



DISTRICT COURT 05-2-12

ALLEGHENY COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2006 TO AUGUST 31, 2008

CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
Financial Section:	
Statement Of Receipts And Disbursements.....	5
Notes To The Statement Of Receipts And Disbursements.....	6
Findings And Recommendations:	
Finding No. 1 - Misappropriated Funds Of At Least \$59,690	7
Finding No. 2 - Inadequate Segregation Of Duties	11
Finding No. 3 - Missing Case Files	13
Finding No. 4 - Unsecured Payment Drop-Off Utilized By The District Court	14
Finding No. 5 - Evidence Of Authorizing The Disposition Of Citations Was Not Available	15
Finding No. 6 - Inadequate Arrest Warrant And DL-38 Procedures.....	16
Management's Response To The Findings	19
Report Distribution	21

Independent Auditor's Report

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 05-2-12, Allegheny County, Pennsylvania (District Court), for the period January 1, 2006 to August 31, 2008, pursuant to the requirements of Section 401(c) of *The Fiscal Code*, 72 P.S. § 401(c). This Statement is the responsibility of the District Court's management. Our responsibility is to express an opinion on this Statement based on our examination.

Except as discussed in the fourth paragraph, our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. An examination includes examining, on a test basis, evidence supporting the Statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

We are mandated by Section 401(c) of *The Fiscal Code* 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. *Government Auditing Standards* issued by the Comptroller General of the United States include attestation engagements as a separate type of audit. An attestation engagement performed pursuant to *Government Auditing Standards* involves additional standards that exceed the standards provided by the American Institute of Certified Public Accountants. Accordingly, this attestation engagement complies with both *Government Auditing Standards* and Section 401(c) of *The Fiscal Code*.

As discussed in the Findings and Recommendations section of the examination report, there were significant internal control weaknesses that led to a misappropriation of funds. Because of the severity of these conditions, we were not able to apply other examination procedures to satisfy ourselves that the misappropriated funds are not substantially more than reported in this report.

Independent Auditor's Report (Continued)

In our opinion, except for the effects, if any, of the matters noted in the preceding paragraph, the Statement referred to above presents, in all material respects, the operations of the District Court as it pertains to receipts made on behalf of the Commonwealth for the period ended August 31, 2008, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Statement and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the Statement is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District Court's ability to initiate, authorize, record, process, or report data reliably in accordance with the applicable criteria such that there is more than a remote likelihood that a misstatement of the District Court's Statement that is more than inconsequential will not be prevented or detected by the District Court's internal control. We consider the deficiencies described in the findings below to be significant deficiencies in internal control over the reporting on the Statement:

- Misappropriated Funds Of At Least \$59,690.
- Inadequate Segregation Of Duties.
- Missing Case Files.
- Unsecured Payment Drop-Off Utilized By The District Court.
- Evidence Of Authorizing The Disposition Of Citations Was Not Available.
- Inadequate Arrest Warrant And DL-38 Procedures.

Independent Auditor's Report (Continued)

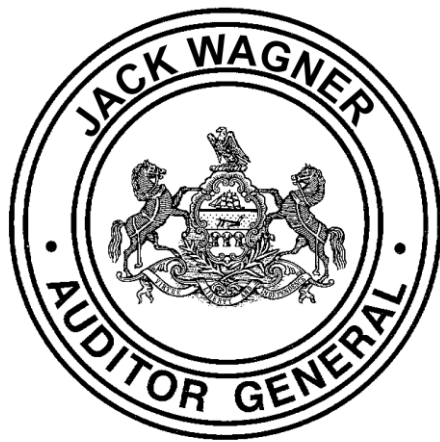
A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the Statement will not be prevented or detected by the District Court's internal control. Our consideration of the internal control over reporting on the Statement would not necessarily disclose all matters in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider the first five bulleted deficiencies to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

This report is intended solely for the information and use of the Pennsylvania Department of Revenue, the Administrative Office of Pennsylvania Courts, and the District Court and is not intended to be and should not be used by anyone other than these specified parties.

