



**A Report to The
Salt Lake County
District Attorney's Office**

February 2004

**An Audit to Investigate
Reported Theft at**

**The Salt Lake County
Equestrian Park and Event
Center**

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Table of Contents

I	Executive Summary	1
II	Introduction	7
III	Scope and Objectives	8
IV	Findings and Analysis.....	9
1.0	The Theft—Amount Stolen, Causes and Methodology in the Perpetration, and Ways to Prevent Future Occurrences.....	9
1.1	The perpetrator “whited-out” entries in the McBee ledger to conceal theft.....	13
1.2	The perpetrator re-wrote McBee ledger entries on a clean ledger sheet to conceal theft.....	14
1.3	The perpetrator stole concessions receipts	16
1.4	The perpetrator failed to make bank deposits corresponding to deposit totals recorded in the McBee ledger	20
1.5	The perpetrator failed to issue a receipt as a way to conceal theft of horse stall rental and other types of payments	21
1.6	Management did not review cash transactions, implement a protocol to check the reliability of cash receipts from the point of collection to deposit, or question the integrity of McBee ledger entries	25
1.7	Recommendations	30
2.0	Management’s Responsibility in Ensuring Proper Accountability of Funds and Collections.....	32
2.1	There was no written cash handling policy for Equestrian Park personnel to follow.....	32
2.2	There was no segregation of accounting and cashiering duties	33
2.3	Funds were not deposited in a timely manner.....	35
2.4	Adequate procedures were not in place to ensure the safeguarding of mailed-in receipts at Equestrian Park	35
2.5	MPF Form 10, “Cash Over/Short Log,” was not being used by the individual cashiers.....	35
2.6	Check/cash composition errors were common	36
2.7	Sportsman accounts receivables files set-ups and postings were confusing.....	36
2.8	Vending machine operations and miscellaneous collections were not controlled	37
2.9	Recommendations	37
3.0	A 10-Year Revenue Trend Analysis	38

4.0	Conflict of Interest	39
4.1	The receptionist at Equestrian Park failed to disclose her conflict of interest to the legislative body of the County.....	40
4.2	Recommendation	40

APPENDIX A	<i>Original Theft Discovery</i>
APPENDIX B	<i>Embezzlement Summary and Grand Total</i>
APPENDIX C	<i>Embezzlement by “Whiting-out” the McBee Ledger Entries to Conceal Theft</i>
APPENDIX D	<i>Embezzlement of Concession Receipts, Daily Receipts Intended for Deposit, and Other</i>
APPENDIX E	<i>Embezzlement of Equestrian Park Horse Stall Payments</i>
APPENDIX F	<i>Equestrian Park Month- by-Month Theft Totals</i>
APPENDIX G	<i>Equestrian Park McBee Ledger, August 6, 2001, “Whiteout” on Line 26, Previously \$1,245 but “Whited-out” and Changed to \$2</i>
APPENDIX H	<i>Equestrian Park McBee Ledger, July 7, 2003, First 16 lines in Pen Writing Indicating the Prior McBee Page had been Discarded</i>
APPENDIX I	<i>Equestrian Park McBee Ledger, July 21, 2003, Line 18 Changed by Pen to \$1,034.25 From \$1,334.35</i>
APPENDIX J	<i>Concession Cashier Balance Sheet and Cash Reconciliation Report, March 30, 2002, Totals were Erased and Reduced</i>
APPENDIX K	<i>Collections Reported on June 11, 2002, Reconciliation Report that were not Deposited</i>
APPENDIX L	<i>Equestrian Park McBee Ledger, September 5, 2001, Line 22 \$3,499.75 could not be Traced to the Bank Statement</i>
APPENDIX M	<i>Current Equestrian Park Fee Schedule</i>
APPENDIX N	<i>Audit Response from Mayor’s Office</i>

An Audit to Investigate Reported Theft at The Salt Lake County Equestrian Park and Event Center

*Parks and Recreation
administration officials
initially reported to us an
embezzlement of \$147.*

I. Executive Summary

Background

On Friday morning, September 26, 2003, the Associate Division Director for Parks and Recreation and the Parks Operations Manager met with Auditor's Office representatives to report a theft they stated had been committed by Equestrian Park secretary, Cheryl Tucker. According to their report, she had stolen \$147 and concealed her theft by re-writing entries in the McBee ledger and reducing one of these entries down to \$3 from an original amount of \$150. The \$147 was the only known occurrence of theft at the time of their report to us.

Later in the day of September 26, at 1:30 p.m., the Parks Operations Manager met with Cheryl Tucker in a two-hour meeting at Equestrian Park and presented her with the incriminating evidence. At that time, she would not admit to committing theft. The Parks Operation Manager immediately placed her on administrative leave and escorted her off the grounds. About half an hour later, Tucker called the Parks Operation Manager on her cell phone and admitted to stealing the \$147. Then, in an email to the Parks Operation Manager at 4:23 p.m. that same afternoon, Tucker tendered her resignation.

The following Monday, September 29, our audit staff went to Equestrian Park to examine financial records in an effort to determine whether additional thefts had occurred. In the weeks that followed we examined approximately 5,000 transactions primarily covering the period from January 2000 through September 2003, but also including a focused review of McBee ledgers from 1998 and 1999. We found 403 additional instances of missing funds, likely representing theft, totaling over \$53,000.

Summary of Embezzlement at Equestrian Park	
Methodology Used	Amount
“White-outs” on McBee Entries	\$5,256
Horse Stall Payments – no Receipt	\$20,376
Concession Receipts Stolen	\$17,619
Pen Entries on Clean Ledger Sheet	\$147
Daily Receipts not Deposited	\$10,035
Employee Reports of Theft	\$422
Total Stolen	\$53,855

Numerous “whiting-out” of McBee ledger account entries occurred, indicating an attempt to conceal theft.

In our work, we found numerous alterations of McBee ledgers, including “whiting-out” entries and entering a much lower amount on the same line. Tucker initialed all but one of these entries. In addition, we found missing receipts from concession sales. Moreover, deposits recorded in the McBee ledger were missing from the bank statement and therefore later determined as not deposited. We also discovered missing payments for goods and services, principally horse stall rentals. Because numerous original entries had been “whited-out” and ledger pages removed, with entries re-written, we could not determine the full extent of Tucker’s thefts.

On October 31, 2003, Tucker met with District Attorney’s Office investigator and stated to him, “I’m guilty of everything you think I did,” and further admitted to thefts in the “\$10,000 to \$15,000” range, though she was unsure of the amount, given the “fog” that her mind was in over the time these thefts occurred. Our office has worked closely with the District Attorney investigator as he has continued his investigation into the thefts.

Recommendations from our May 1999 audit for supervisory review of cash transactions were not implemented.

In her interview with the District Attorney investigator, Tucker referred to a May 1999 audit our office conducted at Equestrian Park. She stated that the occurrence rate of her thefts increased when she could see that management was not implementing recommendations from the report. She stated that implementation of recommendations requiring supervisory review of the cash handling process would have either led to the discovery of her thefts or to her discontinuance of committing additional thefts.

The following excerpt from her interview is noteworthy: Speaking to the District Attorney investigator she stated, “After we went through...the audit...wasn’t the year 2000? (actually 1999). The controls that were put in place at the time would have prevented someone like me helping themselves to the book, or to the money, I should say. Simply because a (regular) review had been requested (by recommendation of the audit), so at the end of the day, whoever was in charge, would review all the monies taken in, and sign off...So, myself, as being the thief, coming the next day, would not have been able to have made any type of changes to the entries, because the paper work would have been reviewed. So, the checks and balances put in place by the auditor’s (recommendations) would work.”
(Parenthetical added for clarity.)

Findings and Analysis

The following are the primary findings in this report.

McBee ledger entries were “whited-out” or altered in pen writing to conceal theft. We examined McBee ledgers from 1998 through September 2003 and found that 40 entries were altered by placing correction fluid over one entry and then entering a lower amount on top of the “white-out.” We found “whiting-out” of entries highly suspect, since in the McBee receipting system, the ledger appears as a carbon copy facsimile of the receipt. In most cases we could determine the original entry by examining the backside of the page. We determined that \$5,256 in thefts occurred and were concealed using this methodology of “whiting-out” entries.

The \$147 theft reported above, was concealed by discarding the McBee ledger page, re-writing the entries on a clean page, and altering the original entry. Though we found this method of concealment in several other cases, we could not determine the amounts stolen without the customer’s original receipt. A copy of the receipt had been obtained in the case of the \$147 theft.

Concession receipts were missing. We examined 636 concession balance sheets, prepared by cashiers at shift change, and reports of concession sales from January 2000 through September 2003 and identified missing funds totaling \$21,319. As a matter of practice, all concession receipts were routinely placed in a drop safe and retrieved by Tucker for posting to the McBee ledger and preparation of the bank deposit. We compared concession balance sheets prepared at the end of shifts in concessions to transmittal forms in Tucker’s file. We concluded a theft had occurred when a transmittal form matching the concession balance sheet was not on file, and the concession balance sheet amount could not be found in the McBee ledger.

Intended bank deposits were missing. We found 11 missing bank deposits, totaling \$10,035, after examining all 1,153 deposits recorded in the McBee ledger from January 2000 through September 2003, and comparing these to bank statements. Tucker prepared all but one of the bank deposits that could not be traced to the bank statement. In the deposit preparation process, all entries for the day are totaled and the total entered on the McBee ledger as the intended deposit amount. The person preparing the deposit would then initial and date the entry. All of the missing deposits recorded in the McBee ledger, except one, contained her initials.

Payments for horse stall rentals were missing. Equestrian Park started using the Sportsman on-line management system sometime in 2000 to maintain and update its horse stall rental accounts. The system generates the amount due, and reduces the balance by the amount of a payment entered into the system. However, Sportsman has not been fully utilized because the primary receipting process continued to be performed through

Management did not exercise sufficient oversight of the McBee ledger as evidenced by continuing occurrence of “whited-out” entries.

the manual McBee system. We obtained a printout from Sportsman of account activity covering the period from January 2000 through November 2003, on the 94 accounts currently in the Sportsman system, and compared approximately 12,000 separate line items to payments recorded in the McBee ledger. We found 295 instances of payments totaling \$20,376 recorded in Sportsman, but not recorded in McBee.

Management’s lack of training, oversight, and continuity created an environment where embezzlement could occur. Management placed too much trust in Tucker to perform and oversee cash handling functions. She, primarily, prepared the deposit and took it to the bank. She received and processed money from the concession cashiers. Management should have been suspicious and inquisitive of “whited-out” entries in the McBee ledger, and entries written in pen, rather than the expected carbon copy facsimile of the receipt.

Four County employees have served as Equestrian Park Directors in the period we examined, 1998 to 2003. In reviewing the tenure of past and current Equestrian Park Directors, we concluded that the rapid expansion of the facility, in terms of size, multiplicity of events, and related revenue, created challenges beyond the education, training, and experience of these managers. None provided the consistent vigilance and follow through in the management of public monies demanded by the situation.

In addition, the 10 month gap between the resignation of the prior Equestrian Park Director and the hiring of the current Director, a period from April to December of 2002, could have contributed to providing greater opportunity for Tucker. Sensing that a higher-tier manager, with competing responsibilities, would not spend time to review her transactions and records thoroughly, may have encouraged her.

In light of our findings, current management should take steps to establish strong internal controls. The deposit process should be redesigned to ensure that a second person counts the deposit and verifies the count with a signature on the deposit preparation form. Daily balance sheets filled out by concession cashiers should be pre-numbered. The deposit preparation form should be redesigned to separately show concession amounts included in the deposit, and deposit amounts should be reconciled to concession balance sheets, weekly or monthly.

Management should regularly review the McBee ledger for any “whited-out” or pen-written entries, or other improper alteration of records. Management must also take an active role in the oversight of functions that cannot be segregated.

Management should be aware of additional internal control issues that we discovered during our work. As part of our work in investigating potential thefts, we found that over/short logs were not being completed in accordance with Countywide Policy #1062, “Management of Public Funds.” Concession cashiers frequently had overages and shortages.

Nevertheless, over/short logs were surprisingly completed only for the Equestrian Park as a whole, showing a perfect balancing record with no overs or shorts, an unlikely outcome, and actually a signal of record manipulation.

In addition, there were frequent cash/check composition errors by concession cashiers, meaning that a cash receipt was keyed into the cash register as a check, and vice-versa. Cash/check composition errors can indicate an embezzlement scheme, but in our investigation we had no indications that this was taking place among concession cashiers.

Voided transactions should be documented in accordance with Policy #1062, and again, additional emphasis should be placed on dual controls when preparing the deposit. Also, entries made in the on-line Sportsman management system quite often were confusing, indicating the need for additional training in its use.

A significant spike in revenues during and after 2000 created an opportunity for theft. Revenues increased from \$200,000 in 1999 to \$558,000 in 2000 with the opening of the new arena. By 2002, these revenues were \$724,000 annually, much of it in cash, creating the need for enhanced internal controls.

In the findings of this audit, we observed a lack of fiscal-management focus and oversight, a pattern similar to that noted in the recently completed audit of the Center for the Arts. The recurring theme in these two audits was the rapid expansion of a County facility, and its related operating revenue, outstripping the resources available to adequately staff the operation with people experienced in the management of critical fiscal operations, i.e., revenue receipting, cash handling, and depositing. The unintended consequence of this pattern is creation of an atmosphere that provides the opportunity for an employee to commit fraud.

The findings of this investigation disclose a disturbing pattern with regard to the management of public funds, and the administrative oversight of day-to-day fiscal operations in some of our highly visible County operations. The common elements we have discovered over the past months and recent years are these:

- Significant expansion of County facilities, such as the Center for the Arts, Recreation Centers, and Equestrian Park, without the attendant resources to staff the fiscal operations of the expanded facilities.
- Hiring or retention of staff, and key administrators, who lack the specific, requisite education, background, and/or training in day-to-day fiscal operations of a growing, demanding facility.
- Lack of proactive attention by administrators to the requirement of creating an “environment of strong internal controls,” with consistent follow-up on day-to-day accounting and fiscal processes and procedures.

- Casual treatment, with “hit-and-miss” follow through, on the implementation of the recommendations of audits by the Internal Audit Division of the County.



Equestrian Park indoor events center (arena) at 11400 S. 2200 W.

II. Introduction

The Salt Lake County Equestrian Park and Events Center, located in South Jordan, services and promotes the riding, care, and exhibition of horses. In addition to horse shows and races at the park, stalls are rented to patrons for boarding of horses overnight, or for an indefinite period of time. Also, patrons can pay a fee for access to one of the carousel walkers where horses can be exercised. Since 1999, the park has served as the venue for the Salt Lake County Fair.

The centerpiece of the 125-acre Equestrian Park is the new indoor arena, completed and inaugurated in late 1999. This 94,000 square foot facility, encompassing 45,000 square feet of floor space, has a fixed seating capacity of 3,000, with a possibility of an additional 2,500 seats on the exhibition floor. In addition to its use for shows, horse exhibitions, and riding, it has two kitchens from which beer, soft drinks, hot dogs and other concession items are sold, and it also has office space for Equestrian Park administrative personnel. During 2002, 49 events were held at the indoor arena.

In addition to the indoor arena, the park has an outdoor racetrack and 14 horse barns divided into stalls. 306 of these stalls are for boarding horses used in shows, and 282 are available for rent by the general public. In addition, "tack rooms," closet-sized spaces for keeping saddles, blankets and other apparel, can be rented.

The racetrack has two seasons, one for chariot races, and the other for quarter horse races. Eight weekends are devoted to chariot races and eight weekends to quarter horse races.

The park has five outdoor arenas, which accommodate public seating, and two of these with permanent seats. From March through October, the outdoor arenas are rented to clubs that use them for “club nights” and riding opportunities. A 10 ½ acre grassy field is used by a local polo club and is also available to patrons who wish to ride their horses on the grass. The old office building is now called the “fair office” and is rented out to horse race associations for use in registration and as a place where jockeys can dress and shower.

The Equestrian Park operates as an enterprise fund, with a 2003 budget of \$1.8 million, and a staff of eight, full-time merit employees, one appointed employee, and eight seasonal or temporary employees. Full-time employees include an event coordinator, an office coordinator, several general maintenance/construction specialists, and the center director.

Fees are charged to event promoters, to individuals for rental of horse stalls, and for daily horse riding on the Equestrian Park grounds, walkers, the purchase of manure or wood shavings, and any other goods or services offered. Equestrian Park uses a manually-generated, single-entry ledger for recording cash receipts. This manual system is produced by the McBee Company, and is commonly referred to as a McBee “one-write” system. The current Center Director anticipates that the manual McBee receipting system will soon be replaced by the on-line Sportsman management system, currently installed at Equestrian Park, but not fully utilized, or by another software package.

III. Scope and Objectives

The theft that occurred at Equestrian Park, as reported to our office on September 26, 2003, triggered our audit work. We initiated our work with the objective of discovering additional occurrences of theft. Our initial goal was to review the McBee ledger, the point where all money transactions are first recorded, to see if any incongruities existed.

Following a review of the McBee ledger, we considered other areas where extensive cash was handled and readily available to anyone contemplating theft. We determined that concession sales, with its daily intakes often exceeding \$1,000, was a likely target.

A further step in our audit process was to examine bank deposits and the depositing process to determine whether all receipts were actually posted to bank records.

Our objectives were to:

- Uncover any additional theft that might have occurred at Equestrian Park beyond the initial \$147 theft reported to us.
- Review the receipting and depositing process in concession sales to discover possible theft and any deficiencies in the control process that could have allowed theft to continue.

- Discuss receipting procedures with Equestrian Park personnel to become familiar with operating procedures and to determine weaknesses in that process.
- Check the recording of deposits in the McBee ledger to see if these appeared on the bank statement, to determine whether collections were deposited.
- Compare Sportsman accounts receivable system to the McBee ledger to determine whether all payments credited in Sportsman were reflected as deposits in McBee.
- Report any deficiencies in internal controls that came to our attention as a result of our work in uncovering theft.

In determining which years to examine we considered our time limitations, availability of financial records, and Tucker’s statement to the District Attorney investigator that her thefts had been taking place for “three or four years.” Accordingly, most of our examination covered the period from January 2000 through September 2003, but also included a review of McBee ledgers from 1998 and 1999 to determine if any entries had been “whited-out.”

Since the objective of this audit was to uncover potential theft, we examined 100 percent of records at our disposal. In the area of accounts receivable, we examined records that could be printed out from the Sportsman management system.

IV. Findings and Analysis

Findings and analysis are divided into four sections: 1) The Theft—Amount Stolen, Causes and Methodology in the Perpetration, and Ways to Prevent Future Occurrences 2) Management’s Responsibility in Ensuring Proper Accountability of Funds and Collections 3) A 10-Year Revenue Trend Analysis 4) Conflict of Interest.

