

COMPLIANCE AUDIT

District Court 12-2-04
Dauphin County, Pennsylvania
For the Period
January 1, 2019 to December 31, 2021

July 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the District Court 12-2-04, Dauphin County, Pennsylvania (District Court), for the period January 1, 2019 to December 31, 2021, pursuant to the requirements of Section 401(c) of *The Fiscal Code*, 72 P.S. § 401(c).

The objective of the audit was to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted and to provide a report to the Department of Revenue to allow the Department of Revenue to state and settle the District Court's account. Our audit was limited to areas related to the objective identified above and was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

The District Court is responsible for establishing and maintaining effective internal controls to provide reasonable assurance of compliance with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted. The District Court is also responsible for complying with those laws and regulations. It is our responsibility to perform procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that our audit provides a reasonable basis for our conclusions.

Based on our audit procedures, we conclude that, for the period January 1, 2019 to December 31, 2021, the District Court, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the findings listed below and discussed later in this report:

- Inadequate Arrest Warrant And DL-38 Procedures - Recurring.
- Evidence Of Authorizing the Case Balance Adjustment Was Not Available.

This report includes a summary of the District Court's receipts and disbursements of funds collected on behalf of the Commonwealth (summary). We obtained data representing the District Court's receipts and disbursements from the Pennsylvania Department of Revenue, which obtains data from each of the Commonwealth's district courts and used the data to create the summary in the format required by the Department of Revenue. We also evaluated the accuracy of the data as part of our audit to conclude on the District Court's compliance with certain state laws and regulations as described in the previous paragraph. Any adjustments that we considered necessary based on our audit work are disclosed in the *Audit Adjustments* line of the summary; however, the scope of our audit does not include the issuance of an opinion on the accuracy of the amounts reported in the summary.

The purpose of this report is to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted. This report is not suitable for any other purposes.

The contents of this report were discussed with the management of the District Court and, where appropriate, their response has been included in the report. We appreciate the courtesy extended by the District Court 12-2-04, Dauphin County, to us during the course of our audit. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a horizontal line above the first name.

Timothy L. DeFoor
Auditor General
July 20, 2023

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DISTRICT COURT 12-2-04
DAUPHIN COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2021

The Department of Auditor General is mandated by Article IV, Section 401(c) of *The Fiscal Code* (Act of April 9, 1929, P.L.343, No. 176), to audit the accounts of each district court to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted.

District Court receipts are comprised of fines, costs, fees, and surcharges collected on behalf of the Commonwealth. These fines, costs, fees, and surcharges represent collections made on traffic, non-traffic, civil, and criminal cases filed with the District Court.

Total disbursements during the audit period are comprised as follows:

District Court checks issued to:

| | |
|-----------------------|-------------------|
| Department of Revenue | <u>\$ 513,748</u> |
|-----------------------|-------------------|

This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue.

Sonya M. McKnight served at District Court 12-2-04 for the period January 1, 2019 to December 31, 2021.

Joann Teyral, Senior Magisterial District Judge served at District Court 12-2-04 from January 19, 2021 to August 19, 2021.

The summary of receipts and disbursements on the following page provides a summary of receipts and disbursements by category. Categories and the amounts of fines, costs, fees, and surcharges assessed are based on Pennsylvania laws and regulations.

The summary was prepared in accordance with reporting requirements prescribed by the Pennsylvania Department of Revenue. Under this method, only the Commonwealth portion of cash receipts and disbursements are presented, revenues are recognized when received, and expenditures are recognized when paid.

DISTRICT COURT 12-2-04
 DAUPHIN COUNTY
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2019 TO DECEMBER 31, 2021

Receipts:

| | | |
|---|--------|----------------------|
| Department of Transportation | | |
| Title 75 Fines | \$ | 80,555 |
| Commercial Driver Fines | | 580 |
| Littering Law Fines | | 100 |
| Child Restraint Fines | | 560 |
| Department of Revenue Court Costs | | 133,082 |
| Crime Victims' Compensation Bureau Costs | | 6,680 |
| Crime Commission Costs/Victim Witness Services Costs | | 4,771 |
| Domestic Violence Costs | | 1,838 |
| Emergency Medical Service Fines | | 9,877 |
| CAT/MCARE Fund Surcharges | | 34,216 |
| Judicial Computer System Fees | | 45,274 |
| Access to Justice Fees | | 26,102 |
| Criminal Justice Enhancement Account Fees | | 5,646 |
| Judicial Computer Project Surcharges | | 77,346 |
| Constable Service Surcharges | | 16,724 |
| Miscellaneous State Fines and Costs | | <u>70,397</u> |
| Total receipts | | 513,748 |
| Disbursements to Commonwealth | | <u>(513,748)</u> |
| Balance due Commonwealth (District Court) per settled reports | | - |
| Audit adjustments | | <u>-</u> |
| Adjusted balance due Commonwealth (District Court) for the period January 1, 2019 to December 31, 2021 | \$ | <u><u>-</u></u> |

DISTRICT COURT 12-2-04
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2021

Finding No. 1 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring

We cited the issue of Inadequate Arrest Warrant and DL-38 Procedures in the three prior audits; the most current was for the period of January 1, 2016 to December 31, 2018. Our current audit found that this district court did not correct this issue.

