duncan, Hodges, Munn, Collins and Thompson.”

OSAI verified purchase orders and payments to C&C Metal Roofing made in July and August 2005 for \$10,000 and \$18,500 respectfully.

This appears to be contrary to **60 O.S. § 176** which states in part:

H. Contracts for construction, labor, equipment, material or repairs in excess of Twenty-five Thousand Dollars (\$25,000.00) shall be awarded by public trusts to the lowest and best competitive bidder, pursuant to public invitation to bid...

Further, **61 O.S. § 110** states in part:

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all bids shall be sealed and opened only at the time and place mentioned in the bidding documents, and read aloud in the presence of an administrative officer of the awarding public agency. Such bid opening shall be open to the public and to all bidders.

**RECOMMENDATION** OSAI recommends the Warner Utility Authority follow the statutory requirements for handling bids, and the appropriate legal authority review the above finding to determine what action, if any, may be required.

**FINDING** **Town of Warner Bank account funds were used to pay personal expenses totaling 1,749.13 of which \$1,375.04 was repaid and \$374.09 is still due to the Town**

**Failure to ensure adequate funds were in the Town's bank accounts prior to issuing checks**

OSAI identified the Town of Warner and Warner Utility Authority bank accounts, reviewed the bank statements (including deposits & checks), interviewed bank employees, and noted the following:

According to bank personnel, in October 2007, while the bank was cross-referencing bank accounts, they erroneously attached one of the Town of Warner's online bank accounts (Infrastructure) to Carla Reed's personal online banking account page.

In March 2008, Ms. Reed closed her account, opened a new account, and the Warner bank account (Infrastructure) was again attached to her personal online bank account. When Ms. Reed re-established personal online banking payments in March 2008, she had to choose from which account to pay her personal bills. She chose the Warner bank account (Infrastructure) that was listed on her online banking.

Ms. Reed's handwritten note, attached to the Town's bank statement reflected the following: "Lost my wallet. Closed out bank acct and opened new account. The bank put this account on my personal page instead of my correct new account. The checks I wrote were taken out of this acct. I received the bank stmt on 4-4-08 and transferred money back into the account as soon as I found the error."

The April 2008 bank statement reflects \$1,375.04 was transferred to the Town's account as Ms. Reed stated. However, after Ms. Reed transferred the funds, three (3) additional personal payments in the amount of \$374.09, which occurred in March 2008, were posted in April 2008 to the Town's bank account.

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The following is a list of the charges paid:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
3/13/08	Direct TV	\$ 46.98
3/13/08	Sears MasterCard	316.37
3/14/08	OGE	99.76
3/14/08	GE Money Bank	150.00
3/17/08	Capital One	150.00
3/17/08	Lowe's	200.00
3/18/08	Warner Flowers & Gifts	16.64
3/19/08	Phillips 66 Conoco 76	105.76
3/24/08	Warren Clinic, Inc.	100.00
3/27/08	OG&E	<u>189.53</u>
	Amount paid in March 2008(reimbursed)	<u>\$1,375.04</u>
4/3/08	Commerce Bank	218.00
4/7/08	Foremost Insurance	56.09
4/7/08	Warren Clinic, Inc.	<u>100.00</u>
	<b>Amount paid in April 2008 (not reimbursed)</b>	<b><u>\$ 374.09</u></b>
	Total paid from Town of Warner bank account	<u>\$1,749.13</u>

While reviewing the bank statements, OSAI noted several occasions where the treasurer issued and processed checks with the bank when there were insufficient funds to cover the checks.

From July 2007 through December 2007, the Town was charged \$399.00 due to insufficient funds in the Town's accounts. The accounts and insufficient funds charges are set out below:

July 2007	Street Improvement Sales and the Police Department \$19.00 and \$38.00, respectively.
August 2007	Police Department- \$19.00
September 2007	Warner Utility Authority Revenue Fund (utility collections)-\$152.00.
October 2007	Warner Utility Authority revenue fund-\$152.00.
December 2007	Warner Street Improvement Sales Tax Fund-\$19.00.

OSAI reviewed the management letters (FYE 03 through FYE 07) from the Town's independent auditor. The independent auditor noted findings and

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recommendations regarding purchase orders being approved using signature stamps which were not secured, the Town being charged bank overdraft fees, and budget amounts exceeded within category items.