1.0 The Theft—Amount Stolen, Causes and Methodology in the Perpetration, and Ways to Prevent Future Occurrences.

An Equestrian Park employee stole nearly \$54,000 from receipts over a five-year period, starting as early as 1998 and continuing through September 2003. Most all revenue sources were penetrated in the perpetration of this theft. Thefts occurred in concession sales, rental fees for horse stalls, and sales of manure and wood shavings. All of these areas were replete with cash transactions, an obvious source for anyone with criminal intent.

A dishonest employee, a lack of sufficient oversight by management, and loopholes in the system of controls created circumstances ripe for the perpetration of theft. Had management taken steps to ensure the consistent review of collection and depositing processes, these thefts would have been

Nearly \$54,000 was embezzled from Equestrian Park over a four-to-five-year period.

Theft at Equestrian Park

discovered earlier. Management trusted one, mostly unsupervised employee to monitor the McBee ledger, prepare bank deposits, and oversee cash handling operations in general.

The perpetrator admitted to the theft. Tucker first admitted her theft of \$147 to the Parks Operations Manager on the afternoon of Friday, September 26, 2003. The Parks Operations Manager presented incriminating evidence to Tucker in a one-on-one, two-hour meeting that began at 1:30 p.m. that same day. She initially denied committing any theft, but after the meeting ended, she called the Parks Operations Manager on her cell phone and admitted to having stolen the \$147. She was placed on administrative leave shortly thereafter.

Tucker admitted to the District Attorney investigator that she stole an amount in the “\$10,000 to \$15,000” range.

About a month later, in an interview on October 31, 2003, with the District Attorney investigator, and after the Auditor’s Office uncovered significant additional theft, she confessed to stealing money in the “\$10,000 to \$15,000 range,” though she was unsure of the amount. She indicated that she was in a “fog” during the embezzlement period.

How the perpetrator was caught. An observant Equestrian Park employee, and a customer who retained her receipt, are credited with the initial discovery of theft. On September 15, 2003, a temporary employee at Equestrian Park was working the night shift when he receipted \$150 in cash, his only transaction that night, from a driver for Colorado horse trainers. On her way through Salt Lake City, the driver had stopped to board 10 horses at Equestrian Park for the night.

Tucker was initially caught because an Equestrian Park employee noticed that his McBee ledger entry for \$150 had been changed to \$3.

As part of the documentation process at Equestrian Park, receipt totals for each of the two shifts, day and night, are recorded on a pre-printed form and signed by an employee from that shift. The County employee entered his shift total of \$150 on the summary sheet, but later noticed that it appeared as \$3 on a clean ledger form, with his name written, obviously, in Tucker’s handwriting. Tucker had discarded the original ledger page and rewritten totals on a clean form, altering the original transaction in the process to \$3 and writing the employee’s name.

In addition to the altered summary sheet, the McBee ledger line for this transaction had also been changed to \$3 from the original receipt amount of \$150. Not only was the amount changed, so too were the name and activity description. The horse trainer’s name was re-written in a fictitious name (similar to the County employee’s name who discovered the theft) and the transaction changed to “1 daily” ride, instead of “10 overnight” horse stall rentals for which the driver had been charged. Equestrian Park obtained a copy of the receipt from the horse trainer enterprise and compared the receipt number, 10893, to the McBee entry for this same receipt number and found that indeed an alteration had been made.

To alter the McBee entry, Tucker tore out the original ledger page where four entries, including the one for the horse trainer already appeared. She then re-wrote all four entries on a clean McBee ledger page in pen, completely changing the transaction for receipt #10893, as noted above, to conceal her theft of \$147.

Theft at Equestrian Park

Equestrian Park and other recreation centers use the hand-written McBee receipt system. The original receipt, before given to the customer, is laid on top of the McBee ledger, so that a carbon copy facsimile is produced on the ledger when the receipt is completed. Thus, any pen-written entries on a ledger page breach controls intended to show that the ledger is an exact, carbon duplicate of the receipt handed to the customer.

Appendix A shows copies of the altered McBee ledger page, the horse trainer's receipt, and the altered "Equestrian Park Cash Reconciliation Report."

Methodology used in perpetuating the theft. The Associate Division Director for Parks and Recreation and the Parks Operations Manager met with the Auditor's Office on Friday, September 26, 2003, to advise us of this theft, in accordance with countywide policy.

Following the plan of action determined in the meeting, on Monday, September 29th, Auditor's Office personnel went to Equestrian Park to review financial records in an effort to determine whether additional embezzlement had occurred. The first records reviewed were the McBee ledger sheets for 2003. We discovered a number of "white-outs" on several entries. Correction fluid had been placed over the entries to alter transactions.

Thereafter, the Auditor's Office continued a progressive search through available financial records and found significant theft had occurred in concession sales, in daily receipt totals signed and dated in the McBee ledger for deposit, and in horse stall rental payments. In addition, Equestrian Park employees came forward with purported eyewitness accounts of cash being received by Tucker that went unaccounted for in the McBee ledger and was not deposited. These comprised a \$200 payment to Equestrian Park for transport of manure from a patron's property to Equestrian Park property, a \$150 horse stall payment, and a \$75 rental payment that had instead been entered by pen in the McBee ledger as a \$3 daily ride.

Table 1 on page 12 shows the total amount we have determined to have been stolen from Equestrian Park revenues based on our examination of the perpetrator's concealment methodologies—"white-outs" and "pen-entered" transactions—and based further on our review of deposit records and documentation for receipts of horse stall rental payments and concession sales.

Concession receipts and horse stall rental payments were embezzled, as were daily collections earmarked for deposit.

Embezzlement at Equestrian Park Summary							
		Years Covered in Review					
Methodology Used	Amount	98	99	00	01	02	03
“White-outs” on McBee Entries	\$5,256	X	X	X	X	X	X
Horse Stall Payments-no Receipt	\$20,376			X	X	X	X
Concession Receipts Stolen	\$17,619			X	X	X	X
Pen Entries on Clean Ledger Sheet	\$147						X
Daily Receipts not Deposited	\$10,035			X	X	X	X
Employee Reports of Theft	\$422						X
TOTAL Stolen	\$53,855						

Table 1. At least five different methods were used in embezzling funds from 1999 through September 2003.

Detailed analysis of amounts shown in Table 1 can be obtained by referring to Appendices B, C, D, and E. In addition, an analysis of total theft on a month-by-month basis can be found in Appendix F.

Concession operations did not begin until 2000, shortly after the inauguration of the new indoor arena. Moreover, vending machine revenue might have been embezzled, but Equestrian Park employees did not record the digital read-out of sales from the machine, nor maintain any consistent count of inventory to determine the amount in sales that occurred. Tucker alone retrieved collections from the vending machine and recorded them in the McBee ledger.

Thefts may have occurred in other revenue centers at Equestrian Park, which we did not examine due to lower risk levels and time constraints.

Finally, we did not examine payments received from promoters of horse shows, races and other events at Equestrian Park because most of these payments, some of them in excess of \$10,000, were made by check, a form of payment more difficult to steal than cash.

Our investigation of these instances of theft resulted in the following findings regarding the methodology used in perpetrating the theft, and the lack of management oversight in preventing these thefts:

- **The perpetrator “whited-out” entries in the McBee ledger to conceal theft.**
- **The perpetrator re-wrote McBee ledger entries on a clean ledger sheet to conceal theft.**
- **The perpetrator stole concession receipts.**

Theft at Equestrian Park

- **The perpetrator failed to make bank deposits corresponding to totals recorded in the McBee ledger.**
- **The perpetrator failed to issue a receipt as a way to conceal theft of horse stall rental and other types of payments.**
- **Management did not review cash transactions, implement a protocol to check the reliability of cash receipts from the point of collection to deposit, or question the integrity of McBee ledger entries.**

1.1 The perpetrator “whited-out” entries in the McBee ledger to conceal theft.

Entries in the McBee ledger were “whited-out” to conceal theft.

During her interview with the District Attorney investigator, Tucker admitted to “whiting-out” entries in the McBee ledger to conceal her theft. In fact, “white-outs” on the McBee ledger were the first suspicious activity our office noted when we initiated our audit to uncover potential theft at Equestrian Park.

To conceal a theft of monies that had already been receipted, the perpetrator placed correction fluid over the corresponding entry in the McBee ledger. This is called a “white-out.” Not only was the amount “whited-out,” so too were the client name and activity in most cases.

Over the top of the dried correction fluid, Tucker entered an altered transaction. This preserved continuity in the McBee receipt numbering sequence. Apparently, she feared that out-of-sequence receipts would alarm anyone examining financial records, so she carefully maintained a perfect receipt numbering sequence in the ledger.

New entries were generally written over top of the “white-out” some of which may have been legitimate, and some of them not.

The altered transaction written on top of the dried correction fluid may have corrected a legitimate error in some cases. However, in many other alterations a substitute name and amount was entered.

In most cases, we were able to read the original entry beneath the correction fluid by examining the backside of the McBee page, thereby determining the amount stolen. The altered amounts were smaller than the original.

For example, Appendix G shows a “white-out” corresponding to receipt #4040 where \$2 is written over top of the correction fluid as payment for an “RV Dump,” received from a customer. Beneath the correction fluid is a \$1,245 entry to record concession sales. We verified the original concession sales amount in our examination of balance sheets completed by concession area cashiers.

As another example, a customer paid \$50 for “one annual.” The transaction was “whited-out” and replaced with “one daily” horse ride for \$3, an amount we netted against the original entry to arrive at a total theft of \$47. Since the new entry did not have a name, we considered the new transaction to be invalid.

Theft at Equestrian Park

In all, we identified 40 “white-outs” from 2001 through 2003, representing \$5,256 in stolen Equestrian Park collections. The original entry on nine of these items was indecipherable because Tucker had scribbled or lined through amounts, names and descriptions before applying correction fluid. In other cases, she applied correction fluid to both the front and back of the McBee ledger page to ensure concealment. In most cases, she initialed the transaction line containing the correction fluid.

Figure 1 below shows amounts stolen and concealed using “white-out” each year from 1998 through September 2003. Appendix C contains a complete listing of McBee ledger transactions we discovered where correction fluid had been applied.

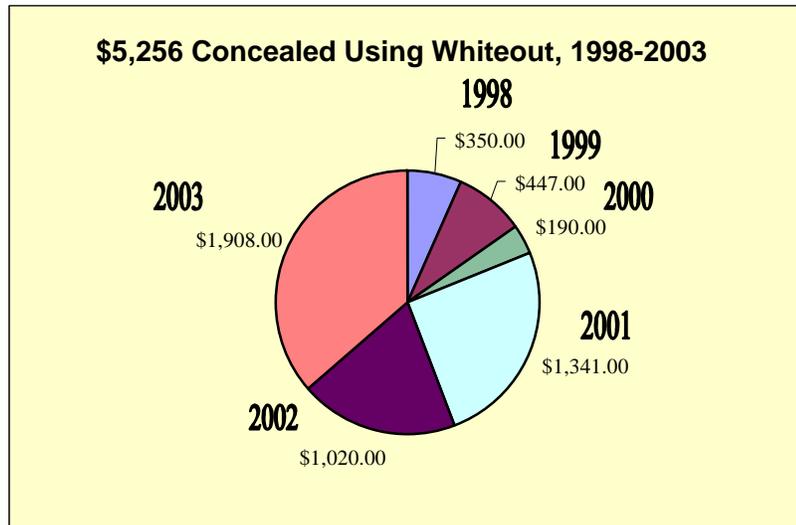


Figure 1. The greatest amount of theft concealed using “white-out” occurred in 2003.

Fundamental bookkeeping procedures preclude the use of “white-out” to correct accounting or bookkeeping entries. If an error is made while issuing a receipt, a line should be drawn through the ledger entry, and the receipt stapled to the page. Equestrian Park staff were apparently aware of this correct procedure because we noted proper voiding procedures on some McBee ledger pages.

Management’s responsibility. Management’s responsibility was to check McBee ledger sheets and investigate any “whited-out” items. The triplicate, pink copy of the McBee ledger page was always sent to the Parks administration office. It also contained “white-outs,” but we discovered no instance of anyone ever expressing concern or reporting it to someone higher in the chain of command. The person processing these pages either did not notice the “white-outs,” or did not feel that they were a matter requiring inquiry or investigation.

1.2 The perpetrator re-wrote McBee ledger entries on a clean ledger sheet to conceal theft.

The McBee system is organized such that a sheath of 32 pre-numbered receipts is placed on a McBee ledger page of 32 lines. The backside of each receipt has a narrow carbon strip that records the transaction in the ledger when the receipt is written. Though receipts are pre-numbered, the number must be written again on the receipt to ensure transmittal to the ledger.

We observed numerous pen-written entries in the McBee ledger as an additional method for concealing theft. Tucker used this method to conceal the \$147 theft, the subject of our initial investigation. She discarded the McBee page on which the original \$150 transaction appeared, and re-wrote the amount as \$3 on a clean page, altering the name and description as well.

To disguise her activities, Tucker may have deemed this an effective method in concealing the magnitude of the theft. In fact, someone investigating the alterations could not determine what might have been stolen without obtaining the receipt from the customer. In the case of the \$147 theft just noted, the original receipt was obtained from the customer. However, this would have been impossible for other similar cases, because the customer's name was re-written in a substitute name.

The McBee system control of writing the customer receipt overlaid on the original ledger, to produce a facsimile, was circumvented to conceal theft.

We noted three other instances in 2003, and one instance in 2001 that employed this concealment method. In each case, the first several lines of the McBee ledger were written in pen, when they should have been a carbon copy facsimile of the receipt. This led us to reason that the original McBee sheet had been discarded and entries re-written at a lower dollar amount.

Appendix H shows a facsimile of the McBee ledger from July 2003 where the first 15 lines on the page were written in pen. The remaining entries are carbon copy facsimiles of the receipts. What theft may have been concealed is not known, but three "daily ride" entries at \$3 each, led us to believe that these were replacement amounts for a greater amount that was stolen.

In addition to instances where the original McBee page was discarded, we also found scattered, single-line, pen-written entries. In other words, carbon copy writing was observed above and below that particular pen-written entry. This suggested that the entire page would not have been discarded, instead the receipt would have been written apart or off-site from the ledger, the corresponding funds stolen, and a different transaction entered in the blank space to preserve receipt number continuity, and thus conceal the theft. Again, the customer's receipt would be needed to compare the receipted amount against the McBee ledger entry to determine the actual amount of theft.

In some of these transactions, the concealment could have been to cover up theft of horse stall rental payments, an issue discussed in section 1.5.

Management's responsibility. Management should have reviewed the McBee ledger pages to ensure that all entries appeared as carbon copy facsimiles of the receipt. Use of pen-written entries should have been discovered and the practice stopped. However, in any case, management should have investigated the reason and considered the possibility that theft had occurred. One of the control features in the McBee system to prevent theft is

the overlay of the receipt on the ledger to produce an exact replication of receipts issued. Deviations from this recording process are designed to provide immediate evidence of an improper alteration of accounting records. When we questioned one of the former Equestrian Park Director's, with the longest tenure, about the altered entries, he reported that he was satisfied with Tucker's explanations, and made no attempts to investigate further. Nor did he direct her to discontinue the practice.

1.3 The perpetrator stole concession receipts.

Concession receipts, often exceeding \$1,000 per night, provided a ready source of cash from which to steal.

Equestrian Park sells a variety of food and beverage items for events held at its facilities, particularly the new arena. Beer sales account for most concession revenue, but hot dogs, corn dogs, popcorn, chips, nachos, candy, and fountain drinks also are included as other items sold. Concession items are sold from two kitchens in the arena building, though only one of them is usually in operation, and a beer wagon is often wheeled out to the seating area for the convenience of patrons wishing to purchase beer without walking over to the concession window. The sale of concession items began in January 2000, shortly after the opening of the new arena. Sales have exceeded a quarter million dollars since opening, as shown in Table 2 below.

Equestrian Park Concession Sales		
Year	Amount	# of Balance Sheets Completed
2000	\$73,726	142
2001	\$88,615	167
2002	\$88,417	201
2003 thru Sep	\$67,176	126
TOTAL	\$317,934	636

Table 2. Concession sales increased in 2001 but have remained steady since that time.

Concession receipts provide a ready source of cash for anyone intent on committing theft. Almost all sales are cash. Few checks, and no credit card transactions are involved. Total concession receipts, on any single night, often exceed \$1,000. Considering that such factors would entice a would-be thief, we examined concession sales and discovered that theft had occurred. After completing our examination, we found \$17,619 in missing concession receipts we considered stolen.

As a matter of routine operational procedure at Equestrian Park, all concession receipts were given over to Tucker, who then recorded them in the McBee ledger and deposited them in the bank. After balancing out their cash drawers, concession cashiers placed their money in an envelope, wrapped the envelope with a transmittal sheet detailing sales totals and any overs or shorts, and placed the envelope in a drop safe. Tucker then retrieved the envelopes, entered

transmittal sheet totals onto the McBee ledger, prepared the deposit from McBee ledger totals, and took the deposit to the bank.

Contrary to Policy #1062, "Management of Public Funds," and the recommendations in our May 1999 audit, there was typically no separation of these inherently conflicting duties. Complete trust and responsibility was delegated to this one individual. From the point cashiers dropped their cash envelopes into the safe, no one in a position of supervisory oversight verified that funds had actually been deposited, a critical step in an environment where Tucker was performing duties that should have been segregated. This provided Tucker with an unrestricted opportunity to commit the fraudulent embezzlement of County funds, especially where Tucker was under emotional pressures.

Concession balance sheets and transmittal sheets, intended to be a replication of one another, were kept in separate files, thus enabling us to determine thefts that occurred in concession sales.

Collections shown on concession balance sheets were missing from the deposit. To uncover theft in concession sales, we compared cashier balance sheets to the corresponding transmittal sheets that had been wrapped around the money envelopes and placed in the drop safe. The transmittal sheet is officially titled, "Equestrian Park Cash Reconciliation Report." The cashiers, themselves, prepared both the concession balance sheet and the transmittal sheet. Information between the two was duplicative, as intended. Amounts reported on the transmittal sheet replicated amounts on the concession balance sheet.

Tucker did not receive the concession balance sheets. They were not maintained in her files, but instead secured in the kitchen area where concession sales took place. She did, however, keep the transmittal sheets in her file. She retrieved these from the drop safe, together with the money in the envelope. The transmittal sheets provided backup documentation for the entry she made in the McBee ledger to record concession sales.

We had confidence in the integrity of the concession balance sheets since they were never in the possession of Tucker. Cashiers in the concession area completed their balance sheets after running a Z-tape, a summary of daily cashier sales, on the cash register. The Z-tape was attached to the concession balance sheet. In some cases, particularly with beer sales made from the mobile beer wagon, no cash register was used, and therefore, no Z-tape was attached.