Warrants and Requests For Suspension Of Operating Privileges (DL-38s) are used to enforce the collection of monies on traffic and non-traffic cases in which defendants failed to make payments when required. A Warrant of Arrest (AOPC 417) is used to authorize an official to arrest a defendant, to collect fines and costs from the defendant after a disposition, or to collect collateral for a trial. If the defendant does not respond within ten days to a citation or summons, a Warrant of Arrest may be issued. A Request for Suspension of Driving Privileges for Failure to Respond to a Citation or Summons or Pay Fines and Costs Imposed (AOPC 638A) is used to notify the defendant in writing that his/her license will be suspended if he/she fails to respond to the traffic citation or summons. A DL-38 cannot be issued for a parking violation.

During our testing of warrant procedures, we noted that warrant procedures established by the *Magisterial District Judge Automated Office Clerical Procedures Manual* (Manual) were not always followed. The Magisterial District Judge did not consistently issue warrants when required.

We tested 24 instances in which a warrant was required to be issued under Pa.R.Crim.P. 430(b)(1). Our testing disclosed that one was not issued at all.

We also tested 21 instances in which a warrant may be issued under Pa.R.Crim.P. 430(b)(3). Our testing disclosed that two were not issued timely and two were not issued at all. The time of issuance ranged from 83 days to 96 days. These results do not include instances in which the Magisterial District Judge recently ordered a payment determination hearing, sentenced the defendant to jail time in lieu of payment, or sentenced the defendant to perform community service.

In addition, of 42 warrants required to be returned or recalled, nine were not returned or recalled and 11 were not returned timely. The time of issuance to the time of return ranged from 218 days to 497 days.

Lastly, we tested 14 instances in which a DL-38 was required to be issued. Our testing disclosed that two DL-38s were not issued at all.

DISTRICT COURT 12-2-04
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2021

Finding No. 1 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring (Continued)

The Manual establishes the uniform written internal control policies and procedures for all district courts.

Warrant Issuance Procedures: The Manual states that on October 1, 1998, new warrant procedures took effect for summary cases. Amendments were made to Pa.R.Crim.P. 430, 431, 454, 455, 456, 460, 461, and 462. To comply with the new changes, the Notice of Impending Warrant (AOPC A418) was created with the purpose of informing the defendant that failure to pay the amount due or to appear for a Payment Determination Hearing will result in the issuance of an arrest warrant. The defendant is also informed that his/her response must be made within ten days of the date of the notice.

According to Pa.R.Crim.P. 430(b)(1), a warrant SHALL be issued in a summary case for any of the following reasons (a Notice of Impending Warrant is not necessary for the following):

- The defendant has failed to respond to a citation or summons that was served either personally or by certified mail, return receipt requested.
- The citation or summons is returned undeliverable.
- The Magisterial District Judge has reasonable grounds to believe that the defendant will not obey a summons.

According to Pa.R.Crim.P. 430 (b)(3), a Notice of Impending Warrant may be issued in a post-disposition summary case for any of the following reasons:

- A guilty disposition is recorded and no payment is made or a time payment schedule is not created.
- A guilty disposition is recorded and a previously deposited collateral payment, when applied, does not pay the case balance in full.
- A guilty disposition is recorded and the defendant defaults on a time payment schedule.

DISTRICT COURT 12-2-04
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2021

Finding No. 1 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring (Continued)

Warrant Return Procedures: The Manual states that the Administrative Office of Pennsylvania Courts (AOPC) recommends that those in possession of arrest warrants should be notified to return warrants that have not been served. For summary traffic and non-traffic cases, outstanding warrants should be returned to the Magisterial District Judge's office within 120 days of issuance. Returned warrants can either be recorded in the Magisterial District Judge System (MDJS) as unserved, if the defendant is unable to be located; or they can be recalled for reissue, if the server has not exhausted all means of finding the defendant.

