

**WASHITA COUNTY
SHERIFF'S OFFICE**

WASHITA COUNTY

**JULY 1, 2004 THROUGH
JUNE 11, 2008**



SPECIAL AUDIT



Oklahoma State Auditor
& Inspector



Washita County Sheriff's Office Washita County Special Audit Report July 1, 2004 – June 11, 2008

STEVE BURRAGE, CPA

OKLAHOMA OFFICE
OF THE
STATE AUDITOR & INSPECTOR

Why the audit was performed

The Washita County Sheriff's Office was audited pursuant to a request by the District Attorney- District 2, in accordance with **74 O.S. 2001 212(H)**.

Audit Summary:

- ✓ During the county's routine annual audit, OSAI auditors conducted a surprise cash count which indicated a shortage in the county jail's inmate trust fund of approximately \$13,000. **Pgs 7-11**
- ✓ Further procedures indicated that inmate trust deposits had been delayed in order to allow some checks and money orders from later collections to be used to make up shortages in deposits from earlier cash collection periods. The total amount of checks and money orders diverted was approximately \$26,000. **Pg 12**
- ✓ Additional procedures performed resulted in a variety of findings and recommendations concerning other sheriff official depository accounts, but no other significant shortages were identified. **Pgs 13-18**

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WASHITA COUNTY
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JULY 1, 2004 THROUGH JUNE 11, 2008

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Steve Burrage, CPA
State Auditor and Inspector

September 5, 2008

Honorable Dennis A. Smith
District Attorney, District No. 2
P.O. Box 36
Arapaho, Oklahoma 73620

Transmitted herewith is the Special Audit Report of the Washita County Sheriff's Office, Washita County, Oklahoma. We performed our special audit in accordance with the requirements of **74 O.S. § 212(H)** for the period July 1, 2004 through June 11, 2008.

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,

STEVE BURRAGE, CPA
STATE AUDITOR AND INSPECTOR

MICHELLE R. DAY, ESQ.
DEPUTY STATE AUDITOR AND INSPECTOR

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WASHITA COUNTY OFFICIALS

James Woodrow Gee District 1 Commissioner, Vice-Chair
Gene Etris District 2 Commissioner, Chair
Raydell Schneberger District 3 Commissioner
Ron Mazurek.....Sheriff



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

Steve Burrage, CPA
State Auditor and Inspector

Mr. Gene Etris, Chair
Washita County Board of County Commissioners
Mr. Ron Mazurek, County Sheriff
Washita County Courthouse
P.O. Box 380
Cordell, Oklahoma 73632

Pursuant to the District Attorney's request and in accordance with the requirements of **74 O.S. § 212(H)**, we performed a special audit with respect to the Washita County Sheriff's Office, Washita County, Oklahoma for the period July 1, 2004 through June 11, 2008.

The objectives of our special audit primarily included, but were not limited to, possible misappropriation of money in the inmate trust account and official depository accounts of the Washita County Sheriff's Office. 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 Washita County Sheriff's Office for the period July 1, 2004 through June 11, 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 Sheriff's Office.

This report is intended solely for the information and use of the District Attorney and the Board of County Commissioners of Washita County and the County's 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,

STEVE BURRAGE, CPA
STATE AUDITOR AND INSPECTOR

MICHELLE R. DAY, ESQ.
DEPUTY STATE AUDITOR AND INSPECTOR
July 24, 2008

WASHITA COUNTY SHERIFF'S OFFICE
WASHITA COUNTY
SPECIAL AUDIT REPORT
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INTRODUCTION

The county sheriff is responsible for preserving the peace and protecting life and property within the county's jurisdiction. As the county's chief law enforcement officer, the sheriff has the power and authority to suppress all unlawful disturbances, to apprehend and secure persons charged with felony or breach of peace, and to operate the county jail.

In the course of administering the above duties, the county sheriff has established a bank account for money/collections held in trust for prisoners incarcerated at the county jail. This bank account is not considered to be "county funds", and is therefore not reported to, or by, the county treasurer. The inmate trust bank account is solely the responsibility of the county sheriff and persons employed by the county sheriff.

