

CITIZEN PETITION REQUEST

CITY OF HARTSHORNE

October 19, 2017



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

CITY OF HARTSHORNE
PITTSBURG COUNTY, OKLAHOMA
CITIZEN PETITION AUDIT
OCTOBER 19, 2017



Executive Summary

EXECUTIVE SUMMARY

The citizens of the City of Hartshorne requested an audit pursuant to **74 O.S. § 212(L)**. The objectives of the audit included a review of possible irregularities in utility billing, court activity, credit card expenditures, and payroll, and possible violations of the Open Meeting and Open Records Act. The scope of the petition was July 1, 2015 through August 31, 2016. However, when the examination warranted, this scope was expanded.

Utility Billing (Page 3)

Shirley Day did not appear to effectively execute her duties as the City Treasurer in the collection, recording, and depositing of utility billing revenue. Between July 2014 and July 2016, records reflected that \$617,590.07 in utility payments were posted to customer accounts but were not deposited.

An analysis of utility deposits for an additional five-year period, July 2009 through June 2014, reflected a projected \$1,107,746.09 in cash had not been deposited.

During the combined periods of July 2009 through July 2016, it appears that a possible \$1,725,336.16 of utility revenue was not deposited.

Court Activity (Page 15)

Dawn Dunkin did not properly administer the functions of the Hartshorne Municipal Court or perform her duties as the City Court Clerk in accordance with law.

Court records, including receipts and citations, were missing from City Hall, the City's *eCourt* software system was not utilized as intended, and court fund collections were not deposited daily.

After the retirement Dawn Dunkin in August 2016, the average monthly *cash* deposited for court increased over \$2,000 per month.

During the period, November 2015 through May 2016, it appears that at least \$18,004.55 in court fines were misappropriated.



Executive Summary – Continued

Credit Card Expenditures (Page 27)

City Clerk Dawn Dunkin charged at least \$80,083.35 in personal expenditures with the City's Visa credit card.

The City Council did not properly review and approve credit-card expenditures, allowing false, handwritten Visa statements to be approved for payment.

Payroll (Page 34)

Former City Council member and Public Works Authority (PWA) trustee John Beauchamp received \$6,748.71 of improper compensation from the PWA. Checks were issued to Beauchamp through another PWA employee in violation of law.

Fire Chief David Mass was paid \$3,965 improperly through a contract between his personally owned company and the City.

The City's elected officials were paid higher salaries than were provided for by city ordinance.

City of Hartshorne and PWA employee paychecks were routinely issued early, at times up to two weeks before the end of the pay period.

Open Meeting and Open Records Act (Page 41)

The City Council violated the Open Meeting Act in June 2016 by discussing items in a council meeting that had not been previously posted on the agenda.

In the August 10, 2015, city council meeting, the Council entered into an executive session without posting the proposed executive session on the agenda as required by law.

It also appears that the meeting minutes for the August 10, 2015, City Council meeting were falsified by City Clerk Dawn Dunkin, reflecting approval of a contract that was never officially approved by the Council.



Oklahoma State Auditor & Inspector

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

October 19, 2017

To the Petitioners and Citizens of the
City of Hartshorne:

Pursuant to your request and in accordance with the requirements of **74 O.S. § 212(L)**, we performed an audit of the City of Hartshorne for the period July 1, 2015 through August 31, 2016. However, when the examination warranted, this scope was expanded.

The objectives of our audit primarily included, but were not limited to, the concerns noted in the citizens petition. The results of this audit, related to these objectives, are presented in the accompanying report.

Because the procedures of our audit did 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 City of Hartshorne for the period July 1, 2015 through August 31, 2016.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide services to the taxpayers of Oklahoma is of utmost importance. We also wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

This report is addressed to and is for the information and use of the petitioners and citizens of the City of Hartshorne. This report is also a public document pursuant to the **Oklahoma Open Records Act** in accordance with **51 O.S. §§ 24A.1, et seq.**

Sincerely,

A handwritten signature in blue ink, reading "Gary A. Jones", is positioned below the word "Sincerely,".

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

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City Officials

(as of August 31, 2016)

Carolyn Trueblood Mayor
John Beauchamp..... Council Member
Teresa Farris Council Member
Destiny French Council Member
John Grove Council Member
Eddie Kelly Council Member
Tom Larsen..... Council Member
Leon Mace Council Member
Nathan Sparks..... Council Member
Shirley Day City Treasurer
Dawn Dunkin City Clerk/Court Clerk

Introduction

The City of Hartshorne (hereinafter the “City”) is organized under the statutory aldermanic form of government, as outlined in **11 O.S. §§ 9-101, et seq.** which states in part:

The form of government provided by Sections 11-[9-101](#) through 11-[9-118](#) of this title shall be known as the statutory aldermanic form of city government. Cities governed under the statutory aldermanic form shall have all the powers, functions, rights, privileges, franchises and immunities granted, or which may be granted, to cities. Such powers shall be exercised as provided by law applicable to cities under the aldermanic form, or if the manner is not thus prescribed, then in such manner as the governing body may prescribe.

The City is governed by a mayor, who is elected at large, and the City Council which consists of eight members, two elected from each city ward.

The Hartshorne Public Works Authority (hereinafter the “Authority” or the “PWA”) is a public trust established under **60 O.S. §§ 176 et seq.** The Authority provides utility services to the residents of the City. The City Council members also serve as the Board for the Authority.

The City operates on a fiscal year that runs from July 1 through June 30.

Background

In early 2016, a small number of citizens from the City of Hartshorne became disgruntled with members of the City Council. It was alleged that some council members were not responding to the concerns of the citizens.

When a lack of “openness in government” continued, the citizens sought a “Citizen Petition Request for Special Audit”¹ through the State Auditor and Inspector’s Office. (SA&I) The petition process, authorized under **74 O.S. § 212(L)**, was officially verified as successful by the Pittsburg County Election Board Secretary in September 2016.

It is defined in city ordinances that the Mayor and City Council of Hartshorne “shall have the care, management and control of the city and its finances” along with the power to enact any and all ordinances they deem “expedient and for the good government of the city”.

Also in city ordinance, the responsibility of “keeping the city funds in proper order” was with City Treasurer Shirley Day, who was employed with the City for over 36 years, retiring effective September 1, 2016.

¹ See entire “Citizen Petition Request for Special Audit” at Attachment A.

The Hartshorne City Clerk was Dawn Dunkin who was employed with the City for over 22 years, retiring effective August 31, 2016. Under statute, the City Clerk also serves as the Court Clerk and is accountable for receipt of all fines, forfeitures, and fees of the municipal court.

As the findings in the following pages of this report reflect, it appears the city officials responsible for the “good government of the city” and for “keeping the city funds in proper order” did not properly perform their fiduciary duties. The potential lack of governing by these responsible officials appears to have resulted in an extensive loss of funds for the citizens of Hartshorne.

OBJECTIVE I	UTILITY BILLING
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Petition Objective *Review possible irregularities in the receipting and depositing of utility payments.*

Summary of Findings:

- Cash deposits increased from an average of \$140 per month to an average of \$28,281.47 per month for September 2016 through January 2017, the five-months following the retirement of former City Treasurer Shirley Day.
- During the 25-month period of July 2014 through July 2016 it appears that \$617,590.07 in utility payments were posted to customer accounts but were not deposited.
- An analysis of utility deposits occurring during the five-year period of July 2009 through June 2014 revealed a potential \$1,107,746.09 in cash payments had not been deposited.
- Shirley Day did not appear to effectively execute the statutory duties of city treasurer in the collection and depositing of utility billing revenue.
- Utility revenue deposits were not made daily as required by statute. Customer payments were held for days, and in some instances weeks.
- Check and cash compositions were not properly recorded on receipts, on customer account postings, or on bank deposits.
- The City used an antiquated computer system to record utility payments. The software had limited storage and users could delete customer account information.
- Computer generated utility reports and payment receipts to support all utility transactions were not available. Records were disorganized, incorrectly labeled, and missing.

Background

The Hartshorne Public Works Authority, (PWA), established in 1978 provides water, sewer, and garbage services to the City of Hartshorne. The PWA functions in cooperation with the City, and the City Council members also serve as PWA trustees.

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The City has approximately 950 utility customers billed monthly using a two-part billing statement, a post-card type statement documenting usage, amount of utility payment due, and due date.

When a customer makes a payment in person and presents the billing statement, the City reportedly retains the portion of the statement shown on the left to serve as a receipt of payment, and returns the portion of the billing statement on the right for the customer's proof of payment.

Left Portion (Receipt):

ZIP - 4 PRESENT OR
RETURN THIS STUB WITH PAYMENT.

P O Box 711
Hartshorne, Ok 74547-0004

BALANCE AFTER DUE DATE	BALANCE BEFORE DUE DATE
86.01	78.19

ACCOUNT NUMBER: 10789 DUE DATE: 13/10/16

THIS STUB MUST BE RETURNED
WITH REMITTANCE

Right Portion (Bill):

FAILURE TO RECEIVE BILL DOES NOT WAIVE PENALTY

CODE	CHARGES
1	27.72
2	21.91
3	28.56
6	.00
7	.00
8	.00

CREDIT: 0.00

JAN 07 2016

METER ADDRESS: [REDACTED]

DUE DATE: 13/10/16

CONTACT BEFORE
DUE DATE: 78.19

SERVICE TO: 12/10/15 ACCOUNT NUMBER: 10789-

CUT OFF AFTER: 13/20/16

1 WATER 4 SERVICE CHARGE 7 MISC
2 SEWER 5 PENALTY 8 DEPOSIT
3 GARBAGE 6 PAST DUE

If the billing statement is not presented at the time of payment a handwritten receipt is issued on a blank billing stub as shown below.

CITY OF HARTSHORNE
BRING THIS CARD FOR YOUR RECEIPT

Bill due by 10th. 10% will be charged
on all bills after 10th, if not paid by the
20th of month, water will be cut off and
\$20.00 penalty added for cut off.

TOTAL CHARGES \$ _____

TOTAL CHARGES \$ _____

The purpose of maintaining a *billing stub or payment receipt*, or *issuing and maintaining a receipt*, is to allow the clerk to document the payment transaction, to show accountability of funds collected, and to support the recording of a payment to the proper customer utility account. During the audit, we observed that city employees utilized both receipting methods.

A *Daily Audit/Cash Journal Report* was purportedly printed after the receipts had been entered in the utility billing software program and represented utility payments received and posted for each day. Evidence suggests that payments received were not posted daily and as such the *Daily Audit/Cash Journal Report* did not appear to be printed on a daily basis. These reports could not be provided for all months of the period audited.

Position of City Treasurer

In the City of Hartshorne, Shirley Day served as the city treasurer. The city treasurer position is defined in **11 O.S. § 9-113** which states in part:

The city treasurer shall be an officer of the city. Subject to such regulations as the council may prescribe, the city treasurer shall deposit daily funds received for the city in depositories as the council may designate. The city treasurer shall have such other powers, duties, and functions related to his statutory duties as may be prescribed by law or by ordinance. The person who serves as city treasurer may be employed by the city to perform duties not related to his position as city treasurer.

Article 5 Section 1.7 of City's ordinances further defines the powers and duties of the city treasurer. The ordinance states in relevant part:

The city treasurer.... shall have the responsibilities of keeping the city funds in proper order. The city treasurer shall deposit daily all funds coming into his hands in such depositories as the council may designate...***shall handle all billing for utilities*** (water, sewer, trash) and maintain records and delinquencies... [Emphasis added]

Day confirmed that she was responsible for utility billing and utility deposits for the City. Day had been employed with the City since July 1, 1980, over 36 years. Day retired from her position effective September 1, 2016.²

The Objective

The petitioners requested “A *review of possible irregularities in the receipting and depositing of utility payments, including an accounting of missing receipts*”.

² Official retirement date per the Oklahoma Municipal Retirement Fund.

Based on this request we reviewed utility billings, collections, receipts, account postings, and bank deposits to determine if utility payments received and posted had been properly deposited into the City's bank account.

Finding

Cash deposits increased from an average of \$140 per month to an average of \$28,281.47 per month for September 2016 through January 2017, the five-months following the retirement of former City Treasurer Shirley Day.

To begin the audit test work, we performed an *initial* analytical review of utility revenue deposits.

City Treasurer Shirley Day officially retired effective September 1, 2016. We used that date as a threshold for our initial *before-and-after* analytical review of utility bank deposits.

We performed our analysis for the period of March 2016 through July 2016, a five-month period prior to Day's retirement; compared to September 2016 through January 2017, the five-month period following Day's retirement.

August 2016, the month immediately prior to Day's retirement, was not included in the analysis. This month was a transition period between the retirement of Day and incoming personnel. During this month evidence suggest that numerous individuals assisted at City Hall and no one official was responsible for the utility billing activity.

For the five-month period reviewed prior to Day's departure, deposits for utility averaged \$78,786.10 per month. The average monthly cash deposits during this period were \$140.

For the five-month period after Day's retirement, the average utility deposit was \$117,815.21 per month. The average monthly cash deposits during this period were \$28,281.47.

The average monthly deposit after Day's retirement increased from \$78,786.10 to \$117,815.21, an increase of \$39,029.11.

The amount of *cash* deposited after Day's departure increased from \$140 per month to \$28,281.47 per month, a total increase of \$28,141.47.

Based on these initial results it appeared that a misappropriation of utility revenue had occurred.

Utility Payment Testing

Available utility billing records including receipts, posting journals, and deposit sources were obtained for review.

We also obtained the utility billing data from the software vendor for the 25-month period of July 2014 through July 2016.³ The data provided the customer's billing information and documented utility payments posted to customer's accounts.

These records were reviewed to determine if payments received and posted had been deposited.

Finding

During the 25-month period of July 2014 through July 2016 it appears that \$617,590.07 in utility payments were posted to customer accounts but were not deposited.

The customer payments posted for the 25-month period of July 2014 through July 2016 totaled \$2,812,323.03, deposits for the same time period were \$2,194,732.96, resulting in \$617,590.07⁴ of utility customer payments that were posted as paid but that were not deposited.

Payment receipts and customers posted payments were traced to deposits for the months of January, February, March and April of 2016.

All checks in the deposits were accounted for, and were reconciled to a utility customer posted payment.

With all checks in the deposits reconciled to a posted transaction, any remaining posted payments would have to be supported with cash deposits. There were NO cash deposits in the four months reviewed.

Almost all deposit slips were marked with an "X", indicating no cash was deposited. We obtained deposit sources for 14 months, and bank statements from July 2009, to verify that the "X" noted on the deposit tickets did indicate 'no cash' had been deposited. The deposit sources received from the bank confirmed that deposits marked with an "X" did not include cash.

³As previously noted, the month of August 2016 was not included because it was a transition period between the retirement of Day and incoming personnel.

⁴ See Attachment B - Posted Payments to Deposits.

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A First National Bank & Trust Co. of Oklahoma checking deposit slip. The date is 2-14-15. The account number is redacted. The total deposit is \$793.32. There is a handwritten 'X' next to the 'CASH' label and a signature over the 'CHECKS' label. The slip includes fields for 'For', 'Date', 'Account Number', 'SUB-TOTAL', 'LESS CASH RECEIVED', and 'TOTAL DEPOSIT'. A MICR line is at the bottom: *6800000000*.