As an additional step, the Concession Supervisor summarized all concession balance sheet totals on a separate spreadsheet that proved helpful to us in verifying total collections from concession sales. It was particularly helpful in 2000 where most of the concession balance sheets could not be found.

In our examination, we took the concession balance sheet and looked for a corresponding transmittal sheet from Tucker's file. If the transmittal sheet could not be found, and further, if the concession balance sheet amount was not recorded in the McBee ledger, we reasoned that a theft had taken place. We examined all 636 concession balance sheets and the concession balance sheet totals from January 2000 through September 2003. Figure 2 on page 18 shows

concession receipt thefts that occurred by year from January 2000 through September 2003.

A detailed listing of each individual theft we uncovered is provided in Appendix D.

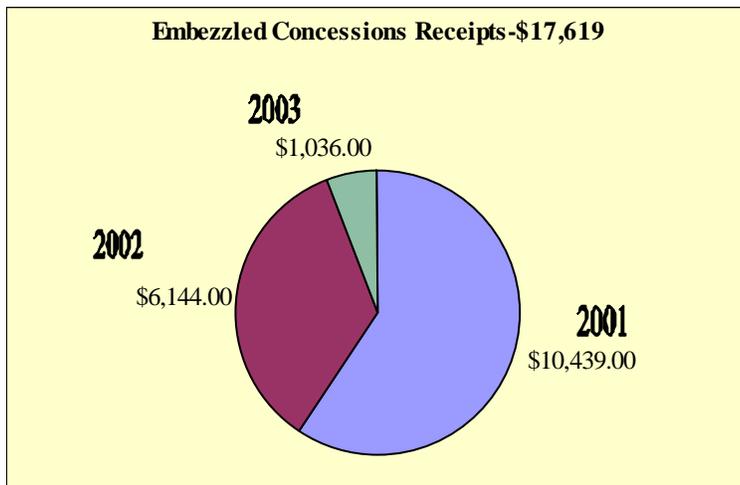


Figure 2. Most concession receipts were stolen in 2001. We found no theft in 2000, the first year of concession operations.

Entering concession sales totals into the McBee ledger was a duplicative effort since collections had already been run through the cash register. However, the McBee ledger served as a central point for recording and summarizing all receipts. By having a single point of entry, Parks administration personnel could then easily retrieve receipt totals for use in revenue reports. However, Parks administration personnel failed to use this single point of entry to reconcile deposits to various sources of receipts.

When Tucker entered concession sales in the McBee ledger, she wrote out a receipt, a required step in the McBee process, and stapled it to the transmittal sheet. Sometimes there was a separate entry to record concession sales based on each transmittal sheet. Often, however, particularly in 2003, she lumped several transmittal sheets together into one batch, often resulting in significant delays of one or two weeks before funds were deposited. Total cash for batched concession balance sheets appeared as a single entry in the McBee ledger. Why she performed this batching process is unknown, unless it was a way to divert the casual observer from discovering the thefts.

We also discovered a few missing checks in our examination of concession sales.

Though most concession sales receipts were in cash, we did discover a few checks, some of which were included in concession balance sheet amounts we deemed to have been stolen. What happened to these checks is not known. It caused us to consider the possibility of a cash/check swapping scheme. In this scheme, checks would be withheld from the deposit, and then placed in a subsequent day's deposit to equal an amount in cash that had been pilfered. However, we found no positive evidence of this scheme having taken place. Interestingly, though, when Tucker made concession sales entries in the McBee

A McBee ledger entry for concession sales of \$1,334 was written over in pen to become \$1,034, a theft of \$300.

ledger, she entered each check separately. We have not determined her rationale for following this procedure.

McBee entries for concession sales were altered. In addition to the theft of entire receipts from concessions, we also found two instances where the McBee ledger entry for concession receipts had been altered by a pen entry, indicating theft. Both of these occurrences were in 2003. A March 10th entry for \$6,927 was changed to \$6,827, a theft of \$100. A July 21st entry for \$1,334 was changed to \$1,034, a theft of \$300. Appendix I shows a facsimile of this particular alteration. In both cases, we re-added concession balance sheets and transmittal sheets—from Tucker’s file—and found no arithmetic errors that would indicate a needed change to the entry. In other words, the altered amount did not match the back-up documentation.

The concession transmittal form was altered. As another methodology used in stealing concession receipts, we found erasures on the transmittal sheet, and one instance of crossed-out entries replaced with new numbers. As mentioned previously, concession cashiers themselves completed the transmittal sheet, as a replication of the totals on their concession balance sheet, and placed the transmittal with their money in the drop safe. This packet was subsequently retrieved by Tucker.

We found four cases of altered transmittal forms totaling \$816, all of them occurring in 2002. When comparing the concession balance sheet to the transmittal sheet we found erasures on the transmittal sheet and new, lower amounts entered in Tucker’s handwriting. Also, the changes were made for even dollar amounts—\$300 in one case and \$100 in another case. Appendix J shows an altered transmittal form (officially called an “Equestrian Park Cash Reconciliation Report”) compared to its corresponding concession balance sheet.

One curious item we found was a transmittal form, showing a total of \$111.75, folded into thirds and tucked away with the other transmittal forms. No McBee receipt was stapled to it. The \$111.75 was not recorded in the ledger. In every other case of theft, the corresponding transmittal sheet had been thrown away, and was no longer on file, except for this particular transmittal sheet for \$111.75. A facsimile of this form can be found in Appendix K.

Management’s responsibility. Management delegated the receipting and depositing of thousand of dollars in concession receipts to a single individual, Tucker, with little, if any oversight, without proactive review of her work, without a standard procedure in place to check the integrity of her transactions. It was Tucker herself who pointed out control weaknesses in concession sales to the District Attorney investigator. She stated that had recommendations in the Auditor’s Office May 1999 audit been implemented and had concession transactions been “checked,” she would have been caught. The audit placed emphasis on consistent management review. This was especially important due to the shortage of Equestrian Park staff, which did not allow for separation of duties. This proactive review did not occur.

Management should have had a system in place to determine that all concession receipts were deposited.

There should have been a process in place to verify that concession entries recorded in the McBee ledger matched funds that were actually collected and reported on the concession operation balance sheets. There should have been more coordination and crosschecking between Tucker and the concession area to ensure reconciliation among balance sheet totals, transmittal totals, the McBee ledger recorded amounts, and the actual bank deposit. Specific steps to ensure that all concession receipts are deposited are discussed later in section 1.6.

1.4 The perpetrator failed to make bank deposits corresponding to deposit totals recorded in the McBee ledger.

We found 11 daily collection totals intended for deposit, of \$10,035, that were not deposited in the bank.

We found 11 missing deposits from January 2000 through September 2003, representing theft of \$10,035. A deposit was deemed missing when the deposit amount in the McBee ledger could not be found on the bank statement. As part of the deposit preparation process, McBee ledger entries were totaled and entered in the far right-hand column of the ledger, as the amount to be deposited. The employee who entered this total also signed and dated the amount. The largest single missing deposit was \$3,499.75 in September 2001. Appendix L shows a facsimile of this \$3,499.75 that could not be traced to the bank statement. A detailed listing of all 11 missing deposits is provided in Appendix D.

During our examination, we found three cases where the checks in the totaled amount were deposited, but not the cash. For example, a September 2002 entry in the McBee ledger recorded total daily receipts of \$723, an amount that could not be found on the bank statement. We did, however, find \$204.50. Upon closer examination of the McBee ledger, we found that \$204.50 represented checks in the daily collections total, while the remaining, and missing, \$518.50 exactly represented the cash. Therefore, checks totaling \$204.50 were deposited, but cash of \$518.50 was not.

We examined all 1,153 deposits recorded in the McBee ledger occurring from January 2000 through September 2003. All missing deposits, except one, were prepared solely by Tucker. Tucker also took the deposit to the bank. One of the former Equestrian Park Directors indicated that he prepared the other one. He signed the daily receipt total in the McBee ledger. In our interviews, he stated that Tucker would have been responsible for making the deposit.

Management must ensure that a second person verifies the deposit by counting the funds that are to be deposited.

Management's responsibility. Management did not review bank statements to verify that all receipts were being deposited. Too much reliance was placed on Tucker, who alone prepared the deposits. Granted only, 11 out of 1,153 deposits could not be traced to the bank statement, but a consistent reconciliation of the McBee totals to the bank statement record of deposits would have disclosed the undeposited receipts.

As a matter of procedure going forward, management should ensure that a second person verifies the deposit by actually counting the money to be deposited, then initialing the deposit preparation form as evidence for having

completed this step. Management should also consistently check the bank deposit receipt against the deposit summary form.

At a higher level of management, Parks administration personnel apparently took no proactive steps to review the triplicate pink copies of the McBee ledger to determine whether all receipts were properly recorded and deposited. Management could have taken the simple step of assigning someone, other than the individual preparing the deposit, to verify McBee ledger receipt totals against the bank statements, an easy and quick step that should take no more than a few hours each month. The supervisor or administrator performing the review should initial the bank statement and write the date to indicate completion of their review.

1.5 The perpetrator failed to issue a receipt as a way to conceal theft of horse stall rental and other types of payments.

We discovered theft in horse stall rental revenues from existing account information in the Sportsman on-line management system.

Fees are collected from customers who board their horses in stalls available for rent at Equestrian Park. The customer base can be broken into two categories, 1) those who have an account on file, and 2) those who do not have an account on file. We were able to look for theft in areas where accounts had been established. However, where an account had not been established, no documentation was available to compare expected payments against actual receipts in the McBee ledger. Accounts are established for individuals renting on a month-to-month basis. These individuals sign a contract. Overnight renters, or those who rent for a short period of time, usually pay up-front for the entire rental period, and are not required to sign a contract. Theft could very easily have occurred in payments received from short-term renters. A separate issue noted here is the absence of any form or contract, signed by the short-term renter, which could limit the potential liability issues of the County with respect to short-term rental of horse stalls.

Clients can pay by cash, check or credit card. Rental fees are \$65 a month for an indoor stall, where the horse is led to the stall from inside the barn, or \$50 a month for an outdoor stall, where the horse enters the stall from outside.

Since 2000, Equestrian Park has tracked account activity for stall payments in the Sportsman on-line management system, a computer software package that automatically generates account information, including the amount owed by each client. Even though Sportsman is somewhat versatile and has the capability of issuing receipts and printing daily sales reports, Equestrian Park has continued to rely on the manual McBee system for all cash handling operations, including the back-up documentation to support daily bank deposits.

The Sportsman system has been used solely to monitor accounts receivable balances, by keeping track of the amount billed and the amount paid by each client. In an entirely duplicative effort, payments are recorded in the McBee ledger and also in the Sportsman system. However, Sportsman is entirely independent of the depositing process. Nothing generated from Sportsman is

used in preparing the daily deposit, a process that continues to be based on receipts recorded in the McBee ledger. The lack of reconciliation between Sportsman and McBee complicated the process of identifying theft.

Our methodology in determining embezzled horse stall payments. Though the duplicative bookkeeping systems added complexities, they did provide us with the opportunity to compare one set of books against another set of books to determine what thefts might have occurred. The Sportsman system is designed to provide reports of payments posted to its accounts. After posting payments, the system automatically generates the balance due for each client each month. Any payment received is posted and reduces the balance. Otherwise, the customer would be considered in default. On the other hand, a payment that is not entered into the McBee system could more easily go undetected, unless compared to payments posted in the Sportsman system.

We reasoned that if a cash payment was reported in the Sportsman system, but not the McBee ledger a theft had occurred.

Therefore, we compared account information in the Sportsman system to the McBee ledger. If a payment appeared in Sportsman, but not in McBee, we reasoned that theft had occurred. Failure to post payments recorded in Sportsman to the McBee ledger occurred quite frequently, but failure to record a payment in Sportsman, that had been posted in the McBee ledger, was rarely observed.

At the time of our audit, the Sportsman system had 94 account names containing approximately 12,000 lines of data. Equestrian Park personnel printed out this detail for us on all 94 accounts—showing amounts billed and amounts paid—and we compared these to the McBee ledger. Based on our analysis, we determined that \$973 was stolen in 2000, \$2,823 in 2001, \$6,194 in 2002, and \$10,386 in 2003 for a total amount embezzled of \$20,376. Figure 3 on page 23 shows year-by-year totals of missing horse-stall rental payments that were not deposited. Appendix E provides line-by-line detail of each theft we uncovered in this area.

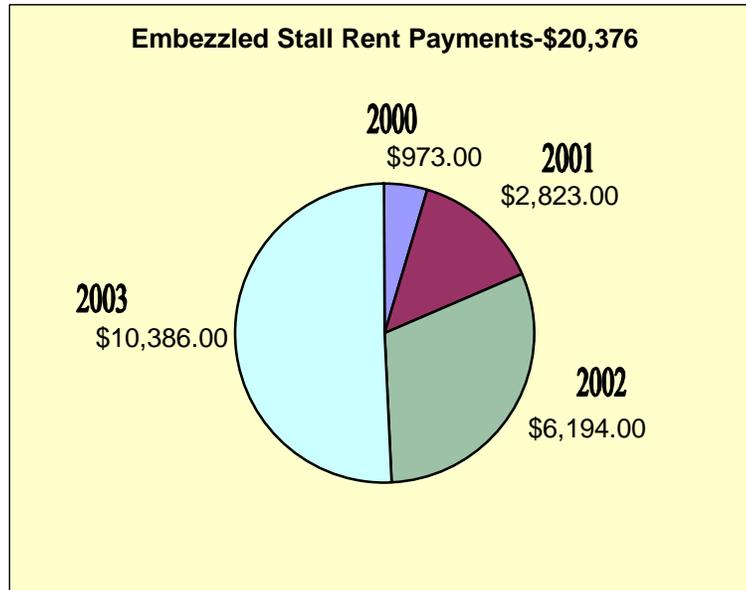


Figure 3. *Embezzled horse stall rental payments increased each year starting in 2000.*

Year 2000 and 2001 totals were incomplete because data was purged from the Sportsman system if the account was not active in 2003. Additional missing payments may have been discovered had this information been available.

Individual account folders were archived that could have provided some information, but the benefit derived from such a review of past records would not be commensurate with the time involved to retrieve and examine the records.

Once again, theft was discovered in those cases where a customer paid in cash. For example, on April 4, 2003, payment from a customer for \$150 was recorded in the Sportsman system, but not the McBee ledger. Because we could not find this payment in the McBee ledger, we reasoned that the \$150 had been stolen. We found payments from the same customer recorded in McBee for months, both before and after April, \$50 in March and \$150 in May. All payments by that customer throughout the year, except one, were in the form of cash.

As a matter of routine, payments tended to be recorded first in the McBee ledger and then in the Sportsman system, a process that makes sense because the receipt would have been issued to the client out of the McBee receipting system. We determined that posting of payments in Sportsman often occurred the same day on which the receipt from McBee was issued.

One confusing aspect of the Sportsman data was the consistent posting of every payment as “cash,” especially in 2002 and 2003, even though payment may have been by check, or even a credit card payment. In some cases, the credit appeared to be a fee waiver or even a correction of a mistake but was recorded as the result of a cash payment. This made it difficult to determine whether theft occurred.

Employees made reports to us of suspected embezzlement by the perpetrator.

Moreover, prorated payments frequently appeared in Sportsman account detail but almost never appeared in the McBee ledger. A prorated payment appeared as an odd amount, such as \$21.37, instead of a whole amount like \$65. With several people at the park issuing receipts, it is likely that at some point prorated payments would have appeared in the McBee ledger. The current Equestrian Park Director, explained that the Sportsman system prorates the amount due based on the day of the month a new account is set up in the system, not the day the account was actually established. For example if an account is established on July 1 but not entered into the system until July 13, a prorated amount due will appear in the account. However, this would not explain every case of prorated payments not appearing at all in the McBee ledger.

Other types of payments for goods or services. Overnight or temporary stall rentals present the greatest area of vulnerability. There is no supporting documentation to indicate that a payment should have been made. Moreover, the transaction may take place between the customer and the Equestrian Park employee alone without anyone else present to witness it. In the case of longer horse stall rentals, the customer is more likely to expect a receipt as acknowledgement that his account is settled, since in a day or two they will be returning to the grounds to pick up their horses.

In addition to horse stall rentals, payments were made for such items as wood shavings or manure. Since no independently verifiable record exists to corroborate these payments, no determination could be made as to any amount stolen. As already stated, we received purported eyewitness accounts by Equestrian Park employees of cash received by Tucker that was never recorded in the McBee ledger. These transactions included the \$200 received by Tucker in payment for manure being picked up from a customer's house and taken to Equestrian Park, the previously discussed missing \$150 stall payment, and the \$75 rental payment that was altered and recorded in pen writing as \$3 in the McBee ledger.

Manure and wood shavings sales are random, fairly infrequent, transactions of relatively low dollar amounts. To ensure that all payments are being received, some sort of inventory would have to be kept of the stockpiles. Customers come to Equestrian Park to purchase manure or wood shavings, pay the fee, and load their truck. Unless another employee is present to witness the transaction, there is nothing to prevent the person receiving the cash from stealing it. In this instance, the best control would be for management to consistently emphasize that all funds are receipted, and that all receipts are deposited. Management must set the tone for honesty and accountability.

Management's responsibility. Management did not have any system in place to verify that horse stall payments on established accounts were in fact deposited. However, a spot check of client accounts in the Sportsman system could be performed each month, requiring a few hours work. Several accounts could be selected, and payments for the prior month recorded in Sportsman could be verified against the McBee ledger. This step would send a message to employees that their work is under consistent scrutiny and review.

Management should implement a system to determine occupancy of horse stalls on any given day.

The Sportsman system is also capable of “locking out” users. This prevents a person entering payments from later altering an entry. Only a supervisor, with the proper password, could enter the system to modify the entry. Apparently, the Sportsman system was not “password protected” during Tucker’s tenure. She had full access and control over the system and was not “locked out.”

Finally, internal controls frequently revolve around inventories, and in the case of horse stall rentals, a daily census of horse stalls could be maintained. A record of occupants in each stall on each day could be kept and used to compare against payments recorded in the McBee ledger. Computer software, such as Excel, could be used to perform this function quickly and efficiently. This was one recommendation in our May 1999 audit that Equestrian Management has attempted to implement, but one that has not been consistently applied.

1.6 Management did not review cash transactions, implement a protocol to check the reliability of cash receipts from the point of collection to deposit, or question the integrity of McBee ledger entries.

This section summarizes management’s lack of oversight of delegated, yet inherently conflicting duties, and inadequate attention to training that created an environment conducive to theft. This in no way implies that management oversight prevents all theft from occurring. Honesty and integrity in the handling of funds is an expectation made of every employee of Salt Lake County.