July 19, 2010

JACK WAGNER
Auditor General



DISTRICT COURT 05-2-12
 ALLEGHENY COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2006 TO AUGUST 31, 2008

Receipts:

Department of Transportation		
Title 75 Fines	\$ 429,280	
Motor Carrier Road Tax Fines	550	
Overweight Fines	1,200	
Littering Law Fines	399	
Child Restraint Fines	225	
Department of Revenue Court Costs	232,605	
Crime Victims' Compensation Bureau Costs	24,944	
Crime Commission Costs/Victim Witness Services Costs	17,832	
Department of Public Welfare		
Domestic Violence Costs	7,067	
Attend Care Fines	616	
Department of Agriculture Fines	200	
Fish and Boat Commission Fines	1,284	
Game Commission Fines	2,889	
Department of State Fines	832	
Emergency Medical Service Fines	126,621	
CAT/MCARE Fund Surcharges	389,317	
Judicial Computer System Fees	122,731	
Access to Justice Fees	30,429	
Constable Service Surcharges	7,327	
Firearm Education and Training Costs	15	
Miscellaneous State Fines	3,152	
	<hr/>	
Total receipts (Note 2)		\$ 1,399,515
Disbursements to Commonwealth (Note 3)		<hr/> <u>(1,399,515)</u>
Balance due Commonwealth (District Court) per settled reports (Note 4)		-
Examination adjustments		<hr/> -
Adjusted balance due Commonwealth (District Court) for the period January 1, 2006 to August 31, 2008		<hr/> <u>\$ -</u>

Notes to the Statement of Receipts and Disbursements are an integral part of this report.

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

1. Criteria

The Statement of Receipts and Disbursements 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 Statement 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.

2. Receipts

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.

3. Disbursements

Total disbursements are comprised as follows:

District Court checks issued to:

Department of Revenue	\$ 1,399,515
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2006 To August 31, 2008

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

5. Magisterial District Judge Serving During Examination Period

William K. Wagner served at District Court 05-2-12 for the period January 1, 2006 to August 31, 2008.

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

Finding No. 1 - Misappropriated Funds Of At Least \$59,690

Our examination of District Court 05-2-12 disclosed that at least \$59,690 had been misappropriated during the period of January 1, 2006 through August 31, 2008. Schedule A on page 10 of this report provides a distribution by entity for the amount misappropriated.

The method used to misappropriate monies from the traffic court was a lapping scheme, swapping checks for cash. A lapping fraud scheme is a term used to describe a method where an individual misappropriates cash from a day's collection. The amount of total cash misappropriated is replaced by using checks/money orders that were collected on a previous day and not recorded. Replacing the cash with the checks/money orders allows the day's collections to equal the total amount of the deposit. This allows the perpetrator to cover their fraud by showing that the books superficially balance for the day. The amount of cash misappropriated, that we were able to determine, totaled \$59,690.

To perpetuate this fraud, our testing showed that checks and money orders were intentionally misapplied by using four different methods. These methods are as follows:

- In 98 instances, citations provided to the court were not recorded in the district court's computer system. Therefore no case file was opened at the court on these citations and there was no record in the court of money being owed as a result of the citations. We concluded that the fines, fees, costs, and surcharges paid on these citations were not recorded in the district court's computer system and instead were set aside by the perpetrator and substituted for cash paid by defendants in opened cases. This method of fraud accounted for \$26,226 in misappropriated funds.
- In 49 cases, the perpetrator altered the disposition of a case by marking it "not guilty," "dismissed," "withdrawn," or "deceased," or by performing a "cash balance adjustment." This made it appear in the court's system as though no money was owed on the case when in fact money was owed. As a result, when a defendant paid by check or money order on one of these cases, the perpetrator was able to set the check or money order aside and substitute it for cash paid by a defendant on another case. Additionally, in 10 of the 49 instances, the altered disposition generated a refund check that appeared to be due the defendant. However, the refund check was prepared using District Court 05-2-12 as the payee and not the defendant. As a result, the refund checks were deposited into the district court's bank account to allow the perpetrator to remove cash paid by defendants on other cases. This method of fraud accounted for \$20,908 in misappropriated funds.

