

**OKLAHOMA
DEPARTMENT
OF WILDLIFE
CONSERVATION**

**NOVEMBER 1, 2000 THROUGH
NOVEMBER 1, 2008**



**SPECIAL
AUDIT**



Oklahoma State Auditor
& Inspector

OKLAHOMA DEPARTMENT OF WILDLIFE CONSERVATION

SPECIAL AUDIT REPORT

NOVEMBER 1, 2000 THROUGH NOVEMBER 1, 2008

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

February 25, 2009

Mr. Greg Duffy, Director
Oklahoma Department of Wildlife Conservation
1801 N. Lincoln, P.O. Box 53465
Oklahoma City, Oklahoma 73105

Transmitted herewith is the Special Audit Report of the Oklahoma Department of Wildlife Conservation. We performed our special audit in accordance with the requirements of **74 O.S. 2001, § 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

**OKLAHOMA DEPARTMENT OF WILDLIFE CONSERVATION
SPECIAL AUDIT REPORT
NOVEMBER 1, 2000 THROUGH NOVEMBER 1, 2008**

TABLE OF CONTENTS

	PAGE
OKLAHOMA WILDLIFE CONSERVATION COMMISSION BOARD MEMBERS	4
STATE AUDITOR AND INSPECTOR'S REPORT	5
INTRODUCTION AND BACKGROUND	6
OBJECTIVES, FINDINGS, AND RECOMMENDATIONS	7

INDEX OF OBJECTIVES

I. REVIEW THE DEPOSITS, EXPENDITURES AND CIRCUMSTANCES OF AIRCRAFT FUND ACCOUNT	7
---	---

**OKLAHOMA DEPARTMENT OF WILDLIFE CONSERVATION
SPECIAL AUDIT REPORT
NOVEMBER 1, 2000 THROUGH NOVEMBER 1, 2008**

OKLAHOMA DEPARTMENT OF WILDLIFE COMMISSION BOARD MEMBERS

M. David Riggs..... District 1
Bruce R. Mabry District 2
Mike Bloodworth District 3
Harland Stonecipher District 4
Mac Maguire District 5
Bill Phelps District 6
Mart Tisdal District 7
John Groendyke..... District 8

Greg Duffy
Director

Larry Mannering
Law Enforcement Chief

Jim Edwards
Law Enforcement Assistant Chief

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

Mr. Greg Duffy, Director
Oklahoma Department of Wildlife Conservation
1801 N. Lincoln, P.O. Box 53465
Oklahoma City, Oklahoma 73105

Dear Mr. Duffy:

Pursuant to your request and in accordance with the requirements of **74 O.S. 2001, § 227.8**, we performed a special audit with respect to the Oklahoma Department of Wildlife Conservation for the period November 1, 2000 through November 1, 2008.

The objectives of our special audit primarily included, but were not limited to, the objectives expressed in your request for this audit. 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 Oklahoma Department of Wildlife Conservation. 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 Oklahoma Department of Wildlife Conservation.

This report is intended solely for the information and use of the Oklahoma Department of Wildlife Conservation 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

January 3, 2009

**OKLAHOMA DEPARTMENT OF WILDLIFE CONSERVATION
SPECIAL AUDIT REPORT
NOVEMBER 1, 2000 THROUGH NOVEMBER 1, 2008**

INTRODUCTION

The Oklahoma Department of Wildlife Conservation (ODWC) was created by **Article XXVI of the Oklahoma Constitution**. Under the Constitutional provisions, ODWC is governed by the Wildlife Conservation Director under such rules, regulations and policies as shall be directed by an eight (8) member Oklahoma Wildlife Conservation Commission.

Each of the eight (8) members of the Commission is appointed by the Governor and with the consent of the Oklahoma Senate. Each of the eight (8) Commission members is appointed to represent eight (8) individual Districts in Oklahoma. Each of the eight (8) members is appointed for a term of eight (8) years.

BACKGROUND

The Oklahoma State Auditor and Inspector's Office (OSAI) previously conducted a special audit related to an ODWC equipment fund account in ODWC District #8. During the course of fieldwork OSAI and ODWC became aware of the possible existence of a second and possibly similar type of account.

Because the second account was outside the scope of the initial audit, OSAI notified ODWC of the possible existence of the second account. ODWC conducted an internal investigation into the matter and subsequently requested OSAI perform an investigative audit into what was determined, by the ODWC administration, to be an "unauthorized account."

Pursuant to the investigative audit request, OSAI conducted a special audit related to the questioned bank account. The results of the investigative audit are in the following report.

OBJECTIVE **Review the deposits, expenditures and circumstances of an aircraft fund account.**

FINDINGS **Funds may have been expended in violation of state law.**

Overview of account creation, purpose and use

On 11/13/2000, ODWC Game Warden Nick Woodard opened the "Eighth District Aircraft Fund" ("the account") at a local bank in Nash, Oklahoma. The original account application reflected the account signatures to be both Warden Woodard and ODWC Game Warden Tracy Daniel.

OSAI reviewed the bank records related to the account and determined the following:

- Twenty five (25) deposits were made to the account totaling \$4,795.00.
- Eight (8) expenditures were made from the account totaling \$2,541.34.
- The account was closed out on 9/5/2008 and the remaining \$2,253.66 was forwarded to ODWC headquarters.

Funds deposited into account

One of the primary concerns expressed by ODWC was the manner in which funds deposited into the account were collected.

OSAI interviewed Wardens Woodard and Daniel who both stated contributions to the account were made by people who had been issued a citation and had worked out a plea agreement with the District Attorney's Office in the county where the alleged violations took place.

OSAI interviewed three former assistant district attorneys who all stated they had been presented citations written by the wardens and had agreed, as part of a plea agreement, to accept contributions to the aircraft account in lieu of having charges filed.

