



Town of Wright City
McCurtain County
Special Audit Report
December 1, 2002-December 31, 2004

Audit Summary:

JEFF A. McMAHAN, CFE

OKLAHOMA OFFICE OF THE
STATE AUDITOR & INSPECTOR

Why the audit was performed

The Town of Wright City audit was performed pursuant to the District Attorney's request in accordance with 74 O.S. 2001, § 212(H).

- ✓ \$2,660.00 in traffic fines paid to the Municipal Court Clerk could not be traced to deposits. **Pgs 7 & 8**
- ✓ Municipal Court funds are not deposited daily as required by state law. **Pgs 7 & 8**
- ✓ \$1,657.00 in traffic fines recorded in the court docket book could not be traced to receipts or deposits. **Pg 9**
- ✓ Disposition of 15 cases could not be determined. **Pg 9**
- ✓ The Municipal Court Clerk dismissed 120 traffic cases without supporting documentation. **Pg 9**
- ✓ There were 66 citations issued with no payments, no dismissals, and no issued warrants. **Pg 10**
- ✓ PWA payments are not deposited daily as required by state law. **Pg 12**
- ✓ \$12,739.90 in past due customers' utility accounts were deleted by the Town consultant without the Board of Trustees' approval. **Pg 12**
- ✓ A Trustee may have used his authority to reduce his water bill by \$20.00. **Pg 13**
- ✓ Lack of enforcement of the Town's cut-off policy by the Town Clerk and Board of Trustees contributed to delinquent account amounts. **Pg 13**
- ✓ Board of Trustees received Christmas Bonuses (December 02-\$100.00, December 03-\$250.00, and December 04-\$250.00) which appears to be in violation of Town Ordinance, state law and the **Constitution of Oklahoma**. **Pg 14**
- ✓ Board of Trustees approved payment to Trustee's spouse for temporary office work which appears to be in violation of state law. **Pg 15**
- ✓ The Mayor is reimbursed \$164.20 for time-off from his job to conduct Town business which appears to violate state law. **Pg 15**
- ✓ The Town paid for prepaid legal services for the members of the Town Board of Trustees and the Clerk/Treasurer, which appears to violate the **Constitution of Oklahoma** and state law. **Pgs 15 & 16**
- ✓ A Trustee purchased computers for her personal use from a Town vendor avoiding the payment of sales tax, which appears to violate the **Constitution of Oklahoma** and state law. **Pg 16**



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Why the audit was performed

The Town of Wright City audit was performed pursuant to the District Attorney's request in accordance with 74 O.S. 2001, § 212(H).

Audit Summary (cont'd):

- ✓ Town officers and a Board Trustee purchased personal items with a Town credit card without paying sales tax, which appears to violate the **Constitution of Oklahoma** and state law. **Pg 17**
- ✓ Town officers and employees purchased food items from the Wright City Food Mart totaling \$1,759.16 which appears to violate state law. **Pg 18**
- ✓ Department of Corrections inmates purchased items on the Town's account at the local store without supervision. **Pgs 18 & 19**
- ✓ Purchase of personal items on the Town's Wal-Mart credit card were not supported with required documentation. **Pg 20**
- ✓ Meetings of the Town Board and the PWA Board are not clearly separated with business of one considered in meetings of the other. There is no meaningful distinction between the two entities and their business. **Pg 21**
- ✓ Town and PWA minutes do not consistently reflect all matters considered and actions taken by the respective Boards in possible violation of state law. **Pg 22**

TOWN OF WRIGHT CITY

MCCURTAIN COUNTY

SPECIAL AUDIT REPORT

DECEMBER 1, 2002 THROUGH DECEMBER 31, 2004

This publication is printed and issued by the State Auditor and Inspector as authorized by 74 O.S. 2001, § 212(H). Pursuant to 74 O.S. 2001, § 3105(B), 35 copies have been prepared and distributed at a cost of \$69.00. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan
State Auditor and Inspector

January 4, 2006

Honorable Virginia Sanders
District Attorney, District No. 17
108 N. Central
Idabel, Oklahoma 74745

Transmitted herewith is the Special Audit Report of the Town of Wright City, McCurtain County, Oklahoma. We performed our special audit in accordance with the requirements of **74 O.S. 2001, § 212(H)**.

A report of this type is critical in nature; however, we do not intend to imply that our report failed to disclose commendable features in the present accounting and operating procedures of the Town.

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 insure 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,

JEFF A. McMAHAN, CFE
State Auditor and Inspector

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index of specific concerns

The following concerns are presented in their entirety in italics as they were communicated to us:

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BOARD OF TRUSTEES

Terry Laster..... Mayor
Velma Washington..... Vice-Mayor
Johnny Rowan Trustee
Betty Echols Trustee
Brenda Reich Trustee

CLERK/TREASURER

Shirley Speck

COURT CLERK

Tameco Threadgill



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Jeff A. McMahan
State Auditor and Inspector

Mr. Terry Laster, Mayor
Town of Wright City
P.O. Box 370
Wright City, Oklahoma 74766-0370

Dear Mr. Laster:

Pursuant to the District Attorney's request, in accordance with the requirements of **74 O.S. 2001, § 212(H)**, we performed a special audit with respect to the Town of Wright City, McCurtain County, for the period December 1, 2002 through December 31, 2004.

The objectives of our special audit primarily included, but were not limited to, the areas noted in the "index of specific concerns" and are presented in their entirety in italics as they were communicated to us. Our findings and recommendations related to these procedures are presented in the accompanying report.

Because the above 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 Wright City for the period December 1, 2003 through December 31, 2004. 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 does not extend to any financial statements of the Town taken as a whole.

This report is intended to provide information to the District Attorney, Board of Trustees and Administration of the Town. This restriction is not intended to limit the distribution of the report, which is a matter of public record when released.

Sincerely,

A handwritten signature in cursive script that reads "Jeff A. McMahan".

