

AUDIT REPORT

Clark County
Restitution Payments
Audit

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CLARK COUNTY *Nevada*
Audit Department

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Background

When a person is convicted of committing a crime, the sentence imposed often includes a fine, administrative assessment, fees, incarceration and/or restitution.

Restitution is a means for a defendant to compensate a victim of crime for property that is lost, damaged or destroyed, or medical expenses incurred as a result of the commission of the offense. Restitution is generally ordered by a judge based on information presented during a criminal case.

Restitution is payable directly to victims of crime and is collected by the justice courts or county in misdemeanor cases per Nevada Revised Statutes (NRS) 4.3755, or the State of Nevada's Division of Parole and Probation from parolees in felony and gross misdemeanor cases per NRS 176A.430. Victims of crimes can be individuals, businesses, or government agencies.

In some cases, a jail or prison sentence is suspended under the condition that restitution be paid along with fines, fees, and other court mandates such as attending educational courses. Nonetheless, once a defendant exits the purview of the judicial system or supervision of the State's Division of Parole and Probation, restitution generally becomes a civil matter per NRS 176.275.

In 2018, Nevada voters passed into legislation Article 1, Section 8A of the Nevada Constitution, 'Rights of Victims of Crime' commonly referred to as 'Marsy's Law.' This passage expanded the rights of victims of crime including the right to full and timely restitution; the right to have all monetary payments, collected from a person who has been ordered to pay restitution, to be first applied to court ordered restitution before a defendant pays any other fines and/or fees imposed by the court.

Nevada Constitution Requires Restitution Be Paid Before Court Fines and Fees

In Clark County, no single entity is assigned the sole and primary responsibility of coordinating, receipting, and distributing restitution payments. Instead, the 11 Justice Courts and District Court in Clark County work with the District Attorney's Office to process restitution payment receipts - with the bulk of the work falling under the purview of the District Attorney's Office.

The volume of criminal case filings, and thus potential restitution orders, varies between County courts. The Las Vegas Justice Court has the largest volume of criminal case filings in Clark County while the Bunkerville Justice Court has the lowest. Exhibit 1 breaks down the volume of criminal case filings for each of the courts.

**Exhibit 1: Volume of Criminal Case Filings⁽¹⁾
Among Courts in Clark County, Fiscal Years
2019 - 2020**

Court	2020	2019
Clark County District Court	7,246	8,215
Boulder Justice Court	108	112
Bunkerville Justice Court	9	14
Goodsprings Justice Court	195	230
Henderson Justice Court	2,855	2,810
Las Vegas Justice Court	55,124	43,610
Laughlin Justice Court	634	606
Mesquite Justice Court	225	190
Moapa Justice Court	45	55
Moapa Valley Justice Court	140	122
North Las Vegas Justice Court	3,070	3,490
Searchlight Justice Court	102	70

Source: Nevada Judiciary, Annual Reports

⁽¹⁾ Criminal includes felony, gross misdemeanor, non-traffic misdemeanor, and criminal appeals (District Court only) filings.

**Las Vegas Justice Court
Does Not Accept Criminal
Case Restitution Payments**

On August 1, 2014 the Las Vegas Justice Court issued Administrative Order 14-03, whereby the Court would no longer accept criminal restitution payments. The order calls for criminal restitution payments to be paid directly to the District Attorney's Office.

While the Las Vegas Justice Court's restitution administrative order continues to be in place, some circumstantial restitution payments are occasionally accepted by the Court.

County Courts located outside of the Regional Justice Center generally accept restitution payments in their courtrooms and/or customer service windows and forward the payments to the District Attorney's Office.

The District Attorney Office's Bad Check Diversion Unit is currently tasked with processing restitution payments. This involves receipting the payments and forwarding them directly to the victims of crime. The Office's Victim Witness Assistant Center previously processed these payments.

**Bad Check Diversion Unit
Continues to Perform Their
Core Function While
Processing Criminal
Restitution Payments**

Although the Bad Check Diversion Unit processes criminal restitution payments, the primary function of the Unit continues to be providing support for criminal bad check cases. This includes assisting with restitution payment plan arrangements on bad check criminal cases, receipting bad check restitution payments, assisting with the disbursement of bad check restitution, arranging out-of-region extraditions, handling inquiries, and various other duties.

The District Attorney's Office accepts restitution payments in person or through mail. They primarily accept guaranteed funds, i.e. cashier's checks, money orders, attorney trust account checks or official court checks.