With only \$4,090 deposited in cash during the entire 25-month period, the evidence suggests that the underlying cash collections for the remaining posted transactions had not been deposited.

We reviewed a sample of 62 transactions that were posted to customer accounts, that appeared to be cash transactions, but that could not be traced to corresponding deposits. Our review process confirmed that cash receipted transactions had been posted but not deposited.

For example, Customer 10710 made four payments totaling \$377.55. Each payment was traced from the payment receipt to the *Daily Audit/Cash Journal* but could not be traced to deposits. With all checks in the deposits accounted for through other transactions, the payments shown for Customer 10710 appeared to have not been deposited.

The January 2016 and the March 2016 payment receipts and posting reports for Customer 10710 are shown here.

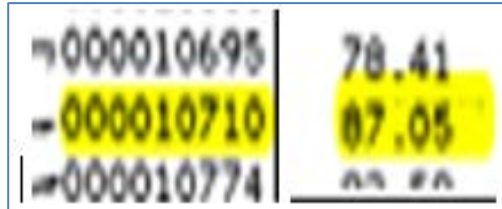
January 2016 Payment Receipt

A payment receipt for Customer 10710. The account number is redacted. The total charges are \$87.05. The receipt includes a large black redaction box at the top and the text 'TOTAL CHARGES \$87.05' at the bottom.

March 2016 Payment Receipt

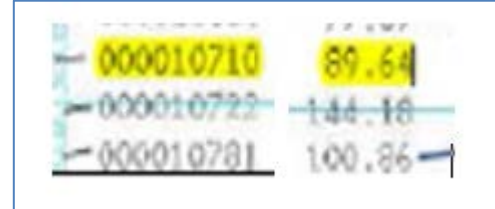
A March 2016 payment receipt for Customer 10710. The receipt includes a postage meter stamp for Hartshorne, OK, and a ZIP + 4 Presort OR Return This Stub With Payment label. The account number is 10710 and the due date is 03/10/16. The balance after due date is 98.60 and the balance before due date is 89.64. The receipt includes a large black redaction box at the top and the text 'TOTAL CHARGES \$87.05' at the bottom.

January Posting Journal



000010695	78.41
000010710	87.05
000010774	87.05

March Posting Journal



000010710	89.64
000010722	144.18
000010781	100.86

Customer 10710 also provided a notarized statement⁵ attesting that cash payments had been made for the four payments made in January through April 2016. It appears the \$377.55 in cash payments made by Customer 10710 were not deposited.

A comparable reconciliation was completed on a total of 62⁶ individually posted transactions that could not be traced to a supporting check deposit. We were also able to obtain notarized statements from 26 of these customers attesting that their utility payments had been made in cash.

Summary

Based on our review, evidence suggests that payments posted in the utility billing software program represent payments received from utility customers that should be deposited in the City's utility bank account.

Between July 2014 and July 2016, it appears that \$617,590.07 in posted utility payments were not deposited.

Analytical Review

Upon determining that a potentially significant misappropriation of funds had possibly occurred, an analytical evaluation of utility deposits for prior years⁷ was performed to aid in a projected amount of funds that may have been misappropriated.

Bank statements for the previous five-year period, July 2009 through June 2014 were obtained from First National Bank of McAlester-Hartshorne. The bank records confirmed that cash was not being consistently deposited during these periods. Example of 'no-cash' deposits are shown here.

⁵ See notarized statement at Attachment C.

⁶ A sample of 62 was selected from available records and based on an evaluation of available customer history's showing consistent cash paying customers.

⁷ Bank statements were available from July 2009.

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The image displays four First National Bank checking deposit slips, each with a 'CASH' box checked and a signature. The slips are as follows:

- Top-left:** Date 7-16-09, For P.B. W.K., Total Deposit \$2404.54. Credit: 07/16/2009, \$2404.54.
- Top-right:** Date 12-30-10, For P.W., Total Deposit \$4212.90. Credit: 12/30/2010, \$4212.90.
- Bottom-left:** Date 3-29-12, For P.W., Total Deposit \$4374.59. Credit: 03/29/2012, \$4374.59.
- Bottom-right:** Date 5-30-13, For P.W., Account Number 108-8688, Total Deposit \$7492.35.

Finding

An analysis of utility deposits occurring during the five-year period of July 2009 through June 2014 revealed a potential \$1,107,746.09 in cash payments had not been deposited.

In our initial analytical review for the five-month period before and after Shirley Day's retirement, the average monthly cash deposit increased by \$28,141.47⁸. This information, along with an additional five months of deposit data obtained from the bank, reflects that approximately 25% of every month's utility deposit, subsequent to Day's employment, consisted of cash.

Applying the projected 25% cash collection estimate to each month's total utility deposit for the 5-year period of Day's employment July 1, 2009 through June 30, 2014⁹, resulted in an estimated undeposited cash amount of \$1,107,746.09.

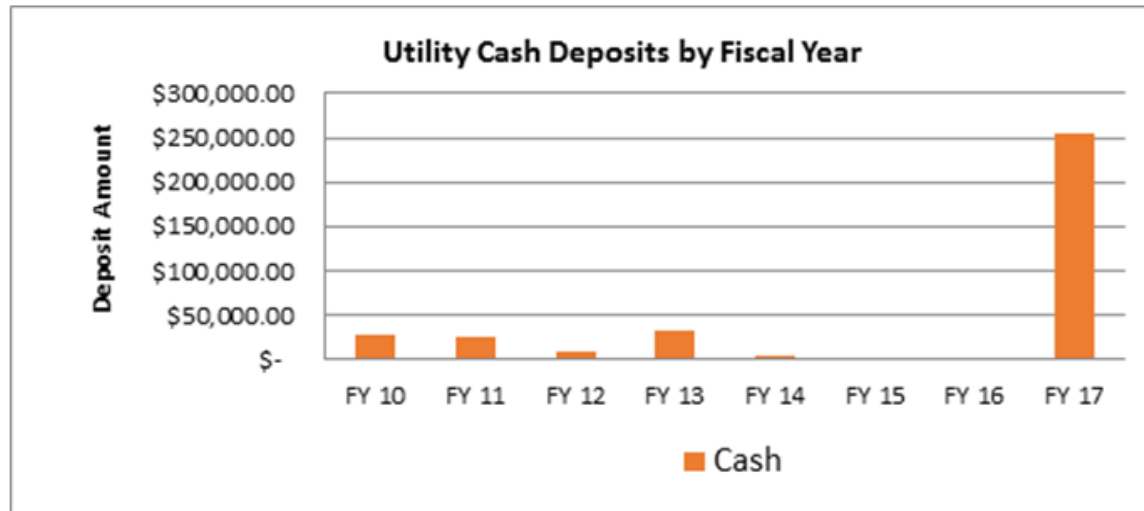
Each month of this calculation was performed independently, giving a percentage credit for any cash that had been deposited in that month.

⁸ See analytical review discussion at Page 6.

⁹ The lack of cash deposits for the period immediately prior to Day's retirement, July 1, 2014 through June 30, 2016, is reflected as part of the previous finding.

For the period July 1, 2009 through June 30, 2014, total cash deposited during the entire 60-months was \$99,089.65¹⁰, compared to \$277,731.58 deposited in the 10-month period following Day's departure.

There were 31 months¹¹ during the five-year period that *no cash* was deposited.



It appears a potential \$1,107,746.09 in cash collections was not deposited during the five-year period of July 1, 2009 through June 30, 2014.

Utility Billing Internal Controls

Internal controls over the processing, reconciling, posting, and depositing of utility collections were almost non-existent.

It appeared that the City Council provided little to no oversight of the utility billing and collection process, evident by the ongoing lack of cash deposits for more than seven years.

City officials acknowledged that cash was left unsecured and that deposits were not being made daily as required by statute.

Per a former mayor, Shirley Day frequently worked at night after the close of business with no accountability or oversight.

¹⁰There was also \$4,090 of cash deposited July 2014 through July 2016, the period discussed in the previous finding, for a total cash deposited in the seven-year period of \$103,179.65. See Attachment D.

¹¹ See Attachment D - Utility Billing Cash Deposits

Finding Shirley Day did not appear to effectively execute the statutory duties of city treasurer in the collection and depositing of utility billing revenue.

The statutory responsibility for the collection and deposit of funds was with the city treasurer. The city treasurer position is defined in **11 O.S. § 9-113** and **Article 5 Section 1.7** of City's ordinances further defines the powers and stating in relevant part:

The city treasurer.... shall have the responsibilities of keeping the city funds in proper order. The city treasurer shall deposit daily all funds coming into his hands in such depositories as the council may designate...***shall handle all billing for utilities*** (water, sewer, trash) and maintain records and delinquencies...
[Emphasis added]

Day acknowledged she was responsible for utility receipts, posting, billing and deposits, but did not provide an explanation for the lack of accountability of cash deposits.

Finding Utility revenue deposits were not made daily as required by statute. Customer payments were held for days, and in some instances weeks.

The city treasurer, was statutorily responsible for the accounting of monies collected and paid, and should deposit all funds received daily. Title **11 O.S. § 9-113** states in part:

... the city treasurer shall deposit daily funds received for the city in depositories as the council may designate....

Utility deposits were not made daily. At times funds were held for weeks before deposits were made.

For example, in December 2015, deposits were only made on three separate days.

Date	Deposit Amount
December 3, 2015	\$19,130.89
December 15, 2015	\$51,629.15
December 30, 2015	\$21,544.61
Total	\$92,304.65

Deposits routinely occurred approximately once every two weeks. Multiple deposits were made on the same day into the same account.

On December 11, 2012, \$58,000 was deposited, consisting of 12 individual deposits ranging from \$2,579.19 to \$9,337.91, with no cash included.

Finding

Check and cash compositions were not properly recorded on receipts, on customer account postings, or on bank deposits.

Customer payment receipts did not designate payment by type, i.e. cash or check. *Daily Audit/Cash Journal* reports also did not designate cash or check even though the utility billing software could be used to designate the payment type.

It appeared cash and check compositions were not recorded in any part of the collection process.

Finding

The City used an antiquated computer system to record utility payments. The software had limited storage and users could delete customer account information.

The City used a DOS based software system, apparently created in the mid-1980's, to track and manage utility customer accounts, billings, and payments. The system was outdated and featured limited data storage.

Records were required to be purged from the system memory when the storage capacity was reached resulting in lost data. The system also limited the user's ability to reprint billing or posting reports.

We also observed software functions which allowed the user to delete customer account information.

For example, the user is permitted to manually change the customer's balance as demonstrated below.

The customer's account shows \$76.34 for the current bill and a past due amount of \$84.48 for a balance due of \$181.08.

	<amt due>	<amt deliq>	<past due>	<land fill tax>
credits (1)	.00			
penalties (2)	.00 (3)	.00 (4)	14.44 (44)	.00 current
misc fee (5)	.00 (6)	.00 (7)	.00 (45)	.00 deliq
water (8)	35.25 (9)	.00 (10)	25.44 (46)	.00 past due
sewage (11)	25.16 (12)	.00 (13)	22.34	
refuse (14)	28.56 (15)	.00 (16)	29.89	
Totals:	88.97	.00	92.11	
(17) tax code		(18) penalty exempt?	no	
(19) customer class multiplier	in % 100%	class description	Regular	
<current status>		<adjustments>		
(20) paid-to-date	15708.66	(21) current	76.34	
(22) last payment	02/10/17	(23) last billing	84.48	
BALANCE DUE:	181.08	BILL. COND.:	statement has been printed	

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The second screen (below) shows the past due amounts have been manually removed lowering the balance due to \$88.97.

```

<amt due> <amt deliq> <past due> <land fill tax>
credits (1) .00
penalties (2) .00 (3) .00 (4) .00 (44) .00 current
misc fee (5) .00 (6) .00 (7) .00 (45) .00 deliq
water (8) 35.25 (9) .00 (10) .00 (46) .00 past due
sewage (11) 25.16 (12) .00 (13) .00
refuse (14) 28.56 (15) .00 (16) .00
Totals: 88.97 .00 .00
(17) tax code (18) penalty exempt? no
(19) customer class multiplier in % 100% class description Regular
<current status> <adjustments>
(20) paid-to-date 15708.66 (21) current 76.34
(22) last payment 02/10/17 (23) last billing 84.48
BALANCE DUE: 18 88.97 ILL. COND.: statement has been printed
```

The City began to implement a new software system in June of 2017, which if used according to the software specifications could potentially improve internal controls over utility payment postings.

Finding

Computer generated utility reports and payment receipts to support all utility transactions were not available. Records were disorganized, incorrectly labeled, and missing.

Utility billing reports were incomplete and appeared to be missing. Utility records that were available were disorganized, *Daily Audit/Cash Journal reports* and payment receipts were stored in unlabeled boxes with no defined filing system.

Some reports printed from the utility software system were incorrectly labeled with the wrong fiscal year. The “FISCAL YEAR 2014-2015” report shown here actually included data for the 2016 fiscal year.



The City is required to maintain complete and accurate records of the receipt and expenditure of funds. Title **51 O.S. § 24A.4** states in part:

In addition to other records which are kept or maintained, every public body and public official has a specific duty to keep and maintain complete records of the receipt and expenditure of any public funds reflecting all financial and business transactions relating thereto, except that such records may be disposed of as provided by law.

OBJECTIVE II COURT ACTIVITY

Petition Objective Review possible irregularities in the receipting and depositing of traffic fines.

Summary of Findings:

- After a change in the court clerk position in August 2016, the average monthly *cash* deposited for court increased over \$2,000 per month.
- During the period, November 2015 through May 2016, at least \$18,004.55 in court fines appeared to have been misappropriated from the City of Hartshorne Municipal Court.
- The payment of an outstanding citation was improperly reported to the Oklahoma Department of Public Safety, and the receipt of \$252.50 appeared to have been misappropriated.
- Court funds were not deposited daily as required by law.
- The City's *eCourt* software system was not utilized as intended.
- Court records, including receipts and citations, were missing from City Hall.
- Court records indicated that receipts were not always issued, or were issued and not maintained.
- Court Clerk Dawn Dunkin did not fully present all court activity to the City Council.

Background

According to **11 O.S. § 27-109**, in a city where a municipal court has been established, the city clerk serves as the clerk of the municipal court unless the governing body establishes otherwise.

Title **11 O.S. § 27-109** defines the duties of the court clerk as follows:

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.

Position of Court Clerk

In the City of Hartshorne, Dawn Dunkin served as the municipal court clerk during the audit period of July 2015 through August 2016. Dunkin confirmed that she was responsible for court collections, deposits and related reports issued to the City Council during this time.

Dunkin had been employed with the City for over 20 years, since July 1995, and ended her employment on August 30, 2016.¹²

Finding

After a change in the court clerk position in August 2016, the average monthly *cash* deposited for court increased over \$2,000 per month.

Dawn Dunkin ended her employment as the City's court clerk on August 31, 2016. We used that date as a threshold for a *before-and-after* analytical review of court deposits.