JEFF A. McMAHAN, CFE
State Auditor and Inspector

September 8, 2005

INTRODUCTION

The Town of Wright City, Oklahoma is organized under the statutory town board of trustees form of government, as outlined in **11 O.S. 2001, § 12-101, et seq.**

11 O.S. 2001, § 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.”

In addition, **11 O.S. 2001, § 12-102** states in part:

“The town board of trustees shall consist of either three (3) or five (5) trustees who shall be nominated from wards or at large and elected at large.”

The Wright City Public Works Authority is a public trust established under **60 O.S. 2001, § 176 et seq.** A private, independent audit firm audits the Town and the Authority annually. In addition, the Town prepares an annual financial statement, presenting the financial condition of the Town at the close of the previous fiscal year, in accordance with the requirements of **68 O.S. 2001, § 3002.**

Pursuant to the District Attorney’s request, the State Auditor and Inspector conducted an audit of the records of the Town of Wright City and the Public Works Authority, primarily those records relating to the concerns listed in the “index of specific concerns” noted in the table of contents. The results of the audit are in the following report.

BOARD OF TRUSTEES FIDUCIARY RESPONSIBILITIES

The Board of Trustees for the Town of Wright City as well as the Public Works Authority has an obligation to act in the best interest of the Town and/or the Authority as a whole. This fiduciary responsibility requires that all funds belonging to the Town and/or the Authority 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 deal in such a way as to personally benefit him. 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 and/or Authority.

CONCERNS, FINDINGS AND RECOMMENDATIONS

I. CONCERN: *Possible irregularities in Municipal Court funds.*

FINDING #1: We scheduled all citations issued from December 2002 through December 2004 (series #5300 through #6465) to examine and account for approximately 1165 citations.

Of the 1165 citations, we could not locate twenty-four (24) citations in the offices of Wright City or in the Court Clerk's docket book. We did not have any documentation of the citation to determine the name, offense, or other information with which to verify the disposition of the citation.

RECOMMENDATION: Although the Wright City Police Department has adequate controls for issued citations, we recommend the Chief of Police implement internal controls to insure that all citations (i.e., voided citations, citations sent to District Court) are accounted for. The additional controls would assist in eliminating gaps in citation numbers and allow the Department to easily track the disposition of the citation.

FINDING #2: After accounting for the remaining citations, we conducted a receipts to deposits test. We obtained the Court Clerk's receipt books and attempted to trace each payment to a deposit. We discovered some payments, remitted to the Court Clerk for citation fines, could not be traced to a deposit. They are as follows:

Receipt #	Amount	Citation #	Receipt Date
1901	\$ 115.00 P	5293	01/22/2003
1902	115.00 P	5294	01/22/2003
2044	40.00 P	5512	05/19/2003
2040	60.00 P	5579	05/12/2003
2113	80.00 P	5613	07/31/2003
2340	30.00	5639	01/16/2004
2132	110.00 P	5771	08/18/2003
2226	140.00 P	5785	10/15/2003
2363	165.00	5845	02/06/2004
2729	200.00 P	5872	02/08/2005
2421	110.00 P	6039	03/26/2004
2452	20.00 P	6055	04/30/2004
2830	60.00	6062	06/03/2005
2773	10.00 P	6064	03/16/2005
2730	150.00	6140	02/08/2005
2826	15.00	6182	05/26/2005
2737	40.00 P	6309	02/10/2005
2626	100.00 P	6243	09/04/2004
2683	50.00 P	6243	12/01/2004
2682	100.00	6263	11/30/2004
2680	40.00 P	6289	11/03/2004
2588	120.00 P	6302	08/30/2004
2681	150.00 P	6315	11/30/2004

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2679	50.00 P	6411	11/29/2004
2731	<u>130.00 P</u>	6447	01/09/2005
Total	<u>\$2,200.00</u>		

* P- denotes that docket records show case number was paid in full and/or completed. However, the above payments were not deposited at the bank for that case.

Due to the missing deposits to the Municipal Court Fund, we expanded the test to the date of our fieldwork to determine if payments were being deposited in a timely manner. We noted the following citation payment receipts were also not deposited.

Receipt #	Amount	Citation #	Receipt Date
2831	\$ 25.00 P	6520	06/03/2005
2828	25.00 P	6521	05/31/2005
2832	180.00 P	6538	06/03/2005
2829	30.00 P	6574	06/01/2005
2827	<u>200.00 P</u>	6597	05/27/2005
Total	<u>\$460.00</u>		

* P- denotes that docket records show case number was paid in full and/or completed. However, the above payments were never deposited for that case.

In addition, receipts do not denote whether the money received was in the form of cash, check, or money order.

RECOMMENDATION: We recommend receipts denote whether money received is cash, check or money order. Implementation of this recommendation will insure that deposits accurately reflect the types of payments for daily reconciliation purposes. Furthermore, we recommend the proper authorities review this finding to determine if further action is necessary.

FINDING #3: While reviewing deposits, it was noted that there were several months in which there was no deposit transaction by the Town Treasurer or the Town Court Clerk into the Municipal Court Fund. Based on procedures performed, we determined that there were instances of several thousand dollars being held in Town offices for days/weeks/months without a deposit being made. This appears to constitute a violation of state statutes **11 O.S. 2001, § 27-112** and **62 O.S. 2001, § 517.3(B)**.

11 O.S. 2001, § 27-112 states:

“All of the fees, fines, and forfeitures which come into the municipal court shall be paid by the clerk of the court to the municipal treasurer. The treasurer shall credit such deposits to the fund designated by the municipal governing body. The court clerk shall make duplicate receipts for the fees, fines, and forfeitures collected by him, one copy of which shall be retained by the municipal treasurer together with a detailed statement of all costs, the style of the case in which they were paid, and the name of the party paying the same.”

In addition, **62 O.S. 2001, § 517.3(B)** states in part:

“B. The treasurer of every public entity shall deposit daily, not later than the immediately next banking day, all funds and monies of whatsoever kind that shall come into the possession of the treasurer by virtue of the office[.]”