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

Finding No. 1 - Misappropriated Funds Of At Least \$59,690 (Continued)

- In 14 cases, after fine and costs on cases were set, the perpetrator inappropriately reduced the fine and cost amounts in the court's system. As a result when fines and costs were paid on these cases, the perpetrator was able to misappropriate the difference between the originally set fines and costs and the reduced amount. This method of fraud accounted for \$1,384 in misappropriated funds.
- In 20 cases, checks and money orders were deposited by the court, but the checks and money orders had not been applied to the appropriate cases. This left an outstanding balance due on those cases. The checks and money orders that should have been applied to the 20 cases were substituted for cash payments made on other cases. The cash paid on the other cases was misappropriated. This method of fraud accounted for \$11,249 in misappropriated funds.

In addition, there were 39 instances where a former office employee deposited her own personal checks or money orders to balance a day's deposit. These checks and money orders ranged in value from \$1 to \$52. The total amount of personal checks and money orders deposited during our examination period equaled \$370.

In one instance in June 2008, the cash portion of a deposit was misappropriated without a check or money order substitution. This amounted to \$293.

The amount of money stolen and the pervasiveness of the fraud scheme demonstrated the total disregard for state, county, and city policies. Consequently, we cannot certify that the actual misappropriation is not significantly larger than the amount reported. The employee who allegedly misappropriated these funds no longer works for the office.

Good internal accounting controls ensure that:

- All citations and complaints that are brought to the district court are recorded in the Administrative Office of Pennsylvania Courts (AOPC) computer system.
- All citation case dispositions are reviewed and authorized by the Magisterial District Judge. There should be management oversight to review cases with dispositions of dismissed, not guilty, withdrawn, and deceased. In addition, case balance adjustments should be reviewed to determine if they were authorized by the Magisterial District Judge.
- Refund checks are never issued to the district court. If a defendant has more than one case, an internal move transaction should be utilized.

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

Finding No. 1 - Misappropriated Funds Of At Least \$59,690 (Continued)

- Fines and costs are not reduced without the approval of the Magisterial District Judge.
- All cash and checks received are properly recorded in the computer system and deposited intact as received on a daily basis.
- Office employee checks are never deposited into the district court's bank account.
- The daily cash balancing report, which summarizes total cash and total checks for the day, are reviewed and compared to the deposit slip by the Magisterial District Judge or someone other than the employee preparing the deposit slip.

The condition of Inadequate Segregation Of Duties, as stated in Finding No. 2 of this report, contributed to the fraud scheme occurring and not being detected timely.

This matter was referred to the District Attorney's office.

Recommendations

We recommend that Allegheny County Officials determine what action(s) should be taken to recover these funds. Furthermore, we recommend that the district court establish and implement adequate internal controls over receipts as noted above.

DISTRICT COURT 05-2-12
 ALLEGHENY COUNTY
 FINDINGS AND RECOMMENDATIONS
 FOR THE PERIOD
 JANUARY 1, 2006 TO AUGUST 31, 2008

Finding No. 1 - Misappropriated Funds Of At Least \$59,690 (Continued)

SCHEDULE A

DISTRIBUTION OF MISAPPROPRIATED FUNDS

This schedule allocates the cash that was misappropriated by entity classification. The rate of distribution is based upon a percentage of collections for a specific period. The period used to calculate the rate of distribution was January 1, 2006 through December 31, 2008.