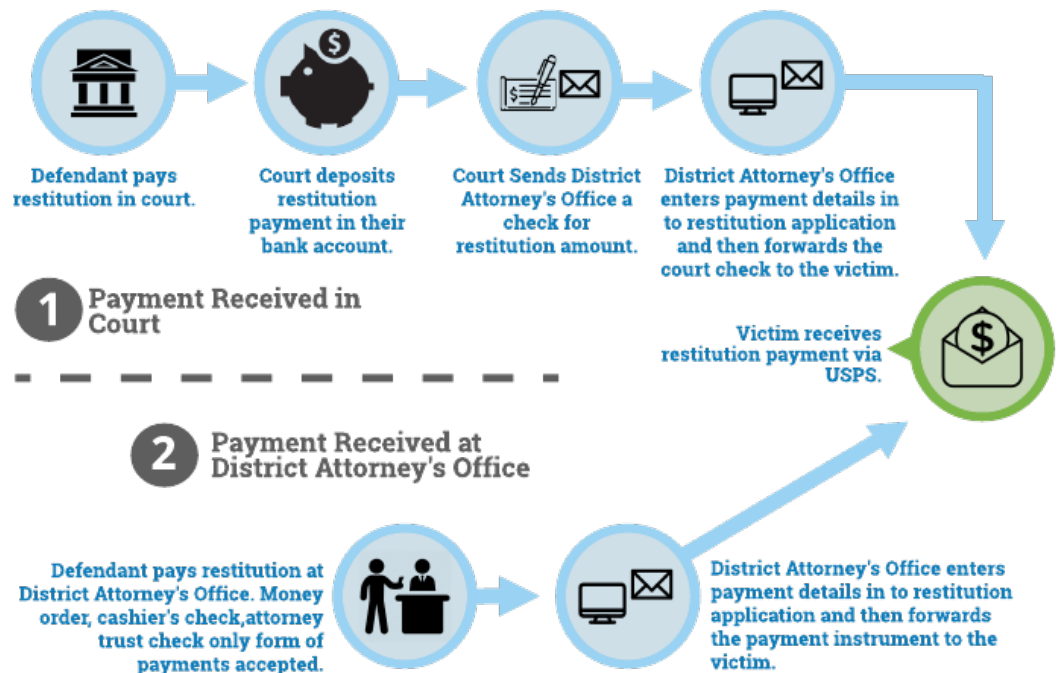
By accepting a guaranteed payment instrument, the Bad Check Diversion Unit can forward payments directly to victims, in the form received, without having to deposit the payment.

As mentioned above, the Bad Check Diversion Unit also receives official court checks representing restitution payments received by County courts. When courts accept restitution payments directly, the accepting court will deposit the restitution payment in their respective bank account and issue a subsequent check, made out to the victim, which is then delivered to the Bad Check Unit.

Restitution Payments Travel One of Two Paths to Reach a Victim, Depending on Where Payment Was Received

Overall, there are two distinct paths for a restitution payment to reach a victim of crime based on whether the payment is received in court or directly at the District Attorney's Office - as illustrated in Exhibit 2.

Exhibit 2: Victim Restitution Payment Delivery is Based on Whether Payment Was Received in Court or Directly at District Attorney' Office



Source: Auditor Prepared

Since Restitution Payments are Forwarded Exactly as Received - Having the Correct Victim Information is Important

Because restitution payment instruments are forwarded exactly as received, having the correct victim information is vital for timely and accurate delivery; to ensure this, the Bad Check Diversion Unit requires all restitution payments to include the corresponding criminal case number.

With the corresponding case information, staff can cross reference the payment instrument to the court order to ensure the payment is made out to the correct victim. Information is cross referenced using the judicial case management portals or using the District Attorney's case management system.

Identifying current victim addresses can sometimes prove difficult due to stale information and/or privacy practices which limit the amount of victim information found in court documents. When this occurs, the Bad Check Diversion Unit relies on assistance from criminal investigators, who have access to additional tools, in an effort to identify current victim contact information.

Since the amount of court ordered restitution varies by case and can range from small to large amounts, defendants sometimes make multiple payments to satisfy their restitution order. As time passes, the likelihood of the victim's contact information becoming stale increases.