RECOMMENDATION: We recommend the Town adopt policies and procedures to insure compliance with the applicable state statutes.

FINDING #4: We traced each case from the docket book to the payment history of each citation. We noticed that some cases were denoted as "PAID" or "COMPLETED" but had no payments documented in the receipts or deposits. They are as follows:

<u>Citation Number</u>	<u>Amount</u>	<u>Recorded On Docket</u>
5312	\$ 125.00	denotes "completed"
5587	30.00	pd \$110.00, docket denotes \$140.00 was paid
5679	5.00	pd \$185.00, docket denotes \$190.00 was paid
5732	25.00	denotes "paid"
5737	110.00	denotes "paid"
5745	165.00	denotes "paid"
5746	140.00	denotes "paid"
5761	30.00	pd \$110.00, docket denotes \$140.00 was paid
5778	25.00	pd \$140.00, docket denotes \$165.00 was paid
5780	127.00	pd \$108.00, docket denotes \$235.00 was paid
5795	140.00	denotes "paid"
5896	30.00	pd \$110.00, docket denotes \$140.00 was paid
5983	165.00	denotes "paid"
6156	10.00	pd \$130.00, docket denotes \$140.00 was paid
6253	200.00	denotes "paid"
6290	140.00	denotes "paid"
6326	120.00	denotes "paid"
6412	30.00	pd \$120.00, docket denotes \$150.00 was paid
6416	40.00	pd \$135.00, docket denotes \$175.00 was paid
Total	<u>\$1,657.00</u>	

We could not determine the disposition of the above monies; however, we can determine that if these payments were remitted to the Town, they were not deposited into the Municipal Court Fund account.

RECOMMENDATION: We recommend the proper authorities review this finding to determine if further action is necessary.

FINDING #5: From our procedures performed, we noted the following findings:

- Fifteen (15) citations could not be traced to a court docket. The McCurtain County Court Clerk's office verified that these citations had not been filed with the District Court. The Town Court Clerk stated that she had "missed" recording these citations in her docket book and was unsure of their disposition. Nevertheless, four (4) of these individuals had made payments for their offenses.
- Furthermore, the Court Clerk advised us, that the judge allows her to dismiss citations without a court hearing if the offender has shown proof of insurance verification and/or drivers license. We noted 120 citations were dismissed during our audit period. We could not verify these dismissals due to the lack of supporting documentation. The dockets only stated, "dismissed, proof of insurance or drivers license" or "dismissed by judge".

11 O.S. 2001, §22-117.1 states in part:

“Any person producing proof that a current security verification form or equivalent form which has been issued by the Department was in force for such person at the time of the alleged offense shall be entitled to dismissal of such charge upon payment of court costs; however, if proof of security verification is presented to the court within forty-eight (48) hours after the violation, the charge shall be dismissed without payment of court costs.”

The **Municipal Court Clerk Handbook**, issued by the Oklahoma Municipal Court Clerk’s Association and the Oklahoma Municipal League further states:

“If the municipality has an ordinance that allows for the clerk to dismiss these offenses without appearing before the Judge, the clerk should prepare a list of these cases as necessary on a disposition docket for the Judge to review and sign for dismissal. The list of dismissals should be prepared as a disposition docket and the usual procedures for disposition dockets should be followed.”

The **Handbook** also addresses “proof of driver’s license” dismissal, and states,

“Every licensed driver should have their driver’s license in their immediate possession when driving and be able to present it to an officer if stopped. If the defendant does not have their license and is issued a citation for this offense, they can present their driver’s license to the court and the citation should be dismissed as long as the license was valid at the time the citation was issued. **47 O.S. 2001, § 6-112**. Any court costs or fees assessed should be set by city ordinance.”

- Additionally, there were sixty-six (66) citations traced to the docket book that had no payments, no dismissals, and no issued warrants for their offense. The earliest of these citations dates back to February 2003. There were 3 individuals who had made a payment, but to date had not remitted full payment of their fine.

We did not send the above individuals confirmations to insure that payment had not been remitted to the Wright City Court Clerk for their offense due to time restraints. To accurately determine the disposition of the above citations, one would have to contact ticketed individuals.

The above findings appear to be contrary to **11 O.S. 2001, § 27-109** which states,

“The municipal clerk of any municipality where a municipal court is established, or a designated deputy shall be the clerk of the municipal court unless the governing body establishes or authorizes a position of chief municipal court officer to serve as court clerk.

The court clerk shall have authority to carry out the duties of the position as required by law; provided, that the person who serves as court clerk may separately perform other duties for the municipality. The clerk of the court shall:

1. Assist the judge in recording the proceedings of the court, preparation of writs, processes, or other papers;
2. Administer oaths required in judicial or other proceedings before the court;
3. Be responsible for the entry of all pleadings, processes, and proceedings in the dockets of the court;
4. Perform such other clerical duties in relation to the proceedings of the court as the judge shall direct; and
5. Receive and give receipt for and disburse or deliver to the municipal treasurer all fines, forfeitures, fees, deposits, and sums of money properly payable to the municipal court. Such funds and sums of money while in the custody of the clerk shall be deposited and disbursed upon vouchers as directed by the municipal governing body.”

RECOMMENDATION: We recommend the Town adopt an ordinance for the dismissal of citations as prescribed by state statutes. The Court Clerk should validate the dismissal by making a copy of the proof of insurance and/or drivers license and attach it to her copy of the citation. Additionally, the Town may want to determine the disposition of the “no payment” offenders and the un-docketed citations to update their court records. Implementation of this recommendation

could produce income due to the Municipal Court fund. Furthermore, we recommend the proper authorities review this finding to determine if further action is necessary.