Tucker stated that, had the recommended checks and balances from the 1999 audit been consistently followed, she would not have been able to carry out her continued embezzlement.

As previously stated, Tucker, in her initial interview with the District Attorney investigator referred to our 1999 audit of Equestrian Park. She participated in preparing and typed the response to the audit by Equestrian Park management. She stated that if recommendations from the audit had been implemented, her opportunity to steal would have been thwarted or her prior thefts discovered. She asserted that when she saw that management was not implementing recommendations in the report, she became more emboldened, and her thefts became more frequent.

Recommendations in our 1999 audit were not implemented. One of the recommendations in the 1999 audit was to “have an independent person perform a monthly reconciliation of payments credited to patron accounts to amounts received and deposited for stall rentals.” Management did not follow through on this recommendation. As previously noted, we found that account payments posted to the Sportsman management system did not reconcile to payments recorded in the McBee ledger. Not only did we discover theft, we also found confusing data entries in Sportsman.

As stated previously in section 1.5, every transaction, adjustment, and fee waiver was entered in Sportsman as a “cash payment.” Payment may have been by check or credit card. Moreover, late fees may have been waived since they were rarely included in actual payments from the customer. Also, frequent prorated charges for partial month rentals may have been waived or

adjusted. Most every reduction in the account balance was entered as a “cash payment,” particularly in 2002 and 2003, making the intent of many entries difficult to determine. Therefore in most cases, where late fees and prorated charges in Sportsman were entered as “cash payments,” but not posted to the McBee ledger, we reasoned that an adjustment or waiver had occurred instead of theft. However, there was no indication of management approval for these waivers or adjustments.

Tucker apparently had free reign of the Sportsman system. She told the current Equestrian Park Director to “stay out of it” because it would “mess up” her accounting and billing process. Only she knew the intent of many of the entries posted in Sportsman.

The 1999 audit report further recommended, “A supervisor should review the daily deposit before it is made.” Again, this recommendation was not implemented. Tucker, in most cases, continued to total and post daily receipts in the McBee ledger, and prepare and take the deposit to the bank. Interestingly, individual McBee entries supporting the deposit total always added correctly, again reflecting her attempt to perform certain tasks very well as a possible diversion for the embezzlement that was occurring.

During our audit we reviewed the succession in leadership since issuance of the 1999 audit report. Table 3 below shows the sequence of directors, or program managers at Equestrian Park since the issuance of the audit report. The former Track Manager was the center director at the time the report was completed.

The Director’s position remained vacant for almost 10 months leaving Tucker without leadership and day-to-day oversight.

Equestrian Park Directors Since the 1999 Audit	
Name	Dates Served as Director
Former Track Manager Promoted to Parks Section Supervisor	Served during audit field work
1st Program Manager (Informal Title: Equestrian Park Director)	Mar 1, 1999 – Dec 31, 2001
2nd Program Manager (Informal Title: Equestrian Park Director)	Jan 1, 2002 – Apr 15, 2002
Unfilled	Apr 2002 – Dec 2002
Current Program Manager (Informal Title: Equestrian Park Director)	Jan 1, 2003 – present

Table 3. Four center directors have served at Equestrian Park since the audit report was issued in 1999.

The first Program Director shown above, was the director at the time the audit was released in May 1999, though the Track Manager was director during most of the audit process, and during the exit conference conducted between our

office and Equestrian Park staff. Therefore, the transition in directors coinciding with the issuance of the report may not have facilitated the implementation of recommendations. In our interview with the former Track Manager, he recalled making special efforts to review the audit recommendations with his successor, the first program manager, and Tucker, and work out a plan of action. Whatever that plan of action may have been, we found little evidence of its consistent execution. The former Track Manager also joined them in attending a cash-handling seminar offered by the Internal Audit Division. In all fairness, we noted the first Program Manager's initials on a few documents in mid-1999, suggesting some review was taking place, but any indications of a concerted or continuing effort disappeared.

In our interviews with the Track Manager and his two successors, they each recalled action being taken to put controls in place after a theft from a vending machine. However, we found no evidence of consistent application of controls of the vending inventory or cash count. More troubling, this narrow focus on controls never expanded to larger issues of cash control, such as the receipting and depositing of daily concession monies, which far exceeded "coke machine" revenue. This limited focus on controls left other Equestrian cash-management activities, in areas like concession receipts, unguarded and subject to Tucker's continuing course of theft.

Finally, we found little evidence of transitional training from one Park Director to another. The former Track Manager reported spending significant time with the first Program Manager on fiscal matters when he assumed the Director's position in 1999. However, the first Program Manager's departure at the end of 2001, to join the Mayor's appointed staff during the 2002 Olympic Winter games, was not accompanied by any concerted effort to train the second Program Manager.

The second Program Manager was on the job for three and a half months, and then abruptly departed. Thereafter, the position was left open for nearly 10 months until the current Program Manager was hired, as noted in Table 3. This could only have provided greater impetus to the person committing these thefts, knowing that transactions would not have been reviewed during that period. The Section Supervisor (former Track Manager) was next in the chain of command during this period, but was not physically located at the facility and had several other areas of responsibility in his portfolio.

In spite of these gaps between Program Managers at Equestrian Park—and the window of opportunity these lapses may have presented to Tucker in committing additional theft—it is interesting to note the annual performance evaluations for the initial director at Equestrian Park from March 1, 1999 through December 31, 2001. In an evaluation from March 2000, he received the highest rating of "3" for his management of fiscal matters and cash handling, but the next year, in 2001, his grade in this area was lowered to a "2."

Notably, the Section Supervisor initially praised the initial Director's management of cash handling responsibilities in a memo dated February 23, 2000, but then, the next year, pointed out the need for improvement. The first memo stated, "(He) has demonstrated over the first year a high level of

The perpetrator was generally considered a pleasant person who would not commit theft.

performance in a variety of areas including: managing and reviewing all cash handling procedures...” However, in a memo to the initial Director, dated February 15, 2001, the Section Supervisor alludes to areas of deficiency in cash management, deficiencies that in hindsight allowed the embezzlement scheme to continue undetected. The Section Supervisor stated, “The following are goals I would like to challenge the initial Director to improve... Take additional time to verify, manage, and review cash handling in every area, such as billing, revenue deposits, facility charges, and supervision of employees with cash handling responsibilities.”

We questioned from our review of personnel files whether any of these managers had the educational background, training, and experience in fiscal operations to exercise effective oversight duties in an operation of the size and complexity of Equestrian Park.

Too much trust was placed in one individual. As a grade-14 secretary, whose annual salary was \$27,000 at the time she resigned, Tucker was delegated the responsibility for nearly all cash handling operations.

By many accounts, Tucker was a pleasant person, one who would not have been readily suspected of committing theft. We noted that last year, she received a bachelor’s degree in Psychology, and is reportedly working towards a degree in nursing. However, in the initial Director’s interview, he reported that Tucker showed volatile behavior under pressure or scrutiny of her work.

Fraud experts agree that given the right set of circumstances, otherwise good people could commit fraudulent theft. The model for explaining this phenomenon has three elements, **1) Opportunity, 2) Pressure, and 3) Rationalization.** The delegation of responsibility to Tucker, coupled with unsupervised trust, allowed ample “opportunity” to commit her embezzlement.

The adage, “trust but verify,” can be applied to Equestrian Park in light of this inordinate trust placed in Tucker. Management should have been more inquisitive, should have reviewed her work, and should have taken greater interest in cash handling operations. Revenues increased significantly with the opening of the indoor arena. Management seems to have been unaware of the greater opportunity for theft as collections soared from \$200,000 annually to over \$700,000 in 2002, a topic that will be discussed later in section 4.0. The opportunity for theft of concession receipts because of the large quantities of cash involved and few checks should have been the cause for increased management vigilance. From the District Attorney investigator’s interview with Tucker, we learned that Tucker was under some degree of “financial pressure” because she claimed her personal life was deteriorating. Thus, the dramatic growth in revenue at the facility may have provided the context for Tucker to “rationalize” taking a small portion to relieve the pressures of her life. Thus, all elements of an atmosphere enabling fraudulent theft were present.

Management’s ability to oversee cash handling. Parks and Recreation often asserts having budget constraints when questioned about the issue of improved fiscal staffing at Equestrian Park and other operations. Indeed, the construction of several new recreation centers over the past ten years, as funds from Zoo,

Arts and Parks (ZAP) tax revenues rapidly grew, resulted in the need for more personnel. The budgetary requirements of additional personnel could apparently not be met through available resources, and has resulted in understaffing of fiscal positions, from accountants to cashiers, in many Parks and Recreation operations.

The Parks and Recreation fiscal management model assigns cash handling at individual recreation centers to lower-grade, relatively low-paid staff, supported by additional staff at the administrative office. A secretary typically handles cash, answers the phone, and attends to the public. The Tucker case challenges the validity of this model as it is currently executed. In this case, the administrative oversight failed. As further evidence of this problem, during the course of this audit a similar case has surfaced and is in the process of being investigated.

Equestrian Park, with its multi-faceted operations, now involving hundreds of thousands of dollars a year in receipts, requires someone with solid bookkeeping experience to manage cash handling operations. The size of Equestrian Park, and other Parks and Recreation facilities, as well as long hours of operation contribute to the risk of theft. The expansive grounds and large arena at Equestrian Park provide the opportunity for transactions to take place out of sight of any other employee. Also, collections are more vulnerable to theft during evening hours when minimal staff and temporary employees are on site, who may have had very little training.

Specific steps management should take. Despite the many challenges faced by Parks and Recreation management, adequate solutions can be implemented to ensure the proper handling of funds. Management should focus on the following three basic areas to improve operations.

- Training of personnel in proper cash handling techniques.
- Review of transactions by supervisors.
- Reconciliation between financial reports.

Personnel who prepare the deposit should receive annual training in the requirements and mandates outlined in Countywide Policy #1062, including the timely deposit of collections and the proper procedure for voiding receipts. The person who oversees cash handling needs annual refresher training on how receipts are to be issued, deposits prepared, and transactions recorded. This training would be helpful in ensuring that all receipts are deposited.

Personnel should be trained in the use of the Sportsman on-line management system. Equestrian Park management and staff themselves have stated their inability to use Sportsman to the full extent of its capabilities. Even though Sportsman has been installed since late 1999 or early 2000 it is still not being used to issue receipts or provide daily cash totals. The current Equestrian Park Director anticipates complete replacement of the McBee receipting system with the Sportsman management system by early 2004.

Management should redesign the deposit preparation form to allow for a report of concession sales specifically.

Review of financial records by a second person is always an important step in the cash handling process. As already mentioned, deposits should be verified by a second person, and the person who verifies it should initial the deposit preparation form as evidence of having counted the funds to be deposited. The deposit preparation sheet should contain two lines for signatures, one stating “prepared by,” and the other one stating “verified by.”

Also, concession sales in each deposit should be identified separately on the deposit preparation form to ensure that all concession receipts are being deposited. The form should be reformatted to include a distinct line for “concession sales.” A concession sales amount, preferably a line for each balance sheet, should be listed on the form.

Balance sheets used by concession cashiers should be pre-numbered. The concession balance sheet number should then be recorded on the deposit preparation form as a ready reference to the amount being deposited. With the pre-numbering of concession balance sheets and the recording of balance sheet amounts on the deposit preparation form, the concession balance sheets can be reconciled to the deposit. Concession balance sheets can be compared to the deposit preparation forms to determine whether all concession sales were deposited. This reconciliation process should take place monthly, using a standard pre-printed form, signed by two people, dated and kept on file with other cash handling documentation.

Management should periodically review the McBee ledger for “white-out” or pen-written entries. The appearance of any one of these items should sound an alarm and should be investigated to determine the reason. As previously stated, transaction entries in the McBee ledger should appear as a carbon copy of the original receipt and correction fluid should not be used. Incorrect entries should be lined through, dated, and initialed.

Management should ensure that the McBee ledger report of collections is reconciled to the bank statement each month.

As an additional and very important step, the deposit preparation form and McBee ledger should be reconciled to the bank statement each month to verify that all funds were deposited. This is easily accomplished by checking off amounts in the bank statement as they appear on the McBee ledger, or as they appear on the daily totals summary report printed from the Sportsman management system. If daily receipt totals are missing from the bank statement, a theft is presumed to have occurred, and the location of the missing funds should be investigated.

Further discussion of management’s role in the cash handling process at Equestrian Park is discussed in the next section, section 2.0. However, based on our discussion above, we make the following recommendations.

1.7 RECOMMENDATIONS:

We recommend that:

1.7.1 *The “whiting-out” of McBee ledger entries as well as “pen-written” entries be discontinued, such that all entries appear in the ledger as a carbon copy facsimile of the receipt, with any voids being*

shown as a single line drawn through the transaction and the voided receipt stapled to the McBee ledger page.

1.7.2 *The Equestrian Park Director periodically review the McBee ledger to determine that erroneous transaction entries are properly voided and corrected, and investigate any improper corrections, such as “white-outs,” or “pen-written” entries, that do not appear as a carbon copy facsimile of the receipt.*

1.7.3 *The balance sheets used by concession cashiers be pre-numbered.*

1.7.4 *The bank deposit preparation form be reformatted to provide for a breakdown of concession receipts, listed by balance sheet, that, together with collections from other revenue centers, equals the total amount being deposited.*

1.7.5 *The bank deposit preparation form include two signature lines, one that states “Deposit prepared by,” and the other one that states, “Deposit verified by.”*

1.7.6 *An individual in Parks administration reconcile daily receipt totals, as shown in the McBee ledger or the Sportsman management system, to the monthly bank statement and report to management any receipts not deposited.*

1.7.7 *The individual assigned to verify deposits, as mentioned in the previous recommendation, 1.7.6, sign and date the bank statement as documentation of the performance of this step.*

1.7.8 *Parks management hire an experienced bookkeeper to handle the increased load of financial transactions at Equestrian Park and to properly oversee an increasingly complex cash handling operation of high dollar amounts.*

1.7.9 *The possibility of an on-line daily census of horse stall occupants be explored such that stall occupants, on any given day, can be readily retrieved and compared to individual payments for those stalls.*

1.7.10 *A system be developed, either through an additional programming feature in the Sportsman management system, or through some other means, that would document the name of the individual who made a stall payment on behalf of another individual.*

1.7.11 Management provide additional training in and complete conversion to the use of the Sportsman on-line management system such that it replaces the McBee system for receipting and depositing purposes.

2.0 Management’s Responsibility in Ensuring Proper Accountability of Funds and Collections

Management is responsible for “setting the tone” for their organization, by identifying factors that may be a weakness, which gives opportunity for loss or theft. Management must take proactive measures to deal with those risk factors. They must provide enough information that flows up, down, and through their organization, so that employees will receive a clear message regarding the importance of internal controls. Procedures must be monitored to evaluate the effectiveness of internal controls over time.

Center directors or equivalent need to understand their role in fiscal oversight. They are management in the eyes of the on-site employees, and their role in seeing that agency policies are implemented and on-going is paramount to the strength of internal controls. As a result of our audit, we have set forth comments on the following findings:

- **There was no written cash handling policy for Equestrian Park personnel to follow.**
- **There was no segregation of accounting and cashiering duties.**
- **Funds were not deposited in a timely manner.**
- **Adequate procedures were not in place to ensure the safeguarding of mailed-in receipts at Equestrian Park.**
- **MPF Form 10, “Cash Over/Short Log,” was not being used by the individual cashiers.**
- **Check/cash composition errors were common.**
- **Sportsman accounts receivables files set-ups and postings were confusing.**
- **Vending machine operations and miscellaneous collections were not controlled.**

2.1 There was no written cash handling policy for Equestrian Park personnel to follow.

At the present time, there are no written policies in place at Equestrian Park for employees to follow for every-day accounting and cashiering. Duties and responsibilities in accordance with Policy #1062, need to be prescribed and established by written managerial policies. The internal control environment is best established with written procedures.

The introduction to Policy #1062, states, “...*Policy establishes standards by which public monies are received, recorded and deposited. Through the Management of Public Funds program, functions and responsibilities will be defined to establish internal control. ...Established internal controls work to provide reasonable assurance that daily transactions are executed in accordance with prescribed managerial policies and that errors and omissions are detected.*”

Thus, to comply with Policy #1062, Parks and Recreation management with the Equestrian Park Director should develop written, comprehensive, and easy-to-understand cash handling policies and procedures. The center director must understand and enforce these policies. The policy should be made available to all persons who may possibly receive funds or assist in the handling of cash and related documents.

One of our greatest concerns is the amount of revenue collected in cash at the Equestrian Park. Cash is the easiest form of receipts to steal. Where relatively large amounts are collected, it is especially important that effective cash-handling controls are in place and adhered to strictly.

2.2 There was no segregation of accounting and cashiering duties.

The records we reviewed showed that, for the most part, one person, Tucker, received and deposited all of the collections from all sources, without collaboration or review, with rare exceptions, such as when she was out of the office. Few of the reconciliations, accounts receivable records, or vending records showed any second party acknowledgement or management reviews.

Even though depositing has previously been discussed, we again reiterate the importance of dual controls and amplify certain measures that can be taken to ensure the safeguarding of funds.

Specifically, our audit revealed that there were no second signatures on balance sheets or other original entry documents. Persons completing accounting records were the same ones collecting funds.

The introduction to Policy #1062, states, “... *The policy provides suggested internal controls for the segregation of duties in such a way that persons who are responsible for the custody of funds and performance of cashiering duties have no part in the keeping of, nor access to, those records which establish accounting control over the funds and operations (and vice versa). The duties of individuals should be so divided as to*

The fact that one person alone handled much of the cash receipting and depositing process points to a serious weakness in fiscal controls, that could only have been overcome by proactive management oversight.

maximize employee protection and minimize the potential for collusion, perpetuation of inequities, and falsification of accounts.”

Where segregation of duties is possible, Policy #1062 provides a roadmap. But, with a shortage of staff, management must take further steps to consistently oversee cash-handling duties. We found some evidence that some of the recommendations in our May 1999 audit were followed for a short time after the audit. However, in the face of insufficient staff to separate cash-handling functions, management did not consistently oversee and double-check the steps in the process where theft could occur.

For proper internal control, the person who prepares the deposit should not have access to the accounting records (e.g., should not be able to make adjusting entries in the accounting records), although small staff size might render this impractical. If this level of separation of duties is not possible, it is imperative that a supervisor reviews and documents with a signature the deposit preparation records, as well as any adjustments made to the accounting records. Furthermore, where only one person both accounts for and handles cash receipts, due to lack of available personnel, that person should be required to take regular vacation for an extended period of days. In addition, balance sheets and reconciliation sheets should be signed rather than initialed. By requiring the individual to put their signature on the form, it is more difficult for someone to try and alter the form.