The misappropriated funds have been allocated as follows:

<u>Entity</u>	<u>Average % Collected Over 3 Yrs</u>	<u>Misappropriated Funds Due Entity</u>
State	61.69%	\$36,823
County	15.93%	9,509
Municipalities	15.72%	9,383
Other Entities	<u>6.66%</u>	<u>3,975</u>
	<u>100.00%</u>	<u>\$59,690</u>

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

Finding No. 2 - Inadequate Segregation Of Duties

Our examination disclosed that one employee in the district court was responsible for performing the following functions:

- Opening mail.
- Collecting cash, entering collection information into the computer system, and issuing receipts.
- Preparing deposit slips.
- Making the deposit in the bank.
- Making voided transaction adjustments.
- Reconciling the bank account.
- Preparing checks.
- Summarizing accounting records.

Adequate segregation of duties ensures that the office's system of internal control is followed and not evaded.

In order to achieve adequate segregation of duties, one employee should not have custody of cash and at the same time maintain the accounting records for the cash, make voided transaction adjustments, and follow up on citations. These duties should be segregated and rotated daily. As an alternative control, someone independent from maintaining the accounting records and handling cash should review the employee's work daily. The reviewer should sign and date the records and documents reviewed. These documents should also include the tickler reports generated by the computer system to investigate why certain citations have not been issued DL-38s or warrants.

Without adequate segregation of duties, internal controls can be circumvented yielding to the possibility of significant irregularities. In this examination, inadequate segregation of duties created an environment to allow a significant amount of funds to be misappropriated.

This condition existed because office personnel were not cross-trained. Additionally, duties involving the handling of cash and maintaining accounting records were not rotated daily.

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

Finding No. 2 - Inadequate Segregation Of Duties (Continued)

Recommendation

We recommend that the district court provide for greater segregation of duties within the office. This can be done by cross-training personnel and rotating job functions that include the handling of cash, making voided transaction adjustments, monitoring follow-up procedures on citations, and maintaining the accounting records for the cash. As an alternative and/or additional control, someone independent from the handling of cash and the accounting records should review the employee's work at the end of each day. The reviewer should sign and date the records and documents reviewed.

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

Finding No. 3 - Missing Case Files

Our examination of the district court required that certain case files be examined. We encountered considerable difficulty in finding a number of case files. There were 57 out of 1,534 case files needed for testing that could not be located.

In order for an entity to have an efficient record-keeping system, each court document must be filed timely and properly. Additionally, the *Magisterial District Judge Automated Office Clerical Procedures Manual* (Manual) outlines the proper filing procedures for all district courts to follow.

This condition existed because the district court failed to establish and implement an adequate system of internal controls over the accountability of case files.

The failure to follow these guidelines could result in case file documents being lost, misfiled, or intentionally destroyed. Additionally, collections associated with missing case files and documents could be misappropriated.

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 case files.

Recommendation

We recommend that the district court initiate procedures to ensure that all cases are properly filed and contain appropriate documents as outlined in the Manual.

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

Finding No. 4 - Unsecured Payment Drop-Off Utilized By The District Court

Our examination disclosed that monies and mail, are being dropped off after office hours and on weekends in the mail slot in the door of the district court.

If the district court accepts payments after office hours, the court should install a locked, secured, drop-off box, which can only be accessed by authorized personnel. Additionally, the court should notify defendants that only payments made by check will be accepted in the drop-off box. Finally, the office should notify the Post Office to only deliver mail during business hours.

The office was unaware of the potential internal control weakness arising from receiving monies in a mail slot after business hours.

Good internal accounting controls require that all monies collected be adequately safeguarded and deposited in the bank at the end of every day. 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:

All money, including partial payments received by the Magisterial District Judge office (e.g. cash, checks, and money orders), must be deposited in the bank at the end of every business day. A bank night depository may be used by all (night) courts as well as by any court that cannot get to the bank during banking hours. Money should not be taken home, left in the office overnight, or unattended. The Daily Cash Balancing procedure must be completed every day.

Without a good system of internal control over funds received by the office, the possibility of funds being lost or misappropriated increases significantly.

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.