From April 2016 through August 2016, a five-month¹³ period prior to Dunkin's departure, deposits for court averaged \$3,251.75 per month. The average amount of cash deposited per month during this period was \$438.

¹² Official retirement date per the Oklahoma Municipal Retirement Fund.

¹³ Only five months were included because at the time the analytical review was performed, in February 2017, only five months of subsequent information was available. The month of September 2016 was not included since it was the transition month between the old and new officials.

From October 2016 through February 2017, the five-month period following Dunkin's departure, deposits increased to an average of \$5,020.17 per month. The average amount of cash deposited per month during this period was \$2,495.

The average amount of *cash* deposited per month increased from \$438 to \$2,495, a total of \$2,057 per month.

As a result of the analytical review, we determined the amount of cash deposited for court collections subsequent to Dunkin's employment increased \$2,057 per month, over five times the amount of cash deposited in Dunkin's last five-months as court clerk.

Finding

During the period, November 2015 through May 2016, at least \$18,004.55 in court fines appeared to have been misappropriated from the City of Hartshorne Municipal Court.

The results of the analytical assessment of court, along with the lack of cash deposits, warranted additional review and analysis of court collections.

Based on the court records that were available, it was determined that court transactions would be tested for the seven-month period of November 2015 through May 2016.

There were 297 posted court transactions extracted from the data for this time period. All posted transactions were traced to available receipts and deposit sources to determine if accounts posted had been receipted and deposited.

The 297 posted transactions represented \$43,127.61 of possible court collections. Of this amount 156 transactions, totaling \$24,169.06, were traced to deposits. None of these transactions were receipted, but all were traced to a check or money order in the bank deposit sources.

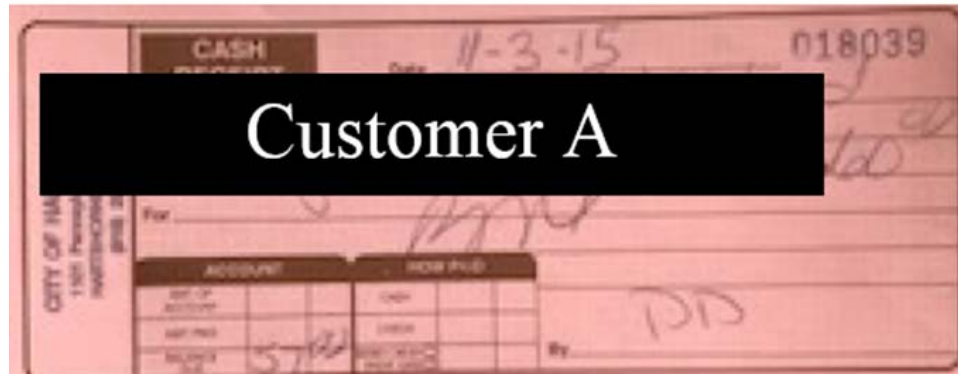
None of the remaining 141 transactions, totaling \$18,958.55 could be located in the deposit sources¹⁴. Giving credit for the \$954 cash that was deposited during the entire seven-month period, it appears the remaining \$18,004.55 was misappropriated.

A few examples of these transactions are shown below.

¹⁴ All checks and money orders in the deposit sources had been accounted for with the previous 156 transactions, the remaining deposit amounts for the seven-month period totaled \$954 in cash.

Examples

Customer A made a payment for \$60, documented on receipt 18039 initialed by Dawn Dunkin on November 3, 2015. The receipt did not reflect the source of the payment as cash, check, etc.



The \$60 payment was posted to the customer's account for citation 1743 as shown below highlighted in red.

11/3/2015	\$	60.00	\$ 407.00	\$ 407.00	\$ 314.10	1743		7/23/2015	SPEEDING 11-15 MPH OVER
-----------	----	-------	-----------	-----------	-----------	------	--	-----------	-------------------------

Customer A's payment could not be traced to bank deposit sources as a check or money order, indicating the payment was cash. No cash was deposited during the month of November 2015.

Customer B made a payment for \$365, documented on receipt 18561 initialed by Dawn Dunkin on April 7, 2016. The receipt did not reflect the source of the payment as cash, check, etc.



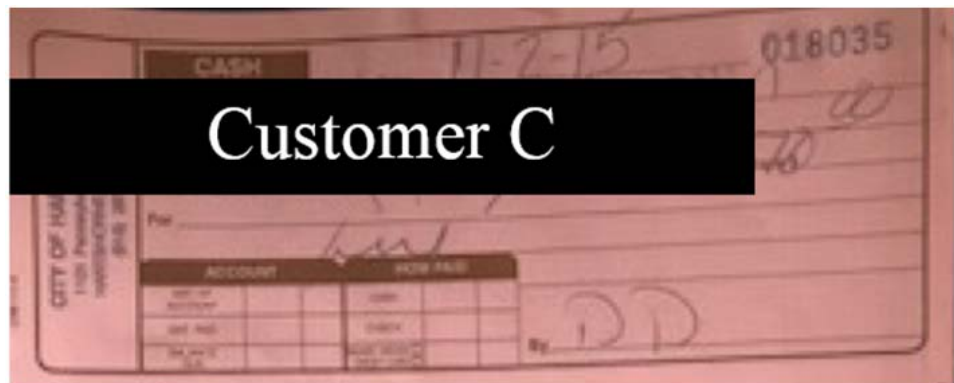
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The \$365 payment was posted to the customer's account for citation 1975 as shown below highlighted in red.

4/7/2016	\$ 365.00	\$ 365.00	\$ 365.00	\$ 365.00	1975		9/4/2015	SPEEDING 1-10 MPH OVER
----------	-----------	-----------	-----------	-----------	------	--	----------	------------------------

Customer B's payment could not be traced to bank deposit sources as a check or money order, indicating the payment was cash. No cash was deposited in the month of April 2016.

Customer C made a payment for \$70, documented on receipt 18035 initialed by Dawn Dunkin on November 2, 2015. The receipt did not reflect the source of the payment as cash, check, etc.



The \$70 payment was posted to the customer's account for citation 2128 as shown below highlighted in red.

11/2/2015	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	2128		9/12/2015	SPEEDING 1-10 MPH OVER
-----------	----------	----------	----------	----------	------	--	-----------	------------------------

Customer C's payment could not be traced to bank deposit sources as a check or money order, indicating the payment was cash. No cash was deposited in the month of November 2015.

Summary

Of 297 court transactions tested, a total of \$18,004.55 appeared to have been misappropriated.

Dunkin was questioned about the court deposit activity, and acknowledged that she was responsible for the court collections and deposits. Bank personnel also verified that Dunkin normally made the deposits for court.

Dunkin could not explain the deposit shortages or the lack of cash deposits. She stated that, at times, she would put cash collections in her unsecured desk drawer and did not know what happened to the funds after that.

The transactions tested only represent seven months of court activity. Court Clerk Dawn Dunkin had been employed with the City for over 20 years.

Under **19 O.S. § 641**, any public funds used for a personal purpose is defined as an embezzlement. The statute states in part:

If any...officer or person charged with the collection, receipt, safekeeping, transfer or disbursement of the public money... belonging to the...city...shall convert to the officer's or person's own use or to the use of any other person...in any way whatever, any of such public money...of any kind received, controlled or held by such officer or person by virtue of such office or public trust for safekeeping, transfer or disbursement, or in any other way or manner, or for any other purpose...such officer shall be guilty of an embezzlement.

Transaction Reported Erroneously

Finding

The payment of an outstanding citation was improperly reported to the Oklahoma Department of Public Safety and the receipt of \$252.50 appeared to have been misappropriated.

On April 21, 2016, the City received a \$252.50 payment on the account of a customer who owed \$505.00 for a speeding ticket that had been issued in February 2016. The account was past due and had been turned over to collections,¹⁵ and the customer's driver's license had previously been suspended.

CASH RECEIPT		Date: 4-21-16	018319
Received From		[Redacted]	
Address		[Redacted]	
For		Dollars 252.50	
ACCOUNT		HOW PAID	
AMT OF ACCOUNT		CASH	<input checked="" type="checkbox"/>
AMT PAID		CHECK	<input type="checkbox"/>
BALANCE DUE		MONEY ORDER	<input type="checkbox"/>
		By: DD	

The receipt was verified with the customer, who confirmed the amount of \$252.50 had been paid and that the payment had been made in cash.

¹⁵ The City utilized "The Warrant Division" a collection service for outstanding court fines.

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Since the offender's license had been previously suspended, the entire \$505 fine needed to be reported to the Oklahoma Department of Public Safety (DPS) to remove the suspension.

Dunkin issued the receipt shown at right to the customer to be for verification that the \$505.00 fine had been paid. The DPS receipt denoted a credit to the customer for the entire \$505, indicating that the City had received the full amount needed to lift the driver's license suspension.

It appears the full \$505 payment was also reported as received to the collection agency. Even though only \$252.50 was received, a \$176.75 commission was paid on the full payment amount.

STATE OF
OKLAHOMA
NONRESIDENT
VIOLATOR COMPACT

**RECEIPT FOR PAYMENT
OF FINE AND COST**

Receipt is hereby acknowledge
for payment of:

\$505.00 covering the fine and
cost for the violation described herein.

[Signature]
(Authorized Signature)

Date: 4-21-16

(IMPORTANT)
RETAIN THIS RECEIPT

This document is evidence of appearance
which will be required to clear your
suspension. You should present this
document along with any other statute
requirement to the licensing authority
which suspended your privilege to drive.

The Warrant Division									
Account	Debtor #	Debtor Name	Client #	Coll #	Tran Date	Check Date	Paid Us	Paid Client	Comm Amount
6889	31906		136	1	4/25/2016	/ /		505.00	176.75

In addition to the false reporting, the \$252.50 payment could not be traced to bank deposits. There were no cash deposits made in April 2016, indicating that Dunkin misappropriated the \$252.50 payment.

Overall Management of Court Activity

Court Process

To help carry out both the daily management of court collections and the statutory responsibilities of the court clerk, the City of Hartshorne subscribes to *eCourt* software services, a software program which provides comprehensive citation tracking, docket preparation, and streamlined accounting of court fines. The software can be used to print receipts, produce daily deposit tickets, create court dockets, and generate state required reports.

Citations issued should be entered into the *eCourt* software system, subsequent payments should be posted to the customer's account and a printed receipt issued.

Collections, postings, and adjustments should be reconciled daily and agree to bank deposits, which are required by **11 O.S. § 9-113** to be made daily.

A complete lack of internal controls and not utilizing the *eCourt* software as designed has increased the risk of cash misappropriations, of records not being properly maintained, and of transactions in the *eCourt* software being manipulated without detection.

The City Council, the Mayor, and the Court Clerk each had a responsibility to govern and implement effective controls to insure court fines collected through the Hartshorne Municipal Court were deposited into the city bank account.

Our review of court revealed that:

- Deposits were not made daily;
- The *eCourt* software program was not utilized properly;
- Receipts were not issued for every payment;
- Receipts were missing and not properly maintained;
- The customer's payment method was not recorded on receipts;
- Bank statements were not reconciled to monthly collections;
- Receipts were voided without supporting documentation;
- Court reports were not printed and reconciled to deposits daily; and
- Court activity was not properly reported to the City Council.

Finding

Court funds were not deposited daily as required by law.

During the audit period, an average of three deposits were made per month, despite court collections occurring, on average, 15 days per month.

Title **11 O.S. § 9-113** requires that deposits be made daily stating in part:

Subject to such regulations as the council may prescribe, the city treasurer shall deposit daily funds received for the city in depositories as the council may designate.

For example, in August 2015, only three deposits were made in the Police Bond bank account even though funds were collected on 12 different days. At times, Dunkin held funds for more than 10 days between deposits.

Finding

The City's *eCourt* software system was not utilized as intended.

In addition to recording court transactions, Dunkin used the *eCourt* software system to track collections, payroll, and accounts payable for the City's ambulance service, along with invoices and accounts payable for the City. These transactions were assigned docket numbers which skewed any court reports to be printed from the system.

Documents and reports created through the system were not utilized. Dunkin circumvented the system issuing handwritten receipts, along with manually prepared court dockets and reports.

The manually created docket served as the official court record and included the judge's hand-written case dispositions. The City did not maintain an official record of all court's rulings. Some dockets were missing, and the Judge's rulings were not always entered into the *eCourt* system.

According to the Hartshorne Municipal Court Judge, court dockets were received approximately 15 minutes before each court session. Only the cases listed on the clerk's docket were ruled on by the Judge. Any fine payments made prior to the offender's court date were not recorded on the dockets and subsequently not reviewed by the Judge, allowing transactions to be handled and cases to be closed without official court approval.

Finding

Court records, including receipts and citations, were missing from City Hall.

As required by statute, records of all financial transactions are required to be kept by public officials. Title **51 O.S. § 24A.4** states:

In addition to other records which are kept or maintained, every public body and public official has a specific duty to keep and maintain complete records of the receipt and expenditure of any public funds reflecting all financial and business transactions relating thereto, except that such records may be disposed of as provided by law.

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The following highlighted receipt books could not be located at City Hall.

Receipt Number	Date Range
17951-18100	8/3/15-2/12/16
18101-18250	9/28/15-1/27/16
18251-18400	Missing
18401-18550	1/28/16-5/31/16
18551-18700	3/3/16-11/7/16
18701-18850	5/31/16-7/25/16
18851-19000	7/25/16-2/17/17
19001-19150	Missing
19151-19300	11/7/16-3/6/17

Although these receipt books were not found, it appears they once existed and that the receipts had been utilized. A Xerox copy of receipt 18328 shown below was found in Dawn Dunkin's desk at City Hall indicating that the receipt book that included this receipt had been used in receipting collections.

CITY OF HARTSHORNE 1101 Pennsylvania Avenue HARTSHORNE, OK 74547 (918) 257-5944	CASH RECEIPT		Date <u>5-2-16</u>	018328										
	Received From <u>Alenea Ortiz</u>													
	Address <u>See expenditure log</u>		Dollars <u>200.00</u>											
	For <u>due 6-2-16.</u>													
	<table border="1"><thead><tr><th>ACCOUNT</th><th>HOW PAID</th></tr></thead><tbody><tr><td>AMT OF ACCOUNT <u>\$145.00</u></td><td>CASH</td></tr><tr><td>AMT. PAID <u>200.00</u></td><td>CHECK</td></tr><tr><td>BALANCE DUE <u>55.00</u></td><td>MONEY ORDER <input type="checkbox"/></td></tr><tr><td></td><td>CREDIT CARD <input type="checkbox"/></td></tr></tbody></table>		ACCOUNT	HOW PAID	AMT OF ACCOUNT <u>\$145.00</u>	CASH	AMT. PAID <u>200.00</u>	CHECK	BALANCE DUE <u>55.00</u>	MONEY ORDER <input type="checkbox"/>		CREDIT CARD <input type="checkbox"/>	By <u>DP</u>	
	ACCOUNT	HOW PAID												
	AMT OF ACCOUNT <u>\$145.00</u>	CASH												
	AMT. PAID <u>200.00</u>	CHECK												
	BALANCE DUE <u>55.00</u>	MONEY ORDER <input type="checkbox"/>												
		CREDIT CARD <input type="checkbox"/>												

Xerox copies of seven additional receipts were also found, providing additional evidence that the missing receipt books had been utilized.




