

INVESTIGATIVE AUDIT

TOWN OF MARLAND

MARLAND PUBLIC WORKS AUTHORITY

November 22, 2016



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



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

Town of Marland
Marland Public Works Authority
Noble County, Oklahoma
Investigative Audit
November 22, 2016



Report Highlights

WHY WE CONDUCTED THE AUDIT

We performed the audit in response to a request by District Attorney Brian Hermanson as allowed under **74 O.S. § 212(H)**.

SUMMARY OF FINDINGS

- A number of customer account records were missing for the period of February 2014 through February 2016. (Pg. 3)
- Receipts from receipt books provided were missing, and receipts that were utilized were done so in a disorganized manner. We were also unable to find deposits corresponding to cash receipts. (Pg. 4)
- Cash of \$5,000, that was purportedly undeposited for almost a year, was reported taken in a burglary of town hall. (Pg. 6)
- Account records provided were contradictory. (Pg. 9)
- The Town was unable to provide records adequate to complete a sufficient investigation. (Pg. 10)
- Deposits increased over \$2,200 per month, for the six month period *after* Christina Lackey abandoned the clerk's position. (Pg. 10)
- The Town was unable to provide records substantiating \$5,660 in cash withdrawals from the meter deposit account. (Pg. 13)
- We noted an unsupported, questionable transfer of \$7,000 from the meter deposit account to the Marland Public Works Authority utility account. (Pg. 14)



Oklahoma State Auditor & Inspector

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November 22, 2016

The Honorable Brian Hermanson
District Attorney, District 8
399 Courthouse Drive #6
Perry, Oklahoma 73077

District Attorney Brian Hermanson:

Pursuant to your request and in accordance with the requirement of **74 O.S. § 212(H)**, we performed an investigative audit of the Town of Marland and the Marland Public Works Authority. Transmitted herewith is our report on that investigation.

The objectives of our investigation primarily included, but were not limited to, the areas noted in your request. Our findings and recommendations related to those objectives are presented in the accompanying report.

Because investigative procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on the account balances or financial statements of the Town of Marland or the Marland Public Works Authority.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government while maintaining our independence as we provide this service to the taxpayers of Oklahoma.

This document is 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 that reads "Gary A. Jones". The signature is fluid and cursive, with the first name "Gary" being the most prominent.

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

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INTRODUCTION

The Town of Marland (Town) is organized under the statutory Town Board of Trustees form of government as outlined in **11 O.S. §§ 12-101, et seq.**, which states:

The form of government provided by Sections 12-101 through 12-114 of this title shall be known as the statutory town board of trustee's form of government. Towns governed under the statutory town board of trustees form shall have all the powers, functions, rights, privileges, franchises and immunities granted, or which may be granted, to towns. Such powers shall be exercised as provided by law applicable to towns under the town board of trustees form, or if the manner is not thus prescribed, then in such manner as the board of trustees may prescribe.

The Town is governed by the Town Board of Trustees (Board), which consists of five members (trustees) who are elected at large, "without regard to place of residence within the corporate limits." The Board of Trustees elects one member to serve as mayor. The town clerk-treasurer is elected at large.

The Board of Trustees as of January 2016 consisted of:

- Sally Buxton, Mayor
- Rennie James, Vice Mayor
- Ailene Adams, Trustee
- Bob Lackey, Trustee
- Louie Levings, Trustee

The Marland Public Works Authority (MPWA) is the utility system that provides water and sewer services to the residents of the Town as well as providing water service to area residents who reside outside town borders. The MPWA is overseen by the same governing board as the Town (e.g. the Board of Trustees).

District Attorney Brian Hermanson requested that the Oklahoma State Auditor and Inspector (OSAI) conduct an investigative audit because of issues raised concerning Town and MPWA finances. The results of this special investigation are contained in the following report.

BACKGROUND

Our investigation, and this report relating to the Town's financial records, is the second time in less than three years OSAI has been asked to perform an investigative audit on the books and records of the Town because of a suspected misappropriation of funds by the Town/MPWA clerk.

On August 26, 2013, the Noble County District Attorney requested an investigative audit be conducted on the Town related to concerns of embezzlement by then town clerk Mary Shultz. As a result of that request, and our subsequent investigation, Shultz was charged in the Noble County District Court with the offense of embezzlement. The case is still pending¹.