CONCLUSION: In summary, we could not account for the amounts indicated in Findings #2 and #4 (\$2,220.00+\$460.00+\$1,657.00= \$4,317.00). The above findings of missing deposits appear to be the Court Clerk's responsibility. The Court Clerk receipts, deposits, and records all transactions pertaining to the Town's Municipal Court fund. These findings appear to violate **21 O.S. Supp. 2002, § 341**, which states, in part:

"Embezzlement and false accounts by officers

Every public officer of the state or any county, city, town, or member or officer of the Legislature, 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 any bureau or fund created by law and in which 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, city, town, district or county, 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 ... in addition thereto, the person shall be disqualified to hold office in this state, and the court shall issue an order of such forfeiture, and should appeal be taken from the judgment of the court, the defendant may, in the discretion of the court, stand suspended from such office until such cause is finally determined."

FINDING #6: While examining the Town's docket books, we found a notation under a case, written by the Court Clerk which states, "Speed reduced by [Town Treasurer/Clerk] & [Police Officer]". The Chief of Police informed our office that he was unaware of this incident and stated that it should not have happened.

RECOMMENDATION: We recommend the Town adopt policies and procedures to clearly prohibit officials from altering the outcome of an offender's citation but allow the Municipal Judge to hear the offender's defense and make the judgment on the offender's fine.

II. CONCERN: *Possible irregularities in utility billing and collection.*

FINDING #1: The public works authority does not issue individual receipts for the utility bills. The billing stubs are used as the receipt. If customers fail to bring their bill to the office, a blank billing card is used as a receipt for their payment. The stubs are marked check or cash, but do not always reflect the individual making the payment. We obtained the accounts receivable reports for November 2004 and September 2003. These reports reflect the total amount due for the subsequent month, including any unpaid balance.

The billing stub receipts for December 2004 and October 2003 collections were traced to the accounts receivable reports to assure all stubs were accounted for and to document the payment amount and type (check, cash, money order, etc.). The total collections, per the billing stubs receipts, were verified to a monthly total of the current payment batch reports, which are used to make the deposit for that day or several days' collections. We noted variances for the following months' collections:

- **December 2004:** The current batch payment reports reflect \$62.03 more in checks and \$22.58 less in cash for a net of \$34.95 more reported on the reports than the billing stub receipts.
- **October 2003:** The current batch payment reports reflect \$9.00 more in checks and \$5.67 less in cash for a net of \$3.33 more reported on the reports than the billing stub receipts.

Also, we reconciled the collections to deposits to verify total amount of checks and cash for December 2004 and October 2003. The following variances were noted for deposits made:

- **December 30, 2004:** The total checks per the deposit were \$3.00 short.
- **December 10, 2004:** The total cash per deposit was \$11.46 long.
- **December 3, 2004:** The total cash per deposit was \$0.72 long.

Also, during our review of the utility collections and deposits, we noted the following exceptions:

- The Public Works Authority does not issue sequential pre-numbered receipts for collections. (The billing stub is used as a receipt.)
- The stubs used do not always reflect the type of payment.
- The stubs did not always clearly reflect the amount paid.
- The stubs did not reflect the individual paying the bill if other than the listed customer.
- The amount due listed on the stubs was sometimes altered.
- The date received was not always legible.
- Collections were not posted to computer system on a daily basis.
- Monies collected were not deposited on a daily basis.
- Money is received and deposited by the same individual.

RECOMMENDATION: We recommend the Board of Trustees establish policies and procedures to require the use of pre-numbered receipts, and require clearly documenting the individual making payment, the date, and method of payment for all monies received and require that the payment received, be recorded to the individual's account on the day received. Also, we recommend all money collected be deposited on a daily basis, and that the day's receipts be reconciled to the amount deposited. Further, we recommend that different Town employees perform the collecting of payments and the depositing of utility receipts.

FINDING #2: In June 2005, Lloyd McClendon, state coordinator, Community Resource Group, deleted inactive/delinquent customer files totaling \$12,739.90 from the Town's utility billing system. A letter dated June 10, 2005 from Mr. McClendon states in part:

"Attached is a listing of the past due accounts for the Wright City Public Works Authority as of the end of May 2005. I have made a listing of the accounts and plan to delete these accounts from the billing system. The reasons this is being done are as follows:

- 1) I have checked with the office staff and they all agree that the customers on the list have either moved or are deceased. Therefore, the chance of collecting any of these accounts is very, very slim.

- 2) Carrying these accounts on the billing system uses up system resources and is a waste of effort.
- 3) Carrying these accounts gives a false impression of the monies available for collection.”

Due to the deletion of the accounts, we were unable to review any of the accounts' past payment history. Also, the accounts were deleted without approval of the Public Works Authority Board of Trustees.

RECOMMENDATION: We recommend the Board of Trustees establish policies and procedures to assure no deletions or adjustments are made to the utility program or bills prior to approval of the Board.

FINDING #3: At the October 7, 2003 Public Works Authority Board of Trustees meeting, under new business states:

“Cline made motion to take \$20.00 from his September water bill due to it being higher than usual and him not having a leak. (His statement.) The credit was taken from the sewer balance only.”

The minutes do not reflect if the motion was seconded or if the Board approved the request for reducing the water bill

RECOMMENDATION: We recommend the District Attorney review this finding to determine if further action is necessary.

FINDING #4: The minutes of the Public Works Authority meeting for May 20, 2003 records the following:

“Also in old business, Laster made motion to move the water turn off date to the 25th of each month. There will be a letter mailed out with each bill the first of June 2003 stating that the bill must be paid in full by this date or service will be disconnected. There will be no exceptions. Cline sec. Laster, Cline, Washington, Rowan, Moore, all yes.”

We provided the water clerk with a list of customers who paid their water bill after the cut-off date for December 2004 and October 2003 and asked her to provide documentation why they were not disconnected, or a copy of the receipt where they had paid their reconnect fee. We received documentation on the provided list from the water clerk stating:

“Some was a [disconnect] and moved away. All others called a council member or myself [and] made arrangements to pay. The reconnect fee was not enforced at the time.”