It was also noted that some receipts had been voided without all copies being maintained. Receipt 18162, initialed as received by Carolyn Trueblood, was voided but the original customer's copy was not attached. No supporting documentation was available to explain why the \$120 cash receipt had been voided.

CITY OF HARTSHORNE 1101 Pennsylvania Avenue HARTSHORNE, OK 74547 (918) 257-5944	CASH RECEIPT		Date <u>11-18-15</u>	018162										
	Received From <u>[Redacted]</u>													
	Address <u>[Redacted]</u>		Dollars <u>120.00</u>											
	For <u>get check</u>													
	<table border="1"><thead><tr><th>ACCOUNT</th><th>HOW PAID</th></tr></thead><tbody><tr><td>AMT OF ACCOUNT</td><td>CASH</td></tr><tr><td>AMT. PAID</td><td>CHECK</td></tr><tr><td>BALANCE DUE</td><td>MONEY ORDER <input type="checkbox"/></td></tr><tr><td></td><td>CREDIT CARD <input type="checkbox"/></td></tr></tbody></table>		ACCOUNT	HOW PAID	AMT OF ACCOUNT	CASH	AMT. PAID	CHECK	BALANCE DUE	MONEY ORDER <input type="checkbox"/>		CREDIT CARD <input type="checkbox"/>	By <u>gt</u>	
	ACCOUNT	HOW PAID												
	AMT OF ACCOUNT	CASH												
	AMT. PAID	CHECK												
	BALANCE DUE	MONEY ORDER <input type="checkbox"/>												
		CREDIT CARD <input type="checkbox"/>												
<u>Void</u>														

Copies of all citations were also not maintained at City Hall.

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It was reported that Dawn Dunkin had removed records from City Hall after her employment was terminated. In a letter dated September 9, 2016, Officer Brian Mathis stated that he assisted Dunkin in loading a large tote of documents into her car. However, according to Mathis, Dunkin said the tote contained her “personal bills”.

	Hartshorne Police Department 1101 Penn. Ave., Hartshorne, Ok. 74547 Ph. (918-297-2544) Fax (918-297-3006) Officer's Statement	
BADGE: H-2 OFFICER: B. MATHIS		DATE: 9/9/2016 CASE#
<p>ON OR ABOUT 8/1/2016 AT APPROXIMATELY 1630 HOURS I, OFFICER BRIAN MATHIS, CERTIFIED PEACE OFFICER, STATE OF OKLAHOMA, COUNTY OF PITTSBURG, CITY OF HARTSHORNE, WAS INVOLVED IN THE FOLLOWING INCIDENT. ON THE ABOVE MENTIONED DATE I WAS IN THE CITY TREASURERS / CITY CLERKS OFFICE WHEN I NOTICED DAWN DUNCAN ATTEMPTING TO CARRY A LARGE TOTE OUT OF THE OFFICE. I ASKED HER IF SHE NEEDED ANY HELP CARRYING THE TOTE TO HER CAR, SHE STATED THAT SHE WOULD APPRECIATE THE HELP. I CARRIED THE TOTE OUT TO HER CAR AND LOADED IT UP FOR HER. SHE STATED THAT IT WAS FULL OF HER PERSONAL BILLS THAT SHE WAS TAKING HOME.</p> <p style="text-align: center;">End of Statement</p> <div style="text-align: right;"> BRIAN A. MATHIS H-2</div>		

Receipts Not Issued

Finding

Court records indicated that receipts were not always issued, or were issued and not maintained.

According to **11 O.S. § 27-109**, the court clerk is required to “receive and give receipt” for all money received by the court. The statute states in relevant part:

The clerk of the court shall:

5. Receive and give receipt for.... all fines, forfeitures, fees, deposits, and sums of money properly payable to the municipal court.

As reported above, checks were being deposited into the Police Bond bank account with no corresponding receipts to support the transactions.

When funds are collected, but not receipted, it removes the accountability for the transaction and increases the opportunity for a misappropriation to occur.

Finding

Court Clerk Dawn Dunkin did not fully present all court activity to the City Council.

Dunkin did not present accurate information when reporting court collections to the City Council.

Dunkin manually produced a “Tickets Written for the Month” report showing the number of citations written per officer and the total monthly “Ticket Collections”. These reports did not agree to bank deposits or to the total payments posted to customers’ accounts in the *eCourt* system.

In September 2015, the City Council was presented the report shown here, documenting ticket collections for the month as \$3,854.00. That same month, payments posted to *eCourt* were \$9,386.50, with related bank deposits for the month totaling \$4,457.07. There was no evidence that account postings, bank deposits, and report collections were ever reviewed or reconciled by anyone other than Dunkin.

<u>Tickets Written for the Month</u> September 2015
Josh Brillo -04
Alvin Hendershot-14
Tracey Barker-0
Anthony Garvin-07
Mark McManus-07
Jeffery Smith-40
Total – 72
Ticket Collections- \$3854.00

Dawn Dunkin also admitted that during more than 20 years in office she never once reconciled court collections to deposits.

OBJECTIVE III CREDIT CARD ACTIVITY

Petition Objective Review possible irregularities in the use of the City's credit card.

Summary of Findings:

- **City Clerk Dawn Dunkin charged at least \$80,083.35 in personal expenditures with the City's Visa credit card.**
- **The City Council did not properly review and approve credit-card expenditures.**
- **City Clerk Dawn Dunkin presented false, handwritten Visa card statements to the Council for their approval and payment.**

Background

Petitioners alleged that the City's Visa credit card had been used for questionable purchases, asserting that personal charges had been made by a city official.

It was also alleged that credit card statements documenting these transactions had been destroyed and falsely prepared statements had been presented in their place.

Based on our initial examination of credit card transactions, we expanded the time period of our credit card review to include purchases from July 2011 through August 2016.¹⁶

We found the supporting documentation for credit card transactions to be almost non-existent. Because of this, multiple requests and subpoenas were issued to vendors to obtain credible records to document the validity of the transactions incurred.

We found no official approval by the City Council for the Visa credit card. The June 13, 2011, minutes made note of a vote by the Council to apply for a card through the City's bank, but no other mention or approval was found.

There was conflicting information as to how many credit cards existed and which city officials held them. However, evidence reflected that only one credit card was used, the one in the name of City Clerk Dawn Dunkin.

¹⁶ The citizen petition request initially included July 2015 through August 2016.

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Finding

City Clerk Dawn Dunkin charged at least \$80,083.35 in personal expenditures with the City's Visa credit card.

Between July 2011 and August 2016, Dawn Dunkin charged 354 personal transactions totaling \$80,083.35 on the City's Visa credit card. Personal expenditures made with public funds are prohibited as addressed in **19 O.S. § 641** which states in relevant part:

If any...officer...charged with the collection, receipt, safekeeping, transfer or disbursement of the public money, or any part thereof, belonging to the...city...shall convert to the officer's...own use...in any way whatever, any of such public money...such officer...shall be guilty of an embezzlement.

Expenditures

The charges shown in the table include several vendors that were paid at least \$2,000 during the period of July 2011 through August 2016.

Personal Visa Credit Card Charges Exceeding \$2,000 Per Vendor July 2011 – August 2016		
<i>Vendor</i>	<i>Type of Purchase</i>	<i>Amount</i>
Vivid Seats	Sporting Event & Concert Tickets (including Dallas Cowboy and Oklahoma City Thunder tickets)	\$8,505.09
AT&T	Cell Phone Service (for Dawn Dunkin and family members)	\$7,858.41
Amazon	Nearly 100 items including a camcorder, a 3D Blu-ray home-theater system; a compound hunting bow; an air rifle; a COACH diaper bag; and a Michael Kors backpack.	\$6,550.06
DirecTV	DirecTV Programming Services (at least 17 monthly payments)	\$4,031.53
Public Service Company of Okla.	Sixteen months of electric utility service at the home address of Dawn Dunkin.	\$3,735.22
The Buckle	At least 35 Items of clothing and a Fossil Watch, including four pair of jeans at \$150 each.	\$3,325.89
Lowes	Numerous items including lawn furniture cushions and outdoor Christmas decorations.	\$2,999.60
Progressive Insurance	Auto Insurance (for Dawn Dunkin and family members)	\$2,928.96
GM Financial	Vehicle Loan Payments (for Dawn Dunkin and/or family members)	\$2,810.97
Dick's Sporting Goods	At least 43 items of clothing including shirts, hoodies, shorts and boots.	\$2,413.15
Overton's	Two GoPro Action Cameras and an Aquapark Bouncer Set	\$2,295.57
Total		\$47,454.45

Additional Charges

Some additional personal charges made by Dunkin include the following:

- Multiple clothing and personal accessory items were purchased from vendors such as Victoria's Secret, Coach, Venus Fashions, Mud-Pie, Nike, and the North Face totaling \$4,783.63.
- In June 2014, four separate charges totaling \$3,389.03 were incurred for a trip to Arlington, Texas. Sixteen daily tickets and 10 specialty "FLASH" passes were purchased for Six Flags Over Texas and the Hurricane Harbor water park totaling \$1,683.10. Tickets to a Texas Rangers baseball game on June 27 totaled \$834.86. A hotel room booked through Expedia for June 27-29 cost \$593.40, and a rental car booked through Enterprise Rent-a-Car totaled \$277.67.
- Two 55-inch LED television sets, a gun safe, and an inflatable spa were purchased from Walmart totaling \$1,899.65.
- Dawn Dunkin's personal federal taxes were paid on the city's credit card for calendar year 2015 in the amount of \$970.
- In June 2016, Dawn Dunkin, along with 13 other individuals, traveled to Cozumel, Mexico. At least \$829.75 of vacation costs were paid on the city's credit card.

An itinerary and a log of individuals attending the trip was found in the records at City Hall. The log noted the total cost of the trip for everyone attending was \$14,093. The itinerary included a statement that indicated Dunkin was paying the cost of the trip for all involved.

Costs for the trip exceeding the \$829.75 noted above were not paid on the City's Visa card. It could not be determined if Dunkin utilized any other City funds for payment of the vacation.

We will be staying at the Iberostar Cozumel, Premium	
Airfare plus insurance	\$624.30
Hotel:	\$466.00 includes all meals and drinks
Total for each person:	\$1090.30
Deposit	\$200.00 made on 11-3-15
Total Balance	\$890.30 per person due 5-1-16
Just a reminder I'm not expecting payment for the boys. This is my treat to them. If you want to pay some that's fine, but I want you to know that it is truly my pleasure to be able to do something nice for such a great group of boy's. They have been good friends for so long and have been around the house growing up. I love each and every one of them as my own.	

In addition to these transactions, \$1,258.31 of finance charges and late fees were also incurred and paid by the City.

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Attachment F to this report is a listing of all credit card expenditures attributed as personal charges of Dawn Dunkin.

In an interview with Dawn Dunkin she acknowledged that she had made personal expenditures with the City's Visa credit card. However, according to Dunkin, the charges she incurred on the Visa card were "always approved by the mayor".

Mark Day and Carolyn Trueblood, the two individuals who served as mayor during Dunkin's personal use of the credit card, both stated that they had not approved for Dunkin, or anyone else, to make personal expenditures with the City's credit card.

Dunkin also represented to SA&I that she had paid back "everything" that she had charged for personal use. According to Dunkin, she made the reimbursement payments to City Treasurer Shirley Day in cash from earnings she had won at casinos. According to Treasurer Day, she never received any credit card reimbursement payments from Dunkin.

We could find no evidence that any reimbursements had been made to the City by Dunkin. One receipt was located at City Hall which reflected that Dunkin had reimbursed the City \$2,500 in cash on April 5, 2016, for "Card Services". Dunkin wrote and initialed the receipt herself and no deposit to any City bank account was found for the alleged \$2,500 payment.

CITY OF HARTSHORNE 1101 Pennsylvania Avenue HARTSHORNE, OK 74547 (918) 287-2544		CASH RECEIPT		Date	018499
Received From		Dawn Dunkin			
Address					
For		Card Services		Dollars 2500.00	
ACCOUNT		HOW PAID			
AMT. OF ACCOUNT		CASH	<input checked="" type="checkbox"/>		
AMT. PAID		CHECK	<input type="checkbox"/>		
BALANCE DUE		MONEY ORDER OR DEBIT CARD	<input type="checkbox"/>		
		By		DD	

There was no evidence that any additional cash payments had been reimbursed to the City by Dunkin, or on her behalf.

All charges incurred on the city's Visa credit card were paid with City or PWA funds.

Review and Approval Process

Finding **The City Council did not properly review and approve credit-card expenditures.**

According to the City's current and former council members and mayors, credit card payments were approved by the Council each month without the actual credit card statements or supporting invoices being reviewed.

The council members and mayors represented that at each council meeting the council president would preview all the bills presented for payment. After that review, a recommendation would be made to the full Council, by the council president, to approve all payments presented.

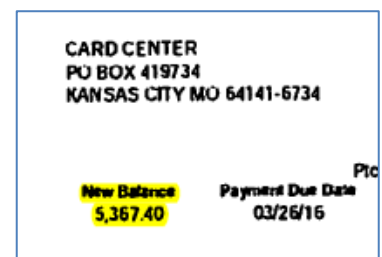
Although city officials acknowledged that each individual payment transaction could have been reviewed, they also admitted that very few, if any, of the purchase orders and invoices were ever independently examined, and to the best of their knowledge the actual credit card statements were not presented for review.

According to two now-former City Council members, some councilors requested to review Visa credit card statements, but Dawn Dunkin, Shirley Day, and Carolyn Trueblood would not allow them access to the records.

Finding **City Clerk Dawn Dunkin presented false, handwritten Visa card statements to the Council for their approval and payment.**

For payments made to Visa between February 2016 and June 2016, Dunkin created handwritten pieces of papers on which she listed items that were represented as Visa card purchases. These handwritten statements were presented as support for Visa card payments.

The expenditures Dunkin included on the handwritten statements were not the City's actual Visa card purchases. For example, Dunkin presented the following handwritten statements to the Council as support for the \$5,367.40 balance due on the March 2016 Visa card statement. The following four payments of \$1,293.80, \$785.31, \$744.00 and \$2,544.29 equal the total Visa "New Balance" due as of March 26, 2016.



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Visa - Card
Police - \$1293.80
Uniforms
Badges
~~10000~~
Name plates
Gas

Supplies - \$375.35
Diabetic tester, strips, Pulse
Reflex pads - 409.96
\$785.31

Visa - Card
Sewer plant
\$744.00
Buehls Chemicals

- Backhoe Parts radiator
& Returns - \$1056.46
2" Channel iron
- Gatorade, gloves,
Safety glasses - 491.58
- Tractor - Weedeater
Parts - Strings - 996.25
\$2544.29

The actual expenditures that comprised the \$5,376.40 credit card statement balance due included, but was not limited to purchases from Jared Galleria-\$179.80; Oakley.com-\$371.46; The Buckle Online-\$466.90; US Treasury Tax Payment-\$970.00; and ATT Text Pay-\$475.41.