As we were concluding our investigation of Shultz, the Town hired a new clerk, Christina Lackey, to take over the duties related to the Town's utility system. During the previous investigation we interviewed Christina Lackey who stated she had been hired on February 3, 2014, as the utility clerk for the Town.

On January 11, 2016, we received a request from the Noble County District Attorney to conduct another investigation of the Town's financial records.

Prior to starting our investigation we met with the mayor and vice-mayor who both expressed concern that Lackey was unwilling or unable to provide financial reports to the town board. Moreover, the board members were concerned Lackey had been misappropriating utility billing collections.

Both the mayor and vice-mayor expressed that Lackey, as the town clerk-treasurer, was solely responsible for the utility billing records and collections. During this engagements initial interview with Lackey, she told us she was the only employee that worked at town hall and was responsible for receiving and recording customer's utility billing payments.

Lackey abandoned her position as town clerk-treasurer as of February 17, 2016, and has not communicated with Mayor Buxton since.

¹ Noble County District Court Case CF-2014-100.

OBJECTIVE

Determine if customer's utility payments have been misappropriated.

Summary of Findings:

- **A number of customer account records were missing for the period of February 2014 through February 2016.**
- **Receipts from receipt books provided were missing, and receipts that were utilized were done so in a disorganized manner. We were also unable to find deposits corresponding to cash receipts.**
- **Cash of \$5,000, that was purportedly undeposited for almost a year, was reported taken in a burglary of town hall.**
- **Account records provided were contradictory.**
- **The Town was unable to provide records adequate to complete a sufficient investigation.**
- **Deposits increased over \$2,200 per month, for the six month period *after* Lackey abandoned the clerk's position.**

Background

Prior to Clerk Christina Lackey assuming the utility billing duties, the Town relied on a two-part billing card for their utility service. When a payment was made for utility services one portion of the card would be retained by the customer and one portion maintained by the Town.

In the event the customer paid their bill and did not have their copy of the utility bill, a receipt would be written from a pre-numbered receipt book with one copy of the receipt given to the customer and one copy of the receipt retained by the Town.

When we initially arrived at town hall Lackey was sorting and organizing the Town's records in order to provide them for the Town's 2014-15 independent audit.

Finding

A number of customer account records were missing for the period of February 2014 through February 2016.

According to Lackey, around July 2014, the utility billing computer software the Town had been using "messed up." The Town obtained

another utility billing computer program but that program, according to Lackey, was also problematic.

Lackey told us because of the software issues the computer records were inaccurate and unreliable, and that she had resorted to maintaining the account balances using handwritten records. We requested Lackey provide us with the handwritten account records she was using to record customer's utility account transactions.

We observed Lackey search for a few minutes and then conclude she did not know where the utility records were. At our repeated and continued insistence, and after several search attempts, Lackey concluded the utility records might be in the custody of the Town's independent auditor. We immediately contacted the independent auditor² and confirmed the auditor had no utility billing account records. At that point Lackey said she may have some of the records at home and left town hall to search for them.

Lackey returned approximately 20 minutes later with a stack of account records stating that she had located the records in a shed that the Town used for storage. Lackey had no explanation for the records being in the shed other than the records may have been inadvertently put in a box of old records that had been taken to the Town's storage shed.

The records Lackey provided were handwritten utility records for 80 accounts. At the time of our previous investigative audit we were aware the Town had approximately 140 utility customers.

From the records that were provided, we identified 26 *specific accounts* that appeared to be missing. Lackey agreed that at least 10 of those missing accounts represented current active customers; however, she was unable to provide an explanation of where those account records could be found. It cannot be determined how many *other* account records may also be missing. The Board had not been notified of any of these issues concerning the Town's systems or records.

Finding

Receipts from receipt books provided were missing, and receipts that were utilized were done so in a disorganized manner. We were also unable to find deposits corresponding to cash receipts.

On February 12, 2014, near the conclusion of our previous investigation concerning the Town's finances, newly hired clerk Lackey stated that she

² The Town's independent auditor issued an 'Agreed upon Procedures' report dated August 1, 2016, for the fiscal year ended June 30, 2013. This was the most recent report filed.

was going to institute procedures requiring that receipts be written for all payments received.