To better manage restitution payments, the District Attorney's Office created a self-managed restitution payment application. The application allows users to enter key payment details such as payment date, payment amount, payment method, court information, victim contact information and scan a copy of the payment instrument. This information is then recorded in a database. The application also allows users to input notes.

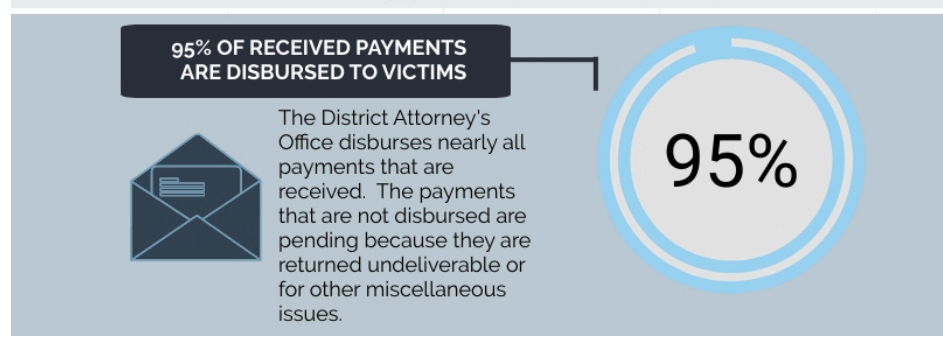
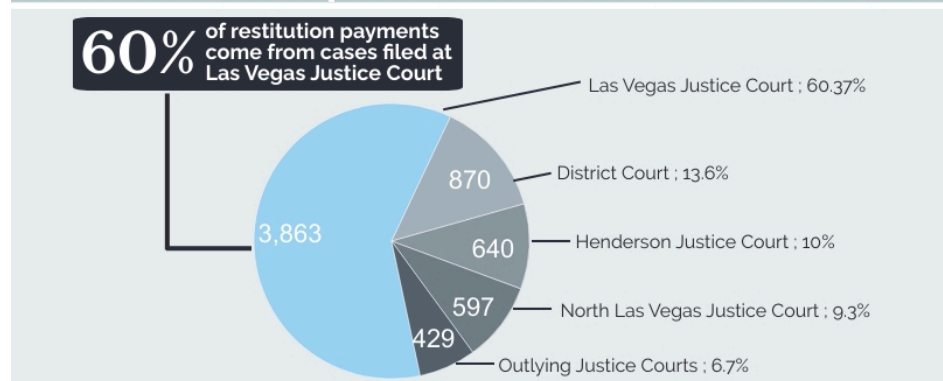
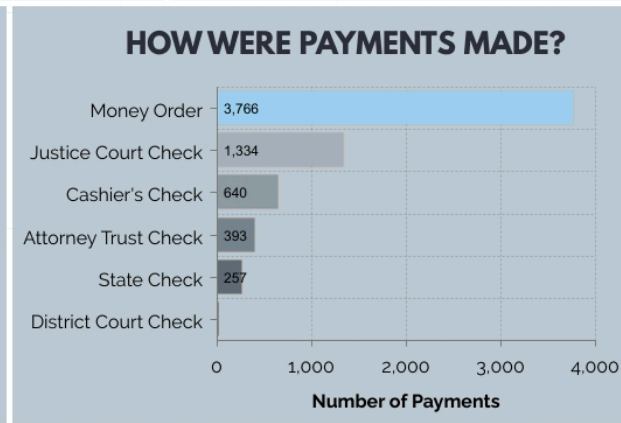
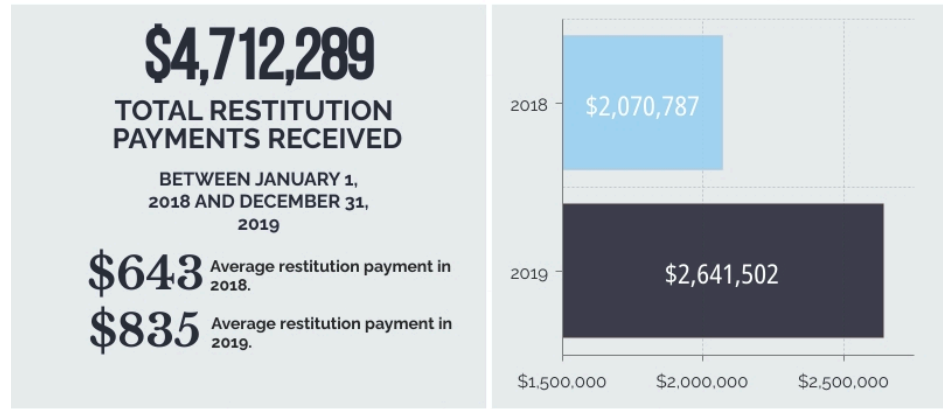
The restitution application captures basic user data such as username and date/time payments were entered - it also generates payment receipts that are provided to persons paying restitution as proof of payment.