It appears the actual Visa credit card statements were not maintained at City Hall by Dunkin and were not presented to the Council for review or approval. Per statute, city officials are required to keep and maintain records of the receipt and expenditures of any public funds. Title **51 O.S. § 24A.4** states:

In addition to other records which are kept or maintained, every public body and public official has a specific duty to keep and maintain complete records of the receipt and expenditure of any public funds reflecting all financial and business transactions relating thereto, except that such records may be disposed of as provided by law.

Additional Credit Accounts

In addition to the Visa credit card, the City had charge cards for Walmart, Staples, and Lowe's, and charge accounts with Atwood's, Tractor Supply, and Lindley's Grocery. The total charges for each vendor are shown in the table.

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Vendor	Total for Audit Period (July 1, 2015 – August 31, 2016)
Staples	\$3,697.86
Lindley's Grocery	\$3,050.90
Atwood's	\$1,139.44
Walmart	\$586.19
Tractor Supply	\$536.87
Lowe's	\$312.18
Total	\$9,323.44

Records reviewed supporting these transactions did not confirm that any of the expenditures incurred with these vendors were for personal purposes.

OBJECTIVE IV PAYROLL

Petition Objective Review possible irregularities in the compensation of city personnel.

Summary of Findings:

- **City Council member and PWA trustee John Beauchamp received \$6,748.71 of improper compensation from the Hartshorne Public Works Authority.**
- **The City's elected officials were paid higher salaries than were provided for by city ordinance.**
- **Fire Chief David Mass was paid \$3,965 improperly through a contract between his personally owned company and the City.**
- **Treasurer Shirley Day was paid \$50 per month, \$700 total during the audit period, that was not provided for in city ordinances.**
- **Mayor Carolyn Trueblood was overpaid \$158.72 the month she became the City's acting mayor.**
- **City of Hartshorne and PWA employee paychecks were routinely issued early, at times up to two weeks before the end of the pay period.**

Background

To review for possible irregularities in the compensation of city personnel, we scheduled and reviewed payroll for 15 different city officials and employees. Compensation received was evaluated to determine the source and purpose of the pay.

Compensation was also compared to ordinances, contracts, or council minutes, when available, to determine if wages had been paid in proper amounts and had been properly approved.

According to **Article 5 Section 1.7** of the City's ordinances, the duties of the city treasurer shall include "payroll". The ordinance states in relevant part:

The city treasurer.... shall have the responsibilities of keeping the city funds in proper order...shall do *payroll*, taxes, and insurance payments. [Emphasis added]

Shirley Day was the city treasurer and confirmed that she was responsible for payroll during the audit period.

Finding

City Council member and PWA trustee John Beauchamp received \$6,748.71 of improper compensation from the Hartshorne Public Works Authority.

Between August 2014 and February 2016, John Beauchamp, a City Council member and a PWA trustee at the time, received **\$5,955.91** from the PWA through 15 checks made payable to city employee, Clint Walker; and **\$792.80** paid directly from the PWA to Beauchamp.

As a trustee of the PWA, Beauchamp could not contract with, or receive compensation from the PWA. Additionally, it is unlawful for a city to pay any person other than the individual who earned the wages.

Title **60 O.S. § 178.8A** states in part:

...a conflict of interest shall be deemed to exist in any contractual relationship in which a trustee of a public trust...shall directly or indirectly.... contract with such trust. Upon a showing thereof, such trustee shall be subject to removal and such contract shall be deemed unenforceable...

Title **62 O.S. § 304.2** provides in relevant part:

...it shall be unlawful to issue or authorize the issuance of a municipal warrant for salary or wages to any person other than the person earning the same...

The 15 checks payable to Clint Walker, but endorsed by both Walker and Beauchamp included the following:

Date	Check Number	Amount	Date	Check Number	Amount
8/11/2014	W15-0068	\$535.14	8/01/2015	W16-0058	\$396.40
8/25/2014	W15-0081	\$158.56	9/10/2015	W16-0100	\$396.40
9/10/2014	W15-0109	\$317.12	10/08/2015	W16-0144	\$475.68
9/25/2014	W15-0017	\$69.37	11/12/2015	W16-0207	\$515.32
10/24/2014	W15-0166	\$396.40	12/10/2015	W16-0231	\$554.96
11/14/2014	W15-0180	\$396.40	1/11/2016	W16-0272	\$396.40
5/11/2015	W15-0436	\$792.80	2/10/2016	W16-0321	\$396.40
7/24/2015	W16-0041	\$158.56	Total		\$5,955.91

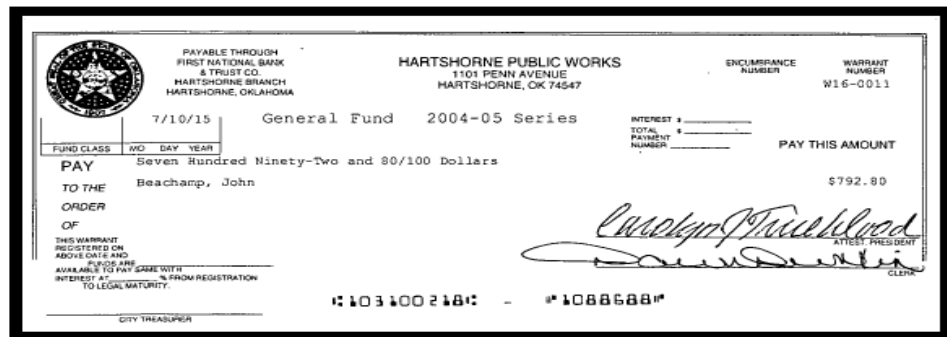
All checks were paid from the PWA bank account. An example of the endorsement on the checks is shown below.

work and not solely for assisting in water-meter readings as had been represented previously.

As noted above, all checks were issued from the PWA bank account. Time paid for dispatching would be considered City work and should have been paid from the City's general fund.

Direct Pay

On July 10, 2015, a check was issued payable to John Beauchamp for **\$792.80**. This check was issued on the same day as the city payroll and computed to exactly 80 hours of work based on Beauchamp's pay rate of \$9.91.



Beauchamp and Dunkin both claimed this payment was reimbursement for equipment that Beauchamp had personally purchased for the City.

Beauchamp could not provide documentation for the payment, stating that the equipment had been stolen and that the related purchase receipts and records had been left at the City's animal shelter. We found no evidence of these records at the shelter.

Evidence suggests that the \$792.80 check was not a reimbursement, but was an unallowable payment made directly to council member and PWA trustee John Beauchamp.

It should be noted that both the wages paid directly to Beauchamp, and those paid to Beauchamp through Walker, did not include income tax withholdings and were not included on the PWA's earnings reports, or reported to Beauchamp or Walker on W-2 tax forms.

Finding

The City's elected officials were paid higher salaries than were provided for by city ordinance.

Per **11 O.S. § 9-116**, “The compensation of all elective city officers shall be fixed by ordinance.”

The City’s Code of Ordinances, **Article 6 Section 1-8**, titled “Salaries of Elected Officials and Employees” set forth the salaries for the City’s elected officials. Between July 2015 and August 2016, the audit period, city officials were paid more than provided by city ordinance.

Official	Monthly Pay Per City Ordinance	Actual Monthly Pay	Difference
Council Member	\$10	\$25	\$15
Mayor	\$110	\$210	\$100
City Clerk	\$1,600	\$2,150	\$550
City Treasurer	\$1,700	\$2,250	\$550
Police Chief ¹⁸	\$1,767	\$2,217	\$450

It could not be determined if the increases in pay had been approved by the City Council and the corresponding ordinances were just not updated or if no official approval had ever been obtained. The only ordinance provided by the City reflected the lower monthly pay amounts.

On March 20, 2017, the City Council updated the ordinance to reflect the salaries that had been paid since at least July 2015.

Additionally, on April 10, 2017, the Council updated the ordinances to reflect a citywide vote approved on April 4, 2017, that made the police chief an appointed position instead of elected, with the police chief’s salary to be determined by the Council at the time a chief is hired.

Finding

Fire Chief David Mass was paid \$3,965 improperly through a contract between his personally owned company and the City.

David Mass, an employee and the fire chief of the City, owns Southeastern Welding & M.F.G. The City paid Southeastern Welding \$3,965 on February 13, 2013, for work performed in the rebuilding and converting of a fire truck.

As defined in **11 O.S. § 8-113**, statute prohibits an officer or employee from contracting with the City. The statute states in part:

¹⁸**Article 8 Section 1-12** of the Code provided effective after the April 2007 municipal general election, the elected chief of police salary would be \$1.00 per month unless the chief chose to work a shift set up by the council and mayor. He would then be compensated with extra duty pay at the rate established in section 1-8.

A. Except as otherwise provided by this section, no municipal officer or employee, or any business in which the officer, employee, or spouse of the officer or employee has a proprietary interest, shall engage in:

2. Contracting with the municipality;

Subsection B of 11 O.S. § 8-113 provides that the provisions of the statute do not apply if the city does not have a population greater than 5,000, and the business in question is the only business of that type within five miles. The statute specifically states:

B. The provisions of this section shall not apply to any officer or employee of any municipality of this state with a population of not more than five thousand (5,000) according to the latest Federal Decennial Census, who has a proprietary interest in a business which is the only business of that type within five (5) miles of the corporate limits of the municipality.

This exception only applies to single purchases of less than \$2,500 and cumulative purchases under \$15,000, unless the items are bid.

The \$3,965 paid Mass exceeded the single purchase limit of \$2,500 placing the transaction in violation of law.

Southeastern Welding was also paid \$1,904 in February 2016, but the purchase did not exceed the \$2,500 limit.

Finding

Treasurer Shirley Day was paid \$50 per month, \$700 total during the audit period, that was not provided for in city ordinances.

According to statute, extra duties of a city treasurer should be defined by ordinance. Title **11 O.S. § 9-113** states in part:

The person who serves as city treasurer may be employed by the city to perform duties not related to his position as city treasurer. The salary, if any, for said duties shall be provided for separately *by ordinance*. [Emphasis added]

Article 5 Section 1-7 of the City's Code of Ordinances defines the powers and duties of the city treasurer but did not reflect extra duty or extra pay for the Treasurer to maintain the books for the Hartshorne Nutrition Program.

City Treasurer Shirley Day was paid \$50 each month, earning \$700 between July 2015 and August 2016, for maintaining the books and records of the Hartshorne Nutrition Program without a proper city ordinance in place.

Finding **Mayor Carolyn Trueblood was overpaid \$158.72 the month she became the City's acting mayor.**

Caleb Woten resigned as mayor on August 24, 2015, and Carolyn Trueblood, the City Council president at the time, became the acting mayor.

The next day, Trueblood was paid \$193.93¹⁹, equal to a full month's salary for the position of mayor. Trueblood had only been mayor for, at most, two days, resulting in her being overpaid at a minimum, \$158.72.

Finding **City of Hartshorne and PWA employee paychecks were routinely issued early, at times up to two weeks before the end of the pay period.**

Payment records reflected that employees were to be paid twice a month, on the 1st and the 15th. None of the payroll checks issued during the audit period were paid on the actual payroll due dates.

Paychecks were routinely issued on the 10th of the month for the pay periods including the 1st through the 15th; and on the 25th of the month for the pay periods of the 15th through the last day of the month. However, some paychecks were issued as early as the first day of the pay period. For example, most of the paychecks for the pay period ending August 15, 2015, were issued on August 1, 2015.

According to Shirley Day, her predecessor issued paychecks on the 10th and the 25th of each month and she simply continued the practice when she became the treasurer in 1980.

The Oklahoma Constitution prohibits cities from paying employees in advance of work performed. Numerous supporting Attorney General Opinions²⁰ reflect that the payment of claims prior to the performance of the work performed would be a violation of the Oklahoma Constitution, **Article 10 § 17** which states in part:

The Legislature shall not authorize any...city...to loan its credit to any corporation, association, or individual.

¹⁹ The position of mayor at the time was receiving gross pay of \$210.

²⁰ 1981 OK AG 323; 1984 OK AG 87; 1997 OK AG 78

OBJECTIVE V OPEN MEETING AND OPEN RECORDS ACT

Petition Objective Review possible violations of the Open Meeting Act and the Open Records Act.

Summary of Findings:

- City Council meeting minutes appeared to have been falsified by City Clerk Dawn Dunkin reflecting approval of an ambulance billing service contract that was never approved by the Council.
- Discussion and action was taken on audit and budget approvals during the June 13, 2016, council meeting without being previously posted on the agenda as required by law.
- Minutes were not written for the August 8, 2016, City Council or PWA meetings.
- The City Council entered into an executive session as an item of “new business” without posting the proposed executive session on the agenda as required by law.
- Meeting agendas posted by City Clerk Dawn Dunkin did not include the date and time of the posting, prohibiting a determination if agendas had been posted in advance of meetings as required by law.
- City officials did not fulfill open records requests timely or completely.

Open Meeting Act

Background The audit petition requested a review of possible violations of the Open Meeting Act alleging that fictitious meeting agendas and meeting minutes had been created.

There were 19 City Council meetings and 17 PWA meetings held between July 2015 and August 2016, the audit period. We reviewed all meetings for compliance with the Open Meeting Act as defined in **25 O.S. §§ 301, et. seq.**

Finding City Council meeting minutes appear to have been falsified by City Clerk Dawn Dunkin reflecting approval of an ambulance billing service contract that was never approved by the Council.

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City Clerk Dawn Dunkin oversaw billing for the City's ambulance service. In August 2015, a proposal was submitted by Mediclaims, Inc. offering to assume all ambulance billing related services for the City, including but not limited to, preparing and sending statements to ambulance patients and filing insurance claims on behalf of patients. In exchange for Mediclaims's services, the City would agree to pay the company \$500 plus postage costs each month.

The minutes on file at City Hall, representing the *official minutes* of the August 10, 2015, City Council meeting, reflected that a contract with "Medi-claim billing service" had been approved. The minutes stated:

4. Motion was made by Carolyn Trueblood seconded by John Beauchamp to approve Medi-claim billing service doing our ambulance billing at the rate of \$500 per month on a one year contract. Roll call 5 ayes Carolyn Trueblood, John Beauchamp, Nathan Sparks, Teresa Farris and Leon Mace. 3 absent Destiny French, John Grove and Eddie Kelly.

However, the *draft minutes* that were provided to the City Council members for review and approval prior to the next month's meeting reflected that the "Medi-claim billing service" issue had been tabled. The minutes stated:

4. Motion was made by Carolyn Trueblood seconded by John Beauchamp to table Medi-claim billing service doing our ambulance billing at the rate of \$500 per month. . Roll call 5 ayes Carolyn Trueblood, John Beauchamp, Nathan Sparks, Teresa Farris and Leon Mace. 3 absent Destiny French, John Grove and Eddie Kelly.

An agenda provided by city officials, that was represented as the City's official agenda, also reflected handwritten notes which indicated that the issue was tabled.

Table
4. Council Discussion and action to approve mediclaim billing service to do our ambulance billing at the rate of \$500 per month.