Voids were whited-out or changed in the McBee ledger, and there was no evidence they had been approved or reviewed. Voids must be handled in accordance with policy. Policy #1062, Section 3.5.2.2, which states, *“The cashier who initiated the void will document on the front of the voided receipt the cause of the voided transaction and its resolution. A supervisor not involved with the transaction will review and sign the voided receipt along with the cashier who initiated the void.”*

Without proper separation of duties, the opportunity exists where funds could be diverted to personal use. Additionally, mistakes may be less likely identified. If separation of duties is not possible, extra supervisory review can mitigate the risk. Someone entirely independent of the cashiering duties should review the deposit and the review should be documented with a signature. If any procedure must be changed to adapt to unique situations, then the details of these procedural changes should be submitted to management for approval.

The ideal situation would be for two persons to be available for each step of cash handling, such as: at the time the receipts are counted in concessions and funds placed in the safe; at the time the funds are retrieved from the safe and the deposit is prepared; and at the time the funds are delivered to the bank. In the absence of having sufficient staff available at each cash-handling step, the transfer of funds needs to be documented to help fix responsibility to each person at any point in time, in a manner that ensures that funds are accurately recorded, safeguarded against loss or theft, and promptly deposited into the agency’s bank account.

2.3 Funds were not deposited in a timely manner.

As we reviewed the deposit activity for the periods, we found that many deposits were made days after the funds were collected. Policy #1062, Section 3.7.2, states, “*as required by Section 54-4-2, Utah Code Annotated, all public funds shall be deposited daily whenever practicable but not later than three days after receipt.*” A reasonable solution would be to place the deposit in the night drop at the bank. This would provide timeliness to the process and less risk of loss.

2.4 Adequate procedures were not in place to ensure the safeguarding of mailed-in receipts at Equestrian Park.

Mail-in payments were handled entirely by Tucker. She received the payments, posted payments to the accounts and prepared the deposits, without any review.

When possible, two persons should be in attendance when the mail is opened, and receipts recorded immediately on a log. Having two people handle and open all mail, and keeping a log of payments received, reduces the risk of funds being mishandled. In addition, a mail opening location should be permanently designated and restricted from public view and access.

2.5 MPF Form 10, “Cash Over/Short Log,” was not being used by the individual cashiers.

Individual cashiers had not prepared the MPF Form 10. The concession supervisor prepared and kept the balance sheets and prepared and forwarded the reconciliation sheets to the bookkeeper with the funds collected for that day. The reconciliation sheets reflected overages and shortages, but the individual cashiers did not prepare the County required log. The bookkeeper prepared the log. However, overages and shortages were never indicated even when they existed. These logs never indicated any management review.

Policy #1062, Section 2.5.3, states, “*All overages and shortages, regardless of the amount, must be recorded and reported daily by the agency on MPF Form 10, CASH OVER/SHORT LOG.*” Section 5.2, states, “*Any overages will be deposited into the agency’s depository account and reported on MPF Form 3, DAILY CASH BALANCE SHEET, MPF Form 10, CASH OVER/SHORT LOG, and on the Monthly Report of Cash Receipts. Shortages will be withheld from the deposit to maintain the change fund at the authorized level and will be reported on the MPF Form 3, and MPF Form 10.*” The MPF form is designed to be an individual employee form, used to record and track the overages and shortages for each employee and includes separate lines for the employee’s name and the supervisor’s signature.

When the center does not track the outages, it is not possible to evaluate each cashier's performance or determine if overages and/or shortages were excessive, or repetitive. We also could not determine if the supervisor was reviewing any logs.

To establish better accounting control, the cashiers should complete the over/short logs on a daily basis. Managers should review the logs at least monthly, and sign and date the logs as required, indicating the review was completed.

2.6 Check/cash composition errors were common.

Numerous cash/check composition errors occurred, an issue that needs to be addressed with concession cashiers.

When comparing the check/cash composition on the concession register tapes with the balance sheets and/or the reconciliation sheets, and even when the balance sheets were compared to the reconciliation sheets, we noted the cash/check distribution had been changed.

Persons serving as cashiers and preparing related documents need to be trained to accurately record the form of receipts. A key internal control is to monitor the cash/check composition. In the absence of the source document that provides this information, management cannot be sure that a scheme to substitute checks for cash is not taking place.

2.7 Sportsman accounts receivables files set-ups and postings were confusing.

Equestrian Park personnel have yet to fully comprehend the capabilities that the Sportsman system possesses. The learning curve has been quite arduous. Previously, Tucker had nearly exclusive knowledge of its operation. No apparent reviews were ever made to verify that funds shown as collected in the Sportsman system were posted into the McBee. As a result, the same person, Tucker, was accounting for and depositing those funds.

In some cases it was difficult to determine whether amounts accounted for in the Sportsman program were actually missing from the McBee.

Occasionally, an account was set up in one name, but the payment receipted in the McBee could be in another name, the payment made by an associate, spouse or made in a business name.

As mentioned previously, payments posted in Sportsman might have been adjustments that would not need to be posted in the McBee ledger. Payments were posted in the accounts by "date of entry" and were spread among each stall being rented. Therefore, payments in the Sportsman system appeared as several smaller entries, and as one lump sum in the McBee ledger. Sometimes adjustments were difficult to distinguish from actual payments.

Vending machine inventories and collections need to be documented by showing the difference between beginning and ending inventories, and comparing the difference to monies retrieved from the machine.

2.8 Vending machine operations and miscellaneous collections were not controlled.

We briefly reviewed the vending operation and found that there was no ordered system of inventory purchases, or documents available to review, to verify purchases or sales through the vending machines. Thus, we could not determine with any accuracy what, if any, funds were taken from this source.

The commonly accepted process for handling sales of inventory items is to record a beginning inventory cost, add to that amount all of the purchases during the period, and then subtract the period ending inventory value to arrive at the sales for a particular period—month, quarter, etc. Using this method to account for sales allows for any audit to determine loss or theft.

To physically prevent loss or theft during the year, two persons should collect the cash and fill the machines, count the proceeds and prepare the balance sheet in duplicate, with copies distributed to the bookkeeper and director. In lieu of not having enough staff to separate these duties, at least the person collecting from the machines should not also be the one preparing the deposit.

A number of employees receive funds for the numerous services or sales in a day, such as sales of shavings for bedding, manure, temporary stall rentals, and daily rides in the arena. These persons receipt the sales and prepare a reconciliation sheet and place the documents and funds in the safe for later deposit.

To address the problem of handling receipt of the small payments for daily rides, for example, we suggest that when the person just wants to ride in one of the arenas, the payment process could be handled like public parking lots. Small envelopes could be provided for the customer's convenience, with the required information entered on the envelope, situated physically with a locked slotted box for the individual to place their payment. Two persons could retrieve the envelopes daily, count the contents and prepare a receipt at the same time the mail in payments and vending receipts are counted.

2.9 RECOMMENDATIONS:

We recommend that:

2.9.1 A comprehensive, understandable written cash-handling policy, and related procedures, be adopted and implemented.

2.9.2 Voided transactions be handled in accordance with the procedures prescribed by County and agency written policy, as approved by the Director.

2.9.3 Where only one person both accounts for and handles cash receipts, due to lack of available personnel, that such person be required to take leave each year at least once each year for 5 consecutive days.

2.9.4 Balance sheets and reconciliation sheets be signed rather than initialed, indicating supervisory review, to make it more difficult for someone to alter.

2.9.5 Each cashier maintain an over/short log on a daily basis as required by Countywide Policy.

2.9.6 The Center Director conduct a monthly review of over/short logs.

2.9.7 All cashiers receive initial training and regular updates to ensure that cash and checks are keyed into registers correctly.

2.9.8 Mail-in payments processing include two persons.

2.9.9 A log be prepared of mail-in payments received, and a copy accompany the funds and remain in the deposit file as a permanent record.

2.9.10 An honor system for daily rides similar to that used for public parking be adopted and implemented.

2.9.11 Two people be present when vending machine money is counted.

2.9.12 The accepted formula for accounting for and controlling vending collections be followed.

3.0 A 10-Year Revenue Trend Analysis

Operating revenues encountered increases in nine of the last ten years, beginning in 1993, with the most dramatic jump occurring in calendar year 2000. Revenues jumped from \$199,009 (1999) to \$558,238 (2000), an increase of 181 percent.

Completion of the Equestrian Park's event center and additional horse boarding stalls significantly boosted revenues in 2000, 2001, and 2002. Also, the addition of a hay storage barn, multiple show arenas, outside runs, and increased horse-walker spaces contributed to increased revenues. Figure 4 on page 39 shows the increase in revenues.

The tripling of revenues since 1999, due to the opening of the indoor arena, presented an additional opportunity for theft to the perpetrator.

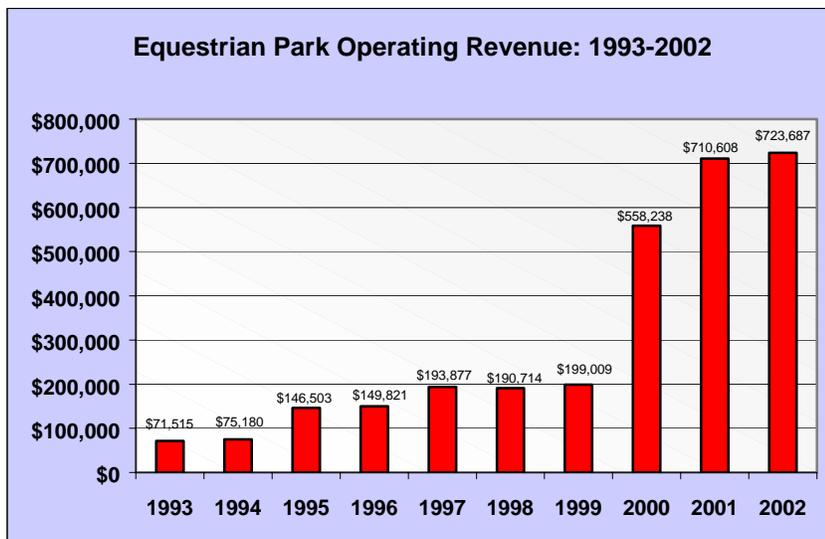


Figure 4. Equestrian Park revenue increased significantly in 2000 with the opening of the new indoor Arena.

Revenues collected in each of the last three years—2000 to 2002—were \$558,233, \$710,608, and \$723,687 respectively. Prior to that—1993 to 1999 operating revenues were as follows: \$71,515, \$75,180, \$146,502, \$149,821, \$193,877, \$190,714, \$199,009. Revenue generating services include, but are not limited to, arena rentals, concession/beer sales, manure/hay sales, horse stall rentals, riding fees, and advertising panels. Appendix M details Equestrian Park rental/service fees charged to customers.

Again, the significant increase in revenues since 2000 points to the need for dual controls, verification of financial records by a second individual, increased management oversight, and perhaps most importantly, the hiring of an experienced bookkeeper.

4.0 Conflict of Interest

In 1997, Salt Lake County placed a request for bid on supplying good quality, high protein, weed and grass, free of alfalfa, for the Equestrian Park. The contract began on October 1, 1997, with the option to renew for two additional one-year periods. The County's approximate total annual purchases made under the contract were \$5,000.

One business, Tucker Works responded to the bid and was awarded the contract. The contract was renewed in 1998 and 1999. The following finding discusses the conflict of interest that occurred as a result of the contract with the receptionist at Equestrian Park, Tucker Works, and the County.

- **The receptionist at Equestrian Park failed to disclose her conflict of interest to the legislative body of the County.**

4.1 The receptionist at Equestrian Park failed to disclose her conflict of interest to the legislative body of the County.

In the course of our audit, we determined a minor violation of the County conflict of interest disclosure had occurred. Tucker worked for Equestrian Park as a receptionist at the same time her husband’s business, Tucker Works, held the contract to provide hay to the Equestrian Park. Tucker Works held the contract from October 1, 1997, through September 30, 2000.

Countywide Policy #5650, “Professional Ethics and Conflict of Interest,” Section 1.6 states, “[*County employees and volunteers shall not*] participate in an official capacity or receive compensation in respect to any transaction between the County and any business entity for which he or she, his or her spouse or minor children is also an officer, director, employee or owns a substantial interest...in the company without first filing a conflict of interest disclosure statement...”

Section 1.7 of Policy #5650 goes on to state, “[*County employees and volunteers shall not*] have personal investments in any business entity which will create a substantial conflict between his or her private interests and public duties.”

Tucker failed to file a conflict of interest statement as is required in Policy #5650, Section 2.2, “A *County employee or volunteer must disclose, through a sworn statement given to the County legislative body, through the agency chain of command up to the head of his or her department/Elected Office, and the District Attorney...*”

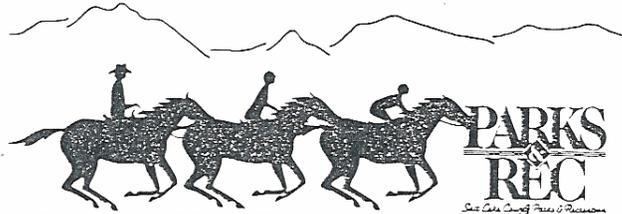
4.2 RECOMMENDATION:

We recommend that:

4.2.1 Equestrian Park management inform all their employees of the importance of reporting any conflict of interest as required by Policy #5650.

Original Theft Discovery

CHECK NO.	CHECKS	CASH	CHARGE	DATE	NAME	DESCRIPTION	BALANCE	RECEIPT NUMBER
		150.00		9-15	PERELLI	10 OVERNIGHTS		10893



PARKS REC
 See Our Camp, Trails & Pastures
EQUESTRIAN PARK
 10800 South 2200 West South Jordan, UT 84095 801-254-9106

[Handwritten Signature]
 SIGNATURE

Thank You!

RETAIN THIS RECEIPT FOR YOUR RECORDS

10893

Original Theft Discovery

EQUESTRIAN PARK CASH RECONCILIATION REPORT

SHIFT #1
DATE: 4/15 NAME: Cheryl

SHIFT #2
DATE: 4/15 NAME: Marty

BEGINNING CHANGE FUND
 \$1 X = 10.00
 \$5 X = 20.00
 \$10 X = 20.00
 \$20 X = 20.00
 \$50 X =
 COINS =
 TOTAL = 75.00

BEGINNING CHANGE FUND
 \$1 X =
 \$5 X =
 \$10 X =
 \$20 X =
 \$50 X =
 COINS =
 TOTAL =

AMOUNT RECEIVED
 Total Checks: 10491.00
 Total Cash: 1274.75
 Total Charge: 116.00
 Total Received: 22348.75

AMOUNT RECEIVED
 Total Checks:
 Total Cash: 3.00
 Total Charge:
 Total Received: 3.00

ENDING CHANGE FUND
 \$1 X =
 \$5 X =
 \$10 X =
 \$20 X =
 \$50 X =
 COINS =
 TOTAL = 75.00
 Check if total ending cash = total beginning cash

ENDING CHANGE FUND
 \$1 X =
 \$5 X =
 \$10 X =
 \$20 X =
 \$50 X =
 COINS =
 TOTAL =
 Check if total ending cash = total beginning cash

AMOUNT COLLECTED AND FOR DEPOSIT
 Shift #1 - Total Checks: 10491.00
 Shift #1 - Total Cash: 1274.75
 Shift #1 - Total Charge: 116.00
 SubTotal: 22348.75
 Shift #2 - Total Checks: 0.00
 Shift #2 - Total Cash: 3.00
 Shift #2 - Total Charge: 0.00
 SubTotal: 3.00
 Subtract Charge Amount: 116.00
 Total in Post: 22348.75
 Shift #1 Equals Over/Short: 0.00
 Shift #2 Equals Over/Short: 0.00

Grand Total for Deposit: 22348.75
 (Total Received Plus Overage or Minus Shortage)

REVIEWED BY: _____



Original Theft Discovery

SALT LAKE COUNTY RECREATION CASH RECEIPTS JOURNAL									
CHECK NO.	AMOUNT	CASH	MEMO	DATE	NAME	DESCRIPTION	BALANCE	RECEIPT NO.	RECEIVED BY
1 4785	7.50			9-15	Don Mayhew	Concession IRHA		10890	1 CAT
2 4772	4.75			9-15	Don Mayhew	Concession IRHA		10891	2 CAT
3 47			116 ⁰¹	9-15	Heather Buckner	4 Overnight's w/charney		10892	3 CAT
4 47		3 ⁰¹		9-15	Heather Buckner	1 daily		10893	4 CAT
5 47		3 ⁰¹		9-16	Sharon Headlam	1 daily		10894	5 CAT
6 47			15 ⁰¹	9-16	Heather Buckner	1 overnight		10895	6 CAT
7 47			15 ⁰¹	9-16	Heather Buckner	concession		10896	7 CAT
8 47	21.00			9-17	Shane Larson	7 daily		10897	8 CAT
9 47			64 ⁰¹	9-18	Jeff Overby	concession		10898	9 CAT
10 47		6 ⁰⁰		9-18	DAILY RIDER	2 DAILY'S		10899	10 CAT
11 47	37 ⁰¹			9-19	Concession	concession		10900	11 CAT
12 47	32 ⁰¹			9-19	Concession	concession		10901	12 CAT
13 47	370 ⁰⁰			9-19	VON SCHWABILL	STALLS Payment		10902	13 CAT
14 47		6 ⁰¹		9-19		2 daily		10903	14 CAT
15 47	110 ⁰⁰			9-19	Loranzo Mike	Payment		10904	15 CAT
16 47		11 ⁰⁰		9-20		2 Payments		10905	16 CAT
17 47	500 ⁰¹			9-22	Colleen HARRIS	concession		10906	17 CAT
18 47		40 ⁰¹		9-22	Kim Ahrens	concession		10907	18 CAT
19 47	100 ⁰¹			9-22	Lee Kuch	concession - 1/2 field		10908	19 CAT
20 47	220 ⁰¹			9-22	Deanna Pittman	concession - 1/2 field		10909	20 CAT
21 47		6 ⁰¹		9-22	Shirley	2 daily		10910	21 CAT
22 47		6 ⁰⁰		9-22	JULIE	2 DAILY'S		10911	22 CAT
23 47		3 ⁰¹		9-23	Shirley	1 daily		10912	23 CAT
24 47		3 ⁰¹		9-23	Deanna Pittman	1 daily		10913	24 CAT
25 47		100.00		9-23	DELIA ZAVALA	POSSE BULWANA		10914	25 CAT
26 47		5 ⁰¹		9-24	Shirley	concession		10915	26 CAT
27 47		109.25		9-24	Concession	concession		10916	27 CAT
28 47	100 ⁰¹			9-24	Shirley	concession		10917	28 CAT
29 47		75 ⁰¹		9-24	Shirley	concession - G. Seaman		10918	29 CAT
30 47		5 ⁰¹		9-24	Shirley	concession		10919	30 CAT