On January 27, 2016, we requested Lackey provide receipts for utility payments. Lackey stated that she had no receipts or receipt books for any utility payments. Shortly after Lackey's statement we observed three receipt books in a box underneath Lackey's desk.

It was determined that each of these three receipt books had been partially used, that all copies of some receipts were missing, and that some receipts that remained in the books were incomplete. The receipt books obtained, and the number of receipts missing, are reflected in the table below:

#	Start #	End #	Count	Missing	Start Date	End Date
1	15951	16000	50	33	11/10/2015	1/15/2015 ³
2	12201	12250	50	5	1/11/2016	1/26/2016
3	28901	29000	100	19	9/15/2014	9/22/2015

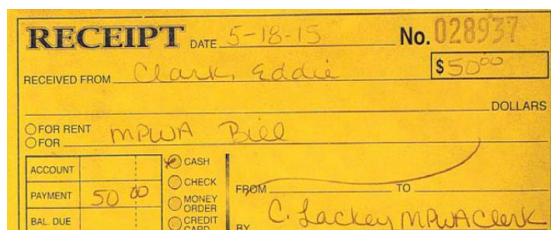
The three receipt books provided were the type of receipt books that can generally be purchased at most office supply stores. Receipt books #1 and #2 included an original and one carbon copy of each receipt. Receipt book #3 included an original and two carbon copies.

In addition to the receipt books, Lackey said she had prepared a receipt form printed on plain sheets of paper to document payments received from customers.

According to Lackey, when a customer made a payment she would sometimes write a receipt from one of the receipt books, tear out and attach all of the receipt copies from the book to the plain paper receipt and give all of the copies to the customer.

Lackey admitted she would sometimes give a customer three or four receipts for one payment, but would not retain any copies of the receipts for the Town's records. It was also noted that receipt books appeared to have been used in a disorganized manner.

For example, Receipt #28937 reflected the collection of \$50 cash from Eddie Clark on May 18, 2015. Receipts #28938, #28939, and #28940 were not issued and all copies of the receipts remained in the receipt book.



³ Likely to be an error in the date, probably is 2016 not 2015 given the other dates in this receipt book.

Receipt #28941 dated July 30, 2015, over two months since the last receipt was issued, was also issued to Eddie Clark in the amount of \$78.00 and all copies of the receipt were intact. Receipts #28942 and #28943 were also issued to Eddie Clark undated, unsigned, and with all copies of the receipts left in the receipt book.

RECEIPT DATE July 30, 2015 No. 028941
RECEIVED FROM Eddie Clark \$78.00
DOLLARS
 FOR RENT
 FOR
ACCOUNT: [] CASH
PAYMENT: [] CHECK
BAL DUE: [] MONEY ORDER
 CREDIT CARD
FROM: [] TO: []
BY: Christina Lackey

RECEIPT DATE 4-24-15 No. 028927
RECEIVED FROM Brian Horinek \$
DOLLARS
 FOR RENT
 FOR water Bill owed
ACCOUNT: [] CASH
PAYMENT: [] CHECK
BAL DUE: [] MONEY ORDER
 CREDIT CARD
FROM: [] TO: []
BY: Christina Lackey

We also found other instances where receipts were incomplete. For example, Receipt #28927 included a date, name and signature indicating a payment was received from Brian Horinek, although the receipt did not include an amount.

In the three receipt books located, we identified 26 receipts that were complete enough to be of some audit value. Of those 26, seven receipts indicated payments totaling \$450 cash had been received.

We were unable to find deposits corresponding to those cash receipts.

Finding

Cash of \$5,000, that was purportedly undeposited for almost a year, was reported taken in a burglary of town hall.

On February 17, 2016, Lackey was asked if she could account for the money received that could not be traced to deposits. Lackey stated that between July 2015, and the time of our interview in February 2016, although she had deposited *some* cash, checks, and money orders, she had not deposited *all* cash, electing instead to keep the cash in a safe located in town hall.

According to Lackey she sometimes just forgot about the cash that was kept in the safe, which she estimated to be approximately \$5,000. Lackey was shown Receipt #28925, dated April 9, 2015, and confirmed that it was marked cash and as far as she knew the cash would be in the Town's safe.

