

# COMPLIANCE AUDIT

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District Court 34-3-02  
Susquehanna County, Pennsylvania  
For the Period  
January 1, 2019 to December 31, 2022

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September 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 34-3-02, Susquehanna County, Pennsylvania (District Court), for the period January 1, 2019 to December 31, 2022, 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.

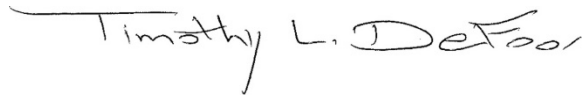
Based on our audit procedures, we conclude that, for the period January 1, 2019 to December 31, 2022, the District Court, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly 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.
- Inadequate Internal Controls Over Manual Receipts.

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 34-3-02, Susquehanna 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 long horizontal line extending to the left of the first letter.

Timothy L. DeFoor  
Auditor General  
September 11, 2023

## CONTENTS

|  | <u>Page</u>                         |
|--|-------------------------------------|
| Background.....  | 1                                   |
| Summary Of Receipts And Disbursements .....                                      | 2                                   |
| Findings And Recommendations:  |                                     |
| Finding No. 1 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring ..... | 3                                   |
| Finding No. 2 - Inadequate Internal Controls Over Manual Receipts.....           | <b>Error! Bookmark not defined.</b> |
| Summary Of Prior Audit Recommendation .....                                      | 9                                   |
| Report Distribution .....  | 10                                  |

DISTRICT COURT 34-3-02  
SUSQUEHANNA COUNTY  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

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>\$ 1,740,508</u> |
|-----------------------|---------------------|

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

Jodi Ellis Cordner served at District Court 34-3-02 for the period January 1, 2019 to December 31, 2022.

The summary of receipts and disbursements on the following page provides a summary of receipts and disbursements by category. The 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 34-3-02  
 SUSQUEHANNA COUNTY  
 SUMMARY OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2019 TO DECEMBER 31, 2022

Receipts:

|   |        |                        |
|---|--------|------------------------|
| Department of Transportation  |        |                        |
| Title 75 Fines  | \$     | 195,961                |
| Motor Carrier Road Tax Fines  |        | 39,524                 |
| Overweight Fines  |        | 11,047                 |
| Commercial Driver Fines   |        | 5,667                  |
| Littering Law Fines   |        | 1,671                  |
| Child Restraint Fines   |        | 841                    |
| Department of Revenue Court Costs   |        | 163,394                |
| Crime Victims' Compensation Bureau Costs  |        | 10,162                 |
| Crime Commission Costs/Victim Witness Services Costs  |        | 7,364                  |
| Domestic Violence Costs   |        | 2,683                  |
| Department of Agriculture Fines   |        | 1,630                  |
| Emergency Medical Service Fines   |        | 139,987                |
| CAT/MCARE Fund Surcharges   |        | 352,508                |
| Judicial Computer System Fees   |        | 91,619                 |
| Access to Justice Fees  |        | 47,823                 |
| Criminal Justice Enhancement Account Fees   |        | 3,039                  |
| Judicial Computer Project Surcharges  |        | 125,092                |
| Constable Service Surcharges  |        | 1,745                  |
| Miscellaneous State Fines and Costs   |        | <u>538,751</u>         |
| <br>Total receipts  |        | <br>1,740,508          |
| <br>Disbursements to Commonwealth   |        | <br><u>(1,740,508)</u> |
| <br>Balance due Commonwealth (District Court)<br>per settled reports  |        | <br>-                  |
| <br>Audit adjustments   |        | <br><u>-</u>           |
| <br>Adjusted balance due Commonwealth (District Court)<br>for the period January 1, 2019 to December 31, 2022 | <br>\$ | <br><u><u>-</u></u>    |

DISTRICT COURT 34-3-02  
SUSQUEHANNA COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

**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 two prior audits with the most recent for the period January 1, 2015 to December 31, 2018. Our current audit found that the district court did not correct the 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 16 instances in which a warrant was required to be issued under Pa.R.Crim.P. 430(b)(1). Our testing disclosed that 11 were not issued timely. The time of issuance ranged from 84 days to 463 days.

We also tested 13 instances in which a warrant may be issued under Pa.R.Crim.P. 430(b)(3). Our testing disclosed that two were not issued and 11 were not issued timely. The time of issuance ranged from 140 days to 1,154 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, we tested 17 instances in which a DL-38 was required to be issued. Our testing disclosed that 13 were not issued timely and three were not issued at all. The time of issuance ranged from 113 days to 1,281 days.

DISTRICT COURT 34-3-02  
SUSQUEHANNA COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

**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, 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, 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 34-3-02  
SUSQUEHANNA COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

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

**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.

These conditions existed because the district court failed to review the tickler reports for warrants and DL-38s daily as recommended in the two prior audits. Court staff stated that they were understaffed and have a high volume of warrant activity. Also, court staff stated that the audit period included the COVID-19 pandemic. 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.

