



Dave Yost • Auditor of State



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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Honorable Tim Rogers  
Coshocton County Sheriff  
328 Chestnut Street  
Coshocton, Ohio 43812

We conducted a special audit of the Coshocton County Sheriff's Office (CCSO) by performing the procedures described in the attached Supplement to the Special Audit Report for the period January 1, 2010 through July 3, 2012 (the Period) solely to:

- Quantify the amount of revenue for issuing concealed carry weapon permits (CCW), performing background checks (WebCheck) and registering sex offenders (eSORN) received by, or due, the CCSO and not posted to the County's accounting system during the Period.

This engagement was conducted in accordance with the Quality Standards for Inspection and Evaluation established by the Council of the Inspectors General on Integrity and Efficiency (January 2012). The procedures and associated findings are detailed in the attached Supplement to the Special Audit Report. A summary of our procedures and significant results is as follows:

1. We examined fees collected by the CCSO and posted to the County's accounting system.

Significant Results – During the Period, the CCSO collected fees for CCW permits, WebChecks and eSORN registrations. A comparison of the duplicate receipts issued by the CCSO for the collections to the County Treasurer's deposit records indicated fees totaling \$31,290 were not deposited with the County Treasurer. In July 2012, CCSO Lt. James MacDonald was observed on surveillance video on six occasions taking cash from collections. In November 2012, Lt. MacDonald entered guilty pleas to six counts of theft in office related to missing fee collections.

We proposed a finding for recovery against Lt. MacDonald for public monies collected but unaccounted for in the amount of \$31,290. As part of Lt. MacDonald's sentencing, he was ordered by the court to make restitution to the CCSO of \$21,137. In January 2013, Lt. MacDonald paid restitution in this amount and accordingly, we considered the repayment a finding for recovery repaid under audit. We issued a finding for recovery against Lt. MacDonald for the remaining amount of \$10,153.

Although not directly a part of the special audit scope, a review of the Inmate Personal Funds Account revealed two checks issued by Lt. MacDonald totaling \$1,532 that were substituted for cash in deposits to the account. Lt. MacDonald prepared the deposits and was custodian of the account. We issued a finding for recovery for public monies illegally expended against Lt. MacDonald in the amount of \$1,532.

We issued a noncompliance citation regarding timely deposits and two management recommendations related to reconciliation of receipts and documentation of fee waivers.

We did not hold a formal exit conference with the Sheriff's Office. We provided the special audit report to Sheriff Rogers and informed him that the office had the opportunity to respond if so desired. The Sheriff's Office did not submit a response to the report.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

January 25, 2013

## Supplement to the Special Audit Report

### Background

In March 2012, the Coshocton County Sheriff's Office discovered shortages of certain fees collected by the office and initiated an internal investigation. After confirming suspected shortages through the use of video surveillance, Coshocton County Sheriff Tim Rogers placed Jail Administrator Lt. James MacDonald on administrative leave and the investigation was turned over initially to the Crawford County Sheriff and then the Attorney General's Bureau of Criminal Investigation (BCI). The BCI special agent subsequently requested assistance from the Auditor of State and Sheriff Rogers formally requested a special audit. In August 2012, Lt. MacDonald resigned from his position with the Sheriff's Office.

The information was considered by the Auditor of State's Special Audit Task Force and on September 18, 2012, the Auditor of State initiated a special audit of the Coshocton County Sheriff's Office.

On November 30, 2012, Lt. MacDonald entered pleas of guilty to six counts of theft in office, fourth-degree felonies. Lt. MacDonald was sentenced on January 4, 2013 to serve six months in a community based correctional facility, pay fines of \$1,000 on each of the six counts and restitution of \$21,137 to the Coshocton County Sheriff's Office.

# Supplement to the Special Audit Report

## Objective No. 1 – Examination of Fee Collections

### Procedures

We examined available CCSO records to identify the amount of CCW, WebCheck and eSORN fees received by, or due to, the CCSO.

We compared the amount of CCW, WebCheck and eSORN fees received by, or due to, the CCSO to the amount of CCW, WebCheck and eSORN fees posted to Coshocton County's accounting system.

### Results

The CCSO collected fee revenue from individuals for CCW permits, background WebChecks conducted by BCI, and registrations for Ohio's Electronic Sex Offender Registration and Notification Database (eSORN). The CCSO issued duplicate receipts to individuals paying these fees. The fees were paid in to the County Treasurer for deposit and posted to the County's accounting system.

#### CCW

During the Period, individuals requesting CCW permits were required to submit applications to the CCSO with a fee of \$67 for an initial permit or \$50 for subsequent permit renewals. Law enforcement personnel were not charged for CCW permit applications. According to duplicate receipts issued, CCSO collected \$17,334 from applicants. CCW permit fees totaling \$11,879 were deposited and posted to the County's accounting system for a difference of \$5,455 from the amount collected according to the duplicate receipts.

An examination of the permit applications maintained by the CCSO indicated that \$17,351 was due from applicants during the Period. The \$17 variance between the permit applications and the amount collected was traced to the difference charged between an initial and renewal permit.

#### WebCheck

The CCSO charged fees for various background checks conducted by BCI. Individuals were required to pay the fee at the time of the request, while certain governmental agencies were billed for the service by the CCSO. Background checks for law enforcement personnel were performed at no charge.

According to the duplicate receipts, CCSO collected \$43,495 at the time of the requests and received an additional \$35,900 for billed services for a total collected of \$79,395 during the Period. However, WebCheck fees totaling \$53,608 were deposited and posted to the County's accounting system for a difference of \$25,787.