Embezzlement Summary and Grand Total

<u>Methodology Used</u>	<u>Amount</u>
Whiteouts on McBee Entries	\$ 5,256
Horse Stall Payments-No Receipt	\$20,376
Concessions Receipts Stolen	\$17,619
Pen Entries on Clean Ledger Sheet	\$ 147
Anticipated Deposits not in Bank	\$10,035
Employee Reports of Theft	<u>\$ 422</u>
Total Stolen	\$53,855

Embezzlement by "Whiting-Out" the McBee Ledger Entries to Conceal Theft

Cash or Check	Date	Amount after white out	Amount Before whiteout	Amount Mishandled	Name after whiteout	Name before whiteout	Description after whiteout	Description before whiteout	Receipt #	Received by	Category	
1	cash	2/7/1998	\$40.00	illegible		Warren Mitchell	same	stall	same	10414	CT	stalls
2	cash	4/6/1998	\$49.50	\$50.00	\$50.00	Pop	Raph Nilsen	office	stalls D11-D12	10588	CT	vending
3	cash	6/8/1998	\$98.00	\$198.00	\$100.00	Bonnie Barkhimer	same	stalls	same	10876	CT	stalls
4	check	8/15/1998	\$28.39	\$228.39	\$200.00	James/Carolyn Murdock	same	stall	same	11071	CT	stalls
5	cash	3/13/1999	\$3.19	\$50.00	\$46.81	arena no name	same	arena	same	11615	CT	training
6	cash	10/15/1999	\$24.00	illegible		USU Rodeo Club	same	stalls	same	1036	CAT	stalls
7	check	11/2/1999	\$63.82	\$400.00	\$400.00	Bob Holman	illegible	manure	same	1093	JD	manure
8	cash	1/24/2000	\$30.00	illegible		Pop	same	indoor Arena	same	13000	CAT	vending
9	cash	3/24/2000	\$210.00	\$230.00	\$20.00	Jim Kjelgaard	same	deposit 7/19	same	1540	JB	indoor arena
10	cash	4/1/2000	\$30.00	\$38.88	\$8.88	Brandy Pope	Brandy Pope	same	tack & stall FC	12	CT	stalls
11	cash	5/9/2000	\$20.00	\$120.00	\$100.00	Pop	same	indoor Arena	same	341	CAT	vending
12	cash	5/13/2000	\$3.00	illegible		Mary Bird	illegible	daily	payment	393	CAT	training
13	cash	5/15/2000	\$9.60	\$70.60	\$61.00	Pop	same	pop indoor arena	same	420	CAT	vending
14	cash	2/22/2001	\$27.00	\$35.00	\$8.00	Sherrie Wilden	no whiteout	payment	same	2594	CAT	stalls
15	cash	2/22/2001	\$35.00	\$80.00	\$45.00	Sherrie Wilden	no whiteout	payment	same	2592	CAT	stalls
16	cash	6/13/2001	\$7.00	\$50.00	\$43.00	Joyce Smith	no whiteout	1 annual	same	3659	CAT	training
17	cash	8/6/2001	\$2.00	\$1,245.25	\$1,245.25	Mark Stoddard	illegible	RV dump	illegible	4040	CAT	admin/bldg.
18	cash	1/4/2002	\$115.00	illegible		Russ Mckague	no whiteout	payment	same	5176	CAT	stalls
19	cash	8/30/2002	\$2.00	\$150.00	\$150.00	Jerry Maln	Rodriguez	RV dump	stall 602, 603,604	7052	CAT	admin/bldg.
20	cash	9/9/2002	\$217.75	\$335.00	\$335.00	Concessions	Allison Larsen	auction barn	stall payments	7096	SC	vending
21	cash	10/4/2002	\$10.00	\$270.00	\$260.00	Kristy Johnson	no whiteout	payment	same	7234	TR	stalls
22	cash	10/7/2002	\$228.00	\$125.00	\$125.00	Concessions	Diana Stubbs	hunter/jumper	payment	7247	CAT	vending/manure
23	cash	12/3/2002	\$50.00	illegible		Travis Bleak	same	payment	same	7620	CAT	stalls
24	cash	12/4/2002	\$15.00	\$150.00	\$150.00	Terry Milburn	same	payment	same	7625	CAT	stalls
25	cash	12/20/2002	\$10.00	illegible		Russ Mckague	no whiteout	payment/trailer	same	7733	CAT	stalls
26	cash	1/6/2003	\$3.00	\$50.00	\$47.00	Garrett Spencer	no whiteout	1 daily	1 annual	7815	CT	training
27	cash	1/7/2003	\$25.00	\$125.00	\$100.00	Russ Mckague	no whiteout	payment	same	7818	CAT	stalls
28	cash	1/16/2003	\$250.25	illegible		Concessions	Concessions	same	same	7916	CAT	vending
29	cash	2/4/2003	\$20.00	illegible		Russ Mckague	no whiteout	stalls	same	8019	SC	stalls
30	cash	2/5/2003	\$10.00	illegible		Travis Bleak	same	stalls-trailer	same	8027	AL	stalls
31	cash	2/18/2003	\$3.00	\$168.50	\$165.50	blank	Concessions	1 daily	Concessions	8149	CAT	training
32	cash	2/24/2003	\$7.00	\$150.00	\$150.00	Charity Gothing	Sid Trujillo	1 bag shavings	payment	8173	CAT	stalls
33	cash	2/24/2003	\$3.00	\$50.00	\$50.00	Jaiver Montoya	Javier Hernandez	1 daily	stall 208 payment	8174	CB to CRT	training
34	cash	2/27/2003	\$5.00	\$120.00	\$120.00	Mike Lorenzo	Garth Campbell	manure	payment	8184	CAT	manure
35	cash	6/20/2003	\$3.00	\$230.00	\$230.00	Marjorie Abbey	Sherry Wilden	1 daily	payment	10394	CAT	training
36	cash	8/5/2003	\$142.00	\$200.00	\$200.00	Denise Shepard	Sherry Wilden	payment	payment	10645	CAT	stalls
37	cash	8/7/2003	\$3.00	\$150.00	\$147.00	blank	illegible	1 daily	payment	10660	CAT	training
38	cash	9/5/2003	\$10.00	\$100.00	\$100.00	Jen Asby	same	payment/trailer	same	10807	CAT	stalls
39	cash	9/8/2003	\$10.00	\$220.00	\$210.00	Diamonte stables	same	payment/trailer	in pen	10818	CAT	stalls
40	check	9/22/2003	\$500.00	\$388.95	\$388.95	Colleen Hansen	same	payment	same	10906	CB	stalls
Total			\$2,322.50	\$4,001.12	\$5,256.39							

Embezzlement of Concession Receipts, Daily Receipts Intended for Deposit, and Other

Date	Per McBee Ledger-----			Per Balance Sheet-----			Difference (McBee vs. B.S.)	Per Z-Tape-----			
	Cash	Check	Total	Cash	Check	Total		Cash	Check	Total	
For Year 2001											
<i>On the Following items, we found a balance sheet, but amounts were not deposited, not found on McBee Ledger. No control sheet on file, either.</i>											
27	13-Jan	\$ -	\$ -	\$ -	\$ 321.25	\$ -	\$ -	\$ 321.25	\$ -	\$ -	\$ -
28	31-Jan	\$ -	\$ -	\$ -	\$ 305.50	\$ 11.25	\$ -	\$ 316.75	\$ -	\$ -	\$ -
29	14-Apr	\$ -	\$ -	\$ -	\$ 207.50	\$ -	\$ -	\$ 207.50	\$ 207.50	\$ -	\$ 207.50
30	19-May	\$ 2,400.50	\$ 5.00	\$ 2,405.50	\$ 3,661.25	\$ 5.00	\$ -	\$ 3,666.25	\$ 1,260.75	\$ -	\$ -
31	8-Jun	\$ -	\$ -	\$ -	\$ 1,557.00	\$ -	\$ -	\$ 1,557.00	\$ 1,557.00	\$ -	\$ 1,557.00
32	30-Jun	\$ -	\$ -	\$ -	\$ 542.00	\$ 17.50	\$ -	\$ 559.50	\$ 559.50	\$ -	\$ -
33	24-Jul	\$ -	\$ -	\$ -	\$ 318.00	\$ -	\$ -	\$ 318.50	\$ 318.50	\$ -	\$ -
34	26-Jul	\$ -	\$ -	\$ -	\$ 232.99	\$ -	\$ -	\$ 232.99	\$ 232.99	\$ 232.51	\$ -
35	8-Sep	\$ -	\$ -	\$ -	\$ 869.25	\$ 16.00	\$ -	\$ 885.25	\$ 885.25	\$ 869.25	\$ 16.00
36	8-Sep	\$ -	\$ -	\$ -	\$ 265.25	\$ -	\$ -	\$ 265.25	\$ 265.25	\$ -	\$ -
37	14-Sep	\$ -	\$ -	\$ -	\$ 890.50	\$ -	\$ -	\$ 890.50	\$ 890.50	\$ 890.25	\$ -
38	27-Sep	\$ -	\$ -	\$ -	\$ 326.00	\$ 12.75	\$ -	\$ 338.75	\$ 338.75	\$ 326.00	\$ 12.75
39	12-Oct	\$ -	\$ -	\$ -	\$ 123.00	\$ -	\$ -	\$ 123.00	\$ 123.00	\$ -	\$ 123.00
40	23-Oct	\$ -	\$ -	\$ -	\$ 223.15	\$ -	\$ -	\$ 223.15	\$ 223.15	\$ -	\$ 223.00
41	10-Nov	\$ 1,672.30	\$ 29.25	\$ 1,701.55	\$ 1,690.25	\$ 29.25	\$ -	\$ 1,719.50	\$ 17.95	\$ 1,691.25	\$ 29.25
42	13-Nov	\$ -	\$ -	\$ -	\$ 435.00	\$ -	\$ -	\$ 435.00	\$ 435.00	\$ 435.25	\$ -
43	20-Nov	\$ -	\$ -	\$ -	\$ 273.00	\$ -	\$ -	\$ 273.00	\$ 273.00	\$ 273.00	\$ -
44	27-Nov	\$ -	\$ 9.00	\$ 9.00	\$ 232.75	\$ 9.00	\$ -	\$ 241.75	\$ 232.75	\$ 232.75	\$ 9.00
45	4-Dec	\$ -	\$ 6.50	\$ 6.50	\$ 202.00	\$ 6.50	\$ -	\$ 208.50	\$ 202.00	\$ 202.00	\$ 6.50
46	20-Dec	\$ -	\$ -	\$ -	\$ 166.25	\$ -	\$ -	\$ 166.25	\$ 166.25	\$ 166.25	\$ -
47	21-Dec	\$ -	\$ -	\$ -	\$ 303.25	\$ -	\$ -	\$ 303.25	\$ 303.25	\$ 303.25	\$ -
48	22-Dec	\$ -	\$ -	\$ -	\$ 1,047.25	\$ 26.50	\$ -	\$ 1,073.75	\$ 1,073.75	\$ 1,043.75	\$ -
49	28-Dec	\$ -	\$ -	\$ -	\$ 235.10	\$ -	\$ -	\$ 235.10	\$ 235.10	\$ 234.75	\$ -
TOTAL for 2001								\$ 10,439.19			

For Year 2002											
<i>On the Following items, we found a balance sheet, but amounts were not deposited, not found on McBee Ledger. No control sheet on file, either.</i>											
50	19-Jan	\$ -	\$ -	\$ -	\$ 289.75	\$ 11.25	\$ -	\$ 301.00	\$ 301.00	\$ 290.75	\$ 11.25
51	31-Jan	\$ -	\$ -	\$ -	\$ 115.00	\$ -	\$ -	\$ 115.00	\$ 115.00	no tape	\$ -
52	2-Feb	\$ -	\$ -	\$ -	\$ 201.25	\$ -	\$ -	\$ 201.25	\$ 201.25	\$ 201.25	\$ 201.25
53	5-Feb	\$ -	\$ -	\$ -	\$ 201.25	\$ -	\$ -	\$ 201.25	\$ 201.25	\$ 201.25	\$ 201.25
54	12-Feb	\$ -	\$ -	\$ -	\$ 290.75	\$ -	\$ -	\$ 290.75	\$ 290.75	\$ 290.75	\$ 290.75
55	16-Feb	\$ -	\$ -	\$ -	\$ 234.50	\$ -	\$ -	\$ 234.50	\$ 234.50	no tape	\$ -
56	17-Feb	\$ -	\$ -	\$ -	\$ 143.00	\$ -	\$ -	\$ 143.00	\$ 143.00	no tape	\$ -
57	17-Feb	\$ -	\$ -	\$ -	\$ 69.25	\$ -	\$ -	\$ 69.25	\$ 69.25	\$ 69.25	\$ 69.25
58	18-Feb	\$ -	\$ -	\$ -	\$ 58.75	\$ -	\$ -	\$ 58.75	\$ 58.75	\$ 58.75	\$ 58.75
59	19-Feb	\$ -	\$ -	\$ -	\$ 60.00	\$ -	\$ -	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00
60	23-Feb	\$ -	\$ -	\$ -	\$ 91.00	\$ -	\$ -	\$ 91.00	\$ 91.00	no tape	\$ -
61	23-Feb	\$ -	\$ -	\$ -	\$ 257.00	\$ -	\$ -	\$ 257.00	\$ 257.00	\$ 257.00	\$ 257.00
62	16-Mar	\$ -	\$ -	\$ -	\$ 1,811.20	\$ 5.75	\$ -	\$ 1,816.95	\$ 1,816.95	\$ 1,810.50	\$ 5.75
63	13-Apr	\$ -	\$ -	\$ -	\$ 438.50	\$ -	\$ -	\$ 438.50	\$ 438.50	\$ 438.50	\$ 438.50
64	1-Oct	\$ -	\$ -	\$ -	\$ 48.50	\$ -	\$ -	\$ 48.50	\$ 48.50	\$ 48.50	\$ 48.50
65	12-Nov	\$ -	\$ -	\$ -	\$ 102.00	\$ -	\$ -	\$ 102.00	\$ 102.00	\$ 102.00	\$ 102.00
66	15-Nov	\$ -	\$ -	\$ -	\$ 101.00	\$ -	\$ -	\$ 101.00	\$ 101.00	tape incor.	\$ -
67	16-Nov	\$ -	\$ -	\$ -	\$ 323.50	\$ -	\$ -	\$ 323.50	\$ 323.50	\$ 323.50	\$ 323.50
68	19-Nov	\$ -	\$ -	\$ -	\$ 162.50	\$ -	\$ -	\$ 162.50	\$ 162.50	\$ 162.50	\$ 162.50
69	26-Nov	\$ -	\$ -	\$ -	\$ 201.00	\$ -	\$ -	\$ 201.00	\$ 201.00	\$ 201.00	\$ 201.00
SubTOTAL								\$ 5,216.70			

On the following item, the control sheet is on file (found folded into thirds), but the designated amount was not deposited nor recorded in McBee.

70	11-Jun	\$ -	\$ -	\$ -	\$ 111.75	\$ -	\$ -	\$ 111.75	\$ 111.75	\$ 111.75	\$ 111.75
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<i>On the following items, the control sheet entry was altered (changed in different writing) from the balance sheet, indicating embezzlement.</i>											
71	16-Mar	\$ 6,361.75	\$ 129.50	\$ 6,491.25	\$ 6,465.75	\$ 129.50	\$ -	\$ 6,595.25	\$ 104.00	Z-tape listing not practical here	\$ -
72	2-Apr	\$ 1,758.25	\$ 38.00	\$ 1,796.25	\$ 2,122.25	\$ 38.00	\$ -	\$ 2,160.25	\$ 364.00	Z-tape listing not practical here	\$ -
73	22-Jun	\$ 386.00	\$ 49.00	\$ 435.00	\$ 634.00	\$ 49.00	\$ -	\$ 683.00	\$ 248.00	Z-tape listing not practical here	\$ -
74	20-Aug	\$ 1,015.75	\$ 53.50	\$ 1,069.25	\$ 1,115.75	\$ 53.50	\$ -	\$ 1,169.25	\$ 100.00	Z-tape listing not practical here	\$ -
SubTOTAL								\$ 816.00			

TOTAL for 2002 **\$ 6,144.45**

For Year 2003

Embezzlement of Concession Receipts, Daily Receipts Intended for Deposit, and Other

On the Following items, we found a balance sheet, but amounts were not deposited, not found on McBee Ledger. No control sheet on file, either.