Likewise, the agenda that was used during the August 10th meeting by Leon Mace, a City Council member at the time, also reflected that the Council had tabled the issue.

Tabled
4. Council Discussion and action to approve mediclaim billing service to do our ambulance billing at the rate of \$500 per month.

Although evidence suggested an agreement with Mediclaims, Inc. had been tabled during the council meeting of August 10, 2015, a “Business Associate Agreement”, or contract with Mediclaims, Inc. was signed solely by Dawn Dunkin on September 15, 2015.

City of Hartshorne	
Signature: <u><i>Dawn Dunkin</i></u>	Sign:
Title: <u><i>City Clerk</i></u>	Title
Date: <u><i>9-15-15</i></u>	Date

We found no evidence that the Agreement was ever approved by the Council indicating that the council minutes of August 10, 2015 were falsified.

Finding

Discussion and action was taken on audit and budget approvals during the June 13, 2016, council meeting without being previously posted on the agenda as required by law.

The *agenda* for the June 13, 2016, Council meeting did not include an agenda item for discussion or possible action regarding an audit or budget. However, the *minutes* of the same meeting reflected that the “2014-2015 audit and budget” had been approved. The minutes stated:

7. Motion was made by Destiny French seconded by Teresa Farris to approve the 2014-2015 audit and budget. Roll call 7 ayes Tom Larsen, Destiny French, John Beauchamp, John Grove, Teresa Farris, Eddie Kelly and Leon Mace. 1 Nathan Sparks
--

Discussion and action of items not included in a posted agenda are a violation of **25 O.S. § 312(A)** which states in part:

All agendas required pursuant to the provisions of this section shall identify *all* items of business to be transacted by a public body at a meeting... [Emphasis added]

According to City Treasurer Shirley Day, the “2014-2015 audit and budget” not being included as part of the posted agenda was “probably [her] fault” since she was responsible for writing and posting the agenda of the June 13, 2016 meeting.

In addition to the audit and budget issue not being included in the agenda, the minutes were also in error. According to two council members, neither the 2014-2015 audit report, nor the 2015-2016²¹ budget was approved in the June 13, 2016 meeting.

²¹ Even though the minutes were in error as to approvals, they were also in error as to the budget year in question. The year should have been noted as 2015-2016, not 2014-2015.

In a letter to Carolyn Trueblood, dated July 12, 2016, Richard Lerblance, the city attorney, wrote that he believed the minutes improperly included the audit and budget approval. According to Lerblance's letter, "There was not an item 7 on the Agenda of the June 13, 2016 City of Hartshorne Council Meeting that called for Council discussion and action to approve the audit and budget."

Lerblance further pointed out the incorrect budget year had also been noted in the minutes. Lerblance stated "Furthermore, the minutes approved last night stated that the 2014-2015 audit and budget was approved. That is incorrect in that the budget that should be approved would be the budget for 2016-2017."²²

Finding

Minutes were not written for the August 8, 2016, City Council or PWA meetings.

According to **25 O.S. § 312(A)**, city officials are required to keep records of council and public-trust-authority proceedings. The statute states:

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.

Minutes were not created to document the proceedings of the August 8, 2016, Council or PWA meetings; however, according to city officials a meeting was held on August 8th.

Dawn Dunkin's employment as the city clerk did not end until August 30, 2016. As such, Dunkin, as the city clerk, would have been responsible for documenting the August 8, 2016, meetings.

Finding

The City Council entered into an executive session as an item of "new business" without posting the proposed executive session on the agenda as required by law.

Title **25 O.S. § 307(E)(1)** requires all executive sessions held by a public body be so noted on the agenda. The statute states in part:

²² The actual budget year should have been 2015-2016. Further discussion and finding on budget approval is at page 43.

E. No public body may go into an executive session unless the following procedures are *strictly complied with*:

1. ***The proposed executive session is noted on the agenda*** as provided in Section 311 of this title; [Emphasis added]

On August 10, 2015, the City Council entered into an executive session during the “new business” segment of the regular council meeting. The proposed executive session was not noted on the agenda. The subsequent meeting minutes reflected the following:

14. Motion was made by John Beauchamp seconded by Carolyn Trueblood to go into executive session under new business per request of our City Attorney Richard Lerblance to discuss only the contract agreement with Blue Valley Water bottling Company. Roll call 5 ayes Carolyn Trueblood, John Beauchamp, Nathan Sparks, Teresa Farris and Leon Mace. 3 absent Destiny French, John Grove and Eddie Kelly.

The Council should not have gone into an executive session during the “new business” section of its meeting since the agenda for the meeting had not referenced a proposed executive session. Instead, the Council could have called a special, or even an emergency meeting²³, and posted an agenda notifying the public of the proposed executive session.

Finding

Meeting agendas posted by City Clerk Dawn Dunkin did not include the date and time of the posting, prohibiting a determination if agendas had been posted in advance of meetings as required by law.

City officials are required to post regularly scheduled meeting agendas at least 24 hours prior to the meetings. Title **25 O.S. § 311(A)(9)** states in part:

...all public bodies shall, at least twenty-four (24) hours prior to such meetings, display public notice of said meeting, setting forth thereon the date, time, place and agenda for said meeting...Such public notice shall be posted in prominent public view at the principal office of the public body or at the location of said meeting if no office exists...

The dates listed on the regularly scheduled meeting agendas were the dates of the meetings, not the date and time the agendas were posted. As such, it was not possible to determine if the agendas had been posted at least 24 hours prior to the meetings.

²³ **25 O.S. §§ 311(A)(11) and 311(A)(12)**

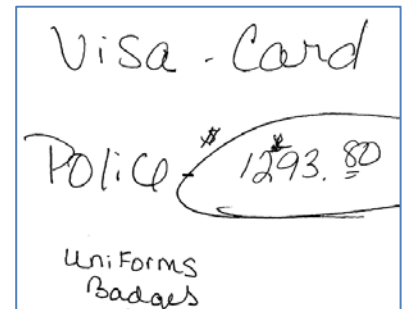
Open Records Act

Background Some petitioners alleged that city officials had not fulfilled open records requests. Specifically, copies of the City's Visa-card statements were requested but were not provided.

Finding **City officials did not fulfill open records requests timely or completely.**

Per Councilman²⁴ John Grove, on July 29, 2016, open records requests were presented in writing for the credit card statements of the City. According to Grove, his request was denied at that time. Over two weeks later, Grove was provided "hand written notes", an example shown here, instead of the actual credit card statements.

Documentation of open records requests could not be provided by city officials for dates prior to September 2016, the period of Dawn Dunkin and Shirley Day's employment. As such, SA&I could not confirm if city officials had or had not received and complied with all open records request made during the audit period.



²⁴ It should be noted that city council members should be able to obtain city records without submitting an open records request.

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Attachment B

City of Hartshorne Utility Billing Posted Payments to Deposits			
Month	Amount Posted	Utility Deposits Total	Posted/Deposit Difference
Jul-14	\$ 115,016.13	\$ 89,013.90	\$ 26,002.23
Aug-14	\$ 118,791.69	\$ 100,513.98	\$ 18,277.71
Sep-14	\$ 111,649.10	\$ 73,913.59	\$ 37,735.51
Oct-14	\$ 118,114.46	\$ 97,008.48	\$ 21,105.98
Nov-14	\$ 110,690.23	\$ 75,561.27	\$ 35,128.96
Dec-14	\$ 119,740.46	\$ 82,917.78	\$ 36,822.68
Jan-15	\$ 110,443.98	\$ 117,778.40	\$ (7,334.42)
Feb-15	\$ 25,449.24	\$ 91,137.95	\$ (65,688.71)
Mar-15	\$ 108,702.85	\$ 96,094.71	\$ 12,608.14
Apr-15	\$ 170,756.02	\$ 84,692.50	\$ 86,063.52
May-15	\$ 82,100.97	\$ 85,837.22	\$ (3,736.25)
Jun-15	\$ 104,795.74	\$ 75,584.82	\$ 29,210.92
Jul-15	\$ 187,983.69	\$ 69,583.15	\$ 118,400.54
Aug-15	\$ 24,698.42	\$ 129,020.12	\$ (104,321.70)
Sep-15	\$ 167,462.90	\$ 76,343.17	\$ 91,119.73
Oct-15	\$ 55,981.56	\$ 91,968.97	\$ (35,987.41)
Nov-15	\$ 144,926.75	\$ 101,035.45	\$ 43,891.30
Dec-15	\$ 186,049.69	\$ 92,305.91	\$ 93,743.78
Jan-16	\$ 112,583.11	\$ 72,142.86	\$ 40,440.25
Feb-16	\$ 117,244.66	\$ 98,348.21	\$ 18,896.45
Mar-16	\$ 100,104.16	\$ 86,719.28	\$ 13,384.88
Apr-16	\$ 106,326.55	\$ 69,498.31	\$ 36,828.24
May-16	\$ 128,787.87	\$ 83,422.88	\$ 45,364.99
Jun-16	\$ 77,003.04	\$ 105,054.29	\$ (28,051.25)
Jul-16	\$ 106,919.76	\$ 49,235.76	\$ 57,684.00
Total	\$ 2,812,323.03	\$ 2,194,732.96	\$ 617,590.07

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Attachment C

Witness Statement	
<p>During the period of July 2015 to August 2016 I made <u>14</u> cash payments to the City of Hartshorne for the above noted utility account. I certify this statement is true to the best of my knowledge and have willingly provided this information to the Oklahoma State Auditor and Inspector's Office.</p>	
	<p style="text-align: right;"><u>3-15-17</u> Date</p>
<p>Subscribed and sworn before me this <u>15</u> day of <u>March</u>, 2017</p> <p>State of Oklahoma, County of <u>Pittsburg</u></p>	
<p>NOTARY PUBLIC-STATE OF OKLAHOMA</p> <div style="border: 1px solid black; padding: 2px; width: fit-content;"><p>OKLAHOMA 18-01-101</p></div> <p>DEBBY DAWN FRENCH COMMISSION # 1609998 PITTSBURG COUNTY</p>	<p style="text-align: right;"><u>Debbie D. French</u> Notary Public</p> <p>My commission expires <u>10/19/20</u></p>

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Attachment D

City of Hartshorne - Utility Billing Cash Deposits July 1, 2009 - July 31, 2016					
Date	Deposits	Cash	Date	Deposits	Cash
Jul-09	\$ 72,542.76	\$ 1,025.00	Feb-13	\$ 80,353.31	\$ 5,860.00
Aug-09	\$ 90,051.74	\$ 4,685.00	Mar-13	\$ 64,750.40	\$ 1,440.00
Sep-09	\$ 78,555.92	\$ 500.00	Apr-13	\$ 94,092.40	\$ 200.00
Oct-09	\$ 70,342.08	\$ 1,080.00	May-13	\$ 90,491.69	\$ 1,420.00
Nov-09	\$ 65,790.53	\$ 1,820.00	Jun-13	\$ 54,713.70	\$ 2,300.00
Dec-09	\$ 74,051.86	\$ 2,300.00	Jul-13	\$ 102,837.46	\$ 120.00
Jan-10	\$ 71,525.00	\$ 1,143.00	Aug-13	\$ 118,950.34	\$ 500.00
Feb-10	\$ 88,024.84	\$ 9,410.00	Sep-13	\$ 94,874.09	\$ -
Mar-10	\$ 92,675.37	\$ 760.00	Oct-13	\$ 95,047.26	\$ 600.00
Apr-10	\$ 63,528.61	\$ 800.00	Nov-13	\$ 66,858.80	\$ -
May-10	\$ 69,014.31	\$ 2,150.00	Dec-13	\$ 78,600.19	\$ -
Jun-10	\$ 73,956.97	\$ 1,250.00	Jan-14	\$ 91,353.91	\$ -
Jul-10	\$ 72,597.01	\$ 200.00	Feb-14	\$ 84,649.71	\$ 1,520.00
Aug-10	\$ 75,428.32	\$ 3,500.00	Mar-14	\$ 99,087.73	\$ -
Sep-10	\$ 92,948.79	\$ 7,350.00	Apr-14	\$ 81,925.97	\$ 500.00
Oct-10	\$ 85,679.29	\$ 6,140.00	May-14	\$ 86,630.40	\$ -
Nov-10	\$ 74,290.26	\$ 4,180.00	Jun-14	\$ 96,998.87	\$ -
Dec-10	\$ 73,728.16	\$ 1,280.00	Jul-14	\$ 94,013.90	\$ 500.00
Jan-11	\$ 71,251.53	\$ 1,600.00	Aug-14	\$ 100,513.98	\$ -
Feb-11	\$ 76,719.72	\$ 880.00	Sep-14	\$ 81,913.59	\$ 530.00
Mar-11	\$ 81,144.17	\$ 1,000.00	Oct-14	\$ 97,008.48	\$ 500.00
Apr-11	\$ 66,619.97	\$ -	Nov-14	\$ 75,561.27	\$ -
May-11	\$ 68,256.42	\$ 200.00	Dec-14	\$ 82,917.78	\$ -
Jun-11	\$ 80,149.07	\$ -	Jan-15	\$ 157,778.44	\$ -
Jul-11	\$ 45,816.56	\$ 500.00	Feb-15	\$ 91,137.95	\$ 260.00
Aug-11	\$ 112,727.55	\$ 700.00	Mar-15	\$ 96,164.71	\$ 500.00
Sep-11	\$ 73,100.15	\$ -	Apr-15	\$ 84,692.50	\$ -
Oct-11	\$ 93,515.99	\$ -	May-15	\$ 85,837.22	\$ -
Nov-11	\$ 71,011.15	\$ -	Jun-15	\$ 75,584.82	\$ 200.00
Dec-11	\$ 86,034.79	\$ -	Jul-15	\$ 69,583.15	\$ -
Jan-12	\$ 96,869.25	\$ 300.00	Aug-15	\$ 129,020.12	\$ -
Feb-12	\$ 78,233.09	\$ 1,100.00	Sep-15	\$ 76,343.17	\$ -
Mar-12	\$ 77,543.80	\$ -	Oct-15	\$ 91,968.97	\$ -
Apr-12	\$ 70,394.90	\$ 4,760.00	Nov-15	\$ 103,035.45	\$ -
May-12	\$ 82,054.36	\$ 1,100.00	Dec-15	\$ 92,305.91	\$ 900.00
Jun-12	\$ 74,308.06	\$ 1,160.00	Jan-16	\$ 72,142.86	\$ -
Jul-12	\$ 78,792.63	\$ 1,480.00	Feb-16	\$ 98,408.21	\$ -
Aug-12	\$ 96,092.81	\$ 5,910.00	Mar-16	\$ 116,819.28	\$ -
Sep-12	\$ 89,825.66	\$ 4,916.65	Apr-16	\$ 69,599.17	\$ -
Oct-12	\$ 92,925.97	\$ 4,010.00	May-16	\$ 83,422.88	\$ -
Nov-12	\$ 84,413.40	\$ 1,620.00	Jun-16	\$ 105,354.29	\$ 700.00
Dec-12	\$ 82,240.86	\$ 2,480.00	Jul-16	\$ 49,235.76	\$ -
Jan-13	\$ 78,657.59	\$ 1,340.00	Total	\$ 7,156,011.36	\$ 103,179.65