There are also a number of related "official depository" accounts with the county treasurer that serve as temporary accounts of the sheriff's office in order to deposit and account for collections that will eventually be transferred to other agencies, such as the Oklahoma Department of Public Safety, the Oklahoma State Bureau of Investigation, the Washita County Court Clerk, and others. Some of these collections are also eventually transferred as revenue to operating funds of Washita County, such as the General Fund, the Sheriff Service Fee Fund, the Sheriff Commissary Fund, and the Sheriff Contract Prisoner Fund.

In accordance with **19 O.S. § 171**, the Office of the State Auditor and Inspector (OSAI) was conducting a routine annual audit of Washita County for the fiscal year ended June 30, 2007. During routine testing, certain discrepancies in the sheriff's official depository accounts drew the attention of the audit team. The District Attorney for District 2 was contacted and a request for a special audit of the Washita County Sheriff's inmate trust account and official depository accounts was made, pursuant to **74 O.S. § 212(H)**.

The Office of the State Auditor and Inspector conducted a special audit of the above-mentioned records of the Washita County Sheriff's Office. The results of the special audit are in the following report.

OBJECTIVES, FINDINGS AND RECOMMENDATIONS

OBJECTIVE Review the inmate trust fund and Sheriff official depository accounts for possible misappropriation of money.

FINDING **INMATE TRUST FUND**

- **A surprise cash count revealed a shortage in the inmate trust funds of at least \$12,972.04.**
- **Further procedures indicated that inmate trust deposits were delayed in order to allow some checks and money orders from later collections to be used to make up shortages in deposits from earlier cash collection periods.**
- **There were numerous errors in posting the inmate trust collections for prisoners incarcerated in the county jail.**
- **Other Sheriff Office procedures allowed the possibility that additional unrecorded, unreceipted "cash" collections could also have been taken from inmate trust funds.**
- **Accumulating "profits" from the commissary operations were used to disguise the fact that funds were missing from the inmate trust bank account.**

During the course of a routine annual audit for Washita County for fiscal year ended June 30, 2007, OSAI found significant delays in the deposits of some Sheriff official depository accounts. Title **19 O.S § 682** requires all county officers and employees to "...**deposit daily in the official depository**...all monies, checks, drafts, orders, vouchers, funds, rentals, penalties, costs, proceeds of sale of property, fees, fines, forfeitures and public charges of **every kind received or collected by virtue or under color of office**..."

A review of the prior audit report and workpapers indicated that similar findings had been noted. Sheriff deposit records for the then current fiscal year ended June 30, 2008 were reviewed. OSAI determined that there had been no improvement concerning the prior audit findings. OSAI then performed a surprise cash count on the Sheriff's office, which was performed on the afternoon of June 10, 2008.

The surprise cash count revealed:

- cash, check and money order collections totaling \$16,223.05, dating back to March 28, 2008, that had not been deposited in the Sheriff official depository **fee account**,

- cash collections, totaling \$3,175.40, dating back to May 10, 2008, that had not been deposited in the Sheriff official depository **cash bond account**, and
- cash, check and money order collections, totaling \$17,921.61, which had not been deposited in the **inmate trust bank account**, dating back to February 19, 2008.

OSAI was investigating discrepancies in the cash composition of the final two inmate trust deposits (see #41 and #42 in the table below), when the Sheriff employee responsible for collections and deposits admitted in an interview on June 12th that the final deposit (#42) had actually been "short" approximately \$13,000.00.

The employee had made up the shortage in the initial stages of the cash count primarily by using a "lunch break" to withdraw \$12,000.00 cash from the employee's savings account at a local bank. The savings account had been opened just a few weeks earlier with proceeds from a recent real estate transaction.