The application has limited reporting and financial management capabilities and does not interface with any other case management systems or court applications.

For calendar years 2018 and 2019, the District Attorney's Office received \$4.7M in restitution payments, per data pulled from the restitution application. Exhibit 3 illustrates some key details.

Exhibit 3: A Two-Year Look at Restitution Payments Received by the District Attorney's Office

2018-2019



Source: Auditor Prepared Using Restitution Application Data

Under NRS 4.3755, If after a good faith effort, a justice court or county that has collected restitution is unable to locate a victim ordered to be paid restitution, then the funds are to be deposited in a fund for the compensation of victims created by the District Attorney's Office - an account for this purpose was approved by the Board of County Commissioners on October 6, 2015.

Strong controls are needed to ensure received restitution payments are forwarded to victims of crime in a timely and accurate manner. Furthermore, strong controls improve the accountability of these payments.

Scope and Objectives

This audit was performed at the request of the District Attorney's Office after discovery of unprocessed restitution payments attributed to a former employee.

The objectives of this audit were to:

- Assess the scope and impact of the former employee's failure to process restitution payments;
- Review the District Attorney's Office practices and procedures for managing criminal restitution payments to identify improvements and measure compliance with any applicable statutes or provisions for criminal restitution payments; and
- Assess the propriety of having the District Attorney's Office process criminal restitution payments in light of the recently expanded Victim's Bill of Rights.

Our procedures considered the period of February 1, 2018 through December 31, 2019. The last day of fieldwork was January 19, 2021.

Methodology

To accomplish our objectives, we conducted a preliminary survey that included reviewing applicable policies, procedures, and statutes. We also interviewed staff and performed a walkthrough observation of the District Attorney's Bad Check Diversion Unit and Las Vegas Justice Court, Finance Division to obtain an understanding of the restitution payment workflow and controls in place over the payments. We also interviewed staff and management at the Bad Check Diversion Unit to better understand the scope and circumstances by which a former employee did not process restitution payments.

Based on the risks identified during our preliminary survey and discussions with staff, we developed an audit program and performed the following testing procedures:

- Identified current business practices and controls over criminal restitution payments at the Bad Check Diversion Unit and evaluated them against best practices for payment handling, safeguarding, and general financial management.
- Reviewed all stale and undeliverable criminal restitution payment instruments (*485*) in custody of the District Attorney's Office to determine whether the instruments are still negotiable, the reason for not being processed, potential disposition, potential loss and any due diligence performed.
- Reviewed all (*68*) restitution payments that were received by a former employee but were not fully processed, to determine whether the payments were subsequently processed in their entirety.
- Reviewed newly implemented controls at the Bad Check Diversion Unit to determine whether those controls would reasonably prevent any future restitution payments from going unprocessed.
- Used professional judgement to select 60 stale payment instruments out of 485 in custody of the District Attorney's Office for further review to determine whether the payment issuer had escheated the funds to the State Treasurer and the instrument could be discarded.
- Used statistical sampling to select 71 restitution payments received by the Bad Check Diversion Unit in calendar year 2019 (*out of 3,170*) to determine whether the payment was forwarded to the correct victim within 30 days of receipt.
- Used professional judgement to identify and select 71 restitution payments (*out of 3,170 total payments in 2019*) corresponding to criminal cases filed after November 27, 2018, the effective date of the Victims Bill of Rights. Then traced each payment to the originating criminal case to determine whether restitution was paid before court ordered fines and fees, in accordance with the Victims Bill of Rights.
- Reviewed the District Attorney's Office current practices and procedures to determine whether unclaimed criminal restitution payments are being deposited in a fund for compensation of victims of crime, after due diligence has been performed, in accordance with NRS 4.3755.
- Reviewed the criminal restitution computer application's security controls to determine whether password parameters, user access management,

user rights and audit log capabilities and usage are in accordance with County Information Technology Directives.