**RECOMMENDATIONS** OSAI recommends that the Board review the audits performed each year by their independent auditors and address the areas of concern raised by these audits. OSAI further recommends that the Board review internal controls regarding budget management and implement policies and procedures to ensure that fund balances are monitored and sufficient funds are available prior to paying expenditures. The appropriate legal authority should be contacted to review the above finding to determine what action, if any, may be required.

**DISCLAIMER** Throughout this report there are numerous references to state statutes and legal authorities, which appear to be relevant to issues raised by the petitioners and 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 and such determinations are within the exclusive jurisdiction of regulatory, law enforcement, and judicial authorities designated by law.

The inclusion of cites to specific statutes or other authorities within this report does not, and is not intended to, constitute a determination or finding by the State Auditor and Inspector that the Town of Warner or any of the individuals named in this report or acting on behalf of the Town have violated any statutory requirements or prohibition imposed by law. All cites and/or references to specific legal provisions are included within this report for the sole purpose of enabling the Administration and other interested parties to review and consider the cited provisions, independently ascertain whether or not the Town's policies, procedures or practices should be modified or discontinued, and to independently evaluate whether or not the recommendations made by this Office should be implemented.

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**ATTACHMENT A**

<i>Date Paid</i>	<i>Check No.</i>	<i>Gross Amount</i>	<i>Hours Paid</i>	<i>Check Signatures</i>	<i>Purchase Order Payroll</i>	<i>Purchase order presented to the Board</i>
7/18/05	6698	\$575.09	32.75	Carla Reed and signature stamp of Troy Duncan	July overtime	8/2/05
11/18/05	6879	\$878.00	50	Carla Reed and signature stamp of Troy Duncan	November overtime	12/6/05
3/31/06	7070	\$417.05	23.75	Carla Reed and signature stamp of Troy Duncan	March overtime	4/4/06
8/16/06	7277	\$542.70	30	Carla Reed and signature stamp of Troy Duncan	August overtime	9/5/06
9/6/06	7298	\$723.60	40	Carla Reed and signature stamp of Troy Duncan	September payroll	10/3/06
9/8/06	7322	\$434.16	24	Carla Reed and signature stamp of Troy Duncan	September payroll	10/3/06
10/24/06	7379	\$361.80	20	Carla Reed and signature stamp of Troy Duncan	October overtime	11/7/06
11/24/06	7450	\$361.80	20	Carla Reed and signature stamp of Troy Duncan	November overtime	12/5/06
1/2/07	7515	\$361.80	20	Carla Reed and signature stamp of Troy Duncan	December overtime	1/5/07
1/5/07	7524	\$723.60	40	Carla Reed and signature stamp of Troy Duncan	January overtime	2/6/07
1/18/07	7545	\$361.80	20	Carla Reed and signature stamp of Troy Duncan	January overtime	2/6/07
2/7/07	7564	\$723.60	40	Carla Reed and signature stamp of Troy Duncan	January regular payroll	2/6/07
3/8/07	7618	\$723.60	40	Carla Reed and signature stamp of Troy Duncan	March overtime	4/3/07
4/23/07	7736	\$723.60	40	Carla Reed and signature stamp of Troy Duncan	April overtime	5/7/07
5/18/07	7796	\$723.60	40	Carla Reed and signature stamp of Troy Duncan	Not listed	NA
7/3/07	7865	\$767.20	40	Carla Reed and signature stamp of Troy Duncan	July overtime	8/7/07
7/24/07	7909	\$767.20	40	Carla Reed and signature stamp of Troy Duncan	July overtime	8/7/07
10/2/07	8032	\$728.46	38	Carla Reed and signature stamp of Troy Duncan	Not listed	NA
1/28/08	8262	\$1,476.09	77	Carla Reed and signature stamp of Troy Duncan	Not listed	NA
3/24/08	8411	\$766.80	40	Carla Reed and signature stamp of Troy Duncan	February overtime	3/4/08
4/4/08	8462	\$920.16	48	Carla Reed and signature stamp of Troy Duncan	March overtime	4/1/08
<b>TOTAL</b>		<b>\$14,061.71</b>				