CCSO obtained the WebChecks through BCI who issued monthly invoices to CCSO for the service. A comparison of the BCI invoices to the expected fees charged for the WebChecks indicated that \$78,500 was due during the Period. We did not determine the reason for the difference from the amount collected because the expected amount due was less than the amount collected.

We also compared the names listed on the BCI invoices to the duplicate receipts and found 12 instances where a background check was performed by BCI and invoiced to CCSO, but no duplicate receipt could be located. The 12 instances would have resulted in additional fees of \$425; however, we could not determine whether the fees were paid.

# Supplement to the Special Audit Report

## eSORN

The CCSO collected a \$25 fee from certain individuals required to register in Coshocton County as convicted sex offenders. Frequency of registration was determined by the sentencing judge based on the severity of the offense; however, the CCSO waived the registration fee for certain individuals who did not have the means to pay. No documentation was maintained to support the fee waivers.

According to the duplicate receipts, CCSO collected \$925 for eSORN registrations during the Period. We estimated a minimum of \$2,425 was due based on one-time registration of 97 offenders; however, no reliance could be placed on this amount since the required number of registrations per offender per year and waivers issued could not be determined.

During the Period, eSORN registration fees totaling \$877 were deposited and posted to the County's accounting system for a difference of \$48 from the amount collected according to the duplicate receipts.

## **Findings for Recovery**

### Fee Collections

During the Period, James MacDonald was employed as a lieutenant with the CCSO responsible for jail administration and collection of eSORN registration fees. Lt. MacDonald was observed on surveillance video by the CCSO on six different occasions taking cash from a drawer where CCW, WebCheck and eSORN fee collections were kept. Fee collections posted to the County's accounting system were \$31,290 less than the total collected during the Period according to duplicate receipts issued for fee payments.

On November 30, 2012, Lt. MacDonald entered guilty pleas to six counts of theft in office, fourth-degree felonies.

We proposed a finding for recovery in the amount of \$31,290 against Lt. MacDonald in favor of CCSO. As part of Lt. MacDonald's sentencing, he was ordered by the court to make restitution to the CCSO of \$21,137. In January 2013, Lt. MacDonald paid restitution in this amount and accordingly, we considered the repayment a finding for recovery repaid under audit.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public monies collected but unaccounted for is hereby issued in the amount of \$10,153 against James MacDonald, in favor of the Coshocton County Sheriff's Office.

### Inmate Personal Money Account

The CCSO maintained a bank account for holding personal funds of inmates for use while incarcerated. As jail administrator, Lt. James MacDonald maintained the account and was the account signatory.

Although not directly an objective of the Special Audit, at the request of the CCSO we scanned the Inmate Personal Funds Account for unusual transactions and noted two handwritten checks signed by Lt. MacDonald totaling \$1,532 were issued from the account to two unknown individuals. According to the CCSO, the individuals were not inmates and the checks were not entered into the commissary computerized accounting system. The checks were substituted for cash and re-deposited to the account. Lt. MacDonald was listed as the Counting Officer on the Cash Drawer Count report for both deposits.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued in the amount of \$1,532 against James MacDonald, in favor of the Coshocton County Sheriff's Office.

# Supplement to the Special Audit Report

## Noncompliance Citation

### Timely Deposits

Ohio Revised Code Section 9.38 states in part, "... (i) f the total amount of the public moneys so received does not exceed one thousand dollars, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited."

The CCSO has not adopted a written policy regarding the length of time funds can be held prior to being deposited. During the Period, we noted fee collections were not deposited on a regular, timely basis and in one instance were held by CCSO for up to five months before deposit. Additionally, funds were held in an unlocked file cabinet. Failure to secure and deposit funds timely increases the risk of theft.

We recommend the CCSO implement a written policy regarding safeguarding and depositing funds in a timely manner as described in Ohio Revised Code Section 9.38. The Sheriff or his designee should monitor the fee collection and deposit activity to ensure monies are deposited in accordance with the policy.

## Management Recommendations

### Reconciliation of Receipts

During the Period, the CCSO maintained duplicate receipt books for documenting the collection of fees. The CCSO did not reconcile the duplicate receipts to cash collections and deposits. Additionally, deposits were not reviewed by another employee to ensure all money received was deposited.

Sequential, pre-numbered receipts provide accounting control over the collection, deposit and recording of revenues. Failure to accurately reconcile receipts to deposits increases the risk that not all collections will be accounted for or deposited.

We recommend a CCSO employee reconcile the duplicate receipts issued to the cash on hand and deposits to aid in the accountability of funds collected. The reconciliation should be completed by someone other than the individuals issuing receipts or making deposits. The reconciliation process should be documented and include an accounting of the sequential receipt numbers to ensure all receipts are accounted for and included in the deposit. Any voided duplicate receipts should be maintained to ensure accountability over the receipts. The Sheriff or his designee should sign off on the deposit records documenting review and authorization to make the deposit.

### Documentation of Fee Waivers

During the Period, eSORN fees were waived for certain individuals who claimed indigence when registering as sex offenders and certain other fees were waived for law enforcement personnel. The CCSO did not have written policies or procedures to document the fee waivers provided.

Lack of written procedures and supporting documentation increases the risk that improper waivers may be given or that fees may be paid and diverted for other purposes.

We recommend the CCSO develop specific, written procedures for providing fee waivers to registrants. Documentation supporting the reason for the waiver should be attached to all registrations and registrants should be required to submit signed, written requests for the fee waivers. All fee waivers should be documented and approved by a supervisor.



# Dave Yost • Auditor of State

**COSHOCTON COUNTY SHERIFF'S OFFICE**

**COSHOCTON COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 4, 2013**