The Sheriff employee also cashed a personal check at the local United Supermarket on the evening of June 10th to make up an additional \$900.00 and then made an additional \$90.00 cash deposit on June 11th to cover an apparent \$90.00 "transposition" error on deposit #41. This error was reduced by a subsequent \$17.96 deposit adjustment by the bank. The final confirmed shortage, including the deposit adjustment by the bank, totaled \$12,972.04.

Inmate trust funds were taken and concealed, primarily using a combination of "**check substitution**" and "**deposit lapping**" methods. Deposits of inmate trust funds were delayed long enough to obtain checks and money orders (MO's) from later cash reporting periods. The checks and MO's obtained from subsequent reporting periods were then used to offset missing cash and/or missing checks and MO's taken from earlier deposits.

One of the special audit objectives was to determine, if possible, when the taking of funds had begun. An interview with the Sheriff employee responsible for the Sheriff's office collections and deposits indicated an estimated starting date of "October 2006".

Images of deposit items, including cash-in slips, checks and MO's were obtained from the bank. The deposit items were compared with the periodic cash reports listing receipts related to each inmate trust bank deposit. OSAI determined the likely beginning of the check and MO substitutions started with the November 5, 2005 deposit and the related inmate trust cash report dated August 18, 2005 to October 26, 2005. See the table below:

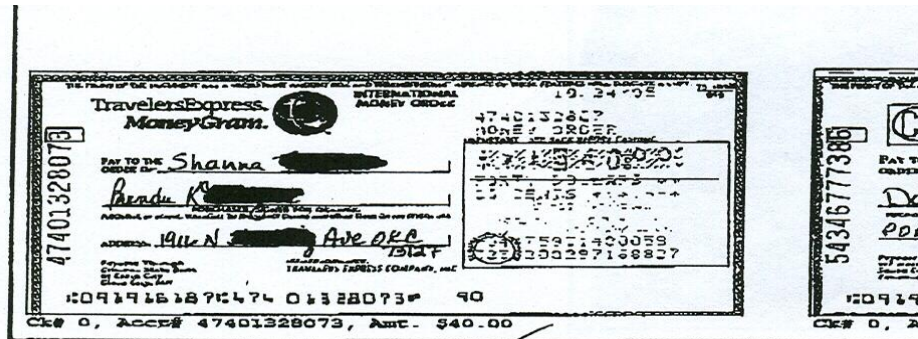
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Washita County Sheriff Inmate Trust Deposits For the period April 20, 2005 to June 11, 2008 Check & Money Order Substitution Summary					
		Deposit Cash Report		Deposit	Total
Deposit #	Deposit Date	Start Date	End Date	Totals	Chk/MO Substitutions
20	05/19/05	04/20/05	05/12/05	\$ 2,505.54	\$ 0.00
21	07/07/05	05/12/05	07/07/05	2,412.62	0.00
22	08/22/05	07/07/05	08/18/05	2,418.17	0.00
23	11/05/05	08/18/05	10/26/05	3,974.11	85.00
24	01/17/06	10/26/05	01/06/06	4,313.13	364.76
25	02/28/06	01/06/06	02/27/06	5,658.20	305.00
26	04/17/06	02/27/06	04/14/06	2,971.28	0.00
27	05/17/06	04/14/06	04/27/06	5,658.20	322.00
28	07/05/06	04/27/06	06/20/06	3,193.86	395.40
29	09/21/06	06/20/06	08/23/06	4,994.23	330.00
30	10/12/06	08/23/06	09/20/06	3,750.67	689.03
31	11/17/06	09/20/06	10/16/06	4,266.05	889.45
32	02/08/07	10/16/06	11/21/06	5,615.41	1,881.23
33	04/05/07	11/17/06	02/01/07	6,494.00	2,899.00
34	05/29/07	02/01/07	03/21/07	6,320.46	2,283.09
35	07/05/07	03/21/07	05/14/07	9,250.78	1,680.22
36	09/17/07	05/14/07	06/26/07	5,857.93	1,635.57
37	10/31/07	06/26/07	09/04/07	7,524.82	3,233.18
38	11/30/07	09/05/07	10/04/07	5,521.09	1,183.54
39.1	02/08/08	10/05/07	10/19/07	1,798.84	
39.2	02/08/08	12/17/07	02/01/08	5,122.76	1,208.00
40.1	05/20/08	10/19/07	12/14/07	8,237.94	
40.2	05/20/08	02/01/08	02/15/08	2,858.22	6,197.17
41	06/10/08	02/15/08	03/24/08	4,753.58	637.41
42	06/10/08	03/24/08	06/10/08	13,168.03	0.00
TOTALS:				\$ 128,639.92	\$ 26,219.05
<i>OSAI Note: A more detailed listing of the check and money order substitutions has been provided to the proper legal authority.</i>					