RECEIPT DATE 4-9-15 No. 028925
RECEIVED FROM [redacted] \$100.00
one Hundred Dollars & 7.40 CREDIT
DOLLARS
 FOR RENT
 FOR
ACCOUNT: 452 CASH
PAYMENT: 100.00 CHECK
BAL DUE: 92.60 MONEY ORDER
 CREDIT CARD
FROM: [] TO: []
BY: Christina Lackey

We requested Lackey retrieve the cash from the safe, at which time she informed us that town hall had just recently been burglarized, and the burglar had apparently gained access to the vault room and had somehow damaged the safe, leaving Lackey unable to open the safe and produce the undeposited cash.

Through interviews conducted and records reviewed, the following circumstances were documented surrounding the town burglary.

- On Monday, February 8, 2016, Mayor Buxton notified Lackey to include on the town meeting agenda⁴ an executive session item to discuss “billing and collection issues with the clerk”. Lackey stated that February 8, 2016, was also the last day she had been in the safe.
- On Thursday, February 11, 2016, at 10:47 am, Lackey notified the Noble County Sheriff’s Department of the burglary. Undersheriff Mike King responded to the report.



According to Undersheriff King, there was no sign of forced entry into town hall, no sign of forced entry into the vault room (secured by a steel door with three deadbolt locks) and no sign of forced entry into the safe. It appeared to Undersheriff King, the safe could not be opened because a battery pack on the safe had become dislodged by accident.

- According to Mayor Buxton on Tuesday February 16, 2016, when questioned about the utility collections and deposits during the board meeting, Lackey informed the Board of the burglary.

During the February 16 meeting Lackey also provided Mayor Buxton with an accounting of funds totaling \$19,275.96 that was allegedly in the safe. The accounting included:

- \$7,340.26 in MPWA checks and money orders
- \$5,000 in MPWA cash collections
- \$700 in MPWA meter deposit collections
- \$970.70 in Town general collections
- \$5,265 in Town Fire Department collections

⁴ For the town meeting to be held February 16, 2016.

- During a follow-up interview with Lackey the morning of February 17, 2016, we requested Lackey provide her accounting schedules documenting how she had determined the specific amounts reported as missing from the safe. Lackey stated that the accounting was from the deposit slips in the safe.

We clarified our request for the accounting of the *specific* numbers she had provided to the Board the previous night; in light of her statement that she had been unable to access the safe since February 8. Lackey said that she had prepared a journal that had the accounting of the total numbers but she was now unable to locate that journal.

- On February 17, 2016, we were present, along with Mayor Buxton, when the locksmith arrived at town hall. According to the locksmith, a wire had been disconnected from the safe's battery pack. The locksmith observed no other damage to the safe and, in his opinion, believed someone had tried to make it appear as if someone had broken into the safe.



The locksmith reconnected the wire to the battery pack, obtained an override code from the safe manufacturer and opened the safe.

Along with Mayor Buxton, we performed an inventory of the contents of the safe which contained prepared deposits consisting of checks and money orders. The safe did not contain any cash.

We noted the interior did not appear to be in disarray and, like the locksmith and Undersheriff King, we noted there did not appear to be any physical damage to the safe and no indication the safe had been opened by force.

It was determined the safe contained checks and money orders totaling \$12,480.89. There was no cash in the safe. We categorized the checks and money orders based on the included deposit slips and determined the itemized deposits totaled:

- \$7,667.49 in MPWA utility payments
- \$3,555 in Fire Department donations/collections
- \$1,108.40 in Town collections
- \$150 in Meter Deposit collections

Based on the unsubstantiated and undocumented amounts provided by Lackey it would appear the burglary resulted in the loss of an estimated \$5,000 in cash, along with an additional \$1,794.44 in collections for the various Town functions. Lackey could not provide additional detail on her accounting of the \$1,794.44 amount because she had lost the journal between the time she gave it to the Board and the time we asked for it the next morning.

On February 17, 2016, between the time Lackey disclosed to us there had been a burglary and the time the locksmith arrived to open the safe, Lackey placed her keys on the desk at town hall and left. According to Mayor Buxton, as of November 2016 Lackey had not returned to work and had not contacted Mayor Buxton to discuss returning to work.

Finding

Account records provided were contradictory.