Thus, it appears the water clerk or Trustees did not abide by the cut-off policy established and approved by the Board of Trustees. Also, it appears the non-compliance of the cut-off policy contributed to the \$12,739.90 in delinquent/inactive accounts that were deleted from the system as non-collectable, which resulted in a loss of revenue to the Authority.

RECOMMENDATION: We recommend the Board of Trustees adhere to their established policies and procedures to assure all monies due to the Authority are collected.

III. CONCERN: *Possible irregularities in Board of Trustees' salary and benefits.*

FINDING #1: The salary for elected officials is to be set by Town ordinance/resolution. We obtained Resolution No. 041999 dated October 20, 1998, which sets the compensation for duties of the Town Board of Trustees at \$50.00 per month as required by **11 O.S. 2001, § 12-113**. During our examination of expenditures, we noted that the members of the Board of Trustees received Christmas bonuses. The following schedule lists the Trustees and the bonuses received.

Trustee	Date	Check no.	Amount
Johnny Rowan	12/15/04	11415	\$250.00
	12/03/03	10932	250.00
	12/17/02	10477	100.00
Keith Cline	12/15/04	11414	250.00
	12/03/03	10939	250.00
	12/17/02	10478	100.00
Terry Laster	12/15/04	11413	250.00
	12/03/03	10933	250.00
	12/17/02	10479	100.00
Velma Washington	12/15/04	11415	250.00
	12/03/03	10934	250.00
	12/17/02	10480	100.00
Rufus Hardage	12/17/02	10481	100.00
Betty Echols	12/03/03	10935	250.00

The Town Board of Trustees at the December 14, 2004 and December 2, 2003 meetings, approved the bonuses; however, the agenda for the December 17, 2002 meeting reflects "cancelled due to lack of quorum". We found no minutes that approved the bonuses for December 2002; therefore, it appears the bonuses for 2002 were not approved.

The receipt of payment in excess of the \$50.00 set by ordinance appears to be a violation of **21 O.S. Supp. 2002, § 341**, previously cited. Also, the Board of Trustees approval, issuance, and receipt of the bonuses appears to be a violation of **62 O.S. 2001, § 372**, which states:

"Every officer of the state and of any county, township, city, town or school district, who shall hereafter order or direct the payment of any money or transfer of any property belonging to the state or to such county, city, town or school district, in settlement of any claim known to such officers to be fraudulent or void, or in pursuance of any unauthorized, unlawful or fraudulent contract or agreement made or attempted to be made, for the state or any such county, city, town or school district, by any officer thereof, and every person, having notice of the facts, with whom such unauthorized, unlawful or fraudulent contract shall have been made, or to whom, or for whose benefit such money shall be paid or such transfer of property shall be made, shall be jointly and severally liable in damage to all innocent persons in any manner injured thereby, and shall be furthermore jointly and severally liable to the state, county, city, town or school district affected, for triple the amount of all such sums of money so paid, and triple the value of property so transferred, as a penalty, to be recovered at the suit of the proper officers of the state or such county, city, town or school district, or of any resident taxpayer thereof, as hereinafter provided."

RECOMMENDATION: We recommend the District Attorney review this finding to determine if further action is necessary.

FINDING #2: During our review of expenditures, we noted Public Works Authority check no. 8417 dated December 4, 2002, in the amount of \$960.00, for contract labor issued to Kathy Hardage, wife of a Board member. At the December 3, 2002 Town Board of Trustees meeting, with two (2) Board members abstaining, they approved, including her husband "to pay K. Hardage 8.00 per hour for 120 hours that she worked in the absence of office aid."

Although the payment was made from the Public Works Authority, but approved by the Town Board of Trustees, this appears to be a conflict of interest as stated in **60 O.S. 2001, § 178.8(A)**, and **Article X, § 11** of the **Constitution of Oklahoma**, respectively:

"A. [A] conflict of interest shall be deemed to exist in any contractual relationship in which a trustee of a public trust, or any for-profit firm or corporation in which such trustee or any member of his or her immediate family is an officer, partner, principal stockholder, shall directly or indirectly buy or sell goods or services to, or otherwise contract with such trust. Upon a showing thereof, such trustee shall be subject to removal and such contract shall be deemed unenforceable as against such trust unless the records of such trust shall reflect that such trustee fully and publicly disclosed all such interest or interests, and unless such contractual relationship shall have been secured by competitive bidding following a public invitation to bid."

Article X, § 11 of the **Constitution of Oklahoma** states:

"The receiving, directly or indirectly, by any officer of the State, or of any county, city, or town, or member or officer of the Legislature, of any interest, profit, or perquisites, arising from the use or loan of public funds in his hands or moneys to be raised through his agency for State, city, town, district, or county purposes shall be deemed a felony. Said offense shall be punished as may be prescribed by law, a part of which punishment shall be disqualification to hold office."

RECOMMENDATION: We recommend the District Attorney review this finding to determine if further action is necessary.

FINDING #3: During our review of the Town's purchase orders, we noted number 8536 dated September 28, 2004 issued to Terry Laster, Mayor, in the amount of \$164.20, for reimbursement. The purchase order had no supporting documentation attached. During conversation with Shirley Speck, Clerk/Treasurer, she stated that this was payment for time off his job while he was conducting business for the Town.

The reimbursement of the Mayor's time off in addition to his set salary, appears to be a violation of **Article 10 § 17** of the **Constitution of Oklahoma** and **21 O.S. Supp. 2002, § 341**, previously cited.

Article 10 § 17 of the **Constitution of Oklahoma** states:

"The Legislature shall not authorize any county or subdivision thereof, city, town, or incorporated district, to become a stockholder in any company, association, or corporation, or to obtain or appropriate money for, or levy any tax for, or to loan its credit to any corporation, association, or individual."

RECOMMENDATION: We recommend the District Attorney review this finding to determine if further action is necessary.