There were three money orders and one check totaling \$85.00 that were used for the first check for cash substitutions. The four items had issue dates from October 24, 2005 to November 1, 2005, and were receipted into the inmate trust accounting system on October 27, 2005 and on November 2, 2005.

These four items should have been deposited with the January 17, 2006 deposit, but were instead substituted into the November 5, 2005 deposit to make up for \$85.00 in cash that had been taken. The earliest item taken was a Travelers Express Money Gram in the amount of \$40.00, receipted on October 27, 2005, with receipt (or "Add") number 1355. As indicated on the cash report below.

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✓ #1355
1-17-06 DEP
CASH
REPORT

#24

Cash Report

10/26/2005 9:13:43AM to 1/6/2006 5:35:05PM

Add	Account	Comment	Adjustment	User
1355	448 (SHANNA)	Cash deposit: FROM BRENDA [redacted] 10/27/05 13:51:01 Receipt # 10049	X \$40.00	RITA
1356	970091 (JUSTIN)	Cash deposit: FROM DAVID [redacted] 10/27/05 13:51:40 Receipt # 10050	\$20.00	RITA
1357	920196 (JON)	Cash deposit: FROM AUNT GLORIA 10/28/05 13:52:56 Receipt # 10056	\$10.00	RITA
1358	020132 (RICKY)	Cash deposit: FROM SANDY & JOSEPHINE [redacted] 10/28/05 13:53:40 Receipt # 10057	\$20.00	RITA

OSAI note: With the computer software used by the Washita County Sheriff's office, the "Add" number would typically be considered the "receipt" number and represents a collection or "add-ition" to an inmate's trust balance. The "receipt" number reported on the cash report in the center right is a misnomer and would be more accurately termed a "transaction" number.

On each of deposits #39 and #40, there were two cash reports combined into a single deposit. Those separate cash reports are listed in the above table of deposits as ".1" or ".2".

It should be noted the collections for the period of December 17, 2007 to February 1, 2008, (deposit #39.2) were deposited out of order. This was possibly due to the fact that the cash report for the next sequential period of October 19, 2007 to December 14, 2007, (deposit #40.1) was for a **larger** total amount, \$8,237.94 versus \$5,122.76. OSAI observed there may not have been enough collections on hand to make up the deposit for the October 19, 2007 to December 14, 2007 report period until May 2008.

Deposit #42 had approximately \$4,500 of checks and MO's posted to the cash report for the period of March 24, 2008 to June 10, 2008. ALL of the checks and MO's from this collection period had been previously used to make up the deposits #40.2 and #41.

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During the course of tracing deposit items (checks and MO's deposited) to the cash reports associated with each deposit, OSAI noted numerous errors including the posting of checks and MO's as "cash" collections, the posting of apparent "cash" collections as "check" or "money order" collections, and at least one check and one money order that were neither receipted nor credited to two inmates' accounts.

WASHITA COUNTY SHERIFF DEPARTMENT

PERSONS BRINGING ITEMS INTO THE WASHITA COUNTY JAIL FOR INMATES MUST PRODUCE IDENTIFICATION. IF REFUSE TO GIVE PROOF OF IDENTIFICATION ITEMS MUST LEAVE WITH THE INDIVIDUAL.