Included in the records provided by Lackey was a handwritten utility bill⁵ for Account #100. The total amount billed for current usage was \$80 while the itemized amounts actually totaled \$77. Although there was no indication of a past due amount owed, the bill also included the handwritten notation “Finance Charges” with an associated charge of \$29.50. The total amount billed for usage and the “Finance Charges” was \$109.50, due on “6/15/15.”

The Town was able to provide the corresponding account record for Account #100⁶. The handwritten account record reflected the amount billed and due on “06/15/15” as \$66.20, not the \$109.50 billed. The account record also did not reflect if the \$66.20 due had been paid.

DUE DATE	BILL AMOUNT	PREVIOUS BALANCE	PAYMENTS	BALANCE
01/15/15	\$ 47.45	\$ 127.25	174.70 130.00 ✓	44.70
01/15/15	19.45			64.70
02/15/15	\$ 29.65	44.70	84.35	84.35
11/65		(F.O.A. 47)	84.35	114.35
03/15/15	\$ 41.90	114.35	129.25	129.25
13/90		84.35	149.25	179.25
04/15/15	\$ 40.25	179.25	169.50	160.00 (420-15)
10/15		129.25	229.50	114.80 (cash) 60.50
05/15/15	\$ 67.45	\$ 59.50	\$ 126.95 \$ 127.00 ✓	\$ 0
06/15/15	\$ 66.20	\$ 0	\$ 66.20	\$

The bank deposit slips for the utility account included notations that appeared to represent deposits for customer’s utility account numbers. We reviewed the bank statements and found, on June 3, 2015, an entry indicating a payment of \$127 that appears to correspond to the \$127 entry noted on the account record of Account 100 noted above, as the amount due for “05/15/15.”

⁵ See Utility Billing at Attachment 1

⁶ See full Account Record at Attachment 2

On July 2, 2015, a deposit was made to the utility bank account. The deposit slip included the notation “#100” and an associated amount of \$128.00. We asked for, but were not provided, account records that extended beyond the June 15, 2015 due date shown in the image above.

We recognize the amounts owed and totaled could have been an inadvertent error although we find it questionable that someone could have inadvertently included the notation “Finance Charges” and inadvertently added an additional \$29.50 charge to the amount being billed to the customer.

Finding

The Town was unable to provide records adequate to complete a sufficient investigation.

Lackey stated she stopped using the computer billing system because of a data corruption issue, and that she maintained account records on forms she personally created. Lackey did provide *some* of these handwritten account records, but we found those records to be questionable and of little value for auditing purposes.

DUE DATE	CURRENT DUE	PAST DUE	BALANCE DUE	PAYMENT AMOUNT	BALANCE OWED
7/15/15				+66.15	
8/15/15				65.75 - 0 = 55.75	
9/15/15				0	
10/15/15				0	

The account record for Account #1457, shown at left, is an example of one of the records that has little or no value for auditing purposes. This along with other account records that were provided did not contain sufficient information to be of any value for testing utility amounts billed, received and deposited.

In addition to the number of *missing* account records and receipts, and the number of conflicting records, along with the condition of the records that were provided, the Town has been unable to provide records adequate to complete a sufficient investigation.

Finding

Deposits increased over \$2,200 per month, for the six month period after Lackey abandoned the clerk’s position.

Lacking proper evidence to conclude if, and how much of a misappropriation of funds occurred, we performed an overall analytical review of the deposits made to the utilities account to show the fluctuation of utility collections.

In comparison of the 2015 and 2016 deposits into the utility bank account⁷ for the six-month period of February through July, where Lackey was employed for the six-month period during 2015, and a new clerk was employed for the same six-month period of 2016, deposits appeared to increase \$13,416.59, or approximately \$2,236.10 per month, under the new clerk.

Analytical Review of Six-Month Deposit History			
Month	Monthly Deposits For 2015 Under Lackey	Monthly Deposits For 2016 Under New Clerk	Variance
February	\$7,068.81	\$7,706.84	\$638.03
March	\$5,285.90	\$11,989.09	\$6,703.19
April	\$6,472.13	\$9,054.16	\$2,582.03
May	\$5,521.04	\$8,030.66	\$2,509.62
June	\$8,088.55	\$8,407.79	\$319.24
July	\$9,107.84	\$9,772.32	\$664.48
Totals	\$41,544.27	\$54,960.86	\$13,416.59

⁷ Included only amounts that appeared to be for utility payments.