FINDING #4: During our examination of the Town's purchase orders, we noted payments to Pre-Paid Legal Services, Inc. for legal aid policies for Town Trustees and the Clerk/Treasurer. During the period from July 1, 2003 through December 5, 2004, we noted the following payments:

Name	Amount
Keith Cline	\$ 474.05
Betty Echols	164.45
Terry Laster	449.10
Johnny Rowen	474.05
Velma Washington	474.05
Shirley Speck	474.05
Total	\$2,509.75

The payment of the Trustees and Clerk/Treasurer's individual policies would be considered compensation in addition to their set salary. Therefore, it appears the receipt of this service would be a violation of **Article 10 §§ 11 and 17** of the **Constitution of Oklahoma** and **21 O.S. Supp. 2002, § 341**.

RECOMMENDATION: We recommend the District Attorney review this finding to determine if further action is necessary.

IV. CONCERN: *Possible irregularities in purchase orders.*

FINDING #1: We noted reimbursements by Velma Washington, Trustee, for computers and computer parts that were purchased by the Town and Public Works Authority. The following items were purchased:

- Public Works Authority purchase order no. 5784 was issued to TigerDirect.com on November 3, 2003 in the amount of \$335.99 for an HP Pavilion computer and paid with check no. 8858 on November 4, 2003. The invoice reflects the computer was shipped on November 5, 2003. On December 3, 2003, receipt no. 9032 shows Velma Washington reimbursed the Town for the purchase. Payment was issued for the purchase prior to the receipt of goods and sales tax was not included.
- General fund purchase order no. 8347 was issued to Dell Inc. on June 11, 2004 in the amount of \$1,536.10 for two (2) Dell Notebooks and sales tax, and paid with check no. 11192 on July 14, 2004. The invoice reflects the computers were ordered on June 17, 2004. The Town was reimbursed by Ms. Washington in three (3) payments:

▪ July 1, 2004	\$1,200.00
▪ July 16, 2004	320.00
▪ May 24, 2005	<u>16.10</u>
▪ Total	<u>\$1,536.10</u>

Based on the information, the receipt of these items appears to be a gift/loan from the Town, which would be a violation of **Article 10 § 17** of the **Constitution of Oklahoma**. Also, the purchase of items for personal use with public funds appears to be a violation of **21 O.S. Supp. 2002, 341**.

RECOMMENDATION: We recommend the District Attorney review this finding to determine if further action is necessary.

FINDING #2: We noted reimbursement from Tameco Threadgill, employee, for the purchase of tires, t-shirt, and ball cap that were purchased by the Town and Public Works Authority. The following items were purchased:

- Public Works Authority purchase order no. 6176 was issued to Golden Star Tire, Ltd. on August 31, 2004 in the amount of \$221.96 for four (4) automobile tires, P205/50R15, and paid with check no. 9231 on September 14, 2004. The invoice reflects the tires were shipped on August 31, 2004.
- General fund purchase order no. 8478 was issued to OUR Designs, Inc. September 3, 2004 in the amount of \$25.95 for a t-shirt, ball cap, and shipping, and paid with check no. 11320 on October 12, 2004.

Reimbursement for the tires, t-shirt, and cap was made in four (4) payments:

• September 17, 2004	\$ 55.50
• October 28, 2004	50.50
• November 10, 2004	50.50
• March 8, 2005	<u>80.25</u>
Total	<u>\$236.75</u>

The total cost of the items purchased was \$247.91 and Ms. Threadgill reimbursed the Town \$236.75 leaving an unpaid balance of \$11.16. Also, it appears there was no sales tax on the purchases and the purchase orders reflected “do not collect sales tax” and “don’t charge taxes”. Further, the tires were paid for out of the Public Works Authority’s fund and reimbursed to the Town’s general fund.

Based on the information, the receipt of these items appears to be a gift/loan, which would be a violation of **Article 10 § 17** of the **Constitution of Oklahoma**. Also, the purchase of items for personal use with public funds appears to be a violation of **21 O.S. Supp. 2002, § 341**.

RECOMMENDATION: We recommend the District Attorney review this finding to determine if further action is necessary.

FINDING #3: We noted reimbursements from current and former members of the Board of Trustees, Rufus Hardage, Keith Cline, Jim Moore, Betty Echols, and Chief of Police, Daryl Blakely, for the use of the Town’s cellular telephones. The reimbursements were made by cash payments or deducted from the officers’ monthly salary. Also, we noted reimbursements from other current and former members of the Board of Trustees Velma Washington and Keith Cline, for bottled water. The miscellaneous receipts indicated that the Town was reimbursed \$10.00 per case, although the vendor invoice reflects a cost of \$10.35 per case. Further, we noted reimbursements from other employees for supplies and equipment.

The use of the Town’s cellular telephones for personal business and reimbursement for purchases made with Town funds appears to be a violation **Article 10 § 17** of the **Constitution of Oklahoma** and **21 O.S. Supp. 2002, §341**.

RECOMMENDATION: We recommend the District Attorney review this finding to determine if further action is necessary.

FINDING #4: We noted reimbursements of \$79.56 - December 16, 2003, \$98.00 – January 5, 2004, and \$25.00 – January 5, 2004 from Shirley Speck, Clerk/Treasurer, Velma Washington, Trustee, and Tameco Threadgill, Deputy Clerk, respectively, for purchases made with the Town’s Wal-Mart credit card. The purchases included clothing, toys, towels, and candy.

During conversation with the Clerk/Treasurer and the Deputy Clerk, they stated these were personal items they purchased at Sam's.

The use of the Town's credit card to purchase personal items appears to be a loan, which is a violation **Article 10 § 17** of the **Constitution of Oklahoma**.

RECOMMENDATION: We recommend the District Attorney review this finding to determine if further action is necessary.