NAME: Lammie [REDACTED]
 DOB: [REDACTED] SOC OR DL # [REDACTED]
 ADDRESS: P.O. Box [REDACTED]
 CITY: CARNEGIE STATE: OKLA
 DATE: 5-30-08 TIME: 12:39
 OFFICER RECEIVING: Canon
 INMATE NAME: Jeffery [REDACTED]
 DESCRIPTION OF ITEMS: \$110.00

AUTH SHERIFF

The Sheriff's office used a Xerox "form" (example at left) for friends and/or family members to turn in cash to be credited to an inmate's account. The form was used by dispatchers and jailers to identify the cash collections that were brought in after business hours and on weekends.

According to interviews with the Sheriff employee primarily responsible for the Sheriff's collections and deposits, these forms were filled in by the individuals leaving the cash, then turned over to the dispatcher/jailer on duty. The forms were later used by the Sheriff employee to post the cash collections and print a computer generated receipt or "ADD" transaction.

The cash collection forms were NOT pre-numbered, or numbered after the fact, or logged, or accounted for in any way. Following the posting of the cash collections and the printing of the actual computer generated receipts (see example below), the cash

collection forms were routinely discarded and/or shredded within a month or two after the transactions. ***This process left open the potential that some cash collections could be received and diverted, leaving no permanent receipt or record of the cash having been collected.***

WASHITA COUNTY JAIL

Receipt # 24348 ADD # 3111 7/27/2007 11:20:52 AM
 User: WT8

050168 (WASHEL KORY)
 [Birth: 7/18/ Location:]

Cash deposit: FROM KAREN [REDACTED] 07/26/07

Starting Balance:	\$0.56
Add	\$20.00
Cash Balance:	\$20.56

Signed: _____

Interviews with dispatcher/jailer personnel did not indicate that there were many inmates complaining of missing funds. However, since the cash collection forms were not retained, there was no way for OSAI to confirm or verify that ALL "cash" collections were actually posted to the inmate trust computer system. As noted above, there were at least two examples of a check and a money order that were not receipted or credited to two different inmate accounts, so the "skimming" of an unknown amount of unrecorded cash collections was a possibility during the period reviewed.

The current inmate trust/commissary computer system was implemented in January 2004. In the more than four years since implementation, there were only three transfers of commissary "profits" from the inmate trust bank account into other Sheriff funds to make purchases of supplies, etc. This failure to routinely transfer commissary profits from the inmate trust fund into a Sheriff Commissary Fund allowed an excess book balance to accumulate in the inmate trust fund. The excess book balance related to commissary profits was utilized to disguise the fact that there was a shortage developing in the inmate trust bank account.

OSAI did not find any significant additional shortages or missing funds, other than the approximately \$13,000 shortage in the inmate trust fund identified on June 10, 2008. Although a little over \$26,000 in checks and MO's were diverted (substituted), the records indicate that, approximately half of the \$26,000 of substitutions was used to obtain cash, while the other half of the \$26,000 in substitutions was used to cover the absence of the checks and MO's that had been substituted for the cash.

OSAI RECOMMENDS

- The proper authority review these findings to determine what action, if any, may be required.
- The Sheriff implement procedures to properly receipt all payments received. If the cash collection form continues to be used, the forms should be pre-numbered and logged, and the log record should be maintained separate from the individual responsible for issuing the inmate trust receipts and depositing the inmate trust collections.
- Deposits of inmate trust fund collections be made daily, or at least by the following business day, in accordance with **19 O.S. § 682**.
- Profits from the commissary operation should be transferred at least monthly from the inmate trust bank account to a Sheriff Commissary Fund with the county clerk, where the funds can then be used to pay for Sheriff operations and expenditures.