Recommendation

We recommend that the district court take measures to ensure that monies are not dropped off after hours and on weekends in the mail slot in the door of the district court. If monies are accepted after office hours, the court should install a locked, secured, drop-off box, which can only be accessed by authorized personnel. Additionally, the court should notify defendants that only checks will be accepted in the drop-off box.

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

Finding No. 5 - Evidence Of Authorizing The Disposition Of Citations Was Not Available

During our examination of the district court's case files, we tested cases with dispositions of not guilty, dismissed, discharged, or withdrawn. Of 1,534 cases tested that included these types of dispositions, there was no evidence for 103 cases that the disposition was authorized by the Magisterial District Judge.

Good internal accounting controls ensure that there is evidence that the 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.

Adherence to good internal controls would have ensured that there were adequate internal controls over citations.

Recommendation

We recommend that there is evidence authorizing the disposition on these cases by the Magisterial District Judge and is available for examination.

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

Finding No. 6 - Inadequate Arrest Warrant And DL-38 Procedures

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 29 instances in which a warrant was required to be issued. Our testing disclosed that 12 were not issued timely and 9 were not issued at all. The time of issuance ranged from 69 days to 272 days.

In addition, of 17 warrants required to be returned or recalled, 6 were not returned or recalled, and 5 were not returned timely. The time of issuance to the time of return ranged from 246 days to 672 days.

Furthermore, we tested 16 instances in which a DL-38 was required to be issued. Our testing disclosed that ten were not issued timely and four were not issued at all. The time of issuance ranged from 118 days to 178 days.

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. Rules 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.

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

Finding No. 6 - Inadequate Arrest Warrant And DL-38 Procedures (Continued)

According to Pa.R.Crim.P. Rule 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.

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.

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 60 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.A. §1533 requires that the defendant be notified that he/she has fifteen 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).

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

Finding No. 6 - Inadequate Arrest Warrant And DL-38 Procedures (Continued)

In addition, 75 Pa.C.S.A. §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.

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.

Recommendations

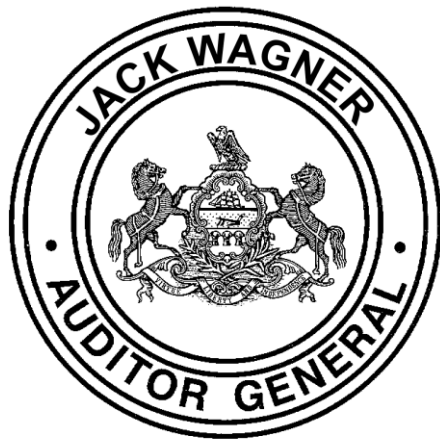
We recommend that the district court review the tickler reports for warrants and DL-38s daily and take appropriate action as required by the Manual. We further recommend that the court review warrant control reports and notify police or other officials to return warrants that are unserved for 60 days for summary traffic and non-traffic cases as required by the Manual.

DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
MANAGEMENT'S RESPONSE TO THE FINDINGS
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

Management's Response To The Findings

The Magisterial District Judge responded as follows:

The findings of the January 1, 2006 through August 31, 2008 audit are a result of my office policies and procedures not being adhered to. This resulted in the termination and prosecution of an employee. The unsecured drop off was brought to the attention of the landlord due to the fact this will be a physical alteration of the real property. It has also been stressed to my staff that it is imperative to adhere to my office policies that were already in effect and any new mechanisms put in place to prevent this situation from ever taking place again.



DISTRICT COURT 05-2-12
ALLEGHENY COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2006 TO AUGUST 31, 2008

This report was initially distributed to:

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue

The Honorable Zygmunt Pines
Court Administrator of Pennsylvania
Administrative Office of Pennsylvania Courts

The Honorable Jake Wheatley, Jr.
House of Representatives
311 Irvis Office Building
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The Honorable William K. Wagner	Magisterial District Judge
The Honorable Mark Patrick Flaherty	Controller
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Mr. Raymond L. Billotte	District Court Administrator

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