OBJECTIVE Determine if customer's meter deposit funds have been misappropriated.

Summary of Findings:

- **The Town was unable to provide records substantiating \$5,660 in cash withdrawals from the meter deposit account.**
- **We noted an unsupported, questionable transfer of \$7,000 from the meter deposit account to the MPWA utility account.**

Background

Most, if not all, entities that provide utility services require a user to pay a deposit when establishing a new account. These deposits are generally maintained in a separate bank account as meter deposits.

Meter deposits represent collections that are held in trust for customers. These funds do not actually belong to a Town or MPWA, but rather belong to customers, and in some circumstances, may be returned to the customer when their account is terminated or after a certain time period of provided utility service.

Typically when utility service is discontinued, a final billing amount is determined and all or some portion of the customer's initial deposit is applied towards the final bill. If the final bill is less than the initial deposit amount the difference is refunded to the customer by a check from either the utility account or the meter deposit account.

After Lackey abandoned her position on February 17, 2016, the Town hired Le Anna Diamond.⁸ According to Diamond, the procedures for finalizing a customer's account would include:

1. Upon closing the account the bank would be notified to transfer the customers initial deposit amount from the meter deposit account to the utilities account.
2. The final bill would be calculated and deducted from the customer's initial deposit amount. If the final bill amount was less than the deposit amount the customer would be issued a check from the utilities account for the remaining balance.

⁸ Diamond had been the previous town clerk, prior to Clerk Mary Shultz, who is currently charged with embezzling utility funds as a result of our prior investigation.

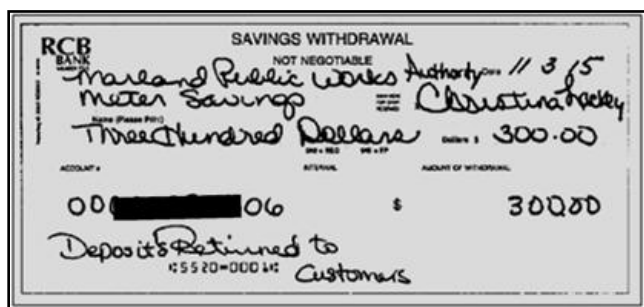
The procedures outlined by Diamond would provide some level of accountability for the disposition and finalization of the customer's utility account and deposit amount.

Finding

The Town was unable to provide records substantiating \$5,660 in cash withdrawals from the meter deposit account.

We obtained bank statements for the Town's meter deposit account for the period May 19, 2014 through December 29, 2015, noting cash withdrawals had been made totaling \$5,660. The withdrawal slip images in the bank records all reflected the signature of "Christina Lackey."

In some cases, the bank withdrawal slips in the bank statements included notations indicating the cash had been withdrawn for the purpose of refunding customers utility deposits. We found no evidence that the cash withdrawals had been deposited into the utility bank account.



In some cases the deposit slips did include what appeared to be customer names, other slips only included notations such as "return deposit" or "Deposits Returned to Customers."

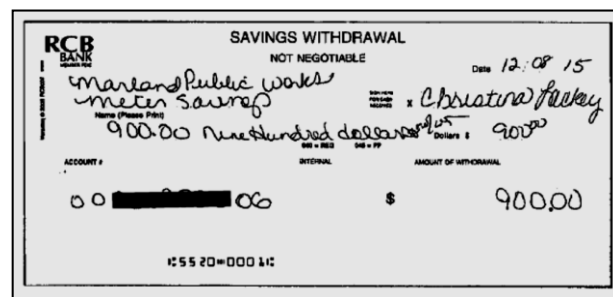
Town officials have been unable to provide any records relating to the return of customer's utility deposits, leaving us unable to determine

if the withdrawals were for the stated purpose.

In some cases no account information of any kind (billings, payments, etc.) could be provided for some of the names that appeared on the bank cash withdrawal slips.

- On October 8, 2015, a \$150 cash withdrawal was made from the meter deposit account. The bank withdrawal slip reflected the name "Young." The only account with the name "Young" that could be located was Tanner Young. The only record provided for the account was a March 2014 account receivable report indicating the last payment made on the account was on December 19, 2013. During an interview with Lackey, on February 17, 2016, she indicated the account was active but did not know where to find the account records.
- On October 15, 2015, a \$300 cash withdrawal was made from the meter deposit account. The bank withdrawal slip reflected the names Kevin Williams and Amber White. The only record provided by the Town for accounts with these customer names was a March 2014 accounts receivable report.