FINDING #5: During our examination of the Town and Public Works Authority's purchase orders, we noted general fund purchases at the Wright City Food Mart from July 2003 through December 2004 as follows:

Purchase order number	Date	Total amount	Allowable purchases	Personal items	Inmate meals	Purchased by inmate
8731	01/04/05	\$ 103.20	\$ 27.48	\$ 36.45	\$ 39.27	\$ -
8695	12/01/04	151.42	7.93	65.14	78.35	-
8605	11/01/04	52.83	5.37	-	47.46	-
8550	10/03/04	185.52	47.29	57.72	80.51	-
8534	09/01/04	100.70	52.83	17.65	30.22	-
8436	08/02/04	176.56	65.86	110.70	-	-
8445	07/06/04	51.34	8.49	42.85	-	-
8321	06/01/04	86.95	18.58	68.37	-	-
8284	05/03/04	117.38	8.95	97.93	10.50	-
8256	04/02/04	100.13	9.45	61.72	28.96	29.83
8182	03/01/04	235.09	9.30	221.30	4.49	18.93
8132	02/02/04	124.34	7.32	93.46	23.56	21.26
8079	01/01/04	63.49	13.92	49.57	-	33.54
8028	12/01/03	128.01	10.75	107.28	9.98	20.25
7974	11/01/03	199.68	7.94	184.25	7.49	36.29
7897	10/01/03	182.10	-	182.10	-	8.32
7840	09/02/03	187.56	7.49	180.07	-	-
7799	08/01/03	156.97	20.06	136.91	-	-
7735	07/01/03	50.31	4.62	45.69	-	-
Total		\$2,453.58	\$245.14	\$1,759.16	\$360.79	\$88.49

We noted purchases totaling \$1,759.16 made by Town officials and employees for cokes, potato chips, gum, ice cream, donuts, meat, hamburger buns, bread, salad dressing, crackers, lettuce, tomatoes, onions, honey buns, charcoal, cinnamon rolls, bar-b-q sauce, seasonings, cheese, ketchup, juice, flour, beans, foil, pickles, and other miscellaneous items. The invoices for these purchases were signed by Larry Hale, Sr., Daryl Blakely (Chief of Police), Darin Cantrell (Public Works Director), Shirley Speck (Clerk/Treasurer), Tameco Threadgill (Deputy Clerk), Betty Echols (Trustee), T. Jones (unknown), Martiin Reyes (employee), and Velma Washington (Trustee).

During conversation with Shirley Speck, Clerk/Treasurer, she stated they purchased the items to prepare meals at Town Hall and took up a collection to pay for the items. Also, she stated that they allowed \$12.00 on the purchases for the inmate workers' meals.

Also, we noted invoices, totaling \$88.49 that was signed by inmate workers. These purchases included: cokes, gum, ice cream, lighter, medicine, glasses, candy, eye drops, juice, cookies, peanuts, cough drops, and honey buns. Jimmy Lee, inmate worker, purchased items beginning

September 23, 2003 through December 17, 2003 and O. Griffin, inmate worker, purchased items beginning October 28, 2003 through March 22, 2004

The purchase of items to prepare meals appears to be a violation of **21 O.S. Supp. 2002, § 341**. Further, it appears the Board of Trustees did not comply with **62 O.S. Supp. 2004, § 310.1(B)** when approving invoices for payment, which states:

“B. After satisfactory delivery of the merchandise or completion of the contract, the supplier shall deliver an invoice. 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.”

Also, the approval by the Board of Trustees for the items obtained for personal use appears to be a violation of **62 O.S. 2001, § 372**, as previously cited.

RECOMMENDATION: We recommend the District Attorney review this finding to determine if further action is necessary. Further, we recommend the Board of Trustees establish policies and procedures to insure compliance with all applicable statutes.

FINDING #6: The Town of Wright City contracts with the Oklahoma Department of Corrections (DOC) for the use of inmate workers to help with public works projects. During our examination of the Town and Public Works Authority (PWA) purchase orders, we noted purchases for meals, snacks, and drinks for the inmate workers. For approximately an eighteen (18) month period, expenditures for the inmate workers meals, snacks, and drinks totaled \$2,077.97 and \$2,749.77 from the Town and PWA, respectively, for a total of \$4,827.74. The total for the Town includes \$360.79 and \$88.49 from the previous finding for meals and inmate purchases, but does not include the \$12.00 allowed for the inmates to eat when the employees cooked at Town Hall.

Also, we noted \$177.17 and \$73.85 in purchases from the Town and PWA, respectively, where an inmate worker signed the charge tickets. Further, we noted that purchase orders totaling \$30.00 and \$212.00 from the Town and PWA, respectively, were not supported by an itemized invoice.

The contract between Wright City and DOC states, in part, “The Department will provide lunches to the prisoners unless otherwise agreed.” During conversation with Sergeant Smith of the Idabel Work Center, he stated that Wright City provided meals to the inmates as an incentive, but the work center would provide sack lunches for the inmates at no cost to the Town. We reviewed the minutes to determine if the Board of Trustees, Town and PWA, approved the purchase of meals for the inmate workers. We found no documentation in the minutes stating the Town or PWA would provide meals for the inmate workers, although we noted the PWA minutes for May 10, 2005, under old business, stated that the meals for DOC must be rotated among the cafes in Town.

Based on the information, it appears close supervision for the inmate workers was not provided and we find no authority to allow the inmates to purchase items and charge them to the Town or PWA. Further, it appears the Board of Trustees did not comply with **62 O.S. Supp. 2004, § 310.1(B)** and **62 O.S. 2001, § 301.1a** when approving invoices for payment.

RECOMMENDATION: We recommend the Board of Trustees review the terms of the contract with DOC to determine if it would be more cost effective for DOC to provide the meals and transportation,. Also, we recommend the Board of Trustees discontinue the practice of allowing non-employees to make purchases on behalf of the Town or PWA.

