



City of Sallisaw Investigative Audit Report

Why We Performed This Audit

Our investigative audit was conducted in response to a request from the office of District Attorney Jack Thorp, District 27, in accordance with 74 O.S. § 212(H), to address concerns encompassing the use of the City of Sallisaw's (City) credit card by former City Manager Clayton Lucas II. The scope of our engagement was May 4, 2015 through December 12, 2017, the 31-month period Lucas was employed with the City. Read the full audit report at <https://www.sai.ok.gov>.

The objectives of our investigation were as follows:

1. Were credit card expenditures incurred by the former city manager allowable and for a public purpose?
2. Were public funds used by the former city manager to pay for personal expenditures incurred during a family vacation to Salt Lake City, Utah, in the summer of 2016?
3. Were City resources used improperly and for the personal benefit of the former city manager?

Executive Summary

Clayton Lucas II incurred \$55,052.73 of expenditures on his city-issued credit card¹ while employed with the City of Sallisaw. Of these purchases, \$11,861.67 were deemed *unallowable*, transactions that appeared to be for personal benefit and were not a proper use of public funds. In addition, expenditures totaling \$6,589.97 were deemed *questionable*, these transactions were not supported by itemized receipts or invoices, resulting in not enough evidence being available to determine the exact nature of the expenditure.

Lucas consistently ignored, changed, or eliminated purchasing and travel policies. His credit card expenditures were subjected to very little to no oversight by the Board of City Commissioners and he continually "pushed the envelope" exhibiting a pattern of behavior that showed a blatant disregard for the proper use of public funds.

Lucas also created an environment where he utilized City resources to provide a personal benefit that would not have otherwise been available to the public.

¹ Throughout this report the term credit card will be used interchangeably with the term purchasing card or p-card.