DL-38 Procedures: The Manual states that once a citation is given to the defendant or a summons is issued, the defendant has ten days to respond. If on the eleventh day, the defendant has not responded, 75 Pa.C.S. §1533 requires that the defendant be notified that he/she has 15 days from the date of notice to respond to the citation/summons before his/her license is suspended. In accordance with Section 1533 of the Pennsylvania Vehicle Code, the defendant has 15 days to respond to the defendant's copy of the DL-38. If the defendant does not respond by the fifteenth day, the Magisterial District Judge's office shall notify the Pennsylvania Department of Transportation by issuing the appropriate License Suspension Request (AOPC 638B,D,E).

In addition, 75 Pa.C.S. §1533 also requires a post-disposition DL-38 (AOPC 638B/E) be issued if the defendant neglects to pay fines and costs imposed at the time of disposition or fails to make a scheduled time payment.

The failure to follow warrant and DL-38 procedures could result in uncollected fines and unpunished offenders. Additionally, the risk is increased for funds to be lost or misappropriated. Therefore, it is considered best business practice to issue warrants that fall under Pa.R.Crim.P. 430(b)(3) when other actions are not taken by the Magisterial District Judge to compel compliance by the defendant, such as ordering a payment determination hearing, sentencing to jail time in lieu of payment, or sentencing to perform community service.

Court staff stated that the district court has been short staffed and sometimes down to one employee during the COVID-19 Pandemic. Also, when short staffed, they were not able to review all warrants and DL-38s to determine the status and follow-up of warrants and DL-38s. Further, the turnover rate is high which makes it difficult to train staff. Adherence to the uniform internal control policies and procedures, as set forth in the Manual, would have ensured that there were adequate internal controls over warrants and DL-38s.

DISTRICT COURT 12-2-04
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2021

Finding No. 1 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring (Continued)

Recommendations

We strongly recommend that the district court review the tickler reports for warrants and DL-38s daily and take appropriate action as required by the Manual. We further recommend that the court review warrant control reports and notify police or other officials to return warrants that are unserved for 120 days for summary traffic and non-traffic cases as recommended by the Manual.

Management's Response

The Magisterial District Judge responded as follows:

All case Administration Lists will be completed by the staff at the beginning of each day.

Auditor Conclusion

We appreciate the district court's effort to correct these issues. This is a recurring finding. It is imperative that the district court take all corrective actions necessary to comply with our recommendations. The risk of uncollected fines and unpunished offenders continues to exist as long as these deficiencies continue. During our next audit, we will determine if the district court complied with our recommendations.

DISTRICT COURT 12-2-04
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2021

Finding No. 2 - Evidence Of Authorizing The Case Balance Adjustment Was Not Available

During our audit of the district court's case files, we tested 16 cases with either a guilty plea or found guilty dispositions in which the case balance adjustment was used to eliminate fines and costs. There was no evidence in seven cases that the case balance adjustment was authorized by the Magisterial District Judge.

Good internal accounting controls ensure that there is evidence that the case balance adjustment disposition on these cases was authorized by the Magisterial District Judge. The failure to follow this procedure increases the risk for funds to be lost or misappropriated.

The Magisterial District Judge indicated that the case balance adjustments were sometimes used without her authorization. Adherence to good internal controls would have ensured that there were adequate internal controls over the use of case balance adjustments.

Recommendation

We recommend that the district court maintain documentation that the Magisterial District Judge authorized all case balance adjustments, and it is available for audit.

Management's Response

The Magisterial District Judge responded as follows:

All staff are not allowed to process any case balance adjustments without the judge's approval and signature on all case balances. Case balance adjustments may be performed for defendants who are deceased as long as proper documentation is in the file.

Auditor's Conclusion

As stated above, good internal accounting controls ensure that there is evidence that the case balance adjustment was authorized by the Magisterial District Judge. Failure to follow this procedure increases the risk for funds to be lost or misappropriated. During our next audit, we will determine if the district court complied with our recommendation.

DISTRICT COURT 12-2-04
DAUPHIN COUNTY
SUMMARY OF PRIOR AUDIT RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2021

Summary Of Prior Audit Recommendations

During our prior audit, we strongly recommended that the district court:

- Review the tickler reports for warrants and DL-38s daily and take appropriate action as required by the Manual. We further recommended that the court review warrant control reports and notify police or other officials to return warrants that are unserved for 120 days for summary traffic and non-traffic cases as recommended by the Manual.

During our current audit, we noted that the district court did not comply with our recommendations. Please see the current year Finding No. 1 for additional information.

DISTRICT COURT 12-2-04
DAUPHIN COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2021

This report was initially distributed to:

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue

The Honorable H. Geoffrey Moulton, Jr.
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

The Honorable Sonya M. McKnight
Magisterial District Judge

The Honorable Mike Pries
Chairperson of the Board of Commissioners

The Honorable Mary Bateman
Controller

Ms. Deborah S. Freeman
District Court Administrator

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.