FINDINGS

SHERIFF OFFICIAL DEPOSITORY FEE ACCOUNT

- **A surprise cash count by auditors discovered cash, check and money order collections totaling \$16,223.05, dating back to March 28, 2008, that had not been deposited in the Sheriff official depository fee account.**
- **Although there were significant delays in the collections being deposited to the fee account and some other procedural concerns, there did not appear to be a shortage of funds during the period reviewed.**
- **Some findings unrelated to any cash shortage were noted.**

After the surprise cash count performed on June 10, 2008, OSAI obtained receipt books, voucher books and official depository deposit tickets from the Sheriff's office. Receipt #1210, dated July 8, 2004, was the earliest such Sheriff fee receipt record available for our audit.

A detailed spreadsheet that included each receipt issued for the Sheriff Official Depository Fee Account was prepared. The list of receipts was then compared to deposits made during the time period under review. Our objective was to confirm that each check, money order or cash transaction was deposited intact. OSAI traced receipts from #1210 July 8, 2004 to #1644 dated June 10, 2008, to subsequent deposits at the Washita County treasurer's office.

Our review of the Sheriff Official Depository Fee Account did not indicate a shortage.

During this procedure, OSAI noted the following:

- Only one receipt (#1226 dated October 6, 2004, for \$25.00) could not be traced to a subsequent deposit. This receipt was likely a collection for a urine analysis test and/or a Self Defense Act (conceal carry permit) fee. According to the Sheriff employee responsible for collections and deposits, the UA fees were typically turned over to the Sheriff who took them to the treasurer's office for deposit by the county treasurer.
- Collections were deposited for which no receipts had been issued. Typically, these unreceipted collections were vouchers from the court clerk for service fees and jail fees collected for the Sheriff by the court clerk's office. Some of these vouchers were for substantial amounts and were held for as long as 3 months before being deposited.
- Some items deposited to the Sheriff Official Depository Fee Account were receipted in the "cash bond receipt" book, rather than on a "service fee receipt". These appeared to be simple errors in using the wrong receipt book for the collections.

- There were numerous collections from Washita County municipalities and individuals for "jail fees" that were receipted and deposited to the Sheriff Official Depository Fee Account and eventually transferred to the Sheriff Service Fee Fund. These collections, generally for a per diem fee for housing a prisoner, should have been transferred to the Sheriff Contract Prisoner Fund, rather than the Sheriff Service Fee Fund (*see also ODOC finding below*).
- There was one collection that was transferred to the Sheriff Service Fee Fund that was apparently "profit" from the jail commissary and consequently should have been transferred to a "Sheriff Commissary Fund" instead.
- There were some instances of receipted collections being deposited "out of order". Generally, these were check or money order collections, but a few were "cash" collections. Being deposited out of receipt number order could be an indication of a temporary "borrowing" of the cash collections. It could also simply represent inappropriate bookkeeping. Since all the collections were eventually deposited, OSAI was unable to determine which characterization would be more accurate.

OSAI RECOMMENDS

- Receipts be issued for all collections, even those that represent "internal" transfers from the court clerk, etc.
- Deposits of Sheriff official depository fee collections be made daily, or at least by the following business day, in accordance with **19 O.S. § 682**.
- At least monthly, all collections should be totaled, reconciled and vouchered to the appropriate state agency or county operating fund, such as the Washita County General Fund, the Sheriff Service Fee Fund, the Sheriff Contract Prisoner Fund or the Sheriff Commissary Fund.

FINDINGS

SHERIFF OFFICIAL DEPOSITORY CASH BOND ACCOUNT

- **A surprise cash count by auditors discovered cash collections totaling \$3,175.40, dating back to May 10, 2008, that had not been deposited in the Sheriff official depository cash bond account.**
- **There were significant delays in the collections being deposited to the cash bond account.**
- **There were a number of discrepancies in some cash bond transactions during the period reviewed, some of which**

would not necessarily indicate a shortage. OSAI was unable to account for some relatively small, non-cash bond receipts.

After the surprise cash count on June 10, 2008, OSAI obtained receipt books, official depository deposit tickets and voucher books from the Sheriff's office. The following cash bond records were available for our review: receipts #1101 through #1289 for the period of March 15, 2005 through June 7, 2008; official depository deposit tickets covering the period of May 12, 2005 through June 11, 2008; and cash bond voucher books for the period May 11, 2004 through June 11, 2008.