- Used professional judgement to select 25 criminal restitution payments that were recently returned as undeliverable (*out of 241 payments returned to the Office between February 1, 2018 - December 31, 2019*) for review to determine whether adequate due diligence was documented and performed in order to deliver the payment to the corresponding victim of crime.
- Used professional judgement to select 25 criminal restitution payments received between calendar year 2018 and 2019 (*out of 6,399*) to determine whether the payment details in the criminal restitution application were in agreement with the scanned payment instrument.
- Used statistical sampling to select 71 restitution payments received by the Bad Check Diversion Unit in calendar year 2019 (*out of 3,170*) for review to determine whether the cumulative restitution collected and disbursed exceeded the amount ordered by the judge preceding in the originating criminal case.

While some samples selected were not statistically relevant, we believe they are sufficient to provide findings for the population as a whole.

Our review included an assessment of internal controls in the audited areas. Any significant findings related to internal control are included in the detailed results.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our department is independent per the GAGAS requirements for internal auditors.

Conclusions

Overall, the District Attorney's Office, Bad Check Diversion Unit is receipting and forwarding criminal restitution payments in a timely and accurate manner. The Bad Check Diversion Unit is performing detailed due diligence to locate victims when payments are returned as undeliverable.

We found that the unprocessed restitution payments, which prompted this audit, were all accounted for and were a result

of an employee who failed to perform their duties, and not a result of fraud or misappropriation. We believe the Bad Check Diversion Unit has implemented adequate controls to better monitor incoming restitution payments and reduce the risk of this event reoccurring.

We did identify some weaknesses and concerns. We found that the District Attorney's Office does not have the means to deposit undeliverable and unclaimed restitution payments into the bank account used to assist victims of crime, as required by NRS, which results in the Office holding stale payment instruments that have lost value.

Further, we believe the countywide criminal restitution workflow can be improved to deliver a better customer experience and adherence to statutes, but limited resources make this a difficult undertaking. Lastly, we found some minor control weaknesses and recommendations for improving application controls.

Each finding includes a ranking of risk based on the risk assessment that takes into consideration the circumstances of the current condition including compensating controls and the potential impact on reputation and customer confidence, safety and health, finances, productivity, and the possibility of fines or legal penalties.

Auditee responses were not audited, and the auditor expresses no opinion on those responses.

Findings, Recommendations, and Responses

Undeliverable Restitution Payments Cannot Be Deposited into the Victim Assistance Account as Required by NRS, And Some Payment Instruments Have Now Lost Value (High)

As mentioned in the background section of this report, the District Attorney's Office requires criminal restitution payments to be made payable to the victim named in the originating criminal case restitution order using certified funds. This allows the Office the ability to forward the same exact payment instrument received to the victim of crime in a timely manner, bypassing the need for a dedicated processing bank account - which the Office currently does not have and may not have the ability to manage due to limited staffing. *NOTE: The Office has a Board approved imprest bank account for assisting victims of crime and witnesses, but the resolution that established the account has specific usage requirements for the account.*

Because restitution payment instruments are only negotiable by the named payee (*victim of crime*), we found that restitution payments cannot be deposited into the Office's

victim assistance fund when payment is undeliverable and the victim is not able to be located, as required by NRS 4.3755, which states:

“NRS 4.3755 Restitution paid by defendant convicted of misdemeanor: Collection; disbursement.

3. If a justice court or county that has collected money for restitution pursuant to subsection 1 cannot, after a good faith effort, locate the person named in the order, it shall deposit the money in a fund for the compensation of victims of crime created by the office of the district attorney of the county in which the court is located.”

Conversely, because delivery of restitution payments is the only disposition option available to the Office, when these payment instruments are not able to be successfully delivered to the victim of crime, they remain in custody and can eventually become stale as the Office attempts to locate the victim.

The Office Has Some Undeliverable Payment Instruments That Are Now Stale

We found that the Office is in custody of 485 criminal restitution payment instruments where the payment cannot be delivered. These undeliverable payment instruments have a total face value of \$255,345.02 and stem from the time when the District Attorney’s Office, Victim Witness Assistance Center was processing restitution payments.

Various factors impacted the ability to successfully deliver the aforementioned payments, including:

- Incorrect victim address resulting in returned mail with no correct address able to be identified;
- Failure of defendant to provide additional information requested by the Office;
- Payments rejected by recipient;
- Deceased victim;
- Incorrect international address resulting in returned mail with no correct address able to be identified;
- Failure of victim to alert the Office of new address and thus address on file is now stale; and
- Other miscellaneous reasons.