- In some cases we found the cash withdrawal slips did not include any name or indication of the purpose of the cash withdrawal. For example, on December 8, 2015, a \$900 cash withdrawal was made from the meter deposit account with no indication of the purpose.



In summary, we found \$5,660 in questionable withdrawals. This included cash withdrawal slips totaling \$2,480, which appeared to contain 17 names representing utility customers. The Town was unable to provide any records for 10 of those accounts. The records that could be found for the remaining seven accounts were of no value for auditing purposes.

Six cash withdrawals, totaling \$2,280, did not include any notations on the withdrawal slips indicating if the withdrawals were purportedly for customer refunds or for some other purpose.

Four cash withdrawals, totaling \$900, included some notation or indication the cash withdrawals were for the purpose of refunding customer accounts but did not include any indication of which customer's accounts were being refunded.

Finding **We noted an unsupported, questionable transfer of \$7,000 from the meter deposit account to the MPWA utility account.**

On July 8, 2014, \$7,000 in cash was withdrawn from the meter deposit fund and, on the same day, deposited to the MPWA utility account.

We reviewed the MPWA utility account bank statements for the period March 2014 through December 2015 to determine if any customer meter deposits had been paid from the utility account requiring a reimbursement to the utility account from the meter deposit account.

We noted two checks for customer refunds from the utility account, Check 9554 dated April 8, 2014, for \$130, and Check 10051 dated July 6, 2015, in the amount of \$150.

The Town has been unable to provide any documentation substantiating the purpose of the \$7,000 transfer from the customer meter deposit account to the MPWA account.

Attachment 1

MARLAND PUBLIC WORKS AUTHORITY
PO BOX 638
MARLAND, OK. 74644

████████████████████ ACCT# 100
PO BOX ██████
MARLAND, OK. 74644

DUE DATE: *6/15/15*
AMOUNT DUE: *8109.50*

CURRENT METER READING: *2887750*
PREVIOUS METER READING: *2878950*
COMSUMPTION: *8,800*

WATER: \$ *49.00*
SEWER: \$ 15.00
GARBAGE : \$ 12.00
FIRE DEPART. FEE \$ 1.00

CURRENT AMOUNT DUE: \$ *80.00*
PAST DUE AMOUNT: \$ *29.50*
Finance Charges
TOTAL AMOUNT DUE: \$ *109.50*

(DUE BY THE 15TH OF THE MONTH)

Attachment 2

ACCOUNT NUMBER 100

NAME: [REDACTED]

BILLING ADDRESS: PO Box [REDACTED]
Marland, Ok. 74644

PHYSICAL ADDRESS: [REDACTED]
Marland, Ok. 74644

RATE: Sum
 $\$31^{00}$ $15+15+1 = 31^{00}$

DUE DATE	BILL AMOUNT	PREVIOUS BALANCE	PAYMENTS	BALANCE
01/15/15	\$ <u>47.45</u>	\$ <u>127.25</u>	174.70 130.00 ✓ \$ <u>130.00</u> ✓	44.70 \$ <u>44.70</u>
12/15 12/15 12/15	\$ <u>39.65</u>	44.70 87.8 \$ <u>64.70</u> \$ <u>114.35</u>	\$.38	84.35 \$ <u>114.35</u>
11.65	\$ <u>44.90</u>	(F. 044.47) 84.35 \$ <u>114.35</u> \$ <u>129.25</u>	\$.38	129.25 \$ <u>179.25</u>
13.90	\$ <u>40.25</u>	84.35 169.50 \$ <u>179.25</u> \$ <u>239.50</u>	100.00 (420.15) 59.50 \$ <u>179.25</u> cash \$ <u>200.50</u>	59.50 \$ <u>200.50</u>
10.25	\$ <u>67.45</u>	129.25 \$ <u>59.50</u>	\$ <u>127.00</u> ✓	\$ <u>0</u>
05/15/15	\$ <u>66.20</u>	\$ <u>0</u>	\$ <u>126.95</u>	\$ <u>0</u>
06/15/15	\$ <u>66.20</u>	\$ <u>0</u>	\$ <u>166.20</u>	\$ <u>0</u>

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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