FINDING #7: The Town maintains two (2) Wal-Mart credit cards that are kept in the safe and used as needed by the employees. There is no documentation as to who used the cards. During our examination of the credit card purchases, we noted the following items purchased:

- Candy
- Eye drops
- Lamisil
- Duster
- Am/fm cassette walkman
- Socks
- Boots
- Coveralls
- Sunglasses
- Tylenol
- Sinus gel caps
- Cough drops
- Extreme AR tape player

The purchase orders were not supported by an itemized receipt, no documentation the goods had been received as required by **62 O.S. 2001, § 310.1a**, and duplicate payment was made on some items. Some receipts were paid throughout the month and not at the time the monthly statement was received.

62 O.S. 2001, § 310.1a states:

“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.”

It appears items for personal use were purchased with the Town's credit cards but due to the methodology of paying the invoices and statements, and lack of documentation, we were unable to determine who purchased all of the items. When approving the purchase orders for payment, it appears the Board of Trustees did not fulfill their official duty to assure all items purchased were for Town use as required by **62 O.S. Supp. 2004, § 310.1(B)**, which states, in pertinent part:

“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.”

Also, in accordance with **62 O.S. 2001, § 310.1a**, no purchase order shall be approved for payment unless the required signed invoices or delivery tickets are attached. Further, items purchased for personal use is a possible violation of **Article 10 § 17** of the **Constitution of Oklahoma** and **21 O.S. Supp. 2002, § 341**.

RECOMMENDATION: We recommend the District Attorney review this finding to determine if further action is necessary. Also, we recommend the Board of Trustees establish policies and procedures to insure compliance with state statutes.

FINDING #8: During our examination of the Town and Public Works Authority's purchase orders, we noted the following exceptions:

- Purchase orders are not filed in numerical order.
- Purchase orders were not always completed: signatures, dates, and check numbers were omitted.
- Some were not supported by an itemized signed invoice as required by **62 O.S. Supp. 2004, § 310.1(B)**.
- Invoices were paid twice and no documentation could be found that the Town or PWA was refunded or credit given.
- Reimbursement for travel expenses and mileage did not always reflect the date traveled, odometer or map miles, and nature of business. Also, occasionally fuel was put into the individual's automobile instead of the person being reimbursed mileage.
- Documentation was not present to indicate that the goods or services had been received as required by **62 O.S. 2001, § 310.1a**.
- A check was issued to petty cash in the amount of \$250.00, which was given to an employee who had been injured on the job.

RECOMMENDATION: We recommend the Board of Trustees establish policies and procedures to assure purchase orders are filed in numerical order and completed, all supporting documentation attached prior to payment, and all applicable statutes are adhered to. Also, we recommend policies and procedures be established for reimbursement of travel expenses.

FINDING #9: The Wright City Public Works Authority (the Authority) was created under Title 60 of the Oklahoma Statutes for the use and benefit of the Town of Wright City (the Town). The Board of Trustees for the Authority is a complete and separate entity from the Board of Trustees for the Town and business for each Board should be conducted separately. During our examination of Board minutes and purchase orders, we noted the Town's business and the Authority's business were not always kept separate. We noted the following exceptions:

- Purchase orders for the Authority are approved in the minutes of the Town Board of Trustees.
- Items, such as fuel and water, are billed to the Town then split when paying.
- The cellular telephones used by the Authority are under the Town's contract.
- The Authority uses the Town's Wal-Mart credit card to purchase items.

RECOMMENDATION: We recommend the Town and Public Works Authority conduct business as separate legal entities.

V. CONCERN: *Possible irregularities in use of Town fuel by the Mayor's spouse.*

FINDING: The Mayor's spouse works for the Oklahoma Rural Elderly Coalition (OREC). Her job duties are to transport senior citizens in the company van. The Mayor's spouse explained, at that time, both gas stations in Wright City were closed. The nearest station was nine miles away. It was decided she would fill-up at the Wright City fuel pumps and the Town would be

reimbursed by OREC. There is no written agreement between the two entities. In addition, we did not find Board approval for the authorization of the agreement in Town minutes.

We attempted to obtain the Town's fuel logs, but were informed that the logs were "thrown away" because an employee had inadvertently soaked the logs in gas and oil and they were not legible. However, we were able to obtain OREC's van fuel log and scheduled all fuel usage by the Mayor's spouse. We then compared the gallons to the amount reimbursed to the Town by OREC. From the schedule, it appears the Town over-billed OREC by approximately 4.02 gallons of fuel. OREC now has a fuel credit card and no longer utilizes the Town fuel pumps.

RECOMMENDATION: We recommend that agreements made with other entities or organizations be approved by the Town Board in a recorded Town meeting and documented in a formal written contract. Furthermore, Town documents should not be "thrown away" until approved by the Town Board of Trustees, as prescribed by state statutes.

OTHER FINDINGS

While reviewing Town minutes, we noted there were no written minutes for the November 2004 Town and PWA meetings. The Town Clerk stated that she attended the November meetings but her spouse was ill and she was unable to type the minutes for that month's meeting. However, the December 2004 minutes state that the Board of Trustees unanimously approved the minutes of the "previous" meeting, when there were no written minutes available.

In addition, minutes do not appear to reflect all matters considered and actions taken by the Board of Trustees in a comprehensible manner.

These findings appear to be contrary to **25 O.S. 2001, §312 (A)(B)**, which states,

"A. The proceedings of a public body shall be kept by a person so designated by such public body in the form of written minutes which shall be an official summary of the proceedings showing clearly those members present and absent, all matters considered by the public body, and all actions taken by such public body. The minutes of each meeting shall be open to public inspection and shall reflect the manner and time of notice required by this act.¹

B. In the written minutes of an emergency meeting, the nature of the emergency and the proceedings occurring at such meeting, including reasons for declaring such emergency meeting, shall be included."

RECOMMENDATION: We recommend the Town adhere to the above-cited statute.

* * * * *

Throughout this report there are numerous references to state statutes and legal authorities, which appear to be potentially relevant to issues raised by the District Attorney 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 or Public Works Authority or any of the individuals named in this report or acting on behalf of the Town or Public Works Authority have violated any statutory requirement 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 Town and Public Works Authority 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.