The average face value of the undeliverable payment instruments is \$538 - 286 out of the 485 (59%) are payable to an individual, 105 (22%) are payable to a business and 85 (18%) are payable to another government agency. The majority of the instruments (442 or 91%) have a face value less than \$1,000.

Overall, these undeliverable payments represent a small percentage of the total payments received by the Office over the same time period. We believe reasonable due diligence has been performed to deliver these payments and continues to be reasonably performed.

The 485 payment instruments are broken down by type and possible current status as follows:

- **299 Money Orders with a face value of \$91,725.19**
Some money order issuers will reduce the value of the money order over time via service fees to the point where all value is eventually lost. This includes Western Union and MoneyGram. United States Postal Service Money Orders do not expire and do not depreciate in value. As of July 1, 2020, there are 197 MoneyGram and Western Union money orders, with an average age of 86 months (or 7 years) and 40 United States Postal Service money orders. The rest of the money orders (62) are from various financial institutions with an average age of 97 months (or 8 years). We believe it is highly likely other financial institutions have similar policies as MoneyGram and Western Union in which their money orders lose value over time. In Nevada, unclaimed money orders, at their residual value (*if any*) are escheated to the State Treasurer after 7 years.
- **59 Cashier's Checks with a face value of \$93,444.42**
Financial institutions each have different rules for unclaimed cashier's checks. Generally, some major financial institutions will automatically refund the cashier check amount to the account holder after a set time period (*if the purchaser has an account with the institution*). Others will escheat the funds to the State Treasurer where the instrument was issued. In Nevada, the escheatment period for cashier's checks is 3 years. The average age of all cashier's checks on hand, as of July 1, 2020 is 80 months (or 6.6 years).
- **57 Checks drawn from various Clark County Courts imprest accounts with a face value of \$29,538.84**
The average age of these checks as of July 1, 2020 is 48 months (or 4 years). It is likely these checks were designated as abandoned by the various courts as government agencies identify unclaimed checks every year in accordance with NRS 120. Once identified as abandoned, the courts likely escheated to the State Treasurer or directly to the District Attorney's Office for benefit to the victim assistance account.

- **37 Business Checks drawn from attorney trust accounts with a face value of \$37,596.66**
The average age of these instruments as of July 1, 2020 is 107 months (or 8.9 years). Business checks are considered abandoned after 3 years and must be remitted to the State Treasurer in accordance with NRS 120. It is undeterminable whether the various criminal defense attorneys that drew these checks are adhering to NRS 120. However, attorneys are bound by ethical principles.
- The other instruments are either personal checks or business checks with a face value of \$8,634.73.

Some Undeliverable
Restitution Payment
Instruments Have Lost Value
or Have Been Escheated

In summary, the undeliverable payment instruments have either lost some or all face value, and/or one of the following actions occurred: the purchaser received a refund from the issuing financial institution; the issuing financial institution escheated the payment funds to the State Treasurer where the instrument was purchased; the issuing County Court escheated to the State Treasurer; the payor's account was never withdrawn or in the case of United States Postal Service money orders the instrument is still valid but the chances of locating the payee are low. Because of these different variables, we cannot conclude on an exact dollar amount that the Office's victim assistance fund has gone without.

By not having an alternative payee, undeliverable restitution payments are not able to be deposited into the victim assistance fund (*after due diligence efforts have been exhausted*) and may lose value while remaining in custody of the Office.

Recommendation

- 1.1 Clark County District Attorney's Office should require all restitution payments include the victim fund as an alternative payee on restitution payment instruments. This will allow undeliverable restitution payments to be deposited into the victim fund after reasonable due diligence to locate the victim has been performed. *[NOTE: this was an interim recommendation provided before issuance of this report]*
- 1.2 Clark County District Attorney's Office should inform all County Courts of new payee requirements and request they update their restitution payment postings, accordingly. *[NOTE: this was an interim recommendation provided before issuance of this report]*
- 1.3 Office should draft policies that address how to handle any future claims for a previously undeliverable victim

restitution payment. The policies should include what procedures to perform to reasonably verify whether the original payment instrument was indeed not delivered, whether the original instrument was escheated by the issuer, procedures to verify claimant is the named payee and procedures on how to request the payment, including funding source.

