



Putnam County Probation Department Collection of Revenue

Report of Examination

Period Covered:

January 1, 2012 — October 16, 2013

2014M-5



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

April 2014

Dear County Officials:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and County Legislature governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit of the Putnam County Probation Department, entitled Collection of Revenue. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the General Municipal Law.

This audit's results and recommendations are resources for local government officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*

Introduction

Background

Putnam County (County) consists of six towns and three incorporated villages and has a population of approximately 99,600. The County Legislature (Legislature) serves as the County's policy-making body. The Legislature comprises nine Legislators who are elected to four-year terms. The County Executive is elected to a four-year term and serves as the County's chief executive officer.

The County Probation Department (Department) is under the supervision of the Legislature and the New York State Division of Probation and Correctional Alternatives. The Department's mission is to protect the safety and well-being of County residents by diligently supervising juveniles and adults placed under its direction by the family and criminal courts. Administratively, the Department reports to the County Executive.

Probation is an alternative to incarceration, permitting offenders to live and work in the community, support their families, receive rehabilitative services, and make restitution to the victims of their crimes. The Department is designated by the County Executive as the official and only agency for the collection and administration of court-ordered restitution for probation and non-probation cases. Such collections include the collection of moneys from individuals who the courts have ordered to pay driving while intoxicated (DWI) administrative fees, restitution and designated surcharges.

The Department's Director is appointed by the County Executive and manages day-to-day operations. There are two probation supervisors who are in charge of 10 probation officers. Two receptionists are responsible for collecting fees and surcharges from probationers. The Department remits DWI fees and surcharges to the County Commissioner of Finance and remits restitution moneys to the victims designated by the courts.

Objective

The objective of our audit was to examine the Department's revenue collection process. Our audit addressed the following related question:

- Is the Department collecting all DWI fees, DWI administrative fees, ignition fees and restitution?

Scope and Methodology

We examined the Department's revenue collections for the period January 1, 2012 through October 16, 2013.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such

standards and the methodology used in performing this audit are included in Appendix B of this report.

**Comments of
Local Officials**

The results of our audit have been discussed with County officials and their comments, which appear in Appendix A, have been considered in preparing this report.

Collection of Revenue

The Department's timely collection and distribution of fees, restitution and surcharges ensures that crime victims receive their court-ordered compensation and helps finance County operations. The Department is responsible for establishing controls, including written policies and procedures, to enforce the timely collection of fees, restitution and surcharges. Further, an enforcement procedure to periodically notify the courts of a defendant's failure to comply with a restitution order may help improve the collection rate because judges can use the possibility of imprisonment as an incentive for defendants to make required payments.

The Department recorded collections of \$74,685 in DWI fees, \$39,797 in administrative fees, \$21,312 in ignition interlock fees and \$17,672 in restitution and surcharges during the audit period. We found that the Department has instituted proper controls and is collecting revenues due the Department.

DWI Fees and Administrative Fees – New York State law allows counties to adopt local laws requiring individuals convicted of a crime under Article 31 of the Vehicle and Traffic Law (Law) and who are sentenced to probation supervision, to pay a DWI administrative fee to the County's Probation department to offset the administrative costs of related probation services. The County enacted such a local law in 1993 requiring a \$30 monthly DWI fee for probationers with DWI convictions. The County also adopted a local law in 2000 requiring individuals convicted of any criminal offenses that are non-vehicle and traffic related, and who are sentenced to probation supervision, to pay a \$30 per month administrative fee to the Department to offset administrative costs.

The Department has established policies and procedures to ensure that DWI fees and administrative fees are collected and paid properly. We tested 64 DWI fees and 36 administrative fees during our audit period totaling \$6,390. We reviewed the fees reported for accuracy, and traced receipts to bank statements to determine if the fees were collected and documented properly. Revenues for all 100 cases were properly collected and documented.

Ignition Interlock Fees – By Law, each DWI offender can be required to have an ignition interlock device attached to his or her car. Each device acts like a breathalyzer and requires offenders to breathe into the devices to start their cars. If their alcohol level is high, the car will not start. Several companies install and monitor these devices.

These companies send reports to the Department which will show if someone has been trying to start a car multiple times even after the car's device does not allow the car to start.

The Department keeps track of how many devices are installed and collects the proper fees. The Department sends quarterly reports and vouchers to the NYS Division of Criminal Justice Services showing the number of devices ordered by the courts and the actual number of devices installed.

From the population of 189 ignition cases, we randomly selected nine cases with fees totaling \$1,133.25 to determine if the Department collected the proper fees. We reviewed quarterly reports showing the actual number of devices installed and if the fees were collected. Department officials have taken appropriation actions to ensure the collection of all revenues.

Restitution – New York State Penal Law provides that in all cases where restitution is imposed as part of a sentence, the court shall direct that the defendant pay a 5 or 10 percent surcharge to the official or organization responsible for the collection and administration of restitution payments. The Department is responsible for collecting court-ordered restitution and the related surcharges, which are County revenue. The County and Department must implement policies and procedures to enforce collections and adequately account for and distribute restitution to victims and surcharges to the County in a timely manner.

The Department has established policies and procedures to enforce the collection of delinquent restitution payments and surcharges. From the population of 499 restitution cases, we selected a random sample of 25 cases with revenues totaling \$4,923. We reviewed various records including the surcharge summary reports and monthly deposit reports for accuracy, and compared to the receipts for accuracy. We also reviewed bank statements and cancelled checks to determine if restitution was collected and paid to the victims. We did not find any exceptions; all the 25 cases were paid and accounted for properly.

APPENDIX A

RESPONSE FROM LOCAL OFFICIALS

The local officials' response to this audit can be found on the following page.

GENE J. FUNICELLI, M.A.
Director



DEBRA A. MATRIGALI
Probation Supervisor

JOHN F. OSTERHOUT II
Probation Supervisor

DEPARTMENT OF PROBATION

March 18, 2014

Tenneh Blamah
Chief Examiner of Local Governments and
School Accountability
NYS Office of the State Comptroller
Newburgh Regional Office
33 Airport Center Drive, Suite 103
New Windsor, NY 12553

Dear Chief Examiner Blamah:

As requested, I am writing in response to your preliminary draft findings of your examination of this department. We want to thank the State Comptroller's office for their professionalism shown during the audit and we are pleased that this audit resulted in no findings.

Yours truly,

Gene J. Funicelli
Probation Director

CC: MaryEllen Odell, County Executive
William J. Carlin, Jr., County Commissioner of Finance
Michelle Alfano Sharkey, County Auditor

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APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

The objective of our audit was to determine if the Department was collecting all fees, restitution and surcharges for the period January 1, 2012 through October 16, 2013. To achieve our objective and obtain valid audit evidence, we performed the following audit procedures:

- We interviewed Department personnel to gain an understanding of their operation and to obtain an understanding of the collection processes and procedures.
- We performed a revenue status analysis to determine the different revenue sources for the Department.
- We reviewed 64 DWI and 36 administrative cases to ensure that the County received all fees as ordered by the court.
- For ignition interlock, we picked a random sample of nine cases from the entire population to determine if the Department has collected the proper fees.
- We reviewed 25 cases to determine if the Department collected and remitted restitution and surcharges in each case.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

APPENDIX C

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