75	4-Feb	\$	-	\$	-	\$	-	\$	112.00	\$	-	\$	112.00	\$	112.00	\$	112.00	\$	112.00	\$	0.00	\$	112.00
76	25-Mar	\$	-	\$	-	\$	-	\$	109.75	\$	3.00	\$	112.75	\$	112.75	\$	112.75	\$	112.75	\$	0.00	\$	112.75
77	7-Apr	\$	377.75	\$	21.50	\$	399.25	\$	577.75	\$	21.50	\$	599.25	\$	200.00	\$	577.75	\$	21.50	\$	599.25		
78	3-Jun	\$	-	\$	-	\$	-	\$	133.75	\$	-	\$	133.75	\$	<u>133.75</u>	\$	133.75	\$	0.00	\$	133.75		
subTOTAL													\$	<u>558.50</u>									

On the following items, we found that the McBee entry had been altered by pen by changing a 3 to a 0 and a 9 to an 8

79	21-Jul	\$	1,034.25	\$	40.50	\$	1,074.75	\$	1,355.25	\$	37.25	\$	1,392.50	\$	317.75					
80	10-Mar	\$	6,827.00	\$	248.00	\$	7,075.00	\$	6,986.75	\$	248.00	\$	7,234.75	\$	<u>159.75</u>					
subTOTAL													\$	<u>477.50</u>						

TOTAL for 2003 \$ 1,036.00

Daily Receipts Intended for Deposit but not found on Bank Statement

On the following items, a McBee total was drawn on the ledger, indicating a deposit, but the amounts were not found on bank statements

	Date	Per McBee Total	Per Bank Total	Difference (Not Deposited)
80a		\$ 1,520.00	\$ 1,487.50	\$ 32.50
81	4-Sep-01	\$ 3,499.75	\$ -	\$ 3,499.75
82	5-Nov-01	\$ 683.00	\$ -	\$ 683.00
83	11-Apr-02	\$ 490.98	\$ -	\$ 490.98
84	16-Sep-02	\$ 2,124.50	\$ 1,124.50	\$ 1,000.00
85	26-Sep-02	\$ 723.00	\$ 204.50	\$ 518.50
86	15-Oct-02	\$ 365.00	\$ -	\$ 365.00
87	16-Oct-03	\$ 868.00	\$ -	\$ 868.00
88	17-Oct-02	\$ 2,038.00	\$ -	\$ 2,038.00
89	20-Jan-03	\$ 1,183.00	\$ 666.50	\$ 516.50
90	22-Jul-03	\$ 1,363.50	\$ 1,340.75	\$ 22.75
TOTAL for book to bank				<u>\$ 10,034.98</u>

Other (Original theft discovered by pen alteration, anecdotal accounts of theft)

Date

91	9/16/2003 Theft admitted to by Cheryl	\$	147.00
	Per staff, stall paid for by client, McBee altered	\$	150.00
92	Per Art Lovato, \$3 daily ride (in pen in McBee) should have been \$75 rental	\$	72.00
	Per Director Heath Bateman, \$200 manure transaction not recorded	\$	<u>200.00</u>
TOTAL Other			<u>\$ 569.00</u>

Total Concession Receipts Stolen \$ 17,619.64

Total Receipts not Deposited that were intended for Deposit \$ 10,034.98

Total Other \$ 569.00

Embezzlement of Equestrian Park Horse Stall Payments

Date	2000	Name	Amount Per McBee	Amount per Sportsman	Difference Considered Theft
	10-Jun	Stuart Pope	\$340.00	\$350.00	(\$10.00)
	16-Jun	Gordon Brady	\$0.00	\$140.00	(\$140.00)
	20-Jun	Allison Larsen	\$430.00	\$570.00	(\$140.00)
	20-Jun	Dale Simper	\$0.00	\$65.00	(\$65.00)
	10-Jul	Stuart Pope	\$545.00	\$560.00	(\$15.00)
	12-Jul	Wayne Bowman	\$0.00	\$50.00	(\$50.00)
	31-Aug	Taylor Martin	\$0.00	\$80.00	(\$80.00)
	10-Oct	Teri Stoker	\$0.00	\$15.00	(\$15.00)
	12-Oct	Stuart Pope	\$0.00	\$65.00	(\$65.00)
	27-Oct	Pete Hamilton	\$55.00	\$65.00	(\$10.00)
	4-Nov	Kevin Milne	\$293.00	\$347.83	(\$54.83)
	17-Nov	Taylor Martin	\$0.00	\$20.33	(\$20.33)
	30-Nov	Diane Humphrey	\$0.00	\$307.67	(\$307.67)
Total 2000					(\$972.83)

Date	2001	Name	Amount Per McBee	Amount per Sportsman	Difference Considered Theft
	6-Jan	Deanna Bell	\$0.00	\$50.00	(\$50.00)
	15-Jan	Crystal Johnson	\$0.00	\$65.00	(\$65.00)
	26-Jan	Sue Hall	\$15.00	\$20.97	(\$5.97)
	15-Feb	Kevin Milne	\$0.00	\$65.00	(\$65.00)
	26-Feb	Russ Mckague	\$0.00	\$10.00	(\$10.00)
	26-Feb	Sarah Woods	\$0.00	\$150.00	(\$150.00)
	1-Mar	Terry Stoker	\$0.00	\$65.00	(\$65.00)
	9-Mar	Kevin Milne	\$0.00	\$50.00	(\$50.00)
	10-Apr	Diane Humphrey	\$0.00	\$325.00	(\$325.00)
	10-Apr	Irvin Slim	\$0.00	\$50.00	(\$50.00)
	11-Apr	Wesley Saylor	\$0.00	\$66.66	(\$66.66)
	20-Apr	Emily Fuller (Mason)	\$0.00	\$18.33	(\$18.33)
	23-Apr	Crystal Johnson	\$0.00	\$34.66	(\$34.66)
	24-Apr	Donna Davie	\$10.00	\$50.00	(\$40.00)
	24-Apr	Donna Davie	\$0.00	\$21.67	(\$21.67)
	14-May	Gordon Brady	\$120.00	\$150.00	(\$30.00)
	14-May	Russ Mckague	\$0.00	\$115.00	(\$115.00)
	14-May	Von Vicchrilli	\$0.00	\$100.00	(\$100.00)
	12-Jun	Donna Davie	\$0.00	\$10.00	(\$10.00)
	15-Jun	Crystal Johnson	\$0.00	\$65.00	(\$65.00)
	5-Jul	Irvin Slim	\$0.00	\$60.00	(\$60.00)
	6-Jul	Diana Stubbs	\$0.00	\$130.00	(\$130.00)
	10-Jul	Gordon Brady	\$0.00	\$65.00	(\$65.00)
	10-Jul	Diane Humphrey	\$0.00	\$260.00	(\$260.00)
	13-Jul	Jack Woods	\$0.00	\$50.00	(\$50.00)
	6-Aug	Wesley Saylor	\$0.00	\$50.00	(\$50.00)
	9-Aug	Russ Mckague	\$105.00	\$115.00	(\$10.00)
	10-Aug	Don Thompson	\$0.00	\$15.00	(\$15.00)
	31-Aug	Amanda Broadbent	\$0.00	\$4.19	(\$4.19)
	10-Sep	Sarah Woods	\$0.00	\$150.00	(\$150.00)

Embezzlement of Equestrian Park Horse Stall Payments

13-Sep	Amanda Broadbent	\$0.00	\$65.00	(\$65.00)
13-Sep	Hendricks	\$0.00	\$4.83	(\$4.83)
13-Sep	Diana Stubbs	\$0.00	\$65.00	(\$65.00)
19-Sep	Tracy Milne	\$0.00	\$108.34	(\$108.34)
5-Oct	Amanda Broadbent	\$0.00	\$43.39	(\$43.39)
5-Oct		\$0.00	\$65.00	(\$65.00)
9-Oct	Gordon Brady	\$150.00	\$215.00	(\$65.00)
10-Oct	Denise Debs	\$10.00	\$30.00	(\$20.00)
11-Oct	Nikki Ebard	\$0.00	\$65.00	(\$65.00)
11-Dec	Danielle Dwyer	\$0.00	\$50.00	(\$50.00)
11-Dec	Emily Fuller (Mason)	\$0.00	\$50.00	(\$50.00)
11-Dec	Kevin Milne	\$0.00	\$90.00	(\$90.00)
Total 2001				(\$2,823.04)

Date	2002 Name	Amount Per McBee	Amount per Sportsman	Difference Considered Theft
3-Jan	Pete Hamilton	\$325.00	\$390.00	(\$65.00)
9-Jan	Danielle Dwyer	\$200.00	\$300.00	(\$100.00)
15-Jan	Kevin Milne	\$0.00	\$50.00	(\$50.00)
17-Jan	Diamante Stables	\$0.00	\$65.00	(\$65.00)
24-Jan	Diana Stubbs	\$0.00	\$65.00	(\$65.00)
24-Jan	Randy Timm	\$0.00	\$20.00	(\$20.00)
9-Feb	Danielle Dwyer	\$0.00	\$100.00	(\$100.00)
9-Feb	Jack Sprouse	\$0.00	\$10.00	(\$10.00)
11-Mar	John Brocklebank	\$1,235.00	\$1,330.00	(\$95.00)
11-Mar	Danielle Dwyer	\$0.00	\$50.00	(\$50.00)
12-Mar	Kevin Milne	\$0.00	\$130.00	(\$130.00)
28-Mar	Kevin Milne	\$0.00	\$65.00	(\$65.00)
9-Apr	Wesley Saylor	\$0.00	\$30.00	(\$30.00)
10-Apr	Nikki Ebarb	\$0.00	\$65.00	(\$65.00)
10-Apr	Allison Larsen	\$270.00	\$340.00	(\$70.00)
11-Apr	Kevin Milne	\$0.00	\$65.00	(\$65.00)
23-Apr	LeeAnn Ennen	\$0.00	\$65.00	(\$65.00)
23-Apr	Eugene Strickland	\$0.00	\$150.00	(\$150.00)
7-May	John Brocklebank	\$1,155.00	\$1,185.00	(\$30.00)
10-May	Allison Larsen	\$135.00	\$185.00	(\$50.00)
10-May	Allison Larsen	\$0.00	\$15.00	(\$15.00)
10-May	Teri Stoker	\$65.00	\$195.00	(\$130.00)
13-May	Kevin Milne	\$0.00	\$65.00	(\$65.00)
4-Jun	Leon Johnson	\$0.00	\$260.00	(\$260.00)
5-Jun	Kevin Milne	\$0.00	\$65.00	(\$65.00)
11-Jun	Bob Youngberg	\$0.00	\$65.00	(\$65.00)
12-Jun	Kevin Milne	\$0.00	\$65.00	(\$65.00)
17-Jun	Leon Johnson	\$0.00	\$50.00	(\$50.00)
20-Jun	Karissa Hendricks	\$10.00	\$55.00	(\$45.00)
2-Jul	Terry Milburn	\$0.00	\$15.00	(\$15.00)
26-Jul	Betty Brady	\$0.00	\$30.00	(\$30.00)
26-Jul	Gordon Brady	\$0.00	\$10.00	(\$10.00)
29-Jul	Dale Simper	\$0.00	\$15.00	(\$15.00)
1-Aug	Milo Bardwell	\$0.00	\$50.00	(\$50.00)
1-Aug	Russ McKague	\$0.00	\$50.00	(\$50.00)

Embezzlement of Equestrian Park Horse Stall Payments

1-Aug	Terry Milburn	\$0.00	\$15.00	(\$15.00)
1-Aug	Randy Timm	\$0.00	\$50.00	(\$50.00)
5-Aug	Diana Stubbs	\$0.00	\$65.00	(\$65.00)
5-Aug	Penny Warner	\$0.00	\$50.00	(\$50.00)
7-Aug	Kevin Milne	\$0.00	\$90.00	(\$90.00)
10-Aug	Betty Brady	\$320.00	\$350.00	(\$30.00)
27-Aug	Travis Bleak	\$0.00	\$200.00	(\$200.00)
4-Sep	Daniel Aleman	\$0.00	\$135.00	(\$135.00)
6-Sep	Terry Milburn	\$0.00	\$15.00	(\$15.00)
6-Sep	Dale Simper	\$0.00	\$15.00	(\$15.00)
9-Sep	Dale Simper	\$0.00	\$15.00	(\$15.00)
10-Sep	Betty Brady	\$290.00	\$320.00	(\$30.00)
17-Sep	Travis Bleak	\$0.00	\$50.00	(\$50.00)
18-Sep	Amanda Broadbent	\$20.00	\$60.00	(\$40.00)
19-Sep	Charity Gottling	\$0.00	\$50.00	(\$50.00)
26-Sep	Mike/Shelly Hendricks	\$0.00	\$50.00	(\$50.00)
2-Oct	Terry Milburn	\$0.00	\$15.00	(\$15.00)
3-Oct	Amanda Broadbent	\$0.00	\$50.00	(\$50.00)
7-Oct	Leon Johnson	\$0.00	\$310.00	(\$310.00)
8-Oct	Daniel Aleman	\$0.00	\$150.00	(\$150.00)
9-Oct	Sherrie Wilden	\$0.00	\$200.00	(\$200.00)
10-Oct	Betty Brady	\$290.00	\$320.00	(\$30.00)
15-Oct	Javier Hernandez	\$120.00	\$150.00	(\$30.00)
22-Oct	Russ McKague	\$0.00	\$100.00	(\$100.00)
22-Oct	Kevin Milne	\$0.00	\$145.00	(\$145.00)
24-Oct	Nikki Ebarb	\$0.00	\$65.00	(\$65.00)
24-Oct	Javier Hernandez	\$0.00	\$50.00	(\$50.00)
5-Nov	Travis Bleak	\$0.00	\$150.00	(\$150.00)
6-Nov	Gordon Brady	\$270.00	\$280.00	(\$10.00)
6-Nov	Leon Johnson	\$0.00	\$360.00	(\$360.00)
6-Nov	Eugene Strickland	\$0.00	\$65.00	(\$65.00)
8-Nov	Terry Milburn	\$0.00	\$15.00	(\$15.00)
12-Nov	Wes Pettingill	\$0.00	\$230.00	(\$230.00)
14-Nov	Daniel Aleman	\$0.00	\$180.00	(\$180.00)
4-Dec	Travis Bleak	\$0.00	\$250.00	(\$250.00)
5-Dec	Jack Woods	\$335.00	\$350.00	(\$15.00)
9-Dec	Daniel Aleman	\$0.00	\$150.00	(\$150.00)
9-Dec	Teri Stoker	\$0.00	\$130.00	(\$130.00)
10-Dec	Kyle Mortensen	\$0.00	\$50.00	(\$50.00)
10-Dec	Penny Warner	\$165.00	\$199.00	(\$34.00)
11-Dec	Terry Milburn	\$0.00	\$10.00	(\$10.00)
20-Dec	Nikki Ebarb	\$0.00	\$25.00	(\$25.00)
20-Dec	Russ McKague	\$0.00	\$160.00	(\$160.00)
31-Dec	Dale Simper	\$0.00	\$45.00	(\$45.00)
Total 2002				(\$6,194.00)

Date	2003 Name	Amount Per McBee	Amount per Sportsman	Difference Considered Theft
2-Jan	Eugene Strickland	\$0.00	\$65.00	(\$65.00)
6-Jan	Terry Milburn	\$0.00	\$165.00	(\$165.00)
7-Jan	Pam Ciak	\$0.00	\$195.00	(\$195.00)

Embezzlement of Equestrian Park Horse Stall Payments

8-Jan	Leon Johnson	\$0.00	\$350.00	(\$350.00)
9-Jan	Gordon Brady	\$195.00	\$280.00	(\$85.00)
9-Jan	Teri Stoker	\$0.00	\$130.00	(\$130.00)
10-Jan	Bud Court	\$75.00	\$190.00	(\$115.00)
10-Jan	James Robinson	\$10.00	\$50.00	(\$40.00)
10-Jan	Sherrie Wilden	\$0.00	\$150.00	(\$150.00)
13-Jan	Clint Lindstrom	\$0.00	\$170.00	(\$170.00)
4-Feb	Travis Bleak	\$0.00	\$300.00	(\$300.00)
4-Feb	Russ McKague	\$20.00	\$125.00	(\$105.00)
5-Feb	Travis Bleak	\$10.00	\$400.00	(\$390.00)
7-Feb	Eugene Strickland	\$0.00	\$65.00	(\$65.00)
10-Feb	Daniel Aleman	\$0.00	\$300.00	(\$300.00)
10-Feb	Gordon Brady	\$0.00	\$280.00	(\$280.00)
10-Feb	Leon Johnson	\$0.00	\$350.00	(\$350.00)
11-Feb	Xavier Fleuranceau	\$0.00	\$130.00	(\$130.00)
6-Mar	James Robinson	\$0.00	\$75.00	(\$75.00)
7-Mar	Bud Court	\$0.00	\$150.00	(\$150.00)
10-Mar	Daniel Aleman	\$0.00	\$150.00	(\$150.00)
10-Mar	Danielle Dwyer	\$0.00	\$310.00	(\$310.00)
10-Mar	Allison Larsen	\$0.00	\$335.00	(\$335.00)
21-Mar	Gordon Brady	\$0.00	\$345.00	(\$345.00)
1-Apr	Humberto Aleman	\$0.00	\$100.00	(\$100.00)
3-Apr	Humberto Aleman	\$0.00	\$50.00	(\$50.00)
3-Apr	Terry Milburn	\$0.00	\$15.00	(\$15.00)
4-Apr	Javier Hernandez	\$0.00	\$150.00	(\$150.00)
9-Apr	Terry Milburn	\$0.00	\$150.00	(\$150.00)
10-Apr	Gordon Brady	\$65.00	\$130.00	(\$65.00)
10-Apr	Teri Stoker	\$0.00	\$130.00	(\$130.00)
10-Apr	Kairle Wright	\$0.00	\$65.00	(\$65.00)
22-Apr	Gordon Brady	\$0.00	\$215.00	(\$215.00)
22-Apr	Christian DeRuiter	\$0.00	\$100.00	(\$100.00)
22-Apr	James Robinson	\$0.00	\$75.00	(\$75.00)
7-May	Gordon Brady	\$65.00	\$270.00	(\$205.00)
9-May	Daniel Aleman	\$50.00	\$150.00	(\$100.00)
9-May	Terry Milburn	\$50.00	\$65.00	(\$15.00)
9-May	Sherrie Wilden	\$0.00	\$150.00	(\$150.00)
14-May	Humberto Aleman	\$50.00	\$200.00	(\$150.00)
28-May	Julie Jensen	\$0.00	\$136.00	(\$136.00)
30-May	Terry Milburn	\$50.00	\$100.00	(\$50.00)
4-Jun	James Robinson	\$0.00	\$75.00	(\$75.00)
10-Jun	Leon Johnson	\$0.00	\$300.00	(\$300.00)
11-Jun	Kevin Milne	\$0.00	\$75.00	(\$75.00)
3-Jul	Gordon Brady	\$0.00	\$270.00	(\$270.00)
3-Jul	Pam Ciak	\$0.00	\$195.00	(\$195.00)
7-Jul	Jen Ashby	\$0.00	\$100.00	(\$100.00)
7-Jul	James Robinson	\$0.00	\$75.00	(\$75.00)
7-Jul	Sherrie Wilden	\$0.00	\$200.00	(\$200.00)
11-Jul	Teri Stoker	\$0.00	\$65.00	(\$65.00)
17-Jul	Nealle Beachler	\$0.00	\$100.00	(\$100.00)
4-Aug	Dale Simper	\$0.00	\$45.00	(\$45.00)
7-Aug	Gordon Brady	\$130.00	\$270.00	(\$140.00)
7-Aug	Pam Ciak	\$0.00	\$195.00	(\$195.00)

Embezzlement of Equestrian Park Horse Stall Payments

19-Aug	Teri Stoker	\$0.00	\$65.00	(\$65.00)
26-Aug	Jen Ashby	\$0.00	\$130.00	(\$130.00)
26-Aug	Russ McKague	\$0.00	\$120.00	(\$120.00)
4-Sep	Gordon Brady	\$0.00	\$270.00	(\$270.00)
5-Sep	Armando Garfias	\$0.00	\$100.00	(\$100.00)
10-Sep	Terry Milburn	\$135.00	\$160.00	(\$25.00)
10-Sep	Teri Stoker	\$0.00	\$130.00	(\$130.00)
11-Sep	Kyle Mortensen	\$0.00	\$60.00	(\$60.00)
11-Sep	Sherrie Wilden	\$0.00	\$150.00	(\$150.00)
12-Sep	Gary Mix	\$10.00	\$260.00	(\$250.00)
16-Sep	Humberto Aleman	\$0.00	\$120.00	(\$120.00)
16-Sep	Charity Gottling	\$0.00	\$100.00	(\$100.00)
16-Sep	Taylor Martin	\$0.00	\$75.00	(\$75.00)
16-Sep	Eugene Strickland	\$0.00	\$65.00	(\$65.00)
25-Sep	Christian DeRuiter	\$0.00	\$220.00	(\$220.00)
Total 2003				(\$10,386.00)