Management Response

- 1.1 Effective June 01, 2021, Clark County District Attorney's Office will only accept payments from all County Courts which include the CCDA Victim Witness as an alternative payee on restitution payments instruments.
- 1.2 On March 19, 2021, Clark County District Attorney's Office notified Las Vegas Justice Court, Clark County Public Defender, Clark County Special Public Defender, Clark County Office of Appointed Counsel, and Nevada Attorneys for Criminal Justice of the requirement to use this payee designation.
- 1.3 The Office has created and implemented Bad Check Unit Undelivered Restitution Policy (pre-03/01/2021), Bad Check Unit Undelivered Restitution Policy (03/01/2021 and after), and Bad Check Unit Returned Restitution Policy.

Countywide Restitution Payment Process Could Be Improved (Medium)

While the District Attorney's Bad Check Diversion Unit maintains a 95% success rate in delivering restitution payments to victims of crime, we believe that the Countywide restitution payment process could be improved in an effort to deliver a better customer experience, maintain public trust, improve financial management and improve adherence to Nevada's Victims Bill of Rights. Details are as follows:

No Centralized Restitution Balance Tracking

Criminal restitution is sometimes paid in installments. Knowing the remaining balance is useful for criminal case status hearings where restitution is ordered and is a condition of a suspended sentence. The outstanding balance is also sometimes information that is requested by defendants and/or their legal counsel.

We found that there is currently no automated process for formulating the restitution balance outstanding on a criminal case. Rather, this information is computed using information from two sources. Specifically, restitution balance is generated by manually comparing restitution ordered, per the case docket, with payments logged in the District Attorney's restitution application. Alternatively, defendants can produce proof of payments as evidence of their balance which can then be cross referenced to the restitution application.

This limitation is a result of the various county courts' judicial case management systems not interfacing with the District Attorney's restitution payment application.

The current process for generating the outstanding restitution balance on a criminal case increases the risk of human calculation errors and can result in inaccurate information being reported to information users (*i.e. parties to the case and judges*). It also increases the time spent generating the balance. Further, it increases the risk that payment receipts could be forged. Lastly, it reduces the customer experience as users of this information have to obtain information from two separate sources.

During our testing of 71 criminal cases where restitution was ordered, we found 1 case where restitution was over collected. This was a result of the District Attorney receiving an additional restitution payment due to a clerical error by the originating court - this error was eventually corrected by the court. This was not a shortcoming by either the District Attorney's Office or the originating court, rather an illustration of the limitation currently in place.

District Attorney's Office Does Not Have Bank Account to Process Restitution Payments Received

As previously mentioned, the Bad Check Diversion Unit does not have a bank account to process criminal restitution payments received. Restitution payments are forwarded to victims exactly in the form received [*NOTE: Staff does work with payors to ensure correct information is written on the payment instrument*].

Not having a bank account hinders the financial management of restitution payments received by the District Attorney's Office. This includes not being able to void or modify erroneous payments; cancel a payment once mailed; verify that delivered payments were deposited; and accept cash or credit card payments.

Because cash and credit card restitution payments are not accepted by the District Attorney's Office, defendants must obtain third party money orders or cashier checks outside of court to make a restitution payment. We believe this creates a barrier for prompt payments and reduces customer service.

District Attorney Victim Assistance Account Benefiting from Undeliverable Restitution Payments, Creates the Impression of a Conflict of Interest

The District Attorney's Office is the eventual steward of restitution payments received - responsible for forwarding received payments to victims of crime and for performing due

diligence efforts when payments cannot be delivered. When restitution payments cannot be delivered, after reasonable due diligence is performed, they are to be deposited into the Office's victim assistance account. We believe this arrangement creates the impression of a conflict of interest. This impression could adversely affect the reputation of the Office.

In practice, any actual conflict of interest is mitigated because the victim assistance account is managed by the Office's Victim Witness Assistance Center and payments, along with due diligence efforts, are managed by the Bad Check Diversion Unit. Nonetheless, these details may not be known to the general public.

Compliance with Marsy's Law is Dependent on Manual Controls

Victim restitution is to be paid ahead of court fines and fees in accordance with Article 1, Section 8A of the Nevada Constitution, 'Marsy's Law.'

Because the various case management systems utilized by County courts do not interface with the District Attorney's restitution application, we found that the courts have to rely on manual processes to determine whether restitution has been paid prior to accepting a fine/fee payment. This can include reviewing court minutes, calling the District Attorney's Office, relying on customer provided payment receipt and/or verbal customer confirmation.