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**ATTACHMENT B**

PAYROLL REPORT

PERIOD ENDING JULY 31, 2005

TOWN REGULAR PAYROLL

Carla Reed	1231.28
Ike Weston	1784.48
Aaron Baker	40.00 (animal control)
Johnny Clark	1492.00
Terry Thompson	2407.63
Ken Long	1699.50
Justin Britton	1689.20

Total: 10,344.09

TOWN OVERTIME

Terry Thompson	30 hours	416.70
Ken Long	42 hours	411.60
Justin Britton	59 hours	575.25
Aaron Baker	11 hours	181.39

Total: 1,584.94

WUA REGULAR PAYROLL

Carla Reed	1812.80
Rhonda Bailey	2181.04
Aaron Baker	1905.00
Bryan Center	529.31
Wade Patterson	2018.80
Brian Toney	2905.90
Zach Hendrix	65.00
Bill Martin	150.00

Total: 11,567.85

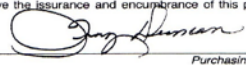
WUA OVERTIME

Brian Toney	41 hours	924.35
Wade Patterson	47 hours	821.33

Total: 1,745.68

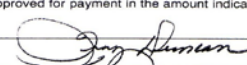
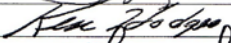

**TOWN OF WARNER  
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**ATTACHMENT C**

<p style="text-align: center;"><b>PAYROLL PURCHASE ORDER</b> <b>Town of Warner</b> P.O. BOX 170 WARNER, OKLAHOMA 74469-0170</p>	<p><b>PURCHASE No 244</b> <b>ORDER</b></p> <p>DATE <u>7-31</u>, 20<u>05</u></p> <p>APPROPRIATION ACCOUNT <u>Personnel Service</u></p> <p>I hereby approve the issuance and encumbrance of this purchase order.  Purchasing Officer</p> <p>I hereby certify that the amount of this encumbrance has been entered against the designated appropriation account and that this encumbrance is within the authorized available balance of said appropriation.</p> <p>DATED <u>31</u> DAY OF <u>July</u>, 20<u>05</u> <u>Carla L. Reed</u> Encumbering Officer or Clerk</p>
<p>Payroll Period: _____</p> <p>Regular Payroll: _____</p> <p>Overtime Payroll: <u>July</u></p> <p>Other: _____</p>	

EMPLOYEE	HOURS WORKED	GROSS SALARY	DEDUCTIONS						NET SALARY
			ST. WH.	FWH	MEDICARE	S.S.	PENS. LOAN	Pension	
Terry Thompson	30	416.70			6.04	25.84			384.82
Renneth R. Long	42	411.60	4.00	19.08	5.97	25.52			357.03
Justin Britton	59	575.25	27.00	25.00	8.34	35.67			479.24
Aaron A. Baker	11	181.39			2.63	11.25			167.51
Carla L. Reed	32 3/4	575.09			8.34	35.66			531.09

THE INFORMATION REQUIRED BELOW THIS LINE NEED ONLY BE COMPLETED ON THE ORIGINAL COPY OF THE PURCHASE ORDER.

<p>I hereby certify that the merchandise and/or services described above have been satisfactorily received and that this purchase order is now a true and just debt of this county. This purchase order is therefore approved for consideration for payment by the governing board.</p> <p>DATE _____, 20____</p> <p style="text-align: right;">_____ Purchasing Officer</p>	<p style="text-align: center;"><b>PAYMENT RECORD</b></p> <p>CHECK NUMBER <u>6709-12</u> AMOUNT \$ _____</p> <p>CHECK NUMBER _____ AMOUNT \$ _____</p> <p>CHECK NUMBER _____ AMOUNT \$ _____</p> <p>CHECK NUMBER _____ AMOUNT \$ _____</p> <p>CHECK NUMBER _____ AMOUNT \$ _____</p> <p>CHECK NUMBER _____ AMOUNT \$ _____</p> <p>CHECK NUMBER _____ AMOUNT \$ _____</p> <p>CHECK NUMBER _____ AMOUNT \$ _____</p>
<p style="text-align: center;"><b>APPROVED BY GOVERNING BOARD</b></p> <p>This purchase order is approved for payment in the amount indicated above.</p> <p>DATE <u>8-2</u>, 20<u>05</u></p> <p style="text-align: center;"> Chairman</p> <p style="text-align: center;"> Member</p> <p style="text-align: center;"> Member</p>	

Hoffman Printing Company - Muskogee, Oklahoma



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