All three assistant district attorneys interviewed stated that although they may have accepted input from the wardens, the ultimate decision to accept a contribution in lieu of filing charges rested entirely with each of the assistant district attorneys.

OSAI reviewed deposit records for the account and found thirty (30) instances wherein a name was listed on the deposit record.

**OKLAHOMA DEPARTMENT OF WILDLIFE CONSERVATION
SPECIAL AUDIT REPORT
NOVEMBER 1, 2000 THROUGH NOVEMBER 1, 2008**

OSAI was able to determine citations had been issued in twenty-nine (29) of those cases.

In one case, \$50.00 cash was deposited. By reviewing the records provided, OSAI was able to determine the probable source of the cash was an individual who had also been issued a citation.

Based on the information reviewed and from interviews with the former assistant district attorneys, it appears the wardens were issuing citations for potential violations of wildlife rules and regulations and any contributions made to the account were the results of plea negotiations between the defendants and the district attorneys' offices.

Funds expended from the account

Wardens Woodard and Daniel stated the funds from the account were used to pay for airplane usage to detect and apprehend "spot lighters" at night.

According to the wardens, using an airplane is one of the most effective means to catch people "spot lighting," and very little funding is provided to the 8th District for that purpose.

Both wardens stated when the aircraft was used for these purposes, numerous other game wardens were involved due to the expansive area that could be covered by the airplane.

Additionally, the wardens stated they would write narrative reports concerning the use of the airplane and any apprehensions made as a result of that use. The narrative reports were then submitted to their captain for review.

The wardens stated the funds expended were for the rental of an aircraft. They provided the names of the pilots who flew the plane and the name of the owner of the plane.

OSAI interviewed one pilot who confirmed the payments he received were for the aircraft rental for the night flight operations. The pilot would rent the aircraft and would then be reimbursed for the rental fees. The pilot also provided the name of the owner of the airplane.

Seven (7) of the eight (8) checks written from the account, totaling \$2,477.42, were payable to the pilot and/or the owner of the airplane.

**OKLAHOMA DEPARTMENT OF WILDLIFE CONSERVATION
SPECIAL AUDIT REPORT
NOVEMBER 1, 2000 THROUGH NOVEMBER 1, 2008**

The remaining \$63.92 payment was made payable to a different name. According to the wardens, this person was a second pilot used in late 2004. The second pilot is currently working in Iraq. OSAI contacted the wife of the second pilot. She confirmed that he is a pilot and had flown operations for ODWC.

For the period from 2005 through late 2007, there were four (4) deposits and no expenditures made from the account.

Warden Woodard withdrew the remaining \$2,253.66 from the account on 9/5/2008. Warden Woodard then gave those funds to Warden Daniel. He then obtained three money orders totaling \$2,275.00 and sent them to ODWC headquarters in Oklahoma City.

The money orders were signed "John Smith" and included an attached note stating:

Dear Sirs,

I would like to make this anonymous donation to your Game Theft program. I admire the work that your wildlife officers do and I'm sure you can use the funds to catch more poachers this fall.

During interviews, Wardens Woodard and Daniel confirmed the "anonymous" donation was made by them. According to both wardens, they were advised by their former ODWC Captain to "get rid of it", referring to the account.

29 O.S. 3-302B, states, in part:

The expenditures of the Wildlife Conservation Fund shall be under the control and supervision of the Commission, and all claims against said fund shall be paid on its itemized voucher form, prepared by said Commission and sworn to by the claimant, and/or vendor's invoices as authorized under Section 86.1, Title 74 [74-86.1] of the Oklahoma Statutes. All such claims when duly signed and sworn to shall be audited by the Commission and/or designated employees and, upon final approval, vouchers which are payable from said fund shall be forwarded to the Director of State Finance. Upon approval thereof, warrants shall issue according to law, and said warrants shall be paid by the State Treasurer from said fund.

**OKLAHOMA DEPARTMENT OF WILDLIFE CONSERVATION
SPECIAL AUDIT REPORT
NOVEMBER 1, 2000 THROUGH NOVEMBER 1, 2008**

Based on the records reviewed, it appears the funds expended from the account were expended for lawful ODWC purposes. However, accounts of this nature circumvent state law and the agency's budgetary process. Such accounts are also against ODWC policy.

Local accounts outside ODWC control

In the past, ODWC wardens have had local "equipment accounts." ODWC has previously notified the ODWC district captains these accounts are against ODWC policy.

During interviews with Wardens Woodard and Daniel, they stated they had not been told there was a problem with the account until 2008. Additionally, the account was not an equipment account as no equipment was purchased.

In our previous ODWC audit, OSAI interviewed a former ODWC district captain who stated he was aware of an equipment account and he knew that type of account was against ODWC policy. He also stated he did not report that account to ODWC headquarters.

A local account of any type, equipment, aircraft or any other ODWC purpose, allows a local warden to expend funds that circumvent state law and the ODWC budgetary process.

RECOMMENDATIONS OSAI recommends the proper authority review this finding to determine what action, if any, may be required.

OSAI recommends ODWC take steps to ensure that all employees are made aware that any accounts held at a local level are against ODWC policy.

DISCLAIMER

Throughout this report there are numerous references to state statutes and legal authorities, which appear to be potentially relevant to issues raised by the ODWC Director 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 Oklahoma Department of Wildlife or any of the individuals

**OKLAHOMA DEPARTMENT OF WILDLIFE CONSERVATION
SPECIAL AUDIT REPORT
NOVEMBER 1, 2000 THROUGH NOVEMBER 1, 2008**

named in this report or acting on behalf of the Oklahoma Department of Wildlife 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 Oklahoma Department of Wildlife 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.



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

WWW.SAI.OK.GOV