Grand Total

(\$20,375.87)

Equestrian Park Month-by-Month Theft Totals

1998	January	February	March	April	May	June	July	August	September	October	November	December
				\$50.00		\$100.00		\$200.00		\$0.00		
1998 Totals	\$0.00	\$0.00	\$0.00	\$50.00	\$0.00	\$100.00	\$0.00	\$200.00	\$0.00	\$0.00	\$0.00	\$0.00

1999	January	February	March	April	May	June	July	August	September	October	November	December
			\$46.81								\$400.00	
1999 Totals	\$0.00	\$0.00	\$46.81	\$0.00	\$400.00	\$0.00						

2000	January	February	March	April	May	June	July	August	September	October	November	December
			\$20.00	\$8.88	\$100.00	\$10.00	\$15.00	\$80.00		\$15.00	\$54.83	
					\$61.00	\$140.00	\$50.00			\$65.00	\$20.33	
						\$140.00				\$10.00	\$307.67	
						\$65.00						
2000 Totals	\$0.00	\$0.00	\$20.00	\$8.88	\$161.00	\$355.00	\$65.00	\$80.00	\$0.00	\$90.00	\$382.83	\$0.00

2001	January	February	March	April	May	June	July	August	September	October	November	December
	\$50.00	\$8.00	\$65.00	\$325.00	\$30.00	\$43.00	\$60.00	\$1,245.25	\$150.00	\$43.39	\$17.95	\$50.00
	\$65.00	\$45.00	\$50.00	\$50.00	\$115.00	\$10.00	\$130.00	\$50.00	\$65.00	\$65.00	\$435.00	\$50.00
	\$5.97	\$65.00		\$66.66	\$100.00	\$65.00	\$65.00	\$10.00	\$4.83	\$65.00	\$273.00	\$90.00
	\$321.25	\$10.00		\$18.33	\$1,260.75	\$1,557.00	\$260.00	\$15.00	\$65.00	\$20.00	\$232.75	\$202.00
	\$316.75	\$150.00		\$34.66		\$559.50	\$50.00	\$4.19	\$108.34	\$65.00	\$683.00	\$166.25
				\$40.00			\$318.50	\$32.50	\$885.25	\$123.00		\$303.25
				\$21.67			\$232.99		\$265.25	\$223.15		\$1,073.75
				\$207.50					\$890.50			\$235.10
									\$338.75			
									\$3,499.75			
2001 Totals	\$758.97	\$278.00	\$115.00	\$763.82	\$1,505.75	\$2,234.50	\$1,116.49	\$1,356.94	\$6,272.67	\$604.54	\$1,641.70	\$2,170.35

2002	January	February	March	April	May	June	July	August	September	October	November	December
	\$65.00	\$100.00	\$95.00	\$30.00	\$30.00	\$260.00	\$15.00	\$150.00	\$335.00	\$260.00	\$150.00	\$150.00
	\$100.00	\$10.00	\$50.00	\$65.00	\$50.00	\$65.00	\$30.00	\$50.00	\$135.00	\$125.00	\$10.00	\$250.00
	\$50.00	\$201.25	\$130.00	\$70.00	\$15.00	\$65.00	\$10.00	\$50.00	\$15.00	\$15.00	\$360.00	\$15.00
	\$65.00	\$201.25	\$65.00	\$65.00	\$130.00	\$65.00	\$15.00	\$15.00	\$15.00	\$50.00	\$65.00	\$150.00
	\$65.00	\$290.75	\$1,816.95	\$65.00	\$65.00	\$50.00		\$50.00	\$15.00	\$310.00	\$15.00	\$130.00
	\$20.00	\$234.50	\$104.00	\$150.00		\$45.00		\$65.00	\$30.00	\$150.00	\$230.00	\$50.00
	\$301.00	\$143.00		\$438.50		\$111.75		\$50.00	\$50.00	\$200.00	\$180.00	\$34.00
	\$115.00	\$69.25		\$364.00		\$248.00		\$90.00	\$40.00	\$30.00	\$102.00	\$10.00
		\$58.75		\$490.98				\$30.00	\$50.00	\$30.00	\$101.00	\$25.00
		\$60.00						\$200.00	\$50.00	\$100.00	\$323.50	\$160.00
		\$91.00						\$100.00	\$1,000.00	\$145.00	\$162.50	\$45.00
		\$257.00							\$518.50	\$65.00	\$201.00	
										\$50.00		
										\$48.50		
										\$2,038.00		
										\$365.00		
										\$868.00		
2002 Totals	\$781.00	\$1,716.75	\$2,260.95	\$1,738.48	\$290.00	\$909.75	\$70.00	\$850.00	\$2,253.50	\$4,849.50	\$1,900.00	\$1,019.00

2003	January	February	March	April	May	June	July	August	September	October	November	December
	\$47.00	\$165.50	\$75.00	\$100.00	\$205.00	\$230.00	\$270.00	\$200.00	\$100.00			
	\$100.00	\$150.00	\$150.00	\$50.00	\$100.00	\$75.00	\$195.00	\$147.00	\$210.00			
	\$65.00	\$50.00	\$150.00	\$15.00	\$15.00	\$300.00	\$100.00	\$45.00	\$388.95			
	\$165.00	\$120.00	\$310.00	\$150.00	\$150.00	\$75.00	\$75.00	\$140.00	\$270.00			
	\$195.00	\$300.00	\$335.00	\$150.00	\$150.00	\$133.75	\$200.00	\$195.00	\$100.00			
	\$350.00	\$105.00	\$345.00	\$65.00	\$136.00		\$65.00	\$65.00	\$25.00			
	\$85.00	\$390.00	\$112.75	\$130.00	\$50.00		\$100.00	\$130.00	\$130.00			
	\$130.00	\$65.00	\$159.75	\$65.00			\$317.75	\$120.00	\$60.00			
	\$115.00	\$300.00		\$215.00			\$22.75		\$150.00			
	\$40.00	\$280.00		\$100.00					\$250.00			
	\$150.00	\$350.00		\$75.00					\$120.00			
	\$170.00	\$130.00		\$200.00					\$100.00			
	\$516.50	\$112.00							\$75.00			
									\$65.00			
									\$220.00			
									\$147.00			
									\$150.00			
									\$72.00			
									\$200.00			
2003 Totals	\$2,128.50	\$2,517.50	\$1,637.50	\$1,315.00	\$806.00	\$813.75	\$1,345.50	\$1,042.00	\$2,832.95	\$0.00	\$0.00	\$0.00

Equestrian Park McBee Ledger, August 6, 2001
“White-Out” on Line 26
Previously \$1245, but “Whited-Out” and Changed to \$2

LINE	DATE	DESCRIPTION	DEBIT	CREDIT	BALANCE	MEMO
14	7					
15	8					
16	9	gnc 265.00				
17	10	115 65.00				
18	11	117545 m. 50.00				
19	12	1153 100.00				
20	13	702 214.35				
21	14		15.00			
22	15			VOID		
23	16	117 20.00				
24	17	372 50.00				
25	18	315 50.00				
26	19			136.62		
27	20	1079 50.00				
28	21	1243 1.50				
29	22	137 207.00				
30	23	7811 142.00				
31	24	1205 65.00				
32	25			65.00		
26	26			2.00		
27	27	400 4.50				
28	28	527 6.00				
29	29	1176 50.00				
30	30	353 110.00				
31	31			2.00		
32	32	1205 420.00				
SUB TOTALS		CHEQUES ONLY				
TOTALS			5549.76	386.62		
TOTALS SHEET ONLY			5916.38			
GRAND TOTAL			5916.38			

LINE	DATE	DESCRIPTION	DEBIT	CREDIT	BALANCE	MEMO
1		R-1 Kraft Dinner				
2		R-1 Beef Dinner				
3		R-1 Pork chops				
4		R-1 Xurchi Road Color				
5		R-1 Xrice wicks				
6		R-2 Xracy Mill/ben				
7		R-2 Xrt + 700 lbs				
8		R-2 Xhorse la kuno				
9		R-2 Xhorse la kuno				
10		R-2 Xhorse la kuno				
11		R-2 Xhorse la kuno				
12		R-2 Xhorse la kuno				
13		R-2 Xhorse la kuno				
14		R-2 Xhorse la kuno				
15		R-2 Xhorse la kuno				
16		R-2 Xhorse la kuno				
17		R-2 Xhorse la kuno				
18		R-2 Xhorse la kuno				
19		R-2 Xhorse la kuno				
20		R-2 Xhorse la kuno				
21		R-2 Xhorse la kuno				
22		R-2 Xhorse la kuno				
23		R-2 Xhorse la kuno				
24		R-2 Xhorse la kuno				
25		R-2 Xhorse la kuno				
26		R-2 Xhorse la kuno				
27		R-2 Xhorse la kuno				
28		R-2 Xhorse la kuno				
29		R-2 Xhorse la kuno				
30		R-2 Xhorse la kuno				
31		R-2 Xhorse la kuno				
32		R-2 Xhorse la kuno				

Equestrian Park McBee Ledger, July 21, 2003

Line 18 Changed by Pen to \$1,034.25 from \$1,334.25

CHECK NO.	CHECKS	CASH	CHARGE	DATE	NAME	DESCRIPTION	BALANCE	RECEIPT NUMBER	RECEIVED BY	JUN 04	JUN 10	JUL 11	JUL 12	JUL 13	JUL 14
11		50.00		7-16	JAN VILC HANOVER	SMALL WIRE ROBERT	10566	1	CH						
21		150.00		7-17	DELICIA OLGA	payment	10567	2	CH						
31				7-17	Van Smith	2 Bona Service	10568	3	CH						
41		10.00		7-17	Merle Beaulieu	1 Towler	10569	4	CH						
51	4131			7-17	Van Beaulieu	payment	10570	5	CH						
61		61.17		7-18	Doyle Hobbs	payment	10571	6	CH						
71		28.00		7-18	Van Beaulieu	4 Bona Service	10572	7	CH						
81		35.00		7-18	MELISA	2 OVERNIGHT SHAVINGS	10573	8	CH						
91		45.00		7-18	TONY JANSON	3 OVERNIGHT STRIPS	10574	9	CH						
101		60.00		7-18	TONY	2 OVERNIGHT SHAVINGS	10575	10	CH						
111	602			7-18	Greg Tolson	2 OVERNIGHT STRIPS	10576	11	CH						
121	152			7-18	MELISSA HADDY	4 OVERNIGHT	10577	12	CH						
131		152.00		7-19		1 OVERNIGHT	10578	13	CH						
141	390.24			7-19	ELSAEEN BEADPOD		10579	14	CH						
151		6106.00		7-19	U.A.S.H.A.	SHOW	10580	15	CH						390.00
161		7.00		7-21	Kyle Howard	1 BNA SKINNS	10581	16	CH						
171	500			7-21	ROL RUDNER	TRUNK BAGS	10582	17	CH						
181		1834.25		7-21	LAURENCE	ALL BRAD SHOW	10583	18	CH		1034.25				
191	310	2.25		7-21	Karl Penman	LAURENCE	10584	19	CH		2.25				
201	508	5.25		7-21	Stacy Taylor	LAURENCE	10585	20	CH		5.25				
211	419	14.50		7-21	William Taylor	LAURENCE	10586	21	CH		14.50				
221	602	2.00		7-21	Deyle Kinell	LAURENCE	10587	22	CH		2.00				
231	597	4.25		7-21	The Equine Pavilion	LAURENCE	10588	23	CH		4.25				
241	885	12.25		7-21	The Equine Pavilion	LAURENCE	10589	24	CH		12.25				
251	594	38.00		7-21	Janice Quaid	LAURENCE	10590	25	CH		38.00				
261		18.00		7-21	Amber	4 DADDY	10591	26	CH						
271	597	59.00		7-21	Dee dee	LAURENCE	10592	27	CH		59.00				
281		100.00		7-21	MILLINERY	LAURENCE	10593	28	CH						
291	399	7.75		7-22	Janice Penman	LAURENCE	10594	29	CH		7.75				
301		15.00		7-22	Reay	LAURENCE	10595	30	CH						
311				7-22	Julie Tansal	1 LAURENCE	10596	31	CH						
321	6102			7-22	MILLIE FARRAN	2 LAURENCE	10597	32	CH						

**Concession Cashier Balance Sheet and
Cash Reconciliation Report
March 30, 2002
Totals Were Erased and Reduced**

4-

DAILY BALANCE WORKSHEET

30 March 02

EVENT Auction - RMA

RED BY MN

BEER REVENUE (N/A)

REGISTER TAPE TOTAL 2158.25

STARTING FUND 500

2658.25

.20

1.00 161.00

1.05

5.00 350.00

.00

10.00 100

00

20.00 150.00

50.00 100.00

11.25

100.00 400.00

TOTAL 2011

TOTAL COIN & CASH 2622.25

CHECKS 38.00

TOTAL 2660.25

MINUS STARTING FUND -500.00

REGISTER TAPE TOTAL 2161.25 ✓
(enter in register amount- then subtract)

DIFFERENCE OVER/SHORT +2.00

Amount altered to \$1,758.25 on control sheet

**Concession Cashier Balance Sheet and
Cash Reconciliation Report
March 30, 2002
Totals Were Erased and Reduced**

EQUESTRIAN PARK CASH RECONCILIATION REPORT

DATE: 30 March 02 PARK ATTENDANT: MIV

BEGINNING CASH DRAWER

\$1 X = 200
 \$5 X = 200
 \$10 X = _____
 \$20 X = _____
 COINS = 100
TOTAL BEGINNING CASH: = 500

AMOUNT RECEIPTED FROM McBEE

Total Checks: 38.00
 Total Cash: + 1758.25
 Total Received: = 1796.25
 Total Received from previous day(s),
 but not in a Prepared Deposit + _____
Grand Total Received = _____

This amount altered, shown as \$2,122.25 on balancesheet

AMOUNT IN POST AND PREPARED DEPOSIT

(Complete this section only if preparing a deposit for this day's receipts)

Total Checks: = _____
 Total Cash: = _____
 Total in Post: = _____
 Less Grand Total Received (from above) - _____
 Equals Overage or Shortage = _____
 Total Deposit (Grand total Received plus
 Overage or Minus Shortage) = _____

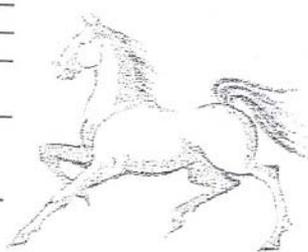
ENDING CASH DRAWER

\$1 X = 200
 \$5 X = 200
 \$10 X = _____
 \$20 X = _____
 COINS = 100
TOTAL ENDING CASH: = 500

Check if total ending cash = total beginning cash = _____

IF NOT, EXPLAIN DIFFERENCES _____

REVIEWED BY: _____



Collections Reported on June 11, 2002 Reconciliation Report That Were Not Deposited

EQUESTRIAN PARK CASH RECONCILIATION REPORT

DATE: 6/11/02 PARK ATTENDANT: KW

BEGINNING CASH DRAWER

S1 X = 200.00
 S5 X = 200.00
 S10 X = _____
 S20 X = _____
 COINS = 100.00
TOTAL BEGINNING CASH: = 500.00

This was folded into thirds and tucked away into other control sheets when auditor found it.

AMOUNT RECEIPTED FROM McBEE

Total Checks: 0
 Total Cash: + 111.75
 Total Receipted: = 111.75
 Total Receipted from previous day(s), but not in a Prepared Deposit + 0
Grand Total Receipted = 111.75

Not Deposited

AMOUNT IN POST AND PREPARED DEPOSIT

(Complete this section only if preparing a deposit for this day's receipts)

Total Checks: _____
 Total Cash: _____
 Total in Post: _____
 Less Grand Total Receipted (from above) = _____
 Equals Overage or Shortage _____
 Total Deposit (Grand total Receipted plus Overage or Minus Shortage) = _____

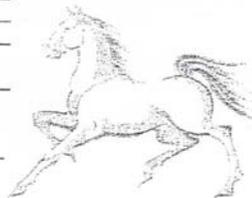
ENDING CASH DRAWER

S1 X = 200.00
 S5 X = 200.00
 S10 X = _____
 S20 X = _____
 COINS = 100.00
TOTAL ENDING CASH: = 500.00

Check if total ending cash = total beginning cash = yes

IF NOT, EXPLAIN DIFFERENCES _____

REVIEWED BY: KW



Current Equestrian Park Fee Schedule

Stall Rental: Outside covered stall Inside covered stall Overnight w/bedding	\$50.00 p/month \$65.00 p/month \$15.00 p/night
Open Paddocks: 6 horse maximum	\$250.00 p/month
Rodeo Arena: Club Night Events (8 hours)	\$400.00 p/season \$400.00 p/event
Show Arena: Club night Events (8 hours)	\$400.00 p/season \$400.00 p/event
Track: Professional Recreational	\$500.00 p/day \$200.00 p/day
Open Arena and Track: Daily Annual Chariot	\$3.00 p/horse \$50.00 p/horse \$50.00 p/team
Arena Rentals: Arena rental Hourly rental Portable flooring Reservation deposit	\$500.00 p/day \$50.00 p/hour \$500.00 p/event \$100.00 p/day
Miscellaneous: Advertisement Vendor booth space	\$200.00 p/month \$2000.00 p/year \$75.00 p/day
Multi-Purpose Field:	\$200.00 p/day



**SALT LAKE
COUNTY**

NANCY WORKMAN
SALT LAKE COUNTY MAYOR

MAYOR'S CABINET

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DEPUTY MAYOR
adayton@co.slc.ut.us

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nworkman@co.slc.ut.us

CITIZEN ADVOCATE
(801) 468-2727

February 12, 2004

Craig Sorensen, Auditor
Salt Lake County Auditor

Dear Craig:

Pursuant to your letter that accompanied the audit of the Equestrian Park theft, I am writing this letter.

We would like to thank you and your Internal Audit team for the effort put forth in your report. Your audits of 1999 and 2003 are also appreciated. I appreciated the opportunity to meet with Jim Wightman and to discuss your team's findings. The Mayor has asked her fiscal team to continue to work with Parks and Recreation and the Equestrian Park staff to develop an implementation plan for the Equestrian Park.

Again, thank you for your efforts.

Sincerely,

David Marshall, Chief Administrative Officer
Salt Lake County Mayor's Office

cc: Jim Wightman
Ted Phillips