A detailed spreadsheet that included each receipt issued for the Sheriff Official Depository Cash Bond Account was prepared. The list of receipts was then compared to deposits made during the time period under review. The objective was to confirm that each check, money order or cash transaction was deposited intact.

Receipts were traced to subsequent deposits at the Washita County Treasurer's office and/or to municipal court offices at Burns Flat and Cordell. Collections of municipal cash bonds were normally held at the Sheriff's office until a representative, usually a municipal police officer, could pick up the bonds. Vouchers issued on the cash bond account were traced to the Washita County Court Clerk and/or to municipal court clerks to verify the bond monies had been delivered to the appropriate court(s).

OSAI determined the following:

- The provisions of **19 O.S. § 682** were not followed for the cash bond account, which resulted in inappropriate delays in depositing cash bonds.
- Different receipt books were used for the various municipal cash bonds and for the county cash bonds. This resulted in occasional errors when the wrong receipt book was used. Some cash bond receipts that were issued could not be traced to a deposit or voucher and were subsequently identified as municipal cash bonds and confirmed by the municipal court clerks.
- There were occasional deposits of apparent cash bonds for which no receipts had been issued. Vouchers were issued for these unreceipted deposits, and the funds were traced to court cases at the county court clerk's office.
- Two receipts, #1167 dated July 21, 2006 and #1201 dated February 11, 2007, in the amounts of \$150.00 and \$552.00, were marked as "voided", but the original receipt was not kept as part of the "void". OSAI was unable to determine if these were true voids, or if these receipts could involve additional missing funds.
- There were instances of discrepancies between the amounts receipted and deposited and the vouchers issued to the court clerk.

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These discrepancies were minor, involving differences of cents, rather than dollars.

- OSAI noted instances in which there were vouchers issued to the court clerk *prior to the cash bond collections being deposited* to the cash bond account.
- There were a number of cash bond receipts issued for drug testing (urine analysis or UA) and "jail fees". These types of collections were normally receipted in the "fee" account receipt books. OSAI was able to trace most of these receipts to deposits for the Sheriff official depository fee account, but listed below were some that OSAI was not able to fully account for:

Rect#	Date	Amount	Comments
1138	03/06/06	25.00	"DHS UA"
1143	03/20/06	25.00	"DHS UA"
1144	03/22/06	25.00	"DHS UA"
1147	04/04/06	25.00	"DHS UA"
1156	05/15/06	25.00	"U/A for DHS"
1249	12/10/07	42.00	"jail fees 2 days"
1254	02/16/08	32.00	"jail fees for ----"
1273	04/24/08	25.00	"SDA"

In an interview with the Sheriff employee responsible for Sheriff collections and deposits, the employee indicated the UA fees were normally delivered to the Sheriff who took them to the treasurer's office.

OSAI obtained treasurer's miscellaneous receipt #5551 dated June 8, 2006, in the amount of \$487.75 for "UA money received". Since there was no other documentation to explain which UA fees were included on this treasurer's receipt, OSAI could not verify that the above missing receipts were part of the \$487.75 deposited with the treasurer on that date. (See receipt below.)

No. 005551

COUNTY TREASURER'S MISCELLANEOUS RECEIPT
OFFICE OF TREASURER OF WASHITA COUNTY, OKLAHOMA

CORDELL, OKLAHOMA 06-08-2006

Received of WASHITA CO SHERIFF OFFICE the sum
of FOUR HUNDRED EIGHTY SEVEN AND 75/100 Dollars \$487.75

From the following sources and charge to:

ITEM	GENERAL FUND	HIGHWAY FUND	RESALE FUND	SCHOOLS	Other	Name of Fund	Total
UA MONEY RECEIVED					\$487.75	WASHITA/CUSTER DRUG	\$487.75
					\$487.75		\$487.75

CASH 487.75

BYRON GORE
County Treasurer
[Signature]
Deputy

In the interview, the Sheriff employee could not remember the details of the last three receipts and did not give any potential explanation for the \$99.00 in jail fees and the SDA fee that was still unaccounted for.

