

# Forensic Investigation Scott County Sheriff's Office

Board of Supervisors  
Committee of the Whole  
November 3, 2015



# Background

- The Sheriff's office has several revenue generating services throughout the department. There are two systems that track the financial activity. "Turnkey", an off the shelf jail administration system, is used to account for inmate financial activity. The second system is the county financial software that is used to account for services that are provided through the general fund.
- The "Turnkey" system has kiosks to take cash for services and those funds are deposited into a bank account held by the Sheriff's office. The revenue in excess of the cost of services must be used for the benefit of the inmates.



# Background

- In mid April 2015 after the dismissal of an employee it was discovered that an inmate needed to pay for room and board, when in fact, after further review he was overcharged.
- An internal review by the Sheriff's staff was done to determine if the error was isolated. The results revealed that deposits made to the Sheriff's bank account did not agree with the revenue expected from the jail accounting system.
- These preliminary results were given to County Administration.



# Background

- County Administration recommended hiring McGladrey, after a request for proposals, to complete a forensic investigation. The Board approved the contract on August 13, 2015.
- McGladrey in conjunction with the State Auditor completed the report in September.
- The investigative report was turned over to the Davenport Police Department and the State's Attorney General for review and potential action.
- The study was submitted to the County's insurance provider to determine loss and to our financial auditors for additional testing and review of all department bank accounts.



# Background

- The report describes in detail the methodology used to obtain the funds without detection and the different accounts both from the jail system and the general fund that money was misappropriated.
- McGladrey reviewed all accounts from June 1, 2011 to April 10, 2015.
- The report includes an addendum that suggests improvements to the procedures to prevent future theft and recommends written policies and procedures for these types of transactions in the Sheriff's Department.



# Kiosk Accounts

- The investigation revealed that monies were taken from the Inmate Kiosk account by using a combination of cash from the kiosk boxes and checks due other accounts or checks written to vendors and then deposited to make up cash differences. The total missing money is \$88,034.97
- The investigation also revealed there were missing deposits of \$15,498.
- The investigation revealed that checks from other jurisdictions due to the general fund were used to cover cash in the amount of \$13,882.50.
- Other discrepancies totaled \$4,093.97.



# General Fund Accounts

- Manual Booking Office receipts were reviewed by McGladrey to determine a methodology for investigation. Sheriff staff used the methodology and it was reviewed by County Administration and checked by McGladrey before inclusion into the report.
- The investigation revealed that cash receipts were not remitted to the County Treasurer in the amount of \$15,624.50



# General Fund Accounts

- Fingerprint office receipts were reviewed by McGladrey to determine a methodology for investigation. Sheriff staff used the methodology and it was reviewed by County Administration and checked by McGladrey before inclusion in the report.
- The investigation revealed that cash receipts were not remitted to the County Treasurer in the amount of \$28,200.54.





# Summary

- The investigation verified that \$165,334.44 was misappropriated during the review period.
- That a series of improvements need to be made in handling and recording revenue in the Sheriff's department. McGladrey has outlined those improvements in the addendum.