**Recommendation**

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.

DISTRICT COURT 34-3-02  
SUSQUEHANNA COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

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

Management's Response

The Magisterial District Judge responded as follows:

I have a very busy, fast paced district court office which is along Route 81. We receive many citations that are issued in this area. I am short staffed in my office, and my staff do the best they can in issuing the warrants and DL-38s timely. At this point, I believe we are making headway in 2023 and are working diligently in correcting the late issuance of warrants and DL-38s. I believe we will continue to improve on the lateness of the issuing of both.

Auditor's Conclusion

This is a recurring finding. It is imperative that the district court take all corrective actions necessary to comply with our recommendation. 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 recommendation.

DISTRICT COURT 34-3-02  
SUSQUEHANNA COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

**Finding No. 2 - Inadequate Internal Controls Over Manual Receipts**

The Administrative Office of Pennsylvania Courts' (AOPC) policies require computer downtime manual receipts to be issued in the event of a temporary power loss to the district court's computer system. When the computer system is operating again, the computer downtime manual receipt is replaced by an official computer-generated receipt and included in the daily receipts. When the AOPC's policies are not followed, the possibility that funds received by the District Court could be lost or misappropriated increases significantly.

Our audit disclosed that required computer downtime manual receipt procedures were not always followed during the audit period.

- There were 33 instances where a down-time manual receipt was issued unnecessarily. The district court computer system was not down for any length of time and was still active when receipts were issued.
- There were three instances in which the computer downtime manual receipt number was not entered into the computer system when the corresponding computer receipt was generated.

The *Magisterial District Judge Automated Office Clerical Procedures Manual* (Manual) establishes the uniform written internal control policies and procedures for all district courts. The Manual requires that computer downtime manual receipts be issued in the event of a temporary power loss to the computer system. When the computer system is not operational, the receipt and log sheet should be filled out for each receipt number and the initials of the employee receiving the payment should be documented on the log sheet. The receipts should be used in numerical order; the log sheet should be filled out using the appropriate receipt number; a copy of that receipt should be given to the remitter; and the second copy of the receipt should be kept, along with the associated log, in a secure location. When the computer system is running again, the second copy of the receipt should be attached to the new system-generated receipt and placed in the case file and the date the payment was entered into the system should be documented on the log sheet. Additionally, the Manual requires that when a manual receipt number is issued, the manual receipt number should be entered in the manual receipt number field when creating the computer receipt. This will link the manual receipt to the computer receipt.

DISTRICT COURT 34-3-02  
SUSQUEHANNA COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

**Finding No. 2 - Inadequate Internal Controls Over Manual Receipts (Continued)**

Good internal accounting controls ensure that:

- Computer downtime manual receipts should be issued only in the event of a temporary power loss to the computer system.
- Computer downtime manual receipt numbers are entered in the manual receipt number field on the computer when the corresponding computer receipts are generated.

Adherence to good internal accounting controls and the uniform internal control policies and procedures, as set forth in the Manual, would have ensured that there were adequate internal controls over collections.

These conditions existed because the district court failed to establish and implement an adequate system of internal controls over computer downtime manual receipts.

Recommendation

We recommend that the district court establish and implement an adequate system of internal controls over computer downtime manual receipts as noted above.

Management's Response

The Magisterial District Judge responded as follows:

We are a very busy district court office in Susquehanna County. There are a lot of issuances of citations on Route 81, which we run along. We are next door to the State Police barracks. Many times, the state troopers issue citations on Route 81 and the individuals come in immediately to pay the citation before we even have it on the computer. We understand now the proper receipting procedures and we are definitely taking corrective actions in 2023 in order to avoid this situation in the future.

Auditor's Conclusion

We appreciate the officeholder's efforts to correct this issue. The district court should utilize the miscellaneous docket procedures to record and provide receipts for payments that are received prior to the citation being filed with the office. During our next audit, we will determine if the district court complied with our recommendation.

DISTRICT COURT 34-3-02  
SUSQUEHANNA COUNTY  
SUMMARY OF PRIOR AUDIT RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

Summary Of Prior Audit Recommendation

During our prior audit, we recommended that the District Court:

- Review the tickler reports for warrants and DL-38s daily and take appropriate action as required by the Manual.

During our current audit, we noted that the district court did not comply with our recommendation. See Finding No. 1 for more detail.

DISTRICT COURT 34-3-02  
SUSQUEHANNA COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

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 Jodi Ellis Cordner**  
Magisterial District Judge

**The Honorable Elizabeth M. Arnold**  
Chairperson of the Board of Commissioners

**Ms. Cathy E. Hawley**  
District Court Administrator

This report is a matter of public record and is available online at [www.PaAuditor.gov](http://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](mailto:news@PaAuditor.gov).