OSAI RECOMMENDS

- Receipts be issued for all collections.
- Deposits of Sheriff official depository cash bond collections should be made daily, or at least by the following business day, in accordance with **19 O.S. § 682**.
- Receipts issued from the wrong receipt book should be voided. Then a receipt should be issued from the correct receipt book, and the voided receipt should be cross-referenced to the correct receipt to adequately document what transpired.

SHERIFF OFFICIAL DEPOSITORY - OTHER ACCOUNTS

The Washita County Sheriff also had four other official depository accounts established with the Washita County Treasurer during the period under review. These four accounts were titled "Sheriff Tax Warrant", "Sheriff Narcotic", "Sheriff Reserve", and "Sheriff Commissary Profit".

The Sheriff Tax Warrant account was not used for tax warrants at all. It was used as a pass-through vehicle for the collection of cost-sharing payments intended for the Department of Public Safety teletype system. The cost of the teletype was shared by the Town of Sentinel, the Town of Burns Flat and the Washita County Sheriff's Office. Nothing unusual was noted in this account.

The other accounts had relatively few transactions and were mostly inactive during the period of July 1, 2004 to June 11, 2008.

RECOMMENDATION OSAI recommends official depository accounts be utilized for the purpose they were established.

FINDING OKLAHOMA DEPARTMENT OF CORRECTIONS (ODOC) CONTRACT PRISONER PAYMENTS

- **Collections for jail fees from ODOC and county municipalities were not transferred, appropriated or expended from the correct revolving fund, contrary to 19 O.S. § 180.43(B).**

During the course of both the routine and special audits, OSAI noted that there was not as much activity in the Sheriff Contract Prisoner Fund as is normally seen in rural counties. The Sheriff houses ODOC prisoners, and ODOC normally pays a per diem fee for such prisoners. After the

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shortage found in the surprise cash count, OSAI obtained ODOC payments to Washita County for the period July 1, 2004 to June 11, 2008.

The objective was to determine whether some of the ODOC payments could have been diverted into the inmate trust fund or other Sheriff accounts in order to take cash collections by substituting the state warrants issued for contract prisoners. OSAI was able to trace all of the ODOC payments to the county treasurer's miscellaneous receipts.

The lack of activity in the Sheriff Contract Prisoner Fund was accounted for due to the ODOC payments being deposited in other county funds, apparently according to whichever fund was the most in need of appropriations at the time. Contrary to **19 O.S. § 180.43(B)**, which requires "a separate revolving fund" be used for payments for housing "federal, state, or municipal prisoners, or alien detainees", the ODOC payments were mainly deposited in the General Fund and/or the Sheriff Service Fee Fund. Some payments from ODOC for a community sentencing service program (CSSP) were deposited into a "CSSP" fund.

The county clerk and county treasurer had already established a "Sheriff Contract" prisoner fund. The fund was simply not being utilized in accordance with the above statute.

OSAI noted from the ODOC payment records for FY07-08 that ODOC had not issued any payments to Washita County since October 2007. According to a follow-up interview with the undersheriff, after the suspension of the sheriff employee responsible for collections and deposits, it was determined that the Sheriff's office was approximately \$30,000 in arrears in its billings for ODOC prisoners.

OSAI RECOMMENDS The county begin using the revolving fund for contract prisoner payments in accordance with the provisions of **19 O.S. § 180.43(B)**. All fees earned for federal, state, or municipal prisoners should be deposited in the Sheriff Contract Prisoner Fund and be expended from that fund for the normal operations of the jail and the Sheriff's office.

* * *

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 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 Washita County

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Sheriff's Office or any of the individuals named in this report or acting or acting on behalf of the Sheriff's Office 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 Sheriff's Office policies, procedures or practices should be modified or discontinued, and to independently evaluate where or not the recommendations made by this Office should be implemented.



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