Manual controls can sometimes fail resulting in their objectives not being met. In this case, it would result in a fine or fee payment being accepted ahead of victim restitution outside the requirements set by Marsy's Law. Further, manual controls can be more labor intensive than automated controls. Lastly, the current process increases the risk that staff may not confirm whether fines/fees were paid ahead of restitution.

During our testing of 71 restitution payments received during the audit period, we found 5 instances where the judicial fee was paid ahead of the criminal restitution.

Overall, we believe that creating a process where defendants are able to pay restitution, judicial fines and fees at the court where their criminal case is heard, would enhance the County's service delivery, improve restitution financial management, and reduce the risk of non-compliance with the Victims Bill of Rights.

Recommendation

2.1 The District Attorney's Office should work with the Courts to transfer collection and delivery of restitution back to the Court so that defendants have one place to pay fees and restitution. This will enable the Courts to track when collected funds should be applied to restitution or fees and when a case should be closed after all payments are made.

The Courts should forward unclaimed criminal restitution to the District Attorney Victim Witness Fund as required.

Management Response

2.1 The District Attorney's Office has had numerous conversations with the Las Vegas Justice Court upon learning of this finding with an eye to returning restitution collection and delivery to the Court. Both Las Vegas Justice Court and the District Attorney's Office are committed to finding a workable solution, but it is recognized the Court must first resolve some of the financial challenges it is currently facing. Both justice partners will continue to remain engaged on this topic with the aspirational goal of having the matter fully resolved within the next eighteen months.

District Attorney's Restitution Application Has Limited Capabilities (Low)

The District Attorney's Office restitution computer application is a database with a front-end user interface to enter and retrieve records. This application is self-supported and was created internally as a solution for recording restitution payments received. The application's database contains basic payment details, payor information and victim information.

We found that the application performs well in logging restitution payments but has limited functionality beyond this. Specifically, the following issues were identified:

- **No Access Logs or Event Monitoring:** The application does not monitor for suspicious or high-risk events. As such, events such as payment deletion, inaccurate receipt generation or data errors have limited monitoring.
- **Limited Financial Reporting:** Currently the only information that users can generate is a listing of payments received by defendant with a sum total and pertinent details. Additional information would need to be created via a custom query of the database records.

We rated this finding low because the application serves the needs of the Office but could be improved. However, such improvements may not be feasible. Further, the Office is in the process of evaluating a new case management application to replace the current system, which is ending support in 2021. This new application may include a component for managing restitution payments.

Recommendation

3.1 Confirm whether the application can be enhanced to meet Clark County Information Technology Directive Number 1. If not, submit a request for exception to the Clark County IT Department.

Management Response

3.1 The Office restitution application has been enhanced to meet Clark County Information Technology Directive 1.

A new logging table has been added to the restitution database. Triggers have been implemented to log each Add, Update and Delete operation. The logging includes: all the information and before and after for the update options and identifies the date/timestamp and who executed the operation.

The Restitution report has been modified to log when a query is made using the report. The application does not have access to various Courts' payment database records thus it is not able to generate a report of listing of payments received with sum total and pertinent details.

Restitution Payments Pending Processing Should Be Logged and Policies Should be Documented (Low)

At the onset of our audit we found that the District Attorney's Bad Check Diversion Unit did not maintain a log of received payments (*both via mail and at the front counter*) that had not been processed into the restitution application. Without a log, it was not possible for management to identify whether received payments had indeed been processed. Upon notification, the Bad Check Unit implemented a log to document all received payments, pending processing.

We also found that the Bad Check Diversion Unit has policies and procedures in place for handling restitution payments. However, that while these policies and procedures are generally known amongst staff, they are not documented.

Established and documented policies and procedures allow for enhanced performance measurement of internal control and consistency within job functions. Documented procedures allow for all employees to understand and follow policies and can be helpful during staffing changes.

Recommendation

- 4.1 Document policies and procedures for victim restitution payments as they relate to each specific job function and update as needed.
- 4.2 Distribute updated policies and procedures to appropriate personnel and make them available as a resource in a location available to all employees.

Management Response

- 4.1 The Office has created and implemented Bad Check Unit Victim Restitution Policy.
- 4.2 The Bad Check Unit Restitution Payment Policy has been provided to Unit personnel and is available as a resource in a location available to all employees.