CITY OF HARTSHORNE
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Attachment E

Weekly Time Card

Employee Name <u>John Beauchamp</u>		Date _____		Week Ending _____	
Department _____		Shift _____		Employee/Payroll # _____	
Social Security # _____		Payroll Classification _____		File Number _____	

	MORNING		AFTERNOON		OVERTIME		APPROVED	FOR OFFICE USE ONLY	
	IN	OUT	IN	OUT	IN	OUT		REG. HRS.	OVERTIME
Monday	1	1							
Tuesday	1	1							
Wednesday	1	1							
Thursday	9/18/15	6 10	dispatch					4	
Friday	1	1							
Saturday	10/2/15	6 10	dispatch					4	
Sunday	1	1							
TOTALS								8	

EMPLOYEE'S SIGNATURE _____ Date _____
 SUPERVISOR'S SIGNATURE _____ Date _____

Entered in Payroll by _____ on _____

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\$9.91
498 hours

Weekly Time Card

Employee Name _____		Date _____		Week Ending _____	
Department _____		Shift _____		Employee/Payroll # _____	
Social Security # _____		Payroll Classification _____		File Number _____	

	MORNING		AFTERNOON		OVERTIME		APPROVED	FOR OFFICE USE ONLY	
	IN	OUT	IN	OUT	IN	OUT		REG. HRS.	OVERTIME
Monday	10/12/15							8	
Tuesday	10/13/15							8	
Wednesday	10/14/15							8	
Thursday	10/15/15							8	
Friday	10/16/15							8	
Saturday	1	1							
Sunday	1	1							
TOTALS								40	

EMPLOYEE'S SIGNATURE _____ Date _____

CITY OF HARTSHORNE
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Attachment F

Dawn Dunkin's Personal Use of the City's Visa Credit Card January 2011 - September 2016				
Vendor/Payee	Total	Amounts	Dates	Purposes of Expenditures
Vivid Seats	\$ 8,505.09	\$ 491.53	8/6/2013	Dallas Cowboys vs. Philadelphia Eagles in Dallas Tickets
		\$ 1,014.67	8/6/2013	
		\$ 262.51	10/18/2013	Oklahoma City Thunder vs. Miami Heat in OKC Tickets
		\$ 287.47	10/18/2013	
		\$ 383.49	10/18/2013	
		\$ 967.65	11/6/2013	Oklahoma City Thunder vs. Golden State Warriors in OKC Tickets
		\$ 289.15	1/28/2014	Harlem Globetrotters in Dallas Tickets
		\$ 1,347.79	3/25/2014	Oklahoma City Thunder vs. Memphis Grizzlies in OKC Tickets
		\$ 728.81	3/25/2014	
		\$ 834.86	5/12/2014	Texas Rangers vs. Minnesota Twins in Arlington Tickets
		\$ 312.16	9/18/2014	Slipknot/Korn Concert in OKC
		\$ 1,585.00	4/16/2016	Philadelphia Eagles vs. Dallas Cowboys in Philadelphia Tickets
AT&T	\$ 7,858.41	\$ 405.19	2/17/2015	Payments for Five-line Cell-phone Account
		\$ 58.88	6/11/2015	
		\$ 66.29	6/11/2015	
		\$ 370.21	6/11/2015	
		\$ 119.10	7/10/2015	
		\$ 371.28	7/20/2015	
		\$ 369.22	9/17/2015	
		\$ 429.61	10/22/2015	
		\$ 219.01	11/23/2015	
		\$ 538.91	12/17/2015	
		\$ 459.01	1/18/2016	
		\$ 475.41	2/17/2016	
		\$ 156.24	3/14/2016	
		\$ 399.99	3/14/2016	
		\$ 399.99	3/14/2016	
		\$ 346.61	3/14/2016	
		\$ 357.49	3/17/2016	
		\$ 104.99	4/15/2016	
		\$ 104.99	4/15/2016	
		\$ 361.49	4/18/2016	
		\$ 104.99	5/10/2016	
		(continued)		

CITY OF HARTSHORNE
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Attachment F (continued)

Dawn Dunkin's Personal Use of the City's Visa Credit Card January 2011 - September 2016				
Vendor/Payee	Total	Amounts	Dates	Purposes of Expenditures
AT&T (continued)		\$ 361.39	5/11/2016	Payments for Five-line Cell-phone Account (continued)
		\$ 361.39	6/9/2016	
		\$ 745.19	7/20/2016	
Amazon	\$ 6,550.06	\$ 33.97	5/22/2013	True Blood : The Complete Fifth Season
		\$ 468.45	6/26/2013	Canon VIXIA HF R42 Camcorder
		\$ 111.80	7/16/2013	Fujifilm Digital Camera & Waterproof Camera Float & Memory Card
		\$ 44.46	11/22/2013	The Hunger Games Trilogy Boxed Set, hardcover
		\$ 26.17	11/27/2013	Oklahoma City Thunder Plastic Tag License Plate Tag Frame
		\$ 19.97	12/20/2013	Mother, Jugs & Speed
		\$ 132.48	5/5/2014	Nike Zoom Vapor Carbon Fly 2 TD Men's Molded Football Cleats
		\$ 19.22	5/6/2014	Shameless : Season 2
		\$ 43.26	5/6/2014	Shameless : Season 3 & Shameless : Season 1
		\$ 375.24	5/7/2014	LG Electronics BH6830SW 3D Blu-ray Home Theater System
		\$ 36.70	6/3/2014	True Blood : Season 6
		\$ (6.97)	6/5/2014	return/refund/credit
		\$ 30.09	6/6/2014	Fisher-Price Disney Mickey Mouse Clubhouse Hot Diggity Dog Mickey
		\$ 59.99	6/11/2014	Optoma OPCMU813B Universal Mount with Extension Pole
		\$ 36.04	7/25/2014	EMS Cancer Awareness T-shirt & Firefighter Cancer Awareness T-shirt
		\$ 59.47	7/29/2014	Fight Breast Cancer Firefighter & EMS T-shirts
		\$ 41.98	8/7/2014	Baby-Girls Newborn Flower Short Set
		\$ 55.21	8/7/2014	Artology Kalam Pillow
		\$ 55.29	8/7/2014	Artology Kalam Sham
		\$ 190.61	8/7/2014	Artology Kalam Coverlet, Queen
		\$ 315.29	8/14/2014	Sony DVD Recorder VRDMC5
		\$ 7.87	8/14/2014	Cable Showcase 10A1-04106 Sony Camcorder Video Cable
		\$ 58.55	8/14/2014	Artology Kalam Sham
		\$ 32.57	8/25/2014	Sony 3DPW60DSR2H DVD-RWs
		\$ 112.70	8/28/2014	Sony DVD-RWs
		\$ 264.50	8/29/2014	COACH Signature Nylon Baby Diaper Bag
		\$ 13.98	9/18/2014	Halloween 3-in-One Hairbows
		\$ 8.99	9/19/2014	Baby Girl's Headbands Chiffon Hair Flower
		\$ 34.62	9/19/2014	Skiing Snow Sport Full Facemask
		\$ 56.86	9/19/2014	Baby-Girls Tunic/Legging Set & Headbands
		\$ 41.04	9/19/2014	Bloomin' Baby Rosette Blanket
		\$ 11.05	10/3/2014	Telescoping Back Scratcher
		\$ 37.94	10/3/2014	Table Runner With Velvet Border/Tassels

(continued)

CITY OF HARTSHORNE
CITIZEN PETITION AUDIT
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Attachment F (continued)

Dawn Dunkin's Personal Use of the City's Visa Credit Card January 2011 - September 2016				
Vendor/Payee	Total	Amounts	Dates	Purposes of Expenditures
Amazon		\$ 250.00	10/9/2014	Colossal Inflatable Lighted Santa in Sleigh with Reindeers
		\$ 88.75	10/10/2014	Inflatable Santa Claus Climbing on Christmas Tree Chased by Dog
		\$ 116.27	10/10/2014	Inflatable Snowmen Family w/ Pet Penguin Around Christmas Trees
		\$ 96.51	12/12/2014	<i>Big Bang Theory</i> : Seasons 1-7 Blu-ray
		\$ 122.93	12/14/2014	<i>Walking Dead</i> : Seasons 1-4
		\$ 32.38	12/30/2014	<i>Shameless</i> : Season 4
		\$ (0.68)	12/31/2014	return/refund/credit
		\$ 21.99	1/2/2015	Ty Pounder
		\$ 94.22	1/2/2015	Baby Winks pink elephant
		\$ 29.64	1/2/2015	Ty Beanie Babies elephant & Ty Winks elephant
		\$ 17.98	8/28/2015	Jingle Bell Soft Headband
		\$ 289.98	8/28/2015	Flexible Flyer Steel Runner Sled
		\$ 100.74	9/1/2015	Flexible Flyer Sled
		\$ 152.27	9/1/2015	Newborn Dress & Tunic/Legging Sets & Headband & Lanyards
		\$ 14.55	9/2/2015	Lanyard
		\$ 405.65	10/5/2015	Stinger X Compound Bow
		\$ 23.24	10/18/2015	Coca Cola Can Bank
		\$ 54.95	10/20/2015	Big Kids Jesse Boots
		\$ 43.03	10/28/2015	Sony Hi8 Camcorder
		\$ 54.95	11/25/2015	Big Kids Jesse Bow Boots
		\$ 111.56	11/29/2015	Rockabye Owlivia Owl Rocker
		\$ 289.74	12/1/2015	Tent Chair Blinds
		\$ 175.43	12/9/2015	Australia Women's Bailey Button Triplet Black Sheepskin Boots
		\$ 104.98	12/10/2015	Muck Boots Women's
		\$ 109.97	12/13/2015	Muck Boots Women's
		\$ 103.44	12/27/2015	Women's Ansley Suede Slippers
		\$ 88.18	12/27/2015	Women's Antora Patent-Leather Sandals
		\$ 9.99	1/19/2016	Puffy Ladybug Crochet Baby Headband
		\$ 85.33	1/19/2016	Baby Leg Warmers & Lollipops & Foil Balloon & Decorations
		\$ 21.98	1/19/2016	Tulle Tutu
		\$ 94.04	1/19/2016	Sport Accessory Kit for GoPro Hero4
		\$ 62.25	1/19/2016	Girls Legging Outfit
		\$ 193.46	2/22/2016	Michael Kors Nylon Large Flap Backpack
		\$ 14.77	2/22/2016	School Days Photo Mat
		\$ 154.21	2/28/2016	Men's USA Flag Stars Bikini Swimsuits
		\$ 91.99	3/11/2016	Girls' Princess Dresses

(continued)

CITY OF HARTSHORNE
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Attachment F *(continued)*

Dawn Dunkin's Personal Use of the City's Visa Credit Card January 2011 - September 2016				
Vendor/Payee	Total	Amounts	Dates	Purposes of Expenditures
DIRECTV Service	\$ 4,031.53	\$ 228.56	10/18/2014	Payments for Satellite-television Account
		\$ 184.78	11/18/2014	
		\$ 198.80	12/23/2014	
		\$ 201.82	6/12/2015	
		\$ 201.82	7/21/2015	
		\$ 211.89	8/18/2015	
		\$ 265.77	9/18/2015	
		\$ 310.80	10/23/2015	
		\$ 260.63	11/17/2015	
		\$ 320.58	12/24/2015	
		\$ 260.63	1/13/2016	
		\$ 260.97	2/13/2016	
		\$ 275.23	3/22/2016	
		\$ 212.25	4/13/2016	
		\$ 212.25	5/11/2016	
		\$ 212.25	6/10/2016	
		\$ 212.50	7/14/2016	
PSO	\$ 3,735.22	\$ 236.77	10/27/2014	Payments for Electric-utility Account
		\$ 171.89	12/23/2014	
		\$ 117.71	6/5/2015	
		\$ 223.98	7/7/2015	
		\$ 302.58	7/31/2015	
		\$ 296.97	9/2/2015	
		\$ 271.14	10/2/2015	
		\$ 257.66	10/22/2015	
		\$ 173.70	11/17/2015	
		\$ 480.55	1/13/2016	
		\$ 337.62	2/12/2016	
		\$ 134.22	3/21/2016	
		\$ 145.40	4/12/2016	
		\$ 133.95	5/12/2016	
		\$ 188.93	6/10/2016	
		\$ 262.15	7/14/2016	
Buckle <i>(continued)</i>	\$ 3,325.89	\$ 420.25	3/5/2014	Jeans, Shirts, & Drawstring Bag
		\$ (354.53)	3/13/2014	return/refund/credit
		\$ 328.81	4/2/2014	Jeans & Drawstring Bag

CITY OF HARTSHORNE
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Attachment F (continued)

Dawn Dunkin's Personal Use of the City's Visa Credit Card January 2011 - September 2016				
Vendor/Payee	Total	Amounts	Dates	Purposes of Expenditures
Buckle (continued)		\$ (321.81)	4/10/2014	return/refund/credit
		\$ 358.27	4/25/2014	Jeans
		\$ 779.51	6/13/2014	Jeans & Shirts
		\$ 394.12	7/17/2014	Jeans
		\$ 275.07	7/25/2014	Fossil Watch & Shirts
		\$ (275.03)	7/26/2014	return/refund/credit
		\$ 562.88	12/12/2014	Jeans & Shirts
		\$ 222.11	1/30/2015	Shirts
		\$ 466.90	2/16/2016	Jeans
		\$ 469.34	7/15/2016	Jeans
Lowe's Home Improvement	\$ 2,999.60	\$ 274.66	6/7/2013	Mailboxes & Posts
		\$ 135.16	6/7/2013	Troy-Bilt Trimmer
		\$ 321.63	10/8/2013	Troy-Bilt Backpack Blower
		\$ 219.64	10/8/2013	Bissell Upright Floor Cleaner
		\$ 295.80	11/18/2014	Vehicle Battery Chargers
		\$ 258.33	12/22/2014	Vehicle Battery Chargers
		\$ 367.24	6/3/2015	Troy-Bilt Trimmer & Outdoor Chair Cushions
		\$ 140.28	9/21/2015	Projection Nativity Scene
		\$ 162.03	9/21/2015	Santa Waterski Scene
		\$ 86.99	9/21/2015	Penguin Scene
		\$ 348.00	9/23/2015	Holiday Decorations
		\$ 105.49	9/24/2015	Holiday Decoration
		\$ 284.35	10/27/2014	Paint Supplies
Progressive Insurance	\$ 2,928.96	\$ 143.66	10/17/2014	Payments for Vehicle/Motorcycle Insurance Accounts
		\$ 143.66	11/17/2014	
		\$ 222.71	6/11/2015	
		\$ 222.66	7/20/2015	
		\$ 222.66	8/18/2015	
		\$ 222.66	9/17/2015	
		\$ 222.66	10/22/2015	
		\$ 316.73	12/23/2015	
		\$ 316.99	1/22/2016	
		\$ 323.64	3/21/2016	
		\$ 302.00	3/21/2016	
		\$ 304.44	6/9/2016	
		\$ (35.51)	7/15/2016	return/refund/credit

CITY OF HARTSHORNE
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Attachment F (continued)

Dawn Dunkin's Personal Use of the City's Visa Credit Card January 2011 - September 2016				
Vendor/Payee	Total	Amounts	Dates	Purposes of Expenditures
GM Financial	\$ 2,810.97	\$ 624.00	4/12/2016	Payments for Vehicle Loans
		\$ 624.00	5/28/2016	
		\$ 104.99	6/9/2016	
		\$ 104.99	6/22/2016	
		\$ 624.00	6/22/2016	
		\$ 104.99	7/14/2016	
		\$ 624.00	7/21/2016	
Dick's Sporting Goods	\$ 2,413.15	\$ 91.08	4/26/2014	Shirt & Shorts
		\$ 125.05	5/7/2014	Shoes & Gloves
		\$ 269.16	5/15/2014	Shirts & Shorts
		\$ 24.47	5/17/2014	
		\$ 369.72	11/20/2014	Shirts & Tights
		\$ 65.25	6/4/2015	Pants
		\$ 130.50	6/5/2015	
		\$ 53.01	6/27/2015	Shoes & Shirt
		\$ 108.74	6/30/2015	
		\$ 299.06	8/8/2015	Hoodies
		\$ 90.91	10/17/2015	Kids' Rain Boots
		\$ 71.43	10/17/2015	Woman's Rain Boots
		\$ 107.17	12/10/2015	Jacket & Gloves
		\$ 454.65	12/11/2015	
\$ 152.95	3/17/2016	Shorts		
Overtons	\$ 2,295.57	\$ 1,599.99	7/26/2011	Aquapark Bouncer Set
		\$ 695.58	11/20/2015	Two GoPro Hero 4s with Memory Cards & Batteries
Walmart	\$ 1,899.65	\$ 598.41	12/16/2013	Gun Safe
		\$ 543.91	7/24/2014	Inflatable Spa
		\$ 757.33	12/23/2015	Two 55-inch UHD Smart LED TVs
AutoAnything	\$ 1,804.98	\$ 648.87	6/27/2015	Vehicle Seat Covers, Window Shades, & Visors
		\$ 578.98	10/27/2015	Vehicle Seat Covers
		\$ 577.13	7/19/2016	Vehicle Seat Covers
Six Flags Over Texas	\$ 1,683.10	\$ 1,160.91	5/28/2014	Eight Daily Tickets & Two Specialty Passes
		\$ 522.19	6/11/2014	Eight Daily Tickets & Eight Specialty Passes
Honda Financial	\$ 1,480.23	\$ 542.52	12/23/2015	Payments for Vehicle Loan
(continued)		\$ 333.94	4/12/2016	
		\$ 187.77	5/13/2016	
		\$ 208.00	6/9/2016	

CITY OF HARTSHORNE
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Attachment F (continued)

Dawn Dunkin's Personal Use of the City's Visa Credit Card January 2011 - September 2016				
Vendor/Payee	Total	Amounts	Dates	Purposes of Expenditures
Honda Financial (continued)		\$ 208.00	7/4/2016	Payments for Vehicle Loan (continued)
Venus	\$ 1,475.15	\$ 170.00	4/24/2014	Shirts
		\$ 273.00	10/9/2014	Boots, Shirts, & Necklaces
		\$ 323.95	11/20/2014	Boots, Shirts, & Leggings
		\$ 134.00	11/28/2014	Shirts
		\$ 42.00	12/1/2014	Shirt
		\$ 137.70	12/11/2014	Shirts
		\$ 30.60	12/12/2014	Shirt
		\$ (26.05)	12/29/2014	return/refund/credit
		\$ 114.00	7/1/2015	Shirts
		\$ 32.00	7/15/2015	Shirt
		\$ 229.95	11/20/2015	Boots & Shirts
		\$ 14.00	12/30/2015	Shirt
Pish Posh Baby	\$ 1,341.83	\$ 463.96	10/11/2014	Car Seat & Seat Bases
		\$ (159.99)	10/14/2014	return/refund/credit
		\$ 527.98	12/14/2015	Car Seats
		\$ 509.88	12/22/2015	Car Seats
AFR Insurance	\$ 1,336.67	\$ 78.73	6/11/2015	Payments for Insurance Account
		\$ 5.00	6/11/2015	
		\$ 5.00	7/20/2015	
		\$ 202.46	7/20/2015	
		\$ 167.45	9/17/2015	
		\$ 5.00	9/17/2015	
		\$ 5.00	10/22/2015	
		\$ 124.86	10/22/2015	
		\$ 115.91	1/22/2016	
		\$ 5.00	1/22/2016	
		\$ 617.26	2/22/2016	
		\$ 5.00	2/22/2016	
Hayneedle	\$ 1,299.99	\$ 1,299.99	5/16/2014	Home Décor
CenterPoint Energy (continued)	\$ 1,286.97	\$ 362.91	7/18/2013	Payments for Natural-gas-utility Account
		\$ 79.75	10/17/2014	
		\$ 79.75	11/17/2014	
		\$ 50.75	12/22/2014	
		\$ 69.71	6/11/2015	
		\$ 64.75	7/20/2015	

CITY OF HARTSHORNE
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Attachment F (continued)

Dawn Dunkin's Personal Use of the City's Visa Credit Card January 2011 - September 2016				
Vendor/Payee	Total	Amounts	Dates	Purposes of Expenditures
CenterPoint Energy (continued)		\$ 68.99	8/18/2015	Payments for Natural-gas-utility Account (continued)
		\$ 64.75	9/17/2015	
		\$ 64.75	10/22/2015	
		\$ 65.68	11/16/2015	
		\$ 41.75	12/23/2015	
		\$ 42.34	1/12/2016	
		\$ 41.75	2/12/2016	
		\$ 41.75	3/21/2016	
		\$ 42.34	4/12/2016	
		\$ 41.75	5/10/2016	
		\$ 31.75	6/9/2016	
		\$ 31.75	7/13/2016	
Wells Fargo Dealer Services	\$ 1,115.00	\$ 278.75	4/12/2016	Payments for Vehicle Loan
		\$ 278.75	5/13/2016	
		\$ 278.75	6/9/2016	
		\$ 278.75	7/4/2016	
U.S. Treasury (IRS)	\$ 970.00	\$ 970.00	2/20/2016	Federal Taxes
Equity Insurance	\$ 943.20	\$ 106.90	6/12/2015	Payments for Insurance Accounts
		\$ 181.00	8/19/2015	
		\$ 180.00	9/18/2015	
		\$ 475.30	1/13/2016	
The North Face	\$ 912.78	\$ 585.75	12/12/2014	Clothing
		\$ 157.69	7/18/2015	Coats
		\$ 169.34	7/28/2016	Coats
Nike	\$ 890.50	\$ 255.56	8/1/2014	Apparel/Clothing
		\$ 95.00	6/13/2015	Apparel/Clothing
		\$ 149.38	6/13/2015	Apparel/Clothing
		\$ 184.88	7/26/2015	Apparel/Clothing
		\$ 205.68	12/1/2015	Apparel/Clothing
Coach	\$ 874.52	\$ 86.46	12/13/2013	Handbag
		\$ 156.60	4/25/2014	Handbags
		\$ 280.77	3/18/2016	Baby Bag & Wallet
		\$ 350.69	6/3/2016	Handbags & Wristlet
Personalization Mall (continued)	\$ 849.36	\$ 293.64	11/25/2015	Personalized Items
		\$ 355.94	12/3/2015	Personalized Items
		\$ 62.89	3/10/2016	Personalized Items

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Attachment F (continued)

Dawn Dunkin's Personal Use of the City's Visa Credit Card January 2011 - September 2016				
Vendor/Payee	Total	Amounts	Dates	Purposes of Expenditures
Personalization Mall (continued)		\$ 136.89	3/10/2016	Personalized Items
Cozumel Tours	\$ 829.75	\$ 801.00	6/10/2016	Submarine Tour to Chichen Itza, Mexico, for 14 people in June 2016
		\$ 575.00	6/11/2016	Deep-sea Fishing in Cozumel, Mexico, for eight people in June 2016
		\$ (546.25)	6/20/2016	return/refund/credit
Victoria's Secret	\$ 782.67	\$ 516.70	11/29/2015	Hoodie & Shirts & Pants
		\$ 265.97	12/11/2015	Shirts
Fanatics	\$ 752.60	\$ 143.76	12/9/2013	Gloves, iPhone Cases, & Yard Flags
		\$ 47.98	12/9/2013	Duffel Bags
		\$ 226.65	9/9/2014	Shirts, Shorts, & Baby Clothing
		\$ (28.45)	10/7/2014	return/refund/credit
		\$ 86.89	9/4/2015	Shirts
		\$ 68.89	10/1/2015	Shirts
		\$ 63.90	10/1/2015	Shirts
		\$ 142.98	12/10/2015	Shirt
Toys 'R' Us	\$ 740.84	\$ 239.24	8/20/2015	Baby High Chair
		\$ 130.49	8/20/2015	Baby Walker
		\$ 309.94	1/26/2016	Inflatable Bounce House
		\$ 61.17	1/27/2016	Baby Learning Toy
Bass Pro Online	\$ 699.20	\$ 97.78	12/4/2014	Shoes
		\$ 482.94	12/19/2014	Crossbow
		\$ 118.48	11/24/2015	Bedding Set
Bambi Baby	\$ 669.98	\$ 669.98	12/21/2014	Baby Crib/Changer
Oakley	\$ 648.78	\$ 371.46	2/16/2016	Apparel Items
		\$ 277.32	8/22/2014	Apparel Items
Expedia	\$ 593.40	\$ 593.40	6/11/2014	Arlington Hotel Reservation for two people for June 27-29, 2014
SiriusXM	\$ 454.24	\$ 187.81	2/2/2016	Payments for Satellite Radio
		\$ 266.43	6/1/2016	
Mud Pie	\$ 433.76	\$ 433.76	9/5/2014	Baby Clothing & Accessories
FedLoan Servicing	\$ 419.96	\$ 104.99	4/12/2016	Payments for Student-loan Account
		\$ 104.99	5/11/2016	
		\$ 104.99	6/9/2016	
		\$ 104.99	7/4/2016	
Academy Sports + Outdoors	\$ 384.89	\$ 416.40	9/10/2014	Two Soccer Goals, Shirts, & Pants
		\$ (31.51)	10/4/2014	return/refund/credit
JCPenney	\$ 318.56	\$ 318.56	6/2/2016	Apparel & Household Items
Grissom's	\$ 301.55	\$ 301.55	6/27/2016	Repairs to Lawn Mower at Residence

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Attachment F (continued)

Dawn Dunkin's Personal Use of the City's Visa Credit Card January 2011 - September 2016				
Vendor/Payee	Total	Amounts	Dates	Purposes of Expenditures
XX Cutlery	\$ 299.10	\$ 299.10	11/25/2014	Three Gift-boxed Pocket Knives
OnStar	\$ 293.85	\$ 281.50	7/21/2015	In-vehicle Electronic Services
		\$ 12.35	7/21/2015	
Northern Tool	\$ 289.96	\$ 289.96	11/6/2014	Wall Heaters
Eastbay	\$ 288.14	\$ 288.14	6/17/2015	Shirts & Shorts
Enterprise Rent-A-Car	\$ 277.67	\$ 260.36	6/30/2014	Rental of a vehicle that incurred 502 miles for June 27-30, 2014
		\$ 17.31	8/8/2014	
Fathead	\$ 254.94	\$ 239.95	7/31/2015	Custom Football-photos Display Signs
		\$ (39.99)	8/3/2015	return/refund/credit
		\$ (39.99)	8/3/2015	return/refund/credit
		\$ 94.97	8/5/2015	Custom Football-photos Display Signs
Intuit TurboTax	\$ 238.94	\$ 71.98	2/20/2016	Tax Service
		\$ 71.98	2/20/2016	Tax Service
		\$ 94.98	4/12/2016	Tax Service
GoPro	\$ 229.39	\$ 229.39	1/20/2016	Camera
Small Sprouts	\$ 220.00	\$ 167.00	10/9/2014	Baby Accessories
		\$ 53.00	10/17/2014	Baby Accessories
Lee Valley Tools	\$ 203.95	\$ 203.95	9/26/2013	Computer-keyboard-tray Slides & Auto-eject DVD Holders
Under The Weather	\$ 201.98	\$ 201.98	3/17/2015	Tents
Shutterfly	\$ 196.30	\$ 196.30	5/13/2016	Baby-shower Invitations
Wolverine	\$ 185.00	\$ 185.00	9/2/2015	Apparel
Jared the Galleria of Jewelry	\$ 179.80	\$ 179.80	2/6/2016	Jewelry
Internet Hotel Reservation	\$ 171.72	\$ 171.72	6/8/2016	Tulsa Hotel Reservations for two people for June 7-8, 2016
Walgreens	\$ 161.85	\$ 161.85	1/27/2016	Prescription Medications
Sports Authority	\$ 139.84	\$ 139.84	4/15/2016	Swimsuit & Shorts
Adidas	\$ 124.25	\$ 124.25	3/5/2016	Apparel/Clothing
Kay Jewelers	\$ 117.08	\$ 29.53	12/13/2014	Jewelry
		\$ 87.55	12/14/2014	Jewelry
Hobby Lobby	\$ 100.00	\$ 100.00	12/18/2014	Decorative/Craft Items
Travel Insurance	\$ 91.14	\$ 91.14	4/17/2016	Travel Insurance
Direct Checks Unlimited	\$ 85.69	\$ 85.69	2/18/2016	Checks
Apple iTunes	\$ 84.20	\$ 2.58	2/6/2016	Electronic-device Application
		\$ 9.03	3/18/2016	Electronic-device Application
		\$ 2.58	4/10/2016	Electronic-device Application
		\$ 4.99	4/17/2016	Electronic-device Application
		\$ 0.99	5/3/2016	Electronic-device Application

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Attachment F *(continued)*

Dawn Dunkin's Personal Use of the City's Visa Credit Card January 2011 - September 2016				
Vendor/Payee	Total	Amounts	Dates	Purposes of Expenditures
Apple iTunes <i>(continued)</i>		\$ 1.29	5/13/2016	Electronic-device Application
		\$ 12.13	5/18/2016	Electronic-device Application
		\$ 6.45	5/26/2016	Electronic-device Application
		\$ 2.58	6/2/2016	Electronic-device Application
		\$ 3.99	6/8/2016	Electronic-device Application
		\$ 12.99	6/22/2016	Electronic-device Application
		\$ 1.29	7/13/2016	Electronic-device Application
		\$ 12.99	7/22/2016	Electronic-device Application
		\$ 10.32	8/6/2016	Electronic-device Application
Total:	\$ 80,083.35	354 transactions		

DISCLAIMER

In this report there may be references to state statutes and legal authorities which appear to be potentially relevant to the issues reviewed by this Office. The State Auditor and Inspector has no jurisdiction, authority, purpose, or intent by the issuance of this report to determine the guilt, innocence, culpability, or liability, if any, of any person or entity for any act, omission, or transaction reviewed. Such determinations are within the exclusive jurisdiction of regulatory, law enforcement, and